

HOUSE COMMITTEE AMENDMENTS

2024 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 827 by Representative Turner

1 AMENDMENT NO. 1

2 On page 1, delete lines 3 through 5 in their entirety and insert in lieu thereof the following:

3 "relative to a state and local sales and use tax rebate on the sale of certain
4 communications service equipment; to repeal provisions authorizing a local sales and
5 use tax rebate on the sale of such equipment; to provide definitions that apply for
6 purposes of the state sales and use tax rebate on such equipment; to limit the total
7 rebate amount that may be paid per fiscal year; to provide for other limitations and
8 conditions; to provide an effective date; and to provide for related matters."

9 AMENDMENT NO. 2

10 On page 1, line 8, delete "fiber-optic cable" and insert "broadband"

11 AMENDMENT NO. 3

12 On page 1, delete lines 9 through 20 in their entirety and delete pages 2 and 3 in their
13 entirety and insert in lieu thereof the following:

14 ~~"A.(1) A winning bidder that is awarded a census block by the Federal~~
15 ~~Communications Commission in the Rural Digital Opportunity Fund Auction,~~
16 ~~communications provider shall be eligible for an annual rebate of state and local~~
17 ~~sales and use taxes paid by the winning bidder on fiber-optic cable equipment used~~
18 ~~to distribute fixed and mobile broadband networks to eligible rural unserved areas~~
19 ~~provider on equipment used to provide broadband communications services in~~
20 ~~Louisiana. The Subject to the limitations provided in Subsection C of this Section,~~
21 ~~the amount of the rebate shall equal fifty percent of the sales and use tax paid by the~~
22 ~~winning bidder on fiber-optic cable equipment. for each fiscal year shall equal the~~
23 ~~state sales and use tax paid by the communications provider on the equipment.~~

24 ~~(2) The following words shall have the following meanings unless the~~
25 ~~context clearly indicates otherwise:~~

26 ~~(a) "Fiber-optic cable equipment" means:~~

27 ~~(i) Telecommunications fiber.~~

28 ~~(ii) Wires.~~

29 ~~(iii) Poles.~~

30 ~~(iv) Supports.~~

31 ~~(v) Lashing cable.~~

32 ~~(vi) Conduit.~~

33 ~~(vii) Communication handholes.~~

34 ~~(viii) Customer premise equipment.~~

35 ~~(b) "Unserved area" means an area that has service levels below the~~
36 ~~minimum acceptable level of fixed broadband service as defined in 7 U.S.C.~~
37 ~~950bb(e)(1).~~

38 ~~(2) As used in this Section, the following terms shall have the meanings~~
39 ~~ascribed to them in this Paragraph unless the context clearly indicates otherwise:~~

40 ~~(a) "Broadband communications service" means telecommunications service~~
41 ~~as defined in 47 U.S.C. 153(53), cable service as defined in 47 U.S.C. 522(6), and~~
42 ~~internet access service as defined in Section 1101(e)(3)(D) of the Internet Tax~~
43 ~~Freedom Act (P.L. 105-277, Title XI), as amended, or any combination of these~~
44 ~~services.~~

1 (b) "Communications provider" means a person who is principally engaged
 2 in the business of distributing, provisioning, transmitting, conveying, monitoring,
 3 switching, receiving, or routing of a broadband communications service.

4 (c) "Equipment used to provide broadband communications service" and
 5 "equipment" means all of the following items when such items are utilized to provide
 6 broadband communications service: cables, including fiber-optic and coaxial cables;
 7 antennas; towers; poles; supports; mounts; lashing wires; conduit; above-ground
 8 network equipment enclosures and storage devices; below-ground network
 9 equipment enclosures and storage devices; central control headend equipment; hub
 10 switching equipment; network monitoring and diagnostic equipment; networking and
 11 distribution equipment; radio communication equipment; routing and switching
 12 equipment; broadband network software; power regulator equipment; power failure
 13 backup equipment; network servers; communications multiplexers; and signal
 14 amplification equipment.

15 (3) Each item of ~~fiber-optic cable~~ equipment shall be eligible for only a
 16 single rebate pursuant to this Section. Subsequent transactions involving the sale or
 17 resale of the same item of ~~fiber-optic cable~~ equipment shall not be eligible for this
 18 rebate.

19 (4) The rebate authorized pursuant to this Section shall not be allowed for
 20 ~~the purchases of fiber-optic cable equipment that are paid for with state or federal~~
 21 ~~funds, unless the state or federal funds are reported as taxable income or are~~
 22 ~~structured as repayable loans~~ any purchase of equipment that is paid for with state
 23 or federal funds."

