



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB0029

Introduced 1/10/2019, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45	from Ch. 127, par. 1005-45
30 ILCS 105/5.891 new	
30 ILCS 805/8.43 new	
35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 120/5k-1 new	
65 ILCS 5/8-11-2	from Ch. 24, par. 8-11-2
220 ILCS 5/9-221	from Ch. 111 2/3, par. 9-221
220 ILCS 5/9-222	from Ch. 111 2/3, par. 9-222
220 ILCS 5/9-222.1b new	

Creates the Illinois Energy Transition Zone Act. Provides for the certification by the Department of Commerce and Economic Opportunity of municipal ordinances designating an area as an Energy Transition Zone. Provides that green energy enterprises located in Energy Transition Zones shall be eligible to apply for certain tax incentives. Provides that a green energy enterprise is a company that is engaged in the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells. Contains provisions concerning qualifications and applications. Creates the Energy Transition Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity shall make income tax credit awards under the Act to foster job creation and the development of green energy in Energy Transition Zones. Amends the Illinois Income Tax Act, the Retailers' Occupation Tax Act, and the Public Utilities Act to make conforming changes concerning tax incentives. Effective immediately.

LRB101 02876 HLH 47884 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 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this Article
7 to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" means a "State agency", as defined in Section 1-7
12 of the Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Depressed area" means an area in which pervasive poverty,
18 unemployment, and economic distress exist.

19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.

22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week. A recipient who employs labor or services at a specific

1 site or facility under contract with another may declare one
2 full-time, permanent job for every 1,820 man hours worked per
3 year under that contract. Vacations, paid holidays, and sick
4 time are included in this computation. Overtime is not
5 considered a part of regular hours.

6 "Full-time retained job" means any employee defined as
7 having a full-time or full-time equivalent job preserved at a
8 specific facility or site, the continuance of which is
9 threatened by a specific and demonstrable threat, which shall
10 be specified in the application for development assistance. A
11 recipient who employs labor or services at a specific site or
12 facility under contract with another may declare one retained
13 employee per year for every 1,750 man hours worked per year
14 under that contract, even if different individuals perform
15 on-site labor or services.

16 "Green energy enterprise" means a company that is engaged
17 in the production of solar energy, wind energy, water energy,
18 geothermal energy, bioenergy, or hydrogen fuel and cells.

19 "Green energy project" means a project conducted by a green
20 energy enterprise for the purpose of generating solar energy,
21 wind energy, water energy, geothermal energy, bioenergy, or
22 hydrogen fuel and cells.

23 "Local labor market area" means an economically integrated
24 area within which individuals can reside and find employment
25 within a reasonable distance or can readily change jobs without
26 changing their place of residence.

1 "Rule" has the meaning provided in Section 1-70 of the
2 Illinois Administrative Procedure Act.

3 Section 1-15. Qualifications for Energy Transition Zones.
4 An area is qualified to become an Energy Transition Zone which:

5 (1) is a contiguous area, provided that a Zone area may
6 exclude wholly surrounded territory within its boundaries;

7 (2) comprises a minimum of one-half square mile and not
8 more than 12 square miles, exclusive of lakes and
9 waterways;

10 (3) is entirely within a single municipality;

11 (4) satisfies any additional criteria established by
12 the Department consistent with the purposes of this Act;
13 and

14 (5) meets one or more of the following:

15 (A) the area contains a coal energy plant that was
16 retired from service within 10 years of application for
17 designation;

18 (B) the area contains a coal mine that was closed
19 within 10 years of application for designation;

20 (C) the area contains a nuclear energy plant that
21 was retired from service within 10 years of application
22 for designation; or

23 (D) the area contains a nuclear plant that was
24 decommissioned but continued storing nuclear waste
25 prior to the effective date of this Act.

1 Section 1-20. Entities eligible to receive tax benefits.
2 Green energy enterprises are eligible to receive certain tax
3 benefits under this Act for green energy projects conducted
4 within an Energy Transition Zone.

5 Section 1-25. Incentives for green energy enterprises
6 located within an Energy Transition Zone.

7 (a) Green energy enterprises located in Energy Transition
8 Zones are eligible to apply for a State income tax credit under
9 the Energy Transition Zone Tax Credit Act.

10 (b) Green energy enterprises located in Energy Transition
11 Zones will be eligible to receive an investment credit subject
12 to the requirements of subsection (f-1) of Section 201 of the
13 Illinois Income Tax Act.

14 (c) Green energy enterprises are eligible to purchase
15 building materials exempt from use and occupation taxes to be
16 incorporated into their green energy projects within the Energy
17 Transition Zone when purchased from a retailer within the
18 Energy Transition Zone pursuant to Section 5k-1 of the
19 Retailers' Occupation Tax Act.

20 (d) Green energy enterprises located in an Energy
21 Transition Zone that meet the qualifications of Section
22 9-222.1B of the Illinois Public Utilities Act are exempt, in
23 part or whole, from State and local taxes on gas and
24 electricity.

1 Section 1-30. Initiation of Energy Transition Zones by
2 municipality or county.

3 (a) No area may be designated as an Energy Transition Zone
4 except pursuant to an initiating ordinance adopted in
5 accordance with this Section.

6 (b) A municipality may by ordinance designate an area
7 within its jurisdiction as an Energy Transition Zone, subject
8 to the certification of the Department in accordance with this
9 Act, if:

10 (1) the area is qualified in accordance with Section
11 1-15; and

12 (2) the municipality has conducted at least one public
13 hearing within the proposed Zone area considering all of
14 the following questions: whether to create the Zone; what
15 local plans, tax incentives and other programs should be
16 established in connection with the Zone; and what the
17 boundaries of the Zone should be; public notice of the
18 hearing shall be published in at least one newspaper of
19 general circulation within the Zone area, not more than 20
20 days nor less than 5 days before the hearing.

21 (c) An ordinance designating an area as an Energy
22 Transition Zone shall set forth:

23 (1) a precise description of the area comprising the
24 Zone, either in the form of a legal description or by
25 reference to roadways, lakes and waterways, and township,

1 county boundaries;

2 (2) a finding that the Zone area meets the
3 qualifications of Section 1-15;

4 (3) provisions for any tax incentives or reimbursement
5 for taxes, which pursuant to State and federal law apply to
6 green energy enterprises within the Zone at the election of
7 the designating municipality, and which are not applicable
8 throughout the municipality;

9 (4) a designation of the area as an Energy Transition
10 Zone, subject to the approval of the Department in
11 accordance with this Act; and

12 (5) the duration or term of the Energy Transition Zone.

13 (d) This Section does not prohibit a municipality from
14 extending additional tax incentives or reimbursement for
15 business enterprises in Energy Transition Zones or throughout
16 their territory by separate ordinance.

17 Section 1-35. Application to Department. A municipality
18 that has adopted an ordinance designating an area as an Energy
19 Transition Zone shall make written application to the
20 Department to have such proposed Energy Transition Zone
21 certified by the Department as an Energy Transition Zone. The
22 application shall include:

23 (1) a certified copy of the ordinance designating the
24 proposed Zone;

25 (2) a map of the proposed Energy Transition Zone,

1 showing existing streets and highways;

2 (3) an analysis, and any appropriate supporting
3 documents and statistics, demonstrating that the proposed
4 Zone area is qualified in accordance with Section 1-15;

5 (4) a statement detailing any tax, grant, and other
6 financial incentives or benefits, and any programs, to be
7 provided by the municipality or county to green energy
8 enterprises within the Zone, other than those provided in
9 the designating ordinance, which are not to be provided
10 throughout the municipality or county;

11 (5) a statement setting forth the economic development
12 and planning objectives for the Zone;

13 (6) an estimate of the economic impact of the Zone,
14 considering all of the tax incentives, financial benefits
15 and programs contemplated, upon the revenues of the
16 municipality or county;

17 (7) a transcript of all public hearings on the Zone;
18 and

19 (8) such additional information as the Department may
20 by rule require.

21 Section 1-40. Department review of Energy Transition Zone
22 applications.

23 (a) All applications that are to be considered and acted
24 upon by the Department during a calendar year must be received
25 by the Department no later than December 31 of the preceding

1 calendar year.

2 Any application received after December 31 of any calendar
3 year shall be held by the Department for consideration and
4 action during the following calendar year. Each Energy
5 Transition Zone application shall include a specific
6 definition of the applicant's local labor market area.

7 (a-5) The Department shall, no later than July 31, 2019,
8 develop an application process for an Energy Transition Zone
9 application. The Department has emergency rulemaking authority
10 for the purpose of application development only until 12 months
11 after the effective date of this Act under subsection (ee) of
12 Section 5-45 of the Illinois Administrative Procedure Act.

13 (b) Upon receipt of an application from a municipality, the
14 Department shall review the application to determine whether
15 the designated area qualifies as an Energy Transition Zone
16 under Section 1-15 of this Act.

17 (c) No later than June 30, the Department shall notify all
18 applicant municipalities of the Department's determination of
19 the qualification of their respective designated energy
20 transition Zone areas, along with supporting documentation of
21 the basis for the Department's decision.

22 (d) If any such designated area is found to be qualified to
23 be an Energy Transition Zone by the Department under subsection
24 (c) of this Section, the Department shall, no later than July
25 15, send a letter of notification to each member of the General
26 Assembly whose legislative district or representative district

1 contains all or part of the designated area and publish a
2 notice in at least one newspaper of general circulation within
3 the proposed Zone area to notify the general public of the
4 application and their opportunity to comment. Such notice shall
5 include a description of the area and a brief summary of the
6 application and shall indicate locations where the applicant
7 has provided copies of the application for public inspection.
8 The notice shall also indicate appropriate procedures for the
9 filing of written comments from Zone residents, business, civic
10 and other organizations and property owners to the Department.

11 Section 1-45. Energy Transition Zone Board.

12 (a) An Energy Transition Zone Board is hereby created
13 within the Department.

14 (b) The Board shall consist of the following 5 members:

15 (1) the Director of Commerce and Economic Opportunity,
16 or his or her designee, who shall serve as chairperson;

17 (2) the Director of Revenue, or his or her designee;
18 and

19 (3) 3 members appointed by the Governor, with the
20 advice and consent of the Senate.

21 Board members shall serve without compensation but may be
22 reimbursed for necessary expenses incurred in the performance
23 of their duties from funds appropriated for that purpose.

24 (c) Each member appointed under paragraph (3) of subsection

25 (b) shall have at least 5 years of experience in business,

1 economic development, or site location.

2 (d) Of the initial members appointed under paragraph (3) of
3 subsection (b): one member shall serve for a term of 2 years;
4 one member shall serve for a term of 3 years; and one member
5 shall serve for a term of 4 years. Thereafter, all members
6 appointed under paragraph (3) of subsection (b) shall serve for
7 terms of 4 years. Members appointed under paragraph (3) of
8 subsection (b) may be reappointed. The Governor may remove a
9 member appointed under paragraph (3) of subsection (b) for
10 incompetence, neglect of duty, or malfeasance in office.

11 (e) By September 30, 2020, and September 30 of each year
12 thereafter, all applications filed by December 31 of the
13 preceding calendar year and deemed qualified by the Department
14 shall be approved or denied by the Board. If such application
15 is not approved by September 30, the application shall be
16 considered denied. If an application is denied, the Board shall
17 inform the applicant of the specific reasons for the denial.

18 (f) A majority of the Board shall determine whether an
19 application is approved or denied.

20 Section 1-50. Certification of Energy Transition Zones;
21 effective date.

22 (a) Certification of Board-approved designated Energy
23 Transition Zones shall be made by the Department by
24 certification of the designating ordinance. The Department
25 shall promptly issue a certificate for each Energy Transition

1 Zone upon approval by the Board. The certificate shall be
2 signed by the Director of the Department, shall make specific
3 reference to the designating ordinance, which shall be attached
4 thereto, and shall be filed in the office of the Secretary of
5 State. A certified copy of the Energy Transition Zone
6 Certificate, or a duplicate original thereof, shall be recorded
7 in the office of recorder of deeds of the county in which the
8 Energy Transition Zone lies.

9 (b) An Energy Transition Zone shall be effective on the
10 date of the Department's certification. The Department shall
11 transmit a copy of the certification to the Department of
12 Revenue, and to the designating municipality.

13 (c) Upon certification of an Energy Transition Zone, the
14 terms and provisions of the designating ordinance shall be in
15 effect, and may not be amended or repealed except in accordance
16 with Section 1-55.

17 (d) Energy Transition Zone designation will last for 13
18 years from the effective date of such designation and shall be
19 subject to review by the Board after 13 years for an additional
20 10-year designation beginning on the expiration date of the
21 Energy Transition Zone. During the review process, the Board
22 shall consider the costs incurred by the State and units of
23 local government as a result of tax benefits received by the
24 Energy Transition Zone. Energy Transition Zones shall
25 terminate at midnight of December 31 of the final calendar year
26 of the certified term, except as provided in Section 1-55.

1 (e) Each Energy Transition Zone that reapplies for
2 certification but does not receive a new certification shall
3 expire on its scheduled termination date.

4 Section 1-55. Amendment and decertification of Energy
5 Transition Zones.

6 (a) The terms of a certified Energy Transition Zone
7 designating ordinance may be amended to:

8 (1) alter the boundaries of the Energy Transition Zone;

9 (2) expand, limit, or repeal tax incentives or benefits
10 provided in the ordinance;

11 (3) alter the termination date of the Zone;

12 (4) make technical corrections in the Energy
13 Transition Zone designating ordinance; but such amendment
14 shall not be effective unless the Department issues an
15 amended certificate for the Energy Transition Zone
16 approving the amended designating ordinance. Upon the
17 adoption of any ordinance amending or repealing the terms
18 of a certified Energy Transition Zone designating
19 ordinance, the municipality or county shall promptly file
20 with the Department an application for approval thereof,
21 containing substantially the same information as required
22 for an application under Section 1-35 insofar as material
23 to the proposed changes. The municipality or county must
24 hold a public hearing on the proposed changes; or

25 (5) include an area within another municipality or

1 county as part of the designated Energy Transition Zone
2 provided the requirements of Section 1-15 are complied
3 with.

4 (b) The Department shall approve or disapprove a proposed
5 amendment to a certified Energy Transition Zone within 90 days
6 of its receipt of the application from the municipality. The
7 Department may not approve changes in a Zone which are not in
8 conformity with this Act, as now or hereafter amended, or with
9 other applicable laws. If the Department issues an amended
10 certificate for an Energy Transition Zone, the amended
11 certificate, together with the amended Zone designating
12 ordinance, shall be filed, recorded, and transmitted as
13 provided in this Act.

14 (c) An Energy Transition Zone may be decertified by joint
15 action of the Department and the designating municipality in
16 accordance with this Section. The designating municipality
17 shall conduct at least one public hearing within the Zone prior
18 to its adoption of an ordinance of de-designation. The mayor of
19 the designating municipality shall execute a joint
20 decertification agreement with the Department. A
21 decertification of an Energy Transition Zone shall not become
22 effective until at least 6 months after the execution of the
23 decertification agreement, which shall be filed in the office
24 of the Secretary of State.

