

Broadband Technology Tax Credits

Broadband Technology Tax Credits are credits designed to encourage the deployment of high-speed internet access throughout the state, especially in rural areas. The credits can be applied toward telecommunications businesses' state franchise or income tax. Credits are earned based on a percentage of the cost of equipment used in the deployment of broadband technology in the state.

PROGRAM FACTS

Broadband Technology Tax Credits are earned based on a percentage of the cost of equipment used in the deployment of broadband technology in the state. To be eligible for the credit, items must be sold to, billed to and paid for by the company receiving the credit. Qualifying equipment used in the deployment of broadband technologies includes asynchronous transfer mode switches, digital subscriber line access multiplexers, routers, servers, multiplexers, fiber optics and related equipment.

Annual credit amounts are calculated as a percentage of eligible expenditures, based on equipment location. Credits are available for 10 years. The credits can be claimed against income or franchise tax, but the total amount of credits taken over the 10-year period cannot exceed 100 percent of the cost of the equipment.

The credit percentage amount allowed per year is based on the development ranking of the county.

County Classification	Credit Amount
Tier III (Less Developed)	15% of Costs
Tier II (Moderately Developed)	10% of Costs
Tier I (Developed)	5% of Cost

Credits can be used to offset up to 50 percent of the entity's income or franchise tax liability, and unused credits can be carried forward up to ten years.

Broadband Technology Tax Credits are awarded and administered by the Mississippi Department of Revenue. For further details, see the Mississippi Tax Incentives, Exemptions, and Credits guidelines on the Mississippi Department of Revenue website at <https://www.dor.ms.gov/docs/2013IncentiveBook-pdffinal.pdf>.

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Contact the Mississippi Development Authority's Financial Resources Division
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