



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5864

by Rep. Keith R. Wheeler - Lindsay Parkhurst - Terri Bryant -
Michael P. McAuliffe - Dave Severin

SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.5	from Ch. 67 1/2, par. 609.1
20 ILCS 655/13 new	
35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 5/211	
35 ILCS 5/221	
35 ILCS 10/5-5	
35 ILCS 10/5-51 new	
35 ILCS 10/5-56 new	
65 ILCS 115/10-3	
65 ILCS 115/10-10.3 new	
65 ILCS 115/10-10.4 new	

Amends the Illinois Enterprise Zone Act. Creates a High Impact Business construction jobs credit and an Enterprise Zone construction jobs credit against the taxpayer's Illinois income taxes based on the incremental income tax attributable to laborers or workers employed at certain construction sites located in Enterprise Zones. Amends the Economic Development for a Growing Economy Tax Credit Act. Creates a New Construction EDGE Credit based on the incremental income tax attributable to laborers or workers employed at construction sites associated with EDGE projects. Amends the River Edge Redevelopment Zone Act. Creates a River Edge construction jobs credit based on the incremental income tax attributable to laborers or workers employed at certain construction sites in a River Edge Redevelopment Zone. Requires contractors and subcontractors associated with projects that receive credits under the amendatory Act to file certified payroll information with the Department of Labor and the Department of Commerce and Economic Opportunity.

LRB100 21647 AXK 38878 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 Section 1. This Act may be referred to as the Blue Collar
5 Jobs Act.

6 Section 5. The Illinois Enterprise Zone Act is amended by
7 changing Section 5.5 and by adding Section 13 as follows:

8 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

9 Sec. 5.5. High Impact Business.

10 (a) In order to respond to unique opportunities to assist
11 in the encouragement, development, growth and expansion of the
12 private sector through large scale investment and development
13 projects, the Department is authorized to receive and approve
14 applications for the designation of "High Impact Businesses" in
15 Illinois subject to the following conditions:

16 (1) such applications may be submitted at any time
17 during the year;

18 (2) such business is not located, at the time of
19 designation, in an enterprise zone designated pursuant to
20 this Act;

21 (3) the business intends to do one or more of the
22 following:

1 (A) the business intends to make a minimum
2 investment of \$12,000,000 which will be placed in
3 service in qualified property and intends to create 500
4 full-time equivalent jobs at a designated location in
5 Illinois or intends to make a minimum investment of
6 \$30,000,000 which will be placed in service in
7 qualified property and intends to retain 1,500
8 full-time retained jobs at a designated location in
9 Illinois. The business must certify in writing that the
10 investments would not be placed in service in qualified
11 property and the job creation or job retention would
12 not occur without the tax credits and exemptions set
13 forth in subsection (b) of this Section. The terms
14 "placed in service" and "qualified property" have the
15 same meanings as described in subsection (h) of Section
16 201 of the Illinois Income Tax Act; or

17 (B) the business intends to establish a new
18 electric generating facility at a designated location
19 in Illinois. "New electric generating facility", for
20 purposes of this Section, means a newly-constructed
21 electric generation plant or a newly-constructed
22 generation capacity expansion at an existing electric
23 generation plant, including the transmission lines and
24 associated equipment that transfers electricity from
25 points of supply to points of delivery, and for which
26 such new foundation construction commenced not sooner

1 than July 1, 2001. Such facility shall be designed to
2 provide baseload electric generation and shall operate
3 on a continuous basis throughout the year; and (i)
4 shall have an aggregate rated generating capacity of at
5 least 1,000 megawatts for all new units at one site if
6 it uses natural gas as its primary fuel and foundation
7 construction of the facility is commenced on or before
8 December 31, 2004, or shall have an aggregate rated
9 generating capacity of at least 400 megawatts for all
10 new units at one site if it uses coal or gases derived
11 from coal as its primary fuel and shall support the
12 creation of at least 150 new Illinois coal mining jobs,
13 or (ii) shall be funded through a federal Department of
14 Energy grant before December 31, 2010 and shall support
15 the creation of Illinois coal-mining jobs, or (iii)
16 shall use coal gasification or integrated
17 gasification-combined cycle units that generate
18 electricity or chemicals, or both, and shall support
19 the creation of Illinois coal-mining jobs. The
20 business must certify in writing that the investments
21 necessary to establish a new electric generating
22 facility would not be placed in service and the job
23 creation in the case of a coal-fueled plant would not
24 occur without the tax credits and exemptions set forth
25 in subsection (b-5) of this Section. The term "placed
26 in service" has the same meaning as described in

1 subsection (h) of Section 201 of the Illinois Income
2 Tax Act; or

3 (B-5) the business intends to establish a new
4 gasification facility at a designated location in
5 Illinois. As used in this Section, "new gasification
6 facility" means a newly constructed coal gasification
7 facility that generates chemical feedstocks or
8 transportation fuels derived from coal (which may
9 include, but are not limited to, methane, methanol, and
10 nitrogen fertilizer), that supports the creation or
11 retention of Illinois coal-mining jobs, and that
12 qualifies for financial assistance from the Department
13 before December 31, 2010. A new gasification facility
14 does not include a pilot project located within
15 Jefferson County or within a county adjacent to
16 Jefferson County for synthetic natural gas from coal;
17 or

18 (C) the business intends to establish production
19 operations at a new coal mine, re-establish production
20 operations at a closed coal mine, or expand production
21 at an existing coal mine at a designated location in
22 Illinois not sooner than July 1, 2001; provided that
23 the production operations result in the creation of 150
24 new Illinois coal mining jobs as described in
25 subdivision (a)(3)(B) of this Section, and further
26 provided that the coal extracted from such mine is

1 utilized as the predominant source for a new electric
2 generating facility. The business must certify in
3 writing that the investments necessary to establish a
4 new, expanded, or reopened coal mine would not be
5 placed in service and the job creation would not occur
6 without the tax credits and exemptions set forth in
7 subsection (b-5) of this Section. The term "placed in
8 service" has the same meaning as described in
9 subsection (h) of Section 201 of the Illinois Income
10 Tax Act; or

11 (D) the business intends to construct new
12 transmission facilities or upgrade existing
13 transmission facilities at designated locations in
14 Illinois, for which construction commenced not sooner
15 than July 1, 2001. For the purposes of this Section,
16 "transmission facilities" means transmission lines
17 with a voltage rating of 115 kilovolts or above,
18 including associated equipment, that transfer
19 electricity from points of supply to points of delivery
20 and that transmit a majority of the electricity
21 generated by a new electric generating facility
22 designated as a High Impact Business in accordance with
23 this Section. The business must certify in writing that
24 the investments necessary to construct new
25 transmission facilities or upgrade existing
26 transmission facilities would not be placed in service

1 without the tax credits and exemptions set forth in
2 subsection (b-5) of this Section. The term "placed in
3 service" has the same meaning as described in
4 subsection (h) of Section 201 of the Illinois Income
5 Tax Act; or

6 (E) the business intends to establish a new wind
7 power facility at a designated location in Illinois.
8 For purposes of this Section, "new wind power facility"
9 means a newly constructed electric generation
10 facility, or a newly constructed expansion of an
11 existing electric generation facility, placed in
12 service on or after July 1, 2009, that generates
13 electricity using wind energy devices, and such
14 facility shall be deemed to include all associated
15 transmission lines, substations, and other equipment
16 related to the generation of electricity from wind
17 energy devices. For purposes of this Section, "wind
18 energy device" means any device, with a nameplate
19 capacity of at least 0.5 megawatts, that is used in the
20 process of converting kinetic energy from the wind to
21 generate electricity; or

22 (F) the business commits to (i) make a minimum
23 investment of \$500,000,000, which will be placed in
24 service in a qualified property, (ii) create 125
25 full-time equivalent jobs at a designated location in
26 Illinois, (iii) establish a fertilizer plant at a

1 designated location in Illinois that complies with the
2 set-back standards as described in Table 1: Initial
3 Isolation and Protective Action Distances in the 2012
4 Emergency Response Guidebook published by the United
5 States Department of Transportation, (iv) pay a
6 prevailing wage for employees at that location who are
7 engaged in construction activities, and (v) secure an
8 appropriate level of general liability insurance to
9 protect against catastrophic failure of the fertilizer
10 plant or any of its constituent systems; in addition,
11 the business must agree to enter into a construction
12 project labor agreement including provisions
13 establishing wages, benefits, and other compensation
14 for employees performing work under the project labor
15 agreement at that location; for the purposes of this
16 Section, "fertilizer plant" means a newly constructed
17 or upgraded plant utilizing gas used in the production
18 of anhydrous ammonia and downstream nitrogen
19 fertilizer products for resale; for the purposes of
20 this Section, "prevailing wage" means the hourly cash
21 wages plus fringe benefits for training and
22 apprenticeship programs approved by the U.S.
23 Department of Labor, Bureau of Apprenticeship and
24 Training, health and welfare, insurance, vacations and
25 pensions paid generally, in the locality in which the
26 work is being performed, to employees engaged in work

1 of a similar character on public works; this paragraph
2 (F) applies only to businesses that submit an
3 application to the Department within 60 days after the
4 effective date of this amendatory Act of the 98th
5 General Assembly; and

6 (4) no later than 90 days after an application is
7 submitted, the Department shall notify the applicant of the
8 Department's determination of the qualification of the
9 proposed High Impact Business under this Section.

10 (b) Businesses designated as High Impact Businesses
11 pursuant to subdivision (a) (3) (A) of this Section shall qualify
12 for the credits and exemptions described in the following Acts:
13 Section 9-222 and Section 9-222.1A of the Public Utilities Act,
14 subsection (h) of Section 201 of the Illinois Income Tax Act,
15 and Section 1d of the Retailers' Occupation Tax Act; provided
16 that these credits and exemptions described in these Acts shall
17 not be authorized until the minimum investments set forth in
18 subdivision (a) (3) (A) of this Section have been placed in
19 service in qualified properties and, in the case of the
20 exemptions described in the Public Utilities Act and Section 1d
21 of the Retailers' Occupation Tax Act, the minimum full-time
22 equivalent jobs or full-time retained jobs set forth in
23 subdivision (a) (3) (A) of this Section have been created or
24 retained. Businesses designated as High Impact Businesses
25 under this Section shall also qualify for the exemption
26 described in Section 5l of the Retailers' Occupation Tax Act.

