

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FILER MUTUAL) CASE NO. FIL-T-23-01
TELEPHONE COMPANY’S APPLICATION)
FOR THE 2022 BROADBAND EQUIPMENT) ORDER NO. 35859
TAX CREDIT)
)

On June 1, 2023, Filer Mutual Telephone Company (“Company”), applied to the Idaho Public Utilities Commission (“Commission”) requesting determination that the equipment identified in the Application constituted qualified broadband equipment eligible for the income tax credit authorized in *Idaho Code* § 63-3029I.

In its Application, the Company represented that it offers “point-to-point and point-to-multipoint wireless, [Gigabit Passive Optical Network], [XGS Passive Optical Network], and active [Fiber to the Home] services to our customers.” Application.

The Company represented that the transmission rate of its broadband network ranges from 512 Kilobytes per second to 20 Gigabytes per second to a subscriber. The Company stated that these transmission rates are above the minimum statutory speed requirements pursuant to *Idaho Code* § 63-3029I.

The Company asserted that it serves 3,888 Idaho customers with broadband services. The Company represented that in 2022 it invested approximately \$2,531,679.72 in qualifying broadband equipment.

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 income 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 income 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; *Idaho Code* § 63-3029I(4). Once the Commission has determined the installed equipment is eligible for the income tax credit, the Commission will issue an order granting the application, and forward the order along with the original application 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: (1) issue an order confirming that the Company's equipment is qualified broadband equipment, and (2) forward copies of the Application and the order to the Idaho State Tax Commission.

COMMISSION FINDINGS

Having reviewed the Company's Application and Staff's recommendation, the Commission finds that the Company's equipment identified in Case No. FIL-T-23-01 is qualified broadband equipment eligible for the income tax credit under *Idaho Code* § 63-3029I. 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 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.

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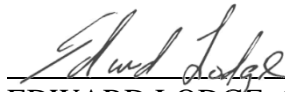
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 26th day of July 2023.



ERIC ANDERSON, PRESIDENT

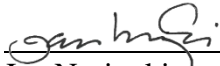


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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