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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2533

02/27/2012 Authored by Johnson

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

1.1 A bill for an act  
1.2 relating to taxes; individual income and corporate franchise; allowing a credit  
1.3 for installations of certain broadband equipment; amending Minnesota Statutes  
1.4 2010, section 290.06, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2010, section 290.06, is amended by adding a  
1.7 subdivision to read:

1.8 Subd. 36. **Broadband provision in underserved areas.** (a) For the purposes of this  
1.9 subdivision, the following terms have the meanings given them:

1.10 (1) "Broadband service" means a service that allows subscribers to access  
1.11 information from the Internet by means of a physical, terrestrial, nonmobile technology.

1.12 (2) "Qualified broadband equipment" means broadband equipment that:

1.13 (i) is necessary to the provision of broadband service;

1.14 (ii) is installed in an underserved area by a telecommunications carrier or a person  
1.15 that operates a cable communications system; and

1.16 (iii) provides minimum download speeds of at least ten megabits per second and  
1.17 minimum upload speeds of at least five megabits per second.

1.18 (3) "Telecommunications carrier" has the meaning given in United States Code, title  
1.19 47, section 153, paragraph (49), but does not include a commercial mobile service provider.

1.20 (4) "Underserved area" means an area where no provider of broadband services  
1.21 advertises broadband speeds of three or more megabits per second download and 768  
1.22 kilobits or more per second upload.

1.23 (b) A taxpayer may take a credit against the tax due under this chapter equal to three  
1.24 percent of the investment made in qualified broadband equipment.

2.1 (c) No equipment shall qualify for the credit provided in paragraph (b) until the  
2.2 taxpayer applies to and obtains from the commissioner of commerce a determination  
2.3 confirming that the installed broadband equipment is qualified broadband equipment.

2.4 (d) The credit provided in paragraph (b) must not exceed, in any one taxable year,  
2.5 the lesser of:

2.6 (i) the amount of tax due under this chapter, after allowance for all other credits  
2.7 allowed under this chapter; or

2.8 (ii) \$750,000.

2.9 (e) If the credit provided under this subdivision exceeds the tax liability of the  
2.10 corporation for the taxable year, the excess amount of the credit may be carried over to  
2.11 each of the ... taxable years succeeding the taxable year. The entire amount of the credit  
2.12 must be carried to the earliest taxable year to which the amount may be carried. The  
2.13 unused portion of the credit must be carried to the following taxable year. No credit  
2.14 may be carried to a taxable year more than ... years after the taxable year in which the  
2.15 credit was earned.

2.16 (f) This subdivision expires for taxable years beginning after December 31, ....

**EFFECTIVE DATE.** This section is effective for taxable years beginning after  
December 31, 2011, and applies to qualified broadband equipment installed on or after the  
day following final enactment.