1 The credit provided in subsection (h) of Section 201 of the
2 Illinois Income Tax Act shall be applicable to investments in
3 qualified property as set forth in subdivision (a)(3)(A) of
4 this Section.

5 (b-5) Businesses designated as High Impact Businesses
6 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),
7 and (a)(3)(D) of this Section shall qualify for the credits and
8 exemptions described in the following Acts: Section 51 of the
9 Retailers' Occupation Tax Act, Section 9-222 and Section
10 9-222.1A of the Public Utilities Act, and subsection (h) of
11 Section 201 of the Illinois Income Tax Act; however, the
12 credits and exemptions authorized under Section 9-222 and
13 Section 9-222.1A of the Public Utilities Act, and subsection
14 (h) of Section 201 of the Illinois Income Tax Act shall not be
15 authorized until the new electric generating facility, the new
16 gasification facility, the new transmission facility, or the
17 new, expanded, or reopened coal mine is operational, except
18 that a new electric generating facility whose primary fuel
19 source is natural gas is eligible only for the exemption under
20 Section 51 of the Retailers' Occupation Tax Act.

21 (b-6) Businesses designated as High Impact Businesses
22 pursuant to subdivision (a)(3)(E) of this Section shall qualify
23 for the exemptions described in Section 51 of the Retailers'
24 Occupation Tax Act; any business so designated as a High Impact
25 Business being, for purposes of this Section, a "Wind Energy
26 Business".

1 (b-7) Businesses designated as High Impact Businesses by
2 the Department shall qualify for the High Impact Business
3 construction jobs credit under subsection (h-5) of Section 201
4 of the Illinois Income Tax Act if the business meets the
5 criteria set forth in subsection (i) of this Section.

6 (c) High Impact Businesses located in federally designated
7 foreign trade zones or sub-zones are also eligible for
8 additional credits, exemptions and deductions as described in
9 the following Acts: Section 9-221 and Section 9-222.1 of the
10 Public Utilities Act; and subsection (g) of Section 201, and
11 Section 203 of the Illinois Income Tax Act.

12 (d) Except for businesses contemplated under subdivision
13 (a) (3) (E) of this Section, existing Illinois businesses which
14 apply for designation as a High Impact Business must provide
15 the Department with the prospective plan for which 1,500
16 full-time retained jobs would be eliminated in the event that
17 the business is not designated.

18 (e) Except for new wind power facilities contemplated under
19 subdivision (a) (3) (E) of this Section, new proposed facilities
20 which apply for designation as High Impact Business must
21 provide the Department with proof of alternative non-Illinois
22 sites which would receive the proposed investment and job
23 creation in the event that the business is not designated as a
24 High Impact Business.

25 (f) Except for businesses contemplated under subdivision
26 (a) (3) (E) of this Section, in the event that a business is

1 designated a High Impact Business and it is later determined
2 after reasonable notice and an opportunity for a hearing as
3 provided under the Illinois Administrative Procedure Act, that
4 the business would have placed in service in qualified property
5 the investments and created or retained the requisite number of
6 jobs without the benefits of the High Impact Business
7 designation, the Department shall be required to immediately
8 revoke the designation and notify the Director of the
9 Department of Revenue who shall begin proceedings to recover
10 all wrongfully exempted State taxes with interest. The business
11 shall also be ineligible for all State funded Department
12 programs for a period of 10 years.

13 (g) The Department shall revoke a High Impact Business
14 designation if the participating business fails to comply with
15 the terms and conditions of the designation. However, the
16 penalties for new wind power facilities or Wind Energy
17 Businesses for failure to comply with any of the terms or
18 conditions of the Illinois Prevailing Wage Act shall be only
19 those penalties identified in the Illinois Prevailing Wage Act,
20 and the Department shall not revoke a High Impact Business
21 designation as a result of the failure to comply with any of
22 the terms or conditions of the Illinois Prevailing Wage Act in
23 relation to a new wind power facility or a Wind Energy
24 Business.

25 (h) Prior to designating a business, the Department shall
26 provide the members of the General Assembly and Commission on

1 Government Forecasting and Accountability with a report
2 setting forth the terms and conditions of the designation and
3 guarantees that have been received by the Department in
4 relation to the proposed business being designated.

5 (i) High Impact Business construction jobs credit. A High
6 Impact Business may receive a tax credit against the tax
7 imposed under subsections (a) and (b) of Section 201 of the
8 Illinois Income Tax Act in an amount equal to 50% of the amount
9 of the incremental income tax attributable to High Impact
10 Business construction jobs credit employees employed in the
11 course of completing a High Impact Business construction jobs
12 project. However, the High Impact Business construction jobs
13 credit may equal 75% of the amount of the incremental income
14 tax attributable to High Impact Business construction jobs
15 credit employees if the High Impact Business construction jobs
16 credit project is located in an underserved area.

17 The Department shall certify to the Department of Revenue:
18 (1) the identity of taxpayers that are eligible for the High
19 Impact Business construction jobs credit; and (2) the amount of
20 High Impact Business construction jobs credits that are claimed
21 pursuant to subsection (h-5) of Section 201 of the Illinois
22 Income Tax Act in each taxable year. Any business entity that
23 receives a High Impact Business construction jobs credit shall
24 maintain a certified payroll pursuant to subsection (j) of this
25 Section.

26 As used in this subsection (i):

1 "High Impact Business construction jobs credit" means an
2 amount equal to 50% (or 75% if the High Impact Business
3 construction project is located in an underserved area) of the
4 incremental income tax attributable to High Impact Business
5 construction job employees.

6 "High Impact Business construction job employee" means a
7 laborer or worker who is employed by an Illinois contractor or
8 subcontractor in the actual construction work on the site of a
9 High Impact Business construction job project.

10 "High Impact Business construction jobs project" means
11 building a structure or building or making improvements of any
12 kind to real property, undertaken and commissioned by a
13 business that was designated as a High Impact Business by the
14 Department. The term "High Impact Business construction jobs
15 project" does not include the routine operation, routine
16 repair, or routine maintenance of existing structures,
17 buildings, or real property.

18 "Incremental income tax" means the total amount withheld
19 during the taxable year from the compensation of High Impact
20 Business construction job employees.

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

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

25 (2) 75% or more of the children in the area participate
26 in the federal free lunch program according to reported

1 statistics from the State Board of Education;

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

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

11 (j) Each contractor and subcontractor who is engaged in and
12 executing a High Impact Business Construction jobs project, as
13 defined under subsection (i) of this Section, for a business
14 that is entitled to a credit pursuant to subsection (i) of this
15 Section shall:

16 (1) make and keep, for a period of 5 years from the
17 date of the last payment made on or after the effective
18 date of this amendatory Act of the 100th General Assembly
19 on a contract or subcontract for a High Impact Business
20 Construction Jobs Project, records for all laborers and
21 other workers employed by the contractor or subcontractor
22 on the project; the records shall include:

23 (A) the worker's name;

24 (B) the worker's address;

25 (C) the worker's telephone number, if available;

26 (D) the worker's social security number;

1 (E) the worker's classification or
2 classifications;

3 (F) the worker's gross and net wages paid in each
4 pay period;

5 (G) the worker's number of hours worked each day;

6 (H) the worker's starting and ending times of work
7 each day;

8 (I) the worker's hourly wage rate; and

9 (J) the worker's hourly overtime wage rate;

10 (2) no later than the 15th day of each calendar month,
11 provide a certified payroll for the immediately preceding
12 month to the taxpayer in charge of the High Impact Business
13 construction jobs project; within 5 business days after
14 receiving the certified payroll, the taxpayer shall file
15 the certified payroll with the Department of Labor and the
16 Department of Commerce and Economic Opportunity; a
17 certified payroll must be filed for only those calendar
18 months during which construction on a High Impact Business
19 construction jobs project has occurred; the certified
20 payroll shall consist of a complete copy of the records
21 identified in paragraph (1) of this subsection (j), but may
22 exclude the starting and ending times of work each day; the
23 certified payroll shall be accompanied by a statement
24 signed by the contractor or subcontractor or an officer,
25 employee, or agent of the contractor or subcontractor which
26 avers that:

1 (A) he or she has examined the certified payroll
2 records required to be submitted by the Act and such
3 records are true and accurate; and

4 (B) the contractor or subcontractor is aware that
5 filing a certified payroll that he or she knows to be
6 false is a Class A misdemeanor.

7 A general contractor is not prohibited from relying on a
8 certified payroll of a lower-tier subcontractor, provided the
9 general contractor does not knowingly rely upon a
10 subcontractor's false certification.

11 Any contractor or subcontractor subject to this
12 subsection, and any officer, employee, or agent of such
13 contractor or subcontractor whose duty as an officer, employee,
14 or agent it is to file a certified payroll under this
15 subsection, who willfully fails to file such a certified
16 payroll on or before the date such certified payroll is
17 required by this paragraph to be filed and any person who
18 willfully files a false certified payroll that is false as to
19 any material fact is in violation of this Act and guilty of a
20 Class A misdemeanor.

21 The taxpayer in charge of the project shall keep the
22 records submitted in accordance with this subsection on or
23 after the effective date of this Act of the 100th General
24 Assembly for a period of 5 years from the date of the last
25 payment for work on a contract or subcontract for the High
26 Impact Business construction jobs project.

1 The records submitted in accordance with this subsection
2 shall be considered public records, except an employee's
3 address, telephone number, and social security number, and made
4 available in accordance with the Freedom of Information Act.
5 The Department of Labor shall accept any reasonable submissions
6 by the contractor that meet the requirements of this subsection
7 (j) and shall share the information with the Department in
8 order to comply with the awarding of a High Impact Business
9 construction jobs credit. A contractor, subcontractor, or
10 public body may retain records required under this Section in
11 paper or electronic format.

12 (k) Upon 7 business days' notice, each contractor and
13 subcontractor shall make available for inspection and copying
14 at a location within this State during reasonable hours, the
15 records identified in this subsection (j) to the taxpayer in
16 charge of the High Impact Business construction jobs project,
17 its officers and agents, the Director of the Department of
18 Labor and his deputies and agents, and to federal, State, or
19 local law enforcement agencies and prosecutors.

20 (Source: P.A. 97-905, eff. 8-7-12; 98-109, eff. 7-25-13.)

