



2019 SENATE BILL 321

July 10, 2019 - Introduced by Senators MARKLEIN, TESTIN, BERNIER, FEYEN, PETROWSKI and TIFFANY, cosponsored by Representatives QUINN, BALLWEG, DITTRICH, EDMING, HORLACHER, JAMES, KATSMA, KITCHENS, KRUG, KULP, KURTZ, MURPHY, MURSAU, NOVAK, OLDENBURG, PETRYK, PLUMER, PRONSCHINSKE, SNYDER, SORTWELL, SPIROS, STAFSHOLT, SUMMERFIELD, SWEARINGEN, TAUCHEN, TRANEL, TUSLER, VANDERMEER and ZIMMERMAN. Referred to Committee on Utilities and Housing.

- 1 **AN ACT** *to amend* 76.81; and *to create* 76.80 (2), (2m) and (5) of the statutes;
2 **relating to:** telephone company tax exemption for property used to provide
3 broadband service.

Analysis by the Legislative Reference Bureau

This bill exempts property used to provide broadband service to a rural or underserved area from the telephone company tax that is paid by telephone companies in lieu of the general property tax. To qualify for the exemption, property installed prior to January 1, 2020, must be used to provide Internet access service to a rural area at a download speed of at least 25 megabits per second and an upload speed of at least 3 megabits per second. Property installed after December 31, 2019, must be used to provide Internet access service to a rural or underserved area at those same speeds or, if higher, speeds designated by the Federal Communications Commission. Under the bill, an “underserved area” is any area in the state served by fewer than two wired service providers, and a “rural area” is any area in the 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 prior to January 1, 2020, the determination of whether an area is a rural area is based on the 2010 federal decennial census.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 76.80 (2), (2m) and (5) of the statutes are created to read:

2 76.80 (2) “Qualified broadband service property” means tangible personal
3 property that meets any of the following standards:

4 (a) The property is installed prior to January 1, 2020, and is used to provide
5 Internet access service to a rural area at actual speeds that are at least a download
6 speed of 25 megabits per second and an upload speed of 3 megabits per second.

7 (b) The property is installed after December 31, 2019, and is used to provide
8 Internet access service to a rural or underserved area at actual speeds that meet or
9 exceed the higher of the following thresholds:

10 1. A download speed of 25 megabits per second and an upload speed of 3
11 megabits per second.

12 2. The download and upload speed benchmarks for fixed services as designated
13 by the federal communications commission in its inquiries regarding advanced
14 telecommunications capability under 47 USC 1302 (b).

15 **(2m)** “Rural area” means an area in this state that is located outside a federal
16 metropolitan statistical area or is located in a city, village, or town with a population
17 of not more than 14,000. For purposes of sub. (2) (a), the determination of whether
18 an area meets the criteria of this subsection shall be made on the basis of the 2010
19 federal decennial census.

