

House Bill 1416

By: Representative Mangham of the 94<sup>th</sup>

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.

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

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

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

37 (A) In the case of a telecommunications carrier, such qualifying equipment shall be  
38 necessary to the provision of broadband service and an integral part of a broadband  
39 network;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

88 **SECTION 2.**

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

90 **SECTION 3.**

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