



Sen. Elgie R. Sims, Jr.

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1 AMENDMENT TO SENATE BILL 3284

2 AMENDMENT NO. _____. Amend Senate Bill 3284 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Community Renewal and Revitalization Act.

6 Section 5. Intent. The intent of this Act is to spur
7 investment in areas of high unemployment and high crime through
8 various economic development tools intended to incentivize
9 businesses to relocate, expand, and develop within those
10 communities. It is the hope and belief of the General Assembly
11 that through the creation of Health, Opportunity, Prosperity,
12 and Empowerment (HOPE) Zones, economic growth and vitality can
13 foster in impoverished communities of this State.

14 Section 10. Definitions. As used in this Act:

15 "Department" means the Department of Commerce and Economic

1 Opportunity.

2 "Director" means the Director of Commerce and Economic
3 Opportunity.

4 "HOPE Zone" or "Zone" means a Health, Opportunity,
5 Prosperity, and Empowerment Zone established under this Act.

6 Section 15. Qualifications for HOPE Zones.

7 (a) An area is qualified to become a HOPE Zone if:

8 (1) it is a contiguous area, provided that a zone area
9 may exclude wholly surrounded territory within its
10 boundaries;

11 (2) it is comprised of a minimum of one-half square
12 mile and not more than 15 square miles, in total area,
13 exclusive of lakes and waterways;

14 (3) it is entirely within a municipality or entirely
15 within the unincorporated areas of a county, except where
16 reasonable need is established for such zone to cover
17 portions of more than one municipality or county;

18 (4) all or part of the area to be designated as a HOPE
19 Zone has had an annual average unemployment rate of at
20 least 120% of the State's annual average unemployment rate
21 for the most recent calendar year or the most recent fiscal
22 year as reported by the Department of Employment Security;
23 and

24 (5) all or part of the area to be designated as a HOPE
25 Zone has a poverty rate of at least 20% according to the

1 latest federal decennial census, and a census tract crime
2 rate higher than the State average.

3 (b) Any criteria established by the Department or by law
4 which utilizes the rate of unemployment for a particular area
5 shall provide that all persons who are not presently employed
6 and have exhausted all unemployment benefits shall be
7 considered unemployed, whether or not such persons are actively
8 seeking employment.

9 Section 20. Designation of HOPE Zones.

10 (a) Any area determined by the Director of the Department
11 of Commerce and Economic Opportunity as meeting the
12 qualifications established under Section 15 shall be
13 designated a HOPE Zone, and be eligible for benefits under this
14 Act.

15 (b) Upon designation of a HOPE Zone, the Director shall
16 provide:

17 (1) a precise description of the area comprising the
18 Zone, either in the form of a legal description or by
19 reference to roadways, lakes and waterways, and township
20 and county boundaries;

21 (2) a finding that the Zone area meets the
22 qualifications established under Section 10;

23 (3) provisions for any tax incentives or reimbursement
24 for taxes, which under State and federal law apply to
25 businesses within the designated Zone;

1 (4) the duration or term of the HOPE Zone, which shall
2 be no less than 10 years in duration; and

3 (5) any other information the Director deems necessary
4 to the establishment of HOPE Zones under this Act.

5 (c) Nothing in this Section shall prohibit a municipality
6 or county from extending additional tax incentives or
7 reimbursement for businesses in HOPE Zones or throughout their
8 territory by separate ordinance. Nothing in this Section shall
9 prohibit a municipality or county from applying to be an
10 Enterprise Zone under the Illinois Enterprise Zone Act.

11 Section 25. HOPE Zone tax credits. The following credits
12 shall be granted in connection with HOPE Zones under this Act:

13 (1) a business maintaining operations within a HOPE
14 Zone is eligible to receive a 50% tax credit against (i)
15 its annual corporate income tax as provided in Section 227
16 of the Illinois Income Tax Act and (ii) all fees and
17 franchise taxes paid to the Secretary of State for
18 organizing and maintaining any business organization
19 within the Zone;

20 (2) individuals living within a HOPE Zone are eligible
21 to receive a 50% tax credit against their annual individual
22 Illinois income tax as provided in Section 228 of the
23 Illinois Income Tax Act;

24 (3) taxpayers are eligible for a remediation tax credit
25 as provided in subsection (n-1) of Section 201 of the

1 Illinois Income Tax Act;

2 (4) a business maintaining operations in a HOPE Zone is
3 allowed an increased credit under Section 216 of the
4 Illinois Income Tax Act;

5 (5) a retailer who makes a sale of building materials
6 to be incorporated into real estate located in a HOPE Zone
7 is entitled to a credit as provided in Section 5k of the
8 Retailers' Occupation Tax Act; and

9 (6) any business designated as a "High Impact Business"
10 under Section 5.5 of the Illinois Enterprise Zone Act that
11 intends to invest in a HOPE Zone, in a manner specified in
12 subparagraphs (A) through (F) of that Section, shall be
13 eligible for the credits and benefits provided in that
14 Section; all provisions and procedures in Section 5.5 of
15 the Illinois Enterprise Zone Act with respect to the
16 application and designation of High Impact Businesses
17 shall apply.

18 Section 30. Powers and duties of the Department.

19 (a) General powers. The Department shall administer this
20 Act and shall have the following powers and duties:

21 (1) To monitor the implementation of this Act and
22 submit reports evaluating the effectiveness of the program
23 and any suggestions for legislation to the Governor and
24 General Assembly by October 1 of every year preceding a
25 regular Session of the General Assembly and to annually

1 report to the General Assembly initial and current
2 population, employment, per capita income, number of
3 business establishments, dollar value of new construction
4 and improvements, and the aggregate value of each tax
5 incentive, based on information provided by the Department
6 of Revenue, for each HOPE Zone.

7 (2) To adopt all necessary rules and regulations to
8 carry out the purposes of this Act in accordance with The
9 Illinois Administrative Procedure Act.

10 (3) To assist municipalities and counties in obtaining
11 federal status as a HOPE Zone.

12 (b) Specific duties:

13 (1) The Department shall provide information and
14 appropriate assistance to persons desiring to locate and
15 engage in business in a HOPE Zone, to persons engaged in
16 business in a HOPE Zone, and to designated Zone
17 organizations operating there.

18 (2) The Department shall, in cooperation with
19 appropriate units of local government and State agencies,
20 coordinate and streamline existing State business
21 assistance programs and permit and license application
22 procedures for HOPE Zone businesses.

23 (3) The Department shall publicize existing tax
24 incentives and economic development programs within the
25 Zone and upon request, offer technical assistance in
26 abatement and alternative revenue source development to

1 local units of government which have HOPE Zones within
2 their jurisdiction.

3 (4) The Department shall work together with the
4 responsible State and federal agencies to promote the
5 coordination of other relevant programs, including, but
6 not limited to, housing, community and economic
7 development, small business, banking, financial
8 assistance, and employment training programs which are
9 carried on in a HOPE Zone.

10 (5) In order to stimulate employment opportunities for
11 Zone residents, the Department, in cooperation with the
12 Department of Human Services and the Department of
13 Employment Security, is to initiate a test of the following
14 2 programs within the 12 month period following designation
15 and approval by the Department of the first HOPE Zones: (i)
16 the use of aid to families with dependent children benefits
17 payable under Article IV of the Illinois Public Aid Code,
18 General Assistance benefits payable under Article VI of the
19 Illinois Public Aid Code, the unemployment insurance
20 benefits payable under the Unemployment Insurance Act as
21 training or employment subsidies leading to unsubsidized
22 employment; and (ii) a program for voucher reimbursement of
23 the cost of training Zone residents eligible under the
24 Targeted Jobs Tax Credit provisions of the Internal Revenue
25 Code for employment in private industry. These programs
26 shall not be designed to subsidize businesses, but are

1 intended to open up job and training opportunities not
2 otherwise available. Nothing in this paragraph (5) shall be
3 deemed to require Zone businesses to utilize these
4 programs. These programs should be designed (i) for those
5 individuals whose opportunities for job-finding are
6 minimal without program participation; (ii) to minimize
7 the period of benefit collection by such individuals; and
8 (iii) to accelerate the transition of those individuals to
9 unsubsidized employment. The Department is to seek
10 agreement with business, organized labor and the
11 appropriate State Department, and agencies on the design,
12 operation, and evaluation of the test programs.

13 A report with recommendations including representative
14 comments of these groups shall be submitted by the Department
15 to the Governor and General Assembly not later than 12 months
16 after such test programs have commenced, or not later than 3
17 months following the termination of such test programs,
18 whichever first occurs.

19 Section 35. State incentives regarding public services and
20 physical infrastructure.

21 (a) Industrial development bonds. Priority in the use of
22 industrial development bonds issued by the Illinois Finance
23 Authority shall be given to businesses located in HOPE Zones.

24 (b) Deposit of State funds by the State Treasurer. The
25 State Treasurer is authorized and encouraged to place deposits

1 of State funds with financial institutions doing business in
2 HOPE Zones.

3 Section 40. State regulatory exemptions in HOPE Zones.

4 (a) The Department shall conduct an ongoing review of such
5 agency rules and regulations that may be identified by the
6 Department as businesses and preliminarily appearing to the
7 Department to:

8 (i) affect the conduct of business, industry, and
9 commerce;

10 (ii) impose excessive costs on either the creation or
11 conduct of such businesses; and

12 (iii) inhibit the development and expansions of
13 businesses within HOPE Zones.

14 The Department shall conduct hearings, pursuant to public
15 notice, to solicit public comment on such identified rules and
16 regulations as part of this review process.

17 (b) No later than August 1 of each calendar year, the
18 Department shall publish in the Illinois Register a list of
19 such rules and regulations identified under subsection (a). The
20 Department shall transmit a copy of the list to each agency
21 which has adopted rules or regulations on the list.

22 (c) Within 90 days of the publication of the list by the
23 Department, each agency which adopted rules or regulations
24 identified therein shall file a written report with the
25 Department detailing for each identified rule or regulation:

1 (i) the need or justification;

2 (ii) whether the rule or regulation is mandated by
3 State or federal law, or is discretionary, and to what
4 extent;

5 (iii) a synopsis of the history of the rule, including
6 any internal agency review after its original adoption; and

7 (iv) any appropriate explanation of its relationship
8 to other regulatory requirements.

9 The adopting agency shall also include any available data,
10 analysis, and studies concerning the economic impact of the
11 identified rules and regulations. The agency responses shall be
12 public records.

