

1 AN ACT concerning rural technology enterprise zones.

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
5 Rural Technology Enterprise Zone Act.

6 Section 5. Zones established. The Illinois Commerce
7 Commission may designate rural areas in the State as rural
8 technology enterprise zones. In designating the zones, the
9 Commission shall specify by rule, based upon the needs and
10 assessment inventory, the specific technology infrastructure
11 needs of each rural technology enterprise zone and the types
12 of investments that will meet those needs. For each rural
13 technology enterprise zone designated under this Section, the
14 Commission shall further specify all of the following:

15 (1) The boundaries of the rural technology
16 enterprise zone.

17 (2) The potential for increasing Internet access
18 within the rural technology enterprise zone.

19 (3) The specific technology infrastructure required
20 to provide adequate Internet access within the zone and
21 any unique needs or characteristics of the zone.

22 (4) The specific investments in technology
23 infrastructure that will qualify for income tax credits
24 in the zone under Section 213 of the Illinois Income Tax
25 Act.

26 (5) Any other information the Commission deems
27 pertinent.

28 Section 10. Report to the General Assembly. The Illinois
29 Commerce Commission shall submit a report to the General
30 Assembly on or before September 1, 2005 outlining the

1 progress, if any, in improving Internet access within rural
2 technology enterprise zones. The report shall include, but is
3 not limited to, the following information:

4 (1) An analysis of the changes made in technology
5 infrastructure in the rural technology enterprise zones
6 to improve Internet access and the effects of those
7 changes.

8 (2) Any available statistics concerning the amount
9 of investments made in rural technology enterprise zones.

10 Section 15. Rules. The Illinois Commerce Commission
11 shall adopt any rules necessary for the administration of
12 this Act.

13 Section 90. The Illinois Income Tax Act is amended by
14 adding Section 213 as follows:

15 (35 ILCS 5/213 new)

16 Sec. 213. Rural technology enterprise zone tax credit.

17 (a) For taxable years beginning on or after January 1,
18 2004 and before January 1, 2010, each taxpayer is entitled to
19 a credit against the tax imposed by subsections (a) and (b)
20 of Section 201 in an amount equal to 10% of the amount of the
21 total investment made during the taxable year by the taxpayer
22 in technology infrastructure required to provide Internet
23 access in rural technology enterprise zones. This credit may
24 be claimed only for specific capital investments in
25 technology infrastructure that will qualify for income tax
26 credits in the enterprise zone as specified by the Illinois
27 Commerce Commission under item (4) of Section 5 of the Rural
28 Technology Enterprise Zone Act. The credit claimed by a
29 taxpayer under this Section shall not exceed \$100,000 in any
30 one taxable year.

31 (b) If the credit allowed under this Section exceeds the

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

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

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

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

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