

HOUSE 2408

AN ACT RELATIVE TO THE TAXATION OF TELECOMMUNICATIONS COMPANIES

Purpose

This bill amends three sections of the real estate tax statute, chapter 59, relative to the taxation of telecommunications equipment. The changes remove special exemptions for telephone companies and make the taxation of their equipment consistent with other companies.

Sections 1, 1A and 1B

Removes the exemption for telecommunications machinery by eliminating utility companies that are taxed pursuant to MGL c. 63 section 52A from the list of companies that are covered by MGL c. 59 §5(16)(1). Utility companies will now be treated similar to most other companies pursuant to MGL c. 59 §5(16)(2).

Section 2

Makes telephones poles and wires in the public way taxable by clarifying to whom the tax bill on poles and wires on public ways should be sent. It amends GL c. 59 §18, Fifth and makes all telecommunications providers subject to tax on poles and wires over public ways. Municipalities have been prohibited from assessing this property as a result of an interpretation of this statute by the supreme judicial court. However, such property of electric utilities has been taxable as a result of another SJC opinion. Further, the SJC held that such property of a cable company doing business as a partnership was taxable under clause Sixth. The amendment is intended to provide a consistent approach to taxing such property to all owners.

Section 3

Limits the types of telecommunications companies that are subject to central valuation. It amends GL c. 59 §39 to make it clear that DOR is only required to value poles, underground conduits, wires and pipes and that all other taxable property (including machinery) is subject to local reporting and valuation. It also limits centralized valuation to land-line companies, which are subject to rate regulation by the department of telecommunications and energy, providing two-way voice communications.