

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 1149
May 26, 2022
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40517-MCf-190

Short Title: Dark Fiber Utilization Tax Credit.

(Public)

Sponsors: Representative Moss.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE UTILIZATION OF DARK FIBER FOR INCREASED
3 BROADBAND DEPLOYMENT.

4 The General Assembly of North Carolina enacts:

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

7 **"§ 105-153.11. Credit for dark fiber utilization.**

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

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

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

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

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

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

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

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

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

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

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

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



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1 **"§ 105-130.49. Credit for dark fiber utilization.**

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

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

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

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

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

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

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

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

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

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

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

29 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
30 2021.