**Section 520.1000 Definitions**

The following definitions are applicable to Subpart J.

"Act" means Sections 1d-1f of the Retailers' Occupation Tax Act [35 ILCS 120/1d-1f].

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

"Eligible investment" means:

Investments in qualified property that are placed in service in an Enterprise Zone or by a designated High Impact Business in Illinois. Qualified properties are statutorily defined in Section 201(f) and (h) of the Illinois Income Tax Act [35 ILCS 5/201(f) and (h)]; and

Noncapital/nonroutine investments, and associated service costs (direct labor or contractual fees), placed in service in an Enterprise Zone and made for the improvement or renovation of qualified properties. These activities are undertaken for the purposes of improving productive capacity, efficiency, product quality, or competitive position. The investments cannot be repetitious, commonplace, or associated with regular maintenance expenditures, and would include, for example, rebuilt cast house furnaces, rebuilt soaking furnaces, a rebuilt hot line control system, a restructured plant layout, and installed equipment to rebuild a logeman baler. Noncapital/nonroutine investments are those that do not qualify for the investment tax credit pursuant to Section 201(f) of the Illinois Income Tax Act.

Businesses utilizing this definition must provide detailed information regarding the purpose, scope, justification, and benefits of these noncapital/nonroutine investments, including defined project start and completion target dates, and a level of expenditures of at least $40,000.

*"Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation under contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.* [20 ILCS 655/3(i)]

*"Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services.* [20 ILCS 655/3(j)]

"High Impact Business" means a business that is designated as a High Impact Business by the Department pursuant to the provisions of Section 5.5 of the Illinois Enterprise Zone Act [20 ILCS 655/5.5].

"Job creation" means at least 200 full-time equivalent employees have been hired over the number of full-time equivalent employees that were employed by the applicant as of September 25, 1985 or the date the Enterprise Zone was certified, whichever is later. Job titles being filled or refilled as a result of strikes or layoffs or replacement workers to replace company locked out employees cannot be counted as job creation. A majority of the "jobs created" must be made in the Enterprise Zone in which the eligible investment is made.

"Job retention" means:

At least 2,000 full-time employees, a majority of whom are located in the Enterprise Zone in which the eligible investment is made, will remain employed in Illinois as a direct result of the eligible investment, and would have lost their jobs had the investment not been made. The number originally retained in the Enterprise Zone must be retained for the duration of the exemption; or

At least 90% of the full-time jobs in place in the Enterprise Zone on the date on which the exemption is granted will remain in place in the Enterprise Zone for the duration of the exemption. If the business utilizes full-time jobs retained at Illinois facilities outside of the Enterprise Zone to qualify for this exemption, 90% of the total full-time jobs must also be retained for the duration of the exemption.

"Minimum investment" means the amount of eligible investment that must be made to qualify for the exemption. Under the job creation criteria, the minimum eligible investment that must be made in an Enterprise Zone is $5 million. Under the job retention criteria, the minimum eligible investment that must be made in an Enterprise Zone is $40 million.

"New employee" means a full-time equivalent job that represents a net increase in the number of the recipient's employees statewide."New employee" includes an employee who previously filled a new employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years. The term "new employee" does not include any of the following:

An employee of the recipient who performs a job that was previously performed by another employee in this State, if that job existed in this State for at least 6 months before hiring the employee;

Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

A child, grandchild, parent or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital or value of any member of the recipient;

Employee positions being filled or refilled as a result of strikes or layoffs or replacement workers to replace recipient company locked out employees.

"Placed in service" means the state or condition of readiness and availability for a specifically assigned function as defined in 26 CFR 1.46-3(d) (July 1, 2012). An eligible investment in qualified property as defined in Section 201(f) of the Illinois Income Tax Act shall be considered placed in service on the earlier of:

The date the property is placed in a condition of readiness and availability for use; or

The date on which the depreciation period of that property begins. Eligible noncapital/nonroutine investments shall be considered placed in service if 80% of the allocated monies have been expended.

(Source: Amended at 38 Ill. Reg. 457, effective December 20, 2013)