

SB0309



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0309

Introduced 2/7/2007, by Sen. John M. Sullivan

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 5/218 new

Creates the Rural Technology Development Zone Act. Allows the Department of Commerce and Economic Opportunity to designate 3 rural areas in the State as rural technology development zones. Provides that the Department of Commerce and Economic Opportunity shall submit a report to the General Assembly outlining the progress in improving wireless telecommunications and Internet access within rural technology development zones. Amends the Illinois Income Tax Act to provide a tax credit for investments in technology infrastructure required to provide wireless telecommunications and Internet access in rural technology development zones. Effective immediately.

LRB095 10554 BDD 30772 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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

1 telecommunications and Internet access within the rural
2 technology development zone.

3 (3) The specific technology infrastructure required to
4 provide adequate wireless telecommunications and Internet
5 access within the zone and any unique needs or
6 characteristics of the zone.

7 (4) The specific investments in technology
8 infrastructure that will qualify for income tax credits in
9 the zone under Section 218 of the Illinois Income Tax Act.

10 (5) Any other information DCEO deems pertinent.

11 Section 10. Report to the General Assembly. DCEO shall
12 submit a report to the General Assembly on or before September
13 1, 2008 outlining the progress, if any, in improving wireless
14 telecommunications and Internet access within rural technology
15 development zones. The report shall include, but is not limited
16 to, the following information:

17 (1) An analysis of the changes made in technology
18 infrastructure in the rural technology development zones
19 to improve wireless telecommunications and Internet access
20 and the effects of those changes.

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

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

1 Section 90. The Illinois Income Tax Act is amended by
2 adding Section 218 as follows:

3 (35 ILCS 5/218 new)

4 Sec. 218. Rural technology development zone tax credit.

5 (a) For taxable years beginning on or after January 1, 2007
6 and ending on or before December 30, 2013, each taxpayer is
7 entitled to a credit against the tax imposed by subsections (a)
8 and (b) of Section 201 in an amount equal to 10% of the amount
9 of the total investment made during the taxable year by the
10 taxpayer in technology infrastructure required to provide
11 wireless telecommunications or Internet access in rural
12 technology development zones. This credit may be claimed only
13 for specific capital investments in technology infrastructure
14 that will qualify for income tax credits in the development
15 zone as specified by the Department of Commerce and Economic
16 Opportunity under item (4) of Section 5 of the Rural Technology
17 Development Zone Act. The credit claimed by a taxpayer under
18 this Section may not exceed \$100,000 in any one taxable year.

19 (b) If the credit allowed under this Section exceeds the
20 income taxes otherwise due on the claimant's income, the amount
21 of the credit not used as an offset against income taxes may be
22 carried forward as a tax credit against subsequent years'
23 income tax liability for a period not to exceed 10 years and
24 must be applied first to the earliest years possible.

1 (c) The credit awarded under this Section is limited as
2 follows:

3 (1) The credit claimed may not exceed \$100,000 per
4 year. Qualified investments in excess of \$1,000,000 in any
5 tax year cannot earn a credit and cannot be carried
6 forward.

7 (2) A partnership, S corporation, or other similar
8 pass-through entity or a disregarded entity may pass
9 through up to \$100,000 in total credit to its partners,
10 shareholders, or members. Each partner, shareholder, or
11 member's portion of the credit is determined according to
12 the ratio in which profits or losses of the entity are
13 allocated.

14 Section 99. Effective date. This Act takes effect upon
15 becoming law.