



FYI Sales 94

Refund for Equipment Used In Rural Broadband Service

BROADBAND EQUIPMENT REFUND

For calendar years starting January 1, 2014, a broadband provider is allowed to claim a refund for equipment used in providing broadband service in a target area. The total amount of all refunds is limited to one million dollars. Claims for the 2014 calendar year can be submitted starting January 1, 2015. The refund only applies to state sales tax or state use tax only.

Broadband Provider means a person that provides broadband service.

Broadband Service means any communications service having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video at speeds of at least four megabits per second for download and one megabit per second for upload or the Federal Communications Commission's definition of broadband service, whichever is faster.

Target Area means the unincorporated part of a county or municipality with a population of less than thirty thousand (30,000) people, according to the most recently available population statistic of the United States Bureau of the Census.

CLAIMING THE REFUND DOCUMENTATION

Submit the Sales Tax Refund for Broadband Equipment in Rural Areas (DR 0137C) along with proof of payment of Colorado state sales and/or use taxes paid for the immediate previous calendar year and proof the equipment was deployed in a target area. A separate refund claim is required for each vendor and tax type (sales tax or use tax).

Required documentation

- Copies of all invoices or receipts showing the state sales tax being claimed.
- Documentation showing the exact location in which the equipment is being deployed, which may include copy(s) of the permit(s), approved by a local government.
- Supporting documentation from the census bureau indicating that the equipment is being deployed in a target area.
- Copies of contracts between parties applicable to the broadband service.
- A detailed description of each item and an explanation of how each item is used to provide broadband service.
- Provide documentation showing that the performance specifications of the broadband service provided meets the minimal requirements as set forth in the Broadband Service definition above.
- Supporting documentation from the Census Bureau that the unincorporated part of the county or municipality has a population under 30,000.
- Provide an electronic spreadsheet for claims with more than 30 invoices.
- For use tax returns you must remit an amended Consumer Use Tax Return (DR 0252) for each period with supporting documentation showing what invoices originally comprised the use tax return and noting the invoices for which you are requesting a refund.
- Additional documentation may be requested as required to process your claim.

The refund claims must be received no earlier than January 1st and no later than April 1st for the immediately preceding calendar year. For example; refunds for the calendar year 2014 must be received between January 1, 2015, and April 1, 2015. The total amount of refunds will be limited to one million dollars for each calendar year. In the event that the total refunds claims exceed one million dollars, the refunds will be prorated to all broadband providers that submitted a valid claim. The Department of Revenue will not review claims until after April 1 of each year.

Correspondence regarding any refund request should be sent to:

Colorado Department of Revenue

Sales /Use Tax Accounting Section Room 208
PO Box 17087
Denver Co 80217-0087

Local Sale/Use Tax: This refund does not apply to state-collected city, county, or special taxing district taxes. See publication DR 1002 Colorado Sales/Use Tax Rates for additional information regarding local jurisdictions.

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter, or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having the authority to bind the Department, has not formally reviewed and/or approved these FYIs.