

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF BLACKFOOT) CASE NO. FRC-T-21-01
COMMUNICATIONS, INC. DBA FREMONT)
COMMUNICATIONS APPLICATION FOR A)
2020 INVESTMENT TAX CREDIT FOR) ORDER NO. 35171
INSTALLING QUALIFIED BROADBAND)
EQUIPMENT)

On August 18, 2021, Blackfoot Communications, Inc. dba Fremont Communications (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment the Company installed in 2020 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment). With this Order, we confirm that the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE APPLICATION

The Company states that in 2020 its net investment in qualifying broadband equipment was \$20,058. *See* Broadband Equipment List attached to the Company’s Application. The Company asserts it made certain investments that constitute “qualified broadband equipment”. Application at 1. The Company states that its transmission rates are 768,000 bits per second (“bps”) to 100 million bits per second (“Mbps”) to the subscriber and 256,000 bps to 100 Mbps from the subscriber, and that this speed meets the requirements of *Idaho Code* § 63-3029I. *Id.* at 2. The Company also states that 83% of its regulated Idaho subscribers have access to the broadband network. *Id.* Finally, the Company confirms through its exhibits that the qualifying broadband equipment is an integral part of the broadband network. *See* Broadband Equipment List attached to the Company’s Application.

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 that 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 that “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). Further, 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 has issued Order No. 28784.¹ That order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, the Commission Staff (“Staff”) reviews it 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 and audited the list of proposed broadband equipment and believed the identified equipment qualifies for the investment tax credit pursuant to procedural Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Staff recommended the Commission issue an order confirming the equipment is qualified broadband equipment and forward the approving order and a copy of the Application to the Idaho 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. FRC-T-21-01 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 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 the Company installed in 2020 is “qualified broadband equipment” is granted.

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.

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 with regard to 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 20th day of September 2021.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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