

## Fiber-Optic Cable

### **Fiber-Optic Cable Excluded from Definition of Tangible Personal Property after Installation**

Effective July 1, 2019, fiber-optic cable is not considered tangible personal property for sales and use tax purposes after it has been attached to a utility pole, building, or other structure or has been installed underground. See Public Chapter 501 (2019)

### **Installation or Lease of Fiber-Optic Cable is Exempt from Sales and Use Tax**

As a result of this amendment, the installation of fiber-optic cable is exempt from sales and use tax.

In addition, the lease of fiber-optic cable is exempt from sales and use tax if the following criteria are met:

- (1) The lease is for “dark” fiber-optic cable, meaning the lessor does not provide telecommunication services in connection with the lease; and
- (2) The lease is for fiber optic cable that has already been attached to a utility pole, building, or other structure or installed underground.

### **Unattached Fiber-Optic Cable Remains Subject to Sales Tax and Contractor’s Use Tax**

The purchase of fiber-optic cable before it is installed remains subject to sales and use tax. Additionally, a contractor that installs fiber optic cable is liable for contractor’s use tax on the cable if sales or use tax was not paid on the original purchase.

### **For More Information**

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

### **References**

Tenn. Code Ann. § 67-6-102(79)(A), (89)(C); Tenn. Code Ann. § 67-6-209(b); TENN. COMP. R. & REGS. 1320-05-01-.07(1); TENN. COMP. R. & REGS. 1320-05-01-.27(2); Public Chapter 501 (2019)