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Legislative Document

No. 1118

S.P. 381

In Senate, March 22, 2021

An Act To Promote Reliable Rural High-speed Internet

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.

