

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF CENTURYTEL OF)	CASE NO. CEN-T-23-02
IDAHO, INC.’S APPLICATION FOR THE)	
2022 BROADBAND EQUIPMENT TAX)	
CREDIT)	ORDER NO. 36215
)	

On December 27, 2023, CenturyTel of Idaho, Inc., (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment it installed in 2022 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (income tax credit for investment in broadband equipment) (“Application”). With this Order, we deny the Company’s Application. The Company failed to provide sufficient and required information for the Commission to find that the installed equipment in question is “qualified broadband equipment” in accordance with Commission Order No. 35297.

THE APPLICATION

The Company asserted it made certain investments that constituted qualified broadband equipment. *See Idaho Code* § 63-3029I(3)(b). Specifically, the Company stated that its net investment in qualifying broadband equipment in 2022 was \$517,170. The Company indicated that its lowest transmission rates were 500,000 and 250,000 bits per second (“bps”) for downloads and uploads, respectively. The Company further indicated that approximately 94% of its Idaho subscribers had access to the broadband network in 2022. Finally, the Company stated that it believed that the equipment listed in its Application was necessary to the provisioning of broadband service and qualified the Company for the broadband tax credit under *Idaho Code* § 63-3029I.

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 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 and “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 public subscribers. *See Idaho Code* § 63-3029I(3)(b)(vii). In “the case of a telecommunications carrier, such qualifying equipment shall be necessary to the provision of broadband service and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i).

In furtherance of its statutory responsibility, the Commission issued Order No. 28784.¹ That Order specifies the information the taxpayer must include in the broadband tax credit application. In 2021, in Case No. GNR-T-21-10, the Commission modified the informational requirements set forth by Order No. 28784. *See* Order No. 35297. In this order, the Commission stated that a qualifying applicant would need to “[p]rovide a specific list of the equipment or types of equipment that the applicant is requesting that the Commission determine is ‘qualified broadband equipment’ as defined in *Idaho Code* § 63-3029I(3)(b).” Order No. 35297 at 6. Additionally, Order No. 35927 stated that a compliant applicant would need to “[l]ist the brand, manufacturer, model numbers, of the installed equipment, number of items, and total cost.” *Id.*

When an applicant files an application requesting the tax credit in question, Commission Staff (“Staff”) reviews it to determine whether the listed equipment meets the definition of “qualified broadband equipment” in accordance with Commission mandates. 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 and previous Commission orders. Based on its review, Staff was unable to determine whether the listed equipment met the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. In its May 14, 2024, Decision Memorandum, Staff thus recommended the Commission deny the Company’s Application. Staff stated that the Company repeatedly failed to respond to audit requests and its Application was not in compliance with the requirements of Order No. 35297. Staff argued the Company had failed to provide required information about the equipment, including the brand, model number, and manufacturer. Staff described a timeline of repeated requests from Staff to the Company seeking this information. Despite Staff’s efforts, the necessary information was never provided by the Company. Therefore, Staff recommended a denial of the

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” the statute.

Application. Staff stated that the Company could resubmit a new application after it made sufficient efforts to ensure that such an application would be compliant with Commission standards.

COMMISSION FINDINGS

Having reviewed the Company’s Application and Staff’s recommendations, we find the Company’s Application failed to properly describe the broadband equipment in question—thus failing to comply with the requirements of Order No. 35927. Accordingly, it is inappropriate for the Commission to issue an order confirming the Company’s equipment is “qualified broadband equipment” in compliance with Order No. 35927. The Company’s Application is denied. As noted by Staff, the Company may bring this matter to the Commission when the Company can provide the required information.

ORDER

IT IS HEREBY ORDERED that the Company’s Application for an order confirming that equipment it installed in 2022 is “qualified broadband equipment” is denied.

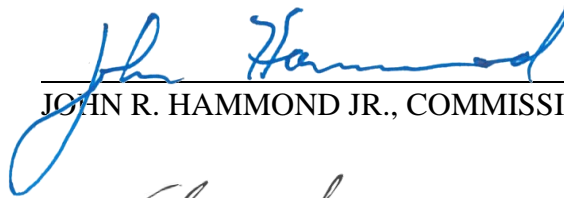
THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order about any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition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

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DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 6th day of June 2024.



ERIC ANDERSON, PRESIDENT

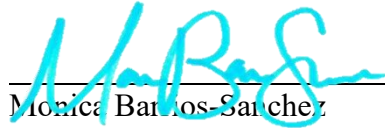


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barros-Sanchez
Commission Secretary

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