

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
SYRINGA NETWORKS, LLC SEEKING A)	CASE NO. SZ9-T-17-01
BROADBAND INVESTMENT TAX CREDIT)	
CERTIFICATION)	ORDER NO. 33740
)	

On January 24, 2017, Syringa Networks, LLC applied to the Commission for an Order certifying that in 2016 it installed “qualified broadband equipment.” *Idaho Code* § 63-3029I (Income tax credit for investment in broadband equipment).

THE APPLICATION

Syringa stated in its Application that it provides broadband telecommunications and other telecommunications services in southern Idaho. The Company provided the Commission with an itemized inventory of installed equipment related to fiber optic facilities, equipment, and engineering connected with the broadband network. Syringa asserted its network is able to transmit signals at a minimum rate of 1.5 Mbps for both upstream and downstream transmissions. According to Syringa, its total 2016 broadband investment was \$3,052,000.

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 “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 that specifies the information the taxpayer must include in a 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 approves the application, the Commission will direct that the application, and the Order approving it be forwarded to the Idaho State Tax Commission.

STAFF REVIEW

Staff reviewed Syringa’s Application in light of *Idaho Code* § 63-3029I and Commission Order No. 28784. After review, Staff concluded that Syringa is a telecommunications carrier and that the listed equipment meets the statutory criteria of qualified broadband equipment eligible for the tax credit. Staff recommended that the Commission: (1) issue an Order confirming that Syringa’s equipment is “qualified broadband equipment,” and (2) forward copies of the Application and this Order to the Idaho State Tax Commission.

COMMISSION FINDINGS

In order to be eligible to obtain the broadband tax credit, a taxpayer must first obtain an Order from the Commission “confirming that the installed equipment is qualified broadband equipment.” *Idaho Code* § 63-3029I(4). “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).

Based upon our review of Syringa’s Application and the recommendation of Staff, we approve the Company’s Application. Syringa adequately demonstrated that the equipment identified in its Application qualifies as broadband equipment eligible for the tax credit. The Commission finds that Syringa is a telecommunications carrier and the installed equipment is an integral part of the Company’s broadband network and that it is necessary to facilitate the delivery of broadband internet service to Idaho customers. Therefore, the Commission certifies in this Order that the equipment identified in Syringa’s Application 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 Syringa’s Application seeking an Order certifying that it has installed qualifying broadband equipment in Idaho during the 2016 calendar year is approved.

IT IS FURTHER ORDERED that the Commission Secretary serve this Order Syringa's Application 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. *Idaho Code* §§ 61-626, 63-3029I(4).

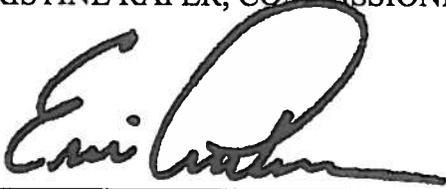
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 13th day of April 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:


Diane M. Hanian
Commission Secretary

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