

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF POTLATCH ) CASE NO. POT-T-22-01**  
**TELEPHONE COMPANY D/B/A TDS )**  
**TELECOM BROADBAND EQUIPMENT TAX ) ORDER NO. 35555**  
**CREDIT FOR JANUARY 1, 2021 - )**  
**DECEMBER 31, 2021 )**  
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On July 12, 2022, Potlatch Telephone Company d/b/a TDS Telecom (“TDS” or “Company”) filed an Application with the Idaho Public Utilities Commission (“Commission”) seeking approval for Idaho State tax credit for qualifying broadband equipment installed during the calendar year 2021.

TDS represented that it offered Digital Subscriber Line (DSL) services to customers in the State of Idaho and had begun offering fiber to the home (FTTH) services in some locations as early as June 2020. The Company disclosed that the lowest broadband network data transmission rate offered to customers was 5Mbps/512kbs and up to 1Gig symmetrical where passive optical network (PON) had been deployed. The Company represented that PON is a system commonly used by telecommunications network providers that brought fiber optic cabling and signals all or most of the way to the end user. Depending on where the PON terminated, the system could be described as fiber to the curb, fiber to the building or fiber to the home. The Company represented that the transmission rates that the Company offered exceeded the minimum statutory speed requirements under *Idaho Code* § 63-3029I. The Company quantified the percentage of its Idaho customers, by location, who had access to broadband, as of December 31, 2021, in Table No. 1 below:

**Table No. 1**

<b>Speed Tier</b>	<b>Percentage</b>
more than 100Mbps x 25Mbps	40
25Mbps x 5Mbps	22
25Mbps x 3Mbps	6
10Mbps x 1Mbps	19
4Mbps x 1Mbps	2
1Mbps x 256kpbs	5
Less than 1Mbps x 256kpbs	6
<b>Total</b>	<b>100%</b>

The Company also stated that it invested \$871,213.90 in 2021 for qualifying broadband equipment, and the Company confirmed that the equipment was integral to its broadband network.

### **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 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 an order from the Commission confirming that the installed equipment meets the statutory definition of qualified broadband equipment. Commission Order No. 35297 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.

### **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 issue an order confirming that the Company’s equipment was “qualified broadband equipment,” and 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. POT-T-22-01 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 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 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 and 62-619.*

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 7<sup>th</sup> day of October 2022.



ERIC ANDERSON, PRESIDENT

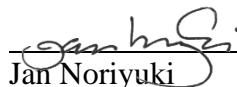


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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