



# 130th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2021

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Legislative Document

No. 1118

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S.P. 381

In Senate, March 22, 2021

### **An Act To Promote Reliable Rural High-speed Internet**

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Received by the Secretary of the Senate on March 18, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT  
Secretary of the Senate

Presented by Senator LAWRENCE of York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5219-YY** is enacted to read:

3 **§5219-YY. High-speed Internet investment tax credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the  
5 following terms have the following meanings.

6 A. "Commissioner" means the Commissioner of Economic and Community  
7 Development.

8 B. "Department" means the Department of Economic and Community Development.

9 C. "Eligible high-speed Internet provider" means a high-speed Internet service  
10 provider that has completed a qualified project.

11 D. "Qualified customer" means an end user receiving high-speed Internet service at  
12 qualifying speeds from a qualified project.

13 E. "Qualified project" means a project qualified by the commissioner under subsection  
14 4.

15 F. "Qualifying speed" means high-speed Internet service with speeds at a minimum of  
16 20 megabits per second downstream and a minimum of 20 megabits per second  
17 upstream.

18 **2. Credit allowed.** An eligible high-speed Internet provider is eligible for:

19 A. A \$1,000 tax credit for each qualified customer; and

20 B. A tax credit:

21 (1) In the amount of \$7,500 for each mile of fiber-optic cable installed as part of  
22 a qualified project where there is an average of 11 or more homes; and

23 (2) In the amount of \$10,000 for each mile of fiber-optic cable installed as part of  
24 a qualified project where there is an average of 10 or fewer homes.

25 **3. Limitations.** A person entitled to a credit under this section for any taxable year  
26 may carry over and apply the portion of any unused credits to the tax liability on income  
27 derived from the qualified project for any one or more of the next succeeding 10 taxable  
28 years. The credit allowed, including carryovers, may not reduce the tax otherwise due under  
29 this Part to less than zero and may not exceed the actual costs to the eligible high-speed  
30 Internet provider to complete the qualified project for which the credit is claimed under this  
31 section.

32 **4. Project qualification.** A high-speed Internet service provider may apply for  
33 qualification by the commissioner of a project that provides high-speed Internet service at  
34 qualifying speeds to customers in areas of service where the average number of potential  
35 customers per mile does not exceed 20. Such an application must include the proposed  
36 location and speeds of the high-speed Internet service to be developed and must certify that  
37 qualified customers served by the project will be able to purchase internet service at  
38 qualifying speeds for not more than the Consumer Price Index price for high-speed Internet  
39 service in a metropolitan area.

1 **5. Certification.** A person claiming a tax credit under subsection 2 for a qualified  
2 project shall provide to the commissioner, in a manner determined by the commissioner,  
3 information that verifies the number of qualified customers served by the qualified project  
4 and that each qualified customer may access the Internet at qualifying speeds as a result of  
5 the qualified project and specifies the miles of fiber-optic cable installed and the customers  
6 per mile served by the qualified project. Upon approval of the information, the  
7 commissioner shall provide the high-speed Internet provider with a letter of certification  
8 stating that the high-speed Internet service investments made are eligible for a tax credit  
9 under this section and stating the number of miles of fiber-optic cable and the number of  
10 qualified customers that gained access to high-speed Internet service at qualifying speeds  
11 during the taxable year.

12 **6. Application.** This section applies to tax years beginning on or after January 1,  
13 2022.

#### 14 SUMMARY

15 This bill provides an income tax credit for high-speed Internet service providers who  
16 engage in a project approved by the Commissioner of Economic and Community  
17 Development that provides high-speed Internet service where the average number of  
18 potential customers per mile does not exceed 20 and the cost to the customers does not  
19 exceed the Consumer Price Index cost for high-speed Internet service in a metropolitan  
20 area.