



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3373

by Rep. Keith R. Wheeler

SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.5	from Ch. 67 1/2, par. 609.1
20 ILCS 655/13 new	
35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 5/211	
35 ILCS 5/221	
35 ILCS 10/5-5	
35 ILCS 10/5-51 new	
35 ILCS 10/5-56 new	
65 ILCS 115/10-3	
65 ILCS 115/10-10.3 new	
65 ILCS 115/10-10.4 new	

Provides that the Act may be referred to as the Blue Collar Jobs Act. Amends the Illinois Enterprise Zone Act. Creates a High Impact Business construction jobs credit and an Enterprise Zone construction jobs credit against the taxpayer's Illinois income taxes based on the incremental income tax attributable to laborers or workers employed at certain construction sites located in Enterprise Zones. Amends the Economic Development for a Growing Economy Tax Credit Act. Creates a New Construction EDGE Credit based on the incremental income tax attributable to laborers or workers employed at construction sites associated with EDGE projects. Amends the River Edge Redevelopment Zone Act. Creates a River Edge construction jobs credit based on the incremental income tax attributable to laborers or workers employed at certain construction sites in a River Edge Redevelopment Zone. Requires contractors and subcontractors associated with projects that receive credits under the amendatory Act to file certified payroll information with the Department of Labor and the Department of Commerce and Economic Opportunity.

LRB101 11040 HLH 56243 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 1. This Act may be referred to as the Blue Collar
5 Jobs Act.

6 Section 5. The Illinois Enterprise Zone Act is amended by
7 changing Section 5.5 and by adding Section 13 as follows:

8 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

9 Sec. 5.5. High Impact Business.

10 (a) In order to respond to unique opportunities to assist
11 in the encouragement, development, growth and expansion of the
12 private sector through large scale investment and development
13 projects, the Department is authorized to receive and approve
14 applications for the designation of "High Impact Businesses" in
15 Illinois subject to the following conditions:

16 (1) such applications may be submitted at any time
17 during the year;

18 (2) such business is not located, at the time of
19 designation, in an enterprise zone designated pursuant to
20 this Act;

21 (3) the business intends to do one or more of the
22 following:

1 (A) the business intends to make a minimum
2 investment of \$12,000,000 which will be placed in
3 service in qualified property and intends to create 500
4 full-time equivalent jobs at a designated location in
5 Illinois or intends to make a minimum investment of
6 \$30,000,000 which will be placed in service in
7 qualified property and intends to retain 1,500
8 full-time retained jobs at a designated location in
9 Illinois. The business must certify in writing that the
10 investments would not be placed in service in qualified
11 property and the job creation or job retention would
12 not occur without the tax credits and exemptions set
13 forth in subsection (b) of this Section. The terms
14 "placed in service" and "qualified property" have the
15 same meanings as described in subsection (h) of Section
16 201 of the Illinois Income Tax Act; or

17 (B) the business intends to establish a new
18 electric generating facility at a designated location
19 in Illinois. "New electric generating facility", for
20 purposes of this Section, means a newly-constructed
21 electric generation plant or a newly-constructed
22 generation capacity expansion at an existing electric
23 generation plant, including the transmission lines and
24 associated equipment that transfers electricity from
25 points of supply to points of delivery, and for which
26 such new foundation construction commenced not sooner

1 than July 1, 2001. Such facility shall be designed to
2 provide baseload electric generation and shall operate
3 on a continuous basis throughout the year; and (i)
4 shall have an aggregate rated generating capacity of at
5 least 1,000 megawatts for all new units at one site if
6 it uses natural gas as its primary fuel and foundation
7 construction of the facility is commenced on or before
8 December 31, 2004, or shall have an aggregate rated
9 generating capacity of at least 400 megawatts for all
10 new units at one site if it uses coal or gases derived
11 from coal as its primary fuel and shall support the
12 creation of at least 150 new Illinois coal mining jobs,
13 or (ii) shall be funded through a federal Department of
14 Energy grant before December 31, 2010 and shall support
15 the creation of Illinois coal-mining jobs, or (iii)
16 shall use coal gasification or integrated
17 gasification-combined cycle units that generate
18 electricity or chemicals, or both, and shall support
19 the creation of Illinois coal-mining jobs. The
20 business must certify in writing that the investments
21 necessary to establish a new electric generating
22 facility would not be placed in service and the job
23 creation in the case of a coal-fueled plant would not
24 occur without the tax credits and exemptions set forth
25 in subsection (b-5) of this Section. The term "placed
26 in service" has the same meaning as described in

1 subsection (h) of Section 201 of the Illinois Income
2 Tax Act; or

3 (B-5) the business intends to establish a new
4 gasification facility at a designated location in
5 Illinois. As used in this Section, "new gasification
6 facility" means a newly constructed coal gasification
7 facility that generates chemical feedstocks or
8 transportation fuels derived from coal (which may
9 include, but are not limited to, methane, methanol, and
10 nitrogen fertilizer), that supports the creation or
11 retention of Illinois coal-mining jobs, and that
12 qualifies for financial assistance from the Department
13 before December 31, 2010. A new gasification facility
14 does not include a pilot project located within
15 Jefferson County or within a county adjacent to
16 Jefferson County for synthetic natural gas from coal;
17 or

18 (C) the business intends to establish production
19 operations at a new coal mine, re-establish production
20 operations at a closed coal mine, or expand production
21 at an existing coal mine at a designated location in
22 Illinois not sooner than July 1, 2001; provided that
23 the production operations result in the creation of 150
24 new Illinois coal mining jobs as described in
25 subdivision (a)(3)(B) of this Section, and further
26 provided that the coal extracted from such mine is

1 utilized as the predominant source for a new electric
2 generating facility. The business must certify in
3 writing that the investments necessary to establish a
4 new, expanded, or reopened coal mine would not be
5 placed in service and the job creation would not occur
6 without the tax credits and exemptions set forth in
7 subsection (b-5) of this Section. The term "placed in
8 service" has the same meaning as described in
9 subsection (h) of Section 201 of the Illinois Income
10 Tax Act; or

11 (D) the business intends to construct new
12 transmission facilities or upgrade existing
13 transmission facilities at designated locations in
14 Illinois, for which construction commenced not sooner
15 than July 1, 2001. For the purposes of this Section,
16 "transmission facilities" means transmission lines
17 with a voltage rating of 115 kilovolts or above,
18 including associated equipment, that transfer
19 electricity from points of supply to points of delivery
20 and that transmit a majority of the electricity
21 generated by a new electric generating facility
22 designated as a High Impact Business in accordance with
23 this Section. The business must certify in writing that
24 the investments necessary to construct new
25 transmission facilities or upgrade existing
26 transmission facilities would not be placed in service

1 without the tax credits and exemptions set forth in
2 subsection (b-5) of this Section. The term "placed in
3 service" has the same meaning as described in
4 subsection (h) of Section 201 of the Illinois Income
5 Tax Act; or

6 (E) the business intends to establish a new wind
7 power facility at a designated location in Illinois.
8 For purposes of this Section, "new wind power facility"
9 means a newly constructed electric generation
10 facility, or a newly constructed expansion of an
11 existing electric generation facility, placed in
12 service on or after July 1, 2009, that generates
13 electricity using wind energy devices, and such
14 facility shall be deemed to include all associated
15 transmission lines, substations, and other equipment
16 related to the generation of electricity from wind
17 energy devices. For purposes of this Section, "wind
18 energy device" means any device, with a nameplate
19 capacity of at least 0.5 megawatts, that is used in the
20 process of converting kinetic energy from the wind to
21 generate electricity; or

22 (F) the business commits to (i) make a minimum
23 investment of \$500,000,000, which will be placed in
24 service in a qualified property, (ii) create 125
25 full-time equivalent jobs at a designated location in
26 Illinois, (iii) establish a fertilizer plant at a

1 designated location in Illinois that complies with the
2 set-back standards as described in Table 1: Initial
3 Isolation and Protective Action Distances in the 2012
4 Emergency Response Guidebook published by the United
5 States Department of Transportation, (iv) pay a
6 prevailing wage for employees at that location who are
7 engaged in construction activities, and (v) secure an
8 appropriate level of general liability insurance to
9 protect against catastrophic failure of the fertilizer
10 plant or any of its constituent systems; in addition,
11 the business must agree to enter into a construction
12 project labor agreement including provisions
13 establishing wages, benefits, and other compensation
14 for employees performing work under the project labor
15 agreement at that location; for the purposes of this
16 Section, "fertilizer plant" means a newly constructed
17 or upgraded plant utilizing gas used in the production
18 of anhydrous ammonia and downstream nitrogen
19 fertilizer products for resale; for the purposes of
20 this Section, "prevailing wage" means the hourly cash
21 wages plus fringe benefits for training and
22 apprenticeship programs approved by the U.S.
23 Department of Labor, Bureau of Apprenticeship and
24 Training, health and welfare, insurance, vacations and
25 pensions paid generally, in the locality in which the
26 work is being performed, to employees engaged in work

1 of a similar character on public works; this paragraph
2 (F) applies only to businesses that submit an
3 application to the Department within 60 days after the
4 effective date of this amendatory Act of the 98th
5 General Assembly; and

6 (4) no later than 90 days after an application is
7 submitted, the Department shall notify the applicant of the
8 Department's determination of the qualification of the
9 proposed High Impact Business under this Section.

10 (b) Businesses designated as High Impact Businesses
11 pursuant to subdivision (a) (3) (A) of this Section shall qualify
12 for the credits and exemptions described in the following Acts:
13 Section 9-222 and Section 9-222.1A of the Public Utilities Act,
14 subsection (h) of Section 201 of the Illinois Income Tax Act,
15 and Section 1d of the Retailers' Occupation Tax Act; provided
16 that these credits and exemptions described in these Acts shall
17 not be authorized until the minimum investments set forth in
18 subdivision (a) (3) (A) of this Section have been placed in
19 service in qualified properties and, in the case of the
20 exemptions described in the Public Utilities Act and Section 1d
21 of the Retailers' Occupation Tax Act, the minimum full-time
22 equivalent jobs or full-time retained jobs set forth in
23 subdivision (a) (3) (A) of this Section have been created or
24 retained. Businesses designated as High Impact Businesses
25 under this Section shall also qualify for the exemption
26 described in Section 5l of the Retailers' Occupation Tax Act.

1 The credit provided in subsection (h) of Section 201 of the
2 Illinois Income Tax Act shall be applicable to investments in
3 qualified property as set forth in subdivision (a)(3)(A) of
4 this Section.

5 (b-5) Businesses designated as High Impact Businesses
6 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),
7 and (a)(3)(D) of this Section shall qualify for the credits and
8 exemptions described in the following Acts: Section 51 of the
9 Retailers' Occupation Tax Act, Section 9-222 and Section
10 9-222.1A of the Public Utilities Act, and subsection (h) of
11 Section 201 of the Illinois Income Tax Act; however, the
12 credits and exemptions authorized under Section 9-222 and
13 Section 9-222.1A of the Public Utilities Act, and subsection
14 (h) of Section 201 of the Illinois Income Tax Act shall not be
15 authorized until the new electric generating facility, the new
16 gasification facility, the new transmission facility, or the
17 new, expanded, or reopened coal mine is operational, except
18 that a new electric generating facility whose primary fuel
19 source is natural gas is eligible only for the exemption under
20 Section 51 of the Retailers' Occupation Tax Act.

21 (b-6) Businesses designated as High Impact Businesses
22 pursuant to subdivision (a)(3)(E) of this Section shall qualify
23 for the exemptions described in Section 51 of the Retailers'
24 Occupation Tax Act; any business so designated as a High Impact
25 Business being, for purposes of this Section, a "Wind Energy
26 Business".

1 (b-7) Businesses designated as High Impact Businesses by
2 the Department shall qualify for the High Impact Business
3 construction jobs credit under subsection (h-5) of Section 201
4 of the Illinois Income Tax Act if the business meets the
5 criteria set forth in subsection (i) of this Section.

6 (c) High Impact Businesses located in federally designated
7 foreign trade zones or sub-zones are also eligible for
8 additional credits, exemptions and deductions as described in
9 the following Acts: Section 9-221 and Section 9-222.1 of the
10 Public Utilities Act; and subsection (g) of Section 201, and
11 Section 203 of the Illinois Income Tax Act.

12 (d) Except for businesses contemplated under subdivision
13 (a) (3) (E) of this Section, existing Illinois businesses which
14 apply for designation as a High Impact Business must provide
15 the Department with the prospective plan for which 1,500
16 full-time retained jobs would be eliminated in the event that
17 the business is not designated.

18 (e) Except for new wind power facilities contemplated under
19 subdivision (a) (3) (E) of this Section, new proposed facilities
20 which apply for designation as High Impact Business must
21 provide the Department with proof of alternative non-Illinois
22 sites which would receive the proposed investment and job
23 creation in the event that the business is not designated as a
24 High Impact Business.

