

119TH CONGRESS
1ST SESSION

H. R. 1873

To amend the Internal Revenue Code of 1986 to exclude certain broadband grants from gross income.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2025

Mr. KELLY of Pennsylvania (for himself and Mr. PANETTA) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude certain broadband grants from gross income.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Broadband Grant Tax
5 Treatment Act”.

6 **SEC. 2. CERTAIN GRANTS FOR BROADBAND EXCLUDED**
7 **FROM GROSS INCOME.**

8 (a) IN GENERAL.—Part III of subchapter B of chap-
9 ter 1 of the Internal Revenue Code of 1986 is amended

1 by inserting after section 139I the following new sub-
 2 section:

3 **“SEC. 139J. CERTAIN BROADBAND GRANTS.**

4 “(a) IN GENERAL.—Gross income shall not include
 5 any qualified broadband grant made for purposes of
 6 broadband deployment.

7 “(b) DENIAL OF DOUBLE BENEFIT.—Notwith-
 8 standing any other provision of this subtitle, no deduction
 9 or credit shall be allowed for, or by reason of, any expendi-
 10 ture to the extent of the amount excluded under sub-
 11 section (a) for any qualified broadband grant which was
 12 provided with respect to such expenditure. The adjusted
 13 basis of any property shall be reduced by the amount ex-
 14 cluded under subsection (a) which was provided with re-
 15 spect to such property.

16 “(c) QUALIFIED BROADBAND GRANT.—For purposes
 17 of this section, the term ‘qualified broadband grant’
 18 means—

19 “(1) any grant or subgrant received under the
 20 Broadband Equity, Access, and Deployment Pro-
 21 gram established under section 60102 of the Infra-
 22 structure Investment and Jobs Act,

23 “(2) any grant or subgrant received under the
 24 State Digital Equity Capacity Grant Program estab-
 25 lished under section 60304 of such Act,

1 “(3) any grant received under the Digital Eq-
2 uity Competitive Grant Program established under
3 section 60305 of such Act,

4 “(4) any grant received under section 60401 of
5 such Act (relating to middle mile grants),

6 “(5) any grant received—

7 “(A) under the broadband loan and grant
8 pilot program established by section 779 of
9 Public Law 115–141 under the Rural Elec-
10 trification Act of 1936; and

11 “(B) from funds made available for such
12 program under the heading ‘Distance Learning,
13 Telemedicine, and Broadband Program’ under
14 the heading ‘Rural Utilities Service’ under title
15 I of division J of the Infrastructure Investment
16 and Jobs Act,

17 “(6) any grant received from a State, territory,
18 Tribal government, or unit of local government to
19 the extent such grant was—

20 “(A) funded by amounts provided to the
21 State or local government under section 602,
22 603, or 604 of the Social Security Act, and

23 “(B) provided for the stated purposes of
24 making investments in broadband infrastruc-
25 ture, or

1 “(7) any grant or subgrant received under sec-
2 tion 905 of division N of the Consolidated Appro-
3 priations Act, 2021.

4 “(d) REGULATIONS.—The Secretary shall issue such
5 regulations or other guidance as may be necessary or ap-
6 propriate to carry out the purposes of this section.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for part III of subchapter B of chapter 1 of the Internal
9 Revenue Code of 1986 is amended by inserting after the
10 item related to section 139I the following new item:

 “Sec. 139J. Certain broadband grants.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to amounts received in taxable
13 years ending after March 11, 2023.

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