25 (d) An Energy Transition Zone may be decertified for cause
26 by the Department in accordance with this Section. Prior to

1 decertification: (1) the Department shall notify the chief
2 elected official of the designating municipality in writing of
3 the specific deficiencies which provide cause for
4 decertification; (2) the Department shall place the
5 designating municipality on probationary status for at least 6
6 months during which time corrective action may be achieved in
7 the Energy Transition Zone by the designating municipality; and
8 (3) the Department shall conduct at least one public hearing
9 within the Zone. If such corrective action is not achieved
10 during the probationary period, the Department shall issue an
11 amended certificate signed by the Director of the Department
12 decertifying the Energy Transition Zone, which certificate
13 shall be filed in the office of the Secretary of State. A
14 certified copy of the amended Energy Transition Zone
15 certificate, or a duplicate original thereof, shall be recorded
16 in the office of recorder of the county in which the Energy
17 Transition Zone lies, and shall be provided to the chief
18 elected official of the designating municipality.
19 Decertification of an Energy Transition Zone shall not become
20 effective until 60 days after the date of filing.

21 (e) In the event of a decertification, an amendment
22 reducing the length of the term or the area of an Energy
23 Transition Zone, or the adoption of an ordinance reducing or
24 eliminating tax benefits in an Energy Transition Zone, all
25 benefits previously extended within the Zone pursuant to this
26 Act or pursuant to any other Illinois law providing benefits

1 specifically to or within Energy Transition Zones shall remain
2 in effect for the original stated term of the Energy Transition
3 Zone, with respect to green energy enterprises within the Zone
4 on the effective date of such decertification or amendment.

5 Section 1-60. Powers and duties of Department.

6 (a) The Department shall administer this Act and shall have
7 the following powers and duties:

8 (1) to monitor the implementation of this Act and
9 submit reports evaluating the effectiveness of the program
10 and any suggestions for legislation to the Governor and
11 General Assembly by October 1 of every year preceding a
12 regular Session of the General Assembly and to annually
13 report to the General Assembly initial and current
14 population, employment, per capita income, number of
15 business establishments, dollar value of new construction
16 and improvements, and the aggregate value of each tax
17 incentive, based on information provided by the Department
18 of Revenue for each Energy Transition Zone; and

19 (2) to adopt all necessary rules to carry out the
20 purposes of this Act in accordance with the Illinois
21 Administrative Procedure Act.

22 (b) The Department shall have all of the following specific
23 duties:

24 (1) The Department shall provide information and
25 appropriate assistance to persons desiring to locate and

1 engage in business in an Energy Transition Zone and to
2 persons engaged in green energy in an Energy Transition
3 Zone.

4 (2) The Department shall, in cooperation with
5 appropriate units of local government and State agencies,
6 coordinate and streamline existing State business
7 assistance programs and permit and license application
8 procedures for Energy Transition Zone green energy
9 enterprises.

10 (3) The Department shall publicize existing tax
11 incentives and economic development programs within the
12 Zone and upon request, offer technical assistance in
13 abatement and alternative revenue source development to
14 local units of government which have Energy Transition
15 Zones within their jurisdiction.

16 (4) The Department shall work together with the
17 responsible State and federal agencies to promote the
18 coordination of other relevant programs, including but not
19 limited to housing, community and economic development,
20 small business, banking, financial assistance, and
21 employment training programs which are carried on in an
22 Energy Transition Zone.

23 (5) In order to stimulate employment opportunities for
24 Zone residents, the Department, in cooperation with the
25 Department of Human Services and the Department of
26 Employment Security, is to initiate a test of the following

1 2 programs within the 12-month period following
2 designation and approval by the Department of the first
3 Energy Transition Zones: (i) the use of aid to families
4 with dependent children benefits payable under Article IV
5 of the Illinois Public Aid Code, General Assistance
6 benefits payable under Article VI of the Illinois Public
7 Aid Code, the unemployment insurance benefits payable
8 under the Unemployment Insurance Act as training or
9 employment subsidies leading to unsubsidized employment;
10 and (ii) a program for voucher reimbursement of the cost of
11 training Zone residents eligible under the Targeted Jobs
12 Tax Credit provisions of the Internal Revenue Code for
13 employment in private industry. These programs shall not be
14 designed to subsidize businesses, but are intended to open
15 up job and training opportunities not otherwise available.
16 Nothing in this paragraph (5) shall be deemed to require
17 Zone businesses to utilize these programs. These programs
18 should be designed (i) for those individuals whose
19 opportunities for job-finding are minimal without program
20 participation, (ii) to minimize the period of benefit
21 collection by such individuals, and (iii) to accelerate the
22 transition of those individuals to unsubsidized
23 employment. The Department is to seek agreement with
24 business, organized labor, and the appropriate State
25 Departments and agencies on the design, operation, and
26 evaluation of the test programs.

1 (c) A report with recommendations including representative
2 comments of these groups shall be submitted by the Department
3 to the county or municipality that designated the area as an
4 Energy Transition Zone, the Governor, and the General Assembly
5 not later than 12 months after such test programs have
6 commenced, or not later than 3 months following the termination
7 of such test programs, whichever first occurs.

8 Section 1-65. State incentives regarding public services
9 and physical infrastructure.

10 (a) This Act does not restrict tax incentive financing
11 pursuant to the Tax Increment Allocation Redevelopment Act in
12 the Illinois Municipal Code.

13 (b) The State Treasurer is authorized and encouraged to
14 place deposits of State funds with financial institutions doing
15 business in an Energy Transition Zone.

16 Section 1-70. Zone administration. The administration of
17 an Energy Transition Zone shall be under the jurisdiction of
18 the designating municipality. Each designating municipality
19 shall, by ordinance, designate a Zone Administrator for the
20 certified Zones within its jurisdiction. A Zone Administrator
21 must be an officer or employee of the municipality. The Zone
22 Administrator shall be the liaison between the designating
23 municipality, the Department, and any designated Zone
24 organizations within zones under his jurisdiction.

1 Section 1-75. Accounting.

2 (a) Any business receiving tax incentives due to its
3 location within an Energy Transition Zone must annually report
4 to the Department of Revenue information reasonably required by
5 the Department of Revenue to enable the Department to verify
6 and calculate the total Energy Transition Zone tax benefits for
7 property taxes and taxes imposed by the State that are received
8 by the business, broken down by incentive category and Energy
9 Transition Zone, if applicable. Reports are due no later than
10 May 31 of each year and shall cover the previous calendar year.
11 The first report will be for the 2019 calendar year and is due
12 no later than May 31, 2020.

13 (b) Green energy enterprises shall report their job
14 creation, retention, and capital investment numbers within the
15 Zone annually to the Department of Revenue no later than May 31
16 of each calendar year.

17 (c) The Department of Revenue shall aggregate and collect
18 the tax, job, and capital investment data by Energy Transition
19 Zone and report this information, formatted to exclude
20 company-specific proprietary information, to the Department
21 and the Board by August 1, 2020, and by August 1 of every
22 calendar year thereafter. The Department shall include this
23 information in their required reports under this Act.

24 (d) The Department of Revenue, in its discretion, may
25 require that the reports filed under this Section be submitted

1 electronically.

2 (e) The Department of Revenue shall have the authority to
3 adopt rules as are reasonable and necessary to implement the
4 provisions of this Section.

5 Section 1-80. Zone Administrator.

6 (a) Each Zone Administrator shall post a copy of the
7 boundaries of the Energy Transition Zone on its official
8 Internet website and shall provide an electronic copy to the
9 Department. The Department shall post each copy of the
10 boundaries of an Energy Transition Zone that it receives from a
11 Zone Administrator on its official Internet website.

12 (b) The Zone Administrator shall collect and aggregate the
13 following information:

14 (1) the estimated cost of each building project, broken
15 down into labor and materials; and

16 (2) within 60 days after the end of the project, the
17 estimated cost of each building project, broken down into
18 labor and materials.

19 (c) By April 1 of each year, each Zone Administrator shall
20 file a copy of its fee schedule with the Department, and the
21 Department shall post the fee schedule on its website. Zone
22 Administrators shall charge no more than 0.5% of the cost of
23 building materials of the project associated with the specific
24 Energy Transition Zone, with a maximum fee of no more than
25 \$50,000.

1 Section 1-85. State regulatory exemptions in Energy
2 Transition Zones.

3 (a) The Department shall conduct an ongoing review of such
4 agency rules as may be identified by the Department or
5 representatives of designating municipalities and counties as
6 green energy enterprises and preliminarily appearing to the
7 Department to:

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

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

12 (3) inhibit the development and expansions of
13 enterprises within Energy Transition Zones.

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

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

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

- 1 (1) the need or justification;
- 2 (2) whether the rule is mandated by State or federal
3 law, or is discretionary, and to what extent;
- 4 (3) a synopsis of the history of the rule, including
5 any internal agency review after its original adoption; and
- 6 (4) any appropriate explanation of its relationship to
7 other regulatory requirements.

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

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

23 (e) The proposed rules adopted by the Department shall be
24 in the form of amendments to the existing rules to be affected,
25 and shall be subject to the Illinois Administrative Procedure
26 Act.

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

11 Section 1-90. State and local regulatory alternatives.

12 (a) Agencies may provide in their rules for:

13 (1) the exemption of green energy enterprises within
14 Energy Transition Zones; or

15 (2) modifications or alternatives specifically
16 applicable to green energy enterprises within Energy
17 Transition Zones, which impose less stringent standards or
18 alternative standards for compliance (including, but not
19 limited to, performance-based standards as a substitute
20 for specific mandates of methods, procedures or
21 equipment).

22 Such exemptions, modifications, or alternatives shall
23 become effective by rule adopted in accordance with the
24 Illinois Administrative Procedure Act. The Agency adopting
25 such exemptions, modifications or alternatives shall file with

1 its proposed rule its findings that the proposed rule provides
2 economic incentives within Energy Transition Zones which
3 promote the purposes of this Act, and which, to the extent they
4 include any exemptions or reductions in regulatory standards or
5 requirements, outweigh the need or justification for the
6 existing rule.

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

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

1 occupancy of the building or use of the structure.

2 Section 1-95. Exemptions from regulatory relaxation.
3 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
4 to:

5 (1) the Environmental Protection Act;

6 (2) the Illinois Historic Preservation Act;

7 (3) the Illinois Human Rights Act;

8 (4) any successor Acts to any of the foregoing; or

9 (5) any other Acts whose purpose is the protection of
10 the environment, the preservation of historic places and
11 landmarks, or the protection of persons against
12 discrimination on the basis of race, color, religion, sex,
13 marital status, national origin, or physical or mental
14 disability.

15 (b) No exemption, modification, or alternative to any
16 agency rule shall be effective which:

17 (1) presents a significant risk to the health or safety
18 of persons resident in or employed within an Energy
19 Transition Zone;

20 (2) would conflict with federal law such that the
21 State, or any unit of local government or school district,
22 or any area of the State other than Energy Transition
23 Zones, or any business enterprise located outside of an
24 Energy Transition Zone would be disqualified from a federal
25 program or from federal tax or other benefits;

1 (3) would suspend or modify an agency rule mandated by
2 law; or

3 (4) would eliminate or reduce benefits to individuals
4 who are residents of or employed within a Zone.

5 Section 1-100. Business notifications. Any business
6 located within the Energy Transition Zone which has received
7 tax credits or exemptions, regulatory relief or any other
8 benefits under this Act shall notify the Department and the
9 county and municipal officials in which the Energy Transition
10 Zone is located within 60 days of the cessation of any business
11 operations conducted within the Energy Transition Zone. The
12 Department shall adopt rules to carry out this Section.

13 Article 5. Energy Transition Tax Credit Act

14 Section 5-1. Short title. This Article may be cited as the
15 Energy Transition Tax Credit Act. References in this Article to
16 "this Act" mean this Article.

17 Section 5-5. Purpose. The General Assembly finds and
18 declares that the health, safety, and welfare of the people of
19 this State are dependent upon a healthy economy and vibrant
20 communities; that the closure of coal plants, coal mines, and
21 nuclear energy plants across the states are detrimental to
22 maintaining a healthy economy and vibrant communities; that the

1 expansion of green energy creates significant job growth and
2 contributes significantly to the health, safety, and welfare of
3 the people of this State; that the continual encouragement,
4 development, growth and expansion of green energy within the
5 State requires a cooperative and continuous partnership
6 between government and the green energy sector; and that there
7 are certain depressed areas in this State that have lost jobs
8 due to the closure of coal plants, coal mines, and nuclear
9 energy plants and need the particular attention of government,
10 labor and the citizens of Illinois to help attract green energy
11 investment into these areas and directly aid the local
12 community and its residents. Therefore, it is declared to be
13 the purpose of this Act, in conjunction with the Energy
14 Transition Zone Act, to provide green energy enterprises an
15 incentive to stimulate the growth of green energy in the State
16 and to foster job growth in areas depressed by the closure of
17 coal plants, coal mines, and nuclear energy plants.

18 Section 5-10. Definitions. As used in this Act:

19 "Agreement" means the Agreement between a Taxpayer and the
20 Department under the provisions of Section 5-55 of this Act.

21 "Applicant" means a Taxpayer operating a green energy
22 enterprise, as determined by the Energy Transition Zone Act,
23 located within or that the green energy enterprise plans to
24 locate within an Energy Transition Zone. "Applicant" does not
25 include a Taxpayer who closes or substantially reduces an

1 operation at one location in the State and relocates
2 substantially the same operation to a location in an Energy
3 Transition Zone. This does not prohibit a Taxpayer from
4 expanding its operations at a location in an Energy Transition
5 Zone, provided that existing operations of a similar nature
6 located within the State are not closed or substantially
7 reduced. This also does not prohibit a Taxpayer from moving its
8 operations from one location in the State to an Energy
9 Transition Zone for the purpose of expanding the operation
10 provided that the Department determines that expansion cannot
11 reasonably be accommodated within the municipality in which the
12 business is located, or in the case of a business located in an
13 incorporated area of the county, within the county in which the
14 business is located, after conferring with the chief elected
15 official of the municipality or county and taking into
16 consideration any evidence offered by the municipality or
17 county regarding the ability to accommodate expansion within
18 the municipality or county.

19 "Committee" means the Energy Transition Investment
20 Committee created under Section 5-25 of this Act within the
21 Illinois Economic Development Board.

22 "Credit" means the amount agreed to between the Department
23 and the Applicant under this Act, but not to exceed the lesser
24 of: (1) the sum of (i) 50% of the Incremental Income Tax
25 attributable to New Employees at the Applicant's project and
26 (ii) 10% of the training costs of New Employees; or (2) 100% of

1 the Incremental Income Tax attributable to New Employees at the
2 Applicant's project. However, if the project is located in an
3 underserved area, then the amount of the Credit may not exceed
4 the lesser of: (1) the sum of (i) 75% of the Incremental Income
5 Tax attributable to New Employees at the Applicant's project
6 and (ii) 10% of the training costs of New Employees; or (2)
7 100% of the Incremental Income Tax attributable to New
8 Employees at the Applicant's project. If an Applicant agrees to
9 hire the required number of New Employees, then the maximum
10 amount of the Credit for that Applicant may be increased by an
11 amount not to exceed 25% of the Incremental Income Tax
12 attributable to retained employees at the Applicant's project;
13 provided that, in order to receive the increase for retained
14 employees, the Applicant must provide the additional evidence
15 required under paragraph (3) of subsection (b) of Section 5-30.

16 "Department" means the Department of Commerce and Economic
17 Opportunity.

18 "Director" means the Director of the Department of Commerce
19 and Economic Opportunity.

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

1 hours each week or who renders any other standard of service
2 generally accepted by industry custom or practice as full-time
3 employment to Applicant.

4 "Green energy" means solar energy, wind energy, water
5 energy, geothermal energy, bioenergy, or hydrogen fuel and
6 cells.

