AN ACT concerning rural technology.

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

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

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

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

(2) The potential for increasing wireless

telecommunications and Internet access within the rural technology development zone.

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

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

(5) Any other information DCEO deems pertinent.

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

(1) An analysis of the changes made in technology infrastructure in the rural technology development zones to improve wireless telecommunications and 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. DCEO shall adopt any rules necessary for the administration of this Act.

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

(35 ILCS 5/218 new)

Sec. 218. Rural technology development zone tax credit.

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

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

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

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

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

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