

HCS HB 2711 -- THE ASSESSMENT OF CERTAIN BROADBAND COMMUNICATIONS EQUIPMENT

SPONSOR: Diehl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Utilities by a vote of 12 to 7.

The following is a summary of the House Committee Substitute for HB 2711.

This bill adds machinery and equipment used to provide wired or wireless broadband communications service to the definition of "tangible personal property" for the purposes of property taxation.

The bill also creates a new subclass of tangible personal property that includes new machinery and equipment used to provide fiber and broadband communications service that is placed in service after August 28, 2026. Such property will be assessed at 12% of its true value in money for calendar years 2027 through 2033 and 33 1/3% beginning in 2034.

This bill is similar to SB 1202 (2026).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that the states surrounding Missouri have lower tax rates on broadband equipment. The current tax structure in the state does not incentivize broadband expansion and upgrades. This bill would incentivize upgrades and expansion by lowering the tax rate and allowing additional investment by broadband providers.

Testifying in person for the bill were Representative Diehl; T-Mobile USA, Inc.; Missouri Broadband Providers Association; MCTA - The Missouri Internet & Television Association); Verizon Communications and Affiliated Companies; AT&T Missouri; Association of Missouri Electric Cooperatives; Missouri Chamber of Commerce; Gateway Fiber; Missouri Association of Counties.

OPPOSERS: Those who oppose the bill say that this bill allows for the assessment of broadband equipment that is different than other similarly situated equipment. It also moves several items

that are classified currently as real property to personal property.

Testifying in person against the bill were Kenneth Mohr, Missouri State Assessor's Association.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.