7 "Green energy production facility" means a facility owned
8 by a green energy enterprise (as defined in the Illinois Energy
9 Transition Zone Act) that is used in the production of solar
10 energy, wind energy, water energy, geothermal energy,
11 bioenergy, or hydrogen fuel and cells."Incremental Income Tax"
12 means the total amount withheld during the taxable year from
13 the compensation of New Employees and, if applicable, retained
14 employees under Article 7 of the Illinois Income Tax Act
15 arising from employment at a project that is the subject of an
16 Agreement.

17 "New Employee" means a full-time employee first employed by
18 a taxpayer in the project that is the subject of an agreement
19 and who is hired after the taxpayer enters into the agreement.
20 The term "New Employee" does not include:

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

24 (2) an employee of the Taxpayer who was previously
25 employed in Illinois by a Related Member of the Taxpayer
26 and whose employment was shifted to the Taxpayer after the

1 Taxpayer entered into the Agreement; or

2 (3) a child, grandchild, parent, or spouse, other than
3 a spouse who is legally separated from the individual, of
4 any individual who has a direct or an indirect ownership
5 interest of at least 5% in the profits, capital, or value
6 of the taxpayer.

7 Notwithstanding any other provisions of this Section, an
8 employee may be considered a New Employee under the Agreement
9 if the employee performs a job that was previously performed by
10 an employee who was:

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

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

13 Notwithstanding any other provisions of this Section, the
14 Department may award a Credit to an Applicant with respect to
15 an employee hired prior to the date of the Agreement if:

16 (1) the Applicant is in receipt of a letter from the
17 Department stating an intent to enter into a credit
18 Agreement;

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

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

24 "Noncompliance Date" means, in the case of a Taxpayer that
25 is not complying with the requirements of the Agreement or the
26 provisions of this Act, the day following the last date upon

1 which the Taxpayer was in compliance with the requirements of
2 the Agreement and the provisions of this Act, as determined by
3 the Director, pursuant to Section 5-75.

4 "Pass through entity" means an entity that is exempt from
5 the tax under subsection (b) or (c) of Section 205 of the
6 Illinois Income Tax Act.

7 "Related Member" means a person that, with respect to the
8 Taxpayer during any portion of the taxable year, is any one of
9 the following:

10 (1) An individual stockholder, if the stockholder and
11 the members of the stockholder's family (as defined in
12 Section 318 of the Internal Revenue Code) own directly,
13 indirectly, beneficially, or constructively, in the
14 aggregate, at least 50% of the value of the Taxpayer's
15 outstanding stock.

16 (2) A partnership, estate, or trust and any partner or
17 beneficiary, if the partnership, estate, or trust, and its
18 partners or beneficiaries own directly, indirectly,
19 beneficially, or constructively, in the aggregate, at
20 least 50% of the profits, capital, stock, or value of the
21 Taxpayer.

22 (3) A corporation, and any party related to the
23 corporation in a manner that would require an attribution
24 of stock from the corporation to the party or from the
25 party to the corporation under the attribution rules of
26 Section 318 of the Internal Revenue Code, if the Taxpayer

1 owns directly, indirectly, beneficially, or constructively
2 at least 50% of the value of the corporation's outstanding
3 stock.

4 (4) A corporation and any party related to that
5 corporation in a manner that would require an attribution
6 of stock from the corporation to the party or from the
7 party to the corporation under the attribution rules of
8 Section 318 of the Internal Revenue Code, if the
9 corporation and all such related parties own in the
10 aggregate at least 50% of the profits, capital, stock, or
11 value of the Taxpayer.

12 (5) A person to or from whom there is attribution of
13 stock ownership in accordance with Section 1563(e) of the
14 Internal Revenue Code, except, for purposes of determining
15 whether a person is a Related Member under this paragraph,
16 20% shall be substituted for 5% wherever 5% appears in
17 Section 1563(e) of the Internal Revenue Code.

18 "Taxpayer" means an individual, corporation, partnership,
19 or other entity that has any Illinois income tax liability.

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

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

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

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

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

10 Section 5-15. Powers of the Department. The Department, in
11 addition to those powers granted under the Civil Administrative
12 Code of Illinois, is granted and shall have all the powers
13 necessary or convenient to carry out and effectuate the
14 purposes and provisions of this Act, including, but not limited
15 to, power and authority to:

16 (1) Adopt rules deemed necessary and appropriate for
17 the administration of the programs; establish forms for
18 applications, notifications, contracts, or any other
19 agreements; and accept applications at any time during the
20 year.

21 (2) Provide and assist Taxpayers pursuant to the
22 provisions of this Act, and cooperate with Taxpayers that
23 are parties to Agreements to promote, foster, and support
24 economic development, capital investment, and job creation
25 or retention within the Energy Transition Zone.

1 (c) Enter into agreements and memoranda of
2 understanding for participation of and engage in
3 cooperation with agencies of the federal government, local
4 units of government, universities, research foundations or
5 institutions, regional economic development corporations,
6 or other organizations for the purposes of this Act.

7 (4) Gather information and conduct inquiries, in the
8 manner and by the methods as it deems desirable, including
9 without limitation, gathering information with respect to
10 Applicants for the purpose of making any designations or
11 certifications necessary or desirable or to gather
12 information to assist the Committee with any
13 recommendation or guidance in the furtherance of the
14 purposes of this Act.

15 (5) Establish, negotiate and effectuate any term,
16 agreement or other document with any person, necessary or
17 appropriate to accomplish the purposes of this Act; and to
18 consent, subject to the provisions of any Agreement with
19 another party, to the modification or restructuring of any
20 Agreement to which the Department is a party.

21 (6) Fix, determine, charge, and collect any premiums,
22 fees, charges, costs, and expenses from Applicants,
23 including, without limitation, any application fees,
24 commitment fees, program fees, financing charges, or
25 publication fees as deemed appropriate to pay expenses
26 necessary or incident to the administration, staffing, or

1 operation in connection with the Department's or
2 Committee's activities under this Act, or for preparation,
3 implementation, and enforcement of the terms of the
4 Agreement, or for consultation, advisory and legal fees,
5 and other costs; however, all fees and expenses incident
6 thereto shall be the responsibility of the Applicant.

7 (7) Provide for sufficient personnel to permit
8 administration, staffing, operation, and related support
9 required to adequately discharge its duties and
10 responsibilities described in this Act from funds made
11 available through charges to Applicants or from funds as
12 may be appropriated by the General Assembly for the
13 administration of this Act.

14 (8) Require Applicants, upon written request, to issue
15 any necessary authorization to the appropriate federal,
16 state, or local authority for the release of information
17 concerning a project being considered under the provisions
18 of this Act, with the information requested to include, but
19 not be limited to, financial reports, returns, or records
20 relating to the Taxpayer or its project.

21 (9) Require that a Taxpayer shall at all times keep
22 proper books of record and account in accordance with
23 generally accepted accounting principles consistently
24 applied, with the books, records, or papers related to the
25 Agreement in the custody or control of the Taxpayer open
26 for reasonable Department inspection and audits, and

1 including, without limitation, the making of copies of the
2 books, records, or papers, and the inspection or appraisal
3 of any of the Taxpayer or project assets.

4 (10) Take whatever actions are necessary or
5 appropriate to protect the State's interest in the event of
6 bankruptcy, default, foreclosure, or noncompliance with
7 the terms and conditions of financial assistance or
8 participation required under this Act, including the power
9 to sell, dispose, lease, or rent, upon terms and conditions
10 determined by the Director to be appropriate, real or
11 personal property that the Department may receive as a
12 result of these actions.

13 Section 5-20. Tax credit awards.

14 (a) Subject to the conditions set forth in this Act, a
15 Taxpayer is entitled to a Credit against or, as described in
16 subsection (f) of this Section, a payment towards taxes imposed
17 pursuant to subsections (a) and (b) of Section 201 of the
18 Illinois Income Tax Act that may be imposed on the Taxpayer for
19 a taxable year beginning on or after January 1, 2019, if the
20 Taxpayer is awarded a Credit by the Department under this Act
21 for that taxable year.

22 The Department shall make Credit awards under this Act to
23 foster job creation and the development of green energy in
24 Energy Transition Zones.

25 (b) A person that proposes a project to create new jobs and

1 to invest in the development of a green energy production
2 facility in an Energy Transition Zone must enter into an
3 Agreement with the Department for the Credit under this Act

4 (c) The Credit shall be claimed for the taxable years
5 specified in the Agreement.

6 (d) The Credit shall not exceed the Incremental Income Tax
7 attributable to the project that is the subject of the
8 Agreement.

9 (e) Nothing herein shall prohibit a Tax Credit Award to an
10 Applicant that uses a PEO if all other award criteria are
11 satisfied.

12 (f) A pass through entity that has been awarded a credit
13 under this Act, its shareholders, or its partners may treat
14 some or all of the credit awarded pursuant to this Act as a tax
15 payment for purposes of the Illinois Income Tax Act. The term
16 "tax payment" means a payment as described in Article 6 or
17 Article 8 of the Illinois Income Tax Act or a composite payment
18 made by a pass through entity on behalf of any of its
19 shareholders or partners to satisfy such shareholders' or
20 partners' taxes imposed pursuant to subsections (a) and (b) of
21 Section 201 of the Illinois Income Tax Act. In no event shall
22 the amount of the award credited pursuant to this Act exceed
23 the Illinois income tax liability of the pass through entity or
24 its shareholders or partners for the taxable year.

25 Section 5-25. Application for a project to create and

1 retain new jobs and to develop green energy.

2 (a) Any green energy enterprise proposing a project to
3 build a green energy production facility located or planned to
4 be located in an Energy Transition Zone may request
5 consideration for designation of its project, by formal written
6 letter of request or by formal application to the Department,
7 in which the Applicant states its intent to make at least a
8 specified level of investment and intends to hire or retain a
9 specified number of full-time employees at a designated
10 location in Illinois. As circumstances require, the Department
11 may require a formal application from an Applicant and a formal
12 letter of request for assistance.

13 (b) In order to qualify for Credits under this Act, an
14 Applicant's project must:

15 (1) be for the purpose of producing green energy;

16 (2) if the Applicant has more than 100 employees,
17 involve an investment of at least \$2,500,000 in capital
18 improvements to be placed in service within an Energy
19 Transition Zone as a direct result of the project; if the
20 Applicant has 100 or fewer employees, then there is no
21 capital investment requirement; and

22 (3) if the Applicant has more than 100 employees,
23 employ a number of new employees in the Energy Transition
24 Zone equal to the lesser of (A) 10% of the number of
25 full-time employees employed by the applicant world-wide
26 on the date the application is filed with the Department or

1 (B) 50 New Employees; and, if the Applicant has 100 or
2 fewer employees, employ a number of new employees in the
3 State equal to the lesser of (A) 5% of the number of
4 full-time employees employed by the applicant world-wide
5 on the date the application is filed with the Department or

6 (B) 50 New Employees;

7 (c) After receipt of an application, the Department may
8 enter into an Agreement with the Applicant if the application
9 is accepted in accordance with Section 5-25.

10 Section 5-30. Review of application.

11 (a) In addition to those duties granted under the Illinois
12 Economic Development Board Act, the Illinois Economic
13 Development Board shall form an Energy Transition Investment
14 Committee for the purpose of making recommendations for
15 applications. At the request of the Board, the Director of
16 Commerce and Economic Opportunity or his or her designee, the
17 Director of the Governor's Office of Management and Budget or
18 his or her designee, the Director of Revenue or his or her
19 designee, the Director of Employment Security or his or her
20 designee, and an elected official of the affected locality,
21 such as the chair of the county board or the mayor, may serve
22 as members of the Committee to assist with its analysis and
23 deliberations.

24 (b) At the Department's request, the Committee shall
25 convene, make inquiries, and conduct studies in the manner and

1 by the methods as it deems desirable, review information with
2 respect to Applicants, and make recommendations for projects to
3 benefit an Energy Transition Zone. In making its recommendation
4 that an Applicant's application for Credit should or should not
5 be accepted, which shall occur within a reasonable time frame
6 as determined by the nature of the application, the Committee
7 shall determine that all the following conditions exist:

8 (1) The Applicant's project intends, as required by
9 subsection (b) of Section 5 to make the required investment
10 in the Energy Transition Zone and intends to hire the
11 required number of New Employees in the Energy Transition
12 Zone as a result of that project.

13 (2) The Applicant's project is economically sound and
14 will benefit the people of the Energy Transition Zone by
15 increasing opportunities for employment and engaging in
16 the development of green energy.

17 (3) That, if not for the Credit, the project would not
18 occur in Illinois, which may be demonstrated by evidence
19 that receipt of the Credit is essential to the Applicant's
20 decision to create new jobs in the State, such as the
21 magnitude of the cost differential between Illinois and a
22 competing State; in addition, if the Applicant is seeking
23 an increase in the maximum amount of the Credit for
24 retained employees, the Applicant must provide evidence
25 the Applicant has multi-state location options and could
26 reasonably and efficiently locate outside of the State or

1 demonstrate that at least one other state is being
2 considered for the project.

3 (4) A cost differential is identified, using best
4 available data, in the projected costs for the Applicant's
5 project compared to the costs in the competing state,
6 including the impact of the competing state's incentive
7 programs. The competing state's incentive programs shall
8 include state, local, private, and federal funds
9 available.

10 (5) The political subdivisions affected by the project
11 have committed local incentives with respect to the
12 project, considering local ability to assist.

13 (6) Awarding the Credit will result in an overall
14 positive fiscal impact to the State, as certified by the
15 Committee using the best available data.

16 (7) The Credit is not prohibited by Section 5-45 of
17 this Act.

18 Section 5-35. Limitation to amount of costs of specified
19 items. The total amount of the Credit allowed during all tax
20 years may not exceed the aggregate amount of costs incurred by
21 the Taxpayer during all prior tax years for the following
22 items, to the extent provided in the Agreement:

23 (1) capital investment, including, but not limited to,
24 equipment, buildings, or land;

25 (2) infrastructure development;

- 1 (3) debt service, except refinancing of current debt;
- 2 (4) research and development;
- 3 (5) job training and education;
- 4 (6) lease costs; or
- 5 (7) relocation costs.

6 Section 5-40. Relocation of jobs to Energy Transition Zone.
7 A taxpayer is not entitled to claim the credit provided by this
8 Act with respect to any jobs that the taxpayer relocates from
9 one site in Illinois to another site in an Energy Transition
10 Zone. A taxpayer with respect to a qualifying project certified
11 under the Corporate Headquarters Relocation Act, however, is
12 not subject to the requirements of this Section but is
13 nevertheless considered an applicant for purposes of this Act.
14 Moreover, any full-time employee of an eligible green energy
15 enterprise relocated to an Energy Transition Zone in connection
16 with that qualifying project is deemed to be a new employee for
17 purposes of this Act. Determinations under this Section shall
18 be made by the Department.

19 Section 5-45. Determination of amount of the Credit. In
20 determining the amount of the Credit that should be awarded,
21 the Committee shall provide guidance on, and the Department
22 shall take into consideration, all of the following factors:

- 23 (1) The number and location of jobs created and
24 retained in relation to the economy of the Energy

1 Transition Zone where the projected investment is to occur.

2 (2) The potential impact on the economy of the Energy
3 Transition Zone.

4 (3) The advancement of green energy in the Energy
5 Transition Zone.

6 (4) The incremental payroll attributable to the
7 project.