25 (f) Except for businesses contemplated under subdivision
26 (a) (3) (E) of this Section, in the event that a business is

1 designated a High Impact Business and it is later determined
2 after reasonable notice and an opportunity for a hearing as
3 provided under the Illinois Administrative Procedure Act, that
4 the business would have placed in service in qualified property
5 the investments and created or retained the requisite number of
6 jobs without the benefits of the High Impact Business
7 designation, the Department shall be required to immediately
8 revoke the designation and notify the Director of the
9 Department of Revenue who shall begin proceedings to recover
10 all wrongfully exempted State taxes with interest. The business
11 shall also be ineligible for all State funded Department
12 programs for a period of 10 years.

13 (g) The Department shall revoke a High Impact Business
14 designation if the participating business fails to comply with
15 the terms and conditions of the designation. However, the
16 penalties for new wind power facilities or Wind Energy
17 Businesses for failure to comply with any of the terms or
18 conditions of the Illinois Prevailing Wage Act shall be only
19 those penalties identified in the Illinois Prevailing Wage Act,
20 and the Department shall not revoke a High Impact Business
21 designation as a result of the failure to comply with any of
22 the terms or conditions of the Illinois Prevailing Wage Act in
23 relation to a new wind power facility or a Wind Energy
24 Business.

25 (h) Prior to designating a business, the Department shall
26 provide the members of the General Assembly and Commission on

1 Government Forecasting and Accountability with a report
2 setting forth the terms and conditions of the designation and
3 guarantees that have been received by the Department in
4 relation to the proposed business being designated.

5 (i) High Impact Business construction jobs credit. A High
6 Impact Business may receive a tax credit against the tax
7 imposed under subsections (a) and (b) of Section 201 of the
8 Illinois Income Tax Act in an amount equal to 50% of the amount
9 of the incremental income tax attributable to High Impact
10 Business construction jobs credit employees employed in the
11 course of completing a High Impact Business construction jobs
12 project. However, the High Impact Business construction jobs
13 credit may equal 75% of the amount of the incremental income
14 tax attributable to High Impact Business construction jobs
15 credit employees if the High Impact Business construction jobs
16 credit project is located in an underserved area.

17 The Department shall certify to the Department of Revenue:
18 (1) the identity of taxpayers that are eligible for the High
19 Impact Business construction jobs credit; and (2) the amount of
20 High Impact Business construction jobs credits that are claimed
21 pursuant to subsection (h-5) of Section 201 of the Illinois
22 Income Tax Act in each taxable year. Any business entity that
23 receives a High Impact Business construction jobs credit shall
24 maintain a certified payroll pursuant to subsection (j) of this
25 Section.

26 As used in this subsection (i):

1 "High Impact Business construction jobs credit" means an
2 amount equal to 50% (or 75% if the High Impact Business
3 construction project is located in an underserved area) of the
4 incremental income tax attributable to High Impact Business
5 construction job employees.

6 "High Impact Business construction job employee" means a
7 laborer or worker who is employed by an Illinois contractor or
8 subcontractor in the actual construction work on the site of a
9 High Impact Business construction job project.

10 "High Impact Business construction jobs project" means
11 building a structure or building or making improvements of any
12 kind to real property, undertaken and commissioned by a
13 business that was designated as a High Impact Business by the
14 Department. The term "High Impact Business construction jobs
15 project" does not include the routine operation, routine
16 repair, or routine maintenance of existing structures,
17 buildings, or real property.

18 "Incremental income tax" means the total amount withheld
19 during the taxable year from the compensation of High Impact
20 Business construction job employees.

21 "Underserved area" means a geographic area that meets one
22 or more of the following conditions:

23 (1) the area has a poverty rate of at least 20%
24 according to the latest federal decennial census;

25 (2) 75% or more of the children in the area participate
26 in the federal free lunch program according to reported

1 statistics from the State Board of Education;

2 (3) at least 20% of the households in the area receive
3 assistance under the Supplemental Nutrition Assistance
4 Program (SNAP); or

5 (4) the area has an average unemployment rate, as
6 determined by the Illinois Department of Employment
7 Security, that is more than 120% of the national
8 unemployment average, as determined by the U.S. Department
9 of Labor, for a period of at least 2 consecutive calendar
10 years preceding the date of the application.

11 (j) Each contractor and subcontractor who is engaged in and
12 executing a High Impact Business Construction jobs project, as
13 defined under subsection (i) of this Section, for a business
14 that is entitled to a credit pursuant to subsection (i) of this
15 Section shall:

16 (1) make and keep, for a period of 5 years from the
17 date of the last payment made on or after the effective
18 date of this amendatory Act of the 101st General Assembly
19 on a contract or subcontract for a High Impact Business
20 Construction Jobs Project, records for all laborers and
21 other workers employed by the contractor or subcontractor
22 on the project; the records shall include:

23 (A) the worker's name;

24 (B) the worker's address;

25 (C) the worker's telephone number, if available;

26 (D) the worker's social security number;

1 (E) the worker's classification or
2 classifications;

3 (F) the worker's gross and net wages paid in each
4 pay period;

5 (G) the worker's number of hours worked each day;

6 (H) the worker's starting and ending times of work
7 each day;

8 (I) the worker's hourly wage rate; and

9 (J) the worker's hourly overtime wage rate;

10 (2) no later than the 15th day of each calendar month,
11 provide a certified payroll for the immediately preceding
12 month to the taxpayer in charge of the High Impact Business
13 construction jobs project; within 5 business days after
14 receiving the certified payroll, the taxpayer shall file
15 the certified payroll with the Department of Labor and the
16 Department of Commerce and Economic Opportunity; a
17 certified payroll must be filed for only those calendar
18 months during which construction on a High Impact Business
19 construction jobs project has occurred; the certified
20 payroll shall consist of a complete copy of the records
21 identified in paragraph (1) of this subsection (j), but may
22 exclude the starting and ending times of work each day; the
23 certified payroll shall be accompanied by a statement
24 signed by the contractor or subcontractor or an officer,
25 employee, or agent of the contractor or subcontractor which
26 avers that:

1 (A) he or she has examined the certified payroll
2 records required to be submitted by the Act and such
3 records are true and accurate; and

4 (B) the contractor or subcontractor is aware that
5 filing a certified payroll that he or she knows to be
6 false is a Class A misdemeanor.

7 A general contractor is not prohibited from relying on a
8 certified payroll of a lower-tier subcontractor, provided the
9 general contractor does not knowingly rely upon a
10 subcontractor's false certification.

11 Any contractor or subcontractor subject to this
12 subsection, and any officer, employee, or agent of such
13 contractor or subcontractor whose duty as an officer, employee,
14 or agent it is to file a certified payroll under this
15 subsection, who willfully fails to file such a certified
16 payroll on or before the date such certified payroll is
17 required by this paragraph to be filed and any person who
18 willfully files a false certified payroll that is false as to
19 any material fact is in violation of this Act and guilty of a
20 Class A misdemeanor.

21 The taxpayer in charge of the project shall keep the
22 records submitted in accordance with this subsection on or
23 after the effective date of this amendatory Act of the 101st
24 General Assembly for a period of 5 years from the date of the
25 last payment for work on a contract or subcontract for the High
26 Impact Business construction jobs project.

1 The records submitted in accordance with this subsection
2 shall be considered public records, except an employee's
3 address, telephone number, and social security number, and made
4 available in accordance with the Freedom of Information Act.
5 The Department of Labor shall accept any reasonable submissions
6 by the contractor that meet the requirements of this subsection
7 (j) and shall share the information with the Department in
8 order to comply with the awarding of a High Impact Business
9 construction jobs credit. A contractor, subcontractor, or
10 public body may retain records required under this Section in
11 paper or electronic format.

12 (k) Upon 7 business days' notice, each contractor and
13 subcontractor shall make available for inspection and copying
14 at a location within this State during reasonable hours, the
15 records identified in this subsection (j) to the taxpayer in
16 charge of the High Impact Business construction jobs project,
17 its officers and agents, the Director of the Department of
18 Labor and his deputies and agents, and to federal, State, or
19 local law enforcement agencies and prosecutors.

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

21 (20 ILCS 655/13 new)

22 Sec. 13. Enterprise Zone construction jobs credit.

23 (a) A business entity in a certified Enterprise Zone that
24 makes a capital investment of at least \$10,000,000 in an
25 Enterprise Zone construction jobs project may receive an

1 Enterprise Zone construction jobs credit against the tax
2 imposed under subsections (a) and (b) of Section 201 of the
3 Illinois Income Tax Act in an amount equal to 50% of the amount
4 of the incremental income tax attributable to Enterprise Zone
5 construction jobs credit employees employed in the course of
6 completing an Enterprise Zone construction jobs project.
7 However, the Enterprise Zone construction jobs credit may equal
8 75% of the amount of the incremental income tax attributable to
9 Enterprise Zone construction jobs credit employees if the
10 project is located in an underserved area.

11 (b) A business entity seeking a credit under this Section
12 must submit an application to the Department and must receive
13 approval from the designating municipality or county and the
14 Department for the Enterprise Zone construction jobs credit
15 project. The application must describe the nature and benefit
16 of the project to the certified Enterprise Zone and its
17 potential contributors.

18 Within 45 days after receipt of an application, the
19 Department shall give notice to the applicant as to whether the
20 application has been approved or disapproved. If the Department
21 disapproves the application, it shall specify the reasons for
22 this decision and allow 60 days for the applicant to amend and
23 resubmit its application. The Department shall provide
24 assistance upon request to applicants. Resubmitted
25 applications shall receive the Department's approval or
26 disapproval within 30 days after the application is

1 resubmitted. Those resubmitted applications satisfying initial
2 Department objectives shall be approved unless reasonable
3 circumstances warrant disapproval.

4 On an annual basis, the designated zone organization shall
5 furnish a statement to the Department on the programmatic and
6 financial status of any approved project and an audited
7 financial statement of the project.

8 The Department shall certify to the Department of Revenue
9 the identity of taxpayers who are eligible for the credits and
10 the amount of credits that are claimed pursuant to subparagraph
11 (8) of subsection (f) of Section 201 the Illinois Income Tax
12 Act.

13 The Enterprise Zone construction jobs credit project must
14 be undertaken by the business entity in the course of
15 completing a project that complies with the criteria contained
16 in Section 4 of this Act and is undertaken in a certified
17 Enterprise Zone. The Department shall adopt any necessary rules
18 for the implementation of this subsection (b).

19 (c) Any business entity that receives an Enterprise Zone
20 construction jobs credit shall maintain a certified payroll
21 pursuant to subsection (d) of this Section.

22 (d) Each contractor and subcontractor who is engaged in and
23 is executing an Enterprise Zone Construction jobs credit
24 project for a business that is entitled to a credit pursuant to
25 this Section shall:

26 (1) make and keep, for a period of 5 years from the

1 date of the last payment made on or after the effective
2 date of this amendatory Act of the 101st General Assembly
3 on a contract or subcontract for an Enterprise Zone
4 construction jobs credit project, records for all laborers
5 and other workers employed by them on the project; the
6 records shall include:

7 (A) the worker's name;

8 (B) the worker's address;

9 (C) the worker's telephone number, if available;

10 (D) the worker's social security number;

11 (E) the worker's classification or
12 classifications;

13 (F) the worker's gross and net wages paid in each
14 pay period;

15 (G) the worker's number of hours worked each day;

16 (H) the worker's starting and ending times of work
17 each day;

18 (I) the worker's hourly wage rate; and

19 (J) the worker's hourly overtime wage rate;

20 (2) no later than the 15th day of each calendar month,
21 provide a certified payroll for the immediately preceding
22 month to the taxpayer in charge of the project; within 5
23 business days after receiving the certified payroll, the
24 taxpayer shall file the certified payroll with the
25 Department of Labor and the Department of Commerce and
26 Economic Opportunity; a certified payroll must be filed for

1 only those calendar months during which construction on an
2 Enterprise Zone construction jobs project has occurred;
3 the certified payroll shall consist of a complete copy of
4 the records identified in paragraph (1) of this subsection
5 (d), but may exclude the starting and ending times of work
6 each day; the certified payroll shall be accompanied by a
7 statement signed by the contractor or subcontractor or an
8 officer, employee, or agent of the contractor or
9 subcontractor which avers that:

10 (A) he or she has examined the certified payroll
11 records required to be submitted by the Act and such
12 records are true and accurate; and

13 (B) the contractor or subcontractor is aware that
14 filing a certified payroll that he or she knows to be
15 false is a Class A misdemeanor.

16 A general contractor is not prohibited from relying on a
17 certified payroll of a lower-tier subcontractor, provided the
18 general contractor does not knowingly rely upon a
19 subcontractor's false certification.

20 Any contractor or subcontractor subject to this
21 subsection, and any officer, employee, or agent of such
22 contractor or subcontractor whose duty as an officer, employee,
23 or agent it is to file a certified payroll under this
24 subsection, who willfully fails to file such a certified
25 payroll on or before the date such certified payroll is
26 required by this paragraph to be filed and any person who

1 willfully files a false certified payroll that is false as to
2 any material fact is in violation of this Act and guilty of a
3 Class A misdemeanor.