21 (20 ILCS 655/13 new)

22 Sec. 13. Enterprise Zone construction jobs credit.

23 (a) A business entity in a certified Enterprise Zone that
24 makes a capital investment of at least \$10,000,000 in an
25 Enterprise Zone construction jobs project may receive an

1 Enterprise Zone construction jobs credit against the tax
2 imposed under subsections (a) and (b) of Section 201 of the
3 Illinois Income Tax Act in an amount equal to 50% of the amount
4 of the incremental income tax attributable to Enterprise Zone
5 construction jobs credit employees employed in the course of
6 completing an Enterprise Zone construction jobs project.
7 However, the Enterprise Zone construction jobs credit may equal
8 75% of the amount of the incremental income tax attributable to
9 Enterprise Zone construction jobs credit employees if the
10 project is located in an underserved area.

11 (b) A business entity seeking a credit under this Section
12 must submit an application to the Department and must receive
13 approval from the designating municipality or county and the
14 Department for the Enterprise Zone construction jobs credit
15 project. The application must describe the nature and benefit
16 of the project to the certified Enterprise Zone and its
17 potential contributors.

18 Within 45 days after receipt of an application, the
19 Department shall give notice to the applicant as to whether the
20 application has been approved or disapproved. If the Department
21 disapproves the application, it shall specify the reasons for
22 this decision and allow 60 days for the applicant to amend and
23 resubmit its application. The Department shall provide
24 assistance upon request to applicants. Resubmitted
25 applications shall receive the Department's approval or
26 disapproval within 30 days after the application is

1 resubmitted. Those resubmitted applications satisfying initial
2 Department objectives shall be approved unless reasonable
3 circumstances warrant disapproval.

4 On an annual basis, the designated zone organization shall
5 furnish a statement to the Department on the programmatic and
6 financial status of any approved project and an audited
7 financial statement of the project.

8 The Department shall certify to the Department of Revenue
9 the identity of taxpayers who are eligible for the credits and
10 the amount of credits that are claimed pursuant to subparagraph
11 (8) of subsection (f) of Section 201 the Illinois Income Tax
12 Act.

13 The Enterprise Zone construction jobs credit project must
14 be undertaken by the business entity in the course of
15 completing a project that complies with the criteria contained
16 in Section 4 of this Act and is undertaken in a certified
17 Enterprise Zone. The Department shall adopt any necessary rules
18 for the implementation of this subsection (b).

19 (c) Any business entity that receives an Enterprise Zone
20 construction jobs credit shall maintain a certified payroll
21 pursuant to subsection (d) of this Section.

22 (d) Each contractor and subcontractor who is engaged in and
23 is executing an Enterprise Zone Construction jobs credit
24 project for a business that is entitled to a credit pursuant to
25 this Section shall:

26 (1) make and keep, for a period of 5 years from the

1 date of the last payment made on or after the effective
2 date of this amendatory Act of the 100th General Assembly
3 on a contract or subcontract for an Enterprise Zone
4 construction jobs credit project, records for all laborers
5 and other workers employed by them on the project; the
6 records shall include:

7 (A) the worker's name;

8 (B) the worker's address;

9 (C) the worker's telephone number, if available;

10 (D) the worker's social security number;

11 (E) the worker's classification or
12 classifications;

13 (F) the worker's gross and net wages paid in each
14 pay period;

15 (G) the worker's number of hours worked each day;

16 (H) the worker's starting and ending times of work
17 each day;

18 (I) the worker's hourly wage rate; and

19 (J) the worker's hourly overtime wage rate;

20 (2) no later than the 15th day of each calendar month,
21 provide a certified payroll for the immediately preceding
22 month to the taxpayer in charge of the project; within 5
23 business days after receiving the certified payroll, the
24 taxpayer shall file the certified payroll with the
25 Department of Labor and the Department of Commerce and
26 Economic Opportunity; a certified payroll must be filed for

1 only those calendar months during which construction on an
2 Enterprise Zone construction jobs project has occurred;
3 the certified payroll shall consist of a complete copy of
4 the records identified in paragraph (1) of this subsection
5 (d), but may exclude the starting and ending times of work
6 each day; the certified payroll shall be accompanied by a
7 statement signed by the contractor or subcontractor or an
8 officer, employee, or agent of the contractor or
9 subcontractor which avers that:

10 (A) he or she has examined the certified payroll
11 records required to be submitted by the Act and such
12 records are true and accurate; and

13 (B) the contractor or subcontractor is aware that
14 filing a certified payroll that he or she knows to be
15 false is a Class A misdemeanor.

16 A general contractor is not prohibited from relying on a
17 certified payroll of a lower-tier subcontractor, provided the
18 general contractor does not knowingly rely upon a
19 subcontractor's false certification.

20 Any contractor or subcontractor subject to this
21 subsection, and any officer, employee, or agent of such
22 contractor or subcontractor whose duty as an officer, employee,
23 or agent it is to file a certified payroll under this
24 subsection, who willfully fails to file such a certified
25 payroll on or before the date such certified payroll is
26 required by this paragraph to be filed and any person who

1 willfully files a false certified payroll that is false as to
2 any material fact is in violation of this Act and guilty of a
3 Class A misdemeanor.

4 The taxpayer in charge of the project shall keep the
5 records submitted in accordance with this subsection on or
6 after the effective date of this Act of the 100th General
7 Assembly for a period of 5 years from the date of the last
8 payment for work on a contract or subcontract for the project.

9 The records submitted in accordance with this subsection
10 shall be considered public records, except an employee's
11 address, telephone number, and social security number, and made
12 available in accordance with the Freedom of Information Act.
13 The Department of Labor shall accept any reasonable submissions
14 by the contractor that meet the requirements of this subsection
15 and shall share the information with the Department in order to
16 comply with the awarding of Enterprise Zone construction jobs
17 credits. A contractor, subcontractor, or public body may retain
18 records required under this Section in paper or electronic
19 format.

20 Upon 7 business days' notice, the contractor and each
21 subcontractor shall make available for inspection and copying
22 at a location within this State during reasonable hours, the
23 records identified in paragraph (1) of this subsection to the
24 taxpayer in charge of the project, its officers and agents, the
25 Director of Labor and his deputies and agents, and to federal,
26 State, or local law enforcement agencies and prosecutors.

1 (e) As used in this Section:

2 "Enterprise Zone construction jobs credit" means an amount
3 equal to 50% (or 75% if the project is located in an
4 underserved area) of the incremental income tax attributable to
5 Enterprise Zone construction jobs credit employees.

6 "Enterprise Zone construction jobs credit employee" means
7 a laborer or worker who is employed by an Illinois contractor
8 or subcontractor in the actual construction work on the site of
9 an Enterprise Zone construction jobs credit project.

10 "Enterprise Zone construction jobs credit project" means
11 building a structure or building or making improvements of any
12 kind to real property commissioned and paid for by a business
13 that has applied and been approved for an Enterprise Zone
14 construction jobs credit pursuant to this Section. "Enterprise
15 Zone construction jobs credit project" does not include the
16 routine operation, routine repair, or routine maintenance of
17 existing structures, buildings, or real property.

18 "Incremental income tax" means the total amount withheld
19 during the taxable year from the compensation of Enterprise
20 Zone construction jobs credit employees.

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

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

25 (2) 75% or more of the children in the area participate
26 in the federal free lunch program according to reported

1 statistics from the State Board of Education;

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

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

11 Section 10. The Illinois Income Tax Act is amended by
12 changing Sections 201, 211, and 221 as follows:

13 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

14 Sec. 201. Tax imposed.

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

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

1 (1) In the case of an individual, trust or estate, for
2 taxable years ending prior to July 1, 1989, an amount equal
3 to 2 1/2% of the taxpayer's net income for the taxable
4 year.

5 (2) In the case of an individual, trust or estate, for
6 taxable years beginning prior to July 1, 1989 and ending
7 after June 30, 1989, an amount equal to the sum of (i) 2
8 1/2% of the taxpayer's net income for the period prior to
9 July 1, 1989, as calculated under Section 202.3, and (ii)
10 3% of the taxpayer's net income for the period after June
11 30, 1989, as calculated under Section 202.3.

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

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

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

1 (5.1) In the case of an individual, trust, or estate,
2 for taxable years beginning prior to January 1, 2015, and
3 ending after December 31, 2014, an amount equal to the sum
4 of (i) 5% of the taxpayer's net income for the period prior
5 to January 1, 2015, as calculated under Section 202.5, and
6 (ii) 3.75% of the taxpayer's net income for the period
7 after December 31, 2014, as calculated under Section 202.5.

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

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

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

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

26 (7) In the case of a corporation, for taxable years

1 beginning prior to July 1, 1989 and ending after June 30,
2 1989, an amount equal to the sum of (i) 4% of the
3 taxpayer's net income for the period prior to July 1, 1989,
4 as calculated under Section 202.3, and (ii) 4.8% of the
5 taxpayer's net income for the period after June 30, 1989,
6 as calculated under Section 202.3.

7 (8) In the case of a corporation, for taxable years
8 beginning after June 30, 1989, and ending prior to January
9 1, 2011, an amount equal to 4.8% of the taxpayer's net
10 income for the taxable year.

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

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

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

1 of the taxpayer's net income for the period after December
2 31, 2014, as calculated under Section 202.5.

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

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

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

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

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

1 Tax Replacement Income Tax shall be in addition to the income
2 tax imposed by subsections (a) and (b) of this Section and in
3 addition to all other occupation or privilege taxes imposed by
4 this State or by any municipal corporation or political
5 subdivision thereof.

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

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

1 reinsurance arrangements), beginning with taxable years ending
2 on or after December 31, 1999, the sum of the rates of tax
3 imposed by subsections (b) and (d) shall be reduced (but not
4 increased) to the rate at which the total amount of tax imposed
5 under this Act, net of all credits allowed under this Act,
6 shall equal (i) the total amount of tax that would be imposed
7 on the foreign insurer's net income allocable to Illinois for
8 the taxable year by such foreign insurer's state or country of
9 domicile if that net income were subject to all income taxes
10 and taxes measured by net income imposed by such foreign
11 insurer's state or country of domicile, net of all credits
12 allowed or (ii) a rate of zero if no such tax is imposed on such
13 income by the foreign insurer's state of domicile. For the
14 purposes of this subsection (d-1), an inter-affiliate includes
15 a mutual insurer under common management.