8 (5) The capital investment attributable to the
9 project.

10 (6) The amount of the average wage and benefits paid by
11 the Applicant in relation to the wage and benefits of the
12 Energy Transition Zone.

13 (7) The costs to Illinois and the affected political
14 subdivisions with respect to the project.

15 (8) The financial assistance that is otherwise
16 provided by Illinois and the affected political
17 subdivisions.

18 Section 5-50. Amount and curation of credit.

19 (a) The Department shall determine the amount and duration
20 of the credit awarded under this Act. The duration of the
21 credit may not exceed 10 taxable years. The credit may be
22 stated as a percentage of the Incremental Income Tax
23 attributable to the applicant's project and may include a fixed
24 dollar limitation. An Agreement for the credit must be
25 finalized and signed by all parties while the area in which the

1 project is located is designated an Energy Transition Zone. The
2 credit may last longer than the applicable Energy Transition
3 Zone designation. Agreements entered into prior to the
4 de-designation of an Energy Transition Zone will be honored for
5 the length of the Agreement.

6 (b) Notwithstanding subsection (a), and except as the
7 credit may be applied in a carryover year pursuant to Section
8 211.1 (4) of the Illinois Income Tax Act, the credit may be
9 applied against the State income tax liability in more than 10
10 taxable years but not in more than 15 taxable years for an
11 eligible green energy enterprise that (i) qualifies under this
12 Act and the Corporate Headquarters Relocation Act and has in
13 fact undertaken a qualifying project within the time frame
14 specified by the Department of Commerce and Economic
15 Opportunity under that Act, and (ii) applies against its State
16 income tax liability, during the entire 15-year period, no more
17 than 60% of the maximum credit per year that would otherwise be
18 available under this Act.

19 Section 5-55. Contents of Agreements with Applicants. The
20 Department shall enter into an Agreement with an Applicant that
21 is awarded a Credit under this Act. The Agreement must include
22 all of the following:

23 (1) A detailed description of the project that is the
24 subject of the Agreement, including the location and amount
25 of the investment and jobs created or retained.

1 (2) The duration of the Credit and the first taxable
2 year for which the Credit may be claimed.

3 (3) The Credit amount that will be allowed for each
4 taxable year.

5 (4) A requirement that the Taxpayer shall maintain
6 operations at the project location that shall be stated as
7 a minimum number of years not to exceed 10.

8 (5) A specific method for determining the number of New
9 Employees employed during a taxable year.

10 (6) A requirement that the Taxpayer shall annually
11 report to the Department the number of New Employees, the
12 Incremental Income Tax withheld in connection with the New
13 Employees, and any other information the Director needs to
14 perform the Director's duties under this Act.

15 (7) A requirement that the Director is authorized to
16 verify with the appropriate State agencies the amounts
17 reported under paragraph (6), and after doing so shall
18 issue a certificate to the Taxpayer stating that the
19 amounts have been verified.

20 (8) A requirement that the Taxpayer shall provide
21 written notification to the Director not more than 30 days
22 after the Taxpayer makes or receives a proposal that would
23 transfer the Taxpayer's State tax liability obligations to
24 a successor Taxpayer.

25 (9) A detailed description of the number of New
26 Employees to be hired, and the occupation and payroll of

1 the full-time jobs to be created or retained as a result of
2 the project.

3 (10) The minimum investment the green energy
4 enterprise will make in capital improvements, the time
5 period for placing the property in service, and the
6 designated green energy production of the project.

7 (11) A requirement that the Taxpayer shall provide
8 written notification to the Director and the Committee not
9 more than 30 days after the Taxpayer determines that the
10 minimum job creation or retention, employment payroll, or
11 investment no longer is being or will be achieved or
12 maintained as set forth in the terms and conditions of the
13 Agreement.

14 (12) A provision that, if the total number of New
15 Employees falls below a specified level, the allowance of
16 Credit shall be suspended until the number of New Employees
17 equals or exceeds the Agreement amount.

18 (13) A detailed description of the items for which the
19 costs incurred by the Taxpayer will be included in the
20 limitation on the Credit provided in Section 5-40.

21 (14) A provision that, if the Taxpayer never meets
22 either the investment or job creation and retention
23 requirements specified in the Agreement during the entire
24 5-year period beginning on the first day of the first
25 taxable year in which the Agreement is executed and ending
26 on the last day of the fifth taxable year after the

1 Agreement is executed, then the Agreement is automatically
2 terminated on the last day of the fifth taxable year after
3 the Agreement is executed and the Taxpayer is not entitled
4 to the award of any credits for any of that 5-year period.

5 (15) A provision specifying that, if the Taxpayer
6 ceases principal operations with the intent to shut down
7 the project in the Energy Transition Zone permanently
8 during the term of the Agreement, then the entire credit
9 amount awarded to the Taxpayer prior to the date the
10 Taxpayer ceases principal operations shall be returned to
11 the Department.

12 (16) Any other performance conditions or contract
13 provisions as the Department determines are appropriate.
14 The Department shall post on its website the terms of each
15 Agreement entered into under this Act. Such information
16 shall be posted within 10 days after entering into the
17 Agreement and must include the following:

- 18 (A) the name of the recipient business;
19 (B) the location of the project;
20 (C) the estimated value of the credit;
21 (C) the number of new jobs and, if applicable,
22 retained jobs pledged as a result of the project; and
23 (E) whether or not the project is located in an
24 underserved area.

25 Section 5-60. Certificate of verification; submission to

1 the Department of Revenue. A Taxpayer claiming a Credit under
2 this Act shall submit to the Department of Revenue a copy of
3 the Director's certificate of verification under this Act for
4 the taxable year. However, failure to submit a copy of the
5 certificate with the Taxpayer's tax return shall not invalidate
6 a claim for a Credit.

7 For a Taxpayer to be eligible for a certificate of
8 verification, the Taxpayer shall provide proof as required by
9 the Department prior to the end of each calendar year,
10 including, but not limited to, attestation by the Taxpayer
11 that:

12 (1) The project has substantially achieved the level of
13 new full-time jobs in the Energy Transition Zone, as
14 specified in its Agreement.

15 (2) The project has substantially achieved the level of
16 annual payroll in the Energy Transition Zone, as specified
17 in its Agreement.

18 (3) The project has substantially achieved the level of
19 capital investment in the Energy Transition Zone, as
20 specified in its Agreement;

21 (4) The project has assisted in the development of
22 green energy production in the Energy Transition Zone, as
23 specified in its Agreement.

24 Section 5-65. Supplier diversity. Each taxpayer claiming a
25 credit under this Act shall, no later than April 15 of each

1 taxable year for which the taxpayer claims a credit under this
2 Act, submit to the Department of Commerce and Economic
3 Opportunity an annual report containing the information
4 described in subsections (b), (c), (d), and (e) of Section
5 5-117 of the Public Utilities Act. Those reports shall be
6 submitted in the form and manner required by the Department of
7 Commerce and Economic Opportunity.

8 Section 5-70. Pass through entity. The shareholders or
9 partners of a Taxpayer that is a pass through entity shall be
10 entitled to the Credit allowed under the Agreement.

11 The Credit provided under subsection (a) is in addition to
12 any Credit to which a shareholder or partner is otherwise
13 entitled under a separate Agreement under this Act. A pass
14 through entity and a shareholder or partner of the pass through
15 entity may not claim more than one Credit under the same
16 Agreement.

17 Section 5-75. Noncompliance; notice; assessment. If the
18 Director determines that a Taxpayer who has received a Credit
19 under this Act is not complying with the requirements of the
20 Agreement or all of the provisions of this Act, the Director
21 shall provide notice to the Taxpayer of the alleged
22 noncompliance, and allow the Taxpayer a hearing under the
23 provisions of the Illinois Administrative Procedure Act. If,
24 after such notice and any hearing, the Director determines that

1 a noncompliance exists, the Director shall issue to the
2 Department of Revenue notice to that effect, stating the
3 Noncompliance Date. If, during the term of an Agreement, the
4 Taxpayer ceases operations at a project location that is the
5 subject of that Agreement with the intent to terminate
6 operations in the Energy Transition Zone, the Department and
7 the Department of Revenue shall recapture from the Taxpayer the
8 entire Credit amount awarded under that Agreement prior to the
9 date the taxpayer ceases operations. The Department shall,
10 subject to appropriation, reallocate the recaptured amounts to
11 the local workforce investment area in which the project was
12 located for the purposes of workforce development, expanded
13 opportunities for unemployed persons, and expanded
14 opportunities for women and minorities in the workforce.

15 Section 5-80. Annual report. On or before July 1 each year,
16 the Committee shall submit a report to the Department on the
17 tax credit program under this Act to the Governor and the
18 General Assembly. The report shall include information on the
19 number of Agreements that were entered into under this Act
20 during the preceding calendar year, a description of the
21 project that is the subject of each Agreement, an update on the
22 status of projects under Agreements entered into before the
23 preceding calendar year, and the sum of the Credits awarded
24 under this Act. A copy of the report shall be delivered to the
25 Governor and to each member of the General Assembly.

1 The report must include, for each Agreement:

2 (1) the original estimates of the value of the Credit
3 and the number of new jobs to be created and, if
4 applicable, the number of retained jobs;

5 (2) any relevant modifications to existing Agreements;

6 (3) a statement of the progress made by each Taxpayer
7 in meeting the terms of the original Agreement;

8 (4) a statement of wages paid to New Employees and, if
9 applicable, retained employees in the State;

10 (5) any information reported under Section 5-65 of this
11 Act; and

12 (6) a copy of the original Agreement.

13 Section 5-85. Evaluation of tax credit program. On a
14 biennial basis, the Department shall evaluate the tax credit
15 program. The evaluation shall include an assessment of the
16 effectiveness of the program in creating new jobs in Illinois
17 and of the revenue impact of the program, and may include a
18 review of the practices and experiences of other states with
19 similar programs. The Director shall submit a report on the
20 evaluation to the Governor and the General Assembly after June
21 30 and before November 1 in each odd-numbered year.

22 Section 5-90. Adoption of rules. The Department may adopt
23 rules necessary to implement this Act. The rules may provide
24 for recipients of Credits under this Act to be charged fees to

1 cover administrative costs of the tax credit program. Fees
2 collected shall be deposited into the Energy Transition Fund.

3 Section 5-95. The Energy Transition Fund.

4 (a) The Energy Transition Fund is established as a special
5 fund within the State treasury to be used exclusively for the
6 purposes of this Act, including paying for the costs of
7 administering this Act. The Fund shall be administered by the
8 Department.

9 (b) The Fund consists of collected fees, appropriations
10 from the General Assembly, and gifts and grants to the Fund.

11 (c) The State Treasurer shall invest the money in the Fund
12 not currently needed to meet the obligations of the Fund in the
13 same manner as other public funds may be invested. Interest
14 that accrues from these investments shall be deposited into the
15 Fund.

16 (d) The money in the Fund at the end of a State fiscal year
17 remains in the Fund to be used exclusively for the purposes of
18 this Act. Expenditures from the Fund are subject to
19 appropriation by the General Assembly.

20 Section 5-100. Program terms and conditions.

21 (a) Any documentary materials or data made available or
22 received by any member of a Committee or any agent or employee
23 of the Department shall be deemed confidential and shall not be
24 deemed public records to the extent that the materials or data

1 consists of trade secrets, commercial or financial information
2 regarding the operation of the business conducted by the
3 Applicant for or recipient of any tax credit under this Act, or
4 any information regarding the competitive position of a
5 business in a particular field of endeavor.

6 (b) Nothing in this Act shall be construed as creating any
7 rights in any Applicant to enter into an Agreement or in any
8 person to challenge the terms of any Agreement.

9 Article 10. Amendatory Provisions

10 Section 10-5. The Illinois Administrative Procedure Act is
11 amended by changing Section 5-45 as follows:

12 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

13 Sec. 5-45. Emergency rulemaking.

14 (a) "Emergency" means the existence of any situation that
15 any agency finds reasonably constitutes a threat to the public
16 interest, safety, or welfare.

17 (b) If any agency finds that an emergency exists that
18 requires adoption of a rule upon fewer days than is required by
19 Section 5-40 and states in writing its reasons for that
20 finding, the agency may adopt an emergency rule without prior
21 notice or hearing upon filing a notice of emergency rulemaking
22 with the Secretary of State under Section 5-70. The notice
23 shall include the text of the emergency rule and shall be

1 published in the Illinois Register. Consent orders or other
2 court orders adopting settlements negotiated by an agency may
3 be adopted under this Section. Subject to applicable
4 constitutional or statutory provisions, an emergency rule
5 becomes effective immediately upon filing under Section 5-65 or
6 at a stated date less than 10 days thereafter. The agency's
7 finding and a statement of the specific reasons for the finding
8 shall be filed with the rule. The agency shall take reasonable
9 and appropriate measures to make emergency rules known to the
10 persons who may be affected by them.

11 (c) An emergency rule may be effective for a period of not
12 longer than 150 days, but the agency's authority to adopt an
13 identical rule under Section 5-40 is not precluded. No
14 emergency rule may be adopted more than once in any 24-month
15 period, except that this limitation on the number of emergency
16 rules that may be adopted in a 24-month period does not apply
17 to (i) emergency rules that make additions to and deletions
18 from the Drug Manual under Section 5-5.16 of the Illinois
19 Public Aid Code or the generic drug formulary under Section
20 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
21 emergency rules adopted by the Pollution Control Board before
22 July 1, 1997 to implement portions of the Livestock Management
23 Facilities Act, (iii) emergency rules adopted by the Illinois
24 Department of Public Health under subsections (a) through (i)
25 of Section 2 of the Department of Public Health Act when
26 necessary to protect the public's health, (iv) emergency rules

1 adopted pursuant to subsection (n) of this Section, (v)
2 emergency rules adopted pursuant to subsection (o) of this
3 Section, or (vi) emergency rules adopted pursuant to subsection
4 (c-5) of this Section. Two or more emergency rules having
5 substantially the same purpose and effect shall be deemed to be
6 a single rule for purposes of this Section.

7 (c-5) To facilitate the maintenance of the program of group
8 health benefits provided to annuitants, survivors, and retired
9 employees under the State Employees Group Insurance Act of
10 1971, rules to alter the contributions to be paid by the State,
11 annuitants, survivors, retired employees, or any combination
12 of those entities, for that program of group health benefits,
13 shall be adopted as emergency rules. The adoption of those
14 rules shall be considered an emergency and necessary for the
15 public interest, safety, and welfare.

16 (d) In order to provide for the expeditious and timely
17 implementation of the State's fiscal year 1999 budget,
18 emergency rules to implement any provision of Public Act 90-587
19 or 90-588 or any other budget initiative for fiscal year 1999
20 may be adopted in accordance with this Section by the agency
21 charged with administering that provision or initiative,
22 except that the 24-month limitation on the adoption of
23 emergency rules and the provisions of Sections 5-115 and 5-125
24 do not apply to rules adopted under this subsection (d). The
25 adoption of emergency rules authorized by this subsection (d)
26 shall be deemed to be necessary for the public interest,

1 safety, and welfare.

2 (e) In order to provide for the expeditious and timely
3 implementation of the State's fiscal year 2000 budget,
4 emergency rules to implement any provision of Public Act 91-24
5 or any other budget initiative for fiscal year 2000 may be
6 adopted in accordance with this Section by the agency charged
7 with administering that provision or initiative, except that
8 the 24-month limitation on the adoption of emergency rules and
9 the provisions of Sections 5-115 and 5-125 do not apply to
10 rules adopted under this subsection (e). The adoption of
11 emergency rules authorized by this subsection (e) shall be
12 deemed to be necessary for the public interest, safety, and
13 welfare.

