

HOUSE BILL NO. 4230

February 11, 2021, Introduced by Rep. Hoitenga and referred to the Committee on Communications and Technology.

A bill to amend 1933 PA 167, entitled
"General sales tax act,"
(MCL 205.51 to 205.78) by adding section 4jj.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4jj. (1) A person subject to the tax under this act may
2 exclude from the gross proceeds used for the computation of the tax
3 the sale of eligible broadband equipment and installation materials
4 to a qualified business for installation in an unserved area in
5 this state.

(2) A person who claims an exemption under this section shall report any information required by the department to substantiate the exemption on a form at the time and in a manner prescribed by the department. The report required under this subsection must not include any remittance for tax and does not constitute a return or otherwise alleviate any obligations under section 6.

(3) As used in this section:

(a) "Affiliate" means that term as defined in section 4ee.

(b) "Broadband service" means a retail terrestrial service capable of delivering high-speed internet access at speeds of at least 10 megabits per second downstream and 1 megabit per second upstream.

(c) "Census block" means a geographic area defined as a census block by the United States Department of Commerce, Bureau of the Census in conducting the most recent decennial census.

(d) "Eligible broadband equipment" means any equipment that is used for or is substantially related to providing broadband service in at least 1 direction. Eligible broadband equipment includes, but is not limited to, asynchronous transfer mode switches, digital subscriber line access multiplexers, antennas, routers, servers, multiplexers, fiber optic cable, and related equipment technology. Eligible broadband equipment also includes, but is not limited to, the following:

(i) For a qualified business that is a telecommunications carrier, equipment that is necessary to provide broadband service and is an integral part of a broadband network.

(ii) For a qualified business that is a commercial mobile service carrier, equipment extending from the subscriber side of the mobile telecommunications switch to a transmitting or receiving

1 antenna, including the antenna, on the outside of the structure in
2 which the subscriber is located.

3 (iii) For a qualified business that is a cable or open video
4 system operator or video service provider, equipment extending from
5 within the headend to the outside of the structure in which the
6 subscriber is located.

7 (e) "Installation materials" means materials used or consumed
8 in the installation of eligible broadband equipment, including, but
9 not limited to, mounting hardware, poles, conduits, and ducts.

10 (f) "Qualified business" means a person that provides, whether
11 directly or indirectly through 1 or more affiliates, broadband
12 service, including wireless broadband service.

13 (g) "Unserved area" means either a census block without at
14 least 1 provider providing broadband service within the census
15 block, or a specific area within a census block in which no
16 provider is providing broadband service.