

# Broadband Technology Tax Credit

Broadband Technology Tax Credits are credits that can be applied to state income or franchise tax of telecommunications businesses. These credits are earned based on a percentage of the cost of equipment used in the deployment of broadband technology in the state. To be eligible for the credit, the items must be sold to, billed to, and paid for by the company receiving the credit.

## Program Facts

Broadband Technology Tax Credits are credits that are provided to entities to encourage the deployment of high-speed internet access throughout the state, with an emphasis on rural areas. Qualifying equipment used in the deployment of broadband technologies includes asynchronous transfer mode switches, digital subscriber line access multiplexers, routers, servers, multiplexes, fiber optics, and related equipment.

Annual credit amounts are calculated as a percentage of eligible expenditures, based on equipment location, and is available for 10 years. The credits can be claimed against income or franchise tax, but the total amount of credits taken over the 10 year period cannot exceed 100% of the cost of the equipment.

The credit percentage amount allowed per year is based on the **development ranking of the county**.

<b>County Classification</b>	<b>Credit Amount</b>
Tier III	15% of Costs
Tier II	10% of Costs
Tier I	5% of Costs

Credits can be used to offset up to fifty percent of the entity's income or franchise tax liability, and unused credits can be carried forward up to ten years.

Broadband Technology Tax Credits are awarded and administered by the Mississippi State Tax Commission.

For further details, see the Mississippi Tax Incentives, Exemptions, and Credits on the State Tax Commission's website <http://www.mstc.state.ms.us/revenue/incentive/2008IncentiveBook.pdf>, or Section 57-87-5 and 57-73-21, MS Code 1972, Annotated. To request these documents or for assistance, contact the State Tax Commission at (601)923-7044 or the Financial Resources Division at [financial@mississippi.org](mailto:financial@mississippi.org) or (601)359-3552.