

S.F. No. 1063 – Sales tax exemption for fiber and conduit used in broadband and internet access

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Section 1. Fiber and conduit; broadband and Internet access. Under current law, fiber and conduit purchased or leased for use directly by a telecommunications or pay television services provider primarily in the provision of telecommunications or pay television services that are ultimately sold at retail are exempt. Telecommunications services excludes internet access services, so the exemption under current law does not extend to fiber and conduit purchased or leased for use by a broadband or internet service provider. This bill exempts fiber and conduit purchased or leased for use directly by a broadband or internet service provider primarily in the provision of broadband or internet access services that are ultimately sold at retail. Effective retroactively for sales and purchases made after July 1, 2017.

Section 2. Refunds; fiber and conduit. Provides the process by which broadband or internet service providers must apply for refunds for sales and purchases made after July 1, 2017, and before July 1, 2023. After July 1, 2023, the exemption would be upfront. Effective the day following final enactment.