



**TENNESSEE DEPARTMENT OF REVENUE**  
**Application for Broadband Internet Access Credit**  
**Franchise and Excise Tax**

1. Taxpayer Name \_\_\_\_\_ Account Number \_\_\_\_\_
2. Mailing Address \_\_\_\_\_  
*Street* *City* *State* *ZIP Code*
3. Business Contact \_\_\_\_\_  
*Name* *Phone Number* *Email Address*
4. Calendar year that qualified equipment was placed into service \_\_\_\_\_
5. Total purchase price of qualified equipment for the calendar year \$ \_\_\_\_\_
6. Attach to this application a detailed list of the qualified equipment purchases (see instructions) for which you are claiming the credit. The list should include:
  - Date of purchase
  - Purchase price
  - Date equipment was placed into service
  - Invoice or identifying number
  - Qualified broadband internet access equipment description
  - Enhancement county (Tier 3 or Tier 4) service location

**Affidavit of Applicant**

Under penalties of perjury, I declare that to the best of my knowledge this information is true and correct and the credit is only being claimed for the purchase price of qualified broadband internet access equipment as defined under Tenn. Code. Ann. § 67-4-2009(9)(B). The information contained in this application is subject to audit by the Department of Revenue and may result in the assessment of additional taxes, penalties, and interest if the statutory requirements for the franchise and excise tax credit are not met.

Print Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Please mail application and list of equipment purchases to:**

Tennessee Department of Revenue  
 Taxpayer Services Division  
 500 Deaderick Street  
 Nashville, TN 37242

Tenn. Code Ann. § 67-4-2009(9) provides a franchise and excise tax credit equal to 6% of the purchase price of qualified broadband internet access equipment used in Tier 3 or 4 enhancement counties and placed into service after April 24, 2017, subject to appropriations and limitations. The credit taken on a franchise and excise tax return is limited to 50% of the franchise and excise tax liability, and any unused credit may be carried forward for 15 years. The total aggregate credit allowed to all taxpayers is limited to \$5,000,000 for any calendar year. If the credit claimed by all taxpayers exceeds this cap, then the credit will be proportionately shared among taxpayers.

#### Qualified Broadband Internet Access Equipment

Qualified broadband internet access equipment is new equipment placed into service by a service provider to provide broadband internet access services at minimum download speeds of 25 megabits per second and minimum upload speeds of three megabits per second to locations in a Tier 3 or Tier 4 enhancement county (see Tenn. Code Ann. § 67-4-2109(a)). It includes, but is not limited to, asynchronous transfer mode switches, digital subscriber line access multiplexers, routers, servers, multiplexers, other electronic equipment, fiber optic and copper cables, transmission facilities, and related equipment and property used directly or indirectly to transmit broadband signals.

#### Application and Notification

Applications are due October 15 each year. The application for credit must include only qualified equipment placed into service in the previous calendar year. Only applications received by October 15 will be considered for the credit. This deadline will not be extended or waived. If the deadline is not met, the otherwise qualified purchases may not be claimed on subsequent applications. Equipment is considered placed into service on the date depreciation begins. If the qualified equipment is not depreciated, maintain the general ledger account(s) where the transaction was posted, detailed equipment description, date purchases, date placed in service, county location, purchase price, and purchase invoice number.

The Department of Revenue will notify applicants of the amount of credit they are allowed by the December 15, following the October 15 application deadline. A taxpayer may take the allowed credit on its return for the first tax period ended after it is notified by the Department of the authorized credit amount.

#### Examples

- A) Calendar year taxpayer – Qualified equipment is placed into service on December 10, 2017. The cost would be included in the application that is due October 15, 2018. The Department will notify the taxpayer of the amount of credit that it is allowed to claim on its return by December 15, 2018. The credit would be claimed on the 2018 return that is filed in 2019 (the return for the first tax period ended after December 15, 2018).
- B) Fiscal year taxpayer (with tax year of July 1 – June 30) – Qualified equipment is placed into service on December 10, 2017, and June 1, 2018. The December equipment would be reported on the 2017 calendar year application due by October 15, 2018 and the June equipment would be reported on the 2018 calendar year application due by October 15, 2019.

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#### **Instructions:**

- 1) – 3) Taxpayer information.
- 4) A fiscal year taxpayer should report qualified purchases on a calendar year basis
- 5) – 6) The total purchase price of all qualified equipment purchases required to be submitted by Line 6 should equal the amount reported on Line 5. The Department is authorized to conduct audits or require the filing of additional information necessary to substantiate or adjust the amount of the credit taken by a taxpayer. The invoice/reference number and/or other information provided on the detail list attached to the application should be sufficient to enable the taxpayer to locate and provide source documents in support of the claim at a future date (see Tenn. Code Ann. § 67- 1-1501(b)).