

7588--A

2013-2014 Regular Sessions

I N A S S E M B L Y

May 23, 2013

Introduced by M. of A. MAGEE, GUNTHER, RUSSELL, MORELLE, McDONALD, BARRETT, STIRPE, PALMESANO, SCARBOROUGH, SANTABARBARA, BRONSON, GANTT, STEC, FAHY, CAHILL, QUART, SKOUFIS -- Multi-Sponsored by -- M. of A. LUPARDO, ROBINSON -- read once and referred to the Committee on Governmental Operations -- recommitted to the Committee on Governmental Operations in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state technology law and the tax law, in relation to a refundable tax credit provided to broadband deployment to residences and small businesses located in rural, unserved areas

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. This act shall be known and may be cited as the "credit for  
2 rural broadband act of 2014".  
3 S 2. Section 104 of the state technology law is amended by adding a  
4 new subdivision 3 to read as follows:  
5 3. THE OFFICE OF INFORMATION TECHNOLOGY SERVICES, IN CONJUNCTION WITH  
6 INPUT FROM THE ADVISORY COUNCIL, IS HEREBY AUTHORIZED AND DIRECTED TO  
7 PROMULGATE RULES AND REGULATIONS NECESSARY FOR VERIFYING AN "UNSERVED"  
8 AREA UNDER THE CREDIT FOR RURAL BROADBAND ACT OF TWO THOUSAND FOURTEEN,  
9 USING BROADBAND MAPPING DATA AT THE TIME A PROJECT IS PROPOSED.  
10 S 3. Section 210 of the tax law is amended by adding a new subdivision  
11 48 to read as follows:  
12 48. CREDIT FOR RURAL BROADBAND DEPLOYMENT. (A) ALLOWANCE OF CREDIT.  
13 A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED  
14 BY THIS ARTICLE EQUAL TO ANY QUALIFIED CUSTOMER CONTRIBUTION IN AID OF  
15 CONSTRUCTION RESULTING FROM NEW NETWORK CONSTRUCTION TO DELIVER BROAD-  
16 BAND SERVICE TO THE INDIVIDUAL'S RESIDENCE OR PLACE OF BUSINESS LOCATED  
17 IN AN UNSERVED AREA. THE CREDIT ALLOWED BY THIS SUBDIVISION SHALL BE  
18 CLAIMED ANNUALLY OVER A FIVE-YEAR PERIOD EQUAL TO ONE-FIFTH OF THE CRED-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 IT AMOUNT. IF THE CREDIT ALLOWED UNDER THIS SUBDIVISION IS GREATER THAN  
2 THE TAX DUE IN ANY TAXABLE YEAR, THE AMOUNT BY WHICH SUCH CREDIT EXCEEDS  
3 SUCH TAX DUE IS TREATED AS AN OVERPAYMENT OF TAX TO BE REFUNDED IN  
4 ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF  
5 THIS CHAPTER.

6 (B) FOR PURPOSES OF THIS SUBDIVISION, THE FOLLOWING DEFINITIONS SHALL  
7 APPLY:

8 (1) "QUALIFIED CONSTRUCTION EXPENSES" EQUAL THE TOTAL COST OF  
9 CONSTRUCTION OF NEW NETWORKS IN THE PROPOSED UNSERVED SERVICE AREA, AS  
10 CERTIFIED BY THE BROADBAND SERVICE PROVIDER, BUT NOT TO EXCEED A REASON-  
11 ABLE COST BASED UPON THE AVERAGE COST PER MILE OF BROADBAND NETWORK  
12 CONSTRUCTION AS DETERMINED BY THE COMMISSIONER IN CONSULTATION WITH THE  
13 PUBLIC SERVICE COMMISSION AND BROADBAND SERVICE PROVIDERS.

14 (2) "QUALIFIED CUSTOMER CONTRIBUTION IN AID OF CONSTRUCTION" IS DETER-  
15 MINED IN ACCORDANCE WITH THE FOLLOWING FORMULA:  $(QCE/TC) - (ACM/35) =$   
16  $QC$ , WHERE  $QCE$  EQUALS THE QUALIFIED CONSTRUCTION EXPENSES;  $ACM$  EQUALS THE  
17 AVERAGE COST OF CONSTRUCTION PER MILE IN THE PROPOSED UNSERVED SERVICE  
18 AREA, AS CERTIFIED BY THE BROADBAND SERVICE PROVIDER, BUT NOT TO EXCEED  
19 A REASONABLE COST BASED UPON THE AVERAGE COST PER MILE OF BROADBAND  
20 NETWORK CONSTRUCTION AS DETERMINED BY THE COMMISSIONER IN CONSULTATION  
21 WITH THE PUBLIC SERVICE COMMISSION AND BROADBAND SERVICE PROVIDERS;  $TC$   
22 EQUALS THE NUMBER OF RESIDENTS AND SMALL BUSINESS CUSTOMERS IN THE  
23 PROPOSED UNSERVED SERVICE AREA MAKING A QUALIFIED CUSTOMER CONTRIBUTION  
24 IN AID TO CONSTRUCTION AND CONTRACTING FOR SERVICES OVER THE NETWORK;  
25 AND  $QC$  EQUALS THE QUALIFIED CUSTOMER CONTRIBUTION IN AID OF  
26 CONSTRUCTION.

