



January 24, 2024

The Honorable Ron Wyden
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Crapo,

I write on behalf of NTCA–The Rural Broadband Association (NTCA) in support of the “Tax Relief for American Families and Workers Act of 2024.” As you know, among many other provisions, this legislation includes an extension of 100% bonus depreciation, which allows businesses to immediately deduct the purchase price of eligible assets. This tax benefit has played and will continue to play an important role in promoting investment by many businesses across numerous industries.

The 100% bonus depreciation extension would help many small rural broadband providers justify and recover the costs of network investment in the most sparsely populated areas of the United States. While we therefore applaud the inclusion of this measure in the pending legislation, we believe the “Broadband Grant Tax Treatment Act” (S. 341) should likewise be seen as a critical component of any comprehensive tax legislation as well and passed by the Senate Finance Committee as well. This important bill would ensure broadband grants are no longer treated as taxable gross income.

Congress has recently committed tens of billions of dollars to broadband deployment, but taxing broadband grants dramatically reduces their impact. In addition, most of the assets to be purchased and deployed leveraging recent federal broadband deployment funding will likely not qualify for 100% bonus depreciation even if extended, since much of the network construction will not be completed until after the “Tax Relief for American Families and Workers Act of 2024” bonus depreciation extension expires – leaving many small, rural broadband providers unable to take full advantage of this pro-investment tax relief.

Closing the digital divide is critical now more than ever. Indeed, many consumers who still lack broadband in the U.S. live in the most sparsely populated areas where broadband subscription cannot realistically recover the cost of deploying a network. It is important that the fullest extent possible of each government broadband grant goes toward network deployment, rather than returning those dollars to the U.S. Treasury.

Against this backdrop, we encourage you to include the “Broadband Grant Tax Treatment Act” in the “Tax Relief for American Families and Workers Act.” This bipartisan effort will



maximize the impact of every dollar granted for broadband deployment and allow for more students, doctors, teachers, farmers, and first responders to be connected.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "Shirley Bloomfield". The signature is written in a cursive, flowing style.

Shirley Bloomfield

Chief Executive Officer