



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3420

Introduced 2/14/2020, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45	from Ch. 127, par. 1005-45
30 ILCS 105/5.930 new	
30 ILCS 805/8.44 new	
35 ILCS 5/201	
35 ILCS 120/5k-1 new	
65 ILCS 5/8-11-2	from Ch. 24, par. 8-11-2
220 ILCS 5/9-221	from Ch. 111 2/3, par. 9-221
220 ILCS 5/9-222	from Ch. 111 2/3, par. 9-222
220 ILCS 5/9-222.1b new	

Creates the Illinois Energy Transition Zone Act. Provides for the certification by the Department of Commerce and Economic Opportunity of municipal ordinances designating an area as an Energy Transition Zone. Provides that green energy enterprises located in Energy Transition Zones shall be eligible to apply for certain tax incentives. Provides that a green energy enterprise is a company that is engaged in the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells. Contains provisions concerning qualifications and applications. Creates the Energy Transition Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity shall make income tax credit awards under the Act to foster job creation and the development of green energy in Energy Transition Zones. Amends the Illinois Income Tax Act, the Retailers' Occupation Tax Act, and the Public Utilities Act to make conforming changes concerning tax incentives. Effective immediately.

LRB101 19947 HLH 69472 b

1 AN ACT concerning revenue.

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

4 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this Article
7 to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" means a "State agency", as defined in Section 1-7
12 of the Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Depressed area" means an area in which pervasive poverty,
18 unemployment, and economic distress exist.

19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.

22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week for a wage that meets or exceeds the prevailing wage for

1 the locality in which the work is performed, as determined
2 under Section 4 of the Prevailing Wage Act. A recipient who
3 employs labor or services at a specific site or facility under
4 contract with another may declare one full-time, permanent job
5 for every 1,820 man hours worked per year under that contract.
6 Vacations, paid holidays, and sick time are included in this
7 computation. Overtime is not considered a part of regular
8 hours.

9 "Full-time retained job" means any employee defined as
10 having a full-time or full-time equivalent job preserved at a
11 specific facility or site, the continuance of which is
12 threatened by a specific and demonstrable threat, which shall
13 be specified in the application for development assistance. A
14 recipient who employs labor or services at a specific site or
15 facility under contract with another may declare one retained
16 employee per year for every 1,750 man hours worked per year
17 under that contract, even if different individuals perform
18 on-site labor or services.

19 "Green energy enterprise" means a company that is engaged
20 in the production of solar energy, wind energy, water energy,
21 geothermal energy, bioenergy, or hydrogen fuel and cells.

22 "Green energy project" means a project conducted by a green
23 energy enterprise for the purpose of generating solar energy,
24 wind energy, water energy, geothermal energy, bioenergy, or
25 hydrogen fuel and cells.

26 "Local labor market area" means an economically integrated

1 area within which individuals can reside and find employment
2 within a reasonable distance or can readily change jobs without
3 changing their place of residence.

4 "Rule" has the meaning provided in Section 1-70 of the
5 Illinois Administrative Procedure Act.

6 Section 1-15. Qualifications for Energy Transition Zones.
7 An area is qualified to become an Energy Transition Zone which:

8 (1) is a contiguous area, provided that a Zone area may
9 exclude wholly surrounded territory within its boundaries;

10 (2) comprises a minimum of one-half square mile and not
11 more than 12 square miles, exclusive of lakes and
12 waterways;

13 (3) is entirely within a single municipality;

14 (4) satisfies any additional criteria established by
15 the Department consistent with the purposes of this Act;
16 and

17 (5) meets one or more of the following:

18 (A) the area contains a coal energy plant that was
19 retired from service within 10 years of application for
20 designation;

21 (B) the area contains a coal mine that was closed
22 within 10 years of application for designation;

23 (C) the area contains a nuclear energy plant that
24 was retired from service within 10 years of application
25 for designation; or

1 (D) the area contains a nuclear plant that was
2 decommissioned but continued storing nuclear waste
3 prior to the effective date of this Act.

4 Section 1-20. Entities eligible to receive tax benefits.
5 Green energy enterprises are eligible to receive certain tax
6 benefits under this Act for green energy projects conducted
7 within an Energy Transition Zone.

8 Section 1-25. Incentives for green energy enterprises
9 located within an Energy Transition Zone.

10 (a) Green energy enterprises located in Energy Transition
11 Zones are eligible to apply for a State income tax credit under
12 the Energy Transition Zone Tax Credit Act.

13 (b) Green energy enterprises located in Energy Transition
14 Zones will be eligible to receive an investment credit subject
15 to the requirements of subsection (f-1) of Section 201 of the
16 Illinois Income Tax Act.

17 (c) Green energy enterprises are eligible to purchase
18 building materials exempt from use and occupation taxes to be
19 incorporated into their green energy projects within the Energy
20 Transition Zone when purchased from a retailer within the
21 Energy Transition Zone pursuant to Section 5k-1 of the
22 Retailers' Occupation Tax Act.

23 (d) Green energy enterprises located in an Energy
24 Transition Zone that meet the qualifications of Section

1 9-222.1B of the Illinois Public Utilities Act are exempt, in
2 part or whole, from State and local taxes on gas and
3 electricity.

4 Section 1-30. Initiation of Energy Transition Zones by
5 municipality or county.

6 (a) No area may be designated as an Energy Transition Zone
7 except pursuant to an initiating ordinance adopted in
8 accordance with this Section.

9 (b) A municipality may by ordinance designate an area
10 within its jurisdiction as an Energy Transition Zone, subject
11 to the certification of the Department in accordance with this
12 Act, if:

13 (1) the area is qualified in accordance with Section
14 1-15; and

15 (2) the municipality has conducted at least one public
16 hearing within the proposed Zone area considering all of
17 the following questions: whether to create the Zone; what
18 local plans, tax incentives and other programs should be
19 established in connection with the Zone; and what the
20 boundaries of the Zone should be; public notice of the
21 hearing shall be published in at least one newspaper of
22 general circulation within the Zone area, not more than 20
23 days nor less than 5 days before the hearing.

24 (c) An ordinance designating an area as an Energy
25 Transition Zone shall set forth:

1 (1) a precise description of the area comprising the
2 Zone, either in the form of a legal description or by
3 reference to roadways, lakes and waterways, and township,
4 county boundaries;

5 (2) a finding that the Zone area meets the
6 qualifications of Section 1-15;

7 (3) provisions for any tax incentives or reimbursement
8 for taxes, which pursuant to State and federal law apply to
9 green energy enterprises within the Zone at the election of
10 the designating municipality, and which are not applicable
11 throughout the municipality;

12 (4) a designation of the area as an Energy Transition
13 Zone, subject to the approval of the Department in
14 accordance with this Act; and

15 (5) the duration or term of the Energy Transition Zone.

16 (d) This Section does not prohibit a municipality from
17 extending additional tax incentives or reimbursement for
18 business enterprises in Energy Transition Zones or throughout
19 their territory by separate ordinance.

20 Section 1-35. Application to Department. A municipality
21 that has adopted an ordinance designating an area as an Energy
22 Transition Zone shall make written application to the
23 Department to have such proposed Energy Transition Zone
24 certified by the Department as an Energy Transition Zone. The
25 application shall include:

1 (1) a certified copy of the ordinance designating the
2 proposed Zone;

3 (2) a map of the proposed Energy Transition Zone,
4 showing existing streets and highways;

5 (3) an analysis, and any appropriate supporting
6 documents and statistics, demonstrating that the proposed
7 Zone area is qualified in accordance with Section 1-15;

8 (4) a statement detailing any tax, grant, and other
9 financial incentives or benefits, and any programs, to be
10 provided by the municipality or county to green energy
11 enterprises within the Zone, other than those provided in
12 the designating ordinance, which are not to be provided
13 throughout the municipality or county;

14 (5) a statement setting forth the economic development
15 and planning objectives for the Zone;

16 (6) an estimate of the economic impact of the Zone,
17 considering all of the tax incentives, financial benefits
18 and programs contemplated, upon the revenues of the
19 municipality or county;

20 (7) a transcript of all public hearings on the Zone;
21 and

22 (8) such additional information as the Department may
23 by rule require.

24 Section 1-40. Department review of Energy Transition Zone
25 applications.

1 (a) All applications that are to be considered and acted
2 upon by the Department during a calendar year must be received
3 by the Department no later than December 31 of the preceding
4 calendar year.

5 Any application received after December 31 of any calendar
6 year shall be held by the Department for consideration and
7 action during the following calendar year. Each Energy
8 Transition Zone application shall include a specific
9 definition of the applicant's local labor market area.

10 (a-5) The Department shall, no later than July 31, 2020,
11 develop an application process for an Energy Transition Zone
12 application. The Department has emergency rulemaking authority
13 for the purpose of application development only until 12 months
14 after the effective date of this Act under subsection (ee) of
15 Section 5-45 of the Illinois Administrative Procedure Act.

16 (b) Upon receipt of an application from a municipality, the
17 Department shall review the application to determine whether
18 the designated area qualifies as an Energy Transition Zone
19 under Section 1-15 of this Act.

20 (c) No later than June 30, the Department shall notify all
21 applicant municipalities of the Department's determination of
22 the qualification of their respective designated energy
23 transition Zone areas, along with supporting documentation of
24 the basis for the Department's decision.

25 (d) If any such designated area is found to be qualified to
26 be an Energy Transition Zone by the Department under subsection

1 (c) of this Section, the Department shall, no later than July
2 15, send a letter of notification to each member of the General
3 Assembly whose legislative district or representative district
4 contains all or part of the designated area and publish a
5 notice in at least one newspaper of general circulation within
6 the proposed Zone area to notify the general public of the
7 application and their opportunity to comment. Such notice shall
8 include a description of the area and a brief summary of the
9 application and shall indicate locations where the applicant
10 has provided copies of the application for public inspection.
11 The notice shall also indicate appropriate procedures for the
12 filing of written comments from Zone residents, business, civic
13 and other organizations and property owners to the Department.

14 Section 1-45. Energy Transition Zone Board.

15 (a) An Energy Transition Zone Board is hereby created
16 within the Department.

17 (b) The Board shall consist of the following 5 members:

18 (1) the Director of Commerce and Economic Opportunity,
19 or his or her designee, who shall serve as chairperson;

20 (2) the Director of Revenue, or his or her designee;
21 and

22 (3) 3 members appointed by the Governor, with the
23 advice and consent of the Senate.

24 Board members shall serve without compensation but may be
25 reimbursed for necessary expenses incurred in the performance

1 of their duties from funds appropriated for that purpose.

2 (c) Each member appointed under paragraph (3) of subsection
3 (b) shall have at least 5 years of experience in business,
4 economic development, or site location.

5 (d) Of the initial members appointed under paragraph (3) of
6 subsection (b): one member shall serve for a term of 2 years;
7 one member shall serve for a term of 3 years; and one member
8 shall serve for a term of 4 years. Thereafter, all members
9 appointed under paragraph (3) of subsection (b) shall serve for
10 terms of 4 years. Members appointed under paragraph (3) of
11 subsection (b) may be reappointed. The Governor may remove a
12 member appointed under paragraph (3) of subsection (b) for
13 incompetence, neglect of duty, or malfeasance in office.

14 (e) By September 30, 2021, and September 30 of each year
15 thereafter, all applications filed by December 31 of the
16 preceding calendar year and deemed qualified by the Department
17 shall be approved or denied by the Board. If such application
18 is not approved by September 30, the application shall be
19 considered denied. If an application is denied, the Board shall
20 inform the applicant of the specific reasons for the denial.

21 (f) A majority of the Board shall determine whether an
22 application is approved or denied.

23 Section 1-50. Certification of Energy Transition Zones;
24 effective date.

25 (a) Certification of Board-approved designated Energy

1 Transition Zones shall be made by the Department by
2 certification of the designating ordinance. The Department
3 shall promptly issue a certificate for each Energy Transition
4 Zone upon approval by the Board. The certificate shall be
5 signed by the Director of the Department, shall make specific
6 reference to the designating ordinance, which shall be attached
7 thereto, and shall be filed in the office of the Secretary of
8 State. A certified copy of the Energy Transition Zone
9 Certificate, or a duplicate original thereof, shall be recorded
10 in the office of recorder of deeds of the county in which the
11 Energy Transition Zone lies.

12 (b) An Energy Transition Zone shall be effective on the
13 date of the Department's certification. The Department shall
14 transmit a copy of the certification to the Department of
15 Revenue, and to the designating municipality.

16 (c) Upon certification of an Energy Transition Zone, the
17 terms and provisions of the designating ordinance shall be in
18 effect, and may not be amended or repealed except in accordance
19 with Section 1-55.

20 (d) Energy Transition Zone designation will last for 13
21 years from the effective date of such designation and shall be
22 subject to review by the Board after 13 years for an additional
23 10-year designation beginning on the expiration date of the
24 Energy Transition Zone. During the review process, the Board
25 shall consider the costs incurred by the State and units of
26 local government as a result of tax benefits received by the

1 Energy Transition Zone. Energy Transition Zones shall
2 terminate at midnight of December 31 of the final calendar year
3 of the certified term, except as provided in Section 1-55.

4 (e) Each Energy Transition Zone that reapplies for
5 certification but does not receive a new certification shall
6 expire on its scheduled termination date.

7 Section 1-55. Amendment and decertification of Energy
8 Transition Zones.

9 (a) The terms of a certified Energy Transition Zone
10 designating ordinance may be amended to:

- 11 (1) alter the boundaries of the Energy Transition Zone;
- 12 (2) expand, limit, or repeal tax incentives or benefits
13 provided in the ordinance;
- 14 (3) alter the termination date of the Zone;
- 15 (4) make technical corrections in the Energy
16 Transition Zone designating ordinance; but such amendment
17 shall not be effective unless the Department issues an
18 amended certificate for the Energy Transition Zone
19 approving the amended designating ordinance. Upon the
20 adoption of any ordinance amending or repealing the terms
21 of a certified Energy Transition Zone designating
22 ordinance, the municipality or county shall promptly file
23 with the Department an application for approval thereof,
24 containing substantially the same information as required
25 for an application under Section 1-35 insofar as material

1 to the proposed changes. The municipality or county must
2 hold a public hearing on the proposed changes; or

3 (5) include an area within another municipality or
4 county as part of the designated Energy Transition Zone
5 provided the requirements of Section 1-15 are complied
6 with.

7 (b) The Department shall approve or disapprove a proposed
8 amendment to a certified Energy Transition Zone within 90 days
9 of its receipt of the application from the municipality. The
10 Department may not approve changes in a Zone which are not in
11 conformity with this Act, as now or hereafter amended, or with
12 other applicable laws. If the Department issues an amended
13 certificate for an Energy Transition Zone, the amended
14 certificate, together with the amended Zone designating
15 ordinance, shall be filed, recorded, and transmitted as
16 provided in this Act.

17 (c) An Energy Transition Zone may be decertified by joint
18 action of the Department and the designating municipality in
19 accordance with this Section. The designating municipality
20 shall conduct at least one public hearing within the Zone prior
21 to its adoption of an ordinance of de-designation. The mayor of
22 the designating municipality shall execute a joint
23 decertification agreement with the Department. A
24 decertification of an Energy Transition Zone shall not become
25 effective until at least 6 months after the execution of the
26 decertification agreement, which shall be filed in the office

1 of the Secretary of State.

2 (d) An Energy Transition Zone may be decertified for cause
3 by the Department in accordance with this Section. Prior to
4 decertification: (1) the Department shall notify the chief
5 elected official of the designating municipality in writing of
6 the specific deficiencies which provide cause for
7 decertification; (2) the Department shall place the
8 designating municipality on probationary status for at least 6
9 months during which time corrective action may be achieved in
10 the Energy Transition Zone by the designating municipality; and
11 (3) the Department shall conduct at least one public hearing
12 within the Zone. If such corrective action is not achieved
13 during the probationary period, the Department shall issue an
14 amended certificate signed by the Director of the Department
15 decertifying the Energy Transition Zone, which certificate
16 shall be filed in the office of the Secretary of State. A
17 certified copy of the amended Energy Transition Zone
18 certificate, or a duplicate original thereof, shall be recorded
19 in the office of recorder of the county in which the Energy
20 Transition Zone lies, and shall be provided to the chief
21 elected official of the designating municipality.
22 Decertification of an Energy Transition Zone shall not become
23 effective until 60 days after the date of filing.

24 (e) In the event of a decertification, an amendment
25 reducing the length of the term or the area of an Energy
26 Transition Zone, or the adoption of an ordinance reducing or

1 eliminating tax benefits in an Energy Transition Zone, all
2 benefits previously extended within the Zone pursuant to this
3 Act or pursuant to any other Illinois law providing benefits
4 specifically to or within Energy Transition Zones shall remain
5 in effect for the original stated term of the Energy Transition
6 Zone, with respect to green energy enterprises within the Zone
7 on the effective date of such decertification or amendment.