13 (d) No later than January 1 of the following calendar year,
14 the Department shall file proposed rules exempting businesses
15 within HOPE Zones from those agency rules and regulations
16 contained in the published list, for which the Department finds
17 that the job creation or business development incentives for
18 HOPE Zone development engendered by the exemption outweigh the
19 need and justification for the rule or regulation. In making
20 its findings, the Department shall consider all information,
21 data, and opinions submitted to it by the public, as well as by
22 adopting agencies, as well as information otherwise available
23 to it.

24 (e) The proposed rules and regulations adopted by the
25 Department shall be in the form of amendments to the existing
26 rules and regulations to be affected, and shall be subject to

1 the Illinois Administrative Procedure Act.

2 (f) Upon its effective date, any exempting rule or
3 regulation of the Department shall supersede the exempted
4 agency rule or regulation in accordance with the terms of the
5 exemption. Such exemptions may apply only to businesses within
6 HOPE Zones during the effective term of the respective Zones.
7 Agencies may not adopt emergency rules to circumvent an
8 exemption effected by a Department exemption rule; any such
9 emergency rules shall not be effective within HOPE Zones to the
10 extent inconsistent with the terms of such an exemption.

11 Section 45. State and local regulatory alternatives.

12 (a) Agencies may provide in their rules and regulations for
13 (i) the exemption of businesses within HOPE Zones; or (ii)
14 modifications or alternatives specifically applicable to
15 businesses within HOPE Zones, which impose less stringent
16 standards or alternative standards for compliance, including
17 performance-based standards as a substitute for specific
18 mandates of methods, procedures, or equipment.

19 Such exemptions, modifications, or alternatives shall be
20 effected by rule or regulation adopted in accordance with the
21 Illinois Administrative Procedure Act. The agency adopting
22 exemptions, modifications, or alternatives shall file with its
23 proposed rule or regulation its findings that the proposed rule
24 or regulation provides economic incentives within HOPE Zones
25 which promote the purposes of this Act, and which, to the

1 extent they include any exemptions or reductions in regulatory
2 standards or requirements, outweigh the need or justification
3 for the existing rule or regulation.

4 (b) If any agency adopts a rule or regulation under
5 subsection (a) of this Section affecting a rule or regulation
6 contained on the list published by the Department under Section
7 35 of this Act, prior to the completion of the rule making
8 process for the Department's rules under that Section, the
9 agency shall immediately transmit a copy of its proposed rule
10 or regulation to the Department, together with a statement of
11 reasons as to why the Department should defer to the agency's
12 proposed rule or regulation. Agency rules adopted under
13 subsection (a) of this Section shall, however, be subject to
14 the exemption rules and regulations of the Department adopted
15 under Section 35 of this Act.

16 (c) The county or municipality containing a HOPE Zone may
17 modify all local ordinances and regulations regarding (1)
18 zoning; (2) licensing; (3) building codes, excluding however,
19 any regulations treating building defects; and (4) rent control
20 and price controls; except for the minimum wage.
21 Notwithstanding any shorter statute of limitation to the
22 contrary, actions against any contractor or architect who
23 designs, constructs, or rehabilitates a building or structure
24 in a HOPE Zone in accordance with local standards specifically
25 applicable within Zones which have been relaxed may be
26 commenced within 10 years from the time of beneficial occupancy

1 of the building or use of the structure.

2 Section 900. The Illinois Income Tax Act is amended by
3 changing Sections 201 and 216 and by adding Sections 227 and
4 228 as follows:

5 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

6 Sec. 201. Tax imposed.

7 (a) In general. A tax measured by net income is hereby
8 imposed on every individual, corporation, trust and estate for
9 each taxable year ending after July 31, 1969 on the privilege
10 of earning or receiving income in or as a resident of this
11 State. Such tax shall be in addition to all other occupation or
12 privilege taxes imposed by this State or by any municipal
13 corporation or political subdivision thereof.

14 (b) Rates. The tax imposed by subsection (a) of this
15 Section shall be determined as follows, except as adjusted by
16 subsection (d-1):

17 (1) In the case of an individual, trust or estate, for
18 taxable years ending prior to July 1, 1989, an amount equal
19 to 2 1/2% of the taxpayer's net income for the taxable
20 year.

21 (2) In the case of an individual, trust or estate, for
22 taxable years beginning prior to July 1, 1989 and ending
23 after June 30, 1989, an amount equal to the sum of (i) 2
24 1/2% of the taxpayer's net income for the period prior to

1 July 1, 1989, as calculated under Section 202.3, and (ii)
2 3% of the taxpayer's net income for the period after June
3 30, 1989, as calculated under Section 202.3.

4 (3) In the case of an individual, trust or estate, for
5 taxable years beginning after June 30, 1989, and ending
6 prior to January 1, 2011, an amount equal to 3% of the
7 taxpayer's net income for the taxable year.

8 (4) In the case of an individual, trust, or estate, for
9 taxable years beginning prior to January 1, 2011, and
10 ending after December 31, 2010, an amount equal to the sum
11 of (i) 3% of the taxpayer's net income for the period prior
12 to January 1, 2011, as calculated under Section 202.5, and
13 (ii) 5% of the taxpayer's net income for the period after
14 December 31, 2010, as calculated under Section 202.5.

15 (5) In the case of an individual, trust, or estate, for
16 taxable years beginning on or after January 1, 2011, and
17 ending prior to January 1, 2015, an amount equal to 5% of
18 the taxpayer's net income for the taxable year.

19 (5.1) In the case of an individual, trust, or estate,
20 for taxable years beginning prior to January 1, 2015, and
21 ending after December 31, 2014, an amount equal to the sum
22 of (i) 5% of the taxpayer's net income for the period prior
23 to January 1, 2015, as calculated under Section 202.5, and
24 (ii) 3.75% of the taxpayer's net income for the period
25 after December 31, 2014, as calculated under Section 202.5.

26 (5.2) In the case of an individual, trust, or estate,

1 for taxable years beginning on or after January 1, 2015,
2 and ending prior to July 1, 2017, an amount equal to 3.75%
3 of the taxpayer's net income for the taxable year.

4 (5.3) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to July 1, 2017, and
6 ending after June 30, 2017, an amount equal to the sum of
7 (i) 3.75% of the taxpayer's net income for the period prior
8 to July 1, 2017, as calculated under Section 202.5, and
9 (ii) 4.95% of the taxpayer's net income for the period
10 after June 30, 2017, as calculated under Section 202.5.

11 (5.4) In the case of an individual, trust, or estate,
12 for taxable years beginning on or after July 1, 2017, an
13 amount equal to 4.95% of the taxpayer's net income for the
14 taxable year.

15 (6) In the case of a corporation, for taxable years
16 ending prior to July 1, 1989, an amount equal to 4% of the
17 taxpayer's net income for the taxable year.

18 (7) In the case of a corporation, for taxable years
19 beginning prior to July 1, 1989 and ending after June 30,
20 1989, an amount equal to the sum of (i) 4% of the
21 taxpayer's net income for the period prior to July 1, 1989,
22 as calculated under Section 202.3, and (ii) 4.8% of the
23 taxpayer's net income for the period after June 30, 1989,
24 as calculated under Section 202.3.

25 (8) In the case of a corporation, for taxable years
26 beginning after June 30, 1989, and ending prior to January

1 1, 2011, an amount equal to 4.8% of the taxpayer's net
2 income for the taxable year.

3 (9) In the case of a corporation, for taxable years
4 beginning prior to January 1, 2011, and ending after
5 December 31, 2010, an amount equal to the sum of (i) 4.8%
6 of the taxpayer's net income for the period prior to
7 January 1, 2011, as calculated under Section 202.5, and
8 (ii) 7% of the taxpayer's net income for the period after
9 December 31, 2010, as calculated under Section 202.5.

10 (10) In the case of a corporation, for taxable years
11 beginning on or after January 1, 2011, and ending prior to
12 January 1, 2015, an amount equal to 7% of the taxpayer's
13 net income for the taxable year.

14 (11) In the case of a corporation, for taxable years
15 beginning prior to January 1, 2015, and ending after
16 December 31, 2014, an amount equal to the sum of (i) 7% of
17 the taxpayer's net income for the period prior to January
18 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
19 of the taxpayer's net income for the period after December
20 31, 2014, as calculated under Section 202.5.

21 (12) In the case of a corporation, for taxable years
22 beginning on or after January 1, 2015, and ending prior to
23 July 1, 2017, an amount equal to 5.25% of the taxpayer's
24 net income for the taxable year.

25 (13) In the case of a corporation, for taxable years
26 beginning prior to July 1, 2017, and ending after June 30,

1 2017, an amount equal to the sum of (i) 5.25% of the
2 taxpayer's net income for the period prior to July 1, 2017,
3 as calculated under Section 202.5, and (ii) 7% of the
4 taxpayer's net income for the period after June 30, 2017,
5 as calculated under Section 202.5.

6 (14) In the case of a corporation, for taxable years
7 beginning on or after July 1, 2017, an amount equal to 7%
8 of the taxpayer's net income for the taxable year.

9 The rates under this subsection (b) are subject to the
10 provisions of Section 201.5.

11 (c) Personal Property Tax Replacement Income Tax.
12 Beginning on July 1, 1979 and thereafter, in addition to such
13 income tax, there is also hereby imposed the Personal Property
14 Tax Replacement Income Tax measured by net income on every
15 corporation (including Subchapter S corporations), partnership
16 and trust, for each taxable year ending after June 30, 1979.
17 Such taxes are imposed on the privilege of earning or receiving
18 income in or as a resident of this State. The Personal Property
19 Tax Replacement Income Tax shall be in addition to the income
20 tax imposed by subsections (a) and (b) of this Section and in
21 addition to all other occupation or privilege taxes imposed by
22 this State or by any municipal corporation or political
23 subdivision thereof.

24 (d) Additional Personal Property Tax Replacement Income
25 Tax Rates. The personal property tax replacement income tax
26 imposed by this subsection and subsection (c) of this Section

1 in the case of a corporation, other than a Subchapter S
2 corporation and except as adjusted by subsection (d-1), shall
3 be an additional amount equal to 2.85% of such taxpayer's net
4 income for the taxable year, except that beginning on January
5 1, 1981, and thereafter, the rate of 2.85% specified in this
6 subsection shall be reduced to 2.5%, and in the case of a
7 partnership, trust or a Subchapter S corporation shall be an
8 additional amount equal to 1.5% of such taxpayer's net income
9 for the taxable year.

