
Wisconsin Legislative Council

AMENDMENT MEMO



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2019 Assembly Bill 344

Assembly Substitute Amendment 1

2019 ASSEMBLY BILL 344

Under current law, the real and tangible personal property of a telephone company that the Department of Revenue (DOR) determines is used more than 50 percent in the operation of the telephone company is not subject to general property tax. Rather, such property is subject to a specific tax collected by the DOR (“telephone company tax”) unless an exception applies.

2019 Assembly Bill 344 adds “qualified broadband service property” to the current list of telephone company property that is exempt from the telephone company tax. For purposes of the exemption, qualified broadband service property is defined to mean either:

- Tangible personal property installed **before 2020** that is used to provide internet access to **rural areas** at speeds of at least 25 megabits per second download and three megabits per second upload.
- Tangible personal property installed **in 2020 or later** that is used to provide internet access to **rural or underserved areas** at speeds of at least 25 megabits per second download and three megabits per second upload or certain download and upload speed benchmarks designated by the Federal Communications Commission, whichever are higher.

Under the bill, a “rural area” is an area in this state that is located outside a federal metropolitan statistical area or is located in a city, village, or town with a population of not more than 14,000. For property installed before 2020, the determination of whether an area is rural is to be based on the 2010 federal decennial census. An “underserved area” is an area in this state in which internet access service at the highest speed threshold described under the bill is not available from at least two wired providers.

The telephone company tax exemption created by the bill first applies to property tax assessments as of January 1, 2020.

ASSEMBLY SUBSTITUTE AMENDMENT 1

Assembly Substitute Amendment 1 retains all of the provisions of the bill, except that it modifies to which property tax assessments the tax exemption first applies based on when the eligible property is installed. In general, the amendment incentivizes new installation in rural and underserved areas by providing a tax exemption on such property four years before the exemption for existing property in rural areas may be claimed. Specifically, the exemption for eligible property installed **in 2020 or later in rural and underserved areas** first applies to property tax assessments beginning on January 1, 2021. The exemption for eligible property installed **before 2020 in rural areas** first applies to property tax assessments beginning January 1, 2025.

BILL HISTORY

Representative Quinn introduced the bill on July 24, 2019, and the amendment on September 3, 2019. On September 19, 2019, the Assembly Committee on Rural Development recommended adoption of the amendment and passage of the bill as amended on votes of Ayes: 11; Noes: 0.

RES:jal