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

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

22 (B) the privilege tax imposed by Section 409 of the
23 Illinois Insurance Code, the fire insurance company
24 tax imposed by Section 12 of the Fire Investigation
25 Act, and the fire department taxes imposed under
26 Section 11-10-1 of the Illinois Municipal Code,

1 equals 1.25% for taxable years ending prior to December 31,
2 2003, or 1.75% for taxable years ending on or after
3 December 31, 2003, of the net taxable premiums written for
4 the taxable year, as described by subsection (1) of Section
5 409 of the Illinois Insurance Code. This paragraph will in
6 no event increase the rates imposed under subsections (b)
7 and (d).

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

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

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

20 (1) A taxpayer shall be allowed a credit equal to .5%
21 of the basis of qualified property placed in service during
22 the taxable year, provided such property is placed in
23 service on or after July 1, 1984. There shall be allowed an
24 additional credit equal to .5% of the basis of qualified
25 property placed in service during the taxable year,
26 provided such property is placed in service on or after

1 July 1, 1986, and the taxpayer's base employment within
2 Illinois has increased by 1% or more over the preceding
3 year as determined by the taxpayer's employment records
4 filed with the Illinois Department of Employment Security.
5 Taxpayers who are new to Illinois shall be deemed to have
6 met the 1% growth in base employment for the first year in
7 which they file employment records with the Illinois
8 Department of Employment Security. The provisions added to
9 this Section by Public Act 85-1200 (and restored by Public
10 Act 87-895) shall be construed as declaratory of existing
11 law and not as a new enactment. If, in any year, the
12 increase in base employment within Illinois over the
13 preceding year is less than 1%, the additional credit shall
14 be limited to that percentage times a fraction, the
15 numerator of which is .5% and the denominator of which is
16 1%, but shall not exceed .5%. The investment credit shall
17 not be allowed to the extent that it would reduce a
18 taxpayer's liability in any tax year below zero, nor may
19 any credit for qualified property be allowed for any year
20 other than the year in which the property was placed in
21 service in Illinois. For tax years ending on or after
22 December 31, 1987, and on or before December 31, 1988, the
23 credit shall be allowed for the tax year in which the
24 property is placed in service, or, if the amount of the
25 credit exceeds the tax liability for that year, whether it
26 exceeds the original liability or the liability as later

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

26 (2) The term "qualified property" means property

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

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

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

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

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

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

24 (9) Each taxable year ending before December 31, 2000,
25 a partnership may elect to pass through to its partners the
26 credits to which the partnership is entitled under this

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

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

1 of Section 250.

2 (f) Investment credit; Enterprise Zone; River Edge
3 Redevelopment Zone.

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

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

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

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

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

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

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

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

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

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

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

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

1 purchase price shall be deemed a disposition of qualified
2 property to the extent of such reduction.

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

20 (8) For taxable years beginning on or after the
21 effective date of this amendatory Act of the 100th General
22 Assembly, there shall be allowed an Enterprise Zone
23 construction jobs credit against the taxes imposed under
24 subsections (a) and (b) of this Section as provided in
25 Section 13 of the Illinois Enterprise Zone Act.

26 The credit or credits may not reduce the taxpayer's

1 liability to less than zero. If the amount of the credit or
2 credits exceeds the taxpayer's liability, the excess may be
3 carried forward and applied against the taxpayer's
4 liability in succeeding calendar years in the same manner
5 provided under paragraph (4) of Section 211 of this Act.
6 The credit or credits shall be applied to the earliest year
7 for which there is a tax liability. If there are credits
8 from more than one taxable year that are available to
9 offset a liability, the earlier credit shall be applied
10 first.

11 This paragraph (8) is exempt from the provisions of
12 Section 250.

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 (h-5) High Impact Business constructions jobs credit. For
6 taxable years beginning on or after the effective date of this
7 amendatory act of the 100th General Assembly, there shall also
8 be allowed a High Impact Business construction jobs credit
9 against the tax imposed under subsections (a) and (b) of this
10 Section as provided in subsections (i) and (j) of Section 5.5
11 of the Illinois Enterprise Zone Act.

12 The credit or credits may not reduce the taxpayer's
13 liability to less than zero. If the amount of the credit or
14 credits exceeds the taxpayer's liability, the excess may be
15 carried forward and applied against the taxpayer's liability in
16 succeeding calendar years in the manner provided under
17 paragraph (4) of Section 211 of this Act. The credit or credits
18 shall be applied to the earliest year for which there is a tax
19 liability. If there are credits from more than one taxable year
20 that are available to offset a liability, the earlier credit
21 shall be applied first.

22 This subsection (h-5) is exempt from the provisions of
23 Section 250.

24 (i) Credit for Personal Property Tax Replacement Income
25 Tax. For tax years ending prior to December 31, 2003, a credit
26 shall be allowed against the tax imposed by subsections (a) and

1 (b) of this Section for the tax imposed by subsections (c) and
2 (d) of this Section. This credit shall be computed by
3 multiplying the tax imposed by subsections (c) and (d) of this
4 Section by a fraction, the numerator of which is base income
5 allocable to Illinois and the denominator of which is Illinois
6 base income, and further multiplying the product by the tax
7 rate imposed by subsections (a) and (b) of this Section.

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

22 If, during any taxable year ending on or after December 31,
23 1986, the tax imposed by subsections (c) and (d) of this
24 Section for which a taxpayer has claimed a credit under this
25 subsection (i) is reduced, the amount of credit for such tax
26 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax
2 imposed by subsections (c) and (d). If any portion of the
3 reduced amount of credit has been carried to a different
4 taxable year, an amended return shall be filed for such taxable
5 year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years
7 ending on or after December 31, 1986 and prior to December 31,
8 2003, a taxpayer shall be allowed a credit against the tax
9 imposed by subsections (a) and (b) under this Section for all
10 amounts paid or accrued, on behalf of all persons employed by
11 the taxpayer in Illinois or Illinois residents employed outside
12 of Illinois by a taxpayer, for educational or vocational
13 training in semi-technical or technical fields or semi-skilled
14 or skilled fields, which were deducted from gross income in the
15 computation of taxable income. The credit against the tax
16 imposed by subsections (a) and (b) shall be 1.6% of such
17 training expenses. For partners, shareholders of subchapter S
18 corporations, and owners of limited liability companies, if the
19 liability company is treated as a partnership for purposes of
20 federal and State income taxation, there shall be allowed a
21 credit under this subsection (j) to be determined in accordance
22 with the determination of income and distributive share of
23 income under Sections 702 and 704 and subchapter S of the
24 Internal Revenue Code.

25 Any credit allowed under this subsection which is unused in
26 the year the credit is earned may be carried forward to each of

1 the 5 taxable years following the year for which the credit is
2 first computed until it is used. This credit shall be applied
3 first to the earliest year for which there is a liability. If
4 there is a credit under this subsection from more than one tax
5 year that is available to offset a liability the earliest
6 credit arising under this subsection shall be applied first. No
7 carryforward credit may be claimed in any tax year ending on or
8 after December 31, 2003.

9 (k) Research and development credit. For tax years ending
10 after July 1, 1990 and prior to December 31, 2003, and
11 beginning again for tax years ending on or after December 31,
12 2004, and ending prior to January 1, 2022, a taxpayer shall be
13 allowed a credit against the tax imposed by subsections (a) and
14 (b) of this Section for increasing research activities in this
15 State. The credit allowed against the tax imposed by
16 subsections (a) and (b) shall be equal to 6 1/2% of the
17 qualifying expenditures for increasing research activities in
18 this State. For partners, shareholders of subchapter S
19 corporations, and owners of limited liability companies, if the
20 liability company is treated as a partnership for purposes of
21 federal and State income taxation, there shall be allowed a
22 credit under this subsection to be determined in accordance
23 with the determination of income and distributive share of
24 income under Sections 702 and 704 and subchapter S of the
25 Internal Revenue Code.

26 For purposes of this subsection, "qualifying expenditures"

1 means the qualifying expenditures as defined for the federal
2 credit for increasing research activities which would be
3 allowable under Section 41 of the Internal Revenue Code and
4 which are conducted in this State, "qualifying expenditures for
5 increasing research activities in this State" means the excess
6 of qualifying expenditures for the taxable year in which
7 incurred over qualifying expenditures for the base period,
8 "qualifying expenditures for the base period" means the average
9 of the qualifying expenditures for each year in the base
10 period, and "base period" means the 3 taxable years immediately
11 preceding the taxable year for which the determination is being
12 made.

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

21 If an unused credit is carried forward to a given year from
22 2 or more earlier years, that credit arising in the earliest
23 year will be applied first against the tax liability for the
24 given year. If a tax liability for the given year still
25 remains, the credit from the next earliest year will then be
26 applied, and so on, until all credits have been used or no tax

1 liability for the given year remains. Any remaining unused
2 credit or credits then will be carried forward to the next
3 following year in which a tax liability is incurred, except
4 that no credit can be carried forward to a year which is more
5 than 5 years after the year in which the expense for which the
6 credit is given was incurred.

7 No inference shall be drawn from this amendatory Act of the
8 91st General Assembly in construing this Section for taxable
9 years beginning before January 1, 1999.

10 It is the intent of the General Assembly that the research
11 and development credit under this subsection (k) shall apply
12 continuously for all tax years ending on or after December 31,
13 2004 and ending prior to January 1, 2022, including, but not
14 limited to, the period beginning on January 1, 2016 and ending
15 on the effective date of this amendatory Act of the 100th
16 General Assembly. All actions taken in reliance on the
17 continuation of the credit under this subsection (k) by any
18 taxpayer are hereby validated.

19 (l) Environmental Remediation Tax Credit.

