

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
 COMMISSIONER REDFORD
 COMMISSIONER SMITH
 COMMISSION SECRETARY
 LEGAL
 WORKING FILE**

FROM: GRACE SEAMAN

DATE: JANUARY 29, 2015

**RE: SYRINGA NETWORKS, LLC'S 2013 BROADBAND EQUIPMENT TAX
 CREDIT APPLICATION; CASE NO. SZ9-T-15-01.**

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* § 63-3029I(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 January 21, 2015, the Commission received an Application from Syringa Networks, LLC (“Syringa” or “Company”) seeking approval of equipment for the broadband tax credit for calendar year 2014. Syringa states it is a provider of wholesale broadband telecommunications

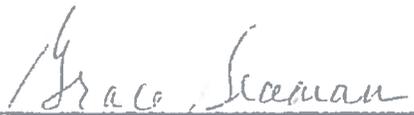
service and other telecommunications services in southern Idaho. In the Application, Syringa lists investments associated with fiber optic facilities, equipment, and engineering connected with the broadband network. Syringa states that its broadband telecommunications network in southern Idaho can provide services with maximum transmission speeds of 10 Gigabits per second. Syringa reports investments of approximately \$3,261,100 in qualifying broadband equipment for calendar year 2014.

STAFF REVIEW AND RECOMMENDATION

Staff has reviewed the list of proposed broadband equipment submitted by Syringa 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 further believes that the expenditures identified by Syringa, a telecommunications provider, were for equipment that is “necessary for the provision of broadband services and an integral part of a broadband network.” Staff, therefore, recommends that the Commission issue an Order confirming the equipment is qualified broadband equipment and forward the approving Order along with the 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. SZ9-T-15-01 is qualified broadband equipment as defined in *Idaho Code* § 63-3029I(3)(b)(i), and forward it to the Idaho Tax Commission?



Grace Seaman

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