10 (d-1) Rate reduction for certain foreign insurers. In the
11 case of a foreign insurer, as defined by Section 35A-5 of the
12 Illinois Insurance Code, whose state or country of domicile
13 imposes on insurers domiciled in Illinois a retaliatory tax
14 (excluding any insurer whose premiums from reinsurance assumed
15 are 50% or more of its total insurance premiums as determined
16 under paragraph (2) of subsection (b) of Section 304, except
17 that for purposes of this determination premiums from
18 reinsurance do not include premiums from inter-affiliate
19 reinsurance arrangements), beginning with taxable years ending
20 on or after December 31, 1999, the sum of the rates of tax
21 imposed by subsections (b) and (d) shall be reduced (but not
22 increased) to the rate at which the total amount of tax imposed
23 under this Act, net of all credits allowed under this Act,
24 shall equal (i) the total amount of tax that would be imposed
25 on the foreign insurer's net income allocable to Illinois for
26 the taxable year by such foreign insurer's state or country of

1 domicile if that net income were subject to all income taxes
2 and taxes measured by net income imposed by such foreign
3 insurer's state or country of domicile, net of all credits
4 allowed or (ii) a rate of zero if no such tax is imposed on such
5 income by the foreign insurer's state of domicile. For the
6 purposes of this subsection (d-1), an inter-affiliate includes
7 a mutual insurer under common management.

8 (1) For the purposes of subsection (d-1), in no event
9 shall the sum of the rates of tax imposed by subsections
10 (b) and (d) be reduced below the rate at which the sum of:

11 (A) the total amount of tax imposed on such foreign
12 insurer under this Act for a taxable year, net of all
13 credits allowed under this Act, plus

14 (B) the privilege tax imposed by Section 409 of the
15 Illinois Insurance Code, the fire insurance company
16 tax imposed by Section 12 of the Fire Investigation
17 Act, and the fire department taxes imposed under
18 Section 11-10-1 of the Illinois Municipal Code,
19 equals 1.25% for taxable years ending prior to December 31,
20 2003, or 1.75% for taxable years ending on or after
21 December 31, 2003, of the net taxable premiums written for
22 the taxable year, as described by subsection (1) of Section
23 409 of the Illinois Insurance Code. This paragraph will in
24 no event increase the rates imposed under subsections (b)
25 and (d).

26 (2) Any reduction in the rates of tax imposed by this

1 subsection shall be applied first against the rates imposed
2 by subsection (b) and only after the tax imposed by
3 subsection (a) net of all credits allowed under this
4 Section other than the credit allowed under subsection (i)
5 has been reduced to zero, against the rates imposed by
6 subsection (d).

7 This subsection (d-1) is exempt from the provisions of
8 Section 250.

9 (e) Investment credit. A taxpayer shall be allowed a credit
10 against the Personal Property Tax Replacement Income Tax for
11 investment in qualified property.

12 (1) A taxpayer shall be allowed a credit equal to .5%
13 of the basis of qualified property placed in service during
14 the taxable year, provided such property is placed in
15 service on or after July 1, 1984. There shall be allowed an
16 additional credit equal to .5% of the basis of qualified
17 property placed in service during the taxable year,
18 provided such property is placed in service on or after
19 July 1, 1986, and the taxpayer's base employment within
20 Illinois has increased by 1% or more over the preceding
21 year as determined by the taxpayer's employment records
22 filed with the Illinois Department of Employment Security.
23 Taxpayers who are new to Illinois shall be deemed to have
24 met the 1% growth in base employment for the first year in
25 which they file employment records with the Illinois
26 Department of Employment Security. The provisions added to

1 this Section by Public Act 85-1200 (and restored by Public
2 Act 87-895) shall be construed as declaratory of existing
3 law and not as a new enactment. If, in any year, the
4 increase in base employment within Illinois over the
5 preceding year is less than 1%, the additional credit shall
6 be limited to that percentage times a fraction, the
7 numerator of which is .5% and the denominator of which is
8 1%, but shall not exceed .5%. The investment credit shall
9 not be allowed to the extent that it would reduce a
10 taxpayer's liability in any tax year below zero, nor may
11 any credit for qualified property be allowed for any year
12 other than the year in which the property was placed in
13 service in Illinois. For tax years ending on or after
14 December 31, 1987, and on or before December 31, 1988, the
15 credit shall be allowed for the tax year in which the
16 property is placed in service, or, if the amount of the
17 credit exceeds the tax liability for that year, whether it
18 exceeds the original liability or the liability as later
19 amended, such excess may be carried forward and applied to
20 the tax liability of the 5 taxable years following the
21 excess credit years if the taxpayer (i) makes investments
22 which cause the creation of a minimum of 2,000 full-time
23 equivalent jobs in Illinois, (ii) is located in an
24 enterprise zone established pursuant to the Illinois
25 Enterprise Zone Act and (iii) is certified by the
26 Department of Commerce and Community Affairs (now

1 Department of Commerce and Economic Opportunity) as
2 complying with the requirements specified in clause (i) and
3 (ii) by July 1, 1986. The Department of Commerce and
4 Community Affairs (now Department of Commerce and Economic
5 Opportunity) shall notify the Department of Revenue of all
6 such certifications immediately. For tax years ending
7 after December 31, 1988, the credit shall be allowed for
8 the tax year in which the property is placed in service,
9 or, if the amount of the credit exceeds the tax liability
10 for that year, whether it exceeds the original liability or
11 the liability as later amended, such excess may be carried
12 forward and applied to the tax liability of the 5 taxable
13 years following the excess credit years. The credit shall
14 be applied to the earliest year for which there is a
15 liability. If there is credit from more than one tax year
16 that is available to offset a liability, earlier credit
17 shall be applied first.

18 (2) The term "qualified property" means property
19 which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings and
22 signs that are real property, but not including land or
23 improvements to real property that are not a structural
24 component of a building such as landscaping, sewer
25 lines, local access roads, fencing, parking lots, and
26 other appurtenances;

1 (B) is depreciable pursuant to Section 167 of the
2 Internal Revenue Code, except that "3-year property"
3 as defined in Section 168(c)(2)(A) of that Code is not
4 eligible for the credit provided by this subsection
5 (e);

6 (C) is acquired by purchase as defined in Section
7 179(d) of the Internal Revenue Code;

8 (D) is used in Illinois by a taxpayer who is
9 primarily engaged in manufacturing, or in mining coal
10 or fluorite, or in retailing, or was placed in service
11 on or after July 1, 2006 in a River Edge Redevelopment
12 Zone established pursuant to the River Edge
13 Redevelopment Zone Act; and

14 (E) has not previously been used in Illinois in
15 such a manner and by such a person as would qualify for
16 the credit provided by this subsection (e) or
17 subsection (f).

18 (3) For purposes of this subsection (e),
19 "manufacturing" means the material staging and production
20 of tangible personal property by procedures commonly
21 regarded as manufacturing, processing, fabrication, or
22 assembling which changes some existing material into new
23 shapes, new qualities, or new combinations. For purposes of
24 this subsection (e) the term "mining" shall have the same
25 meaning as the term "mining" in Section 613(c) of the
26 Internal Revenue Code. For purposes of this subsection (e),

1 the term "retailing" means the sale of tangible personal
2 property for use or consumption and not for resale, or
3 services rendered in conjunction with the sale of tangible
4 personal property for use or consumption and not for
5 resale. For purposes of this subsection (e), "tangible
6 personal property" has the same meaning as when that term
7 is used in the Retailers' Occupation Tax Act, and, for
8 taxable years ending after December 31, 2008, does not
9 include the generation, transmission, or distribution of
10 electricity.

11 (4) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (5) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in Illinois by the taxpayer, the amount of such
17 increase shall be deemed property placed in service on the
18 date of such increase in basis.

19 (6) The term "placed in service" shall have the same
20 meaning as under Section 46 of the Internal Revenue Code.

21 (7) If during any taxable year, any property ceases to
22 be qualified property in the hands of the taxpayer within
23 48 months after being placed in service, or the situs of
24 any qualified property is moved outside Illinois within 48
25 months after being placed in service, the Personal Property
26 Tax Replacement Income Tax for such taxable year shall be

1 increased. Such increase shall be determined by (i)
2 recomputing the investment credit which would have been
3 allowed for the year in which credit for such property was
4 originally allowed by eliminating such property from such
5 computation and, (ii) subtracting such recomputed credit
6 from the amount of credit previously allowed. For the
7 purposes of this paragraph (7), a reduction of the basis of
8 qualified property resulting from a redetermination of the
9 purchase price shall be deemed a disposition of qualified
10 property to the extent of such reduction.

11 (8) Unless the investment credit is extended by law,
12 the basis of qualified property shall not include costs
13 incurred after December 31, 2018, except for costs incurred
14 pursuant to a binding contract entered into on or before
15 December 31, 2018.

16 (9) Each taxable year ending before December 31, 2000,
17 a partnership may elect to pass through to its partners the
18 credits to which the partnership is entitled under this
19 subsection (e) for the taxable year. A partner may use the
20 credit allocated to him or her under this paragraph only
21 against the tax imposed in subsections (c) and (d) of this
22 Section. If the partnership makes that election, those
23 credits shall be allocated among the partners in the
24 partnership in accordance with the rules set forth in
25 Section 704(b) of the Internal Revenue Code, and the rules
26 promulgated under that Section, and the allocated amount of

1 the credits shall be allowed to the partners for that
2 taxable year. The partnership shall make this election on
3 its Personal Property Tax Replacement Income Tax return for
4 that taxable year. The election to pass through the credits
5 shall be irrevocable.

6 For taxable years ending on or after December 31, 2000,
7 a partner that qualifies its partnership for a subtraction
8 under subparagraph (I) of paragraph (2) of subsection (d)
9 of Section 203 or a shareholder that qualifies a Subchapter
10 S corporation for a subtraction under subparagraph (S) of
11 paragraph (2) of subsection (b) of Section 203 shall be
12 allowed a credit under this subsection (e) equal to its
13 share of the credit earned under this subsection (e) during
14 the taxable year by the partnership or Subchapter S
15 corporation, determined in accordance with the
16 determination of income and distributive share of income
17 under Sections 702 and 704 and Subchapter S of the Internal
18 Revenue Code. This paragraph is exempt from the provisions
19 of Section 250.

20 (f) Investment credit; Enterprise Zone; River Edge
21 Redevelopment Zone.

