**Section 529.20 Definitions**

The following definitions are applicable to this Part.

"Act" or "SBJC Act" means the Small Business Job Creation Tax Credit Act [35 ILCS 25/5].

*"Applicant" means an person that is operating a business located within the State of Illinois that is engaged in interstate or intrastate commerce and has no more than 50 full-time employees, without regard to the location of employment of* those *employees at the beginning of the incentive period. In the case of any person that is a member of a unitary business group within the meaning of subdivision (a)(27) of Section 1501 of the Illinois Income Tax Act, "applicant" refers to the unitary business group* (see 35 ILCS 5/1501(a)(27))*.* [35 ILCS 25/10]

*"Basic Wage" means compensation for employment that is no less than $13.75 per hour or the equivalent salary for a new employee.* [35 ILCS 25/10] Salary shall consist of all basic wage compensation not including overtime pay, bonus pay, stock options, awards or any other equity based incentive, unreimbursed employee expenses or piecemeal rate of pay and any form of deferred compensation.

*"Certificate" means the tax credit certificate issued by the Department under Section 35 of the Act.* [35 ILCS 25/10]

*"Certificate of eligibility" means the certificate issued by the Department under Section 20 of the Act.* [35 ILCS 25/10]

*"Credit" means the amount awarded by the Department to an applicant by issuance of a certificate under Section 35 of the Act for each new full-time equivalent employee hired or job created.* [35 ILCS 25/10]

*"Department" means the Illinois Department of Commerce and Economic Opportunity.* [35 ILCS 25/10]

*"Director" means the Director of the Illinois Department of Commerce and Economic Opportunity.* [35 ILCS 25/10]

*"Full-time employee" means an individual who is employed for a basic wage for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employee.* [35 ILCS 25/10]

*"Incentive period" means the period commencing on July 1, 2010 and ending on June 30, 2011.* [35 ILCS 25/10]

*"New employee" means a full-time employee first employed by an applicant within the incentive period,* or any employee that was released from employment prior to January 1, 2010, *whose hire results in a net increase in the applicant's full-time Illinois employees and who is receiving a basic wage as compensation*. The term "new employee" does not include:

 *A person who was previously employed in Illinois by the applicant or a related member prior to the onset of the incentive period,* except for any employee who was released from employment prior to January 1, 2010;

 *Any individual who has a direct or indirect ownership interest of at least 5 percent in the profits, capital, or value of the applicant or a related member;* [35 ILCS 25/10]

 An employee of the applicant who was previously employed in Illinois by the applicant or a related member of the applicant and whose employment was shifted to the taxpayer after the taxpayer applied for the Tax Certificate.

*"Noncompliance date" means, in the case of an applicant that is not complying with the requirements of the provisions of the Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the provisions of the Act, as determined by the Director, pursuant to Section 45 of the Act.* [35 ILCS 25/10]

*"Related member" means a person that, with respect to the applicant during any portion of the incentive period, is any one of the following*:

 *An individual, if the individual and the members of the individual's family (as defined in section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or other ownership interest in the applicant.*

 *A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or other ownership interest in the applicant.*

 *A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of section 318 of the Internal Revenue Code, if the applicant and any other related member own, in the aggregate, directly, indirectly, beneficially, or constructively, at least 50% of the value of the corporation's outstanding stock.*

 *A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of section 318 of the Internal Revenue Code, if the corporation and all such related parties own, in the aggregate, at least 50% of the profits, capital, stock, or other ownership interest in the applicant.*

 *A person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code, except that for purposes of determining whether a person is a related member under this paragraph, "20%" shall be substituted for "5%" whenever "5%" appears in section 1563(e) of the Internal Revenue Code.* [35 ILCS 25/10]