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Testimony of
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On
Section 6 of H.933

Senate Finance Committee
April 15, 2026

Senator Cummings and Committee Members, thank you for the opportunity to testify on Section 6 of H.933. I appear today on behalf of AT&T, T-Mobile, and Verizon to address provisions related the taxation of communications property in Act 145 of 2024, which is set to take effect on July 1, 2026.

Senators who were members of the Finance Committee during the last biennium may remember H.657, legislation that made several changes to the taxation of wireless and other communications providers and consumers, including shifting the valuation of certain communications property from the local-option municipal business personal property tax to centralized assessment by the Division of Property Valuation and Review (PVR) and taxation on the grand list as real estate. The legislation originally included a broad list of communications equipment, which ultimately was narrowed to include “wires, cables, conduit, pipes, antennas, poles, and wireless towers.” 32 V.S.A. 3602b(c).

However, the wireless providers now believe that PVR is interpreting Act 145 to include all communications property, including property that was excluded from taxation under the Act. In addition, Section 6 of H.933 would take away the right for communications providers to challenge PVR’s position by barring providers from appealing the Department’s valuation. We respectfully request that the committee clarify that Act 145 does not apply to property that was removed from Act 145 by Senator Chittenden’s amendment. We also request that the proposed changes in Section 6 of H.933 be removed

from the bill or that the effective date be postponed until any disputes between taxpayers and PVR can be resolved.

Legislative History of Act 145 of 2024

On April 2, 2024 the House passed H.657 with the following definition of “communications property” to be valued by the state and set in local grand lists as real estate:

As used in this section, “communications property” means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, wireless towers, machinery, distribution hubs, splitters, switching equipment, routers, servers, power equipment, and any other network equipment.

The Senate Finance Committee took testimony on this property tax provision in late April and early May of 2024. Representatives of the wireless industry testified that the expansion of communications property subject to taxation was too broad and would unfairly discriminate against telecommunications providers because the same property owned by non-telecommunications providers would not be taxed under the broad list of taxable property in the House bill. As noted above, the House bill would have taxed the additional listed equipment and “...any other network equipment.”

The Senate Finance Committee report that was voted out of the Committee on a 7-0 vote and printed in the Senate Calendar on May 7, 2024 would have deleted all provisions in the bill expanding the taxation of communications property and instead provided for a study. However, prior to the floor vote on the Senate Finance Committee report, Senator Chittenden conferred with the leadership of the House Ways and Means Committee and negotiated a compromise that narrowed the scope of property subject to state assessment as real estate.

At the Senate Finance Committee meeting on May 7, 2024, Maria Royle from Legislative Council presented new language that amended the definition of taxable “communications property” as follows:

As used in this section, “communications property” means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of

information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, and wireless towers; machinery, distribution hubs, splitters, switching equipment, routers, servers, power equipment, and any other network equipment.

Ms. Royle explained that the change was a suggestion from the PVR to make the definition of taxable property narrower.¹ In comments to the Committee, Senator Chittenden further explained that PVR had suggested two options: 1) narrowing the definition of taxable property by putting a period after “wireless towers.”²; or 2) deleting the provision to tax communications property as real estate pending further study. Senator Chittenden, with the unanimous backing of the Senate Finance Committee, chose the first option.

Senator Chittenden offered a substitute proposal of amendment on May 9th that was adopted by the Senate and, as noted previously, was concurred in by the House. The Governor signed the bill into law on June 9, 2024.

Act 145 did not relieve companies from the requirement to report locally in municipalities that tax business personal property, nor did the law assign PVR the responsibility to inventory all communications assets statewide and provide municipalities with valuations of business personal property not subject to state assessment. Any property that is not valued by PVR is still required to be reported by the communications providers in municipalities that have elected to tax business personal property.

Section 6 of H.933

Section 6 of H.933 includes language that would take away the right of a communications provider to appeal a valuation issued by PVR if a provider “...*willfully omits to make, swear to, and submit an inventory, or to answer any interrogatory therein, or makes a false answer or statement therein...*” In this situation, the question of whether the property that was deleted by the Chittenden amendment should be listed as taxable property has not been resolved.

¹ Senate Finance Committee, May 7, 2024, available at: <https://www.youtube.com/watch?v=bQSOY4PKP0g>
Begins at 46:00 of committee meeting.

² Senate Finance Committee, May 7, 2024, available at: <https://www.youtube.com/watch?v=bQSOY4PKP0g>
Begins at 47:00 of committee meeting.

Under the provisions of 32 V.S.A. 3602b(d)(2), “... *each communications service provider shall submit to the Division a sworn inventory of all its **taxable** communications property in a form that identified the valuation of its property for each municipality*” (emphasis added). The statute does not require communications service providers to inventory non-taxable property. Property that is not “communications property” is outside the scope of the inventory, and communications providers with taxable business personal property not subject to state assessment are still required to provide an inventory to each Vermont municipality that has elected to tax business personal property.

If a communications provider lists property that it believes is outside the scope of Act 145, it is conceding that this is taxable property under Act 145. However, if a communications provider does not list such property, the provisions of Section 6 would result in a provider forfeiting the right to appeal the Department’s interpretation of Act 145.

For this reason, the providers request that if the legislature enacts the amendments to 32 V.S.A. 3602b(2) and (3) as proposed in Section 6, the effective date be delayed until the issue of what property is subject to Act 145 has been resolved.

Thank you for the opportunity to share our concerns about the implementation of Act 145 and to request amendments to H.933.

Proposed Amendments to H.933:

On page 7, after line 1, insert the following new section:

Section XX. 32 VSA 3602b (c) is amended to read:

(c) As used in this section, “communications property” means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. 501(2). The term ~~is limited to~~ includes wires, cables, conduit, pipes, antennas, poles, and wireless towers.

On page 55, after line 14, insert the following new subparagraph:

(3) Sec. 6 (Communications Property; Inventories) shall take effect on July 1, 2027.

and renumber subsequent subparagraphs accordingly.