

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF GOLD STAR COMMUNICATIONS, LLC ) CASE NO. GOL-T-18-01  
FOR AN INVESTMENT TAX CREDIT FOR )  
QUALIFYING BROADBAND EQUIPMENT ) ORDER NO. 34120  
INSTALLATION )**

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On July 2, 2018, Gold Star Communications, LLC (“Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an Order confirming that equipment it installed in 2016 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**

In its Application, the Company stated that it invested \$98,929.83 in qualifying broadband equipment in 2016. Application at 2. The Company said it installed equipment associated with Evolution Data Only/Long-Term Evolution (EVDO/LTE) technology. *See Id.* at 1. Gold Star disclosed that its broadband network has data transmission rates of 1.2 to 13.8 Mbps upstream and 384 kbps to 21.6 Mbps downstream. *Id.* The Company further stated that approximately 17% of its customers have subscribed to its broadband network within its designated service areas. *See Id.* at 1. The Company estimates that more than 50% of its customers have access to its broadband network within its designated service areas. *Id.*

**THE BROADBAND EQUIPMENT TAX CREDIT**

*Idaho Code* § 63-3029I allows a taxpayer to receive an income tax credit for installing qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first obtain a Commission Order confirming that the 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: (1) qualifies for the *Idaho Code* § 63-3029B capital investment credit that “is capable of transmitting signals at a rate of at least [200 Kbps] to a subscriber and at least [125 Kbps] 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). Moreover, 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 to specify what information a taxpayer must include in a broadband tax credit application. When the taxpayer files the application, the Commission 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. Staff thus recommends 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 is “qualified broadband equipment” eligible for the tax credit under *Idaho Code* § 63-3029I. The Company is a telecommunications carrier. Further, the listed equipment (as presently configured) is an integral part of the Company’s broadband network and is necessary to the provision of broadband service to Idaho customers. 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 Gold Star Communications, LLC’s Application for an Order, confirming that equipment identified in Case No. GOL-T-18-01 installed in 2016 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 27<sup>th</sup> day of July 2018.

  
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PAUL KJELLANDER, PRESIDENT

  
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KRISTINE RAPER, COMMISSIONER

  
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ERIC ANDERSON, COMMISSIONER

ATTEST:

  
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Diane M. Hanian  
Commission Secretary

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