

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 603

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO THE SALES AND USE TAX; AMENDING CHAPTER 36, TITLE 63, IDAHO CODE,
2 BY THE ADDITION OF A NEW SECTION 63-3622WW, IDAHO CODE, TO PROVIDE A
3 SALES AND USE TAX EXEMPTION FOR CERTAIN TELECOMMUNICATIONS MACHINERY
4 AND EQUIPMENT USED AND CONSUMED IN THE PROVISION OF TELECOMMUNICATIONS
5 SERVICE UNDER CERTAIN CONDITIONS AND TO DEFINE TERMS.
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Chapter 36, Title 63, Idaho Code, be, and the same is
9 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
10 ignated as Section 63-3622WW, Idaho Code, and to read as follows:

11 63-3622WW. TELECOMMUNICATIONS AND DATA MACHINERY AND EQUIP-
12 MENT. (1) On and after July 1, 2014, there are exempted from the taxes
13 imposed by this chapter new receipts from the sale, storage, use or other
14 consumption in this state of telecommunications machinery and equipment
15 directly used and consumed in the provision of telecommunications service
16 when the purchase, storage, use or other consumption is by a business or
17 segment of a business that is primarily devoted to the provision of telecom-
18 munications service, data and transaction processing services, outsource
19 information technology services or computer equipment colocation services,
20 provided, that the use or consumption of such tangible personal property is
21 necessary or essential to the performance of such operation.

22 (2) For purposes of this section:

23 (a) "Telecommunications machinery and equipment" means machinery,
24 equipment and network software that is capable of directly sending,
25 receiving or storing voice or data communications or used to enable,
26 facilitate, maintain or monitor a telecommunications network.

27 (b) "Telecommunications machinery and equipment" includes, but is
28 not limited to: antennas, amplifiers, wires, cable, fiber-optic ca-
29 ble, rectifiers, duplexers, triplexers, multiplexers, receivers,
30 repeaters, transmitters, power equipment, modems, routers, storage
31 devices, closures, conduits, controllers, filters, input devices,
32 insulators, microwave equipment, output devices, pedestals, power con-
33 verters, radio channels, terminals, timing units, towers, transform-
34 ers, bridges, network computers, cross connects, plug-in circuitry,
35 oscillators, network software, servers, power transport equipment,
36 test equipment, connectors, attenuators, circuit switches, analog
37 electronic switches, digital electronic switches, switches for oper-
38 ator assistance and server equipment installed in a qualifying computer
39 data center.

40 (c) "Telecommunications service" means the transmission of two-way in-
41 teractive sounds, messages, data or other information of any nature by
42 wire, radio, lightwaves or other electromagnetic means, together with

1 associated signals that originate and terminate in this state, and are
2 offered to or for the public, or some portion thereof.

3 (d) "Data center" means a facility comprised of one (1) or more build-
4 ings specifically designed or modified to house networked computers and
5 data and transaction processing equipment and related infrastructure
6 support equipment including, without limitation, power and cooling
7 equipment used primarily to provide, as a service to persons other than
8 the company operating the data center, data and transaction process-
9 ing services, outsource information technology services and computer
10 equipment colocation services.