4 The taxpayer in charge of the project shall keep the
5 records submitted in accordance with this subsection on or
6 after the effective date of this amendatory Act of the 101st
7 General Assembly for a period of 5 years from the date of the
8 last payment for work on a contract or subcontract for the
9 project.

10 The records submitted in accordance with this subsection
11 shall be considered public records, except an employee's
12 address, telephone number, and social security number, and made
13 available in accordance with the Freedom of Information Act.
14 The Department of Labor shall accept any reasonable submissions
15 by the contractor that meet the requirements of this subsection
16 and shall share the information with the Department in order to
17 comply with the awarding of Enterprise Zone construction jobs
18 credits. A contractor, subcontractor, or public body may retain
19 records required under this Section in paper or electronic
20 format.

21 Upon 7 business days' notice, the contractor and each
22 subcontractor shall make available for inspection and copying
23 at a location within this State during reasonable hours, the
24 records identified in paragraph (1) of this subsection to the
25 taxpayer in charge of the project, its officers and agents, the
26 Director of Labor and his deputies and agents, and to federal,

1 State, or local law enforcement agencies and prosecutors.

2 (e) As used in this Section:

3 "Enterprise Zone construction jobs credit" means an amount
4 equal to 50% (or 75% if the project is located in an
5 underserved area) of the incremental income tax attributable to
6 Enterprise Zone construction jobs credit employees.

7 "Enterprise Zone construction jobs credit employee" means
8 a laborer or worker who is employed by an Illinois contractor
9 or subcontractor in the actual construction work on the site of
10 an Enterprise Zone construction jobs credit project.

11 "Enterprise Zone construction jobs credit project" means
12 building a structure or building or making improvements of any
13 kind to real property commissioned and paid for by a business
14 that has applied and been approved for an Enterprise Zone
15 construction jobs credit pursuant to this Section. "Enterprise
16 Zone construction jobs credit project" does not include the
17 routine operation, routine repair, or routine maintenance of
18 existing structures, buildings, or real property.

19 "Incremental income tax" means the total amount withheld
20 during the taxable year from the compensation of Enterprise
21 Zone construction jobs credit employees.

22 "Underserved area" means a geographic area that meets one
23 or more of the following conditions:

24 (1) the area has a poverty rate of at least 20%
25 according to the latest federal decennial census;

26 (2) 75% or more of the children in the area participate

1 in the federal free lunch program according to reported
2 statistics from the State Board of Education;

3 (3) at least 20% of the households in the area receive
4 assistance under the Supplemental Nutrition Assistance
5 Program (SNAP); or

6 (4) the area has an average unemployment rate, as
7 determined by the Illinois Department of Employment
8 Security, that is more than 120% of the national
9 unemployment average, as determined by the U.S. Department
10 of Labor, for a period of at least 2 consecutive calendar
11 years preceding the date of the application.

12 Section 10. The Illinois Income Tax Act is amended by
13 changing Sections 201, 211, and 221 as follows:

14 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

15 Sec. 201. Tax imposed.

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

23 (b) Rates. The tax imposed by subsection (a) of this
24 Section shall be determined as follows, except as adjusted by

1 subsection (d-1):

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

6 (2) In the case of an individual, trust or estate, for
7 taxable years beginning prior to July 1, 1989 and ending
8 after June 30, 1989, an amount equal to the sum of (i) 2
9 1/2% of the taxpayer's net income for the period prior to
10 July 1, 1989, as calculated under Section 202.3, and (ii)
11 3% of the taxpayer's net income for the period after June
12 30, 1989, as calculated under Section 202.3.

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

17 (4) In the case of an individual, trust, or estate, for
18 taxable years beginning prior to January 1, 2011, and
19 ending after December 31, 2010, an amount equal to the sum
20 of (i) 3% of the taxpayer's net income for the period prior
21 to January 1, 2011, as calculated under Section 202.5, and
22 (ii) 5% of the taxpayer's net income for the period after
23 December 31, 2010, as calculated under Section 202.5.

24 (5) In the case of an individual, trust, or estate, for
25 taxable years beginning on or after January 1, 2011, and
26 ending prior to January 1, 2015, an amount equal to 5% of

1 the taxpayer's net income for the taxable year.

2 (5.1) In the case of an individual, trust, or estate,
3 for taxable years beginning prior to January 1, 2015, and
4 ending after December 31, 2014, an amount equal to the sum
5 of (i) 5% of the taxpayer's net income for the period prior
6 to January 1, 2015, as calculated under Section 202.5, and
7 (ii) 3.75% of the taxpayer's net income for the period
8 after December 31, 2014, as calculated under Section 202.5.

9 (5.2) In the case of an individual, trust, or estate,
10 for taxable years beginning on or after January 1, 2015,
11 and ending prior to July 1, 2017, an amount equal to 3.75%
12 of the taxpayer's net income for the taxable year.

13 (5.3) In the case of an individual, trust, or estate,
14 for taxable years beginning prior to July 1, 2017, and
15 ending after June 30, 2017, an amount equal to the sum of
16 (i) 3.75% of the taxpayer's net income for the period prior
17 to July 1, 2017, as calculated under Section 202.5, and
18 (ii) 4.95% of the taxpayer's net income for the period
19 after June 30, 2017, as calculated under Section 202.5.

20 (5.4) In the case of an individual, trust, or estate,
21 for taxable years beginning on or after July 1, 2017, an
22 amount equal to 4.95% of the taxpayer's net income for the
23 taxable year.

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

1 (7) In the case of a corporation, for taxable years
2 beginning prior to July 1, 1989 and ending after June 30,
3 1989, an amount equal to the sum of (i) 4% of the
4 taxpayer's net income for the period prior to July 1, 1989,
5 as calculated under Section 202.3, and (ii) 4.8% of the
6 taxpayer's net income for the period after June 30, 1989,
7 as calculated under Section 202.3.

8 (8) In the case of a corporation, for taxable years
9 beginning after June 30, 1989, and ending prior to January
10 1, 2011, an amount equal to 4.8% of the taxpayer's net
11 income for the taxable year.

12 (9) In the case of a corporation, for taxable years
13 beginning prior to January 1, 2011, and ending after
14 December 31, 2010, an amount equal to the sum of (i) 4.8%
15 of the taxpayer's net income for the period prior to
16 January 1, 2011, as calculated under Section 202.5, and
17 (ii) 7% of the taxpayer's net income for the period after
18 December 31, 2010, as calculated under Section 202.5.

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

23 (11) In the case of a corporation, for taxable years
24 beginning prior to January 1, 2015, and ending after
25 December 31, 2014, an amount equal to the sum of (i) 7% of
26 the taxpayer's net income for the period prior to January

1 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
2 of the taxpayer's net income for the period after December
3 31, 2014, as calculated under Section 202.5.

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

8 (13) In the case of a corporation, for taxable years
9 beginning prior to July 1, 2017, and ending after June 30,
10 2017, an amount equal to the sum of (i) 5.25% of the
11 taxpayer's net income for the period prior to July 1, 2017,
12 as calculated under Section 202.5, and (ii) 7% of the
13 taxpayer's net income for the period after June 30, 2017,
14 as calculated under Section 202.5.

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

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

20 (c) Personal Property Tax Replacement Income Tax.
21 Beginning on July 1, 1979 and thereafter, in addition to such
22 income tax, there is also hereby imposed the Personal Property
23 Tax Replacement Income Tax measured by net income on every
24 corporation (including Subchapter S corporations), partnership
25 and trust, for each taxable year ending after June 30, 1979.
26 Such taxes are imposed on the privilege of earning or receiving

1 income in or as a resident of this State. The Personal Property
2 Tax Replacement Income Tax shall be in addition to the income
3 tax imposed by subsections (a) and (b) of this Section and in
4 addition to all other occupation or privilege taxes imposed by
5 this State or by any municipal corporation or political
6 subdivision thereof.

7 (d) Additional Personal Property Tax Replacement Income
8 Tax Rates. The personal property tax replacement income tax
9 imposed by this subsection and subsection (c) of this Section
10 in the case of a corporation, other than a Subchapter S
11 corporation and except as adjusted by subsection (d-1), shall
12 be an additional amount equal to 2.85% of such taxpayer's net
13 income for the taxable year, except that beginning on January
14 1, 1981, and thereafter, the rate of 2.85% specified in this
15 subsection shall be reduced to 2.5%, and in the case of a
16 partnership, trust or a Subchapter S corporation shall be an
17 additional amount equal to 1.5% of such taxpayer's net income
18 for the taxable year.

19 (d-1) Rate reduction for certain foreign insurers. In the
20 case of a foreign insurer, as defined by Section 35A-5 of the
21 Illinois Insurance Code, whose state or country of domicile
22 imposes on insurers domiciled in Illinois a retaliatory tax
23 (excluding any insurer whose premiums from reinsurance assumed
24 are 50% or more of its total insurance premiums as determined
25 under paragraph (2) of subsection (b) of Section 304, except
26 that for purposes of this determination premiums from

1 reinsurance do not include premiums from inter-affiliate
2 reinsurance arrangements), beginning with taxable years ending
3 on or after December 31, 1999, the sum of the rates of tax
4 imposed by subsections (b) and (d) shall be reduced (but not
5 increased) to the rate at which the total amount of tax imposed
6 under this Act, net of all credits allowed under this Act,
7 shall equal (i) the total amount of tax that would be imposed
8 on the foreign insurer's net income allocable to Illinois for
9 the taxable year by such foreign insurer's state or country of
10 domicile if that net income were subject to all income taxes
11 and taxes measured by net income imposed by such foreign
12 insurer's state or country of domicile, net of all credits
13 allowed or (ii) a rate of zero if no such tax is imposed on such
14 income by the foreign insurer's state of domicile. For the
15 purposes of this subsection (d-1), an inter-affiliate includes
16 a mutual insurer under common management.

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

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

23 (B) the privilege tax imposed by Section 409 of the
24 Illinois Insurance Code, the fire insurance company
25 tax imposed by Section 12 of the Fire Investigation
26 Act, and the fire department taxes imposed under

1 Section 11-10-1 of the Illinois Municipal Code,
2 equals 1.25% for taxable years ending prior to December 31,
3 2003, or 1.75% for taxable years ending on or after
4 December 31, 2003, of the net taxable premiums written for
5 the taxable year, as described by subsection (1) of Section
6 409 of the Illinois Insurance Code. This paragraph will in
7 no event increase the rates imposed under subsections (b)
8 and (d).

9 (2) Any reduction in the rates of tax imposed by this
10 subsection shall be applied first against the rates imposed
11 by subsection (b) and only after the tax imposed by
12 subsection (a) net of all credits allowed under this
13 Section other than the credit allowed under subsection (i)
14 has been reduced to zero, against the rates imposed by
15 subsection (d).

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

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

21 (1) A taxpayer shall be allowed a credit equal to .5%
22 of the basis of qualified property placed in service during
23 the taxable year, provided such property is placed in
24 service on or after July 1, 1984. There shall be allowed an
25 additional credit equal to .5% of the basis of qualified
26 property placed in service during the taxable year,

1 provided such property is placed in service on or after
2 July 1, 1986, and the taxpayer's base employment within
3 Illinois has increased by 1% or more over the preceding
4 year as determined by the taxpayer's employment records
5 filed with the Illinois Department of Employment Security.
6 Taxpayers who are new to Illinois shall be deemed to have
7 met the 1% growth in base employment for the first year in
8 which they file employment records with the Illinois
9 Department of Employment Security. The provisions added to
10 this Section by Public Act 85-1200 (and restored by Public
11 Act 87-895) shall be construed as declaratory of existing
12 law and not as a new enactment. If, in any year, the
13 increase in base employment within Illinois over the
14 preceding year is less than 1%, the additional credit shall
15 be limited to that percentage times a fraction, the
16 numerator of which is .5% and the denominator of which is
17 1%, but shall not exceed .5%. The investment credit shall
18 not be allowed to the extent that it would reduce a
19 taxpayer's liability in any tax year below zero, nor may
20 any credit for qualified property be allowed for any year
21 other than the year in which the property was placed in
22 service in Illinois. For tax years ending on or after
23 December 31, 1987, and on or before December 31, 1988, the
24 credit shall be allowed for the tax year in which the
25 property is placed in service, or, if the amount of the
26 credit exceeds the tax liability for that year, whether it

1 exceeds the original liability or the liability as later
2 amended, such excess may be carried forward and applied to
3 the tax liability of the 5 taxable years following the
4 excess credit years if the taxpayer (i) makes investments
5 which cause the creation of a minimum of 2,000 full-time
6 equivalent jobs in Illinois, (ii) is located in an
7 enterprise zone established pursuant to the Illinois
8 Enterprise Zone Act and (iii) is certified by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity) as
11 complying with the requirements specified in clause (i) and
12 (ii) by July 1, 1986. The Department of Commerce and
13 Community Affairs (now Department of Commerce and Economic
14 Opportunity) shall notify the Department of Revenue of all
15 such certifications immediately. For tax years ending
16 after December 31, 1988, the credit shall be allowed for
17 the tax year in which the property is placed in service,
18 or, if the amount of the credit exceeds the tax liability
19 for that year, whether it exceeds the original liability or
20 the liability as later amended, such excess may be carried
21 forward and applied to the tax liability of the 5 taxable
22 years following the excess credit years. The credit shall
23 be applied to the earliest year for which there is a
24 liability. If there is credit from more than one tax year
25 that is available to offset a liability, earlier credit
26 shall be applied first.

