

By: Senator(s) Robertson, Chaney, Frazier,  
King

To: Finance

SENATE BILL NO. 2690

1 AN ACT TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972, TO  
2 EXTEND UNTIL JULY 1, 2020, THE INCOME AND FRANCHISE TAX CREDIT  
3 GRANTED TO TELECOMMUNICATIONS ENTERPRISES FOR THE COST OF  
4 EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND TECHNOLOGIES; AND  
5 FOR RELATED PURPOSES.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

7 **SECTION 1.** Section 57-87-5, Mississippi Code of 1972, is  
8 amended as follows:

9 57-87-5. (1) For purposes of this section:

10 (a) "Telecommunications enterprises" shall have the  
11 meaning ascribed to such term in Section 57-73-21(13);

12 (b) "Tier One areas" mean counties designated as Tier  
13 One areas pursuant to Section 57-73-21(1);

14 (c) "Tier Two areas" mean counties designated as Tier  
15 Two areas pursuant to Section 57-73-21(1);

16 (d) "Tier Three areas" mean counties designated as Tier  
17 Three areas pursuant to Section 57-73-21(1); and

18 (e) "Equipment used in the deployment of broadband  
19 technologies" means any equipment capable of being used for or in  
20 connection with the transmission of information at a rate, prior  
21 to taking into account the effects of any signal degradation, that  
22 is not less than three hundred eighty-four (384) kilobits per  
23 second in at least one direction, including, but not limited to,  
24 asynchronous transfer mode switches, digital subscriber line  
25 access multiplexers, routers, servers, multiplexers, fiber optics  
26 and related equipment.

27 (2) With respect to the investment in each year by a  
28 telecommunications enterprise after June 30, 2003, and before July

29 1, 2020, there shall be allowed annually as a credit against the  
30 aggregate tax imposed by Chapters 7 and 13 of Title 27,  
31 Mississippi Code of 1972, an amount equal to:

32 (a) Five percent (5%) of the cost of equipment used in  
33 the deployment of broadband technologies in Tier One areas;

34 (b) Ten percent (10%) of the cost of equipment used in  
35 the deployment of broadband technologies in Tier Two areas; and

36 (c) Fifteen percent (15%) of the cost of equipment used  
37 in the deployment of broadband technologies in Tier Three areas.

38 (3) Such annual credits shall be allowed commencing with the  
39 taxable year in which such property is placed in service and  
40 continue for nine (9) consecutive years thereafter. The aggregate  
41 credit established by this section taken in any one tax year shall  
42 be limited to an amount not greater than fifty percent (50%) of  
43 the taxpayer's tax liabilities under Chapters 7 and 13 of Title  
44 27, Mississippi Code of 1972; however, any tax credit claimed  
45 under this section, but not used in any taxable year, may be  
46 carried forward for ten (10) consecutive years from the close of  
47 the tax year in which the credits were earned.

48 (4) The maximum aggregate amount of credits that may be  
49 claimed under this section shall not exceed the original  
50 investment made by a telecommunications enterprise in the  
51 qualifying equipment used in the deployment of broadband  
52 technologies.

53 (5) For purposes of this section, the tier in which  
54 broadband technology is deployed shall be determined in the year  
55 in which such technology is deployed in a county and such tier  
56 shall not change if the county is later designated in another  
57 tier.

58 **SECTION 2.** This act shall take effect and be in force from  
59 and after July 1, 2006.