



Rep. Lou Lang

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LRB100 06360 HLH 27195 a

1 AMENDMENT TO SENATE BILL 652

2 AMENDMENT NO. _____. Amend Senate Bill 652 on page 1, line
3 5, after "40,", by inserting "45,"; and

4 on page 9, line 16, by replacing "\$20,000,000" with
5 "\$50,000,000 ~~\$20,000,000~~"; and

6 on page 10, immediately below line 18, by inserting the
7 following:

8 "(g) Allocation rounds enabled by this Act shall be applied
9 for according to the following schedule:

10 (1) on January 2, 2019, \$125,000,000 of qualified
11 equity investments; and

12 (2) on January 2, 2020, \$125,000,000 of qualified
13 equity investments."; and

14 on page 14, line 10, after "business.", by inserting "This
15 Section is not intended to affect ownership or affiliate

1 interests that arise following the sixth anniversary of the
2 issuance of the qualified equity investment."; and

3 on page 14, immediately below line 10, by inserting the
4 following:

5 "(20 ILCS 663/45)

6 Sec. 45. Examination and Rulemaking.

7 (a) The Department may conduct examinations to verify that
8 the tax credits under this Act have been received and applied
9 according to the requirements of this Act and to verify that no
10 event has occurred that would result in a recapture of tax
11 credits under Section 40.

12 (b) The Department and the Department of Revenue shall have
13 the authority to adopt rules under the Act. The Department and
14 the Department of Revenue, in adopting rules, shall endeavor to
15 make the administration of the Act compatible with the
16 administration of the federal New Markets Tax Credit program.
17 Adopted rules shall only apply to qualified equity investments
18 in effect as of the application date set forth under subsection
19 (g) of Section 25 of this Act for such qualified equity
20 investment. Neither the Department nor the Department of
21 Revenue shall have the authority to promulgate rules under the
22 Act, but the Department and the Department of Revenue shall
23 have the authority to issue advisory letters to individual
24 qualified community development entities and their investors

1 ~~that are limited to the specific facts outlined in an advisory~~
2 ~~letter request from a qualified community development entity.~~
3 ~~Such rulings cannot be relied upon by any person or entity~~
4 ~~other than the qualified community development entity that~~
5 ~~requested the letter and the taxpayers that are entitled to any~~
6 ~~tax credits generated from investments in such entity. For~~
7 ~~purposes of this subsection, "rules" is given the meaning~~
8 ~~contained in Section 1-70 of the Illinois Administrative~~
9 ~~Procedure Act.~~

10 (c) In rendering advisory letters and making other
11 determinations under this Act, to the extent applicable, the
12 Department and the Department of Revenue shall look for
13 guidance to Section 45D of the Internal Revenue Code of 1986,
14 as amended, and the rules, ~~and~~ regulations, policies, and
15 allocation agreement provisions issued thereunder.

16 (d) The Department may impose an administrative penalty on
17 any qualified community development entity that violates the
18 provisions of this Act or any adopted rule hereunder where
19 recapture of credits is not a remedy. The penalty shall be
20 \$15,000 for each violation. Penalties shall be subject to a
21 notice and cure period of not less than 30 days wherein a
22 qualified community development entity shall be notified in
23 writing of the violation and be given the opportunity to cure
24 the violation. Each week a violation continues or occurs past
25 such 30-day period is a separate violation. A qualified
26 community development entity that has been assessed a penalty

1 may petition the Department for an administrative hearing to
2 contest the basis of the administrative penalty. The
3 Department's final decision imposing an administrative penalty
4 is a final order and subject to the Administrative Review Law.
5 The Department shall not certify any qualified equity
6 investment in a qualified community development entity (or in
7 an affiliate thereof) that has not satisfied an administrative
8 penalty or has been assessed in aggregate \$105,000 or more in
9 administrative penalties within the prior 2 calendar years.

10 (Source: P.A. 95-1024, eff. 12-31-08.)"; and

11 on page 15, by replacing lines 6 through 22 with the following:

12 "(20 ILCS 663/55 new)

13 Sec. 55. Annual report. Each qualified community
14 development entity shall submit an annual report to the
15 Department within 45 days after the beginning of each calendar
16 year during the compliance period. No annual report shall be
17 due prior to the first anniversary of the initial credit
18 allowance date. The report shall include, but is not limited
19 to, the following:

20 (1) an attestation from an authorized officer of the
21 qualified community development entity that the entity has
22 not been the subject of any investigation by a government
23 agency relating to tax credits or financial services during
24 the preceding calendar year;

1 (2) information with respect to all qualified
2 low-income community investments made by the qualified
3 community development entity, including:

4 (A) the date and amount of, and bank statements or
5 wire transfer reports documenting, such qualified
6 low-income community investments;

7 (B) the name, address, and EIN of each qualified
8 active low-income community business funded by the
9 qualified community development entity, the number of
10 persons employed by such business at the time of the
11 initial investment, and a brief description of the
12 business, the financing, and community benefits of the
13 financing; and

14 (C) the number of employment positions maintained
15 by each qualified active low-income community business
16 as of the date of report or the end of the preceding
17 calendar year and the average annual salaries of such
18 positions; and

19 (D) the total number of employment positions
20 created and retained as a result of qualified
21 low-income community investments and the average
22 annual salaries of those positions; and

23 (3) any changes with respect to the taxpayers entitled
24 to claim tax credits with respect to qualified equity
25 investments issued by the qualified community development
26 entity since its last report pursuant to this Section.

1 The qualified community development entity is not required
2 to provide the annual report set forth in this Section for
3 qualified low-income community investments that have been
4 redeemed or repaid."