

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF FATBEAM, LLC'S 2014 |) | |
| BROADBAND EQUIPMENT TAX CREDIT |) | CASE NO. FZ4-T-15-01 |
| APPLICATION. |) | |
| |) | ORDER NO. 33267 |

On March 30, 2015, Fatbeam, LLC (the "Company") applied to the Idaho Public Utilities Commission ("Commission") for an Order confirming that equipment it installed in 2014 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 says it invested \$109,604.09 in qualifying broadband equipment in 2014. The Company says it installed equipment associated with Lit Ethernet and dark fiber services with transmission rates of one gigabit per second (i.e., 1,000,000,000 bits per second ("bps")). The Company says it deployed services to the Post Falls, Coeur d'Alene, Rathdrum and Grangeville exchanges, and that its broadband network can serve all of its Idaho customers. *See* Application.

THE BROADBAND EQUIPMENT TAX CREDIT

Idaho Code § 60-3029I allows a taxpayer to receive an income tax credit for having installed qualified broadband equipment during a calendar year. Before the taxpayer is eligible for the tax credit, the taxpayer must first apply to the Commission for an Order confirming that the installed equipment is "qualified broadband equipment" as defined in the statute. *Idaho Code* § 63-3029I(4). That statute defines "qualified broadband equipment" as equipment that qualifies for the *Idaho Code* § 63-3029B capital investment credit that "is capable of transmitting signals at a rate of at least [200,000 bps] to a subscriber and at least [125,000 bps] from a subscriber." *Idaho Code* § 63-3029I(3)(b). In addition, to be "qualified broadband equipment" the equipment must be "primarily used to provide services in Idaho to Idaho public subscribers." *See Idaho Code* § 63-3029I(3)(b)(vii). Further, 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 has issued Order No. 28784. That Order specifies the information the taxpayer must include in the 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 fiber optic service provider and the listed equipment meets the statutory criteria and is “qualified broadband equipment” that is eligible for the tax credit. Staff thus recommended 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 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, based on what we have been provided, we find 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 the Company’s Application is granted. The Commission confirms that the equipment the Company installed in 2014 is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

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 8th day of April 2015.



PAUL KJELLANDER, PRESIDENT

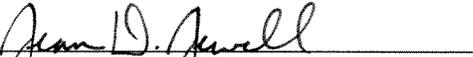


MACK A. REDFORD, COMMISSIONER



KRISTINE RAPER, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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