

Is fiber optic cable line considered real estate



Overview

The Third Department, in a full-fledged opinion by Justice Peters, reversing Supreme Court, determined that fiber-optic cables are not taxable real property under Real Property Tax Law (RPTL) 102. The taxpayer leases systems composed of permanently affixed coaxial and fiber optic cable, and indoor and outdoor “distributed antenna systems” (DAS) or small cell systems to organizations, including wireless carriers and other telecommunication providers. The letter ruling included a taxpayer's. acquires telecommunication infrastructure assets (the “Systems”) and then leases, licenses and/or otherwise rents the use of the Systems to unrelated third party wireless carriers (the “Users”). Taxpayer owns the Systems through one or more entities that will be disregarded for federal income tax. In two recent private letter rulings (PLR 202132002 and PLR 202133003), the IRS has ruled that payments received by a real estate investment trust (REIT) for the right to use capacity on the REIT's fiber optic cables qualify as "rents from real property" for purposes of IRC Section 856 (c) (2) and. Reversing a decision of the trial court, the Appellate Division, Third Department, has held that fiber optic cable installations are not taxable real property because they do not "distribute" light, heat, or power within the meaning of the statute. However, petitioner telecommunications company was not entitled to a refund of taxes paid because no. Taxpayer requested rulings under section 856 of the Internal Revenue Code (“Code”) with respect to amounts received by Taxpayer for the use of Taxpayer's fiber optic cable. Taxpayer is a corporation organized in State.

Article Content

New York Court of Appeals Declares Telecommunications

The case involved an issue of statewide importance as to whether telecommunication facilities and fiber optic cables are taxable as real property in New York State and was argued at a Special Session of

Internal Revenue Service Department of the Treasury Number:

uildings and/or other inherently permanent structures to support each System (the "Real Estate Rights"). The primary component of each System (other than the Real Estate Ri ts) is fiber

Fiber Lease Qualifies As Rent From Real Property, IRS Rules

A real estate investment trust's leasing of fiber optic cable will qualify as rents from real property because the REIT's activities do not give rise to impermissible tenant service income, the ...

Safe Harbor Accounting Methods Provided for Cable System Operators

This change applies to a cable system operator that is within the scope of Rev. Proc. 2015-12, 2015-2 I.R.B., and wants to change to the safe harbor method of accounting provided in

FIBER OPTIC CABLES ARE NOT TAXABLE REAL PROPERTY UNDER REAL

Real Property Tax Law FIBER OPTIC CABLES ARE NOT TAXABLE REAL PROPERTY UNDER REAL PROPERTY TAX LAW (RPTL) 102. The Third Department, in a full-fledged opinion

IRS Depreciation Class For Fiber Optic Cable

Specifics of fibre optic cable depreciation, including classification and calculation methods. Practical applications, real-world examples, and tips for accurate implementation.

Case Study: Fiber Optic network installation and ...

This paper is an analysis of electric-fields distribution around overhead transmission lines (OHTLs) with an all dielectric self supporting (ADSS) fiber-optic cable.

FIBER OPTIC CABLES NOT TAXABLE UNDER THE REAL

By contrast, although "the fiber optic cables at issue undeniably transmit light signals from one end of the network to the other, such transmission does not result in the distribution" of light,

Understanding Easements and Rights-of-Way

The legal definition of a right-of-way is "the right to build and operate a railroad line, road, or utility on land belonging to another." For example, roads are

IRS rules payments to REIT for use of fiber optic cable capacity ...

The IRS ruled that amounts received by Taxpayer for the right to use or occupy space on the real property assets comprising a fiber optic system or DAS installation qualify as "rents from interests in

Property Taxation of Communications Providers, A Primer for State ...

Property Taxation of Communications Providers, A Primer for State Legislatures The National Conference of State Legislatures is the bipartisan organization dedicated to serving the lawmakers

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The fiber optic cable used in indoor and outdoor Systems, coaxial cable used in indoor Systems, and related conduit piping (collectively, the "System Components"), qualify as "real property" for purposes

26 CFR 1.263(a)-1: Capital expenditures; in general. (Also: Part I ...

6.41 Depreciation of fiber optic transfer node and fiber optic cable used by cable system operator (§§ 167 and 168) Description of change. Applicability. This change applies to a cable system operator

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Section 856(d)(1) provides that "rents from real property" includes (subject to exclusions provided in section 856(d)(2)): (A) rents from interests in real property; (B) charges for services

Safe Harbor For Fiber Optic Nodes In Cable Systems Provided For ...

Rev. Proc. 2003-63 SECTION 1. PURPOSE This revenue procedure provides a safe harbor method under which the Internal Revenue Service will treat a fiber optic node and trunk line consisting of

Property Taxation of Communications Providers, A

While New York does not generally tax tangible personal property, the state considers cell towers, lines, wires, poles, electrical conductors, fiber optic

Income From Leasing Fiber Optic Assets Is Rents From Real Property

Taxpayer leases systems composed of permanently affixed coaxial and fiber optic cable, and the associated conduit piping (together, the "Real Property Assets"), among other assets.

Why Fiber Has More Impact on Real Estate Value than

The logistics involved with getting connected via fiber-optic telecommunications cable are surprisingly simple. The fiber cables themselves

CABLE DISTRIBUTION PLANTS ARE REAL PROPERTY. | Tax Notes

Fiber optic cables replaced coaxial cables as trunk lines, except for certain nodes located in close proximity to the headend, known as "headend nodes," which were served by new coaxial

FIBER OPTIC CABLES ARE NOT TAXABLE REAL PROPERTY

The Third Department, in a full-fledged opinion by Justice Peters, reversing Supreme Court, determined that fiber-optic cables are not taxable real property under Real Property Tax Law

Ruling 17-09: Fiber-to-the-Home Network Infrastructure

Here, the Taxpayer installs conduit, fiber, and other necessary appurtenances, on real property pursuant to lease agreements and easements in which the Client has an interest.

REIT's Income From Cables Qualifies as Real Property Rents

Taxpayer leases systems composed of permanently affixed coaxial and fiber optic cable, and the associated conduit piping (together, the "Real Property Assets"), among other assets.

This Week in State Tax (TWIST)

blished that it was entitled to a real property tax exclusion for equipment used to pro. eal property su. ject to real property taxes. There is an exclusion from the tax for equ. ent used in the transmission of

Appellate Court Finds Fiber Optic Cables Not Subject to Real

Reversing a decision of the trial court, the Appellate Division, Third Department, has held that fiber optic cable installations are not taxable real property because they do not...

Fiber Optic Cable is not Taxable Real Property in New York: Appellate ...

The Appellate Division, Fourth Department has followed the First and Third Departments finding fiber optic cable is not taxable real property. With three of the four Appellate Divisions so

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