



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4152

by Rep. La Shawn K. Ford

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-427 new
35 ILCS 5/226 new
30 ILCS 105/5.886 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity shall administer the Business to Business Revolving Loan Fund. Provides that moneys in the Business to Business Revolving Loan Fund shall be used by the Department of Commerce and Economic Opportunity to make revolving loans and grants to new and expanding businesses in the State. Sets limits on the amount of grants and loans. Creates an advisory committee to propose rules concerning eligibility for the loan and grant program. Amends the Illinois Income Tax Act. Creates a credit in an amount equal to the amount of the taxpayer's donation to the Business to Business Revolving Loan Fund, subject to approval by the Department of Commerce and Economic Opportunity. Provides that the Department of Commerce and Economic Opportunity may not approve more than \$200,000,000 in credits for those donations in the aggregate in any calendar year. Amends the State Finance Act to create the Business to Business Revolving Loan Fund.

LRB100 14826 HLH 29647 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-427 as follows:

7 (20 ILCS 605/605-427 new)

8 Sec. 605-427. Business to Business Revolving Loan Fund.

9 (a) The Department shall administer the Business to
10 Business Revolving Loan Fund, a special fund in the State
11 treasury. Moneys in the Fund shall be used by the Department,
12 subject to appropriation, to make revolving loans and grants to
13 new and expanding businesses in the State. Loan and grant
14 amounts may not exceed (i) \$50,000 for an expanding business or
15 (ii) \$100,000 for a start up business. No business may receive
16 a grant or loan under this Section if the business or a related
17 member of the business receives a credit under Section 226 of
18 the Illinois Income Tax Act for a contribution to the Fund.

19 (b) An advisory committee is hereby established within the
20 Department to propose rules concerning eligibility for loans
21 and grants under this Section. The committee shall hold at
22 least 3 public hearings in the City of Springfield prior to
23 establishing the loan and grant program. The committee shall be

1 composed of the following members:

2 (1) an individual representing the business community
3 appointed by the Governor;

4 (2) an individual representing financial institutions
5 appointed by the Governor;

6 (3) one member of the House of Representatives
7 appointed by the Speaker of the House of Representatives;

8 (4) one member of the House of Representatives
9 appointed by the Minority Leader of the House of
10 Representatives;

11 (5) one member of the Senate appointed by the Senate
12 President; and

13 (6) one member of the Senate appointed by the Minority
14 Leader of the Senate.

15 (c) The Department shall adopt rules for the implementation
16 of this Section.

17 (d) As used in this Section:

18 "Expanding business" means a business that agrees to
19 increase its employment head count in the State over its
20 average employment head count for the calendar year immediately
21 preceding its application for grant or loan funds under this
22 Section.

23 "Related member" means a person or entity that, with
24 respect to the business, is any one of the following:

25 (1) an individual stockholder, if the stockholder and
26 the members of the stockholder's family (as defined in

1 Section 318 of the Internal Revenue Code) own directly,
2 indirectly, beneficially, or constructively, in the
3 aggregate, at least 50% of the value of the outstanding
4 stock of the business;

5 (2) a partnership, estate, or trust and any partner or
6 beneficiary, if the partnership, estate, or trust, and its
7 partners or beneficiaries own directly, indirectly,
8 beneficially, or constructively, in the aggregate, at
9 least 50% of the profits, capital, stock, or value of the
10 business;

11 (3) a corporation and any party related to that
12 corporation in a manner that would require an attribution
13 of stock from the corporation to the party or from the
14 party to the corporation under the attribution rules of
15 Section 318 of the Internal Revenue Code, if the
16 corporation and all such related parties own in the
17 aggregate at least 50% of the profits, capital, stock, or
18 value of the business; or

19 (4) a person to or from whom there is attribution of
20 stock ownership in accordance with Section 1563(e) of the
21 Internal Revenue Code, except, for purposes of determining
22 whether a person is a related member under this paragraph,
23 20% shall be substituted for 5% wherever 5% appears in
24 Section 1563(e) of the Internal Revenue Code.

25 Section 10. The Illinois Income Tax Act is amended by

1 adding Section 226 as follows:

2 (35 ILCS 5/226 new)

3 Sec. 226. Business to Business Revolving Loan Fund credit.

4 (a) For taxable years beginning on or after January 1,
5 2018, a taxpayer who (i) makes a contribution to the Business
6 to Business Revolving Loan Fund established under Section
7 506-427 of the Department of Commerce and Economic Opportunity
8 Law of the Civil Administrative Code of Illinois and (ii)
9 receives approval from the Department of Commerce and Economic
10 Opportunity for a credit under this Section is entitled to a
11 credit against the tax imposed by subsections (a) and (b) of
12 Section 201 in an amount equal to the approved amount of the
13 donation. The Department of Commerce and Economic Opportunity
14 may not approve more than \$200,000,000 in credits under this
15 Section in the aggregate in any calendar year.

16 (b) If the taxpayer is a partnership or Subchapter S
17 corporation, the credit is allowed to the partners or
18 shareholders in accordance with the determination of income and
19 distributive share of income under Sections 702 and 704 and
20 Subchapter S of the Internal Revenue Code.

21 (c) The tax credit may not reduce the taxpayer's liability
22 to less than zero. If the amount of the tax credit exceeds the
23 tax liability for the year, the excess may be carried forward
24 and applied to the tax liability of the 5 taxable years
25 following the excess credit year. The credit must be applied to

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

5 (d) This Section is exempt from the provisions of Section
6 250.

7 Section 15. The State Finance Act is amended by adding
8 Section 5.886 as follows:

9 (30 ILCS 105/5.886 new)

10 Sec. 5.886. The Business to Business Revolving Loan Fund