22 (1) A taxpayer shall be allowed a credit against the
23 tax imposed by subsections (a) and (b) of this Section for
24 investment in qualified property which is placed in service
25 in an Enterprise Zone created pursuant to the Illinois
26 Enterprise Zone Act or, for property placed in service on

1 or after July 1, 2006, a River Edge Redevelopment Zone
2 established pursuant to the River Edge Redevelopment Zone
3 Act. For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies,
5 if the liability company is treated as a partnership for
6 purposes of federal and State income taxation, there shall
7 be allowed a credit under this subsection (f) to be
8 determined in accordance with the determination of income
9 and distributive share of income under Sections 702 and 704
10 and Subchapter S of the Internal Revenue Code. The credit
11 shall be .5% of the basis for such property. The credit
12 shall be available only in the taxable year in which the
13 property is placed in service in the Enterprise Zone or
14 River Edge Redevelopment Zone and shall not be allowed to
15 the extent that it would reduce a taxpayer's liability for
16 the tax imposed by subsections (a) and (b) of this Section
17 to below zero. For tax years ending on or after December
18 31, 1985, the credit shall be allowed for the tax year in
19 which the property is placed in service, or, if the amount
20 of the credit exceeds the tax liability for that year,
21 whether it exceeds the original liability or the liability
22 as later amended, such excess may be carried forward and
23 applied to the tax liability of the 5 taxable years
24 following the excess credit year. The credit shall be
25 applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, the credit
2 accruing first in time shall be applied first.

3 (2) The term qualified property means property which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (f);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in the Enterprise Zone or River Edge
14 Redevelopment Zone by the taxpayer; and

15 (E) has not been previously used in Illinois in
16 such a manner and by such a person as would qualify for
17 the credit provided by this subsection (f) or
18 subsection (e).

19 (3) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (4) If the basis of the property for federal income tax
23 depreciation purposes is increased after it has been placed
24 in service in the Enterprise Zone or River Edge
25 Redevelopment Zone by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

2 (5) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (6) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside the Enterprise Zone
8 or River Edge Redevelopment Zone within 48 months after
9 being placed in service, the tax imposed under subsections
10 (a) and (b) of this Section for such taxable year shall be
11 increased. Such increase shall be determined by (i)
12 recomputing the investment credit which would have been
13 allowed for the year in which credit for such property was
14 originally allowed by eliminating such property from such
15 computation, and (ii) subtracting such recomputed credit
16 from the amount of credit previously allowed. For the
17 purposes of this paragraph (6), a reduction of the basis of
18 qualified property resulting from a redetermination of the
19 purchase price shall be deemed a disposition of qualified
20 property to the extent of such reduction.

21 (7) There shall be allowed an additional credit equal
22 to 0.5% of the basis of qualified property placed in
23 service during the taxable year in a River Edge
24 Redevelopment Zone, provided such property is placed in
25 service on or after July 1, 2006, and the taxpayer's base
26 employment within Illinois has increased by 1% or more over

1 the preceding year as determined by the taxpayer's
2 employment records filed with the Illinois Department of
3 Employment Security. Taxpayers who are new to Illinois
4 shall be deemed to have met the 1% growth in base
5 employment for the first year in which they file employment
6 records with the Illinois Department of Employment
7 Security. If, in any year, the increase in base employment
8 within Illinois over the preceding year is less than 1%,
9 the additional credit shall be limited to that percentage
10 times a fraction, the numerator of which is 0.5% and the
11 denominator of which is 1%, but shall not exceed 0.5%.

12 (g) (Blank).

13 (h) Investment credit; High Impact Business.

14 (1) Subject to subsections (b) and (b-5) of Section 5.5
15 of the Illinois Enterprise Zone Act, a taxpayer shall be
16 allowed a credit against the tax imposed by subsections (a)
17 and (b) of this Section for investment in qualified
18 property which is placed in service by a Department of
19 Commerce and Economic Opportunity designated High Impact
20 Business. The credit shall be .5% of the basis for such
21 property. The credit shall not be available (i) until the
22 minimum investments in qualified property set forth in
23 subdivision (a)(3)(A) of Section 5.5 of the Illinois
24 Enterprise Zone Act have been satisfied or (ii) until the
25 time authorized in subsection (b-5) of the Illinois
26 Enterprise Zone Act for entities designated as High Impact

1 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
2 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
3 Act, and shall not be allowed to the extent that it would
4 reduce a taxpayer's liability for the tax imposed by
5 subsections (a) and (b) of this Section to below zero. The
6 credit applicable to such investments shall be taken in the
7 taxable year in which such investments have been completed.
8 The credit for additional investments beyond the minimum
9 investment by a designated high impact business authorized
10 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
11 Enterprise Zone Act shall be available only in the taxable
12 year in which the property is placed in service and shall
13 not be allowed to the extent that it would reduce a
14 taxpayer's liability for the tax imposed by subsections (a)
15 and (b) of this Section to below zero. For tax years ending
16 on or after December 31, 1987, the credit shall be allowed
17 for the tax year in which the property is placed in
18 service, or, if the amount of the credit exceeds the tax
19 liability for that year, whether it exceeds the original
20 liability or the liability as later amended, such excess
21 may be carried forward and applied to the tax liability of
22 the 5 taxable years following the excess credit year. The
23 credit shall be applied to the earliest year for which
24 there is a liability. If there is credit from more than one
25 tax year that is available to offset a liability, the
26 credit accruing first in time shall be applied first.

1 Changes made in this subdivision (h) (1) by Public Act
2 88-670 restore changes made by Public Act 85-1182 and
3 reflect existing law.

4 (2) The term qualified property means property which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings;

7 (B) is depreciable pursuant to Section 167 of the
8 Internal Revenue Code, except that "3-year property"
9 as defined in Section 168(c) (2) (A) of that Code is not
10 eligible for the credit provided by this subsection
11 (h);

12 (C) is acquired by purchase as defined in Section
13 179(d) of the Internal Revenue Code; and

14 (D) is not eligible for the Enterprise Zone
15 Investment Credit provided by subsection (f) of this
16 Section.

17 (3) The basis of qualified property shall be the basis
18 used to compute the depreciation deduction for federal
19 income tax purposes.

20 (4) If the basis of the property for federal income tax
21 depreciation purposes is increased after it has been placed
22 in service in a federally designated Foreign Trade Zone or
23 Sub-Zone located in Illinois by the taxpayer, the amount of
24 such increase shall be deemed property placed in service on
25 the date of such increase in basis.

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year ending on or before
3 December 31, 1996, any property ceases to be qualified
4 property in the hands of the taxpayer within 48 months
5 after being placed in service, or the situs of any
6 qualified property is moved outside Illinois within 48
7 months after being placed in service, the tax imposed under
8 subsections (a) and (b) of this Section for such taxable
9 year shall be increased. Such increase shall be determined
10 by (i) recomputing the investment credit which would have
11 been allowed for the year in which credit for such property
12 was originally allowed by eliminating such property from
13 such computation, and (ii) subtracting such recomputed
14 credit from the amount of credit previously allowed. For
15 the purposes of this paragraph (6), a reduction of the
16 basis of qualified property resulting from a
17 redetermination of the purchase price shall be deemed a
18 disposition of qualified property to the extent of such
19 reduction.

20 (7) Beginning with tax years ending after December 31,
21 1996, if a taxpayer qualifies for the credit under this
22 subsection (h) and thereby is granted a tax abatement and
23 the taxpayer relocates its entire facility in violation of
24 the explicit terms and length of the contract under Section
25 18-183 of the Property Tax Code, the tax imposed under
26 subsections (a) and (b) of this Section shall be increased

1 for the taxable year in which the taxpayer relocated its
2 facility by an amount equal to the amount of credit
3 received by the taxpayer under this subsection (h).

4 (i) Credit for Personal Property Tax Replacement Income
5 Tax. For tax years ending prior to December 31, 2003, a credit
6 shall be allowed against the tax imposed by subsections (a) and
7 (b) of this Section for the tax imposed by subsections (c) and
8 (d) of this Section. This credit shall be computed by
9 multiplying the tax imposed by subsections (c) and (d) of this
10 Section by a fraction, the numerator of which is base income
11 allocable to Illinois and the denominator of which is Illinois
12 base income, and further multiplying the product by the tax
13 rate imposed by subsections (a) and (b) of this Section.

14 Any credit earned on or after December 31, 1986 under this
15 subsection which is unused in the year the credit is computed
16 because it exceeds the tax liability imposed by subsections (a)
17 and (b) for that year (whether it exceeds the original
18 liability or the liability as later amended) may be carried
19 forward and applied to the tax liability imposed by subsections
20 (a) and (b) of the 5 taxable years following the excess credit
21 year, provided that no credit may be carried forward to any
22 year ending on or after December 31, 2003. This credit shall be
23 applied first to the earliest year for which there is a
24 liability. If there is a credit under this subsection from more
25 than one tax year that is available to offset a liability the
26 earliest credit arising under this subsection shall be applied

1 first.

2 If, during any taxable year ending on or after December 31,
3 1986, the tax imposed by subsections (c) and (d) of this
4 Section for which a taxpayer has claimed a credit under this
5 subsection (i) is reduced, the amount of credit for such tax
6 shall also be reduced. Such reduction shall be determined by
7 recomputing the credit to take into account the reduced tax
8 imposed by subsections (c) and (d). If any portion of the
9 reduced amount of credit has been carried to a different
10 taxable year, an amended return shall be filed for such taxable
11 year to reduce the amount of credit claimed.

12 (j) Training expense credit. Beginning with tax years
13 ending on or after December 31, 1986 and prior to December 31,
14 2003, a taxpayer shall be allowed a credit against the tax
15 imposed by subsections (a) and (b) under this Section for all
16 amounts paid or accrued, on behalf of all persons employed by
17 the taxpayer in Illinois or Illinois residents employed outside
18 of Illinois by a taxpayer, for educational or vocational
19 training in semi-technical or technical fields or semi-skilled
20 or skilled fields, which were deducted from gross income in the
21 computation of taxable income. The credit against the tax
22 imposed by subsections (a) and (b) shall be 1.6% of such
23 training expenses. For partners, shareholders of subchapter S
24 corporations, and owners of limited liability companies, if the
25 liability company is treated as a partnership for purposes of
26 federal and State income taxation, there shall be allowed a

1 credit under this subsection (j) to be determined in accordance
2 with the determination of income and distributive share of
3 income under Sections 702 and 704 and subchapter S of the
4 Internal Revenue Code.

5 Any credit allowed under this subsection which is unused in
6 the year the credit is earned may be carried forward to each of
7 the 5 taxable years following the year for which the credit is
8 first computed until it is used. This credit shall be applied
9 first to the earliest year for which there is a liability. If
10 there is a credit under this subsection from more than one tax
11 year that is available to offset a liability the earliest
12 credit arising under this subsection shall be applied first. No
13 carryforward credit may be claimed in any tax year ending on or
14 after December 31, 2003.