24 ~~"B. Requests for the rebates of state sales and use taxes pursuant to the~~
 25 ~~provisions of this Section shall be processed by the Department of Revenue. A~~
 26 ~~purchaser shall claim a state rebate using the form and in the manner prescribed by~~
 27 ~~the Department of Revenue. The purchaser who claims a rebate shall submit~~
 28 ~~documentation to the secretary of the Department of Revenue evidencing the~~
 29 ~~purchase of fiber-optic cable equipment and documentation evidencing the purchaser~~
 30 ~~is a winning bidder that was awarded a census block by the Federal Communications~~
 31 ~~Commission in the Rural Digital Opportunity Fund Auction. The secretary of the~~
 32 ~~Department of Revenue may promulgate rules in accordance with the Administrative~~
 33 ~~Procedure Act as are necessary to implement the provisions of this Section, including~~
 34 ~~rules to provide for the form and manner for claiming a rebate.~~

35 ~~C. Requests for the rebate of local sales and use taxes pursuant to the~~
 36 ~~provisions of this Section shall be processed by the appropriate local taxing~~
 37 ~~authority. A purchaser shall claim a local rebate using the form and in the manner~~
 38 ~~required by the local taxing authority. The purchaser who claims the rebate shall~~
 39 ~~submit documentation to the local taxing authority evidencing the purchase of~~
 40 ~~fiber-optic cable equipment and documentation evidencing the purchaser is a~~
 41 ~~winning bidder that was awarded a census block by the Federal Communications~~
 42 ~~Commission in the Rural Digital Opportunity Fund Auction. The Louisiana Uniform~~
 43 ~~Local Sales Tax Board may promulgate rules and regulations in accordance with the~~
 44 ~~Administrative Procedure Act as necessary for the implementation of this Section.~~

45 B. Approvals of the fiscal year rebates of state sales and use taxes pursuant
 46 to the provisions of this Section shall be processed by the Department of Revenue
 47 no later than six months after the end of each fiscal year. A purchaser shall claim a
 48 rebate within three months after the end of the fiscal rebate period using the form and
 49 in the manner prescribed by the Department of Revenue. The purchaser who claims
 50 a rebate shall submit documentation to the secretary of the Department of Revenue
 51 evidencing the purchase of equipment used to provide broadband communications
 52 service, the parish in which it was installed, and other information necessary for the
 53 Department of Revenue to process the claim. The purchaser shall include an
 54 affirmation that the requested rebate meets all requirements of this Section. The
 55 secretary of the Department of Revenue may promulgate rules in accordance with
 56 the Administrative Procedure Act as are necessary to implement the provisions of

1 this Section, including rules to provide for the form and manner for claiming a
2 rebate.

3 C.(1) The total amount of rebates paid pursuant to this Section in any fiscal
4 year shall not exceed fifteen million dollars.

5 (2)(a) Within the limit established in Paragraph (1) of this Subsection, the
6 amount of rebates paid for purchases of equipment used to provide broadband
7 communications service in Tier Two parishes, as designated pursuant to the
8 provisions of Subsection D of this Section, shall not exceed three million dollars for
9 any fiscal year.

10 (b) The purpose of this Paragraph is to reserve up to eighty percent of the
11 total amount of rebates authorized by this Section as incentives for communications
12 providers to furnish broadband communications service in Tier One parishes.

13 (3) If the total amount of rebate claims from qualified purchasers exceeds the
14 applicable limit established in Paragraph (1) or (2) of this Subsection, the
15 Department of Revenue shall issue a prorated refund to each qualified purchaser such
16 that the total paid does not exceed the applicable limit for the fiscal year.

17 D. Annually by June 30, using the most current data available from the
18 Louisiana Workforce Commission and the United States Department of Commerce,
19 the Department of Revenue shall rank the parishes of this state according to the
20 provisions of this Subsection and classify each parishes as either a "Tier One" or
21 "Tier Two" parish. Tier One parishes shall comprise the thirty-two parishes having
22 a combination of the highest unemployment rate and lowest per capita income for
23 the most recent thirty-six-month period, with equal weight being given to each
24 category. The remaining parishes shall be designated as Tier Two parishes.

25 E. The Department of Revenue shall not remit payment of any rebate
26 authorized by this Section for more than three fiscal year periods. No rebate is
27 authorized for any fiscal year ending after June 30, 2027. The Department of
28 Revenue shall process and remit payment of all qualified rebate claims no later than
29 December 31, 2027.

30 Section 2. This Act shall become effective on July 1, 2024; if vetoed by the governor
31 and subsequently approved by the legislature, this Act shall become effective on July 1,
32 2024, or on the day following such approval by the legislature, whichever is later."