14 (f) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 2001 budget,
16 emergency rules to implement any provision of Public Act 91-712
17 or any other budget initiative for fiscal year 2001 may be
18 adopted in accordance with this Section by the agency charged
19 with administering that provision or initiative, except that
20 the 24-month limitation on the adoption of emergency rules and
21 the provisions of Sections 5-115 and 5-125 do not apply to
22 rules adopted under this subsection (f). The adoption of
23 emergency rules authorized by this subsection (f) shall be
24 deemed to be necessary for the public interest, safety, and
25 welfare.

26 (g) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2002 budget,
2 emergency rules to implement any provision of Public Act 92-10
3 or any other budget initiative for fiscal year 2002 may be
4 adopted in accordance with this Section by the agency charged
5 with administering that provision or initiative, except that
6 the 24-month limitation on the adoption of emergency rules and
7 the provisions of Sections 5-115 and 5-125 do not apply to
8 rules adopted under this subsection (g). The adoption of
9 emergency rules authorized by this subsection (g) shall be
10 deemed to be necessary for the public interest, safety, and
11 welfare.

12 (h) In order to provide for the expeditious and timely
13 implementation of the State's fiscal year 2003 budget,
14 emergency rules to implement any provision of Public Act 92-597
15 or any other budget initiative for fiscal year 2003 may be
16 adopted in accordance with this Section by the agency charged
17 with administering that provision or initiative, except that
18 the 24-month limitation on the adoption of emergency rules and
19 the provisions of Sections 5-115 and 5-125 do not apply to
20 rules adopted under this subsection (h). The adoption of
21 emergency rules authorized by this subsection (h) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare.

24 (i) In order to provide for the expeditious and timely
25 implementation of the State's fiscal year 2004 budget,
26 emergency rules to implement any provision of Public Act 93-20

1 or any other budget initiative for fiscal year 2004 may be
2 adopted in accordance with this Section by the agency charged
3 with administering that provision or initiative, except that
4 the 24-month limitation on the adoption of emergency rules and
5 the provisions of Sections 5-115 and 5-125 do not apply to
6 rules adopted under this subsection (i). The adoption of
7 emergency rules authorized by this subsection (i) shall be
8 deemed to be necessary for the public interest, safety, and
9 welfare.

10 (j) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2005 budget as provided under the Fiscal Year 2005 Budget
13 Implementation (Human Services) Act, emergency rules to
14 implement any provision of the Fiscal Year 2005 Budget
15 Implementation (Human Services) Act may be adopted in
16 accordance with this Section by the agency charged with
17 administering that provision, except that the 24-month
18 limitation on the adoption of emergency rules and the
19 provisions of Sections 5-115 and 5-125 do not apply to rules
20 adopted under this subsection (j). The Department of Public Aid
21 may also adopt rules under this subsection (j) necessary to
22 administer the Illinois Public Aid Code and the Children's
23 Health Insurance Program Act. The adoption of emergency rules
24 authorized by this subsection (j) shall be deemed to be
25 necessary for the public interest, safety, and welfare.

26 (k) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2006 budget, emergency rules to implement any provision of
3 Public Act 94-48 or any other budget initiative for fiscal year
4 2006 may be adopted in accordance with this Section by the
5 agency charged with administering that provision or
6 initiative, except that the 24-month limitation on the adoption
7 of emergency rules and the provisions of Sections 5-115 and
8 5-125 do not apply to rules adopted under this subsection (k).
9 The Department of Healthcare and Family Services may also adopt
10 rules under this subsection (k) necessary to administer the
11 Illinois Public Aid Code, the Senior Citizens and Persons with
12 Disabilities Property Tax Relief Act, the Senior Citizens and
13 Disabled Persons Prescription Drug Discount Program Act (now
14 the Illinois Prescription Drug Discount Program Act), and the
15 Children's Health Insurance Program Act. The adoption of
16 emergency rules authorized by this subsection (k) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare.

19 (1) In order to provide for the expeditious and timely
20 implementation of the provisions of the State's fiscal year
21 2007 budget, the Department of Healthcare and Family Services
22 may adopt emergency rules during fiscal year 2007, including
23 rules effective July 1, 2007, in accordance with this
24 subsection to the extent necessary to administer the
25 Department's responsibilities with respect to amendments to
26 the State plans and Illinois waivers approved by the federal

1 Centers for Medicare and Medicaid Services necessitated by the
2 requirements of Title XIX and Title XXI of the federal Social
3 Security Act. The adoption of emergency rules authorized by
4 this subsection (l) shall be deemed to be necessary for the
5 public interest, safety, and welfare.

6 (m) In order to provide for the expeditious and timely
7 implementation of the provisions of the State's fiscal year
8 2008 budget, the Department of Healthcare and Family Services
9 may adopt emergency rules during fiscal year 2008, including
10 rules effective July 1, 2008, in accordance with this
11 subsection to the extent necessary to administer the
12 Department's responsibilities with respect to amendments to
13 the State plans and Illinois waivers approved by the federal
14 Centers for Medicare and Medicaid Services necessitated by the
15 requirements of Title XIX and Title XXI of the federal Social
16 Security Act. The adoption of emergency rules authorized by
17 this subsection (m) shall be deemed to be necessary for the
18 public interest, safety, and welfare.

19 (n) In order to provide for the expeditious and timely
20 implementation of the provisions of the State's fiscal year
21 2010 budget, emergency rules to implement any provision of
22 Public Act 96-45 or any other budget initiative authorized by
23 the 96th General Assembly for fiscal year 2010 may be adopted
24 in accordance with this Section by the agency charged with
25 administering that provision or initiative. The adoption of
26 emergency rules authorized by this subsection (n) shall be

1 deemed to be necessary for the public interest, safety, and
2 welfare. The rulemaking authority granted in this subsection
3 (n) shall apply only to rules promulgated during Fiscal Year
4 2010.

5 (o) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2011 budget, emergency rules to implement any provision of
8 Public Act 96-958 or any other budget initiative authorized by
9 the 96th General Assembly for fiscal year 2011 may be adopted
10 in accordance with this Section by the agency charged with
11 administering that provision or initiative. The adoption of
12 emergency rules authorized by this subsection (o) is deemed to
13 be necessary for the public interest, safety, and welfare. The
14 rulemaking authority granted in this subsection (o) applies
15 only to rules promulgated on or after July 1, 2010 (the
16 effective date of Public Act 96-958) through June 30, 2011.

17 (p) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 97-689,
19 emergency rules to implement any provision of Public Act 97-689
20 may be adopted in accordance with this subsection (p) by the
21 agency charged with administering that provision or
22 initiative. The 150-day limitation of the effective period of
23 emergency rules does not apply to rules adopted under this
24 subsection (p), and the effective period may continue through
25 June 30, 2013. The 24-month limitation on the adoption of
26 emergency rules does not apply to rules adopted under this

1 subsection (p). The adoption of emergency rules authorized by
2 this subsection (p) is deemed to be necessary for the public
3 interest, safety, and welfare.

4 (q) In order to provide for the expeditious and timely
5 implementation of the provisions of Articles 7, 8, 9, 11, and
6 12 of Public Act 98-104, emergency rules to implement any
7 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
8 may be adopted in accordance with this subsection (q) by the
9 agency charged with administering that provision or
10 initiative. The 24-month limitation on the adoption of
11 emergency rules does not apply to rules adopted under this
12 subsection (q). The adoption of emergency rules authorized by
13 this subsection (q) is deemed to be necessary for the public
14 interest, safety, and welfare.

15 (r) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 98-651,
17 emergency rules to implement Public Act 98-651 may be adopted
18 in accordance with this subsection (r) by the Department of
19 Healthcare and Family Services. The 24-month limitation on the
20 adoption of emergency rules does not apply to rules adopted
21 under this subsection (r). The adoption of emergency rules
22 authorized by this subsection (r) is deemed to be necessary for
23 the public interest, safety, and welfare.

24 (s) In order to provide for the expeditious and timely
25 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
26 the Illinois Public Aid Code, emergency rules to implement any

1 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
2 Public Aid Code may be adopted in accordance with this
3 subsection (s) by the Department of Healthcare and Family
4 Services. The rulemaking authority granted in this subsection
5 (s) shall apply only to those rules adopted prior to July 1,
6 2015. Notwithstanding any other provision of this Section, any
7 emergency rule adopted under this subsection (s) shall only
8 apply to payments made for State fiscal year 2015. The adoption
9 of emergency rules authorized by this subsection (s) is deemed
10 to be necessary for the public interest, safety, and welfare.

11 (t) In order to provide for the expeditious and timely
12 implementation of the provisions of Article II of Public Act
13 99-6, emergency rules to implement the changes made by Article
14 II of Public Act 99-6 to the Emergency Telephone System Act may
15 be adopted in accordance with this subsection (t) by the
16 Department of State Police. The rulemaking authority granted in
17 this subsection (t) shall apply only to those rules adopted
18 prior to July 1, 2016. The 24-month limitation on the adoption
19 of emergency rules does not apply to rules adopted under this
20 subsection (t). The adoption of emergency rules authorized by
21 this subsection (t) is deemed to be necessary for the public
22 interest, safety, and welfare.

23 (u) In order to provide for the expeditious and timely
24 implementation of the provisions of the Burn Victims Relief
25 Act, emergency rules to implement any provision of the Act may
26 be adopted in accordance with this subsection (u) by the

1 Department of Insurance. The rulemaking authority granted in
2 this subsection (u) shall apply only to those rules adopted
3 prior to December 31, 2015. The adoption of emergency rules
4 authorized by this subsection (u) is deemed to be necessary for
5 the public interest, safety, and welfare.

6 (v) In order to provide for the expeditious and timely
7 implementation of the provisions of Public Act 99-516,
8 emergency rules to implement Public Act 99-516 may be adopted
9 in accordance with this subsection (v) by the Department of
10 Healthcare and Family Services. The 24-month limitation on the
11 adoption of emergency rules does not apply to rules adopted
12 under this subsection (v). The adoption of emergency rules
13 authorized by this subsection (v) is deemed to be necessary for
14 the public interest, safety, and welfare.

15 (w) In order to provide for the expeditious and timely
16 implementation of the provisions of Public Act 99-796,
17 emergency rules to implement the changes made by Public Act
18 99-796 may be adopted in accordance with this subsection (w) by
19 the Adjutant General. The adoption of emergency rules
20 authorized by this subsection (w) is deemed to be necessary for
21 the public interest, safety, and welfare.

22 (x) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 99-906,
24 emergency rules to implement subsection (i) of Section 16-115D,
25 subsection (g) of Section 16-128A, and subsection (a) of
26 Section 16-128B of the Public Utilities Act may be adopted in

1 accordance with this subsection (x) by the Illinois Commerce
2 Commission. The rulemaking authority granted in this
3 subsection (x) shall apply only to those rules adopted within
4 180 days after June 1, 2017 (the effective date of Public Act
5 99-906). The adoption of emergency rules authorized by this
6 subsection (x) is deemed to be necessary for the public
7 interest, safety, and welfare.

8 (y) In order to provide for the expeditious and timely
9 implementation of the provisions of Public Act 100-23 ~~this~~
10 ~~amendatory Act of the 100th General Assembly~~, emergency rules
11 to implement the changes made by Public Act 100-23 ~~this~~
12 ~~amendatory Act of the 100th General Assembly~~ to Section 4.02 of
13 the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the
14 Illinois Public Aid Code, Section 55-30 of the Alcoholism and
15 Other Drug Abuse and Dependency Act, and Sections 74 and 75 of
16 the Mental Health and Developmental Disabilities
17 Administrative Act may be adopted in accordance with this
18 subsection (y) by the respective Department. The adoption of
19 emergency rules authorized by this subsection (y) is deemed to
20 be necessary for the public interest, safety, and welfare.

21 (z) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-554 ~~this~~
23 ~~amendatory Act of the 100th General Assembly~~, emergency rules
24 to implement the changes made by Public Act 100-554 ~~this~~
25 ~~amendatory Act of the 100th General Assembly~~ to Section 4.7 of
26 the Lobbyist Registration Act may be adopted in accordance with

1 this subsection (z) by the Secretary of State. The adoption of
2 emergency rules authorized by this subsection (z) is deemed to
3 be necessary for the public interest, safety, and welfare.

4 (aa) In order to provide for the expeditious and timely
5 initial implementation of the changes made to Articles 5, 5A,
6 12, and 14 of the Illinois Public Aid Code under the provisions
7 of Public Act 100-581 ~~this amendatory Act of the 100th General~~
8 ~~Assembly~~, the Department of Healthcare and Family Services may
9 adopt emergency rules in accordance with this subsection (aa).
10 The 24-month limitation on the adoption of emergency rules does
11 not apply to rules to initially implement the changes made to
12 Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code
13 adopted under this subsection (aa). The adoption of emergency
14 rules authorized by this subsection (aa) is deemed to be
15 necessary for the public interest, safety, and welfare.

16 (bb) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 100-587 ~~this~~
18 ~~amendatory Act of the 100th General Assembly~~, emergency rules
19 to implement the changes made by Public Act 100-587 ~~this~~
20 ~~amendatory Act of the 100th General Assembly~~ to Section 4.02 of
21 the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the
22 Illinois Public Aid Code, subsection (b) of Section 55-30 of
23 the Alcoholism and Other Drug Abuse and Dependency Act, Section
24 5-104 of the Specialized Mental Health Rehabilitation Act of
25 2013, and Section 75 and subsection (b) of Section 74 of the
26 Mental Health and Developmental Disabilities Administrative

1 Act may be adopted in accordance with this subsection (bb) by
2 the respective Department. The adoption of emergency rules
3 authorized by this subsection (bb) is deemed to be necessary
4 for the public interest, safety, and welfare.

5 (cc) ~~(bb)~~ In order to provide for the expeditious and
6 timely implementation of the provisions of Public Act 100-587
7 ~~this amendatory Act of the 100th General Assembly~~, emergency
8 rules may be adopted in accordance with this subsection (cc)
9 ~~(bb)~~ to implement the changes made by Public Act 100-587 ~~this~~
10 ~~amendatory Act of the 100th General Assembly~~ to: Sections
11 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board
12 created under Article 14 of the Code; Sections 15-185.5 and
13 15-185.6 of the Illinois Pension Code by the Board created
14 under Article 15 of the Code; and Sections 16-190.5 and
15 16-190.6 of the Illinois Pension Code by the Board created
16 under Article 16 of the Code. The adoption of emergency rules
17 authorized by this subsection (cc) ~~(bb)~~ is deemed to be
18 necessary for the public interest, safety, and welfare.

19 (dd) ~~(aa)~~ In order to provide for the expeditious and
20 timely implementation of the provisions of Public Act 100-864
21 ~~this amendatory Act of the 100th General Assembly~~, emergency
22 rules to implement the changes made by Public Act 100-864 ~~this~~
23 ~~amendatory Act of the 100th General Assembly~~ to Section 3.35 of
24 the Newborn Metabolic Screening Act may be adopted in
25 accordance with this subsection (dd) ~~(aa)~~ by the Secretary of
26 State. The adoption of emergency rules authorized by this

1 subsection (dd) ~~(aa)~~ is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (ee) In order to provide for the expeditious and timely
4 implementation of the Illinois Energy Transition Zone Act,
5 emergency rules to implement the provisions of subsection (a-5)
6 of Section 1-40 of the Illinois Energy Transition Zone Act may
7 be adopted in accordance with this subsection (aa) by the
8 Department of Commerce and Economic Opportunity for period of
9 12 months after the effective date of the Illinois Energy
10 Transition Zone Act. The adoption of emergency rules authorized
11 by this subsection (aa) is deemed to be necessary for the
12 public interest, safety, and welfare.