1 (2) The term "qualified property" means property
2 which:

3 (A) is tangible, whether new or used, including
4 buildings and structural components of buildings and
5 signs that are real property, but not including land or
6 improvements to real property that are not a structural
7 component of a building such as landscaping, sewer
8 lines, local access roads, fencing, parking lots, and
9 other appurtenances;

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

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

17 (D) is used in Illinois by a taxpayer who is
18 primarily engaged in manufacturing, or in mining coal
19 or fluorite, or in retailing, or was placed in service
20 on or after July 1, 2006 in a River Edge Redevelopment
21 Zone established pursuant to the River Edge
22 Redevelopment Zone Act; and

23 (E) has not previously been used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (e) or
26 subsection (f).

1 (3) For purposes of this subsection (e),
2 "manufacturing" means the material staging and production
3 of tangible personal property by procedures commonly
4 regarded as manufacturing, processing, fabrication, or
5 assembling which changes some existing material into new
6 shapes, new qualities, or new combinations. For purposes of
7 this subsection (e) the term "mining" shall have the same
8 meaning as the term "mining" in Section 613(c) of the
9 Internal Revenue Code. For purposes of this subsection (e),
10 the term "retailing" means the sale of tangible personal
11 property for use or consumption and not for resale, or
12 services rendered in conjunction with the sale of tangible
13 personal property for use or consumption and not for
14 resale. For purposes of this subsection (e), "tangible
15 personal property" has the same meaning as when that term
16 is used in the Retailers' Occupation Tax Act, and, for
17 taxable years ending after December 31, 2008, does not
18 include the generation, transmission, or distribution of
19 electricity.

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

23 (5) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed
25 in service in Illinois 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 (6) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (7) 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 Illinois within 48
8 months after being placed in service, the Personal Property
9 Tax Replacement Income Tax for such taxable year shall be
10 increased. Such increase shall be determined by (i)
11 recomputing the investment credit which would have been
12 allowed for the year in which credit for such property was
13 originally allowed by eliminating such property from such
14 computation and, (ii) subtracting such recomputed credit
15 from the amount of credit previously allowed. For the
16 purposes of this paragraph (7), a reduction of the basis of
17 qualified property resulting from a redetermination of the
18 purchase price shall be deemed a disposition of qualified
19 property to the extent of such reduction.

20 (8) Unless the investment credit is extended by law,
21 the basis of qualified property shall not include costs
22 incurred after December 31, 2018, except for costs incurred
23 pursuant to a binding contract entered into on or before
24 December 31, 2018.

25 (9) Each taxable year ending before December 31, 2000,
26 a partnership may elect to pass through to its partners the

1 credits to which the partnership is entitled under this
2 subsection (e) for the taxable year. A partner may use the
3 credit allocated to him or her under this paragraph only
4 against the tax imposed in subsections (c) and (d) of this
5 Section. If the partnership makes that election, those
6 credits shall be allocated among the partners in the
7 partnership in accordance with the rules set forth in
8 Section 704(b) of the Internal Revenue Code, and the rules
9 promulgated under that Section, and the allocated amount of
10 the credits shall be allowed to the partners for that
11 taxable year. The partnership shall make this election on
12 its Personal Property Tax Replacement Income Tax return for
13 that taxable year. The election to pass through the credits
14 shall be irrevocable.

15 For taxable years ending on or after December 31, 2000,
16 a partner that qualifies its partnership for a subtraction
17 under subparagraph (I) of paragraph (2) of subsection (d)
18 of Section 203 or a shareholder that qualifies a Subchapter
19 S corporation for a subtraction under subparagraph (S) of
20 paragraph (2) of subsection (b) of Section 203 shall be
21 allowed a credit under this subsection (e) equal to its
22 share of the credit earned under this subsection (e) during
23 the taxable year by the partnership or Subchapter S
24 corporation, determined in accordance with the
25 determination of income and distributive share of income
26 under Sections 702 and 704 and Subchapter S of the Internal

1 Revenue Code. This paragraph is exempt from the provisions
2 of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge
4 Redevelopment Zone.

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

1 31, 1985, the credit shall be allowed for the tax year in
2 which the property is placed in service, or, if the amount
3 of the credit exceeds the tax liability for that year,
4 whether it exceeds the original liability or the liability
5 as later amended, such excess may be carried forward and
6 applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit shall be
8 applied to the earliest year for which there is a
9 liability. If there is credit from more than one tax year
10 that is available to offset a liability, the credit
11 accruing first in time shall be applied first.

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

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

15 (B) is depreciable pursuant to Section 167 of the
16 Internal Revenue Code, except that "3-year property"
17 as defined in Section 168(c)(2)(A) of that Code is not
18 eligible for the credit provided by this subsection
19 (f);

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

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

24 (E) has not been previously used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (f) or

1 subsection (e).

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

5 (4) If the basis of the property for federal income tax
6 depreciation purposes is increased after it has been placed
7 in service in the Enterprise Zone or River Edge
8 Redevelopment Zone by the taxpayer, the amount of such
9 increase shall be deemed property placed in service on the
10 date of such increase in basis.

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

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

1 qualified property resulting from a redetermination of the
2 purchase price shall be deemed a disposition of qualified
3 property to the extent of such reduction.

4 (7) There shall be allowed an additional credit equal
5 to 0.5% of the basis of qualified property placed in
6 service during the taxable year in a River Edge
7 Redevelopment Zone, provided such property is placed in
8 service on or after July 1, 2006, and the taxpayer's base
9 employment within Illinois has increased by 1% or more over
10 the preceding year as determined by the taxpayer's
11 employment records filed with the Illinois Department of
12 Employment Security. Taxpayers who are new to Illinois
13 shall be deemed to have met the 1% growth in base
14 employment for the first year in which they file employment
15 records with the Illinois Department of Employment
16 Security. If, in any year, the increase in base employment
17 within Illinois over the preceding year is less than 1%,
18 the additional credit shall be limited to that percentage
19 times a fraction, the numerator of which is 0.5% and the
20 denominator of which is 1%, but shall not exceed 0.5%.

21 (8) For taxable years beginning on or after the
22 effective date of this amendatory Act of the 101st General
23 Assembly, there shall be allowed an Enterprise Zone
24 construction jobs credit against the taxes imposed under
25 subsections (a) and (b) of this Section as provided in
26 Section 13 of the Illinois Enterprise Zone Act.

1 The credit or credits may not reduce the taxpayer's
2 liability to less than zero. If the amount of the credit or
3 credits exceeds the taxpayer's liability, the excess may be
4 carried forward and applied against the taxpayer's
5 liability in succeeding calendar years in the same manner
6 provided under paragraph (4) of Section 211 of this Act.
7 The credit or credits shall be applied to the earliest year
8 for which there is a tax liability. If there are credits
9 from more than one taxable year that are available to
10 offset a liability, the earlier credit shall be applied
11 first.

12 For partners, shareholders of Subchapter S
13 corporations, and owners of limited liability companies,
14 if the liability company is treated as a partnership for
15 the purposes of federal and State income taxation, there
16 shall be allowed a credit under this Section to be
17 determined in accordance with the determination of income
18 and distributive share of income under Sections 702 and 704
19 and Subchapter S of the Internal Revenue Code.

20 This paragraph (8) is exempt from the provisions of
21 Section 250.

22 (g) (Blank).

23 (h) Investment credit; High Impact Business.

24 (1) Subject to subsections (b) and (b-5) of Section 5.5
25 of the Illinois Enterprise Zone Act, a taxpayer shall be
26 allowed a credit against the tax imposed by subsections (a)

1 and (b) of this Section for investment in qualified
2 property which is placed in service by a Department of
3 Commerce and Economic Opportunity designated High Impact
4 Business. The credit shall be .5% of the basis for such
5 property. The credit shall not be available (i) until the
6 minimum investments in qualified property set forth in
7 subdivision (a)(3)(A) of Section 5.5 of the Illinois
8 Enterprise Zone Act have been satisfied or (ii) until the
9 time authorized in subsection (b-5) of the Illinois
10 Enterprise Zone Act for entities designated as High Impact
11 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
12 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
13 Act, and shall not be allowed to the extent that it would
14 reduce a taxpayer's liability for the tax imposed by
15 subsections (a) and (b) of this Section to below zero. The
16 credit applicable to such investments shall be taken in the
17 taxable year in which such investments have been completed.
18 The credit for additional investments beyond the minimum
19 investment by a designated high impact business authorized
20 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
21 Enterprise Zone Act shall be available only in the taxable
22 year in which the property is placed in service and shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability for the tax imposed by subsections (a)
25 and (b) of this Section to below zero. For tax years ending
26 on or after December 31, 1987, the credit shall be allowed

1 for the tax year in which the property is placed in
2 service, or, if the amount of the credit exceeds the tax
3 liability for that year, whether it exceeds the original
4 liability or the liability as later amended, such excess
5 may be carried forward and applied to the tax liability of
6 the 5 taxable years following the excess credit year. The
7 credit shall be applied to the earliest year for which
8 there is a liability. If there is credit from more than one
9 tax year that is available to offset a liability, the
10 credit accruing first in time shall be applied first.

11 Changes made in this subdivision (h) (1) by Public Act
12 88-670 restore changes made by Public Act 85-1182 and
13 reflect existing law.

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

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

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c) (2) (A) of that Code is not
20 eligible for the credit provided by this subsection
21 (h);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code; and

24 (D) is not eligible for the Enterprise Zone
25 Investment Credit provided by subsection (f) of this
26 Section.

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

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

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

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

1 redetermination of the purchase price shall be deemed a
2 disposition of qualified property to the extent of such
3 reduction.

4 (7) Beginning with tax years ending after December 31,
5 1996, if a taxpayer qualifies for the credit under this
6 subsection (h) and thereby is granted a tax abatement and
7 the taxpayer relocates its entire facility in violation of
8 the explicit terms and length of the contract under Section
9 18-183 of the Property Tax Code, the tax imposed under
10 subsections (a) and (b) of this Section shall be increased
11 for the taxable year in which the taxpayer relocated its
12 facility by an amount equal to the amount of credit
13 received by the taxpayer under this subsection (h).

14 (h-5) High Impact Business constructions jobs credit. For
15 taxable years beginning on or after the effective date of this
16 amendatory Act of the 101st General Assembly, there shall also
17 be allowed a High Impact Business construction jobs credit
18 against the tax imposed under subsections (a) and (b) of this
19 Section as provided in subsections (i) and (j) of Section 5.5
20 of the Illinois Enterprise Zone Act.

21 The credit or credits may not reduce the taxpayer's
22 liability to less than zero. If the amount of the credit or
23 credits exceeds the taxpayer's liability, the excess may be
24 carried forward and applied against the taxpayer's liability in
25 succeeding calendar years in the manner provided under
26 paragraph (4) of Section 211 of this Act. The credit or credits

1 shall be applied to the earliest year for which there is a tax
2 liability. If there are credits from more than one taxable year
3 that are available to offset a liability, the earlier credit
4 shall be applied first.

5 For partners, shareholders of Subchapter S corporations,
6 and owners of limited liability companies, if the liability
7 company is treated as a partnership for the purposes of federal
8 and State income taxation, there shall be allowed a credit
9 under this Section to be determined in accordance with the
10 determination of income and distributive share of income under
11 Sections 702 and 704 and Subchapter S of the Internal Revenue
12 Code.

13 This subsection (h-5) is exempt from the provisions of
14 Section 250.

15 (i) Credit for Personal Property Tax Replacement Income
16 Tax. For tax years ending prior to December 31, 2003, a credit
17 shall be allowed against the tax imposed by subsections (a) and
18 (b) of this Section for the tax imposed by subsections (c) and
19 (d) of this Section. This credit shall be computed by
20 multiplying the tax imposed by subsections (c) and (d) of this
21 Section by a fraction, the numerator of which is base income
22 allocable to Illinois and the denominator of which is Illinois
23 base income, and further multiplying the product by the tax
24 rate imposed by subsections (a) and (b) of this Section.

25 Any credit earned on or after December 31, 1986 under this
26 subsection which is unused in the year the credit is computed

1 because it exceeds the tax liability imposed by subsections (a)
2 and (b) for that year (whether it exceeds the original
3 liability or the liability as later amended) may be carried
4 forward and applied to the tax liability imposed by subsections
5 (a) and (b) of the 5 taxable years following the excess credit
6 year, provided that no credit may be carried forward to any
7 year ending on or after December 31, 2003. This credit shall be
8 applied first to the earliest year for which there is a
9 liability. If there is a credit under this subsection from more
10 than one tax year that is available to offset a liability the
11 earliest credit arising under this subsection shall be applied
12 first.