20 (i) For tax years ending after December 31, 1997 and on
21 or before December 31, 2001, a taxpayer shall be allowed a
22 credit against the tax imposed by subsections (a) and (b)
23 of this Section for certain amounts paid for unreimbursed
24 eligible remediation costs, as specified in this
25 subsection. For purposes of this Section, "unreimbursed
26 eligible remediation costs" means costs approved by the

1 Illinois Environmental Protection Agency ("Agency") under
2 Section 58.14 of the Environmental Protection Act that were
3 paid in performing environmental remediation at a site for
4 which a No Further Remediation Letter was issued by the
5 Agency and recorded under Section 58.10 of the
6 Environmental Protection Act. The credit must be claimed
7 for the taxable year in which Agency approval of the
8 eligible remediation costs is granted. The credit is not
9 available to any taxpayer if the taxpayer or any related
10 party caused or contributed to, in any material respect, a
11 release of regulated substances on, in, or under the site
12 that was identified and addressed by the remedial action
13 pursuant to the Site Remediation Program of the
14 Environmental Protection Act. After the Pollution Control
15 Board rules are adopted pursuant to the Illinois
16 Administrative Procedure Act for the administration and
17 enforcement of Section 58.9 of the Environmental
18 Protection Act, determinations as to credit availability
19 for purposes of this Section shall be made consistent with
20 those rules. For purposes of this Section, "taxpayer"
21 includes a person whose tax attributes the taxpayer has
22 succeeded to under Section 381 of the Internal Revenue Code
23 and "related party" includes the persons disallowed a
24 deduction for losses by paragraphs (b), (c), and (f)(1) of
25 Section 267 of the Internal Revenue Code by virtue of being
26 a related taxpayer, as well as any of its partners. The

1 credit allowed against the tax imposed by subsections (a)
2 and (b) shall be equal to 25% of the unreimbursed eligible
3 remediation costs in excess of \$100,000 per site, except
4 that the \$100,000 threshold shall not apply to any site
5 contained in an enterprise zone as determined by the
6 Department of Commerce and Community Affairs (now
7 Department of Commerce and Economic Opportunity). The
8 total credit allowed shall not exceed \$40,000 per year with
9 a maximum total of \$150,000 per site. For partners and
10 shareholders of subchapter S corporations, there shall be
11 allowed a credit under this subsection to be determined in
12 accordance with the determination of income and
13 distributive share of income under Sections 702 and 704 and
14 subchapter S of the Internal Revenue Code.

15 (ii) A credit allowed under this subsection that is
16 unused in the year the credit is earned may be carried
17 forward to each of the 5 taxable years following the year
18 for which the credit is first earned until it is used. The
19 term "unused credit" does not include any amounts of
20 unreimbursed eligible remediation costs in excess of the
21 maximum credit per site authorized under paragraph (i).
22 This credit shall be applied first to the earliest year for
23 which there is a liability. If there is a credit under this
24 subsection from more than one tax year that is available to
25 offset a liability, the earliest credit arising under this
26 subsection shall be applied first. A credit allowed under

1 this subsection may be sold to a buyer as part of a sale of
2 all or part of the remediation site for which the credit
3 was granted. The purchaser of a remediation site and the
4 tax credit shall succeed to the unused credit and remaining
5 carry-forward period of the seller. To perfect the
6 transfer, the assignor shall record the transfer in the
7 chain of title for the site and provide written notice to
8 the Director of the Illinois Department of Revenue of the
9 assignor's intent to sell the remediation site and the
10 amount of the tax credit to be transferred as a portion of
11 the sale. In no event may a credit be transferred to any
12 taxpayer if the taxpayer or a related party would not be
13 eligible under the provisions of subsection (i).

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

17 (m) Education expense credit. Beginning with tax years
18 ending after December 31, 1999, a taxpayer who is the custodian
19 of one or more qualifying pupils shall be allowed a credit
20 against the tax imposed by subsections (a) and (b) of this
21 Section for qualified education expenses incurred on behalf of
22 the qualifying pupils. The credit shall be equal to 25% of
23 qualified education expenses, but in no event may the total
24 credit under this subsection claimed by a family that is the
25 custodian of qualifying pupils exceed (i) \$500 for tax years
26 ending prior to December 31, 2017, and (ii) \$750 for tax years

1 ending on or after December 31, 2017. In no event shall a
2 credit under this subsection reduce the taxpayer's liability
3 under this Act to less than zero. Notwithstanding any other
4 provision of law, for taxable years beginning on or after
5 January 1, 2017, no taxpayer may claim a credit under this
6 subsection (m) if the taxpayer's adjusted gross income for the
7 taxable year exceeds (i) \$500,000, in the case of spouses
8 filing a joint federal tax return or (ii) \$250,000, in the case
9 of all other taxpayers. This subsection is exempt from the
10 provisions of Section 250 of this Act.

11 For purposes of this subsection:

12 "Qualifying pupils" means individuals who (i) are
13 residents of the State of Illinois, (ii) are under the age of
14 21 at the close of the school year for which a credit is
15 sought, and (iii) during the school year for which a credit is
16 sought were full-time pupils enrolled in a kindergarten through
17 twelfth grade education program at any school, as defined in
18 this subsection.

19 "Qualified education expense" means the amount incurred on
20 behalf of a qualifying pupil in excess of \$250 for tuition,
21 book fees, and lab fees at the school in which the pupil is
22 enrolled during the regular school year.

23 "School" means any public or nonpublic elementary or
24 secondary school in Illinois that is in compliance with Title
25 VI of the Civil Rights Act of 1964 and attendance at which
26 satisfies the requirements of Section 26-1 of the School Code,

1 except that nothing shall be construed to require a child to
2 attend any particular public or nonpublic school to qualify for
3 the credit under this Section.

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

7 (n) River Edge Redevelopment Zone site remediation tax
8 credit.

9 (i) For tax years ending on or after December 31, 2006,
10 a taxpayer shall be allowed a credit against the tax
11 imposed by subsections (a) and (b) of this Section for
12 certain amounts paid for unreimbursed eligible remediation
13 costs, as specified in this subsection. For purposes of
14 this Section, "unreimbursed eligible remediation costs"
15 means costs approved by the Illinois Environmental
16 Protection Agency ("Agency") under Section 58.14a of the
17 Environmental Protection Act that were paid in performing
18 environmental remediation at a site within a River Edge
19 Redevelopment Zone for which a No Further Remediation
20 Letter was issued by the Agency and recorded under Section
21 58.10 of the Environmental Protection Act. The credit must
22 be claimed for the taxable year in which Agency approval of
23 the eligible remediation costs is granted. The credit is
24 not available to any taxpayer if the taxpayer or any
25 related party caused or contributed to, in any material
26 respect, a release of regulated substances on, in, or under

1 the site that was identified and addressed by the remedial
2 action pursuant to the Site Remediation Program of the
3 Environmental Protection Act. Determinations as to credit
4 availability for purposes of this Section shall be made
5 consistent with rules adopted by the Pollution Control
6 Board pursuant to the Illinois Administrative Procedure
7 Act for the administration and enforcement of Section 58.9
8 of the Environmental Protection Act. For purposes of this
9 Section, "taxpayer" includes a person whose tax attributes
10 the taxpayer has succeeded to under Section 381 of the
11 Internal Revenue Code and "related party" includes the
12 persons disallowed a deduction for losses by paragraphs
13 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
14 Code by virtue of being a related taxpayer, as well as any
15 of its partners. The credit allowed against the tax imposed
16 by subsections (a) and (b) shall be equal to 25% of the
17 unreimbursed eligible remediation costs in excess of
18 \$100,000 per site.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. This
23 credit shall be applied first to the earliest year for
24 which there is a liability. If there is a credit under this
25 subsection from more than one tax year that is available to
26 offset a liability, the earliest credit arising under this

1 subsection shall be applied first. A credit allowed under
2 this subsection may be sold to a buyer as part of a sale of
3 all or part of the remediation site for which the credit
4 was granted. The purchaser of a remediation site and the
5 tax credit shall succeed to the unused credit and remaining
6 carry-forward period of the seller. To perfect the
7 transfer, the assignor shall record the transfer in the
8 chain of title for the site and provide written notice to
9 the Director of the Illinois Department of Revenue of the
10 assignor's intent to sell the remediation site and the
11 amount of the tax credit to be transferred as a portion of
12 the sale. In no event may a credit be transferred to any
13 taxpayer if the taxpayer or a related party would not be
14 eligible under the provisions of subsection (i).

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

18 (o) For each of taxable years during the Compassionate Use
19 of Medical Cannabis Pilot Program, a surcharge is imposed on
20 all taxpayers on income arising from the sale or exchange of
21 capital assets, depreciable business property, real property
22 used in the trade or business, and Section 197 intangibles of
23 an organization registrant under the Compassionate Use of
24 Medical Cannabis Pilot Program Act. The amount of the surcharge
25 is equal to the amount of federal income tax liability for the
26 taxable year attributable to those sales and exchanges. The

1 surcharge imposed does not apply if:

2 (1) the medical cannabis cultivation center
3 registration, medical cannabis dispensary registration, or
4 the property of a registration is transferred as a result
5 of any of the following:

6 (A) bankruptcy, a receivership, or a debt
7 adjustment initiated by or against the initial
8 registration or the substantial owners of the initial
9 registration;

10 (B) cancellation, revocation, or termination of
11 any registration by the Illinois Department of Public
12 Health;

13 (C) a determination by the Illinois Department of
14 Public Health that transfer of the registration is in
15 the best interests of Illinois qualifying patients as
16 defined by the Compassionate Use of Medical Cannabis
17 Pilot Program Act;

18 (D) the death of an owner of the equity interest in
19 a registrant;

20 (E) the acquisition of a controlling interest in
21 the stock or substantially all of the assets of a
22 publicly traded company;

23 (F) a transfer by a parent company to a wholly
24 owned subsidiary; or

25 (G) the transfer or sale to or by one person to
26 another person where both persons were initial owners

1 of the registration when the registration was issued;

2 or

3 (2) the cannabis cultivation center registration,
4 medical cannabis dispensary registration, or the
5 controlling interest in a registrant's property is
6 transferred in a transaction to lineal descendants in which
7 no gain or loss is recognized or as a result of a
8 transaction in accordance with Section 351 of the Internal
9 Revenue Code in which no gain or loss is recognized.

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

11 (35 ILCS 5/211)

12 Sec. 211. Economic Development for a Growing Economy Tax
13 Credit. For tax years beginning on or after January 1, 1999, a
14 Taxpayer who has entered into an Agreement (including a New
15 Construction EDGE Agreement) under the Economic Development
16 for a Growing Economy Tax Credit Act is entitled to a credit
17 against the taxes imposed under subsections (a) and (b) of
18 Section 201 of this Act in an amount to be determined in the
19 Agreement. If the Taxpayer is a partnership or Subchapter S
20 corporation, the credit shall be allowed to the partners or
21 shareholders in accordance with the determination of income and
22 distributive share of income under Sections 702 and 704 and
23 subchapter S of the Internal Revenue Code. The Department, in
24 cooperation with the Department of Commerce and Economic
25 Opportunity, shall prescribe rules to enforce and administer

1 the provisions of this Section. This Section is exempt from the
2 provisions of Section 250 of this Act.

