

115TH CONGRESS  
2D SESSION

# H. R. 6871

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

---

## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2018

Mr. MARINO (for himself, Mr. ABRAHAM, Mr. BARLETTA, Mr. BERGMAN, and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rural Broadband  
5 Connectivity Act of 2018”.

1 **SEC. 2. RURAL BROADBAND TAX CREDIT.**

2 (a) IN GENERAL.—The Internal Revenue Code of  
3 1986 is amended by inserting after subsection 48D the  
4 following new section:

5 **“SEC. 48E RURAL BROADBAND CREDIT.**

6 “(a) IN GENERAL.—For the purposes of section 38,  
7 the rural broadband credit for any taxable year is an  
8 amount equal to 30 percent of the basis of qualified  
9 broadband property placed in service by the taxpayer dur-  
10 ing such taxable year.

11 “(b) CAP ON CREDIT AMOUNT.—

12 “(1) IN GENERAL.—The amount of the credit  
13 allowable to a taxpayer under subsection (a) for any  
14 property for a taxable year shall not exceed an  
15 amount equal to the product of—

16 “(A) the value of the number of qualified  
17 potential customers served by the qualifying  
18 broadband project for which such property is  
19 necessary, multiplied by

20 “(B) \$170.

21 “(2) QUALIFIED POTENTIAL CUSTOMER.—For  
22 purposes of this section, the term ‘qualified potential  
23 customer’ means, with respect to a taxpayer, an in-  
24 dividual—

25 “(A) who resides in a qualified rural cen-  
26 sus tract, and

1           “(B) whom such taxpayer demonstrates to  
2           the satisfaction of the Secretary would upon re-  
3           quest be provided broadband service by the tax-  
4           payer for a customary charge for commencing  
5           broadband service of no more than \$1,000.

6           “(c) QUALIFIED BROADBAND PROPERTY.—For the  
7 purposes of this section—

8           “(1) IN GENERAL.—The term ‘qualified  
9           broadband property’ means property necessary for a  
10          qualifying broadband project.

11          “(2) QUALIFYING BROADBAND PROJECT.—The  
12          term ‘qualifying broadband project’ means any  
13          project designed to expand the number of individuals  
14          with broadband service in a qualified rural census  
15          tract.

16          “(3) BROADBAND SERVICE.—The term  
17          ‘broadband service’ means broadband service (as de-  
18          fined in section 601(b) of the Rural Electrification  
19          Act of 1936) that meets the minimum acceptable  
20          level for such service (as established by the Sec-  
21          retary of Agriculture pursuant to section 601(e) of  
22          the Rural Electrification Act of 1936).

23          “(4) QUALIFIED RURAL CENSUS TRACT.—The  
24          term ‘qualified rural census tract’ means a census  
25          tract designated not later than December 31, 2018,

1 by the Secretary (in consultation with the Chairman  
2 of the Federal Communications Commission, the As-  
3 sistant Secretary of Commerce for Communications  
4 and Information who is head of the National Tele-  
5 communications and Information Administration,  
6 and the Secretary of Agriculture) as—

7 “(A) being rural, and

8 “(B) having less than 50 percent of resi-  
9 dents with access to broadband service.

10 “(d) CARRYOVER OF CERTAIN AMOUNTS.—If, for the  
11 taxable year, the amount which (but for subsection (b))  
12 would have been taken into account under subsection (a)  
13 exceeds the limitation of subsection (b), then the amount  
14 of such excess shall be taken into account under sub-  
15 section (a) for the succeeding taxable year.

16 “(e) TERMINATION.—This section shall not apply to  
17 property placed in service after December 31, 2028.”.

18 (b) CONFORMING AMENDMENT.—Section 46 is  
19 amended by striking “and” at the end of paragraph (5),  
20 by striking the period at the end of paragraph (6) and  
21 inserting “, and”, and by adding at the end the following  
22 new paragraph:

23 “(7) the rural broadband credit.”.

1           (c) CLERICAL AMENDMENT.—The table of sections  
2 for subpart E of part IV of subchapter A of chapter 1  
3 is amended by adding at the end the following new item:

“Sec. 48E. Rural broadband credit.”.

4           (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to property placed in service after  
6 December 31, 2018.

○