8 Section 1-60. Powers and duties of Department.

9 (a) The Department shall administer this Act and shall have
10 the following powers and duties:

11 (1) to monitor the implementation of this Act and
12 submit reports evaluating the effectiveness of the program
13 and any suggestions for legislation to the Governor and
14 General Assembly by October 1 of every year preceding a
15 regular Session of the General Assembly and to annually
16 report to the General Assembly initial and current
17 population, employment, per capita income, number of
18 business establishments, dollar value of new construction
19 and improvements, and the aggregate value of each tax
20 incentive, based on information provided by the Department
21 of Revenue for each Energy Transition Zone; and

22 (2) to adopt all necessary rules to carry out the
23 purposes of this Act in accordance with the Illinois
24 Administrative Procedure Act.

25 (b) The Department shall have all of the following specific

1 duties:

2 (1) The Department shall provide information and
3 appropriate assistance to persons desiring to locate and
4 engage in business in an Energy Transition Zone and to
5 persons engaged in green energy in an Energy Transition
6 Zone.

7 (2) The Department shall, in cooperation with
8 appropriate units of local government and State agencies,
9 coordinate and streamline existing State business
10 assistance programs and permit and license application
11 procedures for Energy Transition Zone green energy
12 enterprises.

13 (3) The Department shall publicize existing tax
14 incentives and economic development programs within the
15 Zone and upon request, offer technical assistance in
16 abatement and alternative revenue source development to
17 local units of government which have Energy Transition
18 Zones within their jurisdiction.

19 (4) The Department shall work together with the
20 responsible State and federal agencies to promote the
21 coordination of other relevant programs, including but not
22 limited to housing, community and economic development,
23 small business, banking, financial assistance, and
24 employment training programs which are carried on in an
25 Energy Transition Zone.

26 (5) In order to stimulate employment opportunities for

1 Zone residents, the Department, in cooperation with the
2 Department of Human Services and the Department of
3 Employment Security, is to initiate a test of the following
4 2 programs within the 12-month period following
5 designation and approval by the Department of the first
6 Energy Transition Zones: (i) the use of aid to families
7 with dependent children benefits payable under Article IV
8 of the Illinois Public Aid Code, General Assistance
9 benefits payable under Article VI of the Illinois Public
10 Aid Code, the unemployment insurance benefits payable
11 under the Unemployment Insurance Act as training or
12 employment subsidies leading to unsubsidized employment;
13 and (ii) a program for voucher reimbursement of the cost of
14 training Zone residents eligible under the Targeted Jobs
15 Tax Credit provisions of the Internal Revenue Code for
16 employment in private industry. These programs shall not be
17 designed to subsidize businesses, but are intended to open
18 up job and training opportunities not otherwise available.
19 Nothing in this paragraph (5) shall be deemed to require
20 Zone businesses to utilize these programs. These programs
21 should be designed (i) for those individuals whose
22 opportunities for job-finding are minimal without program
23 participation, (ii) to minimize the period of benefit
24 collection by such individuals, and (iii) to accelerate the
25 transition of those individuals to unsubsidized
26 employment. The Department is to seek agreement with

1 business, organized labor, and the appropriate State
2 Departments and agencies on the design, operation, and
3 evaluation of the test programs.

4 (c) A report with recommendations including representative
5 comments of these groups shall be submitted by the Department
6 to the county or municipality that designated the area as an
7 Energy Transition Zone, the Governor, and the General Assembly
8 not later than 12 months after such test programs have
9 commenced, or not later than 3 months following the termination
10 of such test programs, whichever first occurs.

11 Section 1-65. State incentives regarding public services
12 and physical infrastructure.

13 (a) This Act does not restrict tax incentive financing
14 pursuant to the Tax Increment Allocation Redevelopment Act in
15 the Illinois Municipal Code.

16 (b) The State Treasurer is authorized and encouraged to
17 place deposits of State funds with financial institutions doing
18 business in an Energy Transition Zone.

19 Section 1-70. Zone administration. The administration of
20 an Energy Transition Zone shall be under the jurisdiction of
21 the designating municipality. Each designating municipality
22 shall, by ordinance, designate a Zone Administrator for the
23 certified Zones within its jurisdiction. A Zone Administrator
24 must be an officer or employee of the municipality. The Zone

1 Administrator shall be the liaison between the designating
2 municipality, the Department, and any designated Zone
3 organizations within zones under his jurisdiction.

4 Section 1-75. Accounting.

5 (a) Any business receiving tax incentives due to its
6 location within an Energy Transition Zone must annually report
7 to the Department of Revenue information reasonably required by
8 the Department of Revenue to enable the Department to verify
9 and calculate the total Energy Transition Zone tax benefits for
10 property taxes and taxes imposed by the State that are received
11 by the business, broken down by incentive category and Energy
12 Transition Zone, if applicable. Reports are due no later than
13 May 31 of each year and shall cover the previous calendar year.
14 The first report will be for the 2020 calendar year and is due
15 no later than May 31, 2021.

16 (b) Green energy enterprises shall report their job
17 creation, retention, and capital investment numbers within the
18 Zone annually to the Department of Revenue no later than May 31
19 of each calendar year.

20 (c) The Department of Revenue shall aggregate and collect
21 the tax, job, and capital investment data by Energy Transition
22 Zone and report this information, formatted to exclude
23 company-specific proprietary information, to the Department
24 and the Board by August 1, 2021, and by August 1 of every
25 calendar year thereafter. The Department shall include this

1 information in their required reports under this Act.

2 (d) The Department of Revenue, in its discretion, may
3 require that the reports filed under this Section be submitted
4 electronically.

5 (e) The Department of Revenue shall have the authority to
6 adopt rules as are reasonable and necessary to implement the
7 provisions of this Section.

8 Section 1-80. Zone Administrator.

9 (a) Each Zone Administrator shall post a copy of the
10 boundaries of the Energy Transition Zone on its official
11 Internet website and shall provide an electronic copy to the
12 Department. The Department shall post each copy of the
13 boundaries of an Energy Transition Zone that it receives from a
14 Zone Administrator on its official Internet website.

15 (b) The Zone Administrator shall collect and aggregate the
16 following information:

17 (1) the estimated cost of each building project, broken
18 down into labor and materials; and

19 (2) within 60 days after the end of the project, the
20 estimated cost of each building project, broken down into
21 labor and materials.

22 (c) By April 1 of each year, each Zone Administrator shall
23 file a copy of its fee schedule with the Department, and the
24 Department shall post the fee schedule on its website. Zone
25 Administrators shall charge no more than 0.5% of the cost of

1 building materials of the project associated with the specific
2 Energy Transition Zone, with a maximum fee of no more than
3 \$50,000.

4 Section 1-85. State regulatory exemptions in Energy
5 Transition Zones.

6 (a) The Department shall conduct an ongoing review of such
7 agency rules as may be identified by the Department or
8 representatives of designating municipalities and counties as
9 green energy enterprises and preliminarily appearing to the
10 Department to:

11 (1) affect the conduct of business, industry and
12 commerce;

13 (2) impose excessive costs on either the creation or
14 conduct of such enterprises; and

15 (3) inhibit the development and expansions of
16 enterprises within Energy Transition Zones.

17 The Department shall conduct hearings, pursuant to public
18 notice, to solicit public comment on such identified rules as
19 part of this review process.

20 (b) No later than August 1 of each calendar year, the
21 Department shall publish in the Illinois Register a list of
22 such rules identified pursuant to subsection (a). The
23 Department shall transmit a copy of the list to each agency
24 which has adopted rules on the list.

25 (c) Within 90 days of the publication of the list by the

1 Department, each agency which adopted rules identified therein
2 shall file a written report with the Department detailing for
3 each identified rule:

4 (1) the need or justification;

5 (2) whether the rule is mandated by State or federal
6 law, or is discretionary, and to what extent;

7 (3) a synopsis of the history of the rule, including
8 any internal agency review after its original adoption; and

9 (4) any appropriate explanation of its relationship to
10 other regulatory requirements.

11 The agency that adopted the rules shall also include any
12 available data, analysis and studies concerning the economic
13 impact of the identified rules. The agency responses shall be
14 public records.

15 (d) No later than January 1 of the following calendar year,
16 the Department shall file proposed rules exempting green energy
17 enterprises within Energy Transition Zones from those agency
18 rules contained in the published list, for which the Department
19 finds that the job creation or business development incentives
20 for Energy Transition Zone development engendered by the
21 exemption outweigh the need and justification for the rule. In
22 making its findings, the Department shall consider all
23 information, data, and opinions submitted to it by the public,
24 as well as by adopting agencies, as well as information
25 otherwise available to it.

26 (e) The proposed rules adopted by the Department shall be

1 in the form of amendments to the existing rules to be affected,
2 and shall be subject to the Illinois Administrative Procedure
3 Act.

4 (f) Upon its effective date, any exempting rule of the
5 Department shall supersede the exempted agency rule in
6 accordance with the terms of the exemption. Such exemptions may
7 apply only to green energy enterprises within Energy Transition
8 Zones during the effective term of the respective Zones.
9 Agencies may not adopt emergency rules to circumvent an
10 exemption affected by a Department exemption rule; any such
11 emergency rules shall not be effective within Energy Transition
12 Zones to the extent inconsistent with the terms of such an
13 exemption.

14 Section 1-90. State and local regulatory alternatives.

15 (a) Agencies may provide in their rules for:

16 (1) the exemption of green energy enterprises within
17 Energy Transition Zones; or

18 (2) modifications or alternatives specifically
19 applicable to green energy enterprises within Energy
20 Transition Zones, which impose less stringent standards or
21 alternative standards for compliance (including, but not
22 limited to, performance-based standards as a substitute
23 for specific mandates of methods, procedures or
24 equipment).

25 Such exemptions, modifications, or alternatives shall

1 become effective by rule adopted in accordance with the
2 Illinois Administrative Procedure Act. The Agency adopting
3 such exemptions, modifications or alternatives shall file with
4 its proposed rule its findings that the proposed rule provides
5 economic incentives within Energy Transition Zones which
6 promote the purposes of this Act, and which, to the extent they
7 include any exemptions or reductions in regulatory standards or
8 requirements, outweigh the need or justification for the
9 existing rule.

10 (b) If any agency adopts a rule pursuant to paragraph (a)
11 affecting a rule contained on the list published by the
12 Department, prior to the completion of the rulemaking process
13 for the Department's rules under that Section, the agency shall
14 immediately transmit a copy of its proposed rule to the
15 Department, together with a statement of reasons as to why the
16 Department should defer to the agency's proposed rule. Agency
17 rules adopted under subsection (a) shall, however, be subject
18 to the exemption rules adopted by the Department.

19 (c) Within Energy Transition Zones, the designating
20 municipality may modify all local ordinances and regulations
21 regarding (i) zoning; (ii) licensing; (iii) building codes,
22 excluding however, any regulations treating building defects;
23 or (iv) price controls (except for the minimum wage).
24 Notwithstanding any shorter statute of limitation to the
25 contrary, actions against any contractor or architect who
26 designs, constructs or rehabilitates a building or structure in

1 an Energy Transition Zone in accordance with local standards
2 specifically applicable within Zones which have been relaxed
3 may be commenced within 10 years from the time of beneficial
4 occupancy of the building or use of the structure.

5 Section 1-95. Exemptions from regulatory relaxation.
6 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
7 to:

8 (1) the Environmental Protection Act;

9 (2) the Illinois Historic Preservation Act;

10 (3) the Illinois Human Rights Act;

11 (4) any successor Acts to any of the foregoing; or

12 (5) any other Acts whose purpose is the protection of
13 the environment, the preservation of historic places and
14 landmarks, or the protection of persons against
15 discrimination on the basis of race, color, religion, sex,
16 marital status, national origin, or physical or mental
17 disability.

18 (b) No exemption, modification, or alternative to any
19 agency rule shall be effective which:

20 (1) presents a significant risk to the health or safety
21 of persons resident in or employed within an Energy
22 Transition Zone;

23 (2) would conflict with federal law such that the
24 State, or any unit of local government or school district,
25 or any area of the State other than Energy Transition

1 Zones, or any business enterprise located outside of an
2 Energy Transition Zone would be disqualified from a federal
3 program or from federal tax or other benefits;

4 (3) would suspend or modify an agency rule mandated by
5 law; or

6 (4) would eliminate or reduce benefits to individuals
7 who are residents of or employed within a Zone.

8 Section 1-100. Business notifications. Any business
9 located within the Energy Transition Zone which has received
10 tax credits or exemptions, regulatory relief or any other
11 benefits under this Act shall notify the Department and the
12 county and municipal officials in which the Energy Transition
13 Zone is located within 60 days of the cessation of any business
14 operations conducted within the Energy Transition Zone. The
15 Department shall adopt rules to carry out this Section.

16 Article 5. Energy Transition Tax Credit Act

17 Section 5-1. Short title. This Article may be cited as the
18 Energy Transition Tax Credit Act. References in this Article to
19 "this Act" mean this Article.

20 Section 5-5. Purpose. The General Assembly finds and
21 declares that the health, safety, and welfare of the people of
22 this State are dependent upon a healthy economy and vibrant

1 communities; that the closure of coal plants, coal mines, and
2 nuclear energy plants across the states are detrimental to
3 maintaining a healthy economy and vibrant communities; that the
4 expansion of green energy creates significant job growth and
5 contributes significantly to the health, safety, and welfare of
6 the people of this State; that the continual encouragement,
7 development, growth and expansion of green energy within the
8 State requires a cooperative and continuous partnership
9 between government and the green energy sector; and that there
10 are certain depressed areas in this State that have lost jobs
11 due to the closure of coal plants, coal mines, and nuclear
12 energy plants and need the particular attention of government,
13 labor and the citizens of Illinois to help attract green energy
14 investment into these areas and directly aid the local
15 community and its residents. Therefore, it is declared to be
16 the purpose of this Act, in conjunction with the Energy
17 Transition Zone Act, to provide green energy enterprises an
18 incentive to stimulate the growth of green energy in the State
19 and to foster job growth in areas depressed by the closure of
20 coal plants, coal mines, and nuclear energy plants.

21 Section 5-10. Definitions. As used in this Act:

22 "Agreement" means the Agreement between a Taxpayer and the
23 Department under the provisions of Section 5-55 of this Act.

24 "Applicant" means a Taxpayer operating a green energy
25 enterprise, as determined by the Energy Transition Zone Act,

1 located within or that the green energy enterprise plans to
2 locate within an Energy Transition Zone. "Applicant" does not
3 include a Taxpayer who closes or substantially reduces an
4 operation at one location in the State and relocates
5 substantially the same operation to a location in an Energy
6 Transition Zone. This does not prohibit a Taxpayer from
7 expanding its operations at a location in an Energy Transition
8 Zone, provided that existing operations of a similar nature
9 located within the State are not closed or substantially
10 reduced. This also does not prohibit a Taxpayer from moving its
11 operations from one location in the State to an Energy
12 Transition Zone for the purpose of expanding the operation
13 provided that the Department determines that expansion cannot
14 reasonably be accommodated within the municipality in which the
15 business is located, or in the case of a business located in an
16 incorporated area of the county, within the county in which the
17 business is located, after conferring with the chief elected
18 official of the municipality or county and taking into
19 consideration any evidence offered by the municipality or
20 county regarding the ability to accommodate expansion within
21 the municipality or county.

22 "Committee" means the Energy Transition Investment
23 Committee created under Section 5-25 of this Act within the
24 Illinois Economic Development Board.

25 "Credit" means the amount agreed to between the Department
26 and the Applicant under this Act, but not to exceed the lesser

1 of: (1) the sum of (i) 50% of the Incremental Income Tax
2 attributable to New Employees at the Applicant's project and
3 (ii) 10% of the training costs of New Employees; or (2) 100% of
4 the Incremental Income Tax attributable to New Employees at the
5 Applicant's project. However, if the project is located in an
6 underserved area, then the amount of the Credit may not exceed
7 the lesser of: (1) the sum of (i) 75% of the Incremental Income
8 Tax attributable to New Employees at the Applicant's project
9 and (ii) 10% of the training costs of New Employees; or (2)
10 100% of the Incremental Income Tax attributable to New
11 Employees at the Applicant's project. If an Applicant agrees to
12 hire the required number of New Employees, then the maximum
13 amount of the Credit for that Applicant may be increased by an
14 amount not to exceed 25% of the Incremental Income Tax
15 attributable to retained employees at the Applicant's project;
16 provided that, in order to receive the increase for retained
17 employees, the Applicant must provide the additional evidence
18 required under paragraph (3) of subsection (b) of Section 5-30.

19 "Department" means the Department of Commerce and Economic
20 Opportunity.

21 "Director" means the Director of the Department of Commerce
22 and Economic Opportunity.

23 "Full-time Employee" means an individual who is employed
24 for consideration for at least 35 hours each week or who
25 renders any other standard of service generally accepted by
26 industry custom or practice as full-time employment. An

1 individual for whom a W-2 is issued by a Professional Employer
2 Organization (PEO) is a full-time employee if employed in the
3 service of the Applicant for consideration for at least 35
4 hours each week or who renders any other standard of service
5 generally accepted by industry custom or practice as full-time
6 employment to Applicant.