3 The credit shall be subject to the conditions set forth in
4 the Agreement and the following limitations:

5 (1) The tax credit shall not exceed the Incremental
6 Income Tax (as defined in Section 5-5 of the Economic
7 Development for a Growing Economy Tax Credit Act) with
8 respect to the project; additionally, the New Construction
9 EDGE Credit shall not exceed the New Construction EDGE
10 Incremental Income Tax (as defined in Section 5-5 of the
11 Economic Development for a Growing Economy Tax Credit Act).

12 (2) The amount of the credit allowed during the tax
13 year plus the sum of all amounts allowed in prior years
14 shall not exceed 100% of the aggregate amount expended by
15 the Taxpayer during all prior tax years on approved costs
16 defined by Agreement.

17 (3) The amount of the credit shall be determined on an
18 annual basis. Except as applied in a carryover year
19 pursuant to Section 211(4) of this Act, the credit may not
20 be applied against any State income tax liability in more
21 than 10 taxable years; provided, however, that (i) an
22 eligible business certified by the Department of Commerce
23 and Economic Opportunity under the Corporate Headquarters
24 Relocation Act may not apply the credit against any of its
25 State income tax liability in more than 15 taxable years
26 and (ii) credits allowed to that eligible business are

1 subject to the conditions and requirements set forth in
2 Sections 5-35 and 5-45 of the Economic Development for a
3 Growing Economy Tax Credit Act and Section 5-51 as
4 applicable to New Construction EDGE Credits.

5 (4) The credit may not exceed the amount of taxes
6 imposed pursuant to subsections (a) and (b) of Section 201
7 of this Act. Any credit that is unused in the year the
8 credit is computed may be carried forward and applied to
9 the tax liability of the 5 taxable years following the
10 excess credit year. The credit shall be applied to the
11 earliest year for which there is a tax liability. If there
12 are credits from more than one tax year that are available
13 to offset a liability, the earlier credit shall be applied
14 first.

15 (5) No credit shall be allowed with respect to any
16 Agreement for any taxable year ending after the
17 Noncompliance Date. Upon receiving notification by the
18 Department of Commerce and Economic Opportunity of the
19 noncompliance of a Taxpayer with an Agreement, the
20 Department shall notify the Taxpayer that no credit is
21 allowed with respect to that Agreement for any taxable year
22 ending after the Noncompliance Date, as stated in such
23 notification. If any credit has been allowed with respect
24 to an Agreement for a taxable year ending after the
25 Noncompliance Date for that Agreement, any refund paid to
26 the Taxpayer for that taxable year shall, to the extent of

1 that credit allowed, be an erroneous refund within the
2 meaning of Section 912 of this Act.

3 (6) For purposes of this Section, the terms
4 "Agreement", "Incremental Income Tax", "New Construction
5 EDGE Agreement", "New Construction EDGE Credit", "New
6 Construction EDGE Incremental Income Tax", and
7 "Noncompliance Date" have the same meaning as when used in
8 the Economic Development for a Growing Economy Tax Credit
9 Act.

10 (Source: P.A. 94-793, eff. 5-19-06.)

11 (35 ILCS 5/221)

12 Sec. 221. Rehabilitation costs; qualified historic
13 properties; River Edge Redevelopment Zone.

14 (a) For taxable years beginning on or after January 1, 2012
15 and ending prior to January 1, 2022, there shall be allowed a
16 tax credit against the tax imposed by subsections (a) and (b)
17 of Section 201 in an amount equal to 25% of qualified
18 expenditures incurred by a qualified taxpayer during the
19 taxable year in the restoration and preservation of a qualified
20 historic structure located in a River Edge Redevelopment Zone
21 pursuant to a qualified rehabilitation plan, provided that the
22 total amount of such expenditures (i) must equal \$5,000 or more
23 and (ii) must exceed 50% of the purchase price of the property.

24 (a-1) For taxable years beginning on or after the effective
25 date of this amendatory act of the 100th General Assembly and

1 ending prior to January 1, 2022, there shall be allowed a tax
2 credit against the tax imposed by subsections (a) and (b) of
3 Section 201 as provided in Section 10-10.3 of the River Edge
4 Redevelopment Zone Act. The credit allowed under this
5 subsection (a-1) shall apply only to taxpayers that make a
6 capital investment of at least \$1,000,000 in a qualified
7 rehabilitation plan.

8 The credit or credits may not reduce the taxpayer's
9 liability to less than zero. If the amount of the credit or
10 credits exceeds the taxpayer's liability, the excess may be
11 carried forward and applied against the taxpayer's liability in
12 succeeding calendar years in the manner provided under
13 paragraph (4) of Section 211 of this Act. The credit or credits
14 shall be applied to the earliest year for which there is a tax
15 liability. If there are credits from more than one taxable year
16 that are available to offset a liability, the earlier credit
17 shall be applied first.

18 (b) To obtain a tax credit pursuant to this Section, the
19 taxpayer must apply with the Department of Commerce and
20 Economic Opportunity. The Department of Commerce and Economic
21 Opportunity, in consultation with the Historic Preservation
22 Agency, shall determine the amount of eligible rehabilitation
23 costs and expenses in addition to the amount of the River Edge
24 construction jobs credit. The Historic Preservation Agency
25 shall determine whether the rehabilitation is consistent with
26 the standards of the Secretary of the United States Department

1 of the Interior for rehabilitation. Upon completion and review
2 of the project, the Department of Commerce and Economic
3 Opportunity shall issue a certificate in the amount of the
4 eligible credits. At the time the certificate is issued, an
5 issuance fee up to the maximum amount of 2% of the amount of
6 the credits issued by the certificate may be collected from the
7 applicant to administer the provisions of this Section. If
8 collected, this issuance fee shall be deposited into the
9 Historic Property Administrative Fund, a special fund created
10 in the State treasury. Subject to appropriation, moneys in the
11 Historic Property Administrative Fund shall be evenly divided
12 between the Department of Commerce and Economic Opportunity and
13 the Historic Preservation Agency to reimburse the Department of
14 Commerce and Economic Opportunity and the Historic
15 Preservation Agency for the costs associated with
16 administering this Section. The taxpayer must attach the
17 certificate to the tax return on which the credits are to be
18 claimed. The Department of Commerce and Economic Opportunity
19 may adopt rules to implement this Section.

20 (c) The tax credit under this Section may not reduce the
21 taxpayer's liability to less than zero.

22 (d) As used in this Section, the following terms have the
23 following meanings.

24 "Qualified expenditure" means all the costs and expenses
25 defined as qualified rehabilitation expenditures under Section
26 47 of the federal Internal Revenue Code that were incurred in

1 connection with a qualified historic structure.

2 "Qualified historic structure" means a certified historic
3 structure as defined under Section 47(c)(3) of the federal
4 Internal Revenue Code.

5 "Qualified rehabilitation plan" means a project that is
6 approved by the Historic Preservation Agency as being
7 consistent with the standards in effect on the effective date
8 of this amendatory Act of the 97th General Assembly for
9 rehabilitation as adopted by the federal Secretary of the
10 Interior.

11 "Qualified taxpayer" means the owner of the qualified
12 historic structure or any other person who qualifies for the
13 federal rehabilitation credit allowed by Section 47 of the
14 federal Internal Revenue Code with respect to that qualified
15 historic structure. Partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies (if the
17 limited liability company is treated as a partnership for
18 purposes of federal and State income taxation) are entitled to
19 a credit under this Section to be determined in accordance with
20 the determination of income and distributive share of income
21 under Sections 702 and 703 and subchapter S of the Internal
22 Revenue Code, provided that credits granted to a partnership, a
23 limited liability company taxed as a partnership, or other
24 multiple owners of property shall be passed through to the
25 partners, members, or owners respectively on a pro rata basis
26 or pursuant to an executed agreement among the partners,

1 members, or owners documenting any alternate distribution
2 method.

3 (Source: P.A. 99-914, eff. 12-20-16; 100-236, eff. 8-18-17.)

4 Section 15. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by changing Section 5-5 and by adding
6 Sections 5-51 and 5-56 as follows:

7 (35 ILCS 10/5-5)

8 Sec. 5-5. Definitions. As used in this Act:

9 "Agreement" means the Agreement between a Taxpayer and the
10 Department under the provisions of Section 5-50 of this Act.

11 "Applicant" means a Taxpayer that is operating a business
12 located or that the Taxpayer plans to locate within the State
13 of Illinois and that is engaged in interstate or intrastate
14 commerce for the purpose of manufacturing, processing,
15 assembling, warehousing, or distributing products, conducting
16 research and development, providing tourism services, or
17 providing services in interstate commerce, office industries,
18 or agricultural processing, but excluding retail, retail food,
19 health, or professional services. "Applicant" does not include
20 a Taxpayer who closes or substantially reduces an operation at
21 one location in the State and relocates substantially the same
22 operation to another location in the State. This does not
23 prohibit a Taxpayer from expanding its operations at another
24 location in the State, provided that existing operations of a

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

14 "Committee" means the Illinois Business Investment
15 Committee created under Section 5-25 of this Act within the
16 Illinois Economic Development Board.

17 "Credit" means the amount agreed to between the Department
18 and Applicant under this Act, but not to exceed the lesser of:
19 (1) the sum of (i) 50% of the Incremental Income Tax
20 attributable to New Employees at the Applicant's project and
21 (ii) 10% of the training costs of New Employees; or (2) 100% of
22 the Incremental Income Tax attributable to New Employees at the
23 Applicant's project. However, if the project is located in an
24 underserved area, then the amount of the Credit may not exceed
25 the lesser of: (1) the sum of (i) 75% of the Incremental Income
26 Tax attributable to New Employees at the Applicant's project

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

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

13 "Director" means the Director of Commerce and Economic
14 Opportunity.

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

25 "Incremental Income Tax" means the total amount withheld
26 during the taxable year from the compensation of New Employees

1 and, if applicable, retained employees under Article 7 of the
2 Illinois Income Tax Act arising from employment at a project
3 that is the subject of an Agreement.

4 "New Construction EDGE Agreement" means the Agreement
5 between a Taxpayer and the Department under the provisions of
6 Section 5-51 of this Act.

7 "New Construction EDGE Credit" means an amount agreed to
8 between the Department and the Applicant under this Act as part
9 of a New Construction EDGE Agreement that does not exceed 50%
10 of the Incremental Income Tax attributable to New Construction
11 EDGE Employees at the Applicant's project; however, if the New
12 Construction EDGE Project is located in an underserved area,
13 then the amount of the New Construction EDGE Credit may not
14 exceed 75% of the Incremental Income Tax attributable to New
15 Construction EDGE Employees at the Applicant's New
16 Construction EDGE Project.

