



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB5218

Introduced 1/31/2022, by Rep. Amy Elik

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to 50% of the cost of equipment, materials, and labor paid by the taxpayer during the taxable year in order to incorporate or improve broadband service in the taxpayers' primary residence, which must be located in an underserved or unserved area in a county with a population of less than 300,000 people. Effective immediately.

LRB102 23373 HLH 35487 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by  
5 adding Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Broadband credit.

8 (a) For taxable years beginning on or after January 1,  
9 2022, each individual taxpayer shall be allowed an annual  
10 credit against the tax imposed by subsections (a) and (b) of  
11 Section 201 in an amount equal to 50% of the cost of equipment,  
12 materials, and labor paid by the taxpayer during the taxable  
13 year in order to incorporate or improve broadband services in  
14 the taxpayers' primary residence. The primary residence must  
15 be located in an underserved or unserved area in a county with  
16 a population of less than 300,000 people according to the 2020  
17 census.

18 (b) The aggregate credit established by this Section taken  
19 in any single tax year shall not reduce taxpayer's tax  
20 liability to less than zero; provided, however, that any tax  
21 credit claimed under this Section but not used in any taxable  
22 year may be carried forward for 5 consecutive years from the  
23 close of the tax year in which the credits were earned. The

1 maximum aggregate amount of credits that may be claimed under  
2 this Section shall not exceed the original investment made by  
3 the taxpayer in the qualifying equipment.

4 (c) For purposes this Section:

5 "Broadband service" means a service provided by wireline  
6 or wireless means capable of delivering high-speed internet  
7 access at speeds of at least 25 megabits per second of download  
8 speed and 3 megabits per second of upload speed.

9 "Equipment, materials, and labor incorporated into or used  
10 to improve broadband services" means all equipment and  
11 materials, machinery, software, or other tangible personal  
12 property, including labor for installation and construction,  
13 deployed in Illinois on or after January 1, 2022 that is used  
14 in whole or in part for producing, broadcasting, distributing,  
15 sending, receiving, storing, transmitting, retransmitting,  
16 amplifying, switching, or routing broadband services,  
17 including the monitoring, testing, maintaining, enabling, or  
18 facilitating of such equipment, machinery, software, or other  
19 infrastructure. Such property includes, but is not limited to,  
20 wires, cables including fiber optic cables, antennas, poles,  
21 switches, routers, amplifiers, rectifiers, repeaters,  
22 receivers, multiplexers, duplexers, transmitters, power  
23 equipment, backup power equipment, diagnostic equipment,  
24 storage devices, modems, and other general central office  
25 equipment, such as channel cards, frames, and cabinets.

26 "Taxpayer" means an individual whose primary residence is

1 located in a county with a population of less than 300,000 that  
2 qualifies as an underserved or unserved area.

3 "Underserved or unserved area" means a municipality where  
4 there is limited or no broadband service.

5 (d) This Section is exempt from the provisions of Section  
6 250.

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.