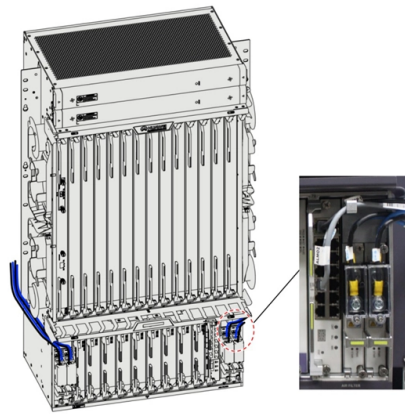


Optical cables are considered real estate



Overview

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. The letter ruling included a taxpayer's amounts received by Taxpayer for the use of the System Components and the related Property Interests qualify as "rents from real property" under § 856(d)(1). The provision by Taxpayer of the Tenant Services does not give rise to impermissible tenant service income, and will not cause any portion. 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. Taxpayer is a corporation and represents that it elected to be taxed as a real estate investment trust ("REIT") under sections 856 through 859 of the Code beginning with its taxable year that ended on Date. Taxpayer leases systems composed of permanently affixed coaxial and fiber optic cable, and. Paragraph (b) of this section defines real property, which includes land as defined under paragraph (c) of this section and improvements to land as defined under paragraph (d) of this section. Improvements to land include inherently permanent structures as defined under paragraph (d) (2) of this. issues affecting the deployment of broadband communications infrastructure. These efforts resulted in the adoption of a Task Force resolution in November 2013 that encouraged states ".

Article Content

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 ...

Fiber Lease Qualifies As Rent From Real Property, IRS Rules

Law360 (August 23, 2021, 5:35 PM EDT) -- 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...

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

Defining the personal property of telecommunications providers as "real property" so that it is taxable in states that do not tax personal property, or otherwise taxing the personal property of communications

New York State Appellate Division holds that fiber-optic cables are ...

Taxpayer argued that its fiber-optic cables are excluded from the definition of public utility mass real property because the cables are used in the "transmission of . . . cable television signals."

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

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

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.

Fiber Optic Valuation

As real estate professionals, we need clarity and availability of market data for transactions of real property for fiber optic lines. Otherwise, the marketplace will continue accepting a wide variety of

Microsoft Word

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 fiber optic cable used in a

Part III

real property used by a wireline carrier to provide telecommunication or broadband services. Wireline network assets include central office buildings, central office equipment, towers, poles, copper wire,

Internal Revenue Service Department of the Treasury Number:

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

Property Taxation of Communications Providers, A

As a result, real estate and personal property of communications service providers is taxed at rates approximately 1.5 to 2.3 times higher than

What Is a Fiber Optic Cable and How Does It Work?

James Mitchell is an experienced optical cable engineer with a Master's degree in Electrical Engineering from Stanford University. With over 10

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

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.

FIBER OPTIC CABLES NOT TAXABLE UNDER THE REAL

The Fourth Department, reversing Supreme Court, determined fiber optic cables were not included in the statutory definition of real property and therefore were not taxable under the Real

FIBER OPTIC CABLES ARE NOT TAXABLE REAL PROPERTY UNDER REAL

However, petitioner telecommunications company was not entitled to a refund of taxes paid because no protest was made at the time of payment: We address petitioner's application for

This Week in State Tax (TWIST)

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

Although a fiber optic cable may contain more optic fibers than are necessary to serve a single node, all optic fibers in the unit of property are considered placed in service when the node is

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...

Depreciation Guidelines For Fiber Optic Cable Under

Depreciation is a crucial concept for businesses to grasp, particularly when it comes to understanding the financial implications of their assets. Fibre

CABLE DISTRIBUTION PLANTS ARE REAL PROPERTY. | Tax Notes

The Service has ruled in technical advice that cable distribution plants are real property for purposes of section 263A (f). A cable company rebuilt its distribution

IRS Depreciation Class For Fiber Optic Cable

Real-World Examples Let's consider a real-world example of fibre optic cable depreciation in a telecommunications company. A company installs fibre optic cables worth £100,000

26 CFR § 1.856-10

A structural component may qualify as real property only if the real estate investment trust (REIT) holds its interest in the structural component together

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

Contact Us

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