13 (Source: P.A. 99-2, eff. 3-26-15; 99-6, eff. 1-1-16; 99-143,
14 eff. 7-27-15; 99-455, eff. 1-1-16; 99-516, eff. 6-30-16;
15 99-642, eff. 7-28-16; 99-796, eff. 1-1-17; 99-906, eff. 6-1-17;
16 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff.
17 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18;
18 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff.
19 8-14-18; revised 10-18-18.)

20 Section 10-10. The State Finance Act is amended by adding
21 Section 5.891 as follows:

22 (30 ILCS 105/5.891 new)

23 Sec. 5.891. The Energy Transition Fund.

1 Section 10-15. The State Mandates Act is amended by adding
2 Section 8.43 as follows:

3 (30 ILCS 805/8.43 new)

4 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
5 of this Act, no reimbursement by the State is required for the
6 implementation of any mandate created by this amendatory Act of
7 the 101st General Assembly.

8 Section 10-20. The Illinois Income Tax Act is amended by
9 changing Section 201 as follows:

10 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

11 Sec. 201. Tax imposed.

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

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

22 (1) In the case of an individual, trust or estate, for
23 taxable years ending prior to July 1, 1989, an amount equal

1 to 2 1/2% of the taxpayer's net income for the taxable
2 year.

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

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

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

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

25 (5.1) In the case of an individual, trust, or estate,
26 for taxable years beginning prior to January 1, 2015, and

1 ending after December 31, 2014, an amount equal to the sum
2 of (i) 5% of the taxpayer's net income for the period prior
3 to January 1, 2015, as calculated under Section 202.5, and
4 (ii) 3.75% of the taxpayer's net income for the period
5 after December 31, 2014, as calculated under Section 202.5.

6 (5.2) In the case of an individual, trust, or estate,
7 for taxable years beginning on or after January 1, 2015,
8 and ending prior to July 1, 2017, an amount equal to 3.75%
9 of the taxpayer's net income for the taxable year.

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

17 (5.4) In the case of an individual, trust, or estate,
18 for taxable years beginning on or after July 1, 2017, an
19 amount equal to 4.95% of the taxpayer's net income for the
20 taxable year.

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

24 (7) In the case of a corporation, for taxable years
25 beginning prior to July 1, 1989 and ending after June 30,
26 1989, an amount equal to the sum of (i) 4% of the

1 taxpayer's net income for the period prior to July 1, 1989,
2 as calculated under Section 202.3, and (ii) 4.8% of the
3 taxpayer's net income for the period after June 30, 1989,
4 as calculated under Section 202.3.

5 (8) In the case of a corporation, for taxable years
6 beginning after June 30, 1989, and ending prior to January
7 1, 2011, an amount equal to 4.8% of the taxpayer's net
8 income for the taxable year.

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

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

20 (11) In the case of a corporation, for taxable years
21 beginning prior to January 1, 2015, and ending after
22 December 31, 2014, an amount equal to the sum of (i) 7% of
23 the taxpayer's net income for the period prior to January
24 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
25 of the taxpayer's net income for the period after December
26 31, 2014, as calculated under Section 202.5.

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

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

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

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

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

1 addition to all other occupation or privilege taxes imposed by
2 this State or by any municipal corporation or political
3 subdivision thereof.

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

16 (d-1) Rate reduction for certain foreign insurers. In the
17 case of a foreign insurer, as defined by Section 35A-5 of the
18 Illinois Insurance Code, whose state or country of domicile
19 imposes on insurers domiciled in Illinois a retaliatory tax
20 (excluding any insurer whose premiums from reinsurance assumed
21 are 50% or more of its total insurance premiums as determined
22 under paragraph (2) of subsection (b) of Section 304, except
23 that for purposes of this determination premiums from
24 reinsurance do not include premiums from inter-affiliate
25 reinsurance arrangements), beginning with taxable years ending
26 on or after December 31, 1999, the sum of the rates of tax

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

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

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

20 (B) the privilege tax imposed by Section 409 of the
21 Illinois Insurance Code, the fire insurance company
22 tax imposed by Section 12 of the Fire Investigation
23 Act, and the fire department taxes imposed under
24 Section 11-10-1 of the Illinois Municipal Code,
25 equals 1.25% for taxable years ending prior to December 31,
26 2003, or 1.75% for taxable years ending on or after

1 December 31, 2003, of the net taxable premiums written for
2 the taxable year, as described by subsection (1) of Section
3 409 of the Illinois Insurance Code. This paragraph will in
4 no event increase the rates imposed under subsections (b)
5 and (d).

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

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

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

18 (1) A taxpayer shall be allowed a credit equal to .5%
19 of the basis of qualified property placed in service during
20 the taxable year, provided such property is placed in
21 service on or after July 1, 1984. There shall be allowed an
22 additional credit equal to .5% of the basis of qualified
23 property placed in service during the taxable year,
24 provided such property is placed in service on or after
25 July 1, 1986, and the taxpayer's base employment within
26 Illinois has increased by 1% or more over the preceding

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

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

24 (2) The term "qualified property" means property
25 which:

26 (A) is tangible, whether new or used, including

1 buildings and structural components of buildings and
2 signs that are real property, but not including land or
3 improvements to real property that are not a structural
4 component of a building such as landscaping, sewer
5 lines, local access roads, fencing, parking lots, and
6 other appurtenances;

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

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

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

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

24 (3) For purposes of this subsection (e),
25 "manufacturing" means the material staging and production
26 of tangible personal property by procedures commonly

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

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

20 (5) If the basis of the property for federal income tax
21 depreciation purposes is increased after it has been placed
22 in service in Illinois by the taxpayer, the amount of such
23 increase shall be deemed property placed in service on the
24 date of such increase in basis.

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

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

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

22 (9) Each taxable year ending before December 31, 2000,
23 a partnership may elect to pass through to its partners the
24 credits to which the partnership is entitled under this
25 subsection (e) for the taxable year. A partner may use the
26 credit allocated to him or her under this paragraph only

1 against the tax imposed in subsections (c) and (d) of this
2 Section. If the partnership makes that election, those
3 credits shall be allocated among the partners in the
4 partnership in accordance with the rules set forth in
5 Section 704(b) of the Internal Revenue Code, and the rules
6 promulgated under that Section, and the allocated amount of
7 the credits shall be allowed to the partners for that
8 taxable year. The partnership shall make this election on
9 its Personal Property Tax Replacement Income Tax return for
10 that taxable year. The election to pass through the credits
11 shall be irrevocable.

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

26 (f) Investment credit; Enterprise Zone; River Edge

1 Redevelopment Zone.

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

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

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

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

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

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

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

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

25 (3) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

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

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

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

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

18 (f-1) Investment credit; Energy Transition Zone.

19 (1) A taxpayer shall be allowed a credit against the
20 tax imposed by subsections (a) and (b) of this Section for
21 investment in qualified property which is placed in service
22 for the use of the production of green energy by a green
23 energy enterprise in an Energy Transition Zone created
24 pursuant to the Illinois Energy Transition Zone Act. For
25 partners, shareholders of Subchapter S corporations, and
26 owners of limited liability companies, if the liability

1 company is treated as a partnership for purposes of federal
2 and State income taxation, there shall be allowed a credit
3 under this subsection (f-1) to be determined in accordance
4 with the determination of income and distributive share of
5 income under Sections 702 and 704 and Subchapter S of the
6 Internal Revenue Code. The credit shall be 0.5% of the
7 basis for such property. The credit shall be available only
8 in the taxable year in which the property is placed in
9 service in the Energy Transition Zone and shall not be
10 allowed to the extent that it would reduce a taxpayer's
11 liability for the tax imposed by subsections (a) and (b) of
12 this Section to below zero. The credit shall be allowed for
13 the tax year in which the property is placed in service,
14 or, if the amount of the credit exceeds the tax liability
15 for that year, whether it exceeds the original liability or
16 the liability as later amended, such excess may be carried
17 forward and applied to the tax liability of the 5 taxable
18 years following the excess credit year. The credit shall be
19 applied to the earliest year for which there is a
20 liability. If there is credit from more than one tax year
21 that is available to offset a liability, the credit
22 accruing first in time shall be applied first.

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

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

26 (B) is depreciable pursuant to Section 167 of the

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

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

7 (D) is used in the Energy Transition Zone by the
8 taxpayer in relation to producing green energy; and

9 (E) has not been previously used in Illinois in
10 such a manner and by such a person as would qualify for
11 the credit provided by this subsection (f-1).

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

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

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

22 (6) If during any taxable year, any property ceases to
23 be qualified property in the hands of the taxpayer within
24 48 months after being placed in service, or the situs of
25 any qualified property is moved outside the Energy
26 Transition Zone within 48 months after being placed in

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

13 (g) (Blank).

14 (h) Investment credit; High Impact Business.

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

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

1 credit accruing first in time shall be applied first.

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

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

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

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

13 (C) is acquired by purchase as defined in Section
14 179(d) of the Internal Revenue Code; and

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

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

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

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

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

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

1 subsections (a) and (b) of this Section shall be increased
2 for the taxable year in which the taxpayer relocated its
3 facility by an amount equal to the amount of credit
4 received by the taxpayer under this subsection (h).

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

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

1 earliest credit arising under this subsection shall be applied
2 first.

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

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

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

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

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

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

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

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

1 ending on or after December 31, 2003.

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

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

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

26 (1) Environmental Remediation Tax Credit.

1 (i) For tax years ending after December 31, 1997 and on
2 or before December 31, 2001, a taxpayer shall be allowed a
3 credit against the tax imposed by subsections (a) and (b)
4 of this Section for certain amounts paid for unreimbursed
5 eligible remediation costs, as specified in this
6 subsection. For purposes of this Section, "unreimbursed
7 eligible remediation costs" means costs approved by the
8 Illinois Environmental Protection Agency ("Agency") under
9 Section 58.14 of the Environmental Protection Act that were
10 paid in performing environmental remediation at a site for
11 which a No Further Remediation Letter was issued by the
12 Agency and recorded under Section 58.10 of the
13 Environmental Protection Act. The credit must be claimed
14 for the taxable year in which Agency approval of the
15 eligible remediation costs is granted. The credit is not
16 available to any taxpayer if the taxpayer or any related
17 party caused or contributed to, in any material respect, a
18 release of regulated substances on, in, or under the site
19 that was identified and addressed by the remedial action
20 pursuant to the Site Remediation Program of the
21 Environmental Protection Act. After the Pollution Control
22 Board rules are adopted pursuant to the Illinois
23 Administrative Procedure Act for the administration and
24 enforcement of Section 58.9 of the Environmental
25 Protection Act, determinations as to credit availability
26 for purposes of this Section shall be made consistent with

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

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

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

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

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

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

18 For purposes of this subsection:

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

26 "Qualified education expense" means the amount incurred on

1 behalf of a qualifying pupil in excess of \$250 for tuition,
2 book fees, and lab fees at the school in which the pupil is
3 enrolled during the regular school year.

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

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

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

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

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

26 (ii) A credit allowed under this subsection that is

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

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

25 (o) For each of taxable years during the Compassionate Use
26 of Medical Cannabis Pilot Program, a surcharge is imposed on

1 all taxpayers on income arising from the sale or exchange of
2 capital assets, depreciable business property, real property
3 used in the trade or business, and Section 197 intangibles of
4 an organization registrant under the Compassionate Use of
5 Medical Cannabis Pilot Program Act. The amount of the surcharge
6 is equal to the amount of federal income tax liability for the
7 taxable year attributable to those sales and exchanges. The
8 surcharge imposed does not apply if:

9 (1) the medical cannabis cultivation center
10 registration, medical cannabis dispensary registration, or
11 the property of a registration is transferred as a result
12 of any of the following:

13 (A) bankruptcy, a receivership, or a debt
14 adjustment initiated by or against the initial
15 registration or the substantial owners of the initial
16 registration;

17 (B) cancellation, revocation, or termination of
18 any registration by the Illinois Department of Public
19 Health;

20 (C) a determination by the Illinois Department of
21 Public Health that transfer of the registration is in
22 the best interests of Illinois qualifying patients as
23 defined by the Compassionate Use of Medical Cannabis
24 Pilot Program Act;

25 (D) the death of an owner of the equity interest in
26 a registrant;

1 (E) the acquisition of a controlling interest in
2 the stock or substantially all of the assets of a
3 publicly traded company;

4 (F) a transfer by a parent company to a wholly
5 owned subsidiary; or

6 (G) the transfer or sale to or by one person to
7 another person where both persons were initial owners
8 of the registration when the registration was issued;
9 or

10 (2) the cannabis cultivation center registration,
11 medical cannabis dispensary registration, or the
12 controlling interest in a registrant's property is
13 transferred in a transaction to lineal descendants in which
14 no gain or loss is recognized or as a result of a
15 transaction in accordance with Section 351 of the Internal
16 Revenue Code in which no gain or loss is recognized.

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

18 Section 10-25. The Retailers' Occupation Tax Act is amended
19 by adding Section 5k-1 as follows:

20 (35 ILCS 120/5k-1 new)

21 Sec. 5k-1. Building materials exemption; Energy Transition
22 Zone.

23 (a) Each retailer who makes a qualified sale of building
24 materials to be incorporated into a green energy project, as

1 defined in the Energy Transition Zone Act, being built by a
2 green energy enterprise in an Energy Transition Zone
3 established by or municipality under the Illinois Energy
4 Transition Zone Act by remodeling, rehabilitation or new
5 construction, may deduct receipts from such sales when
6 calculating the tax imposed by this Act. For purposes of this
7 Section, "qualified sale" means a sale of building materials
8 that will be incorporated into real estate as part of a
9 building project for which an Energy Transition Zone Building
10 Materials Exemption Certificate has been issued to the
11 purchaser by the Department. A construction contractor or other
12 entity shall not make tax-free purchases unless it has an
13 active Energy Transition Zone Building Materials Exemption
14 Certificate issued by the Department at the time of the
15 purchase.

16 (b) To document the exemption allowed under this Section,
17 the retailer must obtain from the purchaser the certification
18 required under subsection (c), which must contain the Energy
19 Transition Zone Building Materials Exemption Certificate
20 number issued to the purchaser by the Department. Upon request
21 from the Energy Transition Zone Administrator, the Department
22 shall issue an Energy Transition Zone Building Materials
23 Exemption Certificate for each construction contractor or
24 other entity identified by the Energy Transition Zone
25 Administrator. The Department shall make the Energy Transition
26 Zone Building Materials Exemption Certificates available

1 directly to each Energy Transition Zone Administrator,
2 construction contractor, or other entity. The request for
3 Energy Transition Zone Building Materials Exemption
4 Certificates from the Energy Transition Zone Administrator to
5 the Department must include the following information:

6 (1) the name and address of the construction contractor
7 or other entity;

8 (2) the name and number of the Energy Transition Zone;

9 (3) the name and location or address of the green
10 energy enterprise;

11 (4) the estimated amount of the exemption for each
12 construction contractor or other entity for which a request
13 for Energy Transition Zone Building Materials Exemption
14 Certificate is made, based on a stated estimated average
15 tax rate and the percentage of the contract that consists
16 of materials;

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

19 (6) other reasonable information as the Department may
20 require, including, but not limited to FEIN numbers, to
21 determine if the contractor or other entity, or any
22 partner, or a corporate officer, and in the case of a
23 limited liability company, any manager or member, of the
24 construction contractor or other entity, is or has been the
25 owner, a partner, a corporate officer, and in the case of a
26 limited liability company, a manager or member, of a person

1 that is in default for moneys due to the Department under
2 this Act or any other tax or fee Act administered by the
3 Department.

