

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to exclude certain broadband grants from gross income.

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IN THE SENATE OF THE UNITED STATES

Mr. WARNER (for himself, Mr. MORAN, Mr. KAINE, Mr. WICKER, Mr. WARNOCK, Mr. CRAMER, Mr. MANCHIN, Mrs. CAPITO, Mr. KING, Mr. RISCH, Mr. KELLY, Mr. TUBERVILLE, Ms. SINEMA, Ms. MURKOWSKI, Mr. MENENDEZ, Mr. BENNET, and Ms. BALDWIN) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Internal Revenue Code of 1986 to exclude certain broadband grants from gross income.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Broadband Grant Tax  
5 Treatment Act”.

1 **SEC. 2. CERTAIN GRANTS FOR BROADBAND EXCLUDED**  
2 **FROM GROSS INCOME.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-  
4 ter 1 of the Internal Revenue Code of 1986 is amended  
5 by inserting after section 139I the following new sub-  
6 section:

7 **“SEC. 139J. CERTAIN BROADBAND GRANTS.**

8 “(a) IN GENERAL.—Gross income shall not include  
9 any qualified broadband grant made for purposes of  
10 broadband deployment.

11 “(b) DENIAL OF DOUBLE BENEFIT.—Notwith-  
12 standing any other provision of this subtitle, no deduction  
13 or credit shall be allowed for, or by reason of, any expendi-  
14 ture to the extent of the amount excluded under sub-  
15 section (a) for any qualified broadband grant which was  
16 provided with respect to such expenditure. The adjusted  
17 basis of any property shall be reduced by the amount ex-  
18 cluded under subsection (a) which was provided with re-  
19 spect to such property.

20 “(c) QUALIFIED BROADBAND GRANT.—For purposes  
21 of this section, the term ‘qualified broadband grant’  
22 means—

23 “(1) any grant or subgrant received under the  
24 Broadband Equity, Access, and Deployment Pro-  
25 gram established under section 60102 of the Infra-  
26 structure Investment and Jobs Act,

1           “(2) any grant or subgrant received under the  
2           State Digital Equity Capacity Grant Program estab-  
3           lished under section 60304 of such Act,

4           “(3) any grant received under the Digital Eq-  
5           uity Competitive Grant Program established under  
6           section 60305 of such Act,

7           “(4) any grant received under section 60401 of  
8           such Act (relating to middle mile grants),

9           “(5) any grant received—

10           “(A) under the broadband loan and grant  
11           pilot program established by section 779 of  
12           Public Law 115–141 under the Rural Elec-  
13           trification Act of 1936; and

14           “(B) from funds made available for such  
15           program under the heading ‘Distance Learning,  
16           Telemedicine, and Broadband Program’ under  
17           the heading ‘Rural Utilities Service’ under title  
18           I of division J of the Infrastructure Investment  
19           and Jobs Act,

20           “(6) any grant received from a State, territory,  
21           Tribal government, or unit of local government to  
22           the extent such grant was—

23           “(A) funded by amounts provided to the  
24           State or local government under section 602,  
25           603, or 604 of the Social Security Act, and

1           “(B) provided for the stated purposes of  
2           making investments in broadband infrastruc-  
3           ture, or

4           “(7) any grant or subgrant received under sec-  
5           tion 905 of division N of the Consolidated Appro-  
6           priations Act, 2021.

7           “(d) REGULATIONS.—The Secretary shall issue such  
8           regulations or other guidance as may be necessary or ap-  
9           propriate to carry out the purposes of this section.”.

10          (b) CLERICAL AMENDMENT.—The table of sections  
11          for part III of subchapter B of chapter 1 of the Internal  
12          Revenue Code of 1986 is amended by inserting after the  
13          item related to section 139I the following new item:

          “Sec. 139J. Certain broadband grants.”.

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to amounts received in taxable  
16          years ending after March 11, 2021.