

TELECOMMUNICATIONS INFRASTRUCTURE SALES TAX EXEMPTION - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states that are similar to the telecommunications infrastructure sales tax exemption provided in North Dakota Century Code Section 57-39.2-04.9. The following table provides an overview of each incentive including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Georgia	Investment Tax Credit	Georgia Department of Revenue	A taxpayer operating a manufacturing or telecommunications facility for at least three years may claim a credit against income tax liability in an amount ranging from 1 to 5 percent of the amount expended for qualified capital investments made in a new or existing facility. The amount of the credit is based upon the tiered status of the facility and the facility is required to make a capital investment of at least \$50,000 in order to qualify for the credit. For purposes of the credit, qualified investments include amounts expended for land acquisition, improvements, buildings, and machinery and equipment.	Georgia Code Annotated Sections 48-7-40.2, 48-7-40.3, and 48-7-40.4
Idaho	Broadband Telecommunications Income Tax Credit	Idaho State Tax Commission	A business may qualify for a credit against income tax liability for purchasing qualified broadband equipment and infrastructure that benefits end users in Idaho. The amount of the credit is equal to 3 percent of the amount expended on qualified purchases, not to exceed \$750,000 per taxpayer in each taxable year. Any unused credits may be carried forward for up to 14 taxable years or transferred to another taxpayer.	Idaho Code Section 63-3029I
Kansas	Telecommunications Credit	Kansas Department of Revenue	A telecommunications company may qualify for a credit against income tax liability for property acquired and first placed into service on or after January 1, 2001. The amount of the credit is equal to the difference between the amount of property tax levied at a 33 percent assessment rate and the amount of property tax levied at a 25 percent assessment rate. In order to receive the credit, the taxpayer must timely pay the property tax levied at the 33 percent assessment rate during the applicable income tax year. Any credit amount exceeding a taxpayer's liability is refunded to the taxpayer.	Kansas Statutes Annotated Section 79-32,210
Kansas	Telecommunications Machinery and Equipment Tax Exemption	Kansas Department of Revenue	Telecommunications machinery and equipment acquired through a qualified purchase or lease after June 30, 2006, is exempt from property tax. The exemption also applies to telecommunications machinery and equipment transported into Kansas after June 30, 2006, for the purpose of expanding an existing business or creating a new business.	Kansas Statutes Annotated 79-224
Mississippi	Broadband Technology Tax Credit	Mississippi Department of Revenue	A telecommunications business may claim a credit against state income or franchise tax liability for eligible expenditures. The purpose of the credit is to encourage the deployment of high-speed Internet access throughout the state and especially in rural areas. The amount of the credit ranges from 5 to 15 percent of the amount expended for eligible purchases, based on the location of the equipment, and applies for a period of 10 years. No greater than 50 percent of an entity's income or franchise tax liability may be offset per year and any unused credits may be carried forward for up to 10 taxable years.	Mississippi Code Annotated Section 57-87-5

State	Incentive Title	Administering Agency	Description	Statutory Citation
Mississippi	Property Tax Exemption for Broadband Technology	Mississippi Department of Revenue	A property tax exemption is available on purchases of equipment made by eligible telecommunications businesses and placed in service after June 30, 2003, for the purpose of deploying broadband technology in Mississippi.	Mississippi Code Annotated Section 57-87-7
Mississippi	Sales and Use Tax Exemption for Broadband Technology	Mississippi Department of Revenue	An eligible telecommunications business may receive a full or partial sales and use tax exemption on purchases of qualifying equipment made for purposes of deploying broadband technology in Mississippi. A full exemption from sales and use tax is available for equipment purchased for use in facilities located in less developed counties and a one-half exemption is available for equipment purchased for use in facilities in all other counties.	Mississippi Code Annotated Sections 27-65-101, 57-73-21, and 57-87-5