

Special Notice

Intended audience: retailers and nonresident consumers

Aug. 9, 2019

Change to the advertising deduction for radio and television broadcasting

Effective July 28, 2019, the deduction calculation for network, national, and regional advertising revenues changed. Radio and television broadcasting stations will be offered two options for computing the deduction:

- **standard deduction**, once published by the Department of Revenue
- **itemized deduction**, excluding the network, national, and regional advertising revenue

Broadcasting stations must also exclude the portion of revenue from their out-of-state audience, which is calculated as a ratio to the broadcasting station's total audience.

How is the station's audience measured?

The following minimum signal strength contours are used to determine a broadcasting station's audience area:

- AM radio: .5 millivolt/meter signal strength contour
- FM radio: 1 millivolt/meter or 60 dBu signal strength contour
- television:
 - Channels 2-6: 28 dBu signal strength contour
 - Channels 7-13: 36 dBu signal strength contour
 - Channels 14-69: 41 dBu signal strength contour

When will the standard deduction be published?

The first standard deduction will be published by Sept. 30, 2020. Moving forward, the standard deduction

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will be updated every five years on Sept. 30. Until the standard deduction is published, broadcasting stations must continue to itemize their deduction. Once the standard deduction is published, they may choose whether to use the standard deduction or to itemize.

The standard deduction is based on the national average of network, national, and regional advertising revenue as reported by the United States Census Bureau's Economic Census.

More information

[House Bill 2035](#)

Questions

Call 360-705-6705 with tax questions.

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