

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 1149

Short Title: Dark Fiber Utilization Tax Credit. (Public)

Sponsors: Representative Moss.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Energy and Public Utilities, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

May 31, 2022

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE UTILIZATION OF DARK FIBER FOR INCREASED BROADBAND DEPLOYMENT.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 2 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-153.11. Credit for dark fiber utilization.**

(a) Credit. – A taxpayer who makes a qualifying utilization increase of dark fiber is eligible for a credit against the tax imposed by this Part. The amount of the credit is equal to one thousand dollars (\$1,000) per unserved household.

(b) Limitation. – The credit allowed under this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax payments made by or on behalf of the taxpayer.

(c) Documentation of Credit. – Upon request, to support the credit allowed by this section, the taxpayer must file with its income tax return, for the taxable year in which the credit is claimed, a certification by the Department of Information Technology stating the number of unserved households claimed by the taxpayer are located in an eligible area.

(d) No Double Benefit. – A taxpayer may not claim a credit under this section for any unserved household that is part of a project area for which funds were received under G.S. 143B-1373.

(e) Definitions. – The following definitions apply in this section:

(1) Broadband fiber network. – A network of fiber-optic cables that are used to provide broadband internet service to end users.

(2) Dark fiber. – A portion of a taxpayer's broadband fiber network that is not utilized.

(3) Eligible area. – A rural census tract, as defined in G.S. 143B-472.127, located in a development tier one or development tier two area, as those areas are defined pursuant to G.S. 143B-437.08.

(4) Qualifying utilization increase. – A decrease of the amount of a taxpayer's dark fiber as a result of providing broadband service to an unserved household.

(5) Unserved household. – A household that does not have access to broadband access prior to a qualifying utilization increase by a taxpayer.

(f) Sunset. – This section is repealed effective for taxable years beginning on or after January 1, 2025."



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1           **SECTION 2.** Part 1 of Article 4 of Chapter 105 of the General Statutes is amended  
2 by adding a new section to read:

3 **"§ 105-130.49. Credit for dark fiber utilization.**

4       (a) Credit. – A taxpayer who makes a qualifying utilization increase of dark fiber is  
5 eligible for a credit against the tax imposed by this Part. The amount of the credit is equal to one  
6 thousand dollars (\$1,000) per unserved household.

7       (b) Limitation. – The credit allowed under this section may not exceed the amount of tax  
8 imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax  
9 payments made by or on behalf of the taxpayer.

10       (c) Documentation of Credit. – Upon request, to support the credit allowed by this  
11 section, the taxpayer must file with its income tax return, for the taxable year in which the credit  
12 is claimed, a certification by the Department of Information Technology stating the number of  
13 unserved households claimed by the taxpayer are located in an eligible area.

14       (d) No Double Benefit. – A taxpayer may not claim a credit under this section for any  
15 unserved household that is part of a project area for which funds were received under  
16 G.S. 143B-1373.

17       (e) Definitions. – The following definitions apply in this section:

18           (1) Broadband fiber network. – A network of fiber-optic cables that are used to  
19 provide broadband internet service to end users.

20           (2) Dark fiber. – A portion of a taxpayer's broadband fiber network that is not  
21 utilized.

22           (3) Eligible area. – A rural census tract, as defined in G.S. 143B-472.127, located  
23 in a development tier one or development tier two area, as those areas are  
24 defined pursuant to G.S. 143B-437.08.

25           (4) Qualifying utilization increase. – A decrease of the amount of a taxpayer's  
26 dark fiber as a result of providing broadband service to an unserved household.

27           (5) Unserved household. – A household that does not have access to broadband  
28 access prior to a qualifying utilization increase by a taxpayer.

29       (f) Sunset. – This section is repealed effective for taxable years beginning on or after  
30 January 1, 2025."

31       **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
32 2021.