

116TH CONGRESS  
1ST SESSION

# H. R. 3999

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Mr. BERGMAN (for himself, Mr. ABRAHAM, and Mr. GOSAR) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow for a credit against tax for placing in service qualified broadband property to expand the level of broadband service in a qualified rural census tract.

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 “Rural Broadband  
5 Connectivity Act of 2019”.

6 **SEC. 2. RURAL BROADBAND TAX CREDIT.**

7 (a) IN GENERAL.—Subpart E of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after subsection 48C the  
 2 following new section:

3 **“SEC. 48D. RURAL BROADBAND CREDIT.**

4       “(a) IN GENERAL.—For the purposes of section 38,  
 5 the rural broadband credit for any taxable year is an  
 6 amount equal to 30 percent of the basis of qualified  
 7 broadband property placed in service by the taxpayer dur-  
 8 ing such taxable year.

9       “(b) CAP ON CREDIT AMOUNT.—

10           “(1) IN GENERAL.—The amount of the credit  
 11 allowable to a taxpayer under subsection (a) for any  
 12 property for a taxable year shall not exceed an  
 13 amount equal to the product of—

14           “(A) the value of the number of qualified  
 15 potential customers served by the qualifying  
 16 broadband project for which such property is  
 17 necessary, multiplied by

18           “(B) \$170.

19       “(2) QUALIFIED POTENTIAL CUSTOMER.—For  
 20 purposes of this section, the term ‘qualified potential  
 21 customer’ means, with respect to a taxpayer, an in-  
 22 dividual—

23           “(A) who resides in a qualified rural cen-  
 24 sus tract, and

1           “(B) whom such taxpayer demonstrates to  
2           the satisfaction of the Secretary would upon re-  
3           quest be provided broadband service by the tax-  
4           payer for a customary charge for commencing  
5           broadband service of no more than \$1,000.

6           “(c) QUALIFIED BROADBAND PROPERTY.—For the  
7           purposes of this section—

8           “(1) IN GENERAL.—The term ‘qualified  
9           broadband property’ means property necessary for a  
10          qualifying broadband project.

11          “(2) QUALIFYING BROADBAND PROJECT.—The  
12          term ‘qualifying broadband project’ means any  
13          project designed to expand the number of individuals  
14          with broadband service in a qualified rural census  
15          tract.

16          “(3) BROADBAND SERVICE.—The term  
17          ‘broadband service’ means broadband service (as de-  
18          fined in section 601(b) of the Rural Electrification  
19          Act of 1936) that meets the minimum acceptable  
20          level for such service (as established by the Sec-  
21          retary of Agriculture pursuant to section 601(e) of  
22          the Rural Electrification Act of 1936).

23          “(4) QUALIFIED RURAL CENSUS TRACT.—The  
24          term ‘qualified rural census tract’ means a census  
25          tract designated not later than the last day of the

1 fourth month beginning after the date of the enact-  
2 ment of this section by the Secretary (in consulta-  
3 tion with the Chairman of the Federal Communica-  
4 tions Commission, the Assistant Secretary of Com-  
5 merce for Communications and Information who is  
6 head of the National Telecommunications and Infor-  
7 mation Administration, and the Secretary of Agri-  
8 culture) as—

9 “(A) being rural,

10 “(B) having less than 50 percent of resi-  
11 dents with access to broadband service, and

12 “(C) being underserved and not at risk of  
13 experiencing duplicative service expansion or  
14 overbuilding of existing broadband infrastruc-  
15 ture.

16 “(d) CARRYOVER OF CERTAIN AMOUNTS.—If, for the  
17 taxable year, the amount which (but for subsection (b))  
18 would have been taken into account under subsection (a)  
19 exceeds the limitation of subsection (b), then the amount  
20 of such excess shall be taken into account under sub-  
21 section (a) for the succeeding taxable year.

22 “(e) TERMINATION.—This section shall not apply to  
23 property placed in service after the last day of the tenth  
24 calendar year beginning after the date of the enactment  
25 of this section.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (6) of  
2 section 46 of such Code is amended to read as follows:

3 “(6) the rural broadband credit.”.

4 (c) CLERICAL AMENDMENT.—The table of sections  
5 for subpart E of part IV of subchapter A of chapter 1  
6 of such Code is amended by adding at the end the fol-  
7 lowing new item:

“Sec. 48D. Rural Broadband Credit.”.

8 (d) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to property placed in service after  
10 the last day of the fourth month beginning after the date  
11 of the enactment of this Act.

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