

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FILER MUTUAL) CASE NO. FIL-T-22-01
TELEPHONE COMPANY’S 2021)
BROADBAND EQUIPMENT TAX CREDIT) ORDER NO. 35526
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On April 5, 2022, Filer Mutual Telephone Company (“Filer Mutual” or “Company”) filed an application seeking Commission approval for certain telecommunications equipment, installed during the calendar year 2021, to be eligible for the broadband infrastructure tax credit authorized by *Idaho Code* Section 63-3029I. On August 26, 2022, the Company submitted an amended application (“Application”) to comply with the new requirements of Commission Order No. 35297, which superseded Commission Order No. 28784.

In the Application, Filer Mutual represented that it was a communications carrier that offered broadband services to its customers including Asymmetric Digital Subscriber Line (“ADSL”), High-bit-rate digital subscriber line (“HDSL”), Wireless Broadband (“WBB”), and Fiber To The “x” (“FTTX”). The Company represented that over the past several years it has been installing equipment and engineering projects with the sole purpose in mind to make broadband connectivity available to customers. The Company stated that it continued to deploy fiber to the node and FTTX and it was developing a fiber network that would have the ability to handle significant amounts of data. The Company represented that in 2021, it added 3 miles of fiber cable and duct. The Company stated that it is currently using Fujitsu and Adtran broadband carrier equipment for data and telephone backhaul. The Company disclosed that the broadband network data transmission rate it offers to its customers is 512 kilobits per second for downloads and 10 gigabits per second for uploads. The Company stated that these rates exceed the minimum statutory speed requirements under *Idaho Code* § 63-3029I. Additionally, the Company represented that it serves 3,784 Idaho customers with broadband service and the availability of those services to the Company’s total customer base has remained at 99% in the past year. The Company stated that in 2021 it invested \$1,008,704.91 in qualifying broadband equipment that the Company claimed is integral to its broadband network.

THE BROADBAND EQUIPMENT TAX CREDIT

In 2001, House Bill 377 was enacted authorizing income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B(3)(a)(ii). Section 63-3029I allows a taxpayer to receive an investment tax credit for eligible broadband equipment installed during a calendar year. Qualified broadband equipment is defined as “those network facilities capable of transmitting signals at a rate of at least 200,000 bits per seconds (bps) to a subscriber and at least 125,000 bps from a subscriber.” *Idaho Code* § 63-329I(3)(b). If the equipment is installed by a telecommunications carrier, it must also be “necessary to the provision of broadband services and an integral part of a broadband network.” *Idaho Code* § 63-3029I(3)(b)(i). To be eligible for the tax credit the taxpayer must obtain an order from the Commission confirming that the installed equipment meets the statutory definition of qualified broadband equipment. Commission Order No. 35297 and *Idaho Code* § 63-3029I(4). Once the Commission has determined the installed equipment is eligible for the broadband equipment tax credit, an order along with the original Application is forwarded to the Idaho Tax Commission.

STAFF REVIEW

Staff reviewed the Company’s Application under *Idaho Code* § 63-3029I and Order No. 35297. Based on its review, Staff believed the listed equipment met the statutory criteria and was “qualified broadband equipment” that was eligible for the tax credit. Staff recommended the Commission issue an order confirming that the Company’s equipment is “qualified broadband equipment,” and 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 identified in Case No. FIL-T-22-01 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. 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.

ORDER

IT IS HEREBY ORDERED that the Company’s Application for an order confirming that equipment it installed in 2021 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 may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding 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 9th day of September 2022.



ERIC ANDERSON, PRESIDENT

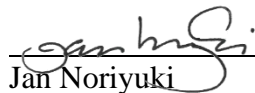


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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