13 If, during any taxable year ending on or after December 31,
14 1986, the tax imposed by subsections (c) and (d) of this
15 Section for which a taxpayer has claimed a credit under this
16 subsection (i) is reduced, the amount of credit for such tax
17 shall also be reduced. Such reduction shall be determined by
18 recomputing the credit to take into account the reduced tax
19 imposed by subsections (c) and (d). If any portion of the
20 reduced amount of credit has been carried to a different
21 taxable year, an amended return shall be filed for such taxable
22 year to reduce the amount of credit claimed.

23 (j) Training expense credit. Beginning with tax years
24 ending on or after December 31, 1986 and prior to December 31,
25 2003, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) under this Section for all

1 amounts paid or accrued, on behalf of all persons employed by
2 the taxpayer in Illinois or Illinois residents employed outside
3 of Illinois by a taxpayer, for educational or vocational
4 training in semi-technical or technical fields or semi-skilled
5 or skilled fields, which were deducted from gross income in the
6 computation of taxable income. The credit against the tax
7 imposed by subsections (a) and (b) shall be 1.6% of such
8 training expenses. For partners, shareholders of subchapter S
9 corporations, and owners of limited liability companies, if the
10 liability company is treated as a partnership for purposes of
11 federal and State income taxation, there shall be allowed a
12 credit under this subsection (j) to be determined in accordance
13 with the determination of income and distributive share of
14 income under Sections 702 and 704 and subchapter S of the
15 Internal Revenue Code.

16 Any credit allowed under this subsection which is unused in
17 the year the credit is earned may be carried forward to each of
18 the 5 taxable years following the year for which the credit is
19 first computed until it is used. This credit shall be applied
20 first to the earliest year for which there is a liability. If
21 there is a credit under this subsection from more than one tax
22 year that is available to offset a liability the earliest
23 credit arising under this subsection shall be applied first. No
24 carryforward credit may be claimed in any tax year ending on or
25 after December 31, 2003.

26 (k) Research and development credit. For tax years ending

1 after July 1, 1990 and prior to December 31, 2003, and
2 beginning again for tax years ending on or after December 31,
3 2004, and ending prior to January 1, 2022, a taxpayer shall be
4 allowed a credit against the tax imposed by subsections (a) and
5 (b) of this Section for increasing research activities in this
6 State. The credit allowed against the tax imposed by
7 subsections (a) and (b) shall be equal to 6 1/2% of the
8 qualifying expenditures for increasing research activities in
9 this State. For partners, shareholders of subchapter S
10 corporations, and owners of limited liability companies, if the
11 liability company is treated as a partnership for purposes of
12 federal and State income taxation, there shall be allowed a
13 credit under this subsection to be determined in accordance
14 with the determination of income and distributive share of
15 income under Sections 702 and 704 and subchapter S of the
16 Internal Revenue Code.

17 For purposes of this subsection, "qualifying expenditures"
18 means the qualifying expenditures as defined for the federal
19 credit for increasing research activities which would be
20 allowable under Section 41 of the Internal Revenue Code and
21 which are conducted in this State, "qualifying expenditures for
22 increasing research activities in this State" means the excess
23 of qualifying expenditures for the taxable year in which
24 incurred over qualifying expenditures for the base period,
25 "qualifying expenditures for the base period" means the average
26 of the qualifying expenditures for each year in the base

1 period, and "base period" means the 3 taxable years immediately
2 preceding the taxable year for which the determination is being
3 made.

4 Any credit in excess of the tax liability for the taxable
5 year may be carried forward. A taxpayer may elect to have the
6 unused credit shown on its final completed return carried over
7 as a credit against the tax liability for the following 5
8 taxable years or until it has been fully used, whichever occurs
9 first; provided that no credit earned in a tax year ending
10 prior to December 31, 2003 may be carried forward to any year
11 ending on or after December 31, 2003.

12 If an unused credit is carried forward to a given year from
13 2 or more earlier years, that credit arising in the earliest
14 year will be applied first against the tax liability for the
15 given year. If a tax liability for the given year still
16 remains, the credit from the next earliest year will then be
17 applied, and so on, until all credits have been used or no tax
18 liability for the given year remains. Any remaining unused
19 credit or credits then will be carried forward to the next
20 following year in which a tax liability is incurred, except
21 that no credit can be carried forward to a year which is more
22 than 5 years after the year in which the expense for which the
23 credit is given was incurred.

24 No inference shall be drawn from this amendatory Act of the
25 91st General Assembly in construing this Section for taxable
26 years beginning before January 1, 1999.

1 It is the intent of the General Assembly that the research
2 and development credit under this subsection (k) shall apply
3 continuously for all tax years ending on or after December 31,
4 2004 and ending prior to January 1, 2022, including, but not
5 limited to, the period beginning on January 1, 2016 and ending
6 on the effective date of this amendatory Act of the 100th
7 General Assembly. All actions taken in reliance on the
8 continuation of the credit under this subsection (k) by any
9 taxpayer are hereby validated.

10 (1) Environmental Remediation Tax Credit.

11 (i) For tax years ending after December 31, 1997 and on
12 or before December 31, 2001, a taxpayer shall be allowed a
13 credit against the tax imposed by subsections (a) and (b)
14 of this Section for certain amounts paid for unreimbursed
15 eligible remediation costs, as specified in this
16 subsection. For purposes of this Section, "unreimbursed
17 eligible remediation costs" means costs approved by the
18 Illinois Environmental Protection Agency ("Agency") under
19 Section 58.14 of the Environmental Protection Act that were
20 paid in performing environmental remediation at a site for
21 which a No Further Remediation Letter was issued by the
22 Agency and recorded under Section 58.10 of the
23 Environmental Protection Act. The credit must be claimed
24 for the taxable year in which Agency approval of the
25 eligible remediation costs is granted. The credit is not
26 available to any taxpayer if the taxpayer or any related

1 party caused or contributed to, in any material respect, a
2 release of regulated substances on, in, or under the site
3 that was identified and addressed by the remedial action
4 pursuant to the Site Remediation Program of the
5 Environmental Protection Act. After the Pollution Control
6 Board rules are adopted pursuant to the Illinois
7 Administrative Procedure Act for the administration and
8 enforcement of Section 58.9 of the Environmental
9 Protection Act, determinations as to credit availability
10 for purposes of this Section shall be made consistent with
11 those rules. For purposes of this Section, "taxpayer"
12 includes a person whose tax attributes the taxpayer has
13 succeeded to under Section 381 of the Internal Revenue Code
14 and "related party" includes the persons disallowed a
15 deduction for losses by paragraphs (b), (c), and (f)(1) of
16 Section 267 of the Internal Revenue Code by virtue of being
17 a related taxpayer, as well as any of its partners. The
18 credit allowed against the tax imposed by subsections (a)
19 and (b) shall be equal to 25% of the unreimbursed eligible
20 remediation costs in excess of \$100,000 per site, except
21 that the \$100,000 threshold shall not apply to any site
22 contained in an enterprise zone as determined by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity). The
25 total credit allowed shall not exceed \$40,000 per year with
26 a maximum total of \$150,000 per site. For partners and

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

6 (ii) A credit allowed under this subsection that is
7 unused in the year the credit is earned may be carried
8 forward to each of the 5 taxable years following the year
9 for which the credit is first earned until it is used. The
10 term "unused credit" does not include any amounts of
11 unreimbursed eligible remediation costs in excess of the
12 maximum credit per site authorized under paragraph (i).
13 This credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available to
16 offset a liability, the earliest credit arising under this
17 subsection shall be applied first. A credit allowed under
18 this subsection may be sold to a buyer as part of a sale of
19 all or part of the remediation site for which the credit
20 was granted. The purchaser of a remediation site and the
21 tax credit shall succeed to the unused credit and remaining
22 carry-forward period of the seller. To perfect the
23 transfer, the assignor shall record the transfer in the
24 chain of title for the site and provide written notice to
25 the Director of the Illinois Department of Revenue of the
26 assignor's intent to sell the remediation site and the

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

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

8 (m) Education expense credit. Beginning with tax years
9 ending after December 31, 1999, a taxpayer who is the custodian
10 of one or more qualifying pupils shall be allowed a credit
11 against the tax imposed by subsections (a) and (b) of this
12 Section for qualified education expenses incurred on behalf of
13 the qualifying pupils. The credit shall be equal to 25% of
14 qualified education expenses, but in no event may the total
15 credit under this subsection claimed by a family that is the
16 custodian of qualifying pupils exceed (i) \$500 for tax years
17 ending prior to December 31, 2017, and (ii) \$750 for tax years
18 ending on or after December 31, 2017. In no event shall a
19 credit under this subsection reduce the taxpayer's liability
20 under this Act to less than zero. Notwithstanding any other
21 provision of law, for taxable years beginning on or after
22 January 1, 2017, no taxpayer may claim a credit under this
23 subsection (m) if the taxpayer's adjusted gross income for the
24 taxable year exceeds (i) \$500,000, in the case of spouses
25 filing a joint federal tax return or (ii) \$250,000, in the case
26 of all other taxpayers. This subsection is exempt from the

1 provisions of Section 250 of this Act.

2 For purposes of this subsection:

3 "Qualifying pupils" means individuals who (i) are
4 residents of the State of Illinois, (ii) are under the age of
5 21 at the close of the school year for which a credit is
6 sought, and (iii) during the school year for which a credit is
7 sought were full-time pupils enrolled in a kindergarten through
8 twelfth grade education program at any school, as defined in
9 this subsection.

10 "Qualified education expense" means the amount incurred on
11 behalf of a qualifying pupil in excess of \$250 for tuition,
12 book fees, and lab fees at the school in which the pupil is
13 enrolled during the regular school year.

14 "School" means any public or nonpublic elementary or
15 secondary school in Illinois that is in compliance with Title
16 VI of the Civil Rights Act of 1964 and attendance at which
17 satisfies the requirements of Section 26-1 of the School Code,
18 except that nothing shall be construed to require a child to
19 attend any particular public or nonpublic school to qualify for
20 the credit under this Section.

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

24 (n) River Edge Redevelopment Zone site remediation tax
25 credit.

26 (i) For tax years ending on or after December 31, 2006,

1 a taxpayer shall be allowed a credit against the tax
2 imposed by subsections (a) and (b) of this Section for
3 certain amounts paid for unreimbursed eligible remediation
4 costs, as specified in this subsection. For purposes of
5 this Section, "unreimbursed eligible remediation costs"
6 means costs approved by the Illinois Environmental
7 Protection Agency ("Agency") under Section 58.14a of the
8 Environmental Protection Act that were paid in performing
9 environmental remediation at a site within a River Edge
10 Redevelopment Zone for which a No Further Remediation
11 Letter was issued by the Agency and recorded under Section
12 58.10 of the Environmental Protection Act. The credit must
13 be claimed for the taxable year in which Agency approval of
14 the eligible remediation costs is granted. The credit is
15 not available to any taxpayer if the taxpayer or any
16 related party caused or contributed to, in any material
17 respect, a release of regulated substances on, in, or under
18 the site that was identified and addressed by the remedial
19 action 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 (ii) 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 the Illinois Department of Revenue of the

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

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

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

19 (1) the medical cannabis cultivation center
20 registration, medical cannabis dispensary registration, or
21 the property of a registration is transferred as a result
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt
24 adjustment initiated by or against the initial
25 registration or the substantial owners of the initial
26 registration;

1 (B) cancellation, revocation, or termination of
2 any registration by the Illinois Department of Public
3 Health;

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

9 (D) the death of an owner of the equity interest in
10 a registrant;

11 (E) the acquisition of a controlling interest in
12 the stock or substantially all of the assets of a
13 publicly traded company;

14 (F) a transfer by a parent company to a wholly
15 owned subsidiary; or

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

20 (2) the cannabis cultivation center registration,
21 medical cannabis dispensary registration, or the
22 controlling interest in a registrant's property is
23 transferred in a transaction to lineal descendants in which
24 no gain or loss is recognized or as a result of a
25 transaction in accordance with Section 351 of the Internal
26 Revenue Code in which no gain or loss is recognized.

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

2 (35 ILCS 5/211)

3 Sec. 211. Economic Development for a Growing Economy Tax
4 Credit. For tax years beginning on or after January 1, 1999, a
5 Taxpayer who has entered into an Agreement (including a New
6 Construction EDGE Agreement) under the Economic Development
7 for a Growing Economy Tax Credit Act is entitled to a credit
8 against the taxes imposed under subsections (a) and (b) of
9 Section 201 of this Act in an amount to be determined in the
10 Agreement. If the Taxpayer is a partnership or Subchapter S
11 corporation, the credit shall be allowed to the partners or
12 shareholders in accordance with the determination of income and
13 distributive share of income under Sections 702 and 704 and
14 subchapter S of the Internal Revenue Code. The Department, in
15 cooperation with the Department of Commerce and Economic
16 Opportunity, shall prescribe rules to enforce and administer
17 the provisions of this Section. This Section is exempt from the
18 provisions of Section 250 of this Act.

