



ROB SUMMERFIELD

STATE REPRESENTATIVE • 68th ASSEMBLY DISTRICT
MAJORITY CAUCUS CHAIR

April 30, 2025

Representative O'Connor, Chair

Members of the Assembly Committee on Ways and Means

Testimony on 2025 Assembly Bill 208

Relating to: an income and franchise tax exemption for broadband expansion grants and for federal high-cost program funding for broadband expansion.

Chairman O'Connor and Committee Members:

Thank you for providing me with the opportunity to testify at today's public hearing on Assembly Bill 208. I appreciate your time and consideration of this legislation.

This bill is critically important to ensuring federal dollars that are designated for broadband expansion are used wisely and to the fullest extent.

Current law exempts income received through federal broadband expansion grants from the federal Coronavirus Relief Fund from state income taxes. AB 208 would make that tax exemption permanent for all federal broadband grants and also exempt state broadband funding from income taxes. The exemption also covers any broadband expansion contributions received directly from local governments toward a broadband project. Wisconsin is going to receive approximately one billion federal dollars from the Broadband Equity, Access, and Deployment (BEAD) Program for broadband expansion. Wisconsin's corporate tax rate is currently at 7.9%. According to a memo from the Legislative Fiscal Bureau, this bill would allow companies to put roughly \$72 million more dollars into broadband than they would have otherwise had to pay in taxes.

This bill would allow us to make an even larger investment into broadband expansion and allow more households to get connected to faster internet. Broadband connection is critical for economic development and modernization in today's environment. It helps connect individuals with their workplace, education, healthcare providers, and much of today's economy.

These additional dollars will help the state continue to build on our progress in expanding broadband access around the state. I ask that you join me in supporting this bill.



Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Romaine Robert Quinn
To: Assembly Committee on Ways and Means
Re: **Testimony on Assembly Bill 208**
Relating to: an income and franchise tax exemption for broadband expansion grants and for federal high-cost program funding for broadband expansion
Date: April 30, 2025

Thank you, members of the Assembly Committee on Ways and Means for hearing Assembly Bill 208 today.

Broadband expansion, especially to rural areas, is fundamentally important to local economies, education, and way of life for Wisconsin residents. For as long as I've been in the State Legislature, I have tried to direct the resources we have in Madison to be used in the field to get projects funded and built in a timely manner.

Providers that build out our broadband infrastructure receive grants from the government to do a job. They then repay a portion of that money back to Madison as taxes without it ever being used for any type of construction. This dilutes the effectiveness of every broadband grant award.

Current law already exempts income received through federal broadband expansion grants from the federal Coronavirus Relief Fund from state income taxes. Now the federal Broadband Equity, Access, and Deployment (BEAD) Program will provide approximately \$1.055 billion for broadband expansion in Wisconsin. AB 208 will apply the tax exemption for all federal funds used for broadband expansion. In addition, the bill will exempt local, state, and tribal government funds used for broadband expansion from income taxes.

Assembly Bill 208 will ensure that every dollar designed for broadband expansion is used to the fullest extent to further broadband expansion -- allowing providers to stretch their capital further, put more fiber in the ground, and connect more unserved customers.

Thank you for your consideration in supporting Assembly Bill 208.



**Terry Kucera, General Manager & Executive Vice President of Grantsburg
Telcom and Vice President/President-Elect of WSTA
Testimony in Support of Assembly Bill 208
Assembly Committee on Ways and Means
April 30, 2025**

Chair O'Connor and members of the committee, thank you for the opportunity to testify in support of Assembly Bill 208.

My name is Terry Kucera, and I am the general manager and executive vice president of Grantsburg Telcom located in beautiful Grantsburg, Wisconsin. I am also the vice-president and president-elect of WSTA, the Wisconsin State Telecommunications Association.

I want to thank and recognize Representative Summerfield and Senator Quinn for their support of broadband expansion and their willingness to author this legislation.

I also want to thank Chair O'Connor for supporting the bill as a cosponsor...and the other committee members who are cosponsors of AB 208: Representatives Kaufert, Armstrong, Gustafson, and Jacobson.

In my testimony, I will share some background on WSTA, its members, and Wisconsin's efforts to expand broadband service to unserved and underserved locations.

But first, I would like to briefly comment on Grantsburg Telcom and what we are doing to help bridge the digital divide in northwestern Wisconsin.

Grantsburg Telcom is the dba of Farmers Independent Telephone Company, a community-based provider that has been delivering advanced telecommunications services to the area since 1907.

We began building our future-proof fiber-optic network in 2008 which now serves households, businesses, schools, a hospital, and large manufacturing companies throughout our approximate 350-square mile rural territory.

Since 2020, Grantsburg Telcom has received over \$1.2 million dollars – before taxes – from eight federal and state-funded broadband grants that have helped us deploy fiber-optic

broadband service to unserved and underserved locations in the western half of Burnett County as well as a portion of Polk County.

We are a proud member of WSTA and support its work here in Madison and throughout the state.

WSTA incorporated in 1910 as the voice of Wisconsin's local telephone companies. 115 years later, they represent 37 telecommunications companies operating 70 broadband service providers.

Many of its members offer fiber-fed gigabit broadband options (*1 Gbps equals 1000 Mbps*) in addition to their traditional voice service and digital video products.

WSTA members are successful partners with the state in rural broadband expansion. Since Fiscal Year 2014, WSTA members account for more than 60% of the grants and two-thirds of the funds from state and federally supported grant cycles. WSTA members are matching grant awards with their private sector capital and completing projects on time (and within budget).

WSTA members want to continue our successful broadband expansion through their participation in the federal Broadband Equity, Access, and Deployment (BEAD) program, which allocates \$1.055 billion in funds for rural broadband expansion in Wisconsin.

However, without the proposed changes in AB 208, the federal BEAD funding will be subject to Wisconsin's 7.9% corporate income tax rate.

The income tax exemption in AB 208 can stretch BEAD resources further and connect more unserved customers to fiber-fed broadband.

As introduced, AB 208 will also exempt local, state, tribal, and other federal funding *used for broadband expansion* from Wisconsin's corporate income tax. Again, the income tax exemption will stretch those resources further.

Significantly, the competitive nature of the federal BEAD program and the state level Broadband Expansion Grant Program can help ensure the income tax savings are used for broadband investments.

Thank you for your time and attention this afternoon.

I respectfully request that you support AB 208 and exempt government funding for broadband expansion from Wisconsin's corporate income tax.

I would be happy to answer any questions.

Please contact Bill Esbeck at bill.esbeck@wsta.info with any follow-up questions.