7 "Green energy" means solar energy, wind energy, water
8 energy, geothermal energy, bioenergy, or hydrogen fuel and
9 cells.

10 "Green energy production facility" means a facility owned
11 by a green energy enterprise (as defined in the Illinois Energy
12 Transition Zone Act) that is used in the production of solar
13 energy, wind energy, water energy, geothermal energy,
14 bioenergy, or hydrogen fuel and cells. "Incremental Income Tax"
15 means the total amount withheld during the taxable year from
16 the compensation of New Employees and, if applicable, retained
17 employees under Article 7 of the Illinois Income Tax Act
18 arising from employment at a project that is the subject of an
19 Agreement.

20 "New Employee" means a full-time employee first employed by
21 a taxpayer in the project that is the subject of an agreement
22 and who is hired after the taxpayer enters into the agreement.
23 The term "New Employee" does not include:

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

1 (2) an employee of the Taxpayer who was previously
2 employed in Illinois by a Related Member of the Taxpayer
3 and whose employment was shifted to the Taxpayer after the
4 Taxpayer entered into the Agreement; or

5 (3) a child, grandchild, parent, or spouse, other than
6 a spouse who is legally separated from the individual, of
7 any individual who has a direct or an indirect ownership
8 interest of at least 5% in the profits, capital, or value
9 of the taxpayer.

10 Notwithstanding any other provisions of this Section, an
11 employee may be considered a New Employee under the Agreement
12 if the employee performs a job that was previously performed by
13 an employee who was:

- 14 (1) treated under the Agreement as a New Employee; and
15 (2) promoted by the Taxpayer to another job.

16 Notwithstanding any other provisions of this Section, the
17 Department may award a Credit to an Applicant with respect to
18 an employee hired prior to the date of the Agreement if:

19 (1) the Applicant is in receipt of a letter from the
20 Department stating an intent to enter into a credit
21 Agreement;

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

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

1 "Noncompliance Date" means, in the case of a Taxpayer that
2 is not complying with the requirements of the Agreement or the
3 provisions of this Act, the day following the last date upon
4 which the Taxpayer was in compliance with the requirements of
5 the Agreement and the provisions of this Act, as determined by
6 the Director, pursuant to Section 5-75.

7 "Pass through entity" means an entity that is exempt from
8 the tax under subsection (b) or (c) of Section 205 of the
9 Illinois Income Tax Act.

10 "Related Member" means a person that, with respect to the
11 Taxpayer during any portion of the taxable year, is any one of
12 the following:

13 (1) An individual stockholder, if the stockholder and
14 the members of the stockholder's family (as defined in
15 Section 318 of the Internal Revenue Code) own directly,
16 indirectly, beneficially, or constructively, in the
17 aggregate, at least 50% of the value of the Taxpayer's
18 outstanding stock.

19 (2) A partnership, estate, or trust and any partner or
20 beneficiary, if the partnership, estate, or trust, and its
21 partners or beneficiaries own directly, indirectly,
22 beneficially, or constructively, in the aggregate, at
23 least 50% of the profits, capital, stock, or value of the
24 Taxpayer.

25 (3) A corporation, and any party related to the
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 Taxpayer
4 owns directly, indirectly, beneficially, or constructively
5 at least 50% of the value of the corporation's outstanding
6 stock.

7 (4) A corporation and any party related to that
8 corporation in a manner that would require an attribution
9 of stock from the corporation to the party or from the
10 party to the corporation under the attribution rules of
11 Section 318 of the Internal Revenue Code, if the
12 corporation and all such related parties own in the
13 aggregate at least 50% of the profits, capital, stock, or
14 value of the Taxpayer.

15 (5) A person to or from whom there is attribution of
16 stock ownership in accordance with Section 1563(e) of the
17 Internal Revenue Code, except, for purposes of determining
18 whether a person is a Related Member under this paragraph,
19 20% shall be substituted for 5% wherever 5% appears in
20 Section 1563(e) of the Internal Revenue Code.

21 "Taxpayer" means an individual, corporation, partnership,
22 or other entity that has any Illinois income tax liability.

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

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

1 (2) 75% or more of the children in the area participate
2 in the federal free lunch program according to reported
3 statistics from the State Board of Education;

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

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

13 Section 5-15. Powers of the Department. The Department, in
14 addition to those powers granted under the Civil Administrative
15 Code of Illinois, is granted and shall have all the powers
16 necessary or convenient to carry out and effectuate the
17 purposes and provisions of this Act, including, but not limited
18 to, power and authority to:

19 (1) Adopt rules deemed necessary and appropriate for
20 the administration of the programs; establish forms for
21 applications, notifications, contracts, or any other
22 agreements; and accept applications at any time during the
23 year.

24 (2) Provide and assist Taxpayers pursuant to the
25 provisions of this Act, and cooperate with Taxpayers that

1 are parties to Agreements to promote, foster, and support
2 economic development, capital investment, and job creation
3 or retention within the Energy Transition Zone.

4 (c) Enter into agreements and memoranda of
5 understanding for participation of and engage in
6 cooperation with agencies of the federal government, local
7 units of government, universities, research foundations or
8 institutions, regional economic development corporations,
9 or other organizations for the purposes of this Act.

10 (4) Gather information and conduct inquiries, in the
11 manner and by the methods as it deems desirable, including
12 without limitation, gathering information with respect to
13 Applicants for the purpose of making any designations or
14 certifications necessary or desirable or to gather
15 information to assist the Committee with any
16 recommendation or guidance in the furtherance of the
17 purposes of this Act.

18 (5) Establish, negotiate and effectuate any term,
19 agreement or other document with any person, necessary or
20 appropriate to accomplish the purposes of this Act; and to
21 consent, subject to the provisions of any Agreement with
22 another party, to the modification or restructuring of any
23 Agreement to which the Department is a party.

24 (6) Fix, determine, charge, and collect any premiums,
25 fees, charges, costs, and expenses from Applicants,
26 including, without limitation, any application fees,

1 commitment fees, program fees, financing charges, or
2 publication fees as deemed appropriate to pay expenses
3 necessary or incident to the administration, staffing, or
4 operation in connection with the Department's or
5 Committee's activities under this Act, or for preparation,
6 implementation, and enforcement of the terms of the
7 Agreement, or for consultation, advisory and legal fees,
8 and other costs; however, all fees and expenses incident
9 thereto shall be the responsibility of the Applicant.

10 (7) Provide for sufficient personnel to permit
11 administration, staffing, operation, and related support
12 required to adequately discharge its duties and
13 responsibilities described in this Act from funds made
14 available through charges to Applicants or from funds as
15 may be appropriated by the General Assembly for the
16 administration of this Act.

17 (8) Require Applicants, upon written request, to issue
18 any necessary authorization to the appropriate federal,
19 state, or local authority for the release of information
20 concerning a project being considered under the provisions
21 of this Act, with the information requested to include, but
22 not be limited to, financial reports, returns, or records
23 relating to the Taxpayer or its project.

24 (9) Require that a Taxpayer shall at all times keep
25 proper books of record and account in accordance with
26 generally accepted accounting principles consistently

1 applied, with the books, records, or papers related to the
2 Agreement in the custody or control of the Taxpayer open
3 for reasonable Department inspection and audits, and
4 including, without limitation, the making of copies of the
5 books, records, or papers, and the inspection or appraisal
6 of any of the Taxpayer or project assets.

7 (10) Take whatever actions are necessary or
8 appropriate to protect the State's interest in the event of
9 bankruptcy, default, foreclosure, or noncompliance with
10 the terms and conditions of financial assistance or
11 participation required under this Act, including the power
12 to sell, dispose, lease, or rent, upon terms and conditions
13 determined by the Director to be appropriate, real or
14 personal property that the Department may receive as a
15 result of these actions.

16 Section 5-20. Tax credit awards.

17 (a) Subject to the conditions set forth in this Act, a
18 Taxpayer is entitled to a Credit against or, as described in
19 subsection (f) of this Section, a payment towards taxes imposed
20 pursuant to subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act that may be imposed on the Taxpayer for
22 a taxable year beginning on or after January 1, 2020, if the
23 Taxpayer is awarded a Credit by the Department under this Act
24 for that taxable year.

25 The Department shall make Credit awards under this Act to

1 foster job creation and the development of green energy in
2 Energy Transition Zones.

3 (b) A person that proposes a project to create new jobs and
4 to invest in the development of a green energy production
5 facility in an Energy Transition Zone must enter into an
6 Agreement with the Department for the Credit under this Act

7 (c) The Credit shall be claimed for the taxable years
8 specified in the Agreement.

9 (d) The Credit shall not exceed the Incremental Income Tax
10 attributable to the project that is the subject of the
11 Agreement.

12 (e) Nothing herein shall prohibit a Tax Credit Award to an
13 Applicant that uses a PEO if all other award criteria are
14 satisfied.

15 (f) This Section is exempt from the provisions of Section
16 250 of the Illinois Income Tax Act.

17 Section 5-25. Application for a project to create and
18 retain new jobs and to develop green energy.

19 (a) Any green energy enterprise proposing a project to
20 build a green energy production facility located or planned to
21 be located in an Energy Transition Zone may request
22 consideration for designation of its project, by formal written
23 letter of request or by formal application to the Department,
24 in which the Applicant states its intent to make at least a
25 specified level of investment and intends to hire or retain a

1 specified number of full-time employees at a designated
2 location in Illinois. As circumstances require, the Department
3 may require a formal application from an Applicant and a formal
4 letter of request for assistance.

5 (b) In order to qualify for Credits under this Act, an
6 Applicant's project must:

7 (1) be for the purpose of producing green energy;

8 (2) if the Applicant has more than 100 employees,
9 involve an investment of at least \$2,500,000 in capital
10 improvements to be placed in service within an Energy
11 Transition Zone as a direct result of the project; if the
12 Applicant has 100 or fewer employees, then there is no
13 capital investment requirement; and

14 (3) if the Applicant has more than 100 employees,
15 employ a number of new employees in the Energy Transition
16 Zone equal to the lesser of (A) 10% of the number of
17 full-time employees employed by the applicant world-wide
18 on the date the application is filed with the Department or
19 (B) 50 New Employees; and, if the Applicant has 100 or
20 fewer employees, employ a number of new employees in the
21 State equal to the lesser of (A) 5% of the number of
22 full-time employees employed by the applicant world-wide
23 on the date the application is filed with the Department or
24 (B) 50 New Employees;

25 (c) After receipt of an application, the Department may
26 enter into an Agreement with the Applicant if the application

1 is accepted in accordance with Section 5-25.

2 Section 5-30. Review of application.

3 (a) In addition to those duties granted under the Illinois
4 Economic Development Board Act, the Illinois Economic
5 Development Board shall form an Energy Transition Investment
6 Committee for the purpose of making recommendations for
7 applications. At the request of the Board, the Director of
8 Commerce and Economic Opportunity or his or her designee, the
9 Director of the Governor's Office of Management and Budget or
10 his or her designee, the Director of Revenue or his or her
11 designee, the Director of Employment Security or his or her
12 designee, and an elected official of the affected locality,
13 such as the chair of the county board or the mayor, may serve
14 as members of the Committee to assist with its analysis and
15 deliberations.

16 (b) At the Department's request, the Committee shall
17 convene, make inquiries, and conduct studies in the manner and
18 by the methods as it deems desirable, review information with
19 respect to Applicants, and make recommendations for projects to
20 benefit an Energy Transition Zone. In making its recommendation
21 that an Applicant's application for Credit should or should not
22 be accepted, which shall occur within a reasonable time frame
23 as determined by the nature of the application, the Committee
24 shall determine that all the following conditions exist:

25 (1) The Applicant's project intends, as required by

1 subsection (b) of Section 5 to make the required investment
2 in the Energy Transition Zone and intends to hire the
3 required number of New Employees in the Energy Transition
4 Zone as a result of that project.

5 (2) The Applicant's project is economically sound and
6 will benefit the people of the Energy Transition Zone by
7 increasing opportunities for employment and engaging in
8 the development of green energy.

9 (3) That, if not for the Credit, the project would not
10 occur in Illinois, which may be demonstrated by evidence
11 that receipt of the Credit is essential to the Applicant's
12 decision to create new jobs in the State, such as the
13 magnitude of the cost differential between Illinois and a
14 competing State; in addition, if the Applicant is seeking
15 an increase in the maximum amount of the Credit for
16 retained employees, the Applicant must provide evidence
17 the Applicant has multi-state location options and could
18 reasonably and efficiently locate outside of the State or
19 demonstrate that at least one other state is being
20 considered for the project.

21 (4) A cost differential is identified, using best
22 available data, in the projected costs for the Applicant's
23 project compared to the costs in the competing state,
24 including the impact of the competing state's incentive
25 programs. The competing state's incentive programs shall
26 include state, local, private, and federal funds

1 available.

2 (5) The political subdivisions affected by the project
3 have committed local incentives with respect to the
4 project, considering local ability to assist.

5 (6) Awarding the Credit will result in an overall
6 positive fiscal impact to the State, as certified by the
7 Committee using the best available data.

8 (7) The Credit is not prohibited by Section 5-45 of
9 this Act.

10 Section 5-35. Limitation to amount of costs of specified
11 items. The total amount of the Credit allowed during all tax
12 years may not exceed the aggregate amount of costs incurred by
13 the Taxpayer during all prior tax years for the following
14 items, to the extent provided in the Agreement:

15 (1) capital investment, including, but not limited to,
16 equipment, buildings, or land;

17 (2) infrastructure development;

18 (3) debt service, except refinancing of current debt;

19 (4) research and development;

20 (5) job training and education;

21 (6) lease costs; or

22 (7) relocation costs.

23 Section 5-40. Relocation of jobs to Energy Transition Zone.

24 A taxpayer is not entitled to claim the credit provided by this

1 Act with respect to any jobs that the taxpayer relocates from
2 one site in Illinois to another site in an Energy Transition
3 Zone. A taxpayer with respect to a qualifying project certified
4 under the Corporate Headquarters Relocation Act, however, is
5 not subject to the requirements of this Section but is
6 nevertheless considered an applicant for purposes of this Act.
7 Moreover, any full-time employee of an eligible green energy
8 enterprise relocated to an Energy Transition Zone in connection
9 with that qualifying project is deemed to be a new employee for
10 purposes of this Act. Determinations under this Section shall
11 be made by the Department.

12 Section 5-45. Determination of amount of the Credit. In
13 determining the amount of the Credit that should be awarded,
14 the Committee shall provide guidance on, and the Department
15 shall take into consideration, all of the following factors:

16 (1) The number and location of jobs created and
17 retained in relation to the economy of the Energy
18 Transition Zone where the projected investment is to occur.

19 (2) The potential impact on the economy of the Energy
20 Transition Zone.

21 (3) The advancement of green energy in the Energy
22 Transition Zone.

23 (4) The incremental payroll attributable to the
24 project.

25 (5) The capital investment attributable to the

1 project.

2 (6) The amount of the average wage and benefits paid by
3 the Applicant in relation to the wage and benefits of the
4 Energy Transition Zone.

5 (7) The costs to Illinois and the affected political
6 subdivisions with respect to the project.

7 (8) The financial assistance that is otherwise
8 provided by Illinois and the affected political
9 subdivisions.

10 Section 5-50. Amount and curation of credit.

11 (a) The Department shall determine the amount and duration
12 of the credit awarded under this Act. The duration of the
13 credit may not exceed 10 taxable years. The credit may be
14 stated as a percentage of the Incremental Income Tax
15 attributable to the applicant's project and may include a fixed
16 dollar limitation. An Agreement for the credit must be
17 finalized and signed by all parties while the area in which the
18 project is located is designated an Energy Transition Zone. The
19 credit may last longer than the applicable Energy Transition
20 Zone designation. Agreements entered into prior to the
21 de-designation of an Energy Transition Zone will be honored for
22 the length of the Agreement.

23 (b) Notwithstanding subsection (a), the credit may be
24 applied in more than 10 taxable years but not more than 15
25 taxable years for an eligible green energy enterprise that

1 qualifies under this Act and the Corporate Headquarters
2 Relocation Act and has in fact undertaken a qualifying project
3 within the timeframe specified by the Department of Commerce
4 and Economic Opportunity under that Act. In that case, the
5 Department of Commerce and Economic Opportunity shall extend
6 the tax credit agreement to not more than 15 years and reduce
7 the annual allocation to 60% of the maximum credit that would
8 otherwise be available under this Act.

9 (c) The tax credit may not reduce the taxpayer's liability
10 to less than zero. If the amount of tax credit exceeds the
11 liability for the year, the excess may be carried forward and
12 applied to the tax liability of the 5 taxable years following
13 the excess credit year. The credit must be applied to the
14 earliest year for which there is a tax liability. If there are
15 credits from more than one tax year that are available to
16 offset a liability, then the earlier credit will be applied
17 first.