19 The credit shall be subject to the conditions set forth in
20 the Agreement and the following limitations:

21 (1) The tax credit shall not exceed the Incremental
22 Income Tax (as defined in Section 5-5 of the Economic
23 Development for a Growing Economy Tax Credit Act) with
24 respect to the project; additionally, the New Construction
25 EDGE Credit shall not exceed the New Construction EDGE

1 Incremental Income Tax (as defined in Section 5-5 of the
2 Economic Development for a Growing Economy Tax Credit Act).

3 (2) The amount of the credit allowed during the tax
4 year plus the sum of all amounts allowed in prior years
5 shall not exceed 100% of the aggregate amount expended by
6 the Taxpayer during all prior tax years on approved costs
7 defined by Agreement.

8 (3) The amount of the credit shall be determined on an
9 annual basis. Except as applied in a carryover year
10 pursuant to Section 211(4) of this Act, the credit may not
11 be applied against any State income tax liability in more
12 than 10 taxable years; provided, however, that (i) an
13 eligible business certified by the Department of Commerce
14 and Economic Opportunity under the Corporate Headquarters
15 Relocation Act may not apply the credit against any of its
16 State income tax liability in more than 15 taxable years
17 and (ii) credits allowed to that eligible business are
18 subject to the conditions and requirements set forth in
19 Sections 5-35 and 5-45 of the Economic Development for a
20 Growing Economy Tax Credit Act and Section 5-51 as
21 applicable to New Construction EDGE Credits.

22 (4) The credit may not exceed the amount of taxes
23 imposed pursuant to subsections (a) and (b) of Section 201
24 of this Act. Any credit that is unused in the year the
25 credit is computed may be carried forward and applied to
26 the tax liability of the 5 taxable years following the

1 excess credit year. The credit shall be applied to the
2 earliest year for which there is a tax liability. If there
3 are credits from more than one tax year that are available
4 to offset a liability, the earlier credit shall be applied
5 first.

6 (5) No credit shall be allowed with respect to any
7 Agreement for any taxable year ending after the
8 Noncompliance Date. Upon receiving notification by the
9 Department of Commerce and Economic Opportunity of the
10 noncompliance of a Taxpayer with an Agreement, the
11 Department shall notify the Taxpayer that no credit is
12 allowed with respect to that Agreement for any taxable year
13 ending after the Noncompliance Date, as stated in such
14 notification. If any credit has been allowed with respect
15 to an Agreement for a taxable year ending after the
16 Noncompliance Date for that Agreement, any refund paid to
17 the Taxpayer for that taxable year shall, to the extent of
18 that credit allowed, be an erroneous refund within the
19 meaning of Section 912 of this Act.

20 (6) For purposes of this Section, the terms
21 "Agreement", "Incremental Income Tax", "New Construction
22 EDGE Agreement", "New Construction EDGE Credit", "New
23 Construction EDGE Incremental Income Tax", and
24 "Noncompliance Date" have the same meaning as when used in
25 the Economic Development for a Growing Economy Tax Credit
26 Act.

1 (Source: P.A. 94-793, eff. 5-19-06.)

2 (35 ILCS 5/221)

3 Sec. 221. Rehabilitation costs; qualified historic
4 properties; River Edge Redevelopment Zone.

5 (a) For taxable years that begin on or after January 1,
6 2012 and begin prior to January 1, 2018, there shall be allowed
7 a tax credit against the tax imposed by subsections (a) and (b)
8 of Section 201 of this Act in an amount equal to 25% of
9 qualified expenditures incurred by a qualified taxpayer during
10 the taxable year in the restoration and preservation of a
11 qualified historic structure located in a River Edge
12 Redevelopment Zone pursuant to a qualified rehabilitation
13 plan, provided that the total amount of such expenditures (i)
14 must equal \$5,000 or more and (ii) must exceed 50% of the
15 purchase price of the property.

16 (a-1) For taxable years that begin on or after January 1,
17 2018 and end prior to January 1, 2022, there shall be allowed a
18 tax credit against the tax imposed by subsections (a) and (b)
19 of Section 201 of this Act in an aggregate amount equal to 25%
20 of qualified expenditures incurred by a qualified taxpayer in
21 the restoration and preservation of a qualified historic
22 structure located in a River Edge Redevelopment Zone pursuant
23 to a qualified rehabilitation plan, provided that the total
24 amount of such expenditures must (i) equal \$5,000 or more and
25 (ii) exceed the adjusted basis of the qualified historic

1 structure on the first day the qualified rehabilitation plan
2 begins. For any rehabilitation project, regardless of duration
3 or number of phases, the project's compliance with the
4 foregoing provisions (i) and (ii) shall be determined based on
5 the aggregate amount of qualified expenditures for the entire
6 project and may include expenditures incurred under subsection
7 (a), this subsection, or both subsection (a) and this
8 subsection. If the qualified rehabilitation plan spans
9 multiple years, the aggregate credit for the entire project
10 shall be allowed in the last taxable year, except for phased
11 rehabilitation projects, which may receive credits upon
12 completion of each phase. Before obtaining the first phased
13 credit: (A) the total amount of such expenditures must meet the
14 requirements of provisions (i) and (ii) of this subsection; (B)
15 the rehabilitated portion of the qualified historic structure
16 must be placed in service; and (C) the requirements of
17 subsection (b) must be met.

18 (a-2) For taxable years beginning on or after the effective
19 date of this amendatory Act of the 101st General Assembly and
20 ending prior to January 1, 2022, there shall be allowed a tax
21 credit against the tax imposed by subsections (a) and (b) of
22 Section 201 as provided in Section 10-10.3 of the River Edge
23 Redevelopment Zone Act. The credit allowed under this
24 subsection (a-2) shall apply only to taxpayers that make a
25 capital investment of at least \$1,000,000 in a qualified
26 rehabilitation plan.

1 The credit or credits may not reduce the taxpayer's
2 liability to less than zero. If the amount of the credit or
3 credits exceeds the taxpayer's liability, the excess may be
4 carried forward and applied against the taxpayer's liability in
5 succeeding calendar years in the manner provided under
6 paragraph (4) of Section 211 of this Act. The credit or credits
7 shall be applied to the earliest year for which there is a tax
8 liability. If there are credits from more than one taxable year
9 that are available to offset a liability, the earlier credit
10 shall be applied first.

11 For partners, shareholders of Subchapter S corporations,
12 and owners of limited liability companies, if the liability
13 company is treated as a partnership for the purposes of federal
14 and State income taxation, there shall be allowed a credit
15 under this Section to be determined in accordance with the
16 determination of income and distributive share of income under
17 Sections 702 and 704 and Subchapter S of the Internal Revenue
18 Code.

19 (b) To obtain a tax credit pursuant to this Section, the
20 taxpayer must apply with the Department of Natural Resources.
21 The Department of Natural Resources shall determine the amount
22 of eligible rehabilitation costs and expenses in addition to
23 the amount of the River Edge construction jobs credit within 45
24 days of receipt of a complete application. The taxpayer must
25 submit a certification of costs prepared by an independent
26 certified public accountant that certifies (i) the project

1 expenses, (ii) whether those expenses are qualified
2 expenditures, and (iii) that the qualified expenditures exceed
3 the adjusted basis of the qualified historic structure on the
4 first day the qualified rehabilitation plan commenced. The
5 Department of Natural Resources is authorized, but not
6 required, to accept this certification of costs to determine
7 the amount of qualified expenditures and the amount of the
8 credit. The Department of Natural Resources shall provide
9 guidance as to the minimum standards to be followed in the
10 preparation of such certification. The Department of Natural
11 Resources and the National Park Service shall determine whether
12 the rehabilitation is consistent with the United States
13 Secretary of the Interior's Standards for Rehabilitation.

14 (b-1) Upon completion of the project and approval of the
15 complete application, the Department of Natural Resources
16 shall issue a single certificate in the amount of the eligible
17 credits equal to 25% of qualified expenditures incurred during
18 the eligible taxable years, as defined in subsections (a) and
19 (a-1), excepting any credits awarded under subsection (a) prior
20 to January 1, 2019 (the effective date of Public Act 100-629)
21 ~~this amendatory Act of the 100th General Assembly~~ and any
22 phased credits issued prior to the eligible taxable year under
23 subsection (a-1). At the time the certificate is issued, an
24 issuance fee up to the maximum amount of 2% of the amount of
25 the credits issued by the certificate may be collected from the
26 applicant to administer the provisions of this Section. If

1 collected, this issuance fee shall be deposited into the
2 Historic Property Administrative Fund, a special fund created
3 in the State treasury. Subject to appropriation, moneys in the
4 Historic Property Administrative Fund shall be provided to the
5 Department of Natural Resources as reimbursement ~~Department of~~
6 ~~Natural Resources~~ for the costs associated with administering
7 this Section.

8 (c) The taxpayer must attach the certificate to the tax
9 return on which the credits are to be claimed. The tax credit
10 under this Section may not reduce the taxpayer's liability to
11 less than zero. If the amount of the credit exceeds the tax
12 liability for the year, the excess credit may be carried
13 forward and applied to the tax liability of the 5 taxable years
14 following the excess credit year.

15 (c-1) Subject to appropriation, moneys in the Historic
16 Property Administrative Fund shall be used, on a biennial basis
17 beginning at the end of the second fiscal year after January 1,
18 2019 (the effective date of Public Act 100-629) ~~this amendatory~~
19 ~~Act of the 100th General Assembly~~, to hire a qualified third
20 party to prepare a biennial report to assess the overall
21 economic impact to the State from the qualified rehabilitation
22 projects under this Section completed in that year and in
23 previous years. The overall economic impact shall include at
24 least: (1) the direct and indirect or induced economic impacts
25 of completed projects; (2) temporary, permanent, and
26 construction jobs created; (3) sales, income, and property tax

1 generation before, during construction, and after completion;
2 and (4) indirect neighborhood impact after completion. The
3 report shall be submitted to the Governor and the General
4 Assembly. The report to the General Assembly shall be filed
5 with the Clerk of the House of Representatives and the
6 Secretary of the Senate in electronic form only, in the manner
7 that the Clerk and the Secretary shall direct.

8 (c-2) The Department of Natural Resources may adopt rules
9 to implement this Section in addition to the rules expressly
10 authorized in this Section.

11 (d) As used in this Section, the following terms have the
12 following meanings.

13 "Phased rehabilitation" means a project that is completed
14 in phases, as defined under Section 47 of the federal Internal
15 Revenue Code and pursuant to National Park Service regulations
16 at 36 C.F.R. 67.

17 "Placed in service" means the date when the property is
18 placed in a condition or state of readiness and availability
19 for a specifically assigned function as defined under Section
20 47 of the federal Internal Revenue Code and federal Treasury
21 Regulation Sections 1.46 and 1.48.

22 "Qualified expenditure" means all the costs and expenses
23 defined as qualified rehabilitation expenditures under Section
24 47 of the federal Internal Revenue Code that were incurred in
25 connection with a qualified historic structure.

26 "Qualified historic structure" means a certified historic

1 structure as defined under Section 47(c)(3) of the federal
2 Internal Revenue Code.

3 "Qualified rehabilitation plan" means a project that is
4 approved by the Department of Natural Resources and the
5 National Park Service as being consistent with the United
6 States Secretary of the Interior's Standards for
7 Rehabilitation.

8 "Qualified taxpayer" means the owner of the qualified
9 historic structure or any other person who qualifies for the
10 federal rehabilitation credit allowed by Section 47 of the
11 federal Internal Revenue Code with respect to that qualified
12 historic structure. Partners, shareholders of subchapter S
13 corporations, and owners of limited liability companies (if the
14 limited liability company is treated as a partnership for
15 purposes of federal and State income taxation) are entitled to
16 a credit under this Section to be determined in accordance with
17 the determination of income and distributive share of income
18 under Sections 702 and 703 and subchapter S of the Internal
19 Revenue Code, provided that credits granted to a partnership, a
20 limited liability company taxed as a partnership, or other
21 multiple owners of property shall be passed through to the
22 partners, members, or owners respectively on a pro rata basis
23 or pursuant to an executed agreement among the partners,
24 members, or owners documenting any alternate distribution
25 method.

26 (Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17;

1 100-629, eff. 1-1-19; 100-695, eff. 8-3-18; revised 10-18-18.)

2 Section 15. The Economic Development for a Growing Economy
3 Tax Credit Act is amended by changing Section 5-5 and by adding
4 Sections 5-51 and 5-56 as follows:

5 (35 ILCS 10/5-5)

6 Sec. 5-5. Definitions. As used in this Act:

7 "Agreement" means the Agreement between a Taxpayer and the
8 Department under the provisions of Section 5-50 of this Act.

