

## HR 1873

### Broadband Grant Tax Treatment Act

**Congress:** 119 (2025–2027, Current)

**Chamber:** House

**Policy Area:** Taxation

**Introduced:** Mar 5, 2025

**Current Status:** Referred to the House Committee on Ways and Means.

**Latest Action:** Referred to the House Committee on Ways and Means. (Mar 5, 2025)

**Official Text:** <https://www.congress.gov/bill/119th-congress/house-bill/1873>

### Sponsor

**Name:** Rep. Kelly, Mike [R-PA-16]

**Party:** Republican • **State:** PA • **Chamber:** House

### Cosponsors (10 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Panetta, Jimmy [D-CA-19]	D · CA		Mar 5, 2025
Rep. Davis, Donald G. [D-NC-1]	D · NC		Mar 31, 2025
Rep. Carter, Earl L. "Buddy" [R-GA-1]	R · GA		Apr 17, 2025
Rep. Allen, Rick W. [R-GA-12]	R · GA		Apr 28, 2025
Rep. Johnson, Dusty [R-SD-At Large]	R · SD		Apr 28, 2025
Rep. Costa, Jim [D-CA-21]	D · CA		May 5, 2025
Rep. Yakym, Rudy [R-IN-2]	R · IN		May 13, 2025
Rep. Schmidt, Derek [R-KS-2]	R · KS		Jun 25, 2025
Rep. Rouzer, David [R-NC-7]	R · NC		Aug 5, 2025
Rep. Feenstra, Randy [R-IA-4]	R · IA		Nov 10, 2025

### Committee Activity

Committee	Chamber	Activity	Date
Ways and Means Committee	House	Referred To	Mar 5, 2025

### Subjects & Policy Tags

#### Policy Area:

Taxation

### Related Bills

Bill	Relationship	Last Action
119 S 674	Related bill	<b>Feb 20, 2025:</b> Read twice and referred to the Committee on Finance.

## **Broadband Grant Tax Treatment Act**

This bill excludes from gross income (for federal tax purposes) certain grants received for broadband deployment.

As background, contributions of capital to a corporation generally are not taxable income. However, under an exception enacted in 2017 by the Tax Cuts and Jobs Act, grants from a government or civic organization are not contributions to capital and, thus, treated as taxable income. Prior to the Tax Cuts and Jobs Act, the Internal Revenue Service (IRS) considered certain grants from a government or civic organization contributions of capital and, thus, not taxable income.

The bill specifically excludes from gross income grants received for broadband deployment from the

- National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment Program;
- NTIA State Digital Equity Capacity Grant Program;
- NTIA Digital Equity Competitive Grant Program;
- NTIA Enabling Middle Mile Broadband Infrastructure Program;
- Department of Agriculture ReConnect Program;
- Coronavirus State and Local Fiscal Recovery Funds and the Coronavirus Capital Projects Fund; and
- NTIA Tribal Broadband Connectivity Program and the Broadband Infrastructure Program.

The bill also requires the IRS to issue guidance on the exclusion from gross income of such grants.

The bill applies to funds received in tax years ending after March 11, 2023.



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