

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF CUSTER TELEPHONE) BROADBAND SERVICES LLC’S) APPLICATION FOR THE 2023) BROADBAND EQUIPMENT TAX CREDIT)))	CASE NO. CTB-T-24-01 ORDER NO. 36198
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On March 25, 2024, Custer Telephone Broadband Services LLC (“Company”) applied for an order confirming that equipment it installed in 2023 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (“Application”). With this Order, we confirm that the installed equipment identified in the Application is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE APPLICATION

The Company asserted that it provides basic local exchange service, broadband telecommunications service, and other telecommunications services in Idaho. The Company represented that the transmission rate of its broadband network to its lowest subscribed rate is 512 Kilobytes (“Kb”) per second to the subscriber, and 128 Kb from the subscriber. The Company stated that its lowest advertised rate is 10 Megabytes (“Mb”) per second to a subscriber, and 1 Mb per second from a subscriber. The Company stated that its highest advertised rate is 1 Gigabyte per second to a subscriber, and 200 Mb per second from a subscriber. The Company further indicated that it served 1,950 customers out of an estimated 3,100 possible customers in Salmon, Idaho.

The Company disclosed that it invested approximately \$1,502,924.49¹ in “qualifying broadband equipment” during 2023 eligible for the investment tax credit authorized by *Idaho Code* § 63-3029I. Finally, the Company certified the equipment listed in its Application “qualifies for the 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

¹ Staff’s decision memorandum in the case indicates that the Company disclosed that it invested approximately \$21,502,924.49. This is a typographical error. The Application indicates that the Company invested only \$1,502,924.49.

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. 28784.² That order specifies the information the taxpayer must include in the broadband tax credit application. In Case No. GNR-T-21-10, the Commission modified the informational requirements set forth by Order No. 28784. *See* Order No. 35297.

When the taxpayer applies, Commission Staff (“Staff”) reviews the application 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 believed that the equipment listed in the Company’s Broadband Equipment List 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 recommendations, we find the Company’s equipment identified in Case No. CBT-T-24-01 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. Accordingly, it is appropriate for the Commission to issue this Order confirming the Company’s equipment is “qualified broadband

² 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.

equipment.” The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

ORDER

IT IS HEREBY ORDERED that the Company’s Application for an order confirming that equipment it installed in 2023 is “qualified broadband equipment” is granted.

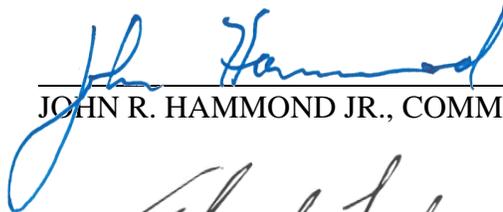
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

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 regarding any matter decided therein. 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 29th day of May 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barnes-Sanchez
Commission Secretary

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