**Section 130.20 Definitions**

The following definitions are applicable to this Part.

"Act" means the Recovery and Mental Health Tax Credit Act [35 ILCS 50].

"Applicant" means a qualified employer who submits an application to the Department for the tax credit established under this Act.

"Certificate" means the tax credit certificate issued by the Department under Section 3-15 of the Act.

"Credit" means the amount awarded by the Department to a qualified employer by issuance of a certificate under Section 3-15 of the Act.

"Department" *means the Department of Human Services.* [35 ILCS 50/3-10]

"Eligible individual" *means an individual with a substance use disorder or an individual with a mental illness who is in a state of wellness and recovery.* [35 ILCS 50/3-10]

"Mental illness" is defined in Section 1-129 of the Mental Health and Developmental Disabilities Code [405 ILCS 5/1-129] as *a mental, or emotional disorder that substantially impairs a person's thought, perception of reality, emotional process, judgment, behavior, or ability to cope with the ordinary demands of life, but does not include a developmental disability, dementia or Alzheimer's disease absent psychosis, a substance use disorder, or an abnormality manifested only by repeated criminal or otherwise antisocial conduct.*

"Newly hired" means an employee first employed by an applicant after January 1, 2023, or any employee that was released from employment prior to January 1, 2023 and re-hired on or after January 1, 2023. The term "newly hired" does not include:

A person who was previously employed in Illinois by the applicant or a related qualified employer prior to January 1, 2023, and has not been rehired since January 1, 2023;

Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of the applicant or a related qualified employer;

An employee of the applicant who was previously employed in Illinois by the applicant or a related qualified employer and whose employment was shifted to the applicant after the applicant applied for the tax credit certificate.

"Qualified employer" *means an employer operating within the State that has received a certificate of tax credit from the Department after the Department has determined that the employer:*

*Provides a recovery supportive environment for their employees evidenced by a formal working relationship with a substance use disorder treatment provider or facility or mental health provider or facility, each as may be licensed or certified within the State of Illinois, and providing reasonable accommodation to the employees to address their substance use disorder or mental illness at no cost or expense to the eligible individual; and*

*Satisfies all other criteria in* Section 3-10 of the Act *and established by the Department* in this Part *to participate in the recovery tax program created hereunder*. [35 ILCS 50/3-10]

"Related qualified employer" 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 subsection, "20%" shall be substituted for "5%" whenever "5%" appears in section 1563(e) of the Internal Revenue Code.

"State of wellness and recovery" means *there is an abatement of signs and symptoms that characterize active substance use disorder or mental illness, and that the individual has demonstrated to the qualified employer's satisfaction, pursuant to rules adopted by the Department* in this Part, *that* they have *completed a course of treatment or* are *currently in receipt of treatment for such substance use disorder or mental illness.* [35 ILCS 50/3-10]

"Substance use disorder" is defined in Section 1-10 of the Substance Use Disorder Act [20 ILCS 301/1-10] as *a spectrum of persistent and recurring problematic behavior that encompasses 10 separate classes of drugs: alcohol; caffeine; cannabis; hallucinogens; inhalants; opioids; sedatives, hypnotics and anxiolytics; stimulants; and tobacco; and other unknown substances leading to clinically significant impairment or distress*.

"Taxpayer" *means any individual, corporation, partnership, trust, or other entity subject to the Illinois income tax. For the purposes of this Act, two individuals filing a joint return shall be considered one taxpayer.* [35 ILCS 50/3-10]