

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF INLAND CELLULAR, LLC FOR AN) **CASE NO. INC-T-18-02**
INVESTMENT TAX CREDIT FOR)
INSTALLING QUALIFYING BROADBAND) **ORDER NO. 34171**
EQUIPMENT)

On August 13, 2018, Inland Cellular, LLC (the “Company”) applied to the Idaho Public Utilities Commission (“Commission”) for an Order certifying that equipment it installed in 2015 is “qualified broadband equipment” under *Idaho Code* § 63-3029I (income tax credit for investment in broadband equipment). With this Order, we confirm the installed equipment is “qualified broadband equipment” under *Idaho Code* § 63-3029I.

THE APPLICATION

In its Application, the Company stated that in 2015 it installed \$2,024,892.92 of qualifying broadband equipment associated with technologies to support LTE (Sonet Light Terminating Equipment) for 4G (4th Generation Mobile System) voice and broadband data, in addition to cellular network technologies. Application at 2. The Company stated that its broadband network has data transmission rates between 10 Mbps and 3 Mbps for subscriber downloads and uploads which exceeds the required rate(s) of 200,000 bits per second to a subscriber and 125,000 bits per second from a subscriber. *Id.* The Company asserted that 87% of its Idaho subscribers have access to its broadband network. *Id.* The Company stated that the above described investment represents equipment that is integral to its broadband network. *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 certifying 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, qualified broadband 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. 28784.¹ That Order specifies the information the taxpayer must include in the broadband tax credit application. When the taxpayer files the application, 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 resulting Order to the Idaho State Tax Commission.

STAFF REVIEW

Staff reviewed the Company’s Application under *Idaho Code* § 63-3029I and Commission Order No. 28784. Based on its review, Staff believes 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 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 Company is a wireless provider and the listed equipment 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.

¹ The Commission issued Order No. 28784 pursuant to *Idaho Code* § 63-3029I(4), which provides the Commission authority to “issue procedural orders necessary to implement” the income tax credit for investment in broadband equipment.

ORDER

IT IS HEREBY ORDERED that the Company's Application seeking an Order confirming that it has installed qualified broadband equipment in Idaho during the 2015 calendar year is granted.

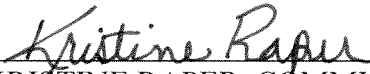
IT IS FURTHER ORDERED that a copy of this Order and a copy of the Application be served on the Idaho State Tax Commission.

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 ^{15th} day of October 2018.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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