4 The Department shall issue the Energy Transition Zone
5 Building Materials Exemption Certificates within 3 business
6 days after receipt of request from the Zone Administrator. This
7 requirement does not apply in circumstances where the
8 Department, for reasonable cause, is unable to issue the Energy
9 Transition Zone Building Materials Exemption Certificate
10 within 3 business days. The Department may refuse to issue an
11 Energy Transition Zone Building Materials Exemption
12 Certificate if the owner, any partner, or a corporate officer,
13 and in the case of a limited liability company, any manager or
14 member, of the construction contractor or other entity is or
15 has been the owner, a partner, a corporate officer, and in the
16 case of a limited liability company, a manager or member, of a
17 person that is in default for moneys due to the Department
18 under this Act or any other tax or fee Act administered by the
19 Department. The Energy Transition Zone Building Materials
20 Exemption Certificate shall contain language stating that if
21 the construction contractor or other entity who is issued the
22 Energy Transition Zone Building Materials Exemption
23 Certificate makes a tax-exempt purchase, as described in this
24 Section, that is not eligible for exemption under this Section
25 or allows another person to make a tax-exempt purchase, as
26 described in this Section, that is not eligible for exemption

1 under this Section, then, in addition to any tax or other
2 penalty imposed, the construction contractor or other entity is
3 subject to a penalty equal to the tax that would have been paid
4 by the retailer under this Act as well as any applicable local
5 retailers' occupation tax on the purchase that is not eligible
6 for the exemption.

7 The Department, in its discretion, may require that the
8 request for Energy Transition Zone Building Materials
9 Exemption Certificates be submitted electronically. The
10 Department may, in its discretion, issue the Energy Transition
11 Zone Building Materials Exemption Certificates electronically.
12 The Energy Transition Zone Building Materials Exemption
13 Certificate number shall be designed in such a way that the
14 Department can identify from the unique number on the Energy
15 Transition Zone Building Materials Exemption Certificate
16 issued to a given construction contractor or other entity, the
17 name of the Energy Transition Zone, the project for which the
18 Energy Transition Zone Building Materials Exemption
19 Certificate is issued, and the construction contractor or other
20 entity to whom the Energy Transition Zone Building Materials
21 Exemption Certificate is issued. The Energy Transition Zone
22 Building Materials Exemption Certificate shall contain an
23 expiration date, which shall be no more than 2 years after the
24 date of issuance. At the request of the Zone Administrator, the
25 Department may renew an Energy Transition Zone Building
26 Materials Exemption Certificate. After the Department issues

1 Energy Transition Zone Building Materials Exemption
2 Certificates for a given Energy Transition Zone project, the
3 Energy Transition Zone Administrator may notify the Department
4 of additional construction contractors or other entities
5 eligible for an Energy Transition Zone Building Materials
6 Exemption Certificate. Upon notification by the Energy
7 Transition Zone Administrator and subject to the other
8 provisions of this subsection (b), the Department shall issue
9 an Energy Transition Zone Building Materials Exemption
10 Certificate to each additional construction contractor or
11 other entity identified by the Energy Transition Zone
12 Administrator. An Energy Transition Zone Administrator may
13 notify the Department to rescind an Energy Transition Zone
14 Building Materials Exemption Certificate previously issued by
15 the Department but that has not yet expired. Upon notification
16 by the Energy Transition Zone Administrator and subject to the
17 other provisions of this subsection (b), the Department shall
18 issue the rescission of the Energy Transition Zone Building
19 Materials Exemption Certificate to the construction contractor
20 or other entity identified by the Energy Transition Zone
21 Administrator and provide a copy to the Energy Transition Zone
22 Administrator.

23 If the Department of Revenue determines that a construction
24 contractor or other entity that was issued an Energy Transition
25 Zone Building Materials Exemption Certificate under this
26 subsection (b) made a tax-exempt purchase, as described in this

1 Section, that was not eligible for exemption under this Section
2 or allowed another person to make a tax-exempt purchase, as
3 described in this Section, that was not eligible for exemption
4 under this Section, then, in addition to any tax or other
5 penalty imposed, the construction contractor or other entity is
6 subject to a penalty equal to the tax that would have been paid
7 by the retailer under this Act as well as any applicable local
8 retailers' occupation tax on the purchase that was not eligible
9 for the exemption.

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

12 (1) a statement that the building materials are being
13 purchased for incorporation into a green energy project
14 located in an Illinois Energy Transition Zone;

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

17 (3) the name of the Energy Transition Zone in which
18 that real estate is located;

19 (4) a description of the building materials being
20 purchased;

21 (5) the purchaser's Energy Transition Zone Building
22 Materials Exemption Certificate number issued by the
23 Department; and

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

25 (d) The deduction allowed by this Section for the sale of
26 building materials may be limited, to the extent authorized by

1 ordinance by the municipality or county that created the Energy
2 Transition Zone into which the building materials will be
3 incorporated. The ordinance, however, may neither require nor
4 prohibit the purchase of building materials from any retailer
5 or class of retailers in order to qualify for the exemption
6 allowed under this Section. The provisions of this Section are
7 exempt from Section 2-70.

8 Section 10-30. The Illinois Municipal Code is amended by
9 changing Section 8-11-2 as follows:

10 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)

11 Sec. 8-11-2. The corporate authorities of any municipality
12 may tax any or all of the following occupations or privileges:

13 1. (Blank).

14 2. Persons engaged in the business of distributing,
15 supplying, furnishing, or selling gas for use or
16 consumption within the corporate limits of a municipality
17 of 500,000 or fewer population, and not for resale, at a
18 rate not to exceed 5% of the gross receipts therefrom.

19 2a. Persons engaged in the business of distributing,
20 supplying, furnishing, or selling gas for use or
21 consumption within the corporate limits of a municipality
22 of over 500,000 population, and not for resale, at a rate
23 not to exceed 8% of the gross receipts therefrom. If
24 imposed, this tax shall be paid in monthly payments.

1 3. The privilege of using or consuming electricity
2 acquired in a purchase at retail and used or consumed
3 within the corporate limits of the municipality at rates
4 not to exceed the following maximum rates, calculated on a
5 monthly basis for each purchaser:

6 (i) For the first 2,000 kilowatt-hours used or
7 consumed in a month; 0.61 cents per kilowatt-hour;

8 (ii) For the next 48,000 kilowatt-hours used or
9 consumed in a month; 0.40 cents per kilowatt-hour;

10 (iii) For the next 50,000 kilowatt-hours used or
11 consumed in a month; 0.36 cents per kilowatt-hour;

12 (iv) For the next 400,000 kilowatt-hours used or
13 consumed in a month; 0.35 cents per kilowatt-hour;

14 (v) For the next 500,000 kilowatt-hours used or
15 consumed in a month; 0.34 cents per kilowatt-hour;

16 (vi) For the next 2,000,000 kilowatt-hours used or
17 consumed in a month; 0.32 cents per kilowatt-hour;

18 (vii) For the next 2,000,000 kilowatt-hours used
19 or consumed in a month; 0.315 cents per kilowatt-hour;

20 (viii) For the next 5,000,000 kilowatt-hours used
21 or consumed in a month; 0.31 cents per kilowatt-hour;

22 (ix) For the next 10,000,000 kilowatt-hours used
23 or consumed in a month; 0.305 cents per kilowatt-hour;

24 and

25 (x) For all electricity used or consumed in excess
26 of 20,000,000 kilowatt-hours in a month, 0.30 cents per

1 kilowatt-hour.

2 If a municipality imposes a tax at rates lower than
3 either the maximum rates specified in this Section or the
4 alternative maximum rates promulgated by the Illinois
5 Commerce Commission, as provided below, the tax rates shall
6 be imposed upon the kilowatt-hour categories set forth
7 above with the same proportional relationship as that which
8 exists among such maximum rates. Notwithstanding the
9 foregoing, until December 31, 2008, no municipality shall
10 establish rates that are in excess of rates reasonably
11 calculated to produce revenues that equal the maximum total
12 revenues such municipality could have received under the
13 tax authorized by this subparagraph in the last full
14 calendar year prior to August 1, 1998 (the effective date
15 of Section 65 of Public Act 90-561); provided that this
16 shall not be a limitation on the amount of tax revenues
17 actually collected by such municipality.

18 Upon the request of the corporate authorities of a
19 municipality, the Illinois Commerce Commission shall,
20 within 90 days after receipt of such request, promulgate
21 alternative rates for each of these kilowatt-hour
22 categories that will reflect, as closely as reasonably
23 practical for that municipality, the distribution of the
24 tax among classes of purchasers as if the tax were based on
25 a uniform percentage of the purchase price of electricity.
26 A municipality that has adopted an ordinance imposing a tax

1 pursuant to subparagraph 3 as it existed prior to August 1,
2 1998 (the effective date of Section 65 of Public Act
3 90-561) may, rather than imposing the tax permitted by
4 Public Act 90-561, continue to impose the tax pursuant to
5 that ordinance with respect to gross receipts received from
6 residential customers through July 31, 1999, and with
7 respect to gross receipts from any non-residential
8 customer until the first bill issued to such customer for
9 delivery services in accordance with Section 16-104 of the
10 Public Utilities Act but in no case later than the last
11 bill issued to such customer before December 31, 2000. No
12 ordinance imposing the tax permitted by Public Act 90-561
13 shall be applicable to any non-residential customer until
14 the first bill issued to such customer for delivery
15 services in accordance with Section 16-104 of the Public
16 Utilities Act but in no case later than the last bill
17 issued to such non-residential customer before December
18 31, 2000.

19 4. Persons engaged in the business of distributing,
20 supplying, furnishing, or selling water for use or
21 consumption within the corporate limits of the
22 municipality, and not for resale, at a rate not to exceed
23 5% of the gross receipts therefrom.

24 None of the taxes authorized by this Section may be imposed
25 with respect to any transaction in interstate commerce or
26 otherwise to the extent to which the business or privilege may

1 not, under the constitution and statutes of the United States,
2 be made the subject of taxation by this State or any political
3 sub-division thereof; nor shall any persons engaged in the
4 business of distributing, supplying, furnishing, selling or
5 transmitting gas, water, or electricity, or using or consuming
6 electricity acquired in a purchase at retail, be subject to
7 taxation under the provisions of this Section for those
8 transactions that are or may become subject to taxation under
9 the provisions of the Municipal Retailers' Occupation Tax Act
10 authorized by Section 8-11-1; nor shall any tax authorized by
11 this Section be imposed upon any person engaged in a business
12 or on any privilege unless the tax is imposed in like manner
13 and at the same rate upon all persons engaged in businesses of
14 the same class in the municipality, whether privately or
15 municipally owned or operated, or exercising the same privilege
16 within the municipality.

17 Any of the taxes enumerated in this Section may be in
18 addition to the payment of money, or value of products or
19 services furnished to the municipality by the taxpayer as
20 compensation for the use of its streets, alleys, or other
21 public places, or installation and maintenance therein,
22 thereon or thereunder of poles, wires, pipes, or other
23 equipment used in the operation of the taxpayer's business.

24 (a) If the corporate authorities of any home rule
25 municipality have adopted an ordinance that imposed a tax on
26 public utility customers, between July 1, 1971, and October 1,

1 1981, on the good faith belief that they were exercising
2 authority pursuant to Section 6 of Article VII of the 1970
3 Illinois Constitution, that action of the corporate
4 authorities shall be declared legal and valid, notwithstanding
5 a later decision of a judicial tribunal declaring the ordinance
6 invalid. No municipality shall be required to rebate, refund,
7 or issue credits for any taxes described in this paragraph, and
8 those taxes shall be deemed to have been levied and collected
9 in accordance with the Constitution and laws of this State.

10 (b) In any case in which (i) prior to October 19, 1979, the
11 corporate authorities of any municipality have adopted an
12 ordinance imposing a tax authorized by this Section (or by the
13 predecessor provision of the Revised Cities and Villages Act)
14 and have explicitly or in practice interpreted gross receipts
15 to include either charges added to customers' bills pursuant to
16 the provision of paragraph (a) of Section 36 of the Public
17 Utilities Act or charges added to customers' bills by taxpayers
18 who are not subject to rate regulation by the Illinois Commerce
19 Commission for the purpose of recovering any of the tax
20 liabilities or other amounts specified in such paragraph (a) of
21 Section 36 of that Act, and (ii) on or after October 19, 1979,
22 a judicial tribunal has construed gross receipts to exclude all
23 or part of those charges, then neither that municipality nor
24 any taxpayer who paid the tax shall be required to rebate,
25 refund, or issue credits for any tax imposed or charge
26 collected from customers pursuant to the municipality's

1 interpretation prior to October 19, 1979. This paragraph
2 reflects a legislative finding that it would be contrary to the
3 public interest to require a municipality or its taxpayers to
4 refund taxes or charges attributable to the municipality's more
5 inclusive interpretation of gross receipts prior to October 19,
6 1979, and is not intended to prescribe or limit judicial
7 construction of this Section. The legislative finding set forth
8 in this subsection does not apply to taxes imposed after
9 January 1, 1996 (the effective date of Public Act 89-325).

10 (c) The tax authorized by subparagraph 3 shall be collected
11 from the purchaser by the person maintaining a place of
12 business in this State who delivers the electricity to the
13 purchaser. This tax shall constitute a debt of the purchaser to
14 the person who delivers the electricity to the purchaser and if
15 unpaid, is recoverable in the same manner as the original
16 charge for delivering the electricity. Any tax required to be
17 collected pursuant to an ordinance authorized by subparagraph 3
18 and any such tax collected by a person delivering electricity
19 shall constitute a debt owed to the municipality by such person
20 delivering the electricity, provided, that the person
21 delivering electricity shall be allowed credit for such tax
22 related to deliveries of electricity the charges for which are
23 written off as uncollectible, and provided further, that if
24 such charges are thereafter collected, the delivering supplier
25 shall be obligated to remit such tax. For purposes of this
26 subsection (c), any partial payment not specifically

1 identified by the purchaser shall be deemed to be for the
2 delivery of electricity. Persons delivering electricity shall
3 collect the tax from the purchaser by adding such tax to the
4 gross charge for delivering the electricity, in the manner
5 prescribed by the municipality. Persons delivering electricity
6 shall also be authorized to add to such gross charge an amount
7 equal to 3% of the tax to reimburse the person delivering
8 electricity for the expenses incurred in keeping records,
9 billing customers, preparing and filing returns, remitting the
10 tax and supplying data to the municipality upon request. If the
11 person delivering electricity fails to collect the tax from the
12 purchaser, then the purchaser shall be required to pay the tax
13 directly to the municipality in the manner prescribed by the
14 municipality. Persons delivering electricity who file returns
15 pursuant to this paragraph (c) shall, at the time of filing
16 such return, pay the municipality the amount of the tax
17 collected pursuant to subparagraph 3.