18 Section 5-55. Contents of Agreements with Applicants. The
19 Department shall enter into an Agreement with an Applicant that
20 is awarded a Credit under this Act. The Agreement must include
21 all of the following:

22 (1) A detailed description of the project that is the
23 subject of the Agreement, including the location and amount
24 of the investment and jobs created or retained.

25 (2) The duration of the Credit and the first taxable

1 year for which the Credit may be claimed.

2 (3) The Credit amount that will be allowed for each
3 taxable year.

4 (4) A requirement that the Taxpayer shall maintain
5 operations at the project location that shall be stated as
6 a minimum number of years not to exceed 10.

7 (5) A specific method for determining the number of New
8 Employees employed during a taxable year.

9 (6) A requirement that the Taxpayer shall annually
10 report to the Department the number of New Employees, the
11 Incremental Income Tax withheld in connection with the New
12 Employees, and any other information the Director needs to
13 perform the Director's duties under this Act.

14 (7) A requirement that the Director is authorized to
15 verify with the appropriate State agencies the amounts
16 reported under paragraph (6), and after doing so shall
17 issue a certificate to the Taxpayer stating that the
18 amounts have been verified.

19 (8) A requirement that the Taxpayer shall provide
20 written notification to the Director not more than 30 days
21 after the Taxpayer makes or receives a proposal that would
22 transfer the Taxpayer's State tax liability obligations to
23 a successor Taxpayer.

24 (9) A detailed description of the number of New
25 Employees to be hired, and the occupation and payroll of
26 the full-time jobs to be created or retained as a result of

1 the project.

2 (10) The minimum investment the green energy
3 enterprise will make in capital improvements, the time
4 period for placing the property in service, and the
5 designated green energy production of the project.

6 (11) A requirement that the Taxpayer shall provide
7 written notification to the Director and the Committee not
8 more than 30 days after the Taxpayer determines that the
9 minimum job creation or retention, employment payroll, or
10 investment no longer is being or will be achieved or
11 maintained as set forth in the terms and conditions of the
12 Agreement.

13 (12) A provision that, if the total number of New
14 Employees falls below a specified level, the allowance of
15 Credit shall be suspended until the number of New Employees
16 equals or exceeds the Agreement amount.

17 (13) A detailed description of the items for which the
18 costs incurred by the Taxpayer will be included in the
19 limitation on the Credit provided in Section 5-40.

20 (14) A provision that, if the Taxpayer never meets
21 either the investment or job creation and retention
22 requirements specified in the Agreement during the entire
23 5-year period beginning on the first day of the first
24 taxable year in which the Agreement is executed and ending
25 on the last day of the fifth taxable year after the
26 Agreement is executed, then the Agreement is automatically

1 terminated on the last day of the fifth taxable year after
2 the Agreement is executed and the Taxpayer is not entitled
3 to the award of any credits for any of that 5-year period.

4 (15) A provision specifying that, if the Taxpayer
5 ceases principal operations with the intent to shut down
6 the project in the Energy Transition Zone permanently
7 during the term of the Agreement, then the entire credit
8 amount awarded to the Taxpayer prior to the date the
9 Taxpayer ceases principal operations shall be returned to
10 the Department.

11 (16) Any other performance conditions or contract
12 provisions as the Department determines are appropriate.
13 The Department shall post on its website the terms of each
14 Agreement entered into under this Act. Such information
15 shall be posted within 10 days after entering into the
16 Agreement and must include the following:

17 (A) the name of the recipient business;

18 (B) the location of the project;

19 (C) the estimated value of the credit;

20 (C) the number of new jobs and, if applicable,
21 retained jobs pledged as a result of the project; and

22 (E) whether or not the project is located in an
23 underserved area.

24 Section 5-60. Certificate of verification; submission to
25 the Department of Revenue. A Taxpayer claiming a Credit under

1 this Act shall submit to the Department of Revenue a copy of
2 the Director's certificate of verification under this Act for
3 the taxable year. However, failure to submit a copy of the
4 certificate with the Taxpayer's tax return shall not invalidate
5 a claim for a Credit.

6 For a Taxpayer to be eligible for a certificate of
7 verification, the Taxpayer shall provide proof as required by
8 the Department prior to the end of each calendar year,
9 including, but not limited to, attestation by the Taxpayer
10 that:

11 (1) The project has substantially achieved the level of
12 new full-time jobs in the Energy Transition Zone, as
13 specified in its Agreement.

14 (2) The project has substantially achieved the level of
15 annual payroll in the Energy Transition Zone, as specified
16 in its Agreement.

17 (3) The project has substantially achieved the level of
18 capital investment in the Energy Transition Zone, as
19 specified in its Agreement;

20 (4) The project has assisted in the development of
21 green energy production in the Energy Transition Zone, as
22 specified in its Agreement.

23 Section 5-65. Supplier diversity. Each taxpayer claiming a
24 credit under this Act shall, no later than April 15 of each
25 taxable year for which the taxpayer claims a credit under this

1 Act, submit to the Department of Commerce and Economic
2 Opportunity an annual report containing the information
3 described in subsections (b), (c), (d), and (e) of Section
4 5-117 of the Public Utilities Act. Those reports shall be
5 submitted in the form and manner required by the Department of
6 Commerce and Economic Opportunity.

7 Section 5-70. Pass through entities.

8 (a) For partners, shareholders of Subchapter S
9 corporations, and owners of limited liability companies, if the
10 liability company is treated as a partnership for purposes of
11 federal and State income taxation, there is allowed a credit
12 under this Section to be determined in accordance with the
13 determination of income and distributive share of income under
14 Sections 702 and 704 and Subchapter S of the Internal Revenue
15 Code.

16 (b) The Credit provided under subsection (a) is in addition
17 to any Credit to which a shareholder or partner is otherwise
18 entitled under a separate Agreement under this Act. A pass
19 through entity and a shareholder or partner of the pass through
20 entity may not claim more than one Credit under the same
21 Agreement.

22 Section 5-75. Noncompliance; notice; assessment. If the
23 Director determines that a Taxpayer who has received a Credit
24 under this Act is not complying with the requirements of the

1 Agreement or all of the provisions of this Act, the Director
2 shall provide notice to the Taxpayer of the alleged
3 noncompliance, and allow the Taxpayer a hearing under the
4 provisions of the Illinois Administrative Procedure Act. If,
5 after such notice and any hearing, the Director determines that
6 a noncompliance exists, the Director shall issue to the
7 Department of Revenue notice to that effect, stating the
8 Noncompliance Date. If, during the term of an Agreement, the
9 Taxpayer ceases operations at a project location that is the
10 subject of that Agreement with the intent to terminate
11 operations in the Energy Transition Zone, the Department and
12 the Department of Revenue shall recapture from the Taxpayer the
13 entire Credit amount awarded under that Agreement prior to the
14 date the taxpayer ceases operations. The Department shall,
15 subject to appropriation, reallocate the recaptured amounts to
16 the local workforce investment area in which the project was
17 located for the purposes of workforce development, expanded
18 opportunities for unemployed persons, and expanded
19 opportunities for women and minorities in the workforce.

20 Section 5-80. Annual report. On or before July 1 each year,
21 the Committee shall submit a report to the Department on the
22 tax credit program under this Act to the Governor and the
23 General Assembly. The report shall include information on the
24 number of Agreements that were entered into under this Act
25 during the preceding calendar year, a description of the

1 project that is the subject of each Agreement, an update on the
2 status of projects under Agreements entered into before the
3 preceding calendar year, and the sum of the Credits awarded
4 under this Act. A copy of the report shall be delivered to the
5 Governor and to each member of the General Assembly.

6 The report must include, for each Agreement:

7 (1) the original estimates of the value of the Credit
8 and the number of new jobs to be created and, if
9 applicable, the number of retained jobs;

10 (2) any relevant modifications to existing Agreements;

11 (3) a statement of the progress made by each Taxpayer
12 in meeting the terms of the original Agreement;

13 (4) a statement of wages paid to New Employees and, if
14 applicable, retained employees in the State;

15 (5) any information reported under Section 5-65 of this
16 Act; and

17 (6) a copy of the original Agreement.

18 Section 5-85. Evaluation of tax credit program. On a
19 biennial basis, the Department shall evaluate the tax credit
20 program. The evaluation shall include an assessment of the
21 effectiveness of the program in creating new jobs in Illinois
22 and of the revenue impact of the program, and may include a
23 review of the practices and experiences of other states with
24 similar programs. The Director shall submit a report on the
25 evaluation to the Governor and the General Assembly after June

1 30 and before November 1 in each odd-numbered year.

2 Section 5-90. Adoption of rules. The Department may adopt
3 rules necessary to implement this Act. The rules may provide
4 for recipients of Credits under this Act to be charged fees to
5 cover administrative costs of the tax credit program. Fees
6 collected shall be deposited into the Energy Transition Fund.

7 Section 5-95. The Energy Transition Fund.

8 (a) The Energy Transition Fund is established as a special
9 fund within the State treasury to be used exclusively for the
10 purposes of this Act, including paying for the costs of
11 administering this Act. The Fund shall be administered by the
12 Department.

13 (b) The Fund consists of collected fees, appropriations
14 from the General Assembly, and gifts and grants to the Fund.

15 (c) The State Treasurer shall invest the money in the Fund
16 not currently needed to meet the obligations of the Fund in the
17 same manner as other public funds may be invested. Interest
18 that accrues from these investments shall be deposited into the
19 Fund.

20 (d) The money in the Fund at the end of a State fiscal year
21 remains in the Fund to be used exclusively for the purposes of
22 this Act. Expenditures from the Fund are subject to
23 appropriation by the General Assembly.

1 Section 5-100. Program terms and conditions.

2 (a) Any documentary materials or data made available or
3 received by any member of a Committee or any agent or employee
4 of the Department shall be deemed confidential and shall not be
5 deemed public records to the extent that the materials or data
6 consists of trade secrets, commercial or financial information
7 regarding the operation of the business conducted by the
8 Applicant for or recipient of any tax credit under this Act, or
9 any information regarding the competitive position of a
10 business in a particular field of endeavor.

11 (b) Nothing in this Act shall be construed as creating any
12 rights in any Applicant to enter into an Agreement or in any
13 person to challenge the terms of any Agreement.

14 Article 10. Amendatory Provisions

15 Section 10-5. The Illinois Administrative Procedure Act is
16 amended by changing Section 5-45 as follows:

17 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

18 Sec. 5-45. Emergency rulemaking.

19 (a) "Emergency" means the existence of any situation that
20 any agency finds reasonably constitutes a threat to the public
21 interest, safety, or welfare.

22 (b) If any agency finds that an emergency exists that
23 requires adoption of a rule upon fewer days than is required by

1 Section 5-40 and states in writing its reasons for that
2 finding, the agency may adopt an emergency rule without prior
3 notice or hearing upon filing a notice of emergency rulemaking
4 with the Secretary of State under Section 5-70. The notice
5 shall include the text of the emergency rule and shall be
6 published in the Illinois Register. Consent orders or other
7 court orders adopting settlements negotiated by an agency may
8 be adopted under this Section. Subject to applicable
9 constitutional or statutory provisions, an emergency rule
10 becomes effective immediately upon filing under Section 5-65 or
11 at a stated date less than 10 days thereafter. The agency's
12 finding and a statement of the specific reasons for the finding
13 shall be filed with the rule. The agency shall take reasonable
14 and appropriate measures to make emergency rules known to the
15 persons who may be affected by them.

16 (c) An emergency rule may be effective for a period of not
17 longer than 150 days, but the agency's authority to adopt an
18 identical rule under Section 5-40 is not precluded. No
19 emergency rule may be adopted more than once in any 24-month
20 period, except that this limitation on the number of emergency
21 rules that may be adopted in a 24-month period does not apply
22 to (i) emergency rules that make additions to and deletions
23 from the Drug Manual under Section 5-5.16 of the Illinois
24 Public Aid Code or the generic drug formulary under Section
25 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
26 emergency rules adopted by the Pollution Control Board before

1 July 1, 1997 to implement portions of the Livestock Management
2 Facilities Act, (iii) emergency rules adopted by the Illinois
3 Department of Public Health under subsections (a) through (i)
4 of Section 2 of the Department of Public Health Act when
5 necessary to protect the public's health, (iv) emergency rules
6 adopted pursuant to subsection (n) of this Section, (v)
7 emergency rules adopted pursuant to subsection (o) of this
8 Section, or (vi) emergency rules adopted pursuant to subsection
9 (c-5) of this Section. Two or more emergency rules having
10 substantially the same purpose and effect shall be deemed to be
11 a single rule for purposes of this Section.

12 (c-5) To facilitate the maintenance of the program of group
13 health benefits provided to annuitants, survivors, and retired
14 employees under the State Employees Group Insurance Act of
15 1971, rules to alter the contributions to be paid by the State,
16 annuitants, survivors, retired employees, or any combination
17 of those entities, for that program of group health benefits,
18 shall be adopted as emergency rules. The adoption of those
19 rules shall be considered an emergency and necessary for the
20 public interest, safety, and welfare.

21 (d) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 1999 budget,
23 emergency rules to implement any provision of Public Act 90-587
24 or 90-588 or any other budget initiative for fiscal year 1999
25 may be adopted in accordance with this Section by the agency
26 charged with administering that provision or initiative,

1 except that the 24-month limitation on the adoption of
2 emergency rules and the provisions of Sections 5-115 and 5-125
3 do not apply to rules adopted under this subsection (d). The
4 adoption of emergency rules authorized by this subsection (d)
5 shall be deemed to be necessary for the public interest,
6 safety, and welfare.

7 (e) In order to provide for the expeditious and timely
8 implementation of the State's fiscal year 2000 budget,
9 emergency rules to implement any provision of Public Act 91-24
10 or any other budget initiative for fiscal year 2000 may be
11 adopted in accordance with this Section by the agency charged
12 with administering that provision or initiative, except that
13 the 24-month limitation on the adoption of emergency rules and
14 the provisions of Sections 5-115 and 5-125 do not apply to
15 rules adopted under this subsection (e). The adoption of
16 emergency rules authorized by this subsection (e) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare.

19 (f) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2001 budget,
21 emergency rules to implement any provision of Public Act 91-712
22 or any other budget initiative for fiscal year 2001 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (f). The adoption of
2 emergency rules authorized by this subsection (f) shall be
3 deemed to be necessary for the public interest, safety, and
4 welfare.

5 (g) In order to provide for the expeditious and timely
6 implementation of the State's fiscal year 2002 budget,
7 emergency rules to implement any provision of Public Act 92-10
8 or any other budget initiative for fiscal year 2002 may be
9 adopted in accordance with this Section by the agency charged
10 with administering that provision or initiative, except that
11 the 24-month limitation on the adoption of emergency rules and
12 the provisions of Sections 5-115 and 5-125 do not apply to
13 rules adopted under this subsection (g). The adoption of
14 emergency rules authorized by this subsection (g) shall be
15 deemed to be necessary for the public interest, safety, and
16 welfare.

17 (h) In order to provide for the expeditious and timely
18 implementation of the State's fiscal year 2003 budget,
19 emergency rules to implement any provision of Public Act 92-597
20 or any other budget initiative for fiscal year 2003 may be
21 adopted in accordance with this Section by the agency charged
22 with administering that provision or initiative, except that
23 the 24-month limitation on the adoption of emergency rules and
24 the provisions of Sections 5-115 and 5-125 do not apply to
25 rules adopted under this subsection (h). The adoption of
26 emergency rules authorized by this subsection (h) shall be

1 deemed to be necessary for the public interest, safety, and
2 welfare.

3 (i) In order to provide for the expeditious and timely
4 implementation of the State's fiscal year 2004 budget,
5 emergency rules to implement any provision of Public Act 93-20
6 or any other budget initiative for fiscal year 2004 may be
7 adopted in accordance with this Section by the agency charged
8 with administering that provision or initiative, except that
9 the 24-month limitation on the adoption of emergency rules and
10 the provisions of Sections 5-115 and 5-125 do not apply to
11 rules adopted under this subsection (i). The adoption of
12 emergency rules authorized by this subsection (i) shall be
13 deemed to be necessary for the public interest, safety, and
14 welfare.

15 (j) In order to provide for the expeditious and timely
16 implementation of the provisions of the State's fiscal year
17 2005 budget as provided under the Fiscal Year 2005 Budget
18 Implementation (Human Services) Act, emergency rules to
19 implement any provision of the Fiscal Year 2005 Budget
20 Implementation (Human Services) Act may be adopted in
21 accordance with this Section by the agency charged with
22 administering that provision, except that the 24-month
23 limitation on the adoption of emergency rules and the
24 provisions of Sections 5-115 and 5-125 do not apply to rules
25 adopted under this subsection (j). The Department of Public Aid
26 may also adopt rules under this subsection (j) necessary to

1 administer the Illinois Public Aid Code and the Children's
2 Health Insurance Program Act. The adoption of emergency rules
3 authorized by this subsection (j) shall be deemed to be
4 necessary for the public interest, safety, and welfare.

5 (k) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2006 budget, emergency rules to implement any provision of
8 Public Act 94-48 or any other budget initiative for fiscal year
9 2006 may be adopted in accordance with this Section by the
10 agency charged with administering that provision or
11 initiative, except that the 24-month limitation on the adoption
12 of emergency rules and the provisions of Sections 5-115 and
13 5-125 do not apply to rules adopted under this subsection (k).
14 The Department of Healthcare and Family Services may also adopt
15 rules under this subsection (k) necessary to administer the
16 Illinois Public Aid Code, the Senior Citizens and Persons with
17 Disabilities Property Tax Relief Act, the Senior Citizens and
18 Disabled Persons Prescription Drug Discount Program Act (now
19 the Illinois Prescription Drug Discount Program Act), and the
20 Children's Health Insurance Program Act. The adoption of
21 emergency rules authorized by this subsection (k) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare.

24 (l) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2007 budget, the Department of Healthcare and Family Services

1 may adopt emergency rules during fiscal year 2007, including
2 rules effective July 1, 2007, in accordance with this
3 subsection to the extent necessary to administer the
4 Department's responsibilities with respect to amendments to
5 the State plans and Illinois waivers approved by the federal
6 Centers for Medicare and Medicaid Services necessitated by the
7 requirements of Title XIX and Title XXI of the federal Social
8 Security Act. The adoption of emergency rules authorized by
9 this subsection (l) shall be deemed to be necessary for the
10 public interest, safety, and welfare.

11 (m) In order to provide for the expeditious and timely
12 implementation of the provisions of the State's fiscal year
13 2008 budget, the Department of Healthcare and Family Services
14 may adopt emergency rules during fiscal year 2008, including
15 rules effective July 1, 2008, in accordance with this
16 subsection to the extent necessary to administer the
17 Department's responsibilities with respect to amendments to
18 the State plans and Illinois waivers approved by the federal
19 Centers for Medicare and Medicaid Services necessitated by the
20 requirements of Title XIX and Title XXI of the federal Social
21 Security Act. The adoption of emergency rules authorized by
22 this subsection (m) shall be deemed to be necessary for the
23 public interest, safety, and welfare.

24 (n) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2010 budget, emergency rules to implement any provision of

1 Public Act 96-45 or any other budget initiative authorized by
2 the 96th General Assembly for fiscal year 2010 may be adopted
3 in accordance with this Section by the agency charged with
4 administering that provision or initiative. The adoption of
5 emergency rules authorized by this subsection (n) shall be
6 deemed to be necessary for the public interest, safety, and
7 welfare. The rulemaking authority granted in this subsection
8 (n) shall apply only to rules promulgated during Fiscal Year
9 2010.

10 (o) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2011 budget, emergency rules to implement any provision of
13 Public Act 96-958 or any other budget initiative authorized by
14 the 96th General Assembly for fiscal year 2011 may be adopted
15 in accordance with this Section by the agency charged with
16 administering that provision or initiative. The adoption of
17 emergency rules authorized by this subsection (o) is deemed to
18 be necessary for the public interest, safety, and welfare. The
19 rulemaking authority granted in this subsection (o) applies
20 only to rules promulgated on or after July 1, 2010 (the
21 effective date of Public Act 96-958) through June 30, 2011.

22 (p) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 97-689,
24 emergency rules to implement any provision of Public Act 97-689
25 may be adopted in accordance with this subsection (p) by the
26 agency charged with administering that provision or

1 initiative. The 150-day limitation of the effective period of
2 emergency rules does not apply to rules adopted under this
3 subsection (p), and the effective period may continue through
4 June 30, 2013. The 24-month limitation on the adoption of
5 emergency rules does not apply to rules adopted under this
6 subsection (p). The adoption of emergency rules authorized by
7 this subsection (p) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (q) In order to provide for the expeditious and timely
10 implementation of the provisions of Articles 7, 8, 9, 11, and
11 12 of Public Act 98-104, emergency rules to implement any
12 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
13 may be adopted in accordance with this subsection (q) by the
14 agency charged with administering that provision or
15 initiative. The 24-month limitation on the adoption of
16 emergency rules does not apply to rules adopted under this
17 subsection (q). The adoption of emergency rules authorized by
18 this subsection (q) is deemed to be necessary for the public
19 interest, safety, and welfare.

20 (r) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 98-651,
22 emergency rules to implement Public Act 98-651 may be adopted
23 in accordance with this subsection (r) by the Department of
24 Healthcare and Family Services. The 24-month limitation on the
25 adoption of emergency rules does not apply to rules adopted
26 under this subsection (r). The adoption of emergency rules

1 authorized by this subsection (r) is deemed to be necessary for
2 the public interest, safety, and welfare.

3 (s) In order to provide for the expeditious and timely
4 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
5 the Illinois Public Aid Code, emergency rules to implement any
6 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
7 Public Aid Code may be adopted in accordance with this
8 subsection (s) by the Department of Healthcare and Family
9 Services. The rulemaking authority granted in this subsection
10 (s) shall apply only to those rules adopted prior to July 1,
11 2015. Notwithstanding any other provision of this Section, any
12 emergency rule adopted under this subsection (s) shall only
13 apply to payments made for State fiscal year 2015. The adoption
14 of emergency rules authorized by this subsection (s) is deemed
15 to be necessary for the public interest, safety, and welfare.

16 (t) In order to provide for the expeditious and timely
17 implementation of the provisions of Article II of Public Act
18 99-6, emergency rules to implement the changes made by Article
19 II of Public Act 99-6 to the Emergency Telephone System Act may
20 be adopted in accordance with this subsection (t) by the
21 Department of State Police. The rulemaking authority granted in
22 this subsection (t) shall apply only to those rules adopted
23 prior to July 1, 2016. The 24-month limitation on the adoption
24 of emergency rules does not apply to rules adopted under this
25 subsection (t). The adoption of emergency rules authorized by
26 this subsection (t) is deemed to be necessary for the public

1 interest, safety, and welfare.

2 (u) In order to provide for the expeditious and timely
3 implementation of the provisions of the Burn Victims Relief
4 Act, emergency rules to implement any provision of the Act may
5 be adopted in accordance with this subsection (u) by the
6 Department of Insurance. The rulemaking authority granted in
7 this subsection (u) shall apply only to those rules adopted
8 prior to December 31, 2015. The adoption of emergency rules
9 authorized by this subsection (u) is deemed to be necessary for
10 the public interest, safety, and welfare.

11 (v) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 99-516,
13 emergency rules to implement Public Act 99-516 may be adopted
14 in accordance with this subsection (v) by the Department of
15 Healthcare and Family Services. The 24-month limitation on the
16 adoption of emergency rules does not apply to rules adopted
17 under this subsection (v). The adoption of emergency rules
18 authorized by this subsection (v) is deemed to be necessary for
19 the public interest, safety, and welfare.

20 (w) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 99-796,
22 emergency rules to implement the changes made by Public Act
23 99-796 may be adopted in accordance with this subsection (w) by
24 the Adjutant General. The adoption of emergency rules
25 authorized by this subsection (w) is deemed to be necessary for
26 the public interest, safety, and welfare.

1 (x) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 99-906,
3 emergency rules to implement subsection (i) of Section 16-115D,
4 subsection (g) of Section 16-128A, and subsection (a) of
5 Section 16-128B of the Public Utilities Act may be adopted in
6 accordance with this subsection (x) by the Illinois Commerce
7 Commission. The rulemaking authority granted in this
8 subsection (x) shall apply only to those rules adopted within
9 180 days after June 1, 2017 (the effective date of Public Act
10 99-906). The adoption of emergency rules authorized by this
11 subsection (x) is deemed to be necessary for the public
12 interest, safety, and welfare.

13 (y) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 100-23,
15 emergency rules to implement the changes made by Public Act
16 100-23 to Section 4.02 of the Illinois Act on the Aging,
17 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
18 Section 55-30 of the Alcoholism and Other Drug Abuse and
19 Dependency Act, and Sections 74 and 75 of the Mental Health and
20 Developmental Disabilities Administrative Act may be adopted
21 in accordance with this subsection (y) by the respective
22 Department. The adoption of emergency rules authorized by this
23 subsection (y) is deemed to be necessary for the public
24 interest, safety, and welfare.

25 (z) In order to provide for the expeditious and timely
26 implementation of the provisions of Public Act 100-554,

1 emergency rules to implement the changes made by Public Act
2 100-554 to Section 4.7 of the Lobbyist Registration Act may be
3 adopted in accordance with this subsection (z) by the Secretary
4 of State. The adoption of emergency rules authorized by this
5 subsection (z) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (aa) In order to provide for the expeditious and timely
8 initial implementation of the changes made to Articles 5, 5A,
9 12, and 14 of the Illinois Public Aid Code under the provisions
10 of Public Act 100-581, the Department of Healthcare and Family
11 Services may adopt emergency rules in accordance with this
12 subsection (aa). The 24-month limitation on the adoption of
13 emergency rules does not apply to rules to initially implement
14 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
15 Public Aid Code adopted under this subsection (aa). The
16 adoption of emergency rules authorized by this subsection (aa)
17 is deemed to be necessary for the public interest, safety, and
18 welfare.

19 (bb) In order to provide for the expeditious and timely
20 implementation of the provisions of Public Act 100-587,
21 emergency rules to implement the changes made by Public Act
22 100-587 to Section 4.02 of the Illinois Act on the Aging,
23 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
24 subsection (b) of Section 55-30 of the Alcoholism and Other
25 Drug Abuse and Dependency Act, Section 5-104 of the Specialized
26 Mental Health Rehabilitation Act of 2013, and Section 75 and

1 subsection (b) of Section 74 of the Mental Health and
2 Developmental Disabilities Administrative Act may be adopted
3 in accordance with this subsection (bb) by the respective
4 Department. The adoption of emergency rules authorized by this
5 subsection (bb) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (cc) In order to provide for the expeditious and timely
8 implementation of the provisions of Public Act 100-587,
9 emergency rules may be adopted in accordance with this
10 subsection (cc) to implement the changes made by Public Act
11 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
12 Pension Code by the Board created under Article 14 of the Code;
13 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
14 the Board created under Article 15 of the Code; and Sections
15 16-190.5 and 16-190.6 of the Illinois Pension Code by the Board
16 created under Article 16 of the Code. The adoption of emergency
17 rules authorized by this subsection (cc) is deemed to be
18 necessary for the public interest, safety, and welfare.

19 (dd) In order to provide for the expeditious and timely
20 implementation of the provisions of Public Act 100-864,
21 emergency rules to implement the changes made by Public Act
22 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
23 may be adopted in accordance with this subsection (dd) by the
24 Secretary of State. The adoption of emergency rules authorized
25 by this subsection (dd) is deemed to be necessary for the
26 public interest, safety, and welfare.

1 (ee) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 100-1172,
3 emergency rules implementing the Illinois Underground Natural
4 Gas Storage Safety Act may be adopted in accordance with this
5 subsection by the Department of Natural Resources. The adoption
6 of emergency rules authorized by this subsection is deemed to
7 be necessary for the public interest, safety, and welfare.

8 (ff) In order to provide for the expeditious and timely
9 initial implementation of the changes made to Articles 5A and
10 14 of the Illinois Public Aid Code under the provisions of
11 Public Act 100-1181, the Department of Healthcare and Family
12 Services may on a one-time-only basis adopt emergency rules in
13 accordance with this subsection (ff). The 24-month limitation
14 on the adoption of emergency rules does not apply to rules to
15 initially implement the changes made to Articles 5A and 14 of
16 the Illinois Public Aid Code adopted under this subsection
17 (ff). The adoption of emergency rules authorized by this
18 subsection (ff) is deemed to be necessary for the public
19 interest, safety, and welfare.

20 (gg) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 101-1, emergency
22 rules may be adopted by the Department of Labor in accordance
23 with this subsection (gg) to implement the changes made by
24 Public Act 101-1 to the Minimum Wage Law. The adoption of
25 emergency rules authorized by this subsection (gg) is deemed to
26 be necessary for the public interest, safety, and welfare.

1 (hh) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 101-10,
3 emergency rules may be adopted in accordance with this
4 subsection (hh) to implement the changes made by Public Act
5 101-10 to subsection (j) of Section 5-5.2 of the Illinois
6 Public Aid Code. The adoption of emergency rules authorized by
7 this subsection (hh) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (ii) In order to provide for the expeditious and timely
10 implementation of the provisions of Public Act 101-10,
11 emergency rules to implement the changes made by Public Act
12 101-10 to Sections 5-5.4 and 5-5.4i of the Illinois Public Aid
13 Code may be adopted in accordance with this subsection (ii) by
14 the Department of Public Health. The adoption of emergency
15 rules authorized by this subsection (ii) is deemed to be
16 necessary for the public interest, safety, and welfare.

17 (jj) In order to provide for the expeditious and timely
18 implementation of the provisions of Public Act 101-10,
19 emergency rules to implement the changes made by Public Act
20 101-10 to Section 74 of the Mental Health and Developmental
21 Disabilities Administrative Act may be adopted in accordance
22 with this subsection (jj) by the Department of Human Services.
23 The adoption of emergency rules authorized by this subsection
24 (jj) is deemed to be necessary for the public interest, safety,
25 and welfare.

26 (kk) In order to provide for the expeditious and timely

1 implementation of the Cannabis Regulation and Tax Act and
2 Public Act 101-27, the Department of Revenue, the Department of
3 Public Health, the Department of Agriculture, the Department of
4 State Police, and the Department of Financial and Professional
5 Regulation may adopt emergency rules in accordance with this
6 subsection (kk). The rulemaking authority granted in this
7 subsection (kk) shall apply only to rules adopted before
8 December 31, 2021. Notwithstanding the provisions of
9 subsection (c), emergency rules adopted under this subsection
10 (kk) shall be effective for 180 days. The adoption of emergency
11 rules authorized by this subsection (kk) is deemed to be
12 necessary for the public interest, safety, and welfare.

13 (ll) In order to provide for the expeditious and timely
14 implementation of the provisions of the Leveling the Playing
15 Field for Illinois Retail Act, emergency rules may be adopted
16 in accordance with this subsection (ll) to implement the
17 changes made by the Leveling the Playing Field for Illinois
18 Retail Act. The adoption of emergency rules authorized by this
19 subsection (ll) is deemed to be necessary for the public
20 interest, safety, and welfare.

21 (mm) In order to provide for the expeditious and timely
22 implementation of the provisions of Section 25-70 of the Sports
23 Wagering Act, emergency rules to implement Section 25-70 of the
24 Sports Wagering Act may be adopted in accordance with this
25 subsection (mm) by the Department of the Lottery as provided in
26 the Sports Wagering Act. The adoption of emergency rules

1 authorized by this subsection (mm) is deemed to be necessary
2 for the public interest, safety, and welfare.

3 (nn) In order to provide for the expeditious and timely
4 implementation of the Sports Wagering Act, emergency rules to
5 implement the Sports Wagering Act may be adopted in accordance
6 with this subsection (nn) by the Illinois Gaming Board. The
7 adoption of emergency rules authorized by this subsection (nn)
8 is deemed to be necessary for the public interest, safety, and
9 welfare.

10 (oo) In order to provide for the expeditious and timely
11 implementation of the provisions of subsection (c) of Section
12 20 of the Video Gaming Act, emergency rules to implement the
13 provisions of subsection (c) of Section 20 of the Video Gaming
14 Act may be adopted in accordance with this subsection (oo) by
15 the Illinois Gaming Board. The adoption of emergency rules
16 authorized by this subsection (oo) is deemed to be necessary
17 for the public interest, safety, and welfare.

18 (pp) In order to provide for the expeditious and timely
19 implementation of the provisions of Section 50 of the Sexual
20 Assault Evidence Submission Act, emergency rules to implement
21 Section 50 of the Sexual Assault Evidence Submission Act may be
22 adopted in accordance with this subsection (pp) by the
23 Department of State Police. The adoption of emergency rules
24 authorized by this subsection (pp) is deemed to be necessary
25 for the public interest, safety, and welfare.

26 (qq) In order to provide for the expeditious and timely

1 implementation of the provisions of the Illinois Works Jobs
2 Program Act, emergency rules may be adopted in accordance with
3 this subsection (qq) to implement the Illinois Works Jobs
4 Program Act. The adoption of emergency rules authorized by this
5 subsection (qq) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (rr) In order to provide for the expeditious and timely
8 implementation of the Illinois Energy Transition Zone Act,
9 emergency rules to implement the provisions of subsection (a-5)
10 of Section 1-40 of the Illinois Energy Transition Zone Act may
11 be adopted in accordance with this subsection (aa) by the
12 Department of Commerce and Economic Opportunity for period of
13 12 months after the effective date of the Illinois Energy
14 Transition Zone Act. The adoption of emergency rules authorized
15 by this subsection (aa) is deemed to be necessary for the
16 public interest, safety, and welfare.

17 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
18 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
19 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
20 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
21 3-8-19; 101-1, eff. 2-19-19; 101-10, Article 20, Section 20-5,
22 eff. 6-5-19; 101-10, Article 35, Section 35-5, eff. 6-5-19;
23 101-27, eff. 6-25-19; 101-31, Article 15, Section 15-5, eff.
24 6-28-19; 101-31, Article 25, Section 25-900, eff. 6-28-19;
25 101-31, Article 35, Section 35-3, eff. 6-28-19; 101-377, eff.
26 8-16-19; 101-601, eff. 12-10-19.)

1 Section 10-10. The State Finance Act is amended by adding
2 Section 5.930 as follows:

3 (30 ILCS 105/5.930 new)

4 Sec. 5.930. The Energy Transition Fund.

5 Section 10-15. The State Mandates Act is amended by adding
6 Section 8.44 as follows:

7 (30 ILCS 805/8.44 new)

8 Sec. 8.44. Exempt mandate. Notwithstanding Sections 6 and 8
9 of this Act, no reimbursement by the State is required for the
10 implementation of any mandate created by this amendatory Act of
11 the 101st General Assembly.

12 Section 10-20. The Illinois Income Tax Act is amended by
13 changing Section 201 as follows:

14 (35 ILCS 5/201)

15 (Text of Section before amendment by P.A. 101-8)

16 Sec. 201. Tax imposed.

17 (a) In general. A tax measured by net income is hereby
18 imposed on every individual, corporation, trust and estate for
19 each taxable year ending after July 31, 1969 on the privilege
20 of earning or receiving income in or as a resident of this

1 State. Such tax shall be in addition to all other occupation or
2 privilege taxes imposed by this State or by any municipal
3 corporation or political subdivision thereof.

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

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

11 (2) In the case of an individual, trust or estate, for
12 taxable years beginning prior to July 1, 1989 and ending
13 after June 30, 1989, an amount equal to the sum of (i) 2
14 1/2% of the taxpayer's net income for the period prior to
15 July 1, 1989, as calculated under Section 202.3, and (ii)
16 3% of the taxpayer's net income for the period after June
17 30, 1989, as calculated under Section 202.3.

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

22 (4) In the case of an individual, trust, or estate, for
23 taxable years beginning prior to January 1, 2011, and
24 ending after December 31, 2010, an amount equal to the sum
25 of (i) 3% of the taxpayer's net income for the period prior
26 to January 1, 2011, as calculated under Section 202.5, and

1 (ii) 5% of the taxpayer's net income for the period after
2 December 31, 2010, as calculated under Section 202.5.

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

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

14 (5.2) In the case of an individual, trust, or estate,
15 for taxable years beginning on or after January 1, 2015,
16 and ending prior to July 1, 2017, an amount equal to 3.75%
17 of the taxpayer's net income for the taxable year.

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

25 (5.4) In the case of an individual, trust, or estate,
26 for taxable years beginning on or after July 1, 2017, an

1 amount equal to 4.95% of the taxpayer's net income for the
2 taxable year.

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

6 (7) In the case of a corporation, for taxable years
7 beginning prior to July 1, 1989 and ending after June 30,
8 1989, an amount equal to the sum of (i) 4% of the
9 taxpayer's net income for the period prior to July 1, 1989,
10 as calculated under Section 202.3, and (ii) 4.8% of the
11 taxpayer's net income for the period after June 30, 1989,
12 as calculated under Section 202.3.

13 (8) In the case of a corporation, for taxable years
14 beginning after June 30, 1989, and ending prior to January
15 1, 2011, an amount equal to 4.8% of the taxpayer's net
16 income for the taxable year.

17 (9) In the case of a corporation, for taxable years
18 beginning prior to January 1, 2011, and ending after
19 December 31, 2010, an amount equal to the sum of (i) 4.8%
20 of the taxpayer's net income for the period prior to
21 January 1, 2011, as calculated under Section 202.5, and
22 (ii) 7% of the taxpayer's net income for the period after
23 December 31, 2010, as calculated under Section 202.5.

24 (10) In the case of a corporation, for taxable years
25 beginning on or after January 1, 2011, and ending prior to
26 January 1, 2015, an amount equal to 7% of the taxpayer's

1 net income for the taxable year.

2 (11) In the case of a corporation, for taxable years
3 beginning prior to January 1, 2015, and ending after
4 December 31, 2014, an amount equal to the sum of (i) 7% of
5 the taxpayer's net income for the period prior to January
6 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
7 of the taxpayer's net income for the period after December
8 31, 2014, as calculated under Section 202.5.

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

13 (13) In the case of a corporation, for taxable years
14 beginning prior to July 1, 2017, and ending after June 30,
15 2017, an amount equal to the sum of (i) 5.25% of the
16 taxpayer's net income for the period prior to July 1, 2017,
17 as calculated under Section 202.5, and (ii) 7% of the
18 taxpayer's net income for the period after June 30, 2017,
19 as calculated under Section 202.5.

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

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

25 (b-5) Surcharge; sale or exchange of assets, properties,
26 and intangibles of organization gaming licensees. For each of

1 taxable years 2019 through 2027, a surcharge is imposed on all
2 taxpayers on income arising from the sale or exchange of
3 capital assets, depreciable business property, real property
4 used in the trade or business, and Section 197 intangibles (i)
5 of an organization licensee under the Illinois Horse Racing Act
6 of 1975 and (ii) of an organization gaming licensee under the
7 Illinois Gambling Act. The amount of the surcharge is equal to
8 the amount of federal income tax liability for the taxable year
9 attributable to those sales and exchanges. The surcharge
10 imposed shall not apply if:

11 (1) the organization gaming license, organization
12 license, or racetrack property is transferred as a result
13 of any of the following:

14 (A) bankruptcy, a receivership, or a debt
15 adjustment initiated by or against the initial
16 licensee or the substantial owners of the initial
17 licensee;

18 (B) cancellation, revocation, or termination of
19 any such license by the Illinois Gaming Board or the
20 Illinois Racing Board;

21 (C) a determination by the Illinois Gaming Board
22 that transfer of the license is in the best interests
23 of Illinois gaming;

24 (D) the death of an owner of the equity interest in
25 a licensee;

26 (E) the acquisition of a controlling interest in

1 the stock or substantially all of the assets of a
2 publicly traded company;

3 (F) a transfer by a parent company to a wholly
4 owned subsidiary; or

5 (G) the transfer or sale to or by one person to
6 another person where both persons were initial owners
7 of the license when the license was issued; or

8 (2) the controlling interest in the organization
9 gaming license, organization license, or racetrack
10 property is transferred in a transaction to lineal
11 descendants in which no gain or loss is recognized or as a
12 result of a transaction in accordance with Section 351 of
13 the Internal Revenue Code in which no gain or loss is
14 recognized; or

15 (3) live horse racing was not conducted in 2010 at a
16 racetrack located within 3 miles of the Mississippi River
17 under a license issued pursuant to the Illinois Horse
18 Racing Act of 1975.

19 The transfer of an organization gaming license,
20 organization license, or racetrack property by a person other
21 than the initial licensee to receive the organization gaming
22 license is not subject to a surcharge. The Department shall
23 adopt rules necessary to implement and administer this
24 subsection.

25 (c) Personal Property Tax Replacement Income Tax.
26 Beginning on July 1, 1979 and thereafter, in addition to such

1 income tax, there is also hereby imposed the Personal Property
2 Tax Replacement Income Tax measured by net income on every
3 corporation (including Subchapter S corporations), partnership
4 and trust, for each taxable year ending after June 30, 1979.
5 Such taxes are imposed on the privilege of earning or receiving
6 income in or as a resident of this State. The Personal Property
7 Tax Replacement Income Tax shall be in addition to the income
8 tax imposed by subsections (a) and (b) of this Section and in
9 addition to all other occupation or privilege taxes imposed by
10 this State or by any municipal corporation or political
11 subdivision thereof.

12 (d) Additional Personal Property Tax Replacement Income
13 Tax Rates. The personal property tax replacement income tax
14 imposed by this subsection and subsection (c) of this Section
15 in the case of a corporation, other than a Subchapter S
16 corporation and except as adjusted by subsection (d-1), shall
17 be an additional amount equal to 2.85% of such taxpayer's net
18 income for the taxable year, except that beginning on January
19 1, 1981, and thereafter, the rate of 2.85% specified in this
20 subsection shall be reduced to 2.5%, and in the case of a
21 partnership, trust or a Subchapter S corporation shall be an
22 additional amount equal to 1.5% of such taxpayer's net income
23 for the taxable year.

24 (d-1) Rate reduction for certain foreign insurers. In the
25 case of a foreign insurer, as defined by Section 35A-5 of the
26 Illinois Insurance Code, whose state or country of domicile

1 imposes on insurers domiciled in Illinois a retaliatory tax
2 (excluding any insurer whose premiums from reinsurance assumed
3 are 50% or more of its total insurance premiums as determined
4 under paragraph (2) of subsection (b) of Section 304, except
5 that for purposes of this determination premiums from
6 reinsurance do not include premiums from inter-affiliate
7 reinsurance arrangements), beginning with taxable years ending
8 on or after December 31, 1999, the sum of the rates of tax
9 imposed by subsections (b) and (d) shall be reduced (but not
10 increased) to the rate at which the total amount of tax imposed
11 under this Act, net of all credits allowed under this Act,
12 shall equal (i) the total amount of tax that would be imposed
13 on the foreign insurer's net income allocable to Illinois for
14 the taxable year by such foreign insurer's state or country of
15 domicile if that net income were subject to all income taxes
16 and taxes measured by net income imposed by such foreign
17 insurer's state or country of domicile, net of all credits
18 allowed or (ii) a rate of zero if no such tax is imposed on such
19 income by the foreign insurer's state of domicile. For the
20 purposes of this subsection (d-1), an inter-affiliate includes
21 a mutual insurer under common management.

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

25 (A) the total amount of tax imposed on such foreign
26 insurer under this Act for a taxable year, net of all

1 credits allowed under this Act, plus

2 (B) the privilege tax imposed by Section 409 of the
3 Illinois Insurance Code, the fire insurance company
4 tax imposed by Section 12 of the Fire Investigation
5 Act, and the fire department taxes imposed under
6 Section 11-10-1 of the Illinois Municipal Code,
7 equals 1.25% for taxable years ending prior to December 31,
8 2003, or 1.75% for taxable years ending on or after
9 December 31, 2003, of the net taxable premiums written for
10 the taxable year, as described by subsection (1) of Section
11 409 of the Illinois Insurance Code. This paragraph will in
12 no event increase the rates imposed under subsections (b)
13 and (d).

14 (2) Any reduction in the rates of tax imposed by this
15 subsection shall be applied first against the rates imposed
16 by subsection (b) and only after the tax imposed by
17 subsection (a) net of all credits allowed under this
18 Section other than the credit allowed under subsection (i)
19 has been reduced to zero, against the rates imposed by
20 subsection (d).

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

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

26 (1) A taxpayer shall be allowed a credit equal to .5%

1 of the basis of qualified property placed in service during
2 the taxable year, provided such property is placed in
3 service on or after July 1, 1984. There shall be allowed an
4 additional credit equal to .5% of the basis of qualified
5 property placed in service during the taxable year,
6 provided such property is placed in service on or after
7 July 1, 1986, and the taxpayer's base employment within
8 Illinois has increased by 1% or more over the preceding
9 year as determined by the taxpayer's employment records
10 filed with the Illinois Department of Employment Security.
11 Taxpayers who are new to Illinois shall be deemed to have
12 met the 1% growth in base employment for the first year in
13 which they file employment records with the Illinois
14 Department of Employment Security. The provisions added to
15 this Section by Public Act 85-1200 (and restored by Public
16 Act 87-895) shall be construed as declaratory of existing
17 law and not as a new enactment. If, in any year, the
18 increase in base employment within Illinois over the
19 preceding year is less than 1%, the additional credit shall
20 be limited to that percentage times a fraction, the
21 numerator of which is .5% and the denominator of which is
22 1%, but shall not exceed .5%. The investment credit shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability in any tax year below zero, nor may
25 any credit for qualified property be allowed for any year
26 other than the year in which the property was placed in

1 service in Illinois. For tax years ending on or after
2 December 31, 1987, and on or before December 31, 1988, the
3 credit shall be allowed for the tax year in which the
4 property is placed in service, or, if the amount of the
5 credit exceeds the tax liability for that year, whether it
6 exceeds the original liability or the liability as later
7 amended, such excess may be carried forward and applied to
8 the tax liability of the 5 taxable years following the
9 excess credit years if the taxpayer (i) makes investments
10 which cause the creation of a minimum of 2,000 full-time
11 equivalent jobs in Illinois, (ii) is located in an
12 enterprise zone established pursuant to the Illinois
13 Enterprise Zone Act and (iii) is certified by the
14 Department of Commerce and Community Affairs (now
15 Department of Commerce and Economic Opportunity) as
16 complying with the requirements specified in clause (i) and
17 (ii) by July 1, 1986. The Department of Commerce and
18 Community Affairs (now Department of Commerce and Economic
19 Opportunity) shall notify the Department of Revenue of all
20 such certifications immediately. For tax years ending
21 after December 31, 1988, the credit shall be allowed for
22 the tax year in which the property is placed in service,
23 or, if the amount of the credit exceeds the tax liability
24 for that year, whether it exceeds the original liability or
25 the liability as later amended, such excess may be carried
26 forward and applied to the tax liability of the 5 taxable

1 years following the excess credit years. The credit shall
2 be applied to the earliest year for which there is a
3 liability. If there is credit from more than one tax year
4 that is available to offset a liability, earlier credit
5 shall be applied first.

6 (2) The term "qualified property" means property
7 which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings and
10 signs that are real property, but not including land or
11 improvements to real property that are not a structural
12 component of a building such as landscaping, sewer
13 lines, local access roads, fencing, parking lots, and
14 other appurtenances;

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

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

22 (D) is used in Illinois by a taxpayer who is
23 primarily engaged in manufacturing, or in mining coal
24 or fluorite, or in retailing, or was placed in service
25 on or after July 1, 2006 in a River Edge Redevelopment
26 Zone established pursuant to the River Edge

1 Redevelopment Zone Act; and

2 (E) has not previously been used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (e) or
5 subsection (f).

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

25 (4) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

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

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

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

25 (8) Unless the investment credit is extended by law,
26 the basis of qualified property shall not include costs

1 incurred after December 31, 2018, except for costs incurred
2 pursuant to a binding contract entered into on or before
3 December 31, 2018.

4 (9) Each taxable year ending before December 31, 2000,
5 a partnership may elect to pass through to its partners the
6 credits to which the partnership is entitled under this
7 subsection (e) for the taxable year. A partner may use the
8 credit allocated to him or her under this paragraph only
9 against the tax imposed in subsections (c) and (d) of this
10 Section. If the partnership makes that election, those
11 credits shall be allocated among the partners in the
12 partnership in accordance with the rules set forth in
13 Section 704(b) of the Internal Revenue Code, and the rules
14 promulgated under that Section, and the allocated amount of
15 the credits shall be allowed to the partners for that
16 taxable year. The partnership shall make this election on
17 its Personal Property Tax Replacement Income Tax return for
18 that taxable year. The election to pass through the credits
19 shall be irrevocable.

20 For taxable years ending on or after December 31, 2000,
21 a partner that qualifies its partnership for a subtraction
22 under subparagraph (I) of paragraph (2) of subsection (d)
23 of Section 203 or a shareholder that qualifies a Subchapter
24 S corporation for a subtraction under subparagraph (S) of
25 paragraph (2) of subsection (b) of Section 203 shall be
26 allowed a credit under this subsection (e) equal to its

1 share of the credit earned under this subsection (e) during
2 the taxable year by the partnership or Subchapter S
3 corporation, determined in accordance with the
4 determination of income and distributive share of income
5 under Sections 702 and 704 and Subchapter S of the Internal
6 Revenue Code. This paragraph is exempt from the provisions
7 of Section 250.

8 (f) Investment credit; Enterprise Zone; River Edge
9 Redevelopment Zone.

10 (1) A taxpayer shall be allowed a credit against the
11 tax imposed by subsections (a) and (b) of this Section for
12 investment in qualified property which is placed in service
13 in an Enterprise Zone created pursuant to the Illinois
14 Enterprise Zone Act or, for property placed in service on
15 or after July 1, 2006, a River Edge Redevelopment Zone
16 established pursuant to the River Edge Redevelopment Zone
17 Act. For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies,
19 if the liability company is treated as a partnership for
20 purposes of federal and State income taxation, there shall
21 be allowed a credit under this subsection (f) to be
22 determined in accordance with the determination of income
23 and distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. The credit
25 shall be .5% of the basis for such property. The credit
26 shall be available only in the taxable year in which the

1 property is placed in service in the Enterprise Zone or
2 River Edge Redevelopment Zone and shall not be allowed to
3 the extent that it would reduce a taxpayer's liability for
4 the tax imposed by subsections (a) and (b) of this Section
5 to below zero. For tax years ending on or after December
6 31, 1985, the credit shall be allowed for the tax year in
7 which the property is placed in service, or, if the amount
8 of the credit exceeds the tax liability for that year,
9 whether it exceeds the original liability or the liability
10 as later amended, such excess may be carried forward and
11 applied to the tax liability of the 5 taxable years
12 following the excess credit year. The credit shall be
13 applied to the earliest year for which there is a
14 liability. If there is credit from more than one tax year
15 that is available to offset a liability, the credit
16 accruing first in time shall be applied first.

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

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

20 (B) is depreciable pursuant to Section 167 of the
21 Internal Revenue Code, except that "3-year property"
22 as defined in Section 168(c) (2) (A) of that Code is not
23 eligible for the credit provided by this subsection
24 (f);

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

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

3 (E) has not been previously used in Illinois in
4 such a manner and by such a person as would qualify for
5 the credit provided by this subsection (f) or
6 subsection (e).

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

10 (4) If the basis of the property for federal income tax
11 depreciation purposes is increased after it has been placed
12 in service in the Enterprise Zone or River Edge
13 Redevelopment Zone by the taxpayer, the amount of such
14 increase shall be deemed property placed in service on the
15 date of such increase in basis.

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

18 (6) If during any taxable year, any property ceases to
19 be qualified property in the hands of the taxpayer within
20 48 months after being placed in service, or the situs of
21 any qualified property is moved outside the Enterprise Zone
22 or River Edge Redevelopment Zone within 48 months after
23 being placed in service, the tax imposed under subsections
24 (a) and (b) of this Section for such taxable year shall be
25 increased. Such increase shall be determined by (i)
26 recomputing the investment credit which would have been

1 allowed for the year in which credit for such property was
2 originally allowed by eliminating such property from such
3 computation, and (ii) subtracting such recomputed credit
4 from the amount of credit previously allowed. For the
5 purposes of this paragraph (6), a reduction of the basis of
6 qualified property resulting from a redetermination of the
7 purchase price shall be deemed a disposition of qualified
8 property to the extent of such reduction.

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

26 (8) For taxable years beginning on or after January 1,

1 2021, there shall be allowed an Enterprise Zone
2 construction jobs credit against the taxes imposed under
3 subsections (a) and (b) of this Section as provided in
4 Section 13 of the Illinois Enterprise Zone Act.

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

16 For partners, shareholders of Subchapter S
17 corporations, and owners of limited liability companies,
18 if the liability company is treated as a partnership for
19 the purposes of federal and State income taxation, there
20 shall be allowed a credit under this Section to be
21 determined in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code.

24 The total aggregate amount of credits awarded under the
25 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
26 ~~amendatory Act of the 101st General Assembly~~) shall not

1 exceed \$20,000,000 in any State fiscal year.

2 This paragraph (8) is exempt from the provisions of
3 Section 250.

4 (f-1) Investment credit; Energy Transition Zone.

5 (1) For tax years beginning on or after January 1,
6 2021, a taxpayer shall be allowed a credit against the tax
7 imposed by subsections (a) and (b) of this Section for
8 investment in qualified property which is placed in service
9 for the use of the production of green energy by a green
10 energy enterprise in an Energy Transition Zone created
11 pursuant to the Illinois Energy Transition Zone Act. For
12 partners, shareholders of Subchapter S corporations, and
13 owners of limited liability companies, if the liability
14 company is treated as a partnership for purposes of federal
15 and State income taxation, there shall be allowed a credit
16 under this subsection (f-1) to be determined in accordance
17 with the determination of income and distributive share of
18 income under Sections 702 and 704 and Subchapter S of the
19 Internal Revenue Code. The credit shall be 0.5% of the
20 basis for such property. The credit shall be available only
21 in the taxable year in which the property is placed in
22 service in the Energy Transition Zone and shall not be
23 allowed to the extent that it would reduce a taxpayer's
24 liability for the tax imposed by subsections (a) and (b) of
25 this Section to below zero. The credit shall be allowed for
26 the tax year in which the property is placed in service,

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

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

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

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c)(2)(A) of that Code is not
16 eligible for the credit provided by this subsection
17 (f-1);

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

20 (D) is used in the Energy Transition Zone by the
21 taxpayer in relation to producing green energy; and

22 (E) has not been previously used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (f-1).

25 (3) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

2 (4) If the basis of the property for federal income tax
3 depreciation purposes is increased after it has been placed
4 in service in the Energy Transition Zone by the taxpayer,
5 the amount of such increase shall be deemed property placed
6 in service on the date of such increase in basis.

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

9 (6) If during any taxable year, any property ceases to
10 be qualified property in the hands of the taxpayer within
11 48 months after being placed in service, or the situs of
12 any qualified property is moved outside the Energy
13 Transition Zone within 48 months after being placed in
14 service, the tax imposed under subsections (a) and (b) of
15 this Section for such taxable year shall be increased. Such
16 increase shall be determined by (i) recomputing the
17 investment credit which would have been allowed for the
18 year in which credit for such property was originally
19 allowed by eliminating such property from such
20 computation, and (ii) subtracting such recomputed credit
21 from the amount of credit previously allowed. For the
22 purposes of this paragraph (6), a reduction of the basis of
23 qualified property resulting from a redetermination of the
24 purchase price shall be deemed a disposition of qualified
25 property to the extent of such reduction.

26 (g) (Blank).

1 (h) Investment credit; High Impact Business.

2 (1) Subject to subsections (b) and (b-5) of Section 5.5
3 of the Illinois Enterprise Zone Act, a taxpayer shall be
4 allowed a credit against the tax imposed by subsections (a)
5 and (b) of this Section for investment in qualified
6 property which is placed in service by a Department of
7 Commerce and Economic Opportunity designated High Impact
8 Business. The credit shall be .5% of the basis for such
9 property. The credit shall not be available (i) until the
10 minimum investments in qualified property set forth in
11 subdivision (a)(3)(A) of Section 5.5 of the Illinois
12 Enterprise Zone Act have been satisfied or (ii) until the
13 time authorized in subsection (b-5) of the Illinois
14 Enterprise Zone Act for entities designated as High Impact
15 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
16 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
17 Act, and shall not be allowed to the extent that it would
18 reduce a taxpayer's liability for the tax imposed by
19 subsections (a) and (b) of this Section to below zero. The
20 credit applicable to such investments shall be taken in the
21 taxable year in which such investments have been completed.
22 The credit for additional investments beyond the minimum
23 investment by a designated high impact business authorized
24 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
25 Enterprise Zone Act shall be available only in the taxable
26 year in which the property is placed in service and shall

1 not be allowed to the extent that it would reduce a
2 taxpayer's liability for the tax imposed by subsections (a)
3 and (b) of this Section to below zero. For tax years ending
4 on or after December 31, 1987, the credit shall be allowed
5 for the tax year in which the property is placed in
6 service, or, if the amount of the credit exceeds the tax
7 liability for that year, whether it exceeds the original
8 liability or the liability as later amended, such excess
9 may be carried forward and applied to the tax liability of
10 the 5 taxable years following the excess credit year. The
11 credit shall be applied to the earliest year for which
12 there is a liability. If there is credit from more than one
13 tax year that is available to offset a liability, the
14 credit accruing first in time shall be applied first.

15 Changes made in this subdivision (h) (1) by Public Act
16 88-670 restore changes made by Public Act 85-1182 and
17 reflect existing law.

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

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

21 (B) is depreciable pursuant to Section 167 of the
22 Internal Revenue Code, except that "3-year property"
23 as defined in Section 168(c) (2) (A) of that Code is not
24 eligible for the credit provided by this subsection
25 (h);

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code; and

2 (D) is not eligible for the Enterprise Zone
3 Investment Credit provided by subsection (f) of this
4 Section.

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

8 (4) If the basis of the property for federal income tax
9 depreciation purposes is increased after it has been placed
10 in service in a federally designated Foreign Trade Zone or
11 Sub-Zone located in Illinois by the taxpayer, the amount of
12 such increase shall be deemed property placed in service on
13 the date of such increase in basis.

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

16 (6) If during any taxable year ending on or before
17 December 31, 1996, any property ceases to be qualified
18 property in the hands of the taxpayer within 48 months
19 after being placed in service, or the situs of any
20 qualified property is moved outside Illinois within 48
21 months after being placed in service, the tax imposed under
22 subsections (a) and (b) of this Section for such taxable
23 year shall be increased. Such increase shall be determined
24 by (i) recomputing the investment credit which would have
25 been allowed for the year in which credit for such property
26 was originally allowed by eliminating such property from

1 such computation, and (ii) subtracting such recomputed
2 credit from the amount of credit previously allowed. For
3 the purposes of this paragraph (6), a reduction of the
4 basis of qualified property resulting from a
5 redetermination of the purchase price shall be deemed a
6 disposition of qualified property to the extent of such
7 reduction.

8 (7) Beginning with tax years ending after December 31,
9 1996, if a taxpayer qualifies for the credit under this
10 subsection (h) and thereby is granted a tax abatement and
11 the taxpayer relocates its entire facility in violation of
12 the explicit terms and length of the contract under Section
13 18-183 of the Property Tax Code, the tax imposed under
14 subsections (a) and (b) of this Section shall be increased
15 for the taxable year in which the taxpayer relocated its
16 facility by an amount equal to the amount of credit
17 received by the taxpayer under this subsection (h).

18 (h-5) High Impact Business construction ~~constructions~~ jobs
19 credit. For taxable years beginning on or after January 1,
20 2021, there shall also be allowed a High Impact Business
21 construction jobs credit against the tax imposed under
22 subsections (a) and (b) of this Section as provided in
23 subsections (i) and (j) of Section 5.5 of the Illinois
24 Enterprise Zone Act.

25 The credit or credits may not reduce the taxpayer's
26 liability to less than zero. If the amount of the credit or

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

9 For partners, shareholders of Subchapter S corporations,
10 and owners of limited liability companies, if the liability
11 company is treated as a partnership for the purposes of federal
12 and State income taxation, there shall be allowed a credit
13 under this Section to be determined in accordance with the
14 determination of income and distributive share of income under
15 Sections 702 and 704 and Subchapter S of the Internal Revenue
16 Code.

17 The total aggregate amount of credits awarded under the
18 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
19 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
20 \$20,000,000 in any State fiscal year.

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

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

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

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

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

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

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

24 Any credit allowed under this subsection which is unused in
25 the year the credit is earned may be carried forward to each of
26 the 5 taxable years following the year for which the credit is

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

8 (k) Research and development credit. For tax years ending
9 after July 1, 1990 and prior to December 31, 2003, and
10 beginning again for tax years ending on or after December 31,
11 2004, and ending prior to January 1, 2027, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a) and
13 (b) of this Section for increasing research activities in this
14 State. The credit allowed against the tax imposed by
15 subsections (a) and (b) shall be equal to 6 1/2% of the
16 qualifying expenditures for increasing research activities in
17 this State. 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 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 For purposes of this subsection, "qualifying expenditures"
26 means the qualifying expenditures as defined for the federal

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

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

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

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

6 No inference shall be drawn from Public Act 91-644 ~~this~~
7 ~~amendatory Act of the 91st General Assembly~~ in construing this
8 Section for taxable years beginning before January 1, 1999.

9 It is the intent of the General Assembly that the research
10 and development credit under this subsection (k) shall apply
11 continuously for all tax years ending on or after December 31,
12 2004 and ending prior to January 1, 2027, including, but not
13 limited to, the period beginning on January 1, 2016 and ending
14 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~. All actions taken
16 in reliance on the continuation of the credit under this
17 subsection (k) by any taxpayer are hereby validated.

18 (l) Environmental Remediation Tax Credit.

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

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

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

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

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

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

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

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

10 For purposes of this subsection:

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

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

22 "School" means any public or nonpublic elementary or
23 secondary school in Illinois that is in compliance with Title
24 VI of the Civil Rights Act of 1964 and attendance at which
25 satisfies the requirements of Section 26-1 of the School Code,
26 except that nothing shall be construed to require a child to

1 attend any particular public or nonpublic school to qualify for
2 the credit under this Section.

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

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

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

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

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. This
22 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 (o) For each of taxable years during the Compassionate Use
18 of Medical Cannabis Program, a surcharge is imposed on all
19 taxpayers on income arising from the sale or exchange of
20 capital assets, depreciable business property, real property
21 used in the trade or business, and Section 197 intangibles of
22 an organization registrant under the Compassionate Use of
23 Medical Cannabis Program Act. The amount of the surcharge is
24 equal to the amount of federal income tax liability for the
25 taxable year attributable to those sales and exchanges. The
26 surcharge imposed does not apply if:

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

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

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

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

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

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

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

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the registration when the registration was issued;

1 or

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

9 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,
10 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
11 revised 9-17-19.)

12 (Text of Section after amendment by P.A. 101-8)

13 Sec. 201. Tax imposed.

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

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

24 (1) In the case of an individual, trust or estate, for
25 taxable years ending prior to July 1, 1989, an amount equal

1 to 2 1/2% of the taxpayer's net income for the taxable
2 year.

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

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

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

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

25 (5.1) In the case of an individual, trust, or estate,
26 for taxable years beginning prior to January 1, 2015, and

1 ending after December 31, 2014, an amount equal to the sum
2 of (i) 5% of the taxpayer's net income for the period prior
3 to January 1, 2015, as calculated under Section 202.5, and
4 (ii) 3.75% of the taxpayer's net income for the period
5 after December 31, 2014, as calculated under Section 202.5.

6 (5.2) In the case of an individual, trust, or estate,
7 for taxable years beginning on or after January 1, 2015,
8 and ending prior to July 1, 2017, an amount equal to 3.75%
9 of the taxpayer's net income for the taxable year.

10 (5.3) In the case of an individual, trust, or estate,
11 for taxable years beginning prior to July 1, 2017, and
12 ending after June 30, 2017, an amount equal to the sum of
13 (i) 3.75% of the taxpayer's net income for the period prior
14 to July 1, 2017, as calculated under Section 202.5, and
15 (ii) 4.95% of the taxpayer's net income for the period
16 after June 30, 2017, as calculated under Section 202.5.

17 (5.4) In the case of an individual, trust, or estate,
18 for taxable years beginning on or after July 1, 2017 and
19 beginning prior to January 1, 2021, an amount equal to
20 4.95% of the taxpayer's net income for the taxable year.

21 (5.5) In the case of an individual, trust, or estate,
22 for taxable years beginning on or after January 1, 2021, an
23 amount calculated under the rate structure set forth in
24 Section 201.1.

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

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

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

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

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

24 (11) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2015, and ending after
26 December 31, 2014, an amount equal to the sum of (i) 7% of

1 the taxpayer's net income for the period prior to January
2 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
3 of the taxpayer's net income for the period after December
4 31, 2014, as calculated under Section 202.5.

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

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

16 (14) In the case of a corporation, for taxable years
17 beginning on or after July 1, 2017 and beginning prior to
18 January 1, 2021, an amount equal to 7% of the taxpayer's
19 net income for the taxable year.

20 (15) In the case of a corporation, for taxable years
21 beginning on or after January 1, 2021, an amount equal to
22 7.99% of the taxpayer's net income for the taxable year.

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

25 (b-5) Surcharge; sale or exchange of assets, properties,
26 and intangibles of organization gaming licensees. For each of

1 taxable years 2019 through 2027, a surcharge is imposed on all
2 taxpayers on income arising from the sale or exchange of
3 capital assets, depreciable business property, real property
4 used in the trade or business, and Section 197 intangibles (i)
5 of an organization licensee under the Illinois Horse Racing Act
6 of 1975 and (ii) of an organization gaming licensee under the
7 Illinois Gambling Act. The amount of the surcharge is equal to
8 the amount of federal income tax liability for the taxable year
9 attributable to those sales and exchanges. The surcharge
10 imposed shall not apply if:

11 (1) the organization gaming license, organization
12 license, or racetrack property is transferred as a result
13 of any of the following:

14 (A) bankruptcy, a receivership, or a debt
15 adjustment initiated by or against the initial
16 licensee or the substantial owners of the initial
17 licensee;

18 (B) cancellation, revocation, or termination of
19 any such license by the Illinois Gaming Board or the
20 Illinois Racing Board;

21 (C) a determination by the Illinois Gaming Board
22 that transfer of the license is in the best interests
23 of Illinois gaming;

24 (D) the death of an owner of the equity interest in
25 a licensee;

26 (E) the acquisition of a controlling interest in

1 the stock or substantially all of the assets of a
2 publicly traded company;

3 (F) a transfer by a parent company to a wholly
4 owned subsidiary; or

5 (G) the transfer or sale to or by one person to
6 another person where both persons were initial owners
7 of the license when the license was issued; or

8 (2) the controlling interest in the organization
9 gaming license, organization license, or racetrack
10 property is transferred in a transaction to lineal
11 descendants in which no gain or loss is recognized or as a
12 result of a transaction in accordance with Section 351 of
13 the Internal Revenue Code in which no gain or loss is
14 recognized; or

15 (3) live horse racing was not conducted in 2010 at a
16 racetrack located within 3 miles of the Mississippi River
17 under a license issued pursuant to the Illinois Horse
18 Racing Act of 1975.

