

ASSEMBLY, No. 232

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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SYNOPSIS

Provides corporation business tax credit for certain investment in broadband infrastructure in underserved communities.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** providing a corporation business tax credit for certain
2 investment in broadband infrastructure in underserved
3 communities and supplementing P.L.1945, c.162 (C.54:10A-1 et
4 seq.).

5
6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8
9 1. As used in P.L. , c. (C.) (pending before the
10 Legislature as this bill):

11 “Bit” means the smallest unit of computerized binary data.

12 “Broadband telecommunications infrastructure” shall have the
13 same meaning as provided in section 1 of P.L.2007,
14 c.191 (C.40:9D-1).

15 “Broadband telecommunications service” means any
16 telecommunications service using broadband telecommunications
17 infrastructure for the purpose of offering high speed, switched,
18 broadband wireline or wireless telecommunications capability that
19 enables users to originate and receive high-quality voice, data,
20 graphics, or video telecommunications through the Internet, using
21 any technology, and, concerning wireline broadband
22 telecommunications service, having actual download speeds of at
23 least 50 megabits per second and actual upload speeds of at least 20
24 megabits per second.

25 “Megabit per second” means a computerized binary data transfer
26 capacity over a computer network equal to one million bits per
27 second.

28
29 2. a. A taxpayer providing broadband telecommunications
30 service shall be allowed a credit against the tax imposed pursuant to
31 section 5 of P.L.1945, c.162 (C.54:10A-5), in an amount equal to 25
32 percent of the amount paid during the privilege period for the
33 installation, construction, reconstruction, or erection of
34 improvements or additions of broadband telecommunications
35 infrastructure that result in the provision or expansion of broadband
36 telecommunications service in municipalities in this State having a
37 population of less than 10,000.

38 An unused credit may be carried forward, if necessary, for use in
39 the seven privilege periods following the privilege period for which
40 the credit is allowed.

41 b. A credit shall not be allowed under P.L.1993,
42 c.170 (C.54:10A-5.4 et seq.), P.L.1993, c.171 (C.54:10A-5.16 et
43 al.), P.L.1993, c.175 (C.54:10A-5.24), or P.L.2001,
44 c.321 (C.54:10A-5.31 et seq.) for expenditures for which a credit is
45 allowed pursuant to this section.

46 c. The order of priority of the application of the credit allowed
47 under this section and any other credits allowed by law shall be as
48 prescribed by the director. The amount of the credit applied under

1 this section against the tax imposed pursuant to section 5 of
2 P.L.1945, c.162 (C.54:10A-5) for a privilege period shall not
3 exceed 50 percent of the tax liability otherwise due against the tax
4 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5).
5 When the credit under this section is combined with any other credit
6 against the tax imposed pursuant to section 5 of P.L.1945,
7 c.162 (C.54:10A-5), the maximum credit shall not be greater than
8 the highest percentage allows under any applied credit and shall not
9 reduce the tax liability to an amount less than the statutory
10 minimum provided in subsection (e) of section 5 of P.L.1945,
11 c.162 (C.54:10A-5).

12

13 3. This act shall take effect immediately and apply to amounts
14 paid in privilege periods beginning after the date of enactment.

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17 STATEMENT

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19 This bill allows a corporation business tax credit for 25 percent
20 of the costs of the installation, construction, reconstruction, or
21 erection of improvements or additions of broadband
22 telecommunications infrastructure that result in the provision or
23 expansion of broadband telecommunications service in
24 municipalities in this State having a population of less than 10,000.

25 The bill provides that expenditures for broadband
26 telecommunications infrastructure installation, construction,
27 reconstruction, or erection of improvements or additions for which
28 a credit is allowed under this bill are not to be considered
29 expenditures for which a credit is allowed under the New Jobs
30 Investment Tax Credit, the Manufacturing and Employment
31 Investment Tax Credit, the Research and Development Credit, or
32 the Effluent Treatment and Conveyance Equipment Credit.

33 The bill defines “broadband telecommunications infrastructure”
34 as information equipment and facilities, information systems, and
35 information technology used for the purpose of providing
36 broadband telecommunications service. The bill defines
37 “broadband telecommunications service” as any
38 telecommunications service using broadband telecommunications
39 infrastructure for the purpose of offering high speed, switched,
40 broadband wireline or wireless telecommunications capability that
41 enables users to originate and receive high-quality voice, data,
42 graphics, or video telecommunications through the Internet, using
43 any technology, and, concerning wireline broadband
44 telecommunications service, having actual download speeds of at
45 least 50 megabits per second and actual upload speeds of at least 20
46 megabits per second.