

Subject Sales tax exemption; fiber and conduit

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Overview

H.F. 4422 would exempt fiber and conduit purchased by broadband or internet service providers to provide broadband or internet services from the state sales and use tax. The exemption would be effective retroactively for sales and purchases made after July 1, 2017. A special refund provision would govern refund claims for the retroactive purchases.

Summary

Section	Description
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1	Fiber and conduit; broadband and internet access.
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Exempts fiber and conduit leases and purchases from the state sales and use tax when they are purchased by a broadband or internet service provider to provide retail internet access service. Only fiber and conduit not subject to the existing exemption for telecommunications services machinery and equipment is eligible.

Effective date: retroactively for sales and purchases after July 1, 2017 (with a specific exemption for the 8-year sunset requirement for tax expenditures).

2	Refunds; fiber and conduit.
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Establishes an uncodified refund provision for the retroactive sales and purchases of the exempt items in section 1. Statements showing the tax paid by third parties would have to be provided to the broadband or internet service provider and refunds must include interest at the statutory rate required from the date the claim for a refund is filed.

Effective date: day following enactment.