

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF CABLE ONE, INC.’S) CASE NO. GNR-T-22-05
APPLICATION FOR AN INVESTMENT TAX)
CREDIT FOR INSTALLING QUALIFYING) ORDER NO. 35669
BROADBAND EQUIPMENT)
)

On October 28, 2022, Cable One, Inc., (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an order confirming that equipment it installed in 2021¹ 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’s Application (“Application”) claims the Company made certain investments that qualify for a broadband tax credit. Application at 1; *see Idaho Code* § 63-3029I(3)(b). The Company states that the installed equipment is necessary for providing broadband services, and that the equipment meets the requirements of *Idaho Code* § 63-3029I. Application at 1. The Company included a detailed description of the equipment in its Application.

The Company stated that its broadband network data transmission rate offered to customers is between 3 megabits per second (“Mbps”) and 200 Mbps. *Id.* The Company estimated that it could provide high-speed internet to 95% of its potential customers within its designated service area, and that 99.9% of those customers with the Company have access to its broadband network. *Id.* As of 2021, the total number of customers with the potential to be high-speed internet subscribers was 516,197. *Id.* The Company represented that, in 2021, it invested \$28,495,267 in qualifying broadband equipment which qualifies it for a \$854,858 tax credit based on the investment. Application, Exhibit B.

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

¹ The cover page of the Company’s Application states that the requested tax credit is for 2020. However, the rest of the Application consistently makes clear that the Company is requesting the tax credit for 2021.

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 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 issued Order No. 28784.² That Order specified the information the taxpayer must include in the broadband tax credit application. In 2022, in Case No. GNR-T-21-10, Order No. 35297, the Commission modified the informational requirements set forth by Order No. 28784. 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 the Company’s Application under *Idaho Code* § 63-3029I. Based on its review, Staff believes that the Company is a telecommunications carrier and that the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. *Id.* 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 recommendation, we find that the Company’s equipment identified in Case No. GNR-T-22-05 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

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 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 (or in issues finally decided by 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 January 2023.



ERIC ANDERSON, PRESIDENT

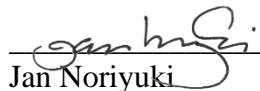


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND, JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary