



Do Not Tax Rural Broadband Deployment

Taxing Broadband Deployment Grants

In 2017, the Tax Cuts and Jobs Act ("TCJA") made federal grants taxable as income for the first time. Congress has since committed billions of dollars to broadband deployment through the American Rescue Plan Act ("ARPA") and the Infrastructure Investment and Jobs Act ("IIJA") to close the digital divide. But taxing broadband grants will dramatically reduce the impact of these programs and likely leave the hardest-to-reach communities without essential connectivity for even longer.

Indeed, many consumers still lacking broadband in the U.S. are in the most sparsely populated areas where broadband subscriptions cannot realistically recover the cost of deploying a network. Due to the market failure nature of these areas, it is critical that all government broadband grant funds go toward network deployment rather than a significant portion being returned to the government in the form of subsequent tax payments on the grants.

THE SOLUTION

Cosponsor the "Broadband Grant Tax Treatment Act" (S.674 - Sens. Warner and Moran and H.R. 1873 - Reps. Kelly and Panetta). Such action will exclude broadband grants from gross income, maximize the impact of every dollar granted for broadband deployment and further the mission of getting every American connected.