

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF FATBEAM LLC'S)	
BROADBAND EQUIPMENT TAX CREDIT)	CASE NO. FZ4-T-16-01
APPLICATION)	
)	ORDER NO. 33483
)	

On March 2, 2016, Fatbeam LLC applied to the Commission for an Order confirming that equipment it installed for calendar year 2015 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 meets that statutory definition.

THE APPLICATION

In its Application, Fatbeam indicated that in 2015, it invested \$427,100 in qualifying broadband equipment. *See* Application at 7. Fatbeam stated that it installed equipment associated with Lit Ethernet and Dark Fiber services. *Id.* at 1. According to Fatbeam, it deployed broadband services in Bingham, Kootenai, and Power counties. *Id.* at 3-7. The Company also stated 100% of its customer base has access to its broadband services. *Id.* at 1.

THE BROADBAND EQUIPMENT TAX CREDIT

Idaho Code § 63-3029I 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 bits per second (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 public subscribers.” *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 Fatbeam’s Application. Staff recommended that the Commission confirm the Company’s equipment as “qualified broadband equipment,” and that it forward copies of the Application and Order to the Idaho State Tax Commission.

COMMISSION FINDINGS

We have reviewed Fatbeam’s Application and Staff’s recommendation. We find that Fatbeam is a qualified telecommunications provider. We further 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 has been provided, we find it appropriate to issue an Order confirming that Fatbeam’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 Fatbeam LLC’s Application for an Order confirming that equipment it installed for 2015 is “qualified broadband equipment” is granted.

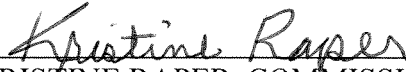
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

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.

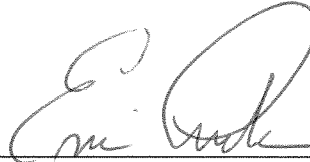
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 16th
day of March 2016.



PAUL KJELLANDER, PRESIDENT

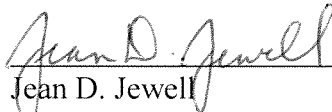


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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