

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FARMERS MUTUAL)	CASE NO. FMT-T-25-01
TELEPHONE COMPANY’S APPLICATION)	
FOR THE 2024 BROADBAND EQUIPMENT)	
TAX CREDIT)	ORDER NO. 36749
)	

On July 8, 2025, Farmers Mutual Telephone Company (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment the Company installed during 2024 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment) (“Application”). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE BROADBAND EQUIPMENT TAX CREDIT

In 2001, the Idaho Legislature enacted House Bill 377 authorizing an income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B. 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 two hundred thousand (200,000) bits per second to a subscriber and at least one hundred twenty-five thousand (125,000) bits per second from a subscriber.” *Idaho Code* § 63-3029I(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). The equipment must be primarily used to provide services to subscribers in Idaho to qualify for the credit. *Idaho Code* § 63-3029I(3)(b)(vii).

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 the Commission will forward the order and application to the Idaho Tax Commission.

THE APPLICATION

The Company stated that it provided basic local exchange services, broadband telecommunications services, and other telecommunications services in Idaho. Application at 1. The broadband services the Company offered customers include Fiber to The Home, Very High-Speed Digital Subscriber Lines, and Terrestrial Fixed Wireless where available. Application at Exhibit A.

The Company reported that the lowest broadband network data transmission rate offered to customers is 25 megabits per second (“Mbps”) to a subscriber and at least 3 megabits per second from a subscriber. *Id.* The Company confirmed that during 2024, it provided broadband services to 2,897 out of 4,565 available broadband customers. *Id.*

The Company asserted that the assets listed in Exhibit A to the Application constitute broadband equipment qualifying for a three percent broadband tax credit. *Id.* The Company reported that it invested \$968,962.19 in qualifying broadband equipment in 2024, which would amount to a 3% broadband tax credit totaling \$29,069. *Id.*

STAFF REVIEW

Commission Staff (“Staff”) reviewed the Company’s Application under *Idaho Code* § 63-3029I and Order No. 35297. Staff Memo at 2. Based on its review, Staff believed that the listed equipment met the statutory criteria and was qualified broadband equipment that was eligible for the tax credit. *Id.* 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. *Id.*

COMMISSION FINDINGS

Having reviewed the Company’s Application and Staff’s recommendations, the Commission finds that the Company’s equipment identified in Case No. FMT-T-25-01 is qualified broadband equipment eligible for the tax credit under *Idaho Code* § 63-3029I. The Commission makes no findings regarding the costs of the installed broadband equipment or other expenses.

ORDER

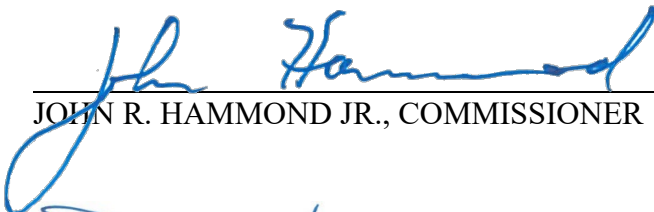
IT IS HEREBY ORDERED that the Company’s Application for an order confirming that equipment it installed in 2024 is qualified broadband equipment is granted.

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 of this Order regarding any matter decided herein. 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.*

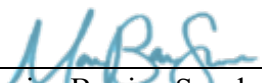
DONE by order of the Idaho Public Utilities Commission at Boise, Idaho this 5th day of September 2025.


EDWARD LODGE, COMMISSIONER


JOHN R. HAMMOND JR., COMMISSIONER


DAYN HARDIE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

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