15 (k) Research and development credit. For tax years ending
16 after July 1, 1990 and prior to December 31, 2003, and
17 beginning again for tax years ending on or after December 31,
18 2004, and ending prior to January 1, 2022, a taxpayer shall be
19 allowed a credit against the tax imposed by subsections (a) and
20 (b) of this Section for increasing research activities in this
21 State. The credit allowed against the tax imposed by
22 subsections (a) and (b) shall be equal to 6 1/2% of the
23 qualifying expenditures for increasing research activities in
24 this State. For partners, shareholders of subchapter S
25 corporations, and owners of limited liability companies, if the
26 liability company is treated as a partnership for purposes of

1 federal and State income taxation, there shall be allowed a
2 credit under this subsection to be determined in accordance
3 with the determination of income and distributive share of
4 income under Sections 702 and 704 and subchapter S of the
5 Internal Revenue Code.

6 For purposes of this subsection, "qualifying expenditures"
7 means the qualifying expenditures as defined for the federal
8 credit for increasing research activities which would be
9 allowable under Section 41 of the Internal Revenue Code and
10 which are conducted in this State, "qualifying expenditures for
11 increasing research activities in this State" means the excess
12 of qualifying expenditures for the taxable year in which
13 incurred over qualifying expenditures for the base period,
14 "qualifying expenditures for the base period" means the average
15 of the qualifying expenditures for each year in the base
16 period, and "base period" means the 3 taxable years immediately
17 preceding the taxable year for which the determination is being
18 made.

19 Any credit in excess of the tax liability for the taxable
20 year may be carried forward. A taxpayer may elect to have the
21 unused credit shown on its final completed return carried over
22 as a credit against the tax liability for the following 5
23 taxable years or until it has been fully used, whichever occurs
24 first; provided that no credit earned in a tax year ending
25 prior to December 31, 2003 may be carried forward to any year
26 ending on or after December 31, 2003.

1 If an unused credit is carried forward to a given year from
2 2 or more earlier years, that credit arising in the earliest
3 year will be applied first against the tax liability for the
4 given year. If a tax liability for the given year still
5 remains, the credit from the next earliest year will then be
6 applied, and so on, until all credits have been used or no tax
7 liability for the given year remains. Any remaining unused
8 credit or credits then will be carried forward to the next
9 following year in which a tax liability is incurred, except
10 that no credit can be carried forward to a year which is more
11 than 5 years after the year in which the expense for which the
12 credit is given was incurred.

13 No inference shall be drawn from this amendatory Act of the
14 91st General Assembly in construing this Section for taxable
15 years beginning before January 1, 1999.

16 It is the intent of the General Assembly that the research
17 and development credit under this subsection (k) shall apply
18 continuously for all tax years ending on or after December 31,
19 2004 and ending prior to January 1, 2022, including, but not
20 limited to, the period beginning on January 1, 2016 and ending
21 on the effective date of this amendatory Act of the 100th
22 General Assembly. All actions taken in reliance on the
23 continuation of the credit under this subsection (k) by any
24 taxpayer are hereby validated.

25 (1) Environmental Remediation Tax Credit.

26 (i) For tax years ending after December 31, 1997 and on

1 or before December 31, 2001, a taxpayer shall be allowed a
2 credit against the tax imposed by subsections (a) and (b)
3 of this Section for certain amounts paid for unreimbursed
4 eligible remediation costs, as specified in this
5 subsection. For purposes of this Section, "unreimbursed
6 eligible remediation costs" means costs approved by the
7 Illinois Environmental Protection Agency ("Agency") under
8 Section 58.14 of the Environmental Protection Act that were
9 paid in performing environmental remediation at a site for
10 which a No Further Remediation Letter was issued by the
11 Agency and recorded under Section 58.10 of the
12 Environmental Protection Act. The credit must be claimed
13 for the taxable year in which Agency approval of the
14 eligible remediation costs is granted. The credit is not
15 available to any taxpayer if the taxpayer or any related
16 party caused or contributed to, in any material respect, a
17 release of regulated substances on, in, or under the site
18 that was identified and addressed by the remedial action
19 pursuant to the Site Remediation Program of the
20 Environmental Protection Act. After the Pollution Control
21 Board rules are adopted pursuant to the Illinois
22 Administrative Procedure Act for the administration and
23 enforcement of Section 58.9 of the Environmental
24 Protection Act, determinations as to credit availability
25 for purposes of this Section shall be made consistent with
26 those rules. For purposes of this Section, "taxpayer"

1 includes a person whose tax attributes the taxpayer has
2 succeeded to under Section 381 of the Internal Revenue Code
3 and "related party" includes the persons disallowed a
4 deduction for losses by paragraphs (b), (c), and (f)(1) of
5 Section 267 of the Internal Revenue Code by virtue of being
6 a related taxpayer, as well as any of its partners. The
7 credit allowed against the tax imposed by subsections (a)
8 and (b) shall be equal to 25% of the unreimbursed eligible
9 remediation costs in excess of \$100,000 per site, except
10 that the \$100,000 threshold shall not apply to any site
11 contained in an enterprise zone as determined by the
12 Department of Commerce and Community Affairs (now
13 Department of Commerce and Economic Opportunity). The
14 total credit allowed shall not exceed \$40,000 per year with
15 a maximum total of \$150,000 per site. For partners and
16 shareholders of subchapter S corporations, there shall be
17 allowed a credit under this subsection to be determined in
18 accordance with the determination of income and
19 distributive share of income under Sections 702 and 704 and
20 subchapter S of the Internal Revenue Code.

21 (ii) A credit allowed under this subsection that is
22 unused in the year the credit is earned may be carried
23 forward to each of the 5 taxable years following the year
24 for which the credit is first earned until it is used. The
25 term "unused credit" does not include any amounts of
26 unreimbursed eligible remediation costs in excess of the

1 maximum credit per site authorized under paragraph (i).
2 This credit shall be applied first to the earliest year for
3 which there is a liability. If there is a credit under this
4 subsection from more than one tax year that is available to
5 offset a liability, the earliest credit arising under this
6 subsection shall be applied first. A credit allowed under
7 this subsection may be sold to a buyer as part of a sale of
8 all or part of the remediation site for which the credit
9 was granted. The purchaser of a remediation site and the
10 tax credit shall succeed to the unused credit and remaining
11 carry-forward period of the seller. To perfect the
12 transfer, the assignor shall record the transfer in the
13 chain of title for the site and provide written notice to
14 the Director of the Illinois Department of Revenue of the
15 assignor's intent to sell the remediation site and the
16 amount of the tax credit to be transferred as a portion of
17 the sale. In no event may a credit be transferred to any
18 taxpayer if the taxpayer or a related party would not be
19 eligible under the provisions of subsection (i).

20 (iii) For purposes of this Section, the term "site"
21 shall have the same meaning as under Section 58.2 of the
22 Environmental Protection Act.

23 (m) Education expense credit. Beginning with tax years
24 ending after December 31, 1999, a taxpayer who is the custodian
25 of one or more qualifying pupils shall be allowed a credit
26 against the tax imposed by subsections (a) and (b) of this

1 Section for qualified education expenses incurred on behalf of
2 the qualifying pupils. The credit shall be equal to 25% of
3 qualified education expenses, but in no event may the total
4 credit under this subsection claimed by a family that is the
5 custodian of qualifying pupils exceed (i) \$500 for tax years
6 ending prior to December 31, 2017, and (ii) \$750 for tax years
7 ending on or after December 31, 2017. In no event shall a
8 credit under this subsection reduce the taxpayer's liability
9 under this Act to less than zero. Notwithstanding any other
10 provision of law, for taxable years beginning on or after
11 January 1, 2017, no taxpayer may claim a credit under this
12 subsection (m) if the taxpayer's adjusted gross income for the
13 taxable year exceeds (i) \$500,000, in the case of spouses
14 filing a joint federal tax return or (ii) \$250,000, in the case
15 of all other taxpayers. This subsection is exempt from the
16 provisions of Section 250 of this Act.

17 For purposes of this subsection:

18 "Qualifying pupils" means individuals who (i) are
19 residents of the State of Illinois, (ii) are under the age of
20 21 at the close of the school year for which a credit is
21 sought, and (iii) during the school year for which a credit is
22 sought were full-time pupils enrolled in a kindergarten through
23 twelfth grade education program at any school, as defined in
24 this subsection.

25 "Qualified education expense" means the amount incurred on
26 behalf of a qualifying pupil in excess of \$250 for tuition,

1 book fees, and lab fees at the school in which the pupil is
2 enrolled during the regular school year.

3 "School" means any public or nonpublic elementary or
4 secondary school in Illinois that is in compliance with Title
5 VI of the Civil Rights Act of 1964 and attendance at which
6 satisfies the requirements of Section 26-1 of the School Code,
7 except that nothing shall be construed to require a child to
8 attend any particular public or nonpublic school to qualify for
9 the credit under this Section.

10 "Custodian" means, with respect to qualifying pupils, an
11 Illinois resident who is a parent, the parents, a legal
12 guardian, or the legal guardians of the qualifying pupils.

13 (n) River Edge Redevelopment Zone site remediation tax
14 credit.

15 (i) For tax years ending on or after December 31, 2006,
16 a taxpayer shall be allowed a credit against the tax
17 imposed by subsections (a) and (b) of this Section for
18 certain amounts paid for unreimbursed eligible remediation
19 costs, as specified in this subsection. For purposes of
20 this Section, "unreimbursed eligible remediation costs"
21 means costs approved by the Illinois Environmental
22 Protection Agency ("Agency") under Section 58.14a of the
23 Environmental Protection Act that were paid in performing
24 environmental remediation at a site within a River Edge
25 Redevelopment Zone for which a No Further Remediation
26 Letter was issued by the Agency and recorded under Section

1 58.10 of the Environmental Protection Act. The credit must
2 be claimed for the taxable year in which Agency approval of
3 the eligible remediation costs is granted. The credit is
4 not available to any taxpayer if the taxpayer or any
5 related party caused or contributed to, in any material
6 respect, a release of regulated substances on, in, or under
7 the site that was identified and addressed by the remedial
8 action pursuant to the Site Remediation Program of the
9 Environmental Protection Act. Determinations as to credit
10 availability for purposes of this Section shall be made
11 consistent with rules adopted by the Pollution Control
12 Board pursuant to the Illinois Administrative Procedure
13 Act for the administration and enforcement of Section 58.9
14 of the Environmental Protection Act. For purposes of this
15 Section, "taxpayer" includes a person whose tax attributes
16 the taxpayer has succeeded to under Section 381 of the
17 Internal Revenue Code and "related party" includes the
18 persons disallowed a deduction for losses by paragraphs
19 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
20 Code by virtue of being a related taxpayer, as well as any
21 of its partners. The credit allowed against the tax imposed
22 by subsections (a) and (b) shall be equal to 25% of the
23 unreimbursed eligible remediation costs in excess of
24 \$100,000 per site.