17 "New Construction EDGE Employee" means a laborer or worker
18 who is employed by an Illinois contractor or subcontractor in
19 the actual construction work on the site of a New Construction
20 EDGE Project, pursuant to a New Construction EDGE Agreement.

21 "New Construction EDGE Incremental Income Tax" means the
22 total amount withheld during the taxable year from the
23 compensation of New Construction EDGE Employees.

24 "New Construction EDGE Project" means the building of a
25 Taxpayer's structure or building, or making improvements of any
26 kind to real property. "New Construction EDGE Project" does not

1 include the routine operation, routine repair, or routine
2 maintenance of existing structures, buildings, or real
3 property.

4 "New Employee" means:

5 (a) A Full-time Employee first employed by a Taxpayer
6 in the project that is the subject of an Agreement and who
7 is hired after the Taxpayer enters into the tax credit
8 Agreement.

9 (b) The term "New Employee" does not include:

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

14 (2) an employee of the Taxpayer who was previously
15 employed in Illinois by a Related Member of the
16 Taxpayer and whose employment was shifted to the
17 Taxpayer after the Taxpayer entered into the tax credit
18 Agreement; or

19 (3) a child, grandchild, parent, or spouse, other
20 than a spouse who is legally separated from the
21 individual, of any individual who has a direct or an
22 indirect ownership interest of at least 5% in the
23 profits, capital, or value of the Taxpayer.

24 (c) Notwithstanding paragraph (1) of subsection (b),
25 an employee may be considered a New Employee under the
26 Agreement if the employee performs a job that was

1 previously performed by an employee who was:

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

3 and

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

5 (d) Notwithstanding subsection (a), the Department may
6 award Credit to an Applicant with respect to an employee
7 hired prior to the date of the Agreement if:

8 (1) the Applicant is in receipt of a letter from
9 the Department stating an intent to enter into a credit
10 Agreement;

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

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

16 "Noncompliance Date" means, in the case of a Taxpayer that
17 is not complying with the requirements of the Agreement or the
18 provisions of this Act, the day following the last date upon
19 which the Taxpayer was in compliance with the requirements of
20 the Agreement and the provisions of this Act, as determined by
21 the Director, pursuant to Section 5-65.

22 "Pass Through Entity" means an entity that is exempt from
23 the tax under subsection (b) or (c) of Section 205 of the
24 Illinois Income Tax Act.

25 "Professional Employer Organization" (PEO) means an
26 employee leasing company, as defined in Section 206.1(A)(2) of

1 the Illinois Unemployment Insurance Act.

2 "Related Member" means a person that, with respect to the
3 Taxpayer during any portion of the taxable year, is any one of
4 the following:

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

11 (2) A partnership, estate, or trust and any partner or
12 beneficiary, if the partnership, estate, or trust, and its
13 partners or beneficiaries own directly, indirectly,
14 beneficially, or constructively, in the aggregate, at
15 least 50% of the profits, capital, stock, or value of the
16 Taxpayer.

17 (3) A corporation, and any party related to the
18 corporation in a manner that would require an attribution
19 of stock from the corporation to the party or from the
20 party to the corporation under the attribution rules of
21 Section 318 of the Internal Revenue Code, if the Taxpayer
22 owns directly, indirectly, beneficially, or constructively
23 at least 50% of the value of the corporation's outstanding
24 stock.

25 (4) A corporation and any party related to that
26 corporation in a manner that would require an attribution

1 of stock from the corporation to the party or from the
2 party to the corporation under the attribution rules of
3 Section 318 of the Internal Revenue Code, if the
4 corporation and all such related parties own in the
5 aggregate at least 50% of the profits, capital, stock, or
6 value of the Taxpayer.

7 (5) A person to or from whom there is attribution of
8 stock ownership in accordance with Section 1563(e) of the
9 Internal Revenue Code, except, for purposes of determining
10 whether a person is a Related Member under this paragraph,
11 20% shall be substituted for 5% wherever 5% appears in
12 Section 1563(e) of the Internal Revenue Code.

13 "Taxpayer" means an individual, corporation, partnership,
14 or other entity that has any Illinois Income Tax liability.

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

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

19 (2) 75% or more of the children in the area participate
20 in the federal free lunch program according to reported
21 statistics from the State Board of Education;

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

25 (4) the area has an average unemployment rate, as
26 determined by the Illinois Department of Employment

1 Security, that is more than 120% of the national
2 unemployment average, as determined by the U.S. Department
3 of Labor, for a period of at least 2 consecutive calendar
4 years preceding the date of the application.

5 (Source: P.A. 100-511, eff. 9-18-17.)

6 (35 ILCS 10/5-51 new)

7 Sec. 5-51. New Construction EDGE Agreement.

8 (a) Notwithstanding any other provisions of this Act, and
9 in addition to any Credit otherwise allowed under this Act,
10 there is allowed a New Construction EDGE Credit for eligible
11 Applicants that meet the following criteria:

12 (1) the Department has certified that the Applicant
13 meets all requirements of Sections 5-15, 5-20, and 5-25;
14 and

15 (2) the Department has certified that, pursuant to
16 Section 5-20, the Applicant's Agreement includes a capital
17 investment of at least \$10,000,000 in a New Construction
18 EDGE Project to be placed in service within the State as a
19 direct result of an Agreement entered into pursuant to this
20 Section.

21 (b) The Department shall notify each Applicant during the
22 application process that their project is eligible for a New
23 Construction EDGE Credit. The Department shall create a
24 separate application to be filled out by the Applicant
25 regarding the New Construction EDGE credit. The Application

1 shall include the following:

2 (1) a detailed description of the New Construction EDGE
3 Project that is subject to the New Construction EDGE
4 Agreement, including the location and amount of the
5 investment and jobs created or retained;

6 (2) the duration of the New Construction EDGE Credit
7 and the first taxable year for which the Credit may be
8 claimed;

9 (3) the New Construction EDGE Credit amount that will
10 be allowed for each taxable year;

11 (4) a requirement that the Director is authorized to
12 verify with the appropriate State agencies the amount of
13 the incremental income tax withheld by a Taxpayer, and
14 after doing so, shall issue a certificate to the Taxpayer
15 stating that the amounts have been verified;

16 (5) the amount of the capital investment, which may at
17 no point be less than \$10,000,000, the time period of
18 placing the New Construction EDGE Project in service, and
19 the designated location in Illinois for the investment;

20 (6) a requirement that the Taxpayer shall provide
21 written notification to the Director not more than 30 days
22 after the Taxpayer determines that the capital investment
23 of at least \$10,000,000 is not or will not be achieved or
24 maintained as set forth in the terms and conditions of the
25 Agreement;

26 (7) a detailed provision that the Taxpayer shall be

1 awarded a New Construction EDGE Credit upon the verified
2 completion and occupancy of a New Construction EDGE
3 Project; and

4 (8) any other performance conditions, including the
5 ability to verify that a New Construction EDGE Project is
6 built and completed, or that contract provisions as the
7 Department determines are appropriate.

8 (c) The Department shall post on its website the terms of
9 each New Construction EDGE Agreement entered into under this
10 Act on or after the effective date of this amendatory Act of
11 the 100th General Assembly. Such information shall be posted
12 within 10 days after entering into the Agreement and must
13 include the following:

14 (1) the name of the recipient business;

15 (2) the location of the project;

16 (3) the estimated value of the credit; and

17 (4) whether or not the project is located in an
18 underserved area.

19 (d) The Department, in collaboration with the Department of
20 Labor, shall require that certified payroll reporting,
21 pursuant to Section 5-56 of this Act, be completed in order to
22 verify the wages and any other necessary information which the
23 Department may deem necessary to ascertain and certify the
24 total number of New Construction EDGE Employees subject to a
25 New Construction EDGE Agreement and amount of a New
26 Construction EDGE Credit.

1 (35 ILCS 10/5-56 new)

2 Sec. 5-56. Certified payroll.

3 (a) Each contractor and subcontractor that is engaged in
4 and is executing a New Construction EDGE Project for a
5 Taxpayer, pursuant to a New Construction EDGE Agreement shall:

6 (1) make and keep, for a period of 5 years from the
7 date of the last payment made on or after the effective
8 date of this amendatory Act of the 100th General Assembly
9 on a contract or subcontract for a New Construction EDGE
10 Project pursuant to a New Construction EDGE Agreement,
11 records of all laborers and other workers employed by the
12 contractor or subcontractor on the project; the records
13 shall include:

14 (A) the worker's name;

15 (B) the worker's address;

16 (C) the worker's telephone number, if available;

17 (D) the worker's social security number;

18 (E) the worker's classification or
19 classifications;

20 (F) the worker's gross and net wages paid in each
21 pay period;

22 (G) the worker's number of hours worked each day;

23 (H) the worker's starting and ending times of work
24 each day;

25 (I) the worker's hourly wage rate; and

1 (J) the worker's hourly overtime wage rate; and
2 (2) no later than the 15th day of each calendar month,
3 provide a certified payroll for the immediately preceding
4 month to the taxpayer in charge of the project; within 5
5 business days after receiving the certified payroll, the
6 taxpayer shall file the certified payroll with the
7 Department of Labor and the Department of Commerce and
8 Economic Opportunity; a certified payroll must be filed for
9 only those calendar months during which construction on a
10 New Construction EDGE Project has occurred; the certified
11 payroll shall consist of a complete copy of the records
12 identified in paragraph (1), but may exclude the starting
13 and ending times of work each day; the certified payroll
14 shall be accompanied by a statement signed by the
15 contractor or subcontractor or an officer, employee, or
16 agent of the contractor or subcontractor which avers that:

17 (A) he or she has examined the certified payroll
18 records required to be submitted by the Act and such
19 records are true and accurate; and

20 (B) the contractor or subcontractor is aware that
21 filing a certified payroll that he or she knows to be
22 false is a Class A misdemeanor.

23 A general contractor is not prohibited from relying on a
24 certified payroll of a lower-tier subcontractor, provided the
25 general contractor does not knowingly rely upon a
26 subcontractor's false certification.

1 Any contractor or subcontractor subject to this Section,
2 and any officer, employee, or agent of such contractor or
3 subcontractor whose duty as an officer, employee, or agent it
4 is to file a certified payroll under this Section, who
5 willfully fails to file such a certified payroll on or before
6 the date such certified payroll is required to be filed and any
7 person who willfully files a false certified payroll that is
8 false as to any material fact is in violation of this Act and
9 guilty of a Class A misdemeanor.

