

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** DANIEL KLEIN

**DATE:** SEPTEMBER 24, 2020

**RE:** THE 2019 BROADBAND EQUIPMENT TAX CREDIT APPLICATION  
FOR INLAND CELLULAR, LLC.; CASE NO. INC-T-20-01.

### BACKGROUND

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). In particular, 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 from the Commission an Order confirming that the installed equipment meets the statutory definition of qualified broadband equipment. Procedural Order No. 28784 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.

## THE APPLICATION

On September 15, 2020, the Commission received an Application from Inland Cellular, LLC. (“Inland” or “Company”), seeking approval of the equipment for the broadband tax credit installed during calendar year 2019. In the Application, Inland states that it installed equipment associated with technologies to support “mobile EVDO and LTE data: fixed wireless, fiber to the premises: fiber backhaul and, microwave backhaul”. Inland discloses that its broadband network has data transmission rates between 1 Mbps to 1 Gbps for subscriber downloads and uploads, which exceeds the required rates of 200,000 bits per second to a subscriber and 125,000 bits per second from a subscriber. The Company asserts that 22.3% of Idaho subscribers are customers of its broadband network. Inland invested approximately \$2,006,539.47 in 2019 in qualifying broadband equipment that it confirms is integral to the broadband network.

## STAFF REVIEW AND RECOMMENDATION

Staff has reviewed and audited the list of proposed broadband equipment and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Staff, therefore, recommends that the Commission issue an Order confirming the equipment is qualified broadband equipment and forward the approving Order along with a copy of the original Application to the Idaho Tax Commission.

## COMMISSION DECISION

Does the Commission wish to issue an Order confirming the equipment identified in Case No. INC-T-20-01 is qualified broadband equipment as defined in *Idaho Code* § 63-3029I(3)(b) and forward it to the Idaho Tax Commission?



Daniel Klein

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