27 (3) "REQUIRED PROVIDER CONTRIBUTION IN AID TO CONSTRUCTION" SHALL  
28 EQUAL THE QUALIFIED CONSTRUCTION EXPENSES, LESS THE SUM OF ALL THE QUAL-  
29 IFIED CUSTOMER CONTRIBUTIONS IN AID TO CONSTRUCTION IN THE PROPOSED  
30 UNSERVED SERVICE AREA.

31 (4) "BROADBAND SERVICE" MEANS INTERNET ACCESS SERVICE WITH TRANS-  
32 MISSION SPEEDS THAT ARE EQUAL TO OR GREATER THAN COMBINED ADVERTISED  
33 DOWNLOAD SPEEDS OF AT LEAST 4 MEGABITS PER SECOND (MBPS) AND UPLOAD  
34 SPEEDS OF AT LEAST 1 MBPS PER SECOND OVER THE PROVIDER'S NETWORK.

35 (5) "UNSERVED AREA" MEANS AN AREA COMPOSED OF ONE OR MORE CONTIGUOUS  
36 CENSUS BLOCKS WHERE AT LEAST NINETY PERCENT OF HOUSEHOLDS LACK ACCESS TO  
37 FACILITIES-BASED TERRESTRIAL BROADBAND SERVICE. A HOUSEHOLD HAS ACCESS  
38 TO A BROADBAND SERVICE IF THE HOUSEHOLD CAN READILY SUBSCRIBE TO THAT  
39 SERVICE UPON REQUEST.

40 (6) "QUALIFIED TAXPAYER" MEANS A TAXPAYER WHICH IS A SMALL BUSINESS  
41 CORPORATION AS DEFINED IN PARAGRAPH THREE OF SUBSECTION (C) OF SECTION  
42 TWELVE HUNDRED FORTY-FOUR OF THE INTERNAL REVENUE CODE (WITHOUT REGARD  
43 TO THE SECOND SENTENCE OF SUBPARAGRAPH (A) THEREOF) AS OF THE LAST DAY  
44 OF THE TAXABLE YEAR.

45 S 4. Subsections (yy) and (zz) of section 606 of the tax law, as  
46 relettered by section 5 of part H of chapter 1 of the laws of 2003, are  
47 relettered subsections (yyy) and (zzz) and a new subsection (bbb) is  
48 added to read as follows:

49 (BBB) CREDIT FOR RURAL BROADBAND DEPLOYMENT. (A) ALLOWANCE OF CREDIT.  
50 A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED  
51 BY THIS ARTICLE EQUAL TO ANY QUALIFIED CUSTOMER CONTRIBUTION IN AID OF  
52 CONSTRUCTION RESULTING FROM NEW NETWORK CONSTRUCTION TO DELIVER BROAD-  
53 BAND SERVICE TO THE INDIVIDUAL'S RESIDENCE OR PLACE OF BUSINESS LOCATED  
54 IN AN UNSERVED AREA. THE CREDIT ALLOWED BY THIS SUBSECTION SHALL BE  
55 CLAIMED ANNUALLY OVER A FIVE-YEAR PERIOD EQUAL TO ONE-FIFTH OF THE CRED-  
56 IT AMOUNT. IF THE CREDIT ALLOWED UNDER THIS SUBSECTION IS GREATER THAN

1 THE TAX DUE IN ANY TAXABLE YEAR, THE AMOUNT BY WHICH SUCH CREDIT EXCEEDS  
2 SUCH TAX DUE IS TREATED AS AN OVERPAYMENT OF TAX TO BE REFUNDED IN  
3 ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF  
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5 (B) FOR PURPOSES OF THIS SUBSECTION, THE FOLLOWING DEFINITIONS SHALL  
6 APPLY:

7 (1) "QUALIFIED CONSTRUCTION EXPENSES" EQUAL THE TOTAL COST OF  
8 CONSTRUCTION OF NEW NETWORKS IN THE PROPOSED UNSERVED SERVICE AREA, AS  
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10 ABLE COST BASED UPON THE AVERAGE COST PER MILE OF BROADBAND NETWORK  
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36 FACILITIES-BASED TERRESTRIAL BROADBAND SERVICE. A HOUSEHOLD HAS ACCESS  
37 TO A BROADBAND SERVICE IF THE HOUSEHOLD CAN READILY SUBSCRIBE TO THAT  
38 SERVICE UPON REQUEST.

39 (6) "QUALIFIED TAXPAYER" MEANS ANY INDIVIDUAL WITH NEW YORK ADJUSTED  
40 GROSS INCOME OF TWO HUNDRED FIFTY THOUSAND DOLLARS OR LESS.

41 S 5. This act shall take effect immediately and shall apply to tax  
42 years beginning on or after January 1, 2015.