10 The taxpayer in charge of the project shall keep the
11 records submitted in accordance with this subsection on or
12 after the effective date of this Act of the 100th General
13 Assembly for a period of 5 years from the date of the last
14 payment for work on a contract or subcontract for the project.

15 The records submitted in accordance with this subsection
16 shall be considered public records, except an employee's
17 address, telephone number, and social security number, and made
18 available in accordance with the Freedom of Information Act.
19 The Department of Labor shall accept any reasonable submissions
20 by the contractor that meet the requirements of this subsection
21 and shall share the information with the Department in order to
22 comply with the awarding of New Construction EDGE Credits. A
23 contractor, subcontractor, or public body may retain records
24 required under this Section in paper or electronic format.

25 Upon 7 business days' notice, the contractor and each
26 subcontractor shall make available for inspection and copying

1 at a location within this State during reasonable hours, the
2 records identified in paragraph (1) of this subsection to the
3 taxpayer in charge of the project, its officers and agents, the
4 Director of Labor and his deputies and agents, and to federal,
5 State, or local law enforcement agencies and prosecutors.

6 Section 20. The River Edge Redevelopment Zone Act is
7 amended by changing Section 10-3 and by adding Sections 10-10.3
8 and 10-10.4 as follows:

9 (65 ILCS 115/10-3)

10 Sec. 10-3. Definitions. As used in this Act:

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

13 "River Edge Redevelopment Zone" means an area of the State
14 certified by the Department as a River Edge Redevelopment Zone
15 pursuant to this Act.

16 "Designated zone organization" means an association or
17 entity: (1) the members of which are substantially all
18 residents of the River Edge Redevelopment Zone or of the
19 municipality in which the River Edge Redevelopment Zone is
20 located; (2) the board of directors of which is elected by the
21 members of the organization; (3) that satisfies the criteria
22 set forth in Section 501(c) (3) or 501(c) (4) of the Internal
23 Revenue Code; and (4) that exists primarily for the purpose of
24 performing within the zone, for the benefit of the residents

1 and businesses thereof, any of the functions set forth in
2 Section 8 of this Act.

3 "Incremental income tax" means the total amount withheld
4 during the taxable year from the compensation of River Edge
5 Construction Jobs Employees.

6 "Agency" means: each officer, board, commission, and
7 agency created by the Constitution, in the executive branch of
8 State government, other than the State Board of Elections; each
9 officer, department, board, commission, agency, institution,
10 authority, university, and body politic and corporate of the
11 State; each administrative unit or corporate outgrowth of the
12 State government that is created by or pursuant to statute,
13 other than units of local government and their officers, school
14 districts, and boards of election commissioners; and each
15 administrative unit or corporate outgrowth of the above and as
16 may be created by executive order of the Governor. No entity is
17 an "agency" for the purposes of this Act unless the entity is
18 authorized by law to make rules or regulations.

19 "River Edge construction jobs credit" means an amount equal
20 to 50% of the incremental income tax attributable to River Edge
21 construction employees employed on a River Edge construction
22 jobs project. However, the amount may equal 75% of the
23 incremental income tax attributable to River Edge construction
24 employees employed on a River Edge construction jobs project
25 located in an underserved area.

26 "River Edge construction jobs employee" means a laborer or

1 worker who is employed by an Illinois contractor or
2 subcontractor in the actual construction work on the site of a
3 River Edge construction jobs project.

4 "River Edge construction jobs project" means building a
5 structure or building, or making improvements of any kind to
6 real property, in a River Edge Redevelopment Zone that is built
7 or improved in the course of completing a qualified
8 rehabilitation plan. "River Edge construction jobs project"
9 does not include the routine operation, routine repair, or
10 routine maintenance of existing structures, buildings, or real
11 property.

12 "Rule" means each agency statement of general
13 applicability that implements, applies, interprets, or
14 prescribes law or policy, but does not include (i) statements
15 concerning only the internal management of an agency and not
16 affecting private rights or procedures available to persons or
17 entities outside the agency, (ii) intra-agency memoranda, or
18 (iii) the prescription of standardized forms.

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

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

23 (2) 75% or more of the children in the area participate
24 in the federal free lunch program according to reported
25 statistics from the State Board of Education;

26 (3) at least 20% of the households in the area receive

1 assistance under the Supplemental Nutrition Assistance
2 Program (SNAP); or

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

9 (Source: P.A. 94-1021, eff. 7-12-06.)

10 (65 ILCS 115/10-10.3 new)

11 Sec. 10-10.3. River Edge Construction Jobs Credit.

12 (a) A business entity may receive a tax credit against the
13 tax imposed under subsections (a) and (b) of Section 201 in an
14 amount equal to 50% (or 75% if the project is located in an
15 underserved area) of the amount of the incremental income tax
16 attributable to River Edge construction jobs employees
17 employed in the course of completing a River Edge construction
18 jobs project. The credit allowed under this Section shall apply
19 only to taxpayers that make a capital investment of at least
20 \$1,000,000 in a qualified rehabilitation plan.

21 (b) A business entity seeking a credit under this Section
22 must submit an application to the Department describing the
23 nature and benefit of the River Edge construction jobs project
24 to the qualified rehabilitation project and the River Edge
25 Redevelopment Zone. The Department may adopt any necessary

1 rules in order to administer the provisions of this Section.

2 (c) Within 45 days after the receipt of an application, the
3 Department shall give notice to the applicant as to whether the
4 application has been approved or disapproved. If the Department
5 disapproves the application, it shall specify the reasons for
6 this decision and allow 60 days for the applicant to amend and
7 resubmit its application. The Department shall provide
8 assistance upon request to applicants. Resubmitted
9 applications shall receive the Department's approval or
10 disapproval within 30 days of resubmission. Those resubmitted
11 applications satisfying initial Department objectives shall be
12 approved unless reasonable circumstances warrant disapproval.

13 (d) On an annual basis, the designated zone organization
14 shall furnish a statement to the Department on the programmatic
15 and financial status of any approved project and an audited
16 financial statement of the project.

17 (e) The Department shall certify to the Department of
18 Revenue the identity of the taxpayers who are eligible for
19 River Edge construction jobs credits and the amounts of River
20 Edge construction jobs credits awarded in each taxable year.

21 (f) The Department, in collaboration with the Department of
22 Labor, shall require certified payroll reporting, pursuant to
23 Section 10-10.4 of this Act, be completed in order to verify
24 the wages and any other necessary information which the
25 Department may deem necessary to ascertain and certify the
26 total number of River Edge construction jobs employees and

1 determine the amount of a River Edge construction jobs credit.

2 (65 ILCS 115/10-10.4 new)

3 Sec. 10-10.4. Certified payroll.

4 (a) Any contractor and each subcontractor who is engaged in
5 and is executing a River Edge construction jobs project for a
6 taxpayer that is entitled to a credit pursuant to Section
7 10-10.3 of this Act shall:

8 (1) make and keep, for a period of 5 years from the
9 date of the last payment made on or after the effective
10 date of this amendatory Act of the 100th General Assembly
11 on a contract or subcontract for a River Edge Construction
12 Jobs Project in a River Edge Redevelopment Zone records of
13 all laborers and other workers employed by them on the
14 project; the records shall include:

15 (A) the worker's name;

16 (B) the worker's address;

17 (C) the worker's telephone number, if available;

18 (D) the worker's social security number;

19 (E) the worker's classification or
20 classifications;

21 (F) the worker's gross and net wages paid in each
22 pay period;

23 (G) the worker's number of hours worked each day;

24 (H) the worker's starting and ending times of work
25 each day;

1 (I) the worker's hourly wage rate; and
2 (J) the worker's hourly overtime wage rate;
3 (2) no later than the 15th day of each calendar month,
4 provide a certified payroll for the immediately preceding
5 month to the taxpayer in charge of the project; within 5
6 business days after receiving the certified payroll, the
7 taxpayer shall file the certified payroll with the
8 Department of Labor and the Department of Commerce and
9 Economic Opportunity; a certified payroll must be filed for
10 only those calendar months during which construction on a
11 River Edge Construction Jobs Project has occurred; the
12 certified payroll shall consist of a complete copy of the
13 records identified in paragraph (1), but may exclude the
14 starting and ending times of work each day; the certified
15 payroll shall be accompanied by a statement signed by the
16 contractor or subcontractor or an officer, employee, or
17 agent of the contractor or subcontractor which avers that:

18 (A) he or she has examined the certified payroll
19 records required to be submitted and such records are
20 true and accurate; and

21 (B) the contractor or subcontractor is aware that
22 filing a certified payroll that he or she knows to be
23 false is a Class A misdemeanor.

24 A general contractor is not prohibited from relying on a
25 certified payroll of a lower-tier subcontractor, provided the
26 general contractor does not knowingly rely upon a

1 subcontractor's false certification.

2 Any contractor or subcontractor subject to this Section,
3 and any officer, employee, or agent of such contractor or
4 subcontractor whose duty as an officer, employee, or agent it
5 is to file a certified payroll under this Section, who
6 willfully fails to file such a certified payroll on or before
7 the date such certified payroll is required to be filed and any
8 person who willfully files a false certified payroll that is
9 false as to any material fact is in violation of this Act and
10 guilty of a Class A misdemeanor.

11 The taxpayer in charge of the project shall keep the
12 records submitted in accordance with this Section on or after
13 the effective date of this Act of the 100th General Assembly
14 for a period of 5 years from the date of the last payment for
15 work on a contract or subcontract for the project.

16 The records submitted in accordance with this subsection
17 shall be considered public records, except an employee's
18 address, telephone number, and social security number, and made
19 available in accordance with the Freedom of Information Act.
20 The Department of Labor shall accept any reasonable submissions
21 by the contractor that meet the requirements of this subsection
22 and shall share the information with the Department in order to
23 comply with the awarding of River Edge construction jobs
24 credits. A contractor, subcontractor, or public body may retain
25 records required under this Section in paper or electronic
26 format.

1 Upon 7 business days' notice, the contractor and each
2 subcontractor shall make available for inspection and copying
3 at a location within this State during reasonable hours, the
4 records identified in paragraph (1) of this subsection to the
5 taxpayer in charge of the project, its officers and agents, the
6 Director of Labor and his deputies and agents, and to federal,
7 State, or local law enforcement agencies and prosecutors.