

S 674

Broadband Grant Tax Treatment Act

Congress: 119 (2025–2027, Current)

Chamber: Senate

Policy Area: Taxation

Introduced: Feb 20, 2025

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Feb 20, 2025)

Official Text: <https://www.congress.gov/bill/119th-congress/senate-bill/674>

Sponsor

Name: Sen. Moran, Jerry [R-KS]

Party: Republican • **State:** KS • **Chamber:** Senate

Cosponsors (15 total)

| Cosponsor | Party / State | Role | Date Joined |
|-----------------------------------|---------------|------|--------------|
| Sen. Capito, Shelley Moore [R-WV] | R · WV | | Feb 20, 2025 |
| Sen. Cramer, Kevin [R-ND] | R · ND | | Feb 20, 2025 |
| Sen. Fischer, Deb [R-NE] | R · NE | | Feb 20, 2025 |
| Sen. Kaine, Tim [D-VA] | D · VA | | Feb 20, 2025 |
| Sen. Kelly, Mark [D-AZ] | D · AZ | | Feb 20, 2025 |
| Sen. King, Angus S., Jr. [I-ME] | I · ME | | Feb 20, 2025 |
| Sen. Sullivan, Dan [R-AK] | R · AK | | Feb 20, 2025 |
| Sen. Tuberville, Tommy [R-AL] | R · AL | | Feb 20, 2025 |
| Sen. Warner, Mark R. [D-VA] | D · VA | | Feb 20, 2025 |
| Sen. Warnock, Raphael G. [D-GA] | D · GA | | Feb 20, 2025 |
| Sen. Wicker, Roger F. [R-MS] | R · MS | | Feb 20, 2025 |
| Sen. Baldwin, Tammy [D-WI] | D · WI | | Mar 24, 2025 |
| Sen. Murkowski, Lisa [R-AK] | R · AK | | Mar 24, 2025 |
| Sen. Risch, James E. [R-ID] | R · ID | | Mar 24, 2025 |
| Sen. Bennet, Michael F. [D-CO] | D · CO | | May 14, 2025 |

Committee Activity

| Committee | Chamber | Activity | Date |
|-------------------|---------|-------------|--------------|
| Finance Committee | Senate | Referred To | Feb 20, 2025 |

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

| Bill | Relationship | Last Action |
|-------------|--------------|--|
| 119 HR 1873 | Related bill | Mar 5, 2025: Referred to the House Committee on Ways and Means. |

Summary (as of Feb 20, 2025)

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, 2021.

