

HOUSE BILL NO. 4231

February 11, 2021, Introduced by Rep. Green and referred to the Committee on Communications and Technology.

A bill to amend 1937 PA 94, entitled
"Use tax act,"
(MCL 205.91 to 205.111) by adding section 4jj.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 **Sec. 4jj. (1) The tax under this act does not apply to the**
2 **storage, use, or consumption of eligible broadband equipment and**
3 **installation materials by a qualified business for installation in**
4 **an unserved area in this state.**
- 5 **(2) A person who claims an exemption under this section shall**

1 report any information required by the department to substantiate
2 the exemption on a form at the time and in a manner prescribed by
3 the department. The report required under this subsection must not
4 include any remittance for tax and does not constitute a return or
5 otherwise alleviate any obligations under section 6.

6 (3) As used in this section:

7 (a) "Affiliate" means that term as defined in section 4cc.

8 (b) "Broadband service" means a retail terrestrial service
9 capable of delivering high-speed internet access at speeds of at
10 least 10 megabits per second downstream and 1 megabit per second
11 upstream.

12 (c) "Census block" means a geographic area defined as a census
13 block by the United States Department of Commerce, Bureau of the
14 Census in conducting the most recent decennial census.

15 (d) "Eligible broadband equipment" means any equipment that is
16 used for or is substantially related to providing broadband service
17 in at least 1 direction. Eligible broadband equipment includes, but
18 is not limited to, asynchronous transfer mode switches, digital
19 subscriber line access multiplexers, antennas, routers, servers,
20 multiplexers, fiber optic cable, and related equipment technology.
21 Eligible broadband equipment also includes, but is not limited to,
22 the following:

23 (i) For a qualified business that is a telecommunications
24 carrier, equipment that is necessary to provide broadband service
25 and is an integral part of a broadband network.

26 (ii) For a qualified business that is a commercial mobile
27 service carrier, equipment extending from the subscriber side of
28 the mobile telecommunications switch to a transmitting or receiving
29 antenna, including the antenna, on the outside of the structure in

1 which the subscriber is located.

2 (iii) For a qualified business that is a cable or open video
3 system operator or video service provider, equipment extending from
4 within the headend to the outside of the structure in which the
5 subscriber is located.

6 (e) "Installation materials" means materials used or consumed
7 in the installation of eligible broadband equipment, including, but
8 not limited to, mounting hardware, poles, conduits, and ducts.

9 (f) "Qualified business" means a person that provides, whether
10 directly or indirectly through 1 or more affiliates, broadband
11 service, including wireless broadband service.

12 (g) "Unserved area" means either a census block without at
13 least 1 provider providing broadband service within the census
14 block, or a specific area within a census block in which no
15 provider is providing broadband service.