



Romaine Robert Quinn

STATE SENATOR • 25TH SENATE DISTRICT

From: Senator Romaine Robert Quinn
To: Senate Committee on Agriculture and Revenue
Re: **Testimony on Senate Bill 176**
Relating to: an income and franchise tax exemption for broadband expansion grants and for federal high-cost program funding for broadband expansion
Date: May 21, 2025

Thank you, members of the Senate Committee on Agriculture and Revenue for hearing Senate Bill 176 today.

Broadband expansion, especially to rural areas, is fundamentally important to local economies, education, and way of life for Wisconsin residents. For as long as I've been in the State Legislature, I have tried to direct the resources we have in Madison to be used in the field to get projects funded and built in a timely manner.

Providers that build out our broadband infrastructure receive grants from the government to do a job. They then repay a portion of that money back to Madison as taxes without it ever being used for any type of construction. This dilutes the effectiveness of every broadband grant award.

Current law already exempts income received through federal broadband expansion grants from the federal Coronavirus Relief Fund from state income taxes. Now the federal Broadband Equity, Access, and Deployment (BEAD) Program will provide approximately \$1.06 billion for broadband expansion in Wisconsin. SB 176 will apply the tax exemption for all federal funds used for broadband expansion. In addition, the bill will exempt local, state, and tribal government funds used for broadband expansion from income taxes.

Senate Bill 176 will ensure that every dollar designed for broadband expansion is used to the fullest extent to further broadband expansion – allowing providers to stretch their capital further, put more fiber in the ground, and connect more unserved customers.

Thank you for your consideration in supporting Senate Bill 176.



ROB SUMMERFIELD

STATE REPRESENTATIVE • 68th ASSEMBLY DISTRICT
MAJORITY CAUCUS CHAIR

May 21, 2025

Senator Testin, Chair
Members of the Senate Committee on Agriculture and Revenue

Testimony on 2025 Senate Bill 176

Relating to: an income and franchise tax exemption for broadband expansion grants and for federal high-cost program funding for broadband expansion.

Chairman Testin and Committee Members:

Thank you for providing me with the opportunity to testify at today's public hearing on Senate Bill 176. I appreciate your time and consideration of this legislation.

This bill is critically important to ensuring federal dollars that are designated for broadband expansion are used wisely and to the fullest extent.

Current law exempts income received through federal broadband expansion grants from the federal Coronavirus Relief Fund from state income taxes. SB 176 would make that tax exemption permanent for all federal broadband grants and also exempt state broadband funding from income taxes. The exemption also covers any broadband expansion contributions received directly from local governments toward a broadband project. Wisconsin is going to receive approximately one billion federal dollars from the Broadband Equity, Access, and Deployment (BEAD) Program for broadband expansion. Wisconsin's corporate tax rate is currently at 7.9%. According to a memo from the Legislative Fiscal Bureau, this bill would allow companies to put roughly \$72 million more dollars into broadband than they would have otherwise had to pay in taxes.

This bill would allow us to make an even larger investment into broadband expansion and allow more households to get connected to faster internet. Broadband connection is critical for economic development and modernization in today's environment. It helps connect individuals with their workplace, education, healthcare providers, and much of today's economy.

These additional dollars will help the state continue to build on our progress in expanding broadband access around the state. I ask that you join me in supporting this bill.