Encourage Diversity in Broadcasting: Reinstate the Tax Certificate Program

The issue:
The National Association of Broadcasters (NAB) has consistently promoted initiatives aimed at improving diversity in broadcasting and creating new opportunities for women, people of color and other underrepresented communities. Through the NAB Leadership Foundation, we offer numerous professional development programs and initiatives that enable leaders at every level to succeed in broadcasting. In particular, we are committed to ensuring station managers, senior executives and owners are as diverse as the communities they serve. The NAB Leadership Foundation’s Broadcast Leadership Training program has a strong track record of preparing women and people of color to purchase or run radio and television stations. But the most impactful program to expand diversity in broadcast ownership—the Minority Tax Certificate Program—was eliminated by Congress in 1995. Broadcasters support legislation to reinstate this successful program and to eliminate barriers that prevent ownership of local TV and radio stations by underrepresented individuals.

Here’s why:
In 1978, the Federal Communications Commission (FCC) established the Minority Tax Certificate Program, which provided a tax incentive to those who sold their majority interest in a broadcast station to minorities. From 1978 to 1995, the program was highly effective in leveling the playing field for underrepresented broadcasters, increasing minority ownership in broadcast stations by more than 550 percent.

Unfortunately, Congress repealed this program in 1995. Broadcasters opposed this repeal because of the program’s dramatic and positive impact on increasing ownership of broadcast stations for people of color. The tax certificate has proven to be an effective mechanism for bringing more people of color into station ownership and should be reinstated.

Earlier this year, the Expanding Broadcast Ownership Opportunities Act of 2019 was introduced in both the House and Senate to bring back the tax certificate. In the House, Rep. G.K. Butterfield (NC-01) introduced H.R. 3957 and in the Senate, Sen. Gary Peters (MI) introduced S. 2433. By reinstating the Tax Certificate Program at the FCC, these bills would encourage investment in broadcast station ownership for women and people of color and dramatically help underrepresented voices realize their dreams of radio and television station ownership.

In addition to NAB’s support, the Expanding Broadcast Ownership Opportunities Act has the backing of the Multicultural Media, Telecom and Internet Council (MMTC) and the National Association of Black Owned Broadcasters (NABOB).

The bottom line:
Congress should pass the Expanding Broadcast Ownership Opportunities Act of 2019 to ensure owners of broadcast stations are as diverse as the communities they serve.