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## AMENDMENT TO SENATE BILL 1535

2 AMENDMENT NO. \_\_\_\_. Amend Senate Bill 1535 by replacing 3 the title with the following:

4 "AN ACT concerning rural technology."; and

5 by replacing everything after the enacting clause with the 6 following:

7 "Section 1. Short title. This Act may be cited as the8 Rural Technology Development Zone Act.

Section 5. Zones established. Subject to appropriation, 9 10 the Department of Commerce and Community Affairs (DCCA) may 11 implement a pilot program to designate 3 rural areas in the State as rural technology development zones. The pilot 12 13 programs shall be in areas that are underserved with respect to technology development. DCCA shall determine which 3 14 designated as technology 15 underserved areas shall be development zones in consultation with the Illinois Commerce 16 17 Commission. In designating the zones, DCCA shall specify by rule, based upon the needs and assessment inventory, the 18 specific technology infrastructure needs of each rural 19 technology development zone and the types of investments that 20 21 will meet those needs. For each rural technology development LRB093 10861 SJM 14420 a

zone designated under this Section, DCCA shall further
 specify all of the following:

3 (1) The boundaries of the rural technology4 development zone.

5 (2) The potential for increasing Internet access
6 within the rural technology development zone.

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

10 (4) The specific investments in technology 11 infrastructure that will qualify for income tax credits 12 in the zone under Section 213 of the Illinois Income Tax 13 Act.

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(5) Any other information DCCA deems pertinent.

15 Section 10. Report to the General Assembly. DCCA shall submit a report to the General Assembly on or before 16 17 September 1, 2005 outlining the progress, if any, in 18 improving Internet access within rural technology development The report shall include, but is not limited to, the 19 zones. 20 following information:

(1) An analysis of the changes made in technology
infrastructure in the rural technology development zones
to improve Internet access and the effects of those
changes.

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

Section 15. Rules. DCCA shall adopt any rules necessaryfor the administration of this Act.

30 Section 90. The Illinois Income Tax Act is amended by 31 adding Section 213 as follows:

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1 (35 ILCS 5/213 new) 2 Sec. 213. Rural technology development zone tax credit. 3 (a) For taxable years beginning on or after January 1, 4 2004 and before January 1, 2010, each taxpayer is entitled to 5 credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 10% of the amount of the 6 7 total investment made during the taxable year by the taxpayer 8 in technology infrastructure required to provide Internet access in rural technology development zones. This credit may 9 10 be claimed only for specific capital investments in 11 technology infrastructure that will qualify for income tax 12 credits in the development zone as specified by the Department of Commerce and Community Affairs under item (4) 13 of Section 5 of the Rural Technology Development Zone Act. 14 15 The credit claimed by a taxpayer under this Section shall not 16 exceed \$100,000 in any one taxable year. (b) If the credit allowed under this Section exceeds the 17 income taxes otherwise due on the claimant's income, the 18 amount of the credit not used as an offset against income 19 taxes may be carried forward as a tax credit against 20 subsequent years' income tax liability for a period not to 21 22 exceed 10 years and shall be applied first to the earliest 23 years possible. 24 (c) The credit awarded under this Section is limited as follows: 25 (1) The credit claimed shall not exceed \$100,000 26 per year. Qualified investments in excess of \$1,000,000 27 in any tax year cannot earn a credit and cannot be 28 29 carried forward. 30 (2) A partnership, S corporation, or other similar 31 pass-through entity or a disregarded entity may pass through up to \$100,000 in total credit to its partners, 32 33 shareholders, or members. Each partner, shareholder, or member's portion of the credit is determined according to 34

1	<u>the ratio</u>	in which	<u>profits</u>	or	losses	of	the	entity	are
2	allocated.	<u>•</u>							

3 Section 99. Effective date. This Act takes effect upon4 becoming law.".