

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1469

By: Representative Beaty Jr.

By: Senator B. Johnson

For An Act To Be Entitled

AN ACT TO CREATE THE BROADBAND EXPANSION AND EFFICIENCY ACT; TO CREATE A SALES AND USE TAX EXEMPTION FOR MACHINERY AND EQUIPMENT USED IN PRODUCING BROADBAND COMMUNICATIONS SERVICES; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE BROADBAND EXPANSION AND EFFICIENCY ACT; AND TO CREATE A SALES AND USE TAX EXEMPTION FOR MACHINERY AND EQUIPMENT USED IN PRODUCING BROADBAND COMMUNICATIONS SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Title.

This act shall be known and may be cited as the "Broadband Expansion and Efficiency Act".

SECTION 2. Arkansas Code Title 26, Chapter 52, Subchapter 4, is amended to add an additional section to read as follows:

26-52-457. Broadband communications services machinery and equipment.

(a) As used in this section:

(1) "Broadband communications services" means:

(A) A telecommunications service;

(B) A video programming service;

(C) An internet access service; and



(D) Any combination of a telecommunications service, a video programming service, and an internet access service; and

(2)(A) "Machinery and equipment used in producing broadband communications services" includes without limitation the following when used in whole or in part to provide broadband communications services:

- (i) Wires;
- (ii) Cables;
- (iii) Fiber;
- (iv) Conduits;
- (v) Antennas;
- (vi) Poles;
- (vii) Switches;
- (viii) Routers;
- (ix) Amplifiers;
- (x) Rectifiers;
- (xi) Repeaters;
- (xii) Receivers;
- (xiii) Multiplexers;
- (xiv) Duplexers;
- (xv) Transmitters;
- (xvi) Circuit cards;
- (xvii) Insulating and protective materials and cases;
- (xviii) Power equipment and backup power equipment;
- (xix) Diagnostic equipment;
- (xx) Storage devices;
- (xxi) Modems;
- (xxii) Other general central office or headend equipment, including without limitation channel cards, frames, and cabinets;
- (xxiii) Equipment used in successor technologies, including without limitation items used to monitor, test, maintain, enable, or facilitate equipment;
- (xxiv) Machinery;
- (xxv) Software;
- (xxvi) Ancillary components; and
- (xxvii) Accessories and other appurtenances.

(B) "Machinery and equipment used in producing broadband communications services" does not include:

(i) Personal consumer electronics, including without limitation a smartphone, computer, and tablet; and

(ii) Consumer-grade modems and Wi-Fi routers.

(b) The gross receipts or gross proceeds derived from the sale of machinery and equipment used in producing broadband communications services are exempt from the gross receipts tax levied by this chapter and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective on the first day of the calendar quarter following the effective date of this act.