

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2040
Version:	Proposed Committee Substitute
Request Number:	7746
Author:	McCall
Date:	2/24/2021
Impact:	Please see previous summary of this measure

Research Analysis

The proposed committee substitute for HB 2040 provides a sales tax exemption for sales of qualifying broadband equipment. The measure directs the exemption to be administered as a rebate, which can only be claimed for equipment purchased in order to establish or expand broadband services in underserved or unserved areas.

For the tax year beginning January 1, 2022, the total amount of rebates shall not exceed \$20 million, with \$15 million reserved for eligible projects in counties with fewer than 100 persons per square mile. For the tax year beginning January 1, 2023, and all subsequent fiscal years, the allocation of the \$20 million shall be made using an incentive award formula as enacted into law by the Legislature upon recommendation by the Rural Broadband Expansion Council.

Lastly, the bill specifies provisions for claims and reports related to this exemption.

Prepared By: Emily McPherson

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: Mark Tygret

Other Considerations

None.