



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3612

by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that each business that (i) is primarily engaged in manufacturing and (ii) hires and retains employees to work at a facility in a high-crime area, as defined by the Department of Commerce and Economic Opportunity by rule, shall be entitled to a credit against its Illinois income tax liability. Provides that the amount of the credit shall be equal to 30% of the gross wages paid to each full-time permanent employee located at the qualified facility who has been employed by the taxpayer at that facility for exactly 12 months at any point during the taxable year. Provides that the credit shall be administered by the Department of Commerce and Economic Opportunity. Effective immediately.

LRB100 10870 HLH 21105 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Tax credit for manufacturing.

8 (a) Notwithstanding any other provision of law, for taxable
9 years beginning on or after January 1, 2017, each business that
10 (i) is primarily engaged in manufacturing and (ii) hires and
11 retains employees to work at a facility in a high-crime area,
12 as defined by the Department of Commerce and Economic
13 Opportunity by rule, shall be entitled to a credit against the
14 taxes imposed by subsections (a) and (b) of Section 201 as
15 provided in this Section. The business shall apply with the
16 Department of Commerce and Economic Opportunity for the credit
17 under this Section.

18 (b) The amount of the credit shall be equal to 30% of the
19 gross wages paid to each full-time permanent employee located
20 at the qualified facility who has been employed by the taxpayer
21 at that facility for exactly 12 months at any point during the
22 taxable year.

23 (c) In no event shall a credit under this Section reduce

1 the taxpayer's liability to less than zero. If the amount of
2 the credit exceeds the tax liability for the year, the excess
3 may be carried forward and applied to the tax liability of the
4 10 taxable years following the excess credit year or it may be
5 carried back to the 10 taxable years immediately preceding the
6 excess credit year. The tax credit shall be applied to the
7 earliest year for which there is a tax liability. If there are
8 credits for more than one year that are available to offset a
9 liability, the earlier credit shall be applied first.

10 (d) The credit shall be administered by the Department of
11 Commerce and Economic Opportunity. The Department of Commerce
12 and Economic Opportunity may adopt rules for the implementation
13 of this Section.

14 (e) This Section is exempt from the provisions of Section
15 250.

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