



Rep. Lou Lang

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LRB100 06360 HLH 27237 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 5, line 10, by replacing "\$50,000,000 ~~\$20,000,000~~" with  
5 "\$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."