9 "Applicant" means a Taxpayer that is operating a business
10 located or that the Taxpayer plans to locate within the State
11 of Illinois and that is engaged in interstate or intrastate
12 commerce for the purpose of manufacturing, processing,
13 assembling, warehousing, or distributing products, conducting
14 research and development, providing tourism services, or
15 providing services in interstate commerce, office industries,
16 or agricultural processing, but excluding retail, retail food,
17 health, or professional services. "Applicant" does not include
18 a Taxpayer who closes or substantially reduces an operation at
19 one location in the State and relocates substantially the same
20 operation to another location in the State. This does not
21 prohibit a Taxpayer from expanding its operations at another
22 location in the State, provided that existing operations of a
23 similar nature located within the State are not closed or
24 substantially reduced. This also does not prohibit a Taxpayer

1 from moving its operations from one location in the State to
2 another location in the State for the purpose of expanding the
3 operation provided that the Department determines that
4 expansion cannot reasonably be accommodated within the
5 municipality in which the business is located, or in the case
6 of a business located in an incorporated area of the county,
7 within the county in which the business is located, after
8 conferring with the chief elected official of the municipality
9 or county and taking into consideration any evidence offered by
10 the municipality or county regarding the ability to accommodate
11 expansion within the municipality or county.

12 "Committee" means the Illinois Business Investment
13 Committee created under Section 5-25 of this Act within the
14 Illinois Economic Development Board.

15 "Credit" means the amount agreed to between the Department
16 and Applicant under this Act, but not to exceed the lesser of:
17 (1) the sum of (i) 50% of the Incremental Income Tax
18 attributable to New Employees at the Applicant's project and
19 (ii) 10% of the training costs of New Employees; or (2) 100% of
20 the Incremental Income Tax attributable to New Employees at the
21 Applicant's project. However, if the project is located in an
22 underserved area, then the amount of the Credit may not exceed
23 the lesser of: (1) the sum of (i) 75% of the Incremental Income
24 Tax attributable to New Employees at the Applicant's project
25 and (ii) 10% of the training costs of New Employees; or (2)
26 100% of the Incremental Income Tax attributable to New

1 Employees at the Applicant's project. If an Applicant agrees to
2 hire the required number of New Employees, then the maximum
3 amount of the Credit for that Applicant may be increased by an
4 amount not to exceed 25% of the Incremental Income Tax
5 attributable to retained employees at the Applicant's project;
6 provided that, in order to receive the increase for retained
7 employees, the Applicant must provide the additional evidence
8 required under paragraph (3) of subsection (b) of Section 5-25.

9 "Department" means the Department of Commerce and Economic
10 Opportunity.

11 "Director" means the Director of Commerce and Economic
12 Opportunity.

13 "Full-time Employee" means an individual who is employed
14 for consideration for at least 35 hours each week or who
15 renders any other standard of service generally accepted by
16 industry custom or practice as full-time employment. An
17 individual for whom a W-2 is issued by a Professional Employer
18 Organization (PEO) is a full-time employee if employed in the
19 service of the Applicant for consideration for at least 35
20 hours each week or who renders any other standard of service
21 generally accepted by industry custom or practice as full-time
22 employment to Applicant.

23 "Incremental Income Tax" means the total amount withheld
24 during the taxable year from the compensation of New Employees
25 and, if applicable, retained employees under Article 7 of the
26 Illinois Income Tax Act arising from employment at a project

1 that is the subject of an Agreement.

2 "New Construction EDGE Agreement" means the Agreement
3 between a Taxpayer and the Department under the provisions of
4 Section 5-51 of this Act.

5 "New Construction EDGE Credit" means an amount agreed to
6 between the Department and the Applicant under this Act as part
7 of a New Construction EDGE Agreement that does not exceed 50%
8 of the Incremental Income Tax attributable to New Construction
9 EDGE Employees at the Applicant's project; however, if the New
10 Construction EDGE Project is located in an underserved area,
11 then the amount of the New Construction EDGE Credit may not
12 exceed 75% of the Incremental Income Tax attributable to New
13 Construction EDGE Employees at the Applicant's New
14 Construction EDGE Project.

15 "New Construction EDGE Employee" means a laborer or worker
16 who is employed by an Illinois contractor or subcontractor in
17 the actual construction work on the site of a New Construction
18 EDGE Project, pursuant to a New Construction EDGE Agreement.

19 "New Construction EDGE Incremental Income Tax" means the
20 total amount withheld during the taxable year from the
21 compensation of New Construction EDGE Employees.

22 "New Construction EDGE Project" means the building of a
23 Taxpayer's structure or building, or making improvements of any
24 kind to real property. "New Construction EDGE Project" does not
25 include the routine operation, routine repair, or routine
26 maintenance of existing structures, buildings, or real

1 property.

2 "New Employee" means:

3 (a) A Full-time Employee first employed by a Taxpayer
4 in the project that is the subject of an Agreement and who
5 is hired after the Taxpayer enters into the tax credit
6 Agreement.

7 (b) The term "New Employee" does not include:

8 (1) an employee of the Taxpayer who performs a job
9 that was previously performed by another employee, if
10 that job existed for at least 6 months before hiring
11 the employee;

12 (2) an employee of the Taxpayer who was previously
13 employed in Illinois by a Related Member of the
14 Taxpayer and whose employment was shifted to the
15 Taxpayer after the Taxpayer entered into the tax credit
16 Agreement; or

17 (3) a child, grandchild, parent, or spouse, other
18 than a spouse who is legally separated from the
19 individual, of any individual who has a direct or an
20 indirect ownership interest of at least 5% in the
21 profits, capital, or value of the Taxpayer.

22 (c) Notwithstanding paragraph (1) of subsection (b),
23 an employee may be considered a New Employee under the
24 Agreement if the employee performs a job that was
25 previously performed by an employee who was:

26 (1) treated under the Agreement as a New Employee;

1 and

2 (2) promoted by the Taxpayer to another job.

3 (d) Notwithstanding subsection (a), the Department may
4 award Credit to an Applicant with respect to an employee
5 hired prior to the date of the Agreement if:

6 (1) the Applicant is in receipt of a letter from
7 the Department stating an intent to enter into a credit
8 Agreement;

9 (2) the letter described in paragraph (1) is issued
10 by the Department not later than 15 days after the
11 effective date of this Act; and

12 (3) the employee was hired after the date the
13 letter described in paragraph (1) was issued.

14 "Noncompliance Date" means, in the case of a Taxpayer that
15 is not complying with the requirements of the Agreement or the
16 provisions of this Act, the day following the last date upon
17 which the Taxpayer was in compliance with the requirements of
18 the Agreement and the provisions of this Act, as determined by
19 the Director, pursuant to Section 5-65.

20 "Pass Through Entity" means an entity that is exempt from
21 the tax under subsection (b) or (c) of Section 205 of the
22 Illinois Income Tax Act.

23 "Professional Employer Organization" (PEO) means an
24 employee leasing company, as defined in Section 206.1(A)(2) of
25 the Illinois Unemployment Insurance Act.

26 "Related Member" means a person that, with respect to the

1 Taxpayer during any portion of the taxable year, is any one of
2 the following:

3 (1) An individual stockholder, if the stockholder and
4 the members of the stockholder's family (as defined in
5 Section 318 of the Internal Revenue Code) own directly,
6 indirectly, beneficially, or constructively, in the
7 aggregate, at least 50% of the value of the Taxpayer's
8 outstanding stock.

9 (2) A partnership, estate, or trust and any partner or
10 beneficiary, if the partnership, estate, or trust, and its
11 partners or beneficiaries own directly, indirectly,
12 beneficially, or constructively, in the aggregate, at
13 least 50% of the profits, capital, stock, or value of the
14 Taxpayer.

15 (3) A corporation, and any party related to the
16 corporation in a manner that would require an attribution
17 of stock from the corporation to the party or from the
18 party to the corporation under the attribution rules of
19 Section 318 of the Internal Revenue Code, if the Taxpayer
20 owns directly, indirectly, beneficially, or constructively
21 at least 50% of the value of the corporation's outstanding
22 stock.

23 (4) A corporation and any party related to that
24 corporation in a manner that would require an attribution
25 of stock from the corporation to the party or from the
26 party to the corporation under the attribution rules of

1 Section 318 of the Internal Revenue Code, if the
2 corporation and all such related parties own in the
3 aggregate at least 50% of the profits, capital, stock, or
4 value of the Taxpayer.

5 (5) A person to or from whom there is attribution of
6 stock ownership in accordance with Section 1563(e) of the
7 Internal Revenue Code, except, for purposes of determining
8 whether a person is a Related Member under this paragraph,
9 20% shall be substituted for 5% wherever 5% appears in
10 Section 1563(e) of the Internal Revenue Code.

11 "Taxpayer" means an individual, corporation, partnership,
12 or other entity that has any Illinois Income Tax liability.

13 "Underserved area" means a geographic area that meets one
14 or more of the following conditions:

15 (1) the area has a poverty rate of at least 20%
16 according to the latest federal decennial census;

17 (2) 75% or more of the children in the area participate
18 in the federal free lunch program according to reported
19 statistics from the State Board of Education;

20 (3) at least 20% of the households in the area receive
21 assistance under the Supplemental Nutrition Assistance
22 Program (SNAP); or

23 (4) the area has an average unemployment rate, as
24 determined by the Illinois Department of Employment
25 Security, that is more than 120% of the national
26 unemployment average, as determined by the U.S. Department

1 of Labor, for a period of at least 2 consecutive calendar
2 years preceding the date of the application.

3 (Source: P.A. 100-511, eff. 9-18-17.)

4 (35 ILCS 10/5-51 new)

5 Sec. 5-51. New Construction EDGE Agreement.

6 (a) Notwithstanding any other provisions of this Act, and
7 in addition to any Credit otherwise allowed under this Act,
8 there is allowed a New Construction EDGE Credit for eligible
9 Applicants that meet the following criteria:

10 (1) the Department has certified that the Applicant
11 meets all requirements of Sections 5-15, 5-20, and 5-25;
12 and

13 (2) the Department has certified that, pursuant to
14 Section 5-20, the Applicant's Agreement includes a capital
15 investment of at least \$10,000,000 in a New Construction
16 EDGE Project to be placed in service within the State as a
17 direct result of an Agreement entered into pursuant to this
18 Section.

19 (b) The Department shall notify each Applicant during the
20 application process that their project is eligible for a New
21 Construction EDGE Credit. The Department shall create a
22 separate application to be filled out by the Applicant
23 regarding the New Construction EDGE credit. The Application
24 shall include the following:

25 (1) a detailed description of the New Construction EDGE

1 Project that is subject to the New Construction EDGE
2 Agreement, including the location and amount of the
3 investment and jobs created or retained;

4 (2) the duration of the New Construction EDGE Credit
5 and the first taxable year for which the Credit may be
6 claimed;

7 (3) the New Construction EDGE Credit amount that will
8 be allowed for each taxable year;

9 (4) a requirement that the Director is authorized to
10 verify with the appropriate State agencies the amount of
11 the incremental income tax withheld by a Taxpayer, and
12 after doing so, shall issue a certificate to the Taxpayer
13 stating that the amounts have been verified;

14 (5) the amount of the capital investment, which may at
15 no point be less than \$10,000,000, the time period of
16 placing the New Construction EDGE Project in service, and
17 the designated location in Illinois for the investment;

18 (6) a requirement that the Taxpayer shall provide
19 written notification to the Director not more than 30 days
20 after the Taxpayer determines that the capital investment
21 of at least \$10,000,000 is not or will not be achieved or
22 maintained as set forth in the terms and conditions of the
23 Agreement;

24 (7) a detailed provision that the Taxpayer shall be
25 awarded a New Construction EDGE Credit upon the verified
26 completion and occupancy of a New Construction EDGE

1 Project; and

2 (8) any other performance conditions, including the
3 ability to verify that a New Construction EDGE Project is
4 built and completed, or that contract provisions as the
5 Department determines are appropriate.

6 (c) The Department shall post on its website the terms of
7 each New Construction EDGE Agreement entered into under this
8 Act on or after the effective date of this amendatory Act of
9 the 101st General Assembly. Such information shall be posted
10 within 10 days after entering into the Agreement and must
11 include the following:

12 (1) the name of the recipient business;

13 (2) the location of the project;

14 (3) the estimated value of the credit; and

15 (4) whether or not the project is located in an
16 underserved area.

17 (d) The Department, in collaboration with the Department of
18 Labor, shall require that certified payroll reporting,
19 pursuant to Section 5-56 of this Act, be completed in order to
20 verify the wages and any other necessary information which the
21 Department may deem necessary to ascertain and certify the
22 total number of New Construction EDGE Employees subject to a
23 New Construction EDGE Agreement and amount of a New
24 Construction EDGE Credit.

