



January 25, 2024

The Honorable Ron Wyden  
United States House of Representatives  
Chairman, Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Jason Smith  
United States House of Representatives  
Chairman, Committee on Ways and Means  
1139 Longworth House Office Building  
Washington, D.C. 20515

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

The Honorable Richard Neal  
United States House of Representatives  
Ranking Member, Committee on Ways and Means  
1129 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Wyden, Ranking Member Crapo, Chairman Smith, Ranking Member Neal:

On behalf of the undersigned organizations representing the United States' information and communications industry, we encourage your respective Committees to include the bipartisan and bicameral S. 341/H.R. 889 Broadband Grant Tax Treatment Act as part of any broader legislative tax package Congress may consider.

The Broadband Grant Tax Treatment Act would amend the Internal Revenue Code to ensure funding for broadband deployment from the Infrastructure, Investment and Jobs Act (IIJA), including programs such as the Broadband Equity Access and Deployment (BEAD) program, the Middle Mile program, and the Tribal Broadband Connectivity Fund, and other similar federally funded broadband programs will not be considered taxable income. Congress has provided historic investment with the goal of achieving universal connectivity for all Americans. However, without this change in the tax code, a significant portion of funding intended for deploying broadband to unserved and underserved communities will revert to the government in the form of taxes. Adoption of the Broadband Grant Tax Treatment Act will ensure that funding Congress intended to close the digital divide will be used for that purpose.

Eliminating this unnecessary tax enjoys broad bipartisan support from Members of Congress, many of whom represent communities not yet served by broadband or with limited-service choices who will benefit immensely from the investments provided by the IIJA and similar programs. These investments will be particularly meaningful in rural and otherwise hard-to-serve areas.

Many challenges exist to closing the digital divide – tax policy should not be one of them. This commonsense solution will make sure that several additional billion dollars of broadband funding will be used for that purpose instead of returning to the government as tax, a massive return on the bill’s \$578 million cost<sup>1</sup>. Adoption of the Broadband Grant Tax Treatment Act will result in further investment in innovation and connectivity as work continues to bridge the digital divide, and we strongly urge Congress to support this solution.

Sincerely,

Competitive Carriers Association  
INCOMPAS  
NATE: The Communications Infrastructure Contractors Association  
NTCA – The Rural Broadband Association  
Rural Wireless Association  
Telecommunications Industry Association  
Wireless Infrastructure Association  
WISPA – Broadband Without Boundaries  
WTA – Advocates for Rural Broadband

cc:

The Honorable Charles Schumer, Democratic Leader, U.S. Senate  
The Honorable Mitch McConnell, Republican Leader, U.S. Senate  
The Honorable Mike Johnson, Speaker, U.S. House of Representatives  
The Honorable Hakeem Jeffries, Minority Leader, U.S. House of Representatives  
The Honorable Jerry Moran, U.S. Senate  
The Honorable Tim Kaine, U.S. Senate  
The Honorable Roger F. Wicker, U.S. Senate  
The Honorable Raphael Warnock, U.S. Senate  
The Honorable Kevin Cramer, U.S. Senate  
The Honorable Joe Manchin, U.S. Senate  
The Honorable Shelley Moore Capito, U.S. Senate  
The Honorable Angus King, U.S. Senate  
The Honorable James Risch, U.S. Senate  
The Honorable Mark Kelly, U.S. Senate  
The Honorable Tommy Tuberville, U.S. Senate  
The Honorable Kyrsten Sinema, U.S. Senate  
The Honorable Lisa Murkowski, U.S. Senate  
The Honorable Robert Menendez, U.S. Senate  
The Honorable Michael Bennet, U.S. Senate  
The Honorable Tammy Baldwin, U.S. Senate  
The Honorable Jimmy Panetta, U.S. House of Representatives  
The Honorable Drew Ferguson, U.S. House of Representatives  
The Honorable Terri Sewell, U.S. House of Representatives  
The Honorable Buddy Carter, U.S. House of Representatives  
The Honorable Daniel Kildee, U.S. House of Representatives

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<sup>1</sup> Joint Committee on Taxation. Letter to Senator Mark Warner, May 24, 2023.