25 (ii) A credit allowed under this subsection that is
26 unused in the year the credit is earned may be carried

1 forward to each of the 5 taxable years following the year
2 for which the credit is first earned until it is used. This
3 credit shall be applied first to the earliest year for
4 which there is a liability. If there is a credit under this
5 subsection from more than one tax year that is available to
6 offset a liability, the earliest credit arising under this
7 subsection shall be applied first. A credit allowed under
8 this subsection may be sold to a buyer as part of a sale of
9 all or part of the remediation site for which the credit
10 was granted. The purchaser of a remediation site and the
11 tax credit shall succeed to the unused credit and remaining
12 carry-forward period of the seller. To perfect the
13 transfer, the assignor shall record the transfer in the
14 chain of title for the site and provide written notice to
15 the Director of the Illinois Department of Revenue of the
16 assignor's intent to sell the remediation site and the
17 amount of the tax credit to be transferred as a portion of
18 the sale. In no event may a credit be transferred to any
19 taxpayer if the taxpayer or a related party would not be
20 eligible under the provisions of subsection (i).

21 (iii) For purposes of this Section, the term "site"
22 shall have the same meaning as under Section 58.2 of the
23 Environmental Protection Act.

24 (n-1) HOPE zone site remediation tax credit.

25 (1) For tax years beginning on or after January 1,
26 2018, a taxpayer shall be allowed a credit against the tax

1 imposed by subsections (a) and (b) of this Section for
2 certain amounts paid for unreimbursed eligible remediation
3 costs, as specified in this subsection. For purposes of
4 this Section, "unreimbursed eligible remediation costs"
5 means costs approved by the Illinois Environmental
6 Protection Agency ("Agency") under Section 58.14a of the
7 Environmental Protection Act that were paid in performing
8 environmental remediation at a site within a HOPE Zone
9 designated under the Community Renewal and Revitalization
10 Act for which a No Further Remediation Letter was issued by
11 the Agency and recorded under Section 58.10 of the
12 Environmental Protection Act. The credit must be claimed
13 for the taxable year in which Agency approval of the
14 eligible remediation costs is granted. The credit is not
15 available to any taxpayer if the taxpayer or any related
16 party caused or contributed to, in any material respect, a
17 release of regulated substances on, in, or under the site
18 that was identified and addressed by the remedial action
19 pursuant to the Site Remediation Program of the
20 Environmental Protection Act. Determinations as to credit
21 availability for purposes of this Section shall be made
22 consistent with rules adopted by the Pollution Control
23 Board pursuant to the Illinois Administrative Procedure
24 Act for the administration and enforcement of Section 58.9
25 of the Environmental Protection Act. For purposes of this
26 Section, "taxpayer" includes a person whose tax attributes

1 the taxpayer has succeeded to under Section 381 of the
2 Internal Revenue Code and "related party" includes the
3 persons disallowed a deduction for losses by paragraphs
4 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
5 Code by virtue of being a related taxpayer, as well as any
6 of its partners. The credit allowed against the tax imposed
7 by subsections (a) and (b) shall be equal to 25% of the
8 unreimbursed eligible remediation costs in excess of
9 \$100,000 per site.

10 (2) A credit allowed under this subsection that is
11 unused in the year the credit is earned may be carried
12 forward to each of the 5 taxable years following the year
13 for which the credit is first earned until it is used. This
14 credit shall be applied first to the earliest year for
15 which there is a liability. If there is a credit under this
16 subsection from more than one tax year that is available to
17 offset a liability, the earliest credit arising under this
18 subsection shall be applied first. A credit allowed under
19 this subsection may be sold to a buyer as part of a sale of
20 all or part of the remediation site for which the credit
21 was granted. The purchaser of a remediation site and the
22 tax credit shall succeed to the unused credit and remaining
23 carry-forward period of the seller. To perfect the
24 transfer, the assignor shall record the transfer in the
25 chain of title for the site and provide written notice to
26 the Director of Revenue of the assignor's intent to sell

1 the remediation site and the amount of the tax credit to be
2 transferred as a portion of the sale. In no event may a
3 credit be transferred to any taxpayer if the taxpayer or a
4 related party would not be eligible under the provisions of
5 subsection (i).

6 (3) For the purposes of this subsection, "HOPE Zone"
7 means an area designated as a HOPE Zone by the Department
8 of Commerce and Economic Opportunity under the Community
9 Renewal and Revitalization Act.

10 (4) The credit under this subsection (n-1) is exempt
11 from the provisions of Section 250.

12 (o) For each of taxable years during the Compassionate Use
13 of Medical Cannabis Pilot Program, a surcharge is imposed on
14 all taxpayers on income arising from the sale or exchange of
15 capital assets, depreciable business property, real property
16 used in the trade or business, and Section 197 intangibles of
17 an organization registrant under the Compassionate Use of
18 Medical Cannabis Pilot Program Act. The amount of the surcharge
19 is equal to the amount of federal income tax liability for the
20 taxable year attributable to those sales and exchanges. The
21 surcharge imposed does not apply if:

22 (1) the medical cannabis cultivation center
23 registration, medical cannabis dispensary registration, or
24 the property of a registration is transferred as a result
25 of any of the following:

26 (A) bankruptcy, a receivership, or a debt

1 adjustment initiated by or against the initial
2 registration or the substantial owners of the initial
3 registration;

4 (B) cancellation, revocation, or termination of
5 any registration by the Illinois Department of Public
6 Health;

7 (C) a determination by the Illinois Department of
8 Public Health that transfer of the registration is in
9 the best interests of Illinois qualifying patients as
10 defined by the Compassionate Use of Medical Cannabis
11 Pilot Program Act;

12 (D) the death of an owner of the equity interest in
13 a registrant;

14 (E) the acquisition of a controlling interest in
15 the stock or substantially all of the assets of a
16 publicly traded company;

17 (F) a transfer by a parent company to a wholly
18 owned subsidiary; or

19 (G) the transfer or sale to or by one person to
20 another person where both persons were initial owners
21 of the registration when the registration was issued;

22 or

23 (2) the cannabis cultivation center registration,
24 medical cannabis dispensary registration, or the
25 controlling interest in a registrant's property is
26 transferred in a transaction to lineal descendants in which

1 no gain or loss is recognized or as a result of a
2 transaction in accordance with Section 351 of the Internal
3 Revenue Code in which no gain or loss is recognized.

4 (Source: P.A. 100-22, eff. 7-6-17.)

5 (35 ILCS 5/216)

6 Sec. 216. Credit for wages paid to ex-felons.

7 (a) For each taxable year beginning on or after January 1,
8 2007, each taxpayer is entitled to a credit against the tax
9 imposed by subsections (a) and (b) of Section 201 of this Act
10 in an amount equal to 5% of qualified wages paid by the
11 taxpayer during the taxable year to one or more Illinois
12 residents who are qualified ex-offenders. The total credit
13 allowed to a taxpayer with respect to each qualified
14 ex-offender may not exceed \$1,500 for all taxable years, except
15 that a taxpayer operating a business in a HOPE Zone under the
16 Community Renewal and Revitalization Act shall be allowed a
17 total credit up to \$3,000 with respect to each qualified
18 ex-offender for all taxable years. For partners, shareholders
19 of Subchapter S corporations, and owners of limited liability
20 companies, if the liability company is treated as a partnership
21 for purposes of federal and State income taxation, there shall
22 be allowed a credit under this Section to be determined in
23 accordance with the determination of income and distributive
24 share of income under Sections 702 and 704 and Subchapter S of
25 the Internal Revenue Code.

1 (b) For purposes of this Section, "qualified wages":

2 (1) includes only wages that are subject to federal
3 unemployment tax under Section 3306 of the Internal Revenue
4 Code, without regard to any dollar limitation contained in
5 that Section;

6 (2) does not include any amounts paid or incurred by an
7 employer for any period to any qualified ex-offender for
8 whom the employer receives federally funded payments for
9 on-the-job training of that qualified ex-offender for that
10 period; and

11 (3) includes only wages attributable to service
12 rendered during the one-year period beginning with the day
13 the qualified ex-offender begins work for the employer.

14 If the taxpayer has received any payment from a program
15 established under Section 482(e)(1) of the federal Social
16 Security Act with respect to a qualified ex-offender, then, for
17 purposes of calculating the credit under this Section, the
18 amount of the qualified wages paid to that qualified
19 ex-offender must be reduced by the amount of the payment.

20 (c) For purposes of this Section, "qualified ex-offender"
21 means any person who:

22 (1) has been convicted of a crime in this State or of
23 an offense in any other jurisdiction, not including any
24 offense or attempted offense that would subject a person to
25 registration under the Sex Offender Registration Act;

26 (2) was sentenced to a period of incarceration in an

1 Illinois adult correctional center; and

2 (3) was hired by the taxpayer within 5 ~~3~~ years after
3 being released from an Illinois adult correctional center.

4 (d) In no event shall a credit under this Section reduce
5 the taxpayer's liability to less than zero. If the amount of
6 the credit exceeds the tax liability for the year, the excess
7 may be carried forward and applied to the tax liability of the
8 5 taxable years following the excess credit year. The tax
9 credit shall be applied to the earliest year for which there is
10 a tax liability. If there are credits for more than one year
11 that are available to offset a liability, the earlier credit
12 shall be applied first.

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

15 (Source: P.A. 98-165, eff. 8-5-13.)

16 (35 ILCS 5/227 new)

17 Sec. 227. Business credit; HOPE Zone.

18 (a) A business that, during the taxable year, maintains
19 operations within a HOPE Zone designated by the Department of
20 Commerce and Economic Opportunity under the Community Renewal
21 and Revitalization Act is entitled to a credit against the
22 taxes imposed under subsections (a) and (b) of Section 201 in
23 an amount equal to 50% of the taxpayer's liability for the
24 taxable year, calculated without regard to the application of
25 this credit.

1 (b) For partners, shareholders of subchapter S
2 corporations, and members of limited liability companies that
3 are treated as partnerships for purposes of federal and State
4 income taxation, there shall be allowed a credit under this
5 subsection to be determined in accordance with the
6 determination of income and distributive share of income under
7 Sections 702 and 704 and subchapter S of the Internal Revenue
8 Code.

9 (c) In no event shall a credit under this Section reduce
10 the taxpayer's liability to less than zero. If the amount of
11 the credit exceeds the tax liability for the year, the excess
12 may be carried forward and applied to the tax liability of the
13 5 taxable years following the excess credit year. The tax
14 credit shall be applied to the earliest year for which there is
15 a tax liability. If there are credits for more than one year
16 that are available to offset a liability, the earlier credit
17 shall be applied first.

18 (d) This Section is exempt from the provisions of Section
19 250.