25 (35 ILCS 10/5-56 new)

1 Sec. 5-56. Certified payroll.

2 (a) Each contractor and subcontractor that is engaged in
3 and is executing a New Construction EDGE Project for a
4 Taxpayer, pursuant to a New Construction EDGE Agreement shall:

5 (1) make and keep, for a period of 5 years from the
6 date of the last payment made on or after the effective
7 date of this amendatory Act of the 101st General Assembly
8 on a contract or subcontract for a New Construction EDGE
9 Project pursuant to a New Construction EDGE Agreement,
10 records of all laborers and other workers employed by the
11 contractor or subcontractor on the project; the records
12 shall include:

13 (A) the worker's name;

14 (B) the worker's address;

15 (C) the worker's telephone number, if available;

16 (D) the worker's social security number;

17 (E) the worker's classification or
18 classifications;

19 (F) the worker's gross and net wages paid in each
20 pay period;

21 (G) the worker's number of hours worked each day;

22 (H) the worker's starting and ending times of work
23 each day;

24 (I) the worker's hourly wage rate; and

25 (J) the worker's hourly overtime wage rate; and

26 (2) no later than the 15th day of each calendar month,

1 provide a certified payroll for the immediately preceding
2 month to the taxpayer in charge of the project; within 5
3 business days after receiving the certified payroll, the
4 taxpayer shall file the certified payroll with the
5 Department of Labor and the Department of Commerce and
6 Economic Opportunity; a certified payroll must be filed for
7 only those calendar months during which construction on a
8 New Construction EDGE Project has occurred; the certified
9 payroll shall consist of a complete copy of the records
10 identified in paragraph (1), but may exclude the starting
11 and ending times of work each day; the certified payroll
12 shall be accompanied by a statement signed by the
13 contractor or subcontractor or an officer, employee, or
14 agent of the contractor or subcontractor which avers that:

15 (A) he or she has examined the certified payroll
16 records required to be submitted by the Act and such
17 records are true and accurate; and

18 (B) the contractor or subcontractor is aware that
19 filing a certified payroll that he or she knows to be
20 false is a Class A misdemeanor.

21 A general contractor is not prohibited from relying on a
22 certified payroll of a lower-tier subcontractor, provided the
23 general contractor does not knowingly rely upon a
24 subcontractor's false certification.

25 Any contractor or subcontractor subject to this Section,
26 and any officer, employee, or agent of such contractor or

1 subcontractor whose duty as an officer, employee, or agent it
2 is to file a certified payroll under this Section, who
3 willfully fails to file such a certified payroll on or before
4 the date such certified payroll is required to be filed and any
5 person who willfully files a false certified payroll that is
6 false as to any material fact is in violation of this Act and
7 guilty of a Class A misdemeanor.

8 The taxpayer in charge of the project shall keep the
9 records submitted in accordance with this subsection on or
10 after the effective date of this amendatory Act of the 101st
11 General Assembly for a period of 5 years from the date of the
12 last payment for work on a contract or subcontract for the
13 project.

14 The records submitted in accordance with this subsection
15 shall be considered public records, except an employee's
16 address, telephone number, and social security number, and made
17 available in accordance with the Freedom of Information Act.
18 The Department of Labor shall accept any reasonable submissions
19 by the contractor that meet the requirements of this subsection
20 and shall share the information with the Department in order to
21 comply with the awarding of New Construction EDGE Credits. A
22 contractor, subcontractor, or public body may retain records
23 required under this Section in paper or electronic format.

24 Upon 7 business days' notice, the contractor and each
25 subcontractor shall make available for inspection and copying
26 at a location within this State during reasonable hours, the

1 records identified in paragraph (1) of this subsection to the
2 taxpayer in charge of the project, its officers and agents, the
3 Director of Labor and his deputies and agents, and to federal,
4 State, or local law enforcement agencies and prosecutors.

5 Section 20. The River Edge Redevelopment Zone Act is
6 amended by changing Section 10-3 and by adding Sections 10-10.3
7 and 10-10.4 as follows:

8 (65 ILCS 115/10-3)

9 Sec. 10-3. Definitions. As used in this Act:

10 "Department" means the Department of Commerce and Economic
11 Opportunity.

12 "River Edge Redevelopment Zone" means an area of the State
13 certified by the Department as a River Edge Redevelopment Zone
14 pursuant to this Act.

15 "Designated zone organization" means an association or
16 entity: (1) the members of which are substantially all
17 residents of the River Edge Redevelopment Zone or of the
18 municipality in which the River Edge Redevelopment Zone is
19 located; (2) the board of directors of which is elected by the
20 members of the organization; (3) that satisfies the criteria
21 set forth in Section 501(c) (3) or 501(c) (4) of the Internal
22 Revenue Code; and (4) that exists primarily for the purpose of
23 performing within the zone, for the benefit of the residents
24 and businesses thereof, any of the functions set forth in

1 Section 8 of this Act.

2 "Incremental income tax" means the total amount withheld
3 during the taxable year from the compensation of River Edge
4 Construction Jobs Employees.

5 "Agency" means: each officer, board, commission, and
6 agency created by the Constitution, in the executive branch of
7 State government, other than the State Board of Elections; each
8 officer, department, board, commission, agency, institution,
9 authority, university, and body politic and corporate of the
10 State; each administrative unit or corporate outgrowth of the
11 State government that is created by or pursuant to statute,
12 other than units of local government and their officers, school
13 districts, and boards of election commissioners; and each
14 administrative unit or corporate outgrowth of the above and as
15 may be created by executive order of the Governor. No entity is
16 an "agency" for the purposes of this Act unless the entity is
17 authorized by law to make rules or regulations.

18 "River Edge construction jobs credit" means an amount equal
19 to 50% of the incremental income tax attributable to River Edge
20 construction employees employed on a River Edge construction
21 jobs project. However, the amount may equal 75% of the
22 incremental income tax attributable to River Edge construction
23 employees employed on a River Edge construction jobs project
24 located in an underserved area.

25 "River Edge construction jobs employee" means a laborer or
26 worker who is employed by an Illinois contractor or

1 subcontractor in the actual construction work on the site of a
2 River Edge construction jobs project.

3 "River Edge construction jobs project" means building a
4 structure or building, or making improvements of any kind to
5 real property, in a River Edge Redevelopment Zone that is built
6 or improved in the course of completing a qualified
7 rehabilitation plan. "River Edge construction jobs project"
8 does not include the routine operation, routine repair, or
9 routine maintenance of existing structures, buildings, or real
10 property.

11 "Rule" means each agency statement of general
12 applicability that implements, applies, interprets, or
13 prescribes law or policy, but does not include (i) statements
14 concerning only the internal management of an agency and not
15 affecting private rights or procedures available to persons or
16 entities outside the agency, (ii) intra-agency memoranda, or
17 (iii) the prescription of standardized forms.

18 "Underserved area" means a geographic area that meets one
19 or more of the following conditions:

20 (1) the area has a poverty rate of at least 20%
21 according to the latest federal decennial census;

22 (2) 75% or more of the children in the area participate
23 in the federal free lunch program according to reported
24 statistics from the State Board of Education;

25 (3) at least 20% of the households in the area receive
26 assistance under the Supplemental Nutrition Assistance

1 Program (SNAP); or

2 (4) the area has an average unemployment rate, as
3 determined by the Illinois Department of Employment
4 Security, that is more than 120% of the national
5 unemployment average, as determined by the U.S. Department
6 of Labor, for a period of at least 2 consecutive calendar
7 years preceding the date of the application.

8 (Source: P.A. 94-1021, eff. 7-12-06.)

9 (65 ILCS 115/10-10.3 new)

10 Sec. 10-10.3. River Edge Construction Jobs Credit.

11 (a) A business entity may receive a tax credit against the
12 tax imposed under subsections (a) and (b) of Section 201 in an
13 amount equal to 50% (or 75% if the project is located in an
14 underserved area) of the amount of the incremental income tax
15 attributable to River Edge construction jobs employees
16 employed in the course of completing a River Edge construction
17 jobs project. The credit allowed under this Section shall apply
18 only to taxpayers that make a capital investment of at least
19 \$1,000,000 in a qualified rehabilitation plan.

20 (b) A business entity seeking a credit under this Section
21 must submit an application to the Department describing the
22 nature and benefit of the River Edge construction jobs project
23 to the qualified rehabilitation project and the River Edge
24 Redevelopment Zone. The Department may adopt any necessary
25 rules in order to administer the provisions of this Section.

1 (c) Within 45 days after the receipt of an application, the
2 Department shall give notice to the applicant as to whether the
3 application has been approved or disapproved. If the Department
4 disapproves the application, it shall specify the reasons for
5 this decision and allow 60 days for the applicant to amend and
6 resubmit its application. The Department shall provide
7 assistance upon request to applicants. Resubmitted
8 applications shall receive the Department's approval or
9 disapproval within 30 days of resubmission. Those resubmitted
10 applications satisfying initial Department objectives shall be
11 approved unless reasonable circumstances warrant disapproval.

12 (d) On an annual basis, the designated zone organization
13 shall furnish a statement to the Department on the programmatic
14 and financial status of any approved project and an audited
15 financial statement of the project.

16 (e) The Department shall certify to the Department of
17 Revenue the identity of the taxpayers who are eligible for
18 River Edge construction jobs credits and the amounts of River
19 Edge construction jobs credits awarded in each taxable year.

20 (f) The Department, in collaboration with the Department of
21 Labor, shall require certified payroll reporting, pursuant to
22 Section 10-10.4 of this Act, be completed in order to verify
23 the wages and any other necessary information which the
24 Department may deem necessary to ascertain and certify the
25 total number of River Edge construction jobs employees and
26 determine the amount of a River Edge construction jobs credit.

1 (65 ILCS 115/10-10.4 new)

2 Sec. 10-10.4. Certified payroll.

3 (a) Any contractor and each subcontractor who is engaged in
4 and is executing a River Edge construction jobs project for a
5 taxpayer that is entitled to a credit pursuant to Section
6 10-10.3 of this Act shall:

7 (1) make and keep, for a period of 5 years from the
8 date of the last payment made on or after the effective
9 date of this amendatory Act of the 101st General Assembly
10 on a contract or subcontract for a River Edge Construction
11 Jobs Project in a River Edge Redevelopment Zone records of
12 all laborers and other workers employed by them on the
13 project; the records shall include:

14 (A) the worker's name;

15 (B) the worker's address;

16 (C) the worker's telephone number, if available;

17 (D) the worker's social security number;

18 (E) the worker's classification or
19 classifications;

20 (F) the worker's gross and net wages paid in each
21 pay period;

22 (G) the worker's number of hours worked each day;

23 (H) the worker's starting and ending times of work
24 each day;

25 (I) the worker's hourly wage rate; and

1 (J) the worker's hourly overtime wage rate;
2 (2) no later than the 15th day of each calendar month,
3 provide a certified payroll for the immediately preceding
4 month to the taxpayer in charge of the project; within 5
5 business days after receiving the certified payroll, the
6 taxpayer shall file the certified payroll with the
7 Department of Labor and the Department of Commerce and
8 Economic Opportunity; a certified payroll must be filed for
9 only those calendar months during which construction on a
10 River Edge Construction Jobs Project has occurred; the
11 certified payroll shall consist of a complete copy of the
12 records identified in paragraph (1), but may exclude the
13 starting and ending times of work each day; the certified
14 payroll shall be accompanied by a statement signed by the
15 contractor or subcontractor or an officer, employee, or
16 agent of the contractor or subcontractor which avers that:

17 (A) he or she has examined the certified payroll
18 records required to be submitted and such records are
19 true and accurate; and

20 (B) the contractor or subcontractor is aware that
21 filing a certified payroll that he or she knows to be
22 false is a Class A misdemeanor.

23 A general contractor is not prohibited from relying on a
24 certified payroll of a lower-tier subcontractor, provided the
25 general contractor does not knowingly rely upon a
26 subcontractor's false certification.

1 Any contractor or subcontractor subject to this Section,
2 and any officer, employee, or agent of such contractor or
3 subcontractor whose duty as an officer, employee, or agent it
4 is to file a certified payroll under this Section, who
5 willfully fails to file such a certified payroll on or before
6 the date such certified payroll is required to be filed and any
7 person who willfully files a false certified payroll that is
8 false as to any material fact is in violation of this Act and
9 guilty of a Class A misdemeanor.

10 The taxpayer in charge of the project shall keep the
11 records submitted in accordance with this Section on or after
12 the effective date of this amendatory Act of the 101st General
13 Assembly for a period of 5 years from the date of the last
14 payment for work on a contract or subcontract for the project.

15 The records submitted in accordance with this subsection
16 shall be considered public records, except an employee's
17 address, telephone number, and social security number, and made
18 available in accordance with the Freedom of Information Act.
19 The Department of Labor shall accept any reasonable submissions
20 by the contractor that meet the requirements of this subsection
21 and shall share the information with the Department in order to
22 comply with the awarding of River Edge construction jobs
23 credits. A contractor, subcontractor, or public body may retain
24 records required under this Section in paper or electronic
25 format.

26 Upon 7 business days' notice, the contractor and each

1 subcontractor shall make available for inspection and copying
2 at a location within this State during reasonable hours, the
3 records identified in paragraph (1) of this subsection to the
4 taxpayer in charge of the project, its officers and agents, the
5 Director of Labor and his deputies and agents, and to federal,
6 State, or local law enforcement agencies and prosecutors.