

House Bill 1416

By: Representative Mangham of the 94th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated,
2 relating to the imposition, rate, and computation of income tax, so as to provide for an
3 income tax credit with respect to qualified broadband equipment for a limited period of time;
4 to provide for definitions; to provide for conditions and limitations; to provide for powers,
5 duties, and authority of the state revenue commissioner with respect to the foregoing; to
6 provide an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to the
10 imposition, rate, and computation of income tax, is amended by adding a new Code section
11 to read as follows:

12 "48-7-29.18.

13 (a) As used in this Code section, the term:

14 (1) 'Cable operator' means the same as that term that is defined in Section 602(5) of the
15 federal Communications Act of 1934, as amended.

16 (2) 'Commercial mobile service carrier' means any person authorized to provide
17 commercial mobile radio service to subscribers as defined in Section 20.3 of Title 47,
18 Code of Federal Regulations, as amended.

19 (3) 'Depreciable property' means depreciable property which is eligible for the federal
20 investment tax credit, as defined in Sections 46(c) and 48 of the Internal Revenue Code
21 and subject to the limitations provided for certain regulated companies in Section 46(f)
22 of the Internal Revenue Code.

23 (4) 'Multiplexing' means the transmission of two or more signals over a communications
24 circuit without regard to the communications technology.

25 (5) 'Open video system operator' means the same as that term is defined in Section 653
26 of the federal Communications Act of 1934, as amended.

(6) 'Other wireless carrier' means any person, other than a telecommunications carrier, commercial mobile service carrier, cable operator, open video operator, or satellite carrier, providing broadband services to subscribers through the radio transmission of energy.

(7) 'Packet switching' means controlling or routing the path of a digital transmission signal which is assembled into packets or cells.

(8) 'Qualified broadband equipment' means equipment that is depreciable property, is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber and transmits signals to subscribers in an underserved community and:

(A) 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;

(B) In the case of a commercial mobile service carrier, such qualifying equipment shall extend from the subscriber side of the mobile telecommunications switching office to a transmitting and receiving antenna, including such antenna, on the outside of the structure in which the subscriber is located;

(C) In the case of a cable or open video system operator, such qualifying equipment shall extend from the subscriber's side of the headend to the outside of the structure in which the subscriber is located;

(D) In the case of a satellite carrier or a wireless carrier other than those listed in subparagraphs (A) through (C) of this paragraph, such qualifying equipment is only that equipment that extends from a transmitting and receiving antenna, including such antenna, which transmits and receives signals to or from multiple subscribers to a transmitting and receiving antenna on the outside of the structure in which the subscriber is located;

(E) In the case of packet switching equipment, such packet equipment installed in connection with other qualifying equipment listed in this paragraph, provided it is the last in a series of equipment that transmits signals to a subscriber or the first in a series of equipment that transmits signals from a subscriber; and

(F) In the case of multiplexing and demultiplexing equipment, such equipment only to the extent that it is deployed in connection with providing broadband services in locations between packet switching equipment and the structure in which the subscriber is located.

(9) 'Satellite carrier' means any person using the facilities of a satellite or satellite services licensed by the Federal Communications Commission and operating a fixed

satellite service or direct broadcast satellite service to provide point-to-multipoint distribution of signals.

(10) 'Telecommunications carrier' means the same as that term is defined by Section 3(44) of the Federal Communications Act of 1934, as amended, but does not include a commercial mobile service provider.

(11) 'Underserved community' means a census tract that is designated underserved by the commissioner after the department finds that fewer than 25 percent of households have access to broadband service.

(b) Subject to the limitations of this Code section, for taxable years beginning on or after January 1, 2011, and prior to January 1, 2017, there shall be allowed to a taxpayer a credit against income taxes imposed by Code Section 48-7-21 for expenditures for qualified broadband equipment placed in service in an underserved community in the tax year for which the credit under this Code section is claimed and allowed.

(c) The credit shall be in an amount not to exceed 3 percent of the expenditures for qualified broadband equipment in an underserved community or \$750,000.00, whichever is less.

(d) No broadband equipment shall qualify for the credit until the taxpayer applies to and obtains from the commissioner an order confirming that the installed equipment is qualified broadband equipment.

(e) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against succeeding years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability.

(f) The commissioner shall be authorized to promulgate any rules and regulations necessary to implement and administer the provisions of this Code section."

SECTION 2.

89 This Act shall become effective on January 1, 2011.

SECTION 3.

91 All laws and parts of laws in conflict with this Act are repealed.