

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF LEADER) CASE NO. GNR-T-17-11
COMMUNICATIONS, LLC APPLICATION)
FOR AN INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND) ORDER NO. 33945
EQUIPMENT)

On November 6, 2017, Leader Communications, LLC (the “Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an Order confirming that equipment it installed in 2014, 2015, and 2016 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE APPLICATION

In its Application, the Company stated that it invested approximately \$37,792 in 2014, approximately \$60,006 in 2015, and approximately \$82,383 in 2016, in qualifying broadband equipment. *See* Amendment to Application at 26. The Company stated it installed equipment related to the provision of broadband Internet “via wireless microwave and some . . . fiber optics” in Benewah, Latah and Kootenai counties. Application at 1. The Company claimed data transmission “from 2.0 mbps download and 1 mbps upload all the way up to 500 mbps full duplex in areas” which exceeds the required rates of 200,000 bits per second to a subscriber and 125,000 bits per second from a subscriber. *Id.* The Company further asserted that 100% of its Idaho subscribers have access to its broadband network and that the equipment it installed in 2014-2016, as detailed in its Application and Amendments, is qualifying broadband equipment integral to its broadband network. *Id.* at 3.

THE BROADBAND EQUIPMENT TAX CREDIT

Idaho Code § 63-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is “qualified broadband equipment” as defined in the statute. *Idaho Code* § 63-3029I(4). The statute defines “qualified broadband equipment” as equipment that: (1) qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is capable of transmitting signals at a rate of at least [200,000 bps] to a subscriber and at least [125,000 bps] from a

subscriber” (*Idaho Code* § 63-3029I(3)(b)); and (2) is “primarily used to provide services in Idaho to Idaho public subscribers.” *See Idaho Code* § 63-3029I(3)(b)(vii). Further, in “the case of a wireless carrier, such qualifying equipment is only that equipment that extends from a transmitting/receiving antenna, including such antenna, which transmits and receives signals to or from multiple subscribers to a transmitting/receiving antenna on the outside of the structure in which the subscriber is located.” *Idaho Code* § 63-3029I(3)(b)(iv).

In furtherance of its statutory responsibility, the Commission has issued Order No. 28784.¹ That Order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, the Commission Staff reviews it to determine whether the listed equipment meets the statutory definition of “qualified broadband equipment.” Staff then submits a recommendation to the Commission. If the Commission ultimately approves the application, then the Commission forwards it and the Order to the Idaho State Tax Commission.

STAFF REVIEW

Staff reviewed the Company’s Application under *Idaho Code* § 63-3029I. Based on its review, Staff believes that the Company is a wireless carrier and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended the Commission: (1) issue an Order confirming that the Company’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and Order to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. The Company is a wireless carrier and the listed equipment extends from a transmitting/receiving antenna that transmits and receives signals to or from subscribers to an outside transmitting/receiving antenna. Accordingly, it is appropriate for the Commission to issue an Order confirming that the Company’s equipment is “qualified broadband equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

¹ The Commission issued Order No. 28784 pursuant to *Idaho Code* § 63-3029I(4), which empowers the Commission to “issue procedural orders necessary to implement” *Idaho Code* § 63-3029(4).

ORDER

IT IS HEREBY ORDERED that the Company's Application seeking an Order confirming that it has installed qualified broadband equipment in Idaho during the 2014, 2015, and 2016 calendar year(s) are granted.

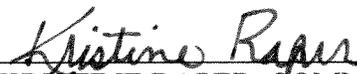
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

THIS IS A FINAL ORDER. Any person interested in this order (or in issues finally decided by this order) may petition for reconsideration within twenty-one (21) days of the service date of this order with regard to any matter decided in this order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code §§ 61-626 and 62-619.*

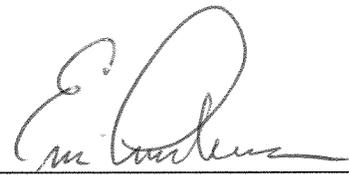
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{11th} day of December 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary