From: IEN, CEO
To: Ribley, Warren
Subject: News From The Illinois Entrepreneurship Network
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banner slogan

Happy Holidays from the Office of Entrepreneurship, Innovation and Technology! DCEO's Office of Entrepreneurship, Innovation & Technology has a network of experts and tools to transform your business into an appealing investment for lenders. With locations across the state, the IEN Network is helping to diversify local economies, commercialize technologies, create jobs and build wealth statewide through a strong and highly structured public-private partnership.

To find out how IEN can serve your business needs, we invite you to visit us online at www.ienconnect.com or call 1-800-252-2923.

Regulatory News

The following rules have been proposed by Illinois' agencies and are open for public comment. To read more about the rules and to submit comments regarding their impact on your business or industry, visit www.ienconnect.com/regalert and click on "Submit Comments".

* The Department of Public Health proposed amendments to rules which will impact long-term care facilities owned or operated by small businesses. Click here to read more or submit comments.

* The Office of the Auditor General proposed rules which will impact businesses that currently have or are seeking contracts with the Office of the Auditor General. Click here to read more or submit comments.

Sales Tax Rate Change Summary Effective January 2011

Effective **January 1, 2011**, certain taxing jurisdictions have imposed a local sales tax or changed their local sales tax rate on general merchandise sales. Home rule sales tax and business district sales tax are affected. Retailers must adjust their cash register and any computer program so that beginning on January 1, 2011, they will collect and pay

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the correct sales tax. Retailers need to contact their software vendor is they use software to create forms.

To verify the new combined sales tax rate (i.e. state and local sales taxes), go to the **Tax Rate Finder** on the Illinois Department of Revenue website at **tax.illinois.gov** and select rates for January 2011.

The Department of Revenue also published an Informational Bulletin which has Frequently Asked Questions and contact information.

Prepaid Sales Tax Rate Changes Effective January 2011

(This is applicable for all Distributors, Suppliers, Motor Fuel Retailers and Other Resellers of Motor Fuel) **Effective January 1, 2011**, the applicable rates for prepaid sales tax will change. These rates are subject to change every six months. Biodiesel blends that are at least 1%, will be subject to the gasohol prepaid sales tax rate.

For more information on the prepaid sales tax rate change, visit the Department of Revenue's website and view the informational bulletin.

For questions or comments on any of the above mentioned rules, contact Katy Khayyat at the Office of Entrepreneurship, Information and Technology at Katy.Khayyat@Illinois.gov, or call (800) 252-2923.

SBA Logo

2011 Illinois Small Business Week Awards

Help us recognize outstanding leaders in the small business community! The SBA's Illinois District Office is accepting applications for various award categories for the 2011 Small Business Awards. Categories include Small Business Person of the Year, Small Business Exporter of the Year, SBA Young Entrepreneur of the Year, Family Owned Small Business, and Entrepreneurial Success.

Deadline for submitting application is January 5, 2011. To see the nomination guidelines and forms and for more information, click here. A complete nomination packet can be downloaded at www.nationalsmallbusinessweek.com.

SBA Launches New Online Tool to Help Small Businesses Begin Exporting

Small businesses interested in exporting now have a new online tool to help them tap into the global marketplace to grow their business. Developed by the U.S. Department of Commerce and the U.S. Small Business Administration, Six Steps to Begin Exporting, www.export.gov/begin, is the latest tool in the National Export Initiative toolbox to help entrepreneurs begin exporting.

The six-step process begins with a self-assessment to help potential exporters gauge their readiness to successfully engage in international trade. The self- assessment is followed by sections on training and counseling programs; resources to create an export business plan; information on conducting market research; assistance for finding foreign

buyers; and investigating financing for your small business exports, foreign investments or projects.

Upon completing the self-assessment, businesses receive a score indicating their level of readiness. Based on the score, additional resources are identified fitting their specific needs, including SBA and its nationwide resource partners SCORE and Small Business Development Centers, as well as Commerce's U.S. Export Assistance Centers, which provide individualized support.

SBIR 2.0 - Innovative Improvements Supporting Innovative Entrepreneurs

The Small Business Innovation Research (SBIR) Program will undergo a series of improvements in the coming months to increase the effectiveness and efficiency of the overall program. Together, these improvements will represent a new and improved SBIR, or as we are calling it, "SBIR 2.0"

SBIR 2.0 will make the program more entrepreneur-friendly to ensure entrepreneurs have the support they need to do what they do best - innovate and create jobs. By leveraging best practices among the 11 agencies who participate in SBIR and strengthening performance measurements to ensure effective operation government wide, SBIR 2.0 will produce better results for the program.

SBIR 2.0 improvements will include:

- **Simplification and Streamlining**
- **Shared Best Practices**
- **Better Performance Management**

For additional background on SBIR 2.0, please see the Frequently Asked Questions.

To read more about SBA programs and services, visit their website at www.sba.gov.

IRS Logo

Important Message About Federal Tax Deposit Coupons

You may soon be required to make deposits electronically. The federal government has recently issued a proposed regulation that provides that Federal Tax Deposit coupons will no longer be accepted as of January 1, 2011. If this regulatory change takes effect as proposed, your business may be required to make deposits electronically, and may be charged a 10% penalty for each non-electronic deposit.

What You Need To Do -

- For a convenient and quick way to make electronic deposits, the

IRS encourages you to activate your enrollment in the Electronic Federal Tax Payment System (EFTPS). This system is a free, secure service available from the U.S. Department of the Treasury.

- If you're already making deposits using EFTPS, you don't need to do anything. You can continue to schedule payments over the internet or phone.

Additional information - If you have questions about your EFTPS enrollment, please contact the IRS at: 1-888-434-7338 or visit their website at: www.eftps.gov for additional information.

If this regulatory change takes effect, some very small businesses - typically, those with a federal tax liability of less than $2,500 per quarter - would still have the option of mailing a check with their quarterly or annual returns. To determine whether this check-with-return option is available to you, please call the IRS at 1-800-830-5215. For more information about Federal Tax Deposits, please visit: www.irs.gov and search on "Tax Topics 757".

IRS and Illinois DOR E-Filing Workshop Chicago

Plan on attending a **FREE** 2010 Illinois Fed/State E-File Seminar and come learn about the latest in electronic filing information. Representatives from the Internal Revenue Service Small Business/Self-Employed Stakeholder Liaison office, the Illinois Department of Revenue Electronic Commerce Division, Illinois Department of Employment Security, the Social Security Administration and the Independent Accountants Association of Illinois will be on hand to provide information about the latest tax law and E-Filing program up-dates, current information on electronic payment options, and more.

Attendees who qualify will receive up to four (4) hours CPE credit for attending the event. The seminar will be held from 9:00 AM to 1:00 PM. (There will be no lunch break)

Chicago Seminar - Thursday, December 9th at the James R. Thompson Center, 100 West Randolph Street in the Assembly Hall on the Concourse Level

Class size is limited... Reserve your spot today! Please be sure to register prior to the event. You may register via fax or email. Email your registration information to rev.econnection@illinois.gov **or f**ax your registration information to (217) 782-7992.

IRS Helps Small Employers Claim New Health Care Tax Credit; Forms and Additional Guidance Now Available on Small Business Health Care Tax Credit

The IRS released final guidance for small employers eligible to claim the new small business health care tax credit for the 2010 tax year. The release includes a one-page form and instructions small employers will use to claim the credit for the 2010 tax year.

New Form 8941, Credit for Small Employer Health Insurance Premiums, and newly revised Form 990-T are now available on IRS.gov. The IRS

also posted on its website the instructions to Form 8941 and Notice 2010-82, both of which are designed to help small employers correctly figure and claim the credit.

In general, the credit is available to small employers that pay at least half of the premiums for single health insurance coverage for their employees. It is specifically targeted to help small businesses and tax-exempt organizations that primarily employ moderate- and lower-income workers.

Small businesses can claim the credit for 2010 through 2013 and for any two years after that. For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small businesses and 25 percent of premiums paid by eligible tax-exempt organizations. Beginning in 2014, the maximum tax credit will increase to 50 percent of premiums paid by eligible small business employers and 35 percent of premiums paid by eligible tax-exempt organizations.

The maximum credit goes to smaller employers -- those with 10 or fewer full-time equivalent (FTE) employees -- paying annual average wages of $25,000 or less. The credit is completely phased out for employers that have 25 or more FTEs or that pay average wages of $50,000 or more per year. Because the eligibility rules are based in part on the number of FTEs, not the number of employees, employers that use part-time workers may qualify even if they employ more than 25 individuals.

More information about the credit, including a step-by-step guide to claiming the credit and answers to frequently asked questions, is available on the Affordable Care Act page on IRS.gov.

Illinois Small Business Receives Recycling Association Award

An Illinois small business, Sherman Plastics Corporation of Naperville, Illinois (DuPage County), was recently honored by the Illinois Recycling Association at the annual conference held in Oak Brook, Illinois. The company won an award in the category of "Best Use of a Recycled Material." Sherman Plastics was nominated for the award by DCEO due to Sherman's completion of a very successful project that was supported by a matching grant through the DCEO Recycling Expansion and Modernization (REM) Program.

Sherman Plastics is a successful Illinois company that manufactures a line of recycled content plastic compound products (in pellet form) that are typically used as a blending agent, or in most cases, as a 100% replacement for virgin feedstock material. Sherman's products are made from post-industrial plastic waste material, including polyester, polypropylene, PVC and polystyrene. Customers use Sherman's products -- the recycled content compounds -- to manufacture new plastic products through injection molding and extruding.

The company implemented the REM project to expand the firm's manufacturing capacity, thereby eliminating the need to outsource. As a result of this project, Sherman improved their business performance and competitiveness in the global economy. The firm increased production volume, lowered production costs, and improved quality control, to meet

the increased demand for the firm's recycled content pelletized products. The company confirmed annual savings of over $86,000 in reduced operating costs, and increased annual product sales by over $1.3 million. And, the firm increased the use of industrial scrap plastic feedstock as a substitute for virgin plastic feedstock, offering the environmental benefit of diverting over 1,422 tons of post-industrial plastic scrap from landfills. In addition, the company created 4 new full time jobs, ranging from $8.50 to $10.00 an hour.

Sherman Plastics received a **$250,000** matching grant from DCEO to offset the costs of capital equipment required for the REM project. Project equipment included an extruder, pelletizer, gravimetric feeder/blender, screen changer, chiller, and related equipment. Sherman contributed over **$193,000** in matching funds toward the project. For more information about Sherman Plastics, you may contact Mr. Larry Markin at larrymarkin@shermanplasticscorp.com. For more information on the DCEO REM Program, contact Mike Motor at 217/524-5859, or click here.

Additional Autobody Workshops Scheduled

The Small Business Environmental Assistance Program (SBEAP) is partnering with Illinois SBDC at the following location to provide required training to autobody shops on new federal regulations regarding paint stripping and coating. All autobody shop employees who spray apply coatings must have training regarding the environmental requirements as well as hands on training regarding the proper use and cleaning of the spray equipment. This free training session will fulfill the training requirement regarding the rule and can be supplemented with additional hands on training to complete the necessary requirements.

- Southern Illinois University at Edwardsville on December 7th from 6:00 to 8:30 p.m. To register contact Jane Bagent at 618-650-2929 or e-mail jbangent@siue.edu.

Also, the SBEAP has partnered with the Illinois SBDC at Carl Sandburg Community College in Galesburg to provide a full training program that covers all of the required classroom and hands on training mandated in the federal rule. This comprehensive class will be offered on February 16th from 5:00 to 9:00pm at the Carl Sandburg College in Galesburg. There is a $20 fee to attend, and the class size is limited. For more information or to register contact: Linda Hankins at (309) 345-3501 or via email at lhankins@sandburg.edu.

Smart Steps to Sustainability--A Guide to Greening your Small Business

EPA's Office of Small Business Programs is proud to announce that the new greening guide resource for small businesses is now available. Smart Steps to Sustainability promises to help your small business in moving beyond compliance and into sustainability. Environmentally-friendly business practices can yield enormous rewards, both for the environment and the business.

To learn what the Illinois Small Business Environmental Assistance Program can do for your business, visit www.ienconnect.com/enviro, or call (800) 252-3998.

State Seal

Upcoming Small Business Events

Lunch with the Illinois Department of Labor

The Illinois Department of Labor will host lunches where different topics on Labor Law will be presented and discussed. The dates are: December 16, 2010 at Sauk Valley Community College in Dixon; January 12, 2011 at John A. Logan College in Carterville; and February 24, 2011 at the University of Illinois in Springfield.

Topics include: The Illinois State Plan, new OSHA Standards, Prevailing and Minimum Wage, VESSA, Workplace Violence and more. The lunches will last from 10:00 a.m. to 2:00 p.m.. RSVP 10 days in advance, and it is $5 for lunch. To RSVP Carmen.E.Shipley@illinois.gov or call (217) 782-9356.

Introduction to Exporting Seminar--Chicago December 7th

Selling your company's products or services abroad can be a great way to become more profitable, even out sales variability, extend product lifecycles, and stay ahead of the competition. The Illinois International Trade Center at ICNC has pulled together some of the best resources to help you research, select, and enter foreign markets.

This seminar will teach you what questions to ask when you're selecting countries to target and how to evaluate potential partners for distribution or joint ventures. You'll also learn about financing, insuring, and collecting on foreign sales. Bring your questions for the experts, and let ICNC help you get started selling around the world. The seminar is free.

The program will be held on Tuesday, December 7th at the Illinois SBDC International Trade Center at the Industrial Council of Nearwest Chicago. They are located at 320 North Damen, Suite 100 in Chicago. Registration will be held from 8:30am to 9:00 am and the Program will begin at 9 am and conclude at 12 noon.

Click here for more information, to register or RSVP.

Illinois Department of Employment Security hosts Employer Workshops

Illinois Department of Employment Security hosts Employer Workshops / Business Expos around the state. For information regarding in-depth workshops that address Unemployment Insurance claims/protest issues and value-added programs and services available to you, or to schedule a workshop, please contact Bill Harrison, manager of Employer Outreach, at 309.343.3100 ext. 202 or by email, William.Harrison@illinois.gov.

For a list of dates and locations to the following workshops, visit the IDES website at http://www.ides.state.il.us/employer/workshops/default.asp.

"**Meeting Business Needs**" This workshop will provide information on Unemployment Insurance, Veterans Programs, How to Receive Tax $$$$ Credits for New Hires, Illinois Skills Match, TaxNet, IDES Off-site

Recruitment Facilities/Services, Illinois Labor Market Information and Re-Entry Employment Services Program.

"**Unemployment Insurance/Employee Services Workshop**" This workshop will offer information on employment services and unemployment insurance information.

"**Unemployment Insurance--Meeting Business Needs Workshop**" This workshop will provide information on Unemployment Insurance along with Veterans Programs, How to Receive Tax $$$ Credits for New Hires, Illinois Skills Match, TaxNet, IDES Off-site Recruitment Facilities, Illinois Labor Market information and Re-Entry Employment Services.

For information on any of the above events, contact Katy Khayyat at (217) 785-8020 or Katy.Khayyat@Illinois.gov.

Women's Business Development Center to Offer Lower-interest Micro-loans

Newly-formed and established small businesses based in Illinois may be eligible to receive a lower-interest micro-loan of up to $75,000 directly from the Women's Business Development Center (WBDC).

The Chicago-based organization recently launched its new loan program, sponsored by the Illinois Department of Commerce and Economic Opportunity, and available technical assistance at a series of community seminars with local community and business partners including the Chatham Business Association, South East Chicago Commission, Uptown United, Little Village Chamber of Commerce, Pilsen Alliance and Rogers Park Business Alliance.

In early October, in response to the lack of capital to sustain businesses and support communities, the WBDC received funding as part of Governor Quinn's $50-million Neighborhood Recovery Initiative. Loans, up to$50,000 for newly-formed businesses and up to $75,000 for established businesses, carry a maximum fixed rate of 10 percent up to a five-year maturity with amortization.

"We anticipate making the first loan in December," said Emilia DiMenco, Acting Chief Operating Officer of the WBDC and Executive Vice President of Harris N.A. "Virtually all of the funding will be lent during the first two years. Once a loan is repaid, we will relend it, so it is essentially a pool of funds that will continue to benefit small businesses far into the future."

Prospective applicants may apply online and provide supporting documentation including a business plan, current income statement and balance sheet, cash flow and profit and lost projections, and business and personal tax returns. For a complete list of required documents, please visit http://bit.ly/92KsPB.

An experienced micro-lender, the WBDC has provided programs and services in the women's economic development field for 25 years. The organization has helped more than 65,000 women start and expand their

businesses through business coaching and counseling, entrepreneurial training, financial and procurement assistance, Women's Business Enterprise (WBE) certification and business conferences.

For more information, please visit www.wbdc.org, or call (312) 853-3477, ext 670.

IEN Success Story of the Month

NEW SBDC

Duane Meszaros took matters into his own hands after being laid off due to the slowdown in the construction industry, leveraging his 15 years of experience and industry connections to start Infrared Asphalt Specialists, Inc.

Infrared asphalt restoration is a technique popular in the east coast, but is just beginning to be used in the Midwest. After working with the **Illinois Small Business Development Center at Waubonsee Community College** on his business plan, Duane went in search of financing for his business. Despite a sizable equity investment in the business, he encountered challenges finding bank financing for his start-up business. Ultimately, he was able to get financing for his truck cab and the infrared restoration equipment through his truck salesman, Ron Swanson, at Coffman Trucks in Aurora.

With the financing challenge solved, Duane's truck was shipped to New Hampshire where the infrared equipment manufacturer is located. They installed the equipment and Duane drove the truck back home to Oswego to start building the business. Duane recently launched his web site: www.goodbyepotholes.com and has started building his customer base that already includes companies such as General Growth Properties and Orange Crush LLC.

Infrared Asphalt Specialists repairs asphalt using infrared heat to soften the existing deteriorated asphalt. Once softened, the asphalt can be reworked to repair a variety of asphalt failures. This process finally gives everyone a cost effective maintenance solution to their asphalt problems. Infrared repairs are fast. Most repairs can be made in less than 30 minutes, resulting in minimal traffic disruption. The process is also very "green" - infrared repairs reuse nearly 100% of the existing asphalt.

Infrared Asphalt Specialists handles both residential and commercial repairs. From potholes in your fast food parking lot to driveway settlement at your garage, infrared restoration finally makes asphalt repairs affordable and attainable for all.

Website of the Month--www.aafd.org

The American Association of Franchisees and Dealers represents the rights of both franchisees and dealers. Here you can learn about upcoming events, read some free publications online, order other publications from the bookstore, and become a member

For information on any of the IEN programs, visit us online at www.ienconnect.com.

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