

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF QWEST) CASE NO. QWE-T-22-17
CORPORATION’S APPLICATION FOR)
APPROVAL OF THE IDAHO BROADBAND) ORDER NO. 35652
EQUIPMENT TAX CREDIT FOR THE YEAR)
2021)
)

On November 28, 2022, Qwest Corporation (“Qwest” or “Company”) submitted an Application to the Idaho Public Utilities Commission (“Commission”) seeking approval for Idaho State tax credit for qualifying broadband equipment installed during the calendar year 2021.

The Company represented that it uses terrestrial wireline technology and has installed broadband equipment associated with various forms of Digital Subscriber Line based equipment including Asymmetric Digital Subscriber Line, and Very-High-Bit-Rate Digital Subscriber Line in various vintages. The Company stated that data transportation is a mixture of fiber optic and metallic cable, which also supports traditional telephony services, and that the equipment terminals are located in central office buildings, remote buildings, and in cabinets on concrete pads each serving a neighborhood.

The Company disclosed that the lowest broadband network data transmission rate offered to customers was 500,000 bits per second (“bps”) for downloads and 250,000 bps for uploads. The Company represented that those rates exceed the minimum statutory speed requirements under *Idaho Code* § 63-3029I. The Company also stated that it could provide high-speed internet to 91 percent of its potential customers within its designated service area, and that the total number of customers with the potential to be high-speed internet subscribers was 647,270 and the total number of potential subscribers was 711,453. The Company represented that, in 2021, it made a net investment of \$26,880,360 in qualifying broadband equipment that 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. Order No. 35297; *Idaho Code* § 63-3029I(4). Once the Commission has determined the installed equipment is eligible for the broadband equipment tax credit, the Commission will forward an order along with the original Application 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 for “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 AND DECISION

Having reviewed the Company’s Application and Staff’s recommendation, we find that the Company’s equipment identified in Case No. QWE-T-22-17 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. Accordingly, the Commission now issues 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. A copy of this order and the Application shall be forwarded to the Idaho State Tax Commission.

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 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 3rd day of January 2023.



ERIC ANDERSON, PRESIDENT

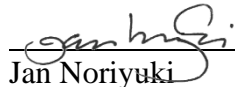


JOHN CHATBURN, COMMISSIONER



JOHN R. HAMMOND JR., COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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