

1 AN ACT concerning rural technology.

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

4 Section 1. Short title. This Act may be cited as the Rural
5 Technology Development Zone Act.

6 Section 5. Zones established. Subject to appropriation,
7 the Department of Commerce and Economic Opportunity (DCEO) may
8 implement a pilot program to designate 3 rural areas in the
9 State as rural technology development zones. The pilot program
10 shall be in areas that are underserved with respect to
11 technology development. DCEO shall determine which 3
12 underserved areas shall be designated as technology
13 development zones in consultation with the Illinois Commerce
14 Commission. In designating the zones, DCEO shall specify by
15 rule, based upon the needs and assessment inventory, the
16 specific technology infrastructure needs of each rural
17 technology development zone and the types of investments that
18 will meet those needs. For each rural technology development
19 zone designated under this Section, DCEO shall further specify
20 all of the following:

21 (1) The boundaries of the rural technology development
22 zone.

23 (2) The potential for increasing wireless
24 telecommunications and Internet access within the rural
25 technology development zone.

26 (3) The specific technology infrastructure required to
27 provide adequate wireless telecommunications and Internet
28 access within the zone and any unique needs or
29 characteristics of the zone.

30 (4) The specific investments in technology
31 infrastructure that will qualify for income tax credits in
32 the zone under Section 216 of the Illinois Income Tax Act.

1 (5) Any other information DCEO deems pertinent.

2 Section 10. Report to the General Assembly. DCEO shall
3 submit a report to the General Assembly on or before September
4 1, 2006 outlining the progress, if any, in improving wireless
5 telecommunications and Internet access within rural technology
6 development zones. The report shall include, but is not limited
7 to, the following information:

8 (1) An analysis of the changes made in technology
9 infrastructure in the rural technology development zones
10 to improve wireless telecommunications and Internet access
11 and the effects of those changes.

12 (2) Any available statistics concerning the amount of
13 investments made in rural technology development zones.

14 Section 15. Rules. DCEO shall adopt any rules necessary
15 for the administration of this Act.

16 Section 90. The Illinois Income Tax Act is amended by
17 adding Section 216 as follows:

18 (35 ILCS 5/216 new)

19 Sec. 216. Rural technology development zone tax credit.

20 (a) For taxable years beginning on or after January 1, 2005
21 and before January 1, 2011, each taxpayer is entitled to a
22 credit against the tax imposed by subsections (a) and (b) of
23 Section 201 in an amount equal to 10% of the amount of the
24 total investment made during the taxable year by the taxpayer
25 in technology infrastructure required to provide wireless
26 telecommunications or Internet access in rural technology
27 development zones. This credit may be claimed only for specific
28 capital investments in technology infrastructure that will
29 qualify for income tax credits in the development zone as
30 specified by the Department of Commerce and Economic
31 Opportunity under item (4) of Section 5 of the Rural Technology
32 Development Zone Act. The credit claimed by a taxpayer under

1 this Section shall not exceed \$100,000 in any one taxable year.

2 (b) If the credit allowed under this Section exceeds the
3 income taxes otherwise due on the claimant's income, the amount
4 of the credit not used as an offset against income taxes may be
5 carried forward as a tax credit against subsequent years'
6 income tax liability for a period not to exceed 10 years and
7 shall be applied first to the earliest years possible.

8 (c) The credit awarded under this Section is limited as
9 follows:

10 (1) The credit claimed shall not exceed \$100,000 per
11 year. Qualified investments in excess of \$1,000,000 in any
12 tax year cannot earn a credit and cannot be carried
13 forward.

14 (2) A partnership, S corporation, or other similar
15 pass-through entity or a disregarded entity may pass
16 through up to \$100,000 in total credit to its partners,
17 shareholders, or members. Each partner, shareholder, or
18 member's portion of the credit is determined according to
19 the ratio in which profits or losses of the entity are
20 allocated.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.