



State of Tennessee

PUBLIC CHAPTER NO. 1102

SENATE BILL NO. 2480

By Lundberg, Yager, Bailey, Crowe, Jackson, Stevens, Walley, Watson

Substituted for: House Bill No. 2608

By Vaughan, Lamberth, Curtis Johnson, Crawford, Marsh, Boyd, Russell, Littleton, Todd, Powers, Cochran, Tim Hicks, Grills, Terry, Love

AN ACT to amend Tennessee Code Annotated, Title 4; Title 65 and Title 67, Chapter 6, to enact the "Tennessee Broadband Investment Maximization Act of 2022."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. (a) This act is known and may be cited as the "Tennessee Broadband Investment Maximization Act of 2022."

(b) It is the intent of the general assembly to maximize the impact of the historic public and private sector investments in broadband anticipated to be made in this state during the next three (3) years.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 6, Part 3, is amended by adding the following as a new section:

67-6-350. Tennessee broadband equipment and services moratorium.

(a) Beginning July 1, 2022, through June 30, 2025, there is exempt from the sales and use tax imposed by this chapter purchases and leases of all equipment, machinery, software, ancillary components, appurtenances, accessories, or other infrastructure that is used in whole or in part to:

(1) Produce broadband communications services, including broadcasting, distributing, sending, receiving, storing, transmitting, retransmitting, amplifying, switching, providing connectivity for, or routing communications services; or

(2) Provide internet access.

(b) This section does not apply to the retail sale of personal consumer electronics, including, but not limited to, smartphones, computers, and tablets, and consumer-grade modems and Wi-Fi routers.

(c) As used in this section:

(1) "Broadband communications services" means:

(A) Telecommunications services;

(B) Mobile telecommunications services;

(C) Video programming services; and

(D) Direct-to-home satellite television programming services;

(2) "Equipment" includes, but is not limited to, wires, cables, fiber, conduits, antennas, poles, switches, routers, amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers, transmitters, circuit cards, insulating and protective materials and cases, power equipment, backup power equipment, diagnostic equipment,

storage devices, modems, and other general central office or headend equipment, such as channel cards, frames, and cabinets, or equipment used in successor technologies, including items used to monitor, test, maintain, enable, or facilitate qualifying equipment, machinery, software, ancillary components, appurtenances, accessories, or other infrastructure that is used in whole or in part to provide broadband communications services or internet access; and

(3) "Internet access":

(A) Means a service that enables users to connect to the internet to access content, information, or other services offered over the internet;

(B) Includes:

(i) The purchase, use, or sale of telecommunications by a provider of internet access to the extent the telecommunications are purchased, used, or sold to:

(a) Provide the internet access service; or

(b) Otherwise enable users to access content, information, or other services offered over the internet;

(ii) Services that are incidental to the provision of internet access when furnished to users as part of the internet access service, such as a home page, email and instant messaging, to include voice- and video-capable email and instant messaging, video clips, and personal electronic storage capacity; and

(iii) A homepage, email and instant messaging, to include voice- and video-capable email and instant messaging, video clips, and personal electronic storage capacity, that are provided independently or packaged with internet access; and

(C) Does not include voice, audio, or video programming, or other products and services that utilize internet protocol or a successor protocol and for which there is a charge, regardless of whether the charge is separately stated or aggregated with the charge for services for internet access.

SECTION 3. Beginning July 1, 2022, the Commissioner of Revenue shall reimburse counties and municipalities for loss of revenue resulting from the tax exemption provided for in this act. Subject to appropriations, a sum must be earmarked and allocated from the general fund for this purpose.

SECTION 4. The heading in this act is for reference purposes only and does not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the heading in any compilation or publication containing this act.

SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: April 27, 2022


RANDY McNALL
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 31st day of May 2022


BILL LEE, GOVERNOR