18 (d) For the purpose of the taxes enumerated in this
19 Section:

20 "Gross receipts" means the consideration received for
21 distributing, supplying, furnishing or selling gas for use or
22 consumption and not for resale, and the consideration received
23 for distributing, supplying, furnishing or selling water for
24 use or consumption and not for resale, and for all services
25 rendered in connection therewith valued in money, whether
26 received in money or otherwise, including cash, credit,

1 services and property of every kind and material and for all
2 services rendered therewith, and shall be determined without
3 any deduction on account of the cost of the service, product or
4 commodity supplied, the cost of materials used, labor or
5 service cost, or any other expenses whatsoever. "Gross
6 receipts" shall not include that portion of the consideration
7 received for distributing, supplying, furnishing, or selling
8 gas or water to business enterprises or green energy
9 enterprises described in paragraph (e) of this Section to the
10 extent and during the period in which the exemption authorized
11 by paragraph (e) is in effect or for school districts or units
12 of local government described in paragraph (f) during the
13 period in which the exemption authorized in paragraph (f) is in
14 effect.

15 For utility bills issued on or after May 1, 1996, but
16 before May 1, 1997, and for receipts from those utility bills,
17 "gross receipts" does not include one-third of (i) amounts
18 added to customers' bills under Section 9-222 of the Public
19 Utilities Act, or (ii) amounts added to customers' bills by
20 taxpayers who are not subject to rate regulation by the
21 Illinois Commerce Commission for the purpose of recovering any
22 of the tax liabilities described in Section 9-222 of the Public
23 Utilities Act. For utility bills issued on or after May 1,
24 1997, but before May 1, 1998, and for receipts from those
25 utility bills, "gross receipts" does not include two-thirds of
26 (i) amounts added to customers' bills under Section 9-222 of

1 the Public Utilities Act, or (ii) amount added to customers'
2 bills by taxpayers who are not subject to rate regulation by
3 the Illinois Commerce Commission for the purpose of recovering
4 any of the tax liabilities described in Section 9-222 of the
5 Public Utilities Act. For utility bills issued on or after May
6 1, 1998, and for receipts from those utility bills, "gross
7 receipts" does not include (i) amounts added to customers'
8 bills under Section 9-222 of the Public Utilities Act, or (ii)
9 amounts added to customers' bills by taxpayers who are not
10 subject to rate regulation by the Illinois Commerce Commission
11 for the purpose of recovering any of the tax liabilities
12 described in Section 9-222 of the Public Utilities Act.

13 For purposes of this Section "gross receipts" shall not
14 include amounts added to customers' bills under Section 9-221
15 of the Public Utilities Act. This paragraph is not intended to
16 nor does it make any change in the meaning of "gross receipts"
17 for the purposes of this Section, but is intended to remove
18 possible ambiguities, thereby confirming the existing meaning
19 of "gross receipts" prior to January 1, 1996 (the effective
20 date of Public Act 89-325).

21 "Person" as used in this Section means any natural
22 individual, firm, trust, estate, partnership, association,
23 joint stock company, joint adventure, corporation, limited
24 liability company, municipal corporation, the State or any of
25 its political subdivisions, any State university created by
26 statute, or a receiver, trustee, guardian or other

1 representative appointed by order of any court.

2 "Person maintaining a place of business in this State"
3 shall mean any person having or maintaining within this State,
4 directly or by a subsidiary or other affiliate, an office,
5 generation facility, distribution facility, transmission
6 facility, sales office or other place of business, or any
7 employee, agent, or other representative operating within this
8 State under the authority of the person or its subsidiary or
9 other affiliate, irrespective of whether such place of business
10 or agent or other representative is located in this State
11 permanently or temporarily, or whether such person, subsidiary
12 or other affiliate is licensed or qualified to do business in
13 this State.

14 "Public utility" shall have the meaning ascribed to it in
15 Section 3-105 of the Public Utilities Act and shall include
16 alternative retail electric suppliers as defined in Section
17 16-102 of that Act.

18 "Purchase at retail" shall mean any acquisition of
19 electricity by a purchaser for purposes of use or consumption,
20 and not for resale, but shall not include the use of
21 electricity by a public utility directly in the generation,
22 production, transmission, delivery or sale of electricity.

23 "Purchaser" shall mean any person who uses or consumes,
24 within the corporate limits of the municipality, electricity
25 acquired in a purchase at retail.

26 (e) Any municipality that imposes taxes upon public

1 utilities or upon the privilege of using or consuming
2 electricity pursuant to this Section whose territory includes
3 any part of an enterprise zone, Energy Transition Zone, or
4 federally designated Foreign Trade Zone or Sub-Zone may, by a
5 majority vote of its corporate authorities, exempt from those
6 taxes for a period not exceeding 20 years any specified
7 percentage of gross receipts of public utilities received from,
8 or electricity used or consumed by, business enterprises or
9 green energy enterprises that:

10 (1) either (i) make investments that cause the creation
11 of a minimum of 200 full-time equivalent jobs in Illinois,
12 (ii) make investments of at least \$175,000,000 that cause
13 the creation of a minimum of 150 full-time equivalent jobs
14 in Illinois, or (iii) make investments that cause the
15 retention of a minimum of 1,000 full-time jobs in Illinois;
16 and

17 (2) are either (i) located in an Enterprise Zone
18 established pursuant to the Illinois Enterprise Zone Act or
19 (ii) Department of Commerce and Economic Opportunity
20 designated High Impact Businesses located in a federally
21 designated Foreign Trade Zone or Sub-Zone; or (iii) located
22 in an Energy Transition Zone established pursuant to the
23 Illinois Energy Transition Zone Act; and

24 (3) are certified by the Department of Commerce and
25 Economic Opportunity as complying with the requirements
26 specified in clauses (1) and (2) of this paragraph (e).

1 Upon adoption of the ordinance authorizing the exemption,
2 the municipal clerk shall transmit a copy of that ordinance to
3 the Department of Commerce and Economic Opportunity. The
4 Department of Commerce and Economic Opportunity shall
5 determine whether the business enterprises or green energy
6 enterprises located in the municipality meet the criteria
7 prescribed in this paragraph. If the Department of Commerce and
8 Economic Opportunity determines that the business enterprises
9 or green energy enterprises meet the criteria, it shall grant
10 certification. The Department of Commerce and Economic
11 Opportunity shall act upon certification requests within 30
12 days after receipt of the ordinance.

13 Upon certification of the business enterprise or green
14 energy enterprises by the Department of Commerce and Economic
15 Opportunity, the Department of Commerce and Economic
16 Opportunity shall notify the Department of Revenue of the
17 certification. The Department of Revenue shall notify the
18 public utilities of the exemption status of the gross receipts
19 received from, and the electricity used or consumed by, the
20 certified business enterprises and certified green energy
21 enterprises. Such exemption status shall be effective within 3
22 months after certification.

23 (f) A municipality that imposes taxes upon public utilities
24 or upon the privilege of using or consuming electricity under
25 this Section and whose territory includes part of another unit
26 of local government or a school district may by ordinance

1 exempt the other unit of local government or school district
2 from those taxes.

3 (g) The amendment of this Section by Public Act 84-127
4 shall take precedence over any other amendment of this Section
5 by any other amendatory Act passed by the 84th General Assembly
6 before August 1, 1985 (the effective date of Public Act
7 84-127).

8 (h) In any case in which, before July 1, 1992, a person
9 engaged in the business of transmitting messages through the
10 use of mobile equipment, such as cellular phones and paging
11 systems, has determined the municipality within which the gross
12 receipts from the business originated by reference to the
13 location of its transmitting or switching equipment, then (i)
14 neither the municipality to which tax was paid on that basis
15 nor the taxpayer that paid tax on that basis shall be required
16 to rebate, refund, or issue credits for any such tax or charge
17 collected from customers to reimburse the taxpayer for the tax
18 and (ii) no municipality to which tax would have been paid with
19 respect to those gross receipts if the provisions of Public Act
20 87-773 had been in effect before July 1, 1992, shall have any
21 claim against the taxpayer for any amount of the tax.

22 (Source: P.A. 100-201, eff. 8-18-17.)

23 Section 10-35. The Public Utilities Act is amended by
24 changing Sections 9-221 and 9-222 and by adding Section
25 9-222.1b as follows:

1 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)

2 Sec. 9-221. Whenever a municipality pursuant to Section
3 8-11-2 of the Illinois Municipal Code, as heretofore and
4 hereafter amended, imposes a tax on any public utility, such
5 utility may charge its customers, other than customers who are
6 certified business enterprises or certified green energy
7 enterprises under paragraph (e) of Section 8-11-2 of the
8 Illinois Municipal Code or are exempted from those taxes under
9 paragraph (f) of that Section, to the extent of such exemption
10 and during the period in which such exemption is in effect, in
11 addition to any rate authorized by this Act, an additional
12 charge equal to the sum of (1) an amount equal to such
13 municipal tax, or any part thereof (2) 3% of such tax, or any
14 part thereof, as the case may be, to cover costs of accounting,
15 and (3) an amount equal to the increase in taxes and other
16 payments to governmental bodies resulting from the amount of
17 such additional charge. Such utility shall file with the
18 Commission a true and correct copy of the municipal ordinance
19 imposing such tax; and also shall file with the Commission a
20 supplemental schedule applicable to such municipality which
21 shall specify such additional charge and which shall become
22 effective upon filing without further notice. Such additional
23 charge shall be shown separately on the utility bill to each
24 customer. The Commission shall have power to investigate
25 whether or not such supplemental schedule correctly specifies

1 such additional charge, but shall have no power to suspend such
2 supplemental schedule. If the Commission finds, after a
3 hearing, that such supplemental schedule does not correctly
4 specify such additional charge, it shall by order require a
5 refund to the appropriate customers of the excess, if any, with
6 interest, in such manner as it shall deem just and reasonable,
7 and in and by such order shall require the utility to file an
8 amended supplemental schedule corresponding to the finding and
9 order of the Commission.

10 (Source: P.A. 87-895; 88-132.)

11 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

12 Sec. 9-222. Whenever a tax is imposed upon a public utility
13 engaged in the business of distributing, supplying,
14 furnishing, or selling gas for use or consumption pursuant to
15 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
16 required to be collected by a delivering supplier pursuant to
17 Section 2-7 of the Electricity Excise Tax Act, or whenever a
18 tax is imposed upon a public utility pursuant to Section 2-202
19 of this Act, such utility may charge its customers, other than
20 customers who are high impact businesses under Section 5.5 of
21 the Illinois Enterprise Zone Act, or certified business
22 enterprises under Section 9-222.1 of this Act, or certified
23 green energy enterprises under Section 9-221.B, to the extent
24 of such exemption and during the period in which such exemption
25 is in effect, in addition to any rate authorized by this Act,

1 an additional charge equal to the total amount of such taxes.
2 The exemption of this Section relating to high impact
3 businesses shall be subject to the provisions of subsections
4 (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise
5 Zone Act. This requirement shall not apply to taxes on invested
6 capital imposed pursuant to the Messages Tax Act, the Gas
7 Revenue Tax Act and the Public Utilities Revenue Act. Such
8 utility shall file with the Commission a supplemental schedule
9 which shall specify such additional charge and which shall
10 become effective upon filing without further notice. Such
11 additional charge shall be shown separately on the utility bill
12 to each customer. The Commission shall have the power to
13 investigate whether or not such supplemental schedule
14 correctly specifies such additional charge, but shall have no
15 power to suspend such supplemental schedule. If the Commission
16 finds, after a hearing, that such supplemental schedule does
17 not correctly specify such additional charge, it shall by order
18 require a refund to the appropriate customers of the excess, if
19 any, with interest, in such manner as it shall deem just and
20 reasonable, and in and by such order shall require the utility
21 to file an amended supplemental schedule corresponding to the
22 finding and order of the Commission. Except with respect to
23 taxes imposed on invested capital, such tax liabilities shall
24 be recovered from customers solely by means of the additional
25 charges authorized by this Section.

26 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

1 (220 ILCS 5/9-222.1b new)

2 Sec. 9-222.1b. Green energy enterprises. A green energy
3 enterprise as defined in the Illinois Energy Transition Zone
4 Act, which is located within an area designated by a county or
5 municipality as an Energy Transition Zone pursuant to the
6 Illinois Energy Transition Zone Act shall be exempt from the
7 additional charges added to the green energy enterprise's
8 utility bills as a pass-on of municipal and State utility taxes
9 under Sections 9-221 and 9-222 of this Act, to the extent such
10 charges are exempted by ordinance adopted in accordance with
11 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code
12 in the case of municipal utility taxes, and to the extent such
13 charges are exempted by the percentage specified by the
14 Department of Commerce and Economic Opportunity in the case of
15 State utility taxes, provided such green energy enterprise
16 meets the following criteria:

17 (1) it (i) makes investments which cause the creation
18 of a minimum of 200 full-time equivalent jobs in an Energy
19 Transition Zone; (ii) makes investments of at least
20 \$175,000,000 which cause the creation of a minimum of 150
21 full-time equivalent jobs in an Energy Transition Zone; or
22 (iii) makes investments which cause the retention of a
23 minimum of 1,000 full-time jobs in an Energy Transition
24 Zone; and

25 (2) it is located in an Energy Transition Zone

1 established pursuant to the Illinois Energy Transition
2 Zone Act; and

3 (3) it is certified by the Department of Commerce and
4 Economic Opportunity as complying with the requirements
5 specified in clauses (1) and (2) of this Section.

6 The Department of Commerce and Economic Opportunity shall
7 determine the period during which such exemption from the
8 charges imposed under Section 9-222 is in effect which shall
9 not exceed 30 years or the certified term of the energy
10 transition Zone, whichever period is shorter.

11 The Department of Commerce and Economic Opportunity shall
12 have the power to adopt rules to carry out the provisions of
13 this Section including procedures for complying with the
14 requirements specified in clauses (1) and (2) of this Section
15 and procedures for applying for the exemptions authorized under
16 this Section; to define the amounts and types of eligible
17 investments which green energy enterprises must make in order
18 to receive State utility tax exemptions pursuant to Sections
19 9-222 and 9-222.1B of this Act; to approve such utility tax
20 exemptions for green energy enterprises whose investments are
21 not yet placed in service; and to require that green energy
22 enterprises granted tax exemptions repay the exempted tax
23 should the green energy enterprise fail to comply with the
24 terms and conditions of the certification. However, no green
25 energy enterprise shall be required, as a condition for
26 certification under clause (3) of this Section, to attest that

1 its decision to invest under clause (1) of this Section and to
2 locate under clause (2) of this Section is predicated upon the
3 availability of the exemptions authorized by this Section.

4 A green energy enterprise shall be exempt, in whole or in
5 part, from the pass-on charges of municipal utility taxes
6 imposed under Section 9-221, only if it meets the criteria
7 specified in clauses (1) through (3) of this Section and the
8 municipality has adopted an ordinance authorizing the
9 exemption under paragraph (e) of Section 8-11-2 of the Illinois
10 Municipal Code. Upon certification of the green energy
11 enterprises by the Department of Commerce and Economic
12 Opportunity, the Department of Commerce and Economic
13 Opportunity shall notify the Department of Revenue of such
14 certification. The Department of Revenue shall notify the
15 public utilities of the exemption status of green energy
16 enterprises from the pass-on charges of State and municipal
17 utility taxes. Such exemption status shall be effective within
18 3 months after certification of the green energy enterprise.

19 Article 99. Effective date

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