20 (35 ILCS 5/228 new)

21 Sec. 228. Individual credit; HOPE Zone.

22 (a) An individual taxpayer with a principal place of
23 residence within a HOPE Zone designated by the Department of
24 Commerce and Economic Opportunity under the Community Renewal
25 and Revitalization Act is entitled to a credit against the

1 taxes imposed under subsections (a) and (b) of Section 201 in
2 an amount equal to 50% of the taxpayer's liability for the
3 taxable year, calculated without regard to the application of
4 this credit.

5 (b) In no event shall a credit under this Section reduce
6 the taxpayer's liability to less than zero. If the amount of
7 the credit exceeds the tax liability for the year, the excess
8 may be carried forward and applied to the tax liability of the
9 5 taxable years following the excess credit year. The tax
10 credit shall be applied to the earliest year for which there is
11 a tax liability. If there are credits for more than one year
12 that are available to offset a liability, the earlier credit
13 shall be applied first.

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

16 Section 905. The Small Business Job Creation Tax Credit Act
17 is amended by changing Sections 25 and 30 as follows:

18 (35 ILCS 25/25)

19 Sec. 25. Tax credit.

20 (a) Subject to the conditions set forth in this Act, an
21 applicant is entitled to a credit against payment of taxes
22 withheld under Section 704A of the Illinois Income Tax Act:

23 (1) for new employees who participated as
24 worker-trainees in the Put Illinois to Work Program during

1 2010:

2 (A) in the first calendar year ending on or after
3 the date that is 6 months after December 31, 2010, or
4 the date of hire, whichever is later. Under this
5 subparagraph, the applicant is entitled to one-half of
6 the credit allowable for each new employee who is
7 employed for at least 6 months after the date of hire;
8 and

9 (B) in the first calendar year ending on or after
10 the date that is 12 months after December 31, 2010, or
11 the date of hire, whichever is later. Under this
12 subparagraph, the applicant is entitled to one-half of
13 the credit allowable for each new employee who is
14 employed for at least 12 months after the date of hire;

15 (2) for all other new employees, in the first calendar
16 year ending on or after the date that is 12 months after
17 the date of hire of a new employee. The credit shall be
18 allowed as a credit to an applicant for each full-time
19 employee hired during the incentive period that results in
20 a net increase in full-time Illinois employees, where the
21 net increase in the employer's full-time Illinois
22 employees is maintained for at least 12 months.

23 (b) The Department shall make credit awards under this Act
24 to further job creation.

25 (c) The credit shall be claimed for the first calendar year
26 ending on or after the date on which the certificate is issued

1 by the Department.

2 (d) The credit shall not exceed \$2,500 per new employee
3 hired; however, businesses operating within HOPE Zones under
4 the Community Renewal and Revitalization Act shall be allowed a
5 credit up to \$5,000 per new employee hired.

6 (e) The net increase in full-time Illinois employees,
7 measured on an annual full-time equivalent basis, shall be the
8 total number of full-time Illinois employees of the applicant
9 on the final day of the incentive period, minus the number of
10 full-time Illinois employees employed by the employer on the
11 first day of that same incentive period. For purposes of the
12 calculation, an employer that begins doing business in this
13 State during the incentive period, as determined by the
14 Director, shall be treated as having zero Illinois employees on
15 the first day of the incentive period.

16 (f) The net increase in the number of full-time Illinois
17 employees of the applicant under subsection (e) must be
18 sustained continuously for at least 12 months, starting with
19 the date of hire of a new employee during the incentive period.
20 Eligibility for the credit does not depend on the continuous
21 employment of any particular individual. For purposes of this
22 subsection (f), if a new employee ceases to be employed before
23 the completion of the 12-month period for any reason, the net
24 increase in the number of full-time Illinois employees shall be
25 treated as continuous if a different new employee is hired as a
26 replacement within a reasonable time for the same position.

1 (g) The Department shall promulgate rules to enable an
2 applicant for which a PEO has been contracted to issue W-2s and
3 make payment of taxes withheld under Section 704A of the
4 Illinois Income Tax Act for new employees to retain the benefit
5 of tax credits to which the applicant is otherwise entitled
6 under this Act.

7 (Source: P.A. 96-888, eff. 4-13-10; 96-1498, eff. 1-18-11;
8 97-636, eff. 6-1-12; 97-1052, eff. 8-23-12.)

9 (35 ILCS 25/30)

10 Sec. 30. Maximum amount of credits allowed. The Department
11 shall limit the monetary amount of credits awarded under this
12 Act to no more than \$100,000,000 ~~\$50,000,000~~. If applications
13 for a greater amount are received, credits shall be allowed on
14 a first-come-first-served basis, based on the date on which
15 each properly completed application for a certificate of
16 eligibility is received by the Department. If more than one
17 certificate of eligibility is received on the same day, the
18 credits will be awarded based on the time of submission for
19 that particular day.

20 (Source: P.A. 96-888, eff. 4-13-10.)

21 Section 910. The Retailers' Occupation Tax Act is amended
22 by changing Section 5k as follows:

23 (35 ILCS 120/5k) (from Ch. 120, par. 444k)

1 Sec. 5k. Building materials exemption; enterprise zone.

2 (a) Each retailer who makes a qualified sale of building
3 materials to be incorporated into real estate in a HOPE Zone
4 established under the Community Renewal and Revitalization Act
5 or an enterprise zone established by a county or municipality
6 under the Illinois Enterprise Zone Act by remodeling,
7 rehabilitation or new construction, may deduct receipts from
8 such sales when calculating the tax imposed by this Act. For
9 purposes of this Section, before July 1, 2013, "qualified sale"
10 means a sale of building materials that will be incorporated
11 into real estate as part of a building project for which a
12 Certificate of Eligibility for Sales Tax Exemption has been
13 issued by the administrator of the enterprise zone in which the
14 building project is located, and on and after July 1, 2013,
15 "qualified sale" means a sale of building materials that will
16 be incorporated into real estate as part of a building project
17 for which an Enterprise Zone Building Materials Exemption
18 Certificate or a HOPE Zone Building Materials Exemption
19 Certificate has been issued to the purchaser by the Department.
20 A construction contractor or other entity shall not make
21 tax-free purchases unless it has an active Exemption
22 Certificate issued by the Department at the time of the
23 purchase.

24 (b) Before July 1, 2013, to document the exemption allowed
25 under this Section, the retailer must obtain from the purchaser
26 a copy of the Certificate of Eligibility for Sales Tax

1 Exemption issued by the administrator of the enterprise zone
2 into which the building materials will be incorporated. On and
3 after July 1, 2013, to document the exemption allowed under
4 this Section, the retailer must obtain from the purchaser the
5 certification required under subsection (c), which must
6 contain the ~~Enterprise Zone Building Materials~~ Exemption
7 Certificate number issued to the purchaser by the Department.
8 Upon request from the enterprise zone administrator, the
9 Department shall issue an Enterprise Zone Building Materials
10 Exemption Certificate for each construction contractor or
11 other entity identified by the enterprise zone administrator.
12 Upon request from the corporate authorities of the municipality
13 in which a HOPE Zone is located, the Department shall issue a
14 HOPE Zone Building Materials Exemption Certificate for each
15 construction contractor or other entity identified by the
16 corporate authorities. The Department shall make the Exemption
17 Certificates available directly to each enterprise zone
18 administrator, construction contractor, or other entity. The
19 request for ~~Enterprise Zone Building Materials~~ Exemption
20 Certificates from the enterprise zone administrator or the
21 corporate authorities to the Department must include the
22 following information:

23 (1) the name and address of the construction contractor
24 or other entity;

25 (2) the name and number of the enterprise zone or HOPE
26 Zone;

1 (3) the name and location or address of the building
2 project in the enterprise zone or HOPE Zone;

3 (4) the estimated amount of the exemption for each
4 construction contractor or other entity for which a request
5 for Exemption Certificate is made, based on a stated
6 estimated average tax rate and the percentage of the
7 contract that consists of materials;

8 (5) the period of time over which supplies for the
9 project are expected to be purchased; and

10 (6) other reasonable information as the Department may
11 require, including, but not limited to FEIN numbers, to
12 determine if the contractor or other entity, or any
13 partner, or a corporate officer, and in the case of a
14 limited liability company, any manager or member, of the
15 construction contractor or other entity, is or has been the
16 owner, a partner, a corporate officer, and in the case of a
17 limited liability company, a manager or member, of a person
18 that is in default for moneys due to the Department under
19 this Act or any other tax or fee Act administered by the
20 Department.

21 The Department shall issue the ~~Enterprise Zone Building~~
22 ~~Materials~~ Exemption Certificates within 3 business days after
23 receipt of request from the zone administrator or corporate
24 authorities. This requirement does not apply in circumstances
25 where the Department, for reasonable cause, is unable to issue
26 the Exemption Certificate within 3 business days. The

1 Department may refuse to issue an Exemption Certificate if the
2 owner, any partner, or a corporate officer, and in the case of
3 a limited liability company, any manager or member, of the
4 construction contractor or other entity is or has been the
5 owner, a partner, a corporate officer, and in the case of a
6 limited liability company, a manager or member, of a person
7 that is in default for moneys due to the Department under this
8 Act or any other tax or fee Act administered by the Department.
9 The ~~Enterprise Zone Building Materials~~ Exemption Certificate
10 shall contain language stating that if the construction
11 contractor or other entity who is issued the Exemption
12 Certificate makes a tax-exempt purchase, as described in this
13 Section, that is not eligible for exemption under this Section
14 or allows another person to make a tax-exempt purchase, as
15 described in this Section, that is not eligible for exemption
16 under this Section, then, in addition to any tax or other
17 penalty imposed, the construction contractor or other entity is
18 subject to a penalty equal to the tax that would have been paid
19 by the retailer under this Act as well as any applicable local
20 retailers' occupation tax on the purchase that is not eligible
21 for the exemption.

22 The Department, in its discretion, may require that
23 requests ~~the request~~ for ~~Enterprise Zone Building Materials~~
24 Exemption Certificates be submitted electronically. The
25 Department may, in its discretion, issue the Exemption
26 Certificates electronically. The ~~Enterprise Zone Building~~

1 ~~Materials~~ Exemption Certificate number shall be designed in
2 such a way that the Department can identify from the unique
3 number on the Exemption Certificate issued to a given
4 construction contractor or other entity, the name of the
5 Enterprise Zone or HOPE Zone, the project for which the
6 Exemption Certificate is issued, and the construction
7 contractor or other entity to whom the Exemption Certificate is
8 issued. The Exemption Certificate shall contain an expiration
9 date, which shall be no more than 2 years after the date of
10 issuance. At the request of the zone administrator, the
11 Department may renew an Exemption Certificate. After the
12 Department issues Exemption Certificates for a given
13 ~~enterprise zone~~ project, the enterprise zone administrator or
14 corporate authorities may notify the Department of additional
15 construction contractors or other entities eligible for an
16 ~~Enterprise Zone Building Materials~~ Exemption Certificate. Upon
17 notification by the enterprise zone administrator or corporate
18 authorities and subject to the other provisions of this
19 subsection (b), the Department shall issue an ~~Enterprise Zone~~
20 ~~Building Materials~~ Exemption Certificate to each additional
21 construction contractor or other entity identified by the
22 enterprise zone administrator or corporate authorities. An
23 enterprise zone administrator may notify the Department to
24 rescind an Enterprise Zone Building Materials Exemption
25 Certificate previously issued by the Department but that has
26 not yet expired; the corporate authorities of the municipality

1 may notify the Department to rescind a HOPE Zone Building
2 Materials Exemption Certificate previously issued by the
3 Department but that has not yet expired. Upon such notification
4 ~~by the enterprise zone administrator~~ and subject to the other
5 provisions of this subsection (b), the Department shall issue
6 the rescission of the ~~Enterprise Zone Building Materials~~
7 Exemption Certificate to the construction contractor or other
8 entity identified by the enterprise zone administrator or
9 corporate authorities and provide a copy to the enterprise zone
10 administrator or corporate authorities.

11 If the Department of Revenue determines that a construction
12 contractor or other entity that was issued an Exemption
13 Certificate under this subsection (b) made a tax-exempt
14 purchase, as described in this Section, that was not eligible
15 for exemption under this Section or allowed another person to
16 make a tax-exempt purchase, as described in this Section, that
17 was not eligible for exemption under this Section, then, in
18 addition to any tax or other penalty imposed, the construction
19 contractor or other entity is subject to a penalty equal to the
20 tax that would have been paid by the retailer under this Act as
21 well as any applicable local retailers' occupation tax on the
22 purchase that was not eligible for the exemption.

23 (c) In addition, the retailer must obtain certification
24 from the purchaser that contains:

25 (1) a statement that the building materials are being
26 purchased for incorporation into real estate located in an

1 Illinois enterprise zone or HOPE Zone;

2 (2) the location or address of the real estate into
3 which the building materials will be incorporated;

4 (3) the name of the ~~enterprise~~ zone in which that real
5 estate is located;

6 (4) a description of the building materials being
7 purchased;

8 (5) on and after July 1, 2013, the purchaser's
9 ~~Enterprise Zone Building Materials~~ Exemption Certificate
10 number issued by the Department; and

11 (6) the purchaser's signature and date of purchase.

12 (d) The deduction allowed by this Section for the sale of
13 building materials may be limited, to the extent authorized by
14 ordinance, adopted after the effective date of this amendatory
15 Act of 1992, by the municipality or county that created the
16 ~~enterprise~~ zone into which the building materials will be
17 incorporated. The ordinance, however, may neither require nor
18 prohibit the purchase of building materials from any retailer
19 or class of retailers in order to qualify for the exemption
20 allowed under this Section. The provisions of this Section are
21 exempt from Section 2-70.

22 (e) Notwithstanding anything to the contrary in this
23 Section, for enterprise zone projects already in existence and
24 for which construction contracts are already in place on July
25 1, 2013, the request for Enterprise Zone Building Materials
26 Exemption Certificates from the enterprise zone administrator

1 to the Department for these pre-existing construction
2 contractors and other entities must include the information
3 required under subsection (b), but not including the
4 information listed in items (4) and (5). For any new
5 construction contract entered into on or after July 1, 2013,
6 however, all of the information in subsection (b) must be
7 provided.

8 (Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

9 Section 915. The Environmental Protection Act is amended by
10 changing Section 58.14a as follows:

11 (415 ILCS 5/58.14a)

12 Sec. 58.14a. River Edge Redevelopment Zone Site
13 Remediation Tax Credit Review.

14 (a) Prior to applying for the River Edge Redevelopment Zone
15 site remediation tax credit under subsection (n) of Section 201
16 of the Illinois Income Tax Act or a HOPE Zone site remediation
17 tax credit under subsection (n-1) of Section 201 of the
18 Illinois Income Tax Act, a Remediation Applicant must first
19 submit to the Agency an application for review of remediation
20 costs. The Agency shall review the application in consultation
21 with the Department of Commerce and Economic Opportunity. The
22 application and review process must be conducted in accordance
23 with the requirements of this Section and the rules adopted
24 under subsection (g). A preliminary review of the estimated

1 remediation costs for development and implementation of the
2 Remedial Action Plan may be obtained in accordance with
3 subsection (d).

4 (b) No application for review may be submitted until a No
5 Further Remediation Letter has been issued by the Agency and
6 recorded in the chain of title for the site in accordance with
7 Section 58.10. The Agency shall review the application to
8 determine whether the costs submitted are remediation costs and
9 whether the costs incurred are reasonable. The application must
10 be on forms prescribed and provided by the Agency. At a
11 minimum, the application must include the following:

12 (1) information identifying the Remediation Applicant,
13 the site for which the tax credit is being sought, and the
14 date of acceptance of the site into the Site Remediation
15 Program;

16 (2) a copy of the No Further Remediation Letter with
17 official verification that the letter has been recorded in
18 the chain of title for the site and a demonstration that
19 the site for which the application is submitted is the same
20 site as the one for which the No Further Remediation Letter
21 is issued;

22 (3) a demonstration that the release of the regulated
23 substances of concern for which the No Further Remediation
24 Letter was issued were not caused or contributed to in any
25 material respect by the Remediation Applicant.
26 Determinations as to credit availability shall be made

1 consistent with the Pollution Control Board rules for the
2 administration and enforcement of Section 58.9 of this Act;

3 (4) an itemization and documentation, including
4 receipts, of the remediation costs incurred;

5 (5) a demonstration that the costs incurred are
6 remediation costs as defined in this Act and its rules;

7 (6) a demonstration that the costs submitted for review
8 were incurred by the Remediation Applicant who received the
9 No Further Remediation Letter;

10 (7) an application fee in the amount set forth in
11 subsection (e) for each site for which review of
12 remediation costs is requested and, if applicable,
13 certification from the Department of Commerce and Economic
14 Opportunity that the site is located in a River Edge
15 Redevelopment Zone or a HOPE Zone; and

16 (8) any other information deemed appropriate by the
17 Agency.

18 (c) Within 60 days after receipt by the Agency of an
19 application meeting the requirements of subsection (b), the
20 Agency shall issue a letter to the applicant approving,
21 disapproving, or modifying the remediation costs submitted in
22 the application. If the remediation costs are approved as
23 submitted, then the Agency's letter must state the amount of
24 the remediation costs to be applied toward the ~~River Edge~~
25 ~~Redevelopment Zone site remediation~~ tax credit. If an
26 application is disapproved or approved with modification of

1 remediation costs, then the Agency's letter must set forth the
2 reasons for the disapproval or modification and must state the
3 amount of the remediation costs, if any, to be applied toward
4 the ~~River Edge Redevelopment Zone site remediation~~ tax credit.

5 If a preliminary review of a budget plan has been obtained
6 under subsection (d), then the Remediation Applicant may
7 submit, with the application and supporting documentation
8 under subsection (b), a copy of the Agency's final
9 determination accompanied by a certification that the actual
10 remediation costs incurred for the development and
11 implementation of the Remedial Action Plan are equal to or less
12 than the costs approved in the Agency's final determination on
13 the budget plan. The certification must be signed by the
14 Remediation Applicant and notarized. Based on that submission,
15 the Agency is not required to conduct further review of the
16 costs incurred for development and implementation of the
17 Remedial Action Plan, and it may approve the costs as
18 submitted. Within 35 days after the receipt of an Agency letter
19 disapproving or modifying an application for approval of
20 remediation costs, the Remediation Applicant may appeal the
21 Agency's decision to the Board in the manner provided for the
22 review of permits under Section 40 of this Act.

23 (d) A Remediation Applicant may obtain a preliminary review
24 of estimated remediation costs for the development and
25 implementation of the Remedial Action Plan by submitting a
26 budget plan along with the Remedial Action Plan. The budget

1 plan must be set forth on forms prescribed and provided by the
2 Agency and must include, without limitation, line-item
3 estimates of the costs associated with each line item (such as
4 personnel, equipment, and materials) that the Remediation
5 Applicant anticipates will be incurred for the development and
6 implementation of the Remedial Action Plan. The Agency shall
7 review the budget plan along with the Remedial Action Plan to
8 determine whether the estimated costs submitted are
9 remediation costs and whether the costs estimated for the
10 activities are reasonable.

11 If the Remedial Action Plan is amended by the Remediation
12 Applicant or as a result of Agency action, then the
13 corresponding budget plan must be revised accordingly and
14 resubmitted for Agency review.

15 The budget plan must be accompanied by the applicable fee
16 as set forth in subsection (e).

17 The submittal of a budget plan is deemed to be an automatic
18 60-day waiver of the Remedial Action Plan review deadlines set
19 forth in this Section and its rules.

20 Within the applicable period of review, the Agency shall
21 issue a letter to the Remediation Applicant approving,
22 disapproving, or modifying the estimated remediation costs
23 submitted in the budget plan. If a budget plan is disapproved
24 or approved with modification of estimated remediation costs,
25 then the Agency's letter must set forth the reasons for the
26 disapproval or modification.

1 Within 35 days after receipt of an Agency letter
2 disapproving or modifying a budget plan, the Remediation
3 Applicant may appeal the Agency's decision to the Board in the
4 manner provided for the review of permits under Section 40 of
5 this Act.

6 (e) Any fee for a review conducted under this Section is in
7 addition to any other fees or payments for Agency services
8 rendered under the Site Remediation Program. The fees under
9 this Section are as follows:

10 (1) the fee for an application for review of
11 remediation costs is \$250 for each site reviewed; and

12 (2) there is no fee for the review of the budget plan
13 submitted under subsection (d).

14 The application fee must be made payable to the State of
15 Illinois, for deposit into the Hazardous Waste Fund. Pursuant
16 to appropriation, the Agency shall use the fees collected under
17 this subsection for development and administration of the
18 review program.

19 (f) The Agency has the authority to enter into any
20 contracts or agreements that may be necessary to carry out its
21 duties and responsibilities under this Section.

22 (g) The Agency shall adopt rules prescribing procedures and
23 standards for its administration of this Section. Prior to the
24 effective date of rules adopted under this Section, the Agency
25 may conduct reviews of applications under this Section. The
26 Agency may publish informal guidelines concerning this Section

1 to provide guidance.

2 (Source: P.A. 95-454, eff. 8-27-07.)

3 Section 999. Effective date. This Act takes effect upon
4 becoming law.".