

## DECISION MEMORANDUM

**TO:** COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSIONER KEMPTON  
COMMISSION SECRETARY  
LEGAL  
WORKING FILE

**FROM:** GRACE SEAMAN

**DATE:** FEBRUARY 11, 2009

**RE:** SYRINGA NETWORK, LLC 2008 BROADBAND EQUIPMENT TAX  
CREDIT; CASE NO. SZ9-T-09-01.

### BACKGROUND

In 2001, House Bill 377 was enacted authorizing income tax credit for the installation of qualifying broadband infrastructure in Idaho. *Idaho Code* § 63-3029B(3)(a)(ii). In particular, Section 63-3029I allows a taxpayer to receive an investment tax credit for eligible broadband equipment installed during a calendar year.

“Qualified broadband equipment” is defined as those network facilities capable of transmitting signals at a rate of at least 200,000 bits per seconds (bps) to a subscriber and at least 125,000 bps from a subscriber. *Idaho Code* § 63-3029I(3)(b). To be eligible for the broadband equipment tax credit, the taxpayer must obtain from the Commission an Order confirming that installed equipment qualifies for capital investment credit. Procedural Order No. 28784 and *Idaho Code* § 63-3029I(4).

### THE APPLICATION

On January 21, 2009, the Commission received an Application from Syringa Networks, LLC (Syringa), seeking approval of equipment for the broadband tax credit. Syringa states it is a provider of wholesale broadband telecommunications service in southern Idaho. In its Application, Syringa states that during calendar year 2008 its investments included digital switching equipment, SONET multiplexers, power equipment, engineering and other equipment associated with its broadband network in Boise, Idaho Falls, Hagerman, Hailey, Ketchum

Caldwell and Payette. The Application states that Syringa invested approximately \$2,000,000 in qualifying broadband equipment during 2008.

#### **STAFF REVIEW AND RECOMMENDATION**

Staff has reviewed the list of proposed broadband equipment submitted by Syringa and believes the identified equipment qualifies for the investment tax credit pursuant to Procedural Order No. 28784 and *Idaho Code* § 63-3029I(3)(b). Further, Staff believes that the expenditures identified by ATC, a telecommunications provider, were for equipment that is “necessary for the provision of broadband services and an integral part of a broadband network.” Staff, therefore, recommends acceptance of the Application and further recommends that the Commission forward the approving Order along with a copy of the original Application to the Idaho Tax Commission.

#### **COMMISSION DECISION**

Does the Commission wish to accept Syringa’s Application for the broadband investment tax credit?

  
Grace Seaman

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