

HB548 INTRODUCED



1 HB548
2 PS65CEE-1
3 By Representative Woods
4 RFD: Ways and Means Education
5 First Read: 09-Apr-25



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SYNOPSIS:

Under existing law, the state imposes sales or use taxes upon the purchase of certain items. Counties and municipalities impose additional sales and use taxes. The purchase of certain items are exempt from these taxes.

This bill would establish the Alabama Broadband Investment Maximization Act to exempt purchases of broadband equipment and supplies from projects funded or administered by the Alabama Department of Economic and Community Affairs from sales and use tax.

A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to establish the Alabama Broadband Investment Maximization Act; to exempt purchases of broadband equipment and supplies from projects funded or administered by the Alabama Department of Economic and Community Affairs from sales and use tax.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and be cited as the Alabama Broadband Investment Maximization Act.



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29 Section 2. (a) The gross receipts derived from the sale
30 of equipment, machinery, software, ancillary components,
31 appurtenances, accessories, or other infrastructure that is
32 used in whole or in part to: (i) produce broadband
33 communications services, including broadcasting, distributing,
34 sending, receiving, storing, transmitting, retransmitting,
35 amplifying, switching, providing connectivity for, or routing
36 communications services; or (ii) provide Internet access are
37 exempt from the state sales and use taxes provided for in
38 Sections 40-23-2 and 40-23-61, Code of Alabama 1975.

39 (b) The exemption provided by this section shall only
40 apply to purchases made pursuant to a project funded or
41 administered by the Alabama Department of Economic and
42 Community Affairs.

43 (c) The Department of Revenue may adopt rules to
44 implement and administer this section.

45 (d) This section does not apply to the retail sale of
46 personal consumer electronics, including, but not limited to,
47 smartphones, computers and tablets, and computer-grade modems
48 and WiFi routers.

49 (e) For the purpose of this section, the following
50 terms and phrases have the following meanings:

51 (1) BROADBAND COMMUNICATIONS SERVICES.

52 Telecommunication services, mobile telecommunication services,
53 video programming services, or direct-to-home satellite
54 television programming services.

55 (2) EQUIPMENT. Includes, but is not limited to, wires,
56 cables, fiber, conduits, antennas, poles, switches, routers,



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57 amplifiers, rectifiers, repeaters, receivers, multiplexers,
58 duplexers, transmitters, circuit cards, insulating and
59 protective materials and cases, power equipment, backup power
60 equipment, diagnostic equipment, storage devices, modems, and
61 other general central office or headend equipment, such as
62 channel cards, frames, and cabinets, or equipment used in
63 successor technologies, including items used to monitor, test,
64 maintain, enable, or facilitate qualifying equipment,
65 machinery, software, ancillary components, appurtenances,
66 accessories, or other infrastructure that is used in whole or
67 in part to provide broadband communications services or
68 Internet access.

69 (3) INTERNET ACCESS. A service that enables users to
70 connect to the Internet to access content, information, or
71 other services offered over the Internet, including:

72 a. The purchase, use, or sale of telecommunications by
73 a provider of Internet access to the extent the
74 telecommunications are purchased, used, or sold to provide the
75 Internet access service or otherwise enable users to access
76 content, information, or other services offered over the
77 Internet;

78 b. Services that are incidental to the provision of
79 Internet access when furnished to users as part of the
80 Internet access service, such as a homepage, email, and
81 instant messaging, to include voice-capable and video-capable
82 email and instant messaging, video clips, and personal
83 electronic storage capacity;

84 c. A homepage, email, and instant messaging, to include



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85 voice-capable and video-capable email and instant messaging,
86 video clips, and personal electronic storage capacity, that
87 are provided independently or packaged with Internet access;
88 and

89 d. Does not include voice, audio, or video programming,
90 or other products and services that utilize Internet protocol
91 or a successor protocol and for which there is a charge,
92 regardless of whether the charge is separately stated or
93 aggregated with the charge for services for Internet access.

94 (f) The exemption provided in this section shall not
95 apply to county or municipal sales or use taxes unless
96 approved by resolution or ordinance adopted by the local
97 governing body.

98 (g) The exemption provided pursuant to this section
99 shall be available from September 1, 2025, to August 31, 2028.

100 Section 3. This act shall become effective on June 1,
101 2025.