19 The transfer of an organization gaming license,
20 organization license, or racetrack property by a person other
21 than the initial licensee to receive the organization gaming
22 license is not subject to a surcharge. The Department shall
23 adopt rules necessary to implement and administer this
24 subsection.

25 (c) Personal Property Tax Replacement Income Tax.
26 Beginning on July 1, 1979 and thereafter, in addition to such

1 income tax, there is also hereby imposed the Personal Property
2 Tax Replacement Income Tax measured by net income on every
3 corporation (including Subchapter S corporations), partnership
4 and trust, for each taxable year ending after June 30, 1979.
5 Such taxes are imposed on the privilege of earning or receiving
6 income in or as a resident of this State. The Personal Property
7 Tax Replacement Income Tax shall be in addition to the income
8 tax imposed by subsections (a) and (b) of this Section and in
9 addition to all other occupation or privilege taxes imposed by
10 this State or by any municipal corporation or political
11 subdivision thereof.

12 (d) Additional Personal Property Tax Replacement Income
13 Tax Rates. The personal property tax replacement income tax
14 imposed by this subsection and subsection (c) of this Section
15 in the case of a corporation, other than a Subchapter S
16 corporation and except as adjusted by subsection (d-1), shall
17 be an additional amount equal to 2.85% of such taxpayer's net
18 income for the taxable year, except that beginning on January
19 1, 1981, and thereafter, the rate of 2.85% specified in this
20 subsection shall be reduced to 2.5%, and in the case of a
21 partnership, trust or a Subchapter S corporation shall be an
22 additional amount equal to 1.5% of such taxpayer's net income
23 for the taxable year.

24 (d-1) Rate reduction for certain foreign insurers. In the
25 case of a foreign insurer, as defined by Section 35A-5 of the
26 Illinois Insurance Code, whose state or country of domicile

1 imposes on insurers domiciled in Illinois a retaliatory tax
2 (excluding any insurer whose premiums from reinsurance assumed
3 are 50% or more of its total insurance premiums as determined
4 under paragraph (2) of subsection (b) of Section 304, except
5 that for purposes of this determination premiums from
6 reinsurance do not include premiums from inter-affiliate
7 reinsurance arrangements), beginning with taxable years ending
8 on or after December 31, 1999, the sum of the rates of tax
9 imposed by subsections (b) and (d) shall be reduced (but not
10 increased) to the rate at which the total amount of tax imposed
11 under this Act, net of all credits allowed under this Act,
12 shall equal (i) the total amount of tax that would be imposed
13 on the foreign insurer's net income allocable to Illinois for
14 the taxable year by such foreign insurer's state or country of
15 domicile if that net income were subject to all income taxes
16 and taxes measured by net income imposed by such foreign
17 insurer's state or country of domicile, net of all credits
18 allowed or (ii) a rate of zero if no such tax is imposed on such
19 income by the foreign insurer's state of domicile. For the
20 purposes of this subsection (d-1), an inter-affiliate includes
21 a mutual insurer under common management.

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

25 (A) the total amount of tax imposed on such foreign
26 insurer under this Act for a taxable year, net of all

1 credits allowed under this Act, plus

2 (B) the privilege tax imposed by Section 409 of the
3 Illinois Insurance Code, the fire insurance company
4 tax imposed by Section 12 of the Fire Investigation
5 Act, and the fire department taxes imposed under
6 Section 11-10-1 of the Illinois Municipal Code,
7 equals 1.25% for taxable years ending prior to December 31,
8 2003, or 1.75% for taxable years ending on or after
9 December 31, 2003, of the net taxable premiums written for
10 the taxable year, as described by subsection (1) of Section
11 409 of the Illinois Insurance Code. This paragraph will in
12 no event increase the rates imposed under subsections (b)
13 and (d).

14 (2) Any reduction in the rates of tax imposed by this
15 subsection shall be applied first against the rates imposed
16 by subsection (b) and only after the tax imposed by
17 subsection (a) net of all credits allowed under this
18 Section other than the credit allowed under subsection (i)
19 has been reduced to zero, against the rates imposed by
20 subsection (d).

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

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

26 (1) A taxpayer shall be allowed a credit equal to .5%

1 of the basis of qualified property placed in service during
2 the taxable year, provided such property is placed in
3 service on or after July 1, 1984. There shall be allowed an
4 additional credit equal to .5% of the basis of qualified
5 property placed in service during the taxable year,
6 provided such property is placed in service on or after
7 July 1, 1986, and the taxpayer's base employment within
8 Illinois has increased by 1% or more over the preceding
9 year as determined by the taxpayer's employment records
10 filed with the Illinois Department of Employment Security.
11 Taxpayers who are new to Illinois shall be deemed to have
12 met the 1% growth in base employment for the first year in
13 which they file employment records with the Illinois
14 Department of Employment Security. The provisions added to
15 this Section by Public Act 85-1200 (and restored by Public
16 Act 87-895) shall be construed as declaratory of existing
17 law and not as a new enactment. If, in any year, the
18 increase in base employment within Illinois over the
19 preceding year is less than 1%, the additional credit shall
20 be limited to that percentage times a fraction, the
21 numerator of which is .5% and the denominator of which is
22 1%, but shall not exceed .5%. The investment credit shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability in any tax year below zero, nor may
25 any credit for qualified property be allowed for any year
26 other than the year in which the property was placed in

1 service in Illinois. For tax years ending on or after
2 December 31, 1987, and on or before December 31, 1988, the
3 credit shall be allowed for the tax year in which the
4 property is placed in service, or, if the amount of the
5 credit exceeds the tax liability for that year, whether it
6 exceeds the original liability or the liability as later
7 amended, such excess may be carried forward and applied to
8 the tax liability of the 5 taxable years following the
9 excess credit years if the taxpayer (i) makes investments
10 which cause the creation of a minimum of 2,000 full-time
11 equivalent jobs in Illinois, (ii) is located in an
12 enterprise zone established pursuant to the Illinois
13 Enterprise Zone Act and (iii) is certified by the
14 Department of Commerce and Community Affairs (now
15 Department of Commerce and Economic Opportunity) as
16 complying with the requirements specified in clause (i) and
17 (ii) by July 1, 1986. The Department of Commerce and
18 Community Affairs (now Department of Commerce and Economic
19 Opportunity) shall notify the Department of Revenue of all
20 such certifications immediately. For tax years ending
21 after December 31, 1988, the credit shall be allowed for
22 the tax year in which the property is placed in service,
23 or, if the amount of the credit exceeds the tax liability
24 for that year, whether it exceeds the original liability or
25 the liability as later amended, such excess may be carried
26 forward and applied to the tax liability of the 5 taxable

1 years following the excess credit years. The credit shall
2 be applied to the earliest year for which there is a
3 liability. If there is credit from more than one tax year
4 that is available to offset a liability, earlier credit
5 shall be applied first.

6 (2) The term "qualified property" means property
7 which:

8 (A) is tangible, whether new or used, including
9 buildings and structural components of buildings and
10 signs that are real property, but not including land or
11 improvements to real property that are not a structural
12 component of a building such as landscaping, sewer
13 lines, local access roads, fencing, parking lots, and
14 other appurtenances;

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

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

22 (D) is used in Illinois by a taxpayer who is
23 primarily engaged in manufacturing, or in mining coal
24 or fluorite, or in retailing, or was placed in service
25 on or after July 1, 2006 in a River Edge Redevelopment
26 Zone established pursuant to the River Edge

1 Redevelopment Zone Act; and

2 (E) has not previously been used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (e) or
5 subsection (f).

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

25 (4) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

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

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

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

25 (8) Unless the investment credit is extended by law,
26 the basis of qualified property shall not include costs

1 incurred after December 31, 2018, except for costs incurred
2 pursuant to a binding contract entered into on or before
3 December 31, 2018.

4 (9) Each taxable year ending before December 31, 2000,
5 a partnership may elect to pass through to its partners the
6 credits to which the partnership is entitled under this
7 subsection (e) for the taxable year. A partner may use the
8 credit allocated to him or her under this paragraph only
9 against the tax imposed in subsections (c) and (d) of this
10 Section. If the partnership makes that election, those
11 credits shall be allocated among the partners in the
12 partnership in accordance with the rules set forth in
13 Section 704(b) of the Internal Revenue Code, and the rules
14 promulgated under that Section, and the allocated amount of
15 the credits shall be allowed to the partners for that
16 taxable year. The partnership shall make this election on
17 its Personal Property Tax Replacement Income Tax return for
18 that taxable year. The election to pass through the credits
19 shall be irrevocable.

20 For taxable years ending on or after December 31, 2000,
21 a partner that qualifies its partnership for a subtraction
22 under subparagraph (I) of paragraph (2) of subsection (d)
23 of Section 203 or a shareholder that qualifies a Subchapter
24 S corporation for a subtraction under subparagraph (S) of
25 paragraph (2) of subsection (b) of Section 203 shall be
26 allowed a credit under this subsection (e) equal to its

1 share of the credit earned under this subsection (e) during
2 the taxable year by the partnership or Subchapter S
3 corporation, determined in accordance with the
4 determination of income and distributive share of income
5 under Sections 702 and 704 and Subchapter S of the Internal
6 Revenue Code. This paragraph is exempt from the provisions
7 of Section 250.

8 (f) Investment credit; Enterprise Zone; River Edge
9 Redevelopment Zone.

10 (1) A taxpayer shall be allowed a credit against the
11 tax imposed by subsections (a) and (b) of this Section for
12 investment in qualified property which is placed in service
13 in an Enterprise Zone created pursuant to the Illinois
14 Enterprise Zone Act or, for property placed in service on
15 or after July 1, 2006, a River Edge Redevelopment Zone
16 established pursuant to the River Edge Redevelopment Zone
17 Act. For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies,
19 if the liability company is treated as a partnership for
20 purposes of federal and State income taxation, there shall
21 be allowed a credit under this subsection (f) to be
22 determined in accordance with the determination of income
23 and distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. The credit
25 shall be .5% of the basis for such property. The credit
26 shall be available only in the taxable year in which the

1 property is placed in service in the Enterprise Zone or
2 River Edge Redevelopment Zone and shall not be allowed to
3 the extent that it would reduce a taxpayer's liability for
4 the tax imposed by subsections (a) and (b) of this Section
5 to below zero. For tax years ending on or after December
6 31, 1985, the credit shall be allowed for the tax year in
7 which the property is placed in service, or, if the amount
8 of the credit exceeds the tax liability for that year,
9 whether it exceeds the original liability or the liability
10 as later amended, such excess may be carried forward and
11 applied to the tax liability of the 5 taxable years
12 following the excess credit year. The credit shall be
13 applied to the earliest year for which there is a
14 liability. If there is credit from more than one tax year
15 that is available to offset a liability, the credit
16 accruing first in time shall be applied first.

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

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

20 (B) is depreciable pursuant to Section 167 of the
21 Internal Revenue Code, except that "3-year property"
22 as defined in Section 168(c) (2) (A) of that Code is not
23 eligible for the credit provided by this subsection
24 (f);

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

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

3 (E) has not been previously used in Illinois in
4 such a manner and by such a person as would qualify for
5 the credit provided by this subsection (f) or
6 subsection (e).

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

10 (4) If the basis of the property for federal income tax
11 depreciation purposes is increased after it has been placed
12 in service in the Enterprise Zone or River Edge
13 Redevelopment Zone by the taxpayer, the amount of such
14 increase shall be deemed property placed in service on the
15 date of such increase in basis.

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

18 (6) If during any taxable year, any property ceases to
19 be qualified property in the hands of the taxpayer within
20 48 months after being placed in service, or the situs of
21 any qualified property is moved outside the Enterprise Zone
22 or River Edge Redevelopment Zone within 48 months after
23 being placed in service, the tax imposed under subsections
24 (a) and (b) of this Section for such taxable year shall be
25 increased. Such increase shall be determined by (i)
26 recomputing the investment credit which would have been

1 allowed for the year in which credit for such property was
2 originally allowed by eliminating such property from such
3 computation, and (ii) subtracting such recomputed credit
4 from the amount of credit previously allowed. For the
5 purposes of this paragraph (6), a reduction of the basis of
6 qualified property resulting from a redetermination of the
7 purchase price shall be deemed a disposition of qualified
8 property to the extent of such reduction.

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

26 (8) For taxable years beginning on or after January 1,

1 2021, there shall be allowed an Enterprise Zone
2 construction jobs credit against the taxes imposed under
3 subsections (a) and (b) of this Section as provided in
4 Section 13 of the Illinois Enterprise Zone Act.

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

16 For partners, shareholders of Subchapter S
17 corporations, and owners of limited liability companies,
18 if the liability company is treated as a partnership for
19 the purposes of federal and State income taxation, there
20 shall be allowed a credit under this Section to be
21 determined in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code.

24 The total aggregate amount of credits awarded under the
25 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
26 ~~amendatory Act of the 101st General Assembly~~) shall not

1 exceed \$20,000,000 in any State fiscal year.

2 This paragraph (8) is exempt from the provisions of
3 Section 250.

4 (f-1) Investment credit; Energy Transition Zone.

5 (1) For tax years beginning on or after January 1,
6 2021, a taxpayer shall be allowed a credit against the tax
7 imposed by subsections (a) and (b) of this Section for
8 investment in qualified property which is placed in service
9 for the use of the production of green energy by a green
10 energy enterprise in an Energy Transition Zone created
11 pursuant to the Illinois Energy Transition Zone Act. For
12 partners, shareholders of Subchapter S corporations, and
13 owners of limited liability companies, if the liability
14 company is treated as a partnership for purposes of federal
15 and State income taxation, there shall be allowed a credit
16 under this subsection (f-1) to be determined in accordance
17 with the determination of income and distributive share of
18 income under Sections 702 and 704 and Subchapter S of the
19 Internal Revenue Code. The credit shall be 0.5% of the
20 basis for such property. The credit shall be available only
21 in the taxable year in which the property is placed in
22 service in the Energy Transition Zone and shall not be
23 allowed to the extent that it would reduce a taxpayer's
24 liability for the tax imposed by subsections (a) and (b) of
25 this Section to below zero. The credit shall be allowed for
26 the tax year in which the property is placed in service,

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

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

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

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c)(2)(A) of that Code is not
16 eligible for the credit provided by this subsection
17 (f-1);

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

20 (D) is used in the Energy Transition Zone by the
21 taxpayer in relation to producing green energy; and

22 (E) has not been previously used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (f-1).

25 (3) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

2 (4) If the basis of the property for federal income tax
3 depreciation purposes is increased after it has been placed
4 in service in the Energy Transition Zone by the taxpayer,
5 the amount of such increase shall be deemed property placed
6 in service on the date of such increase in basis.

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

9 (6) If during any taxable year, any property ceases to
10 be qualified property in the hands of the taxpayer within
11 48 months after being placed in service, or the situs of
12 any qualified property is moved outside the Energy
13 Transition Zone within 48 months after being placed in
14 service, the tax imposed under subsections (a) and (b) of
15 this Section for such taxable year shall be increased. Such
16 increase shall be determined by (i) recomputing the
17 investment credit which would have been allowed for the
18 year in which credit for such property was originally
19 allowed by eliminating such property from such
20 computation, and (ii) subtracting such recomputed credit
21 from the amount of credit previously allowed. For the
22 purposes of this paragraph (6), a reduction of the basis of
23 qualified property resulting from a redetermination of the
24 purchase price shall be deemed a disposition of qualified
25 property to the extent of such reduction.

26 (g) (Blank).

1 (h) Investment credit; High Impact Business.

2 (1) Subject to subsections (b) and (b-5) of Section 5.5
3 of the Illinois Enterprise Zone Act, a taxpayer shall be
4 allowed a credit against the tax imposed by subsections (a)
5 and (b) of this Section for investment in qualified
6 property which is placed in service by a Department of
7 Commerce and Economic Opportunity designated High Impact
8 Business. The credit shall be .5% of the basis for such
9 property. The credit shall not be available (i) until the
10 minimum investments in qualified property set forth in
11 subdivision (a)(3)(A) of Section 5.5 of the Illinois
12 Enterprise Zone Act have been satisfied or (ii) until the
13 time authorized in subsection (b-5) of the Illinois
14 Enterprise Zone Act for entities designated as High Impact
15 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
16 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
17 Act, and shall not be allowed to the extent that it would
18 reduce a taxpayer's liability for the tax imposed by
19 subsections (a) and (b) of this Section to below zero. The
20 credit applicable to such investments shall be taken in the
21 taxable year in which such investments have been completed.
22 The credit for additional investments beyond the minimum
23 investment by a designated high impact business authorized
24 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
25 Enterprise Zone Act shall be available only in the taxable
26 year in which the property is placed in service and shall

1 not be allowed to the extent that it would reduce a
2 taxpayer's liability for the tax imposed by subsections (a)
3 and (b) of this Section to below zero. For tax years ending
4 on or after December 31, 1987, the credit shall be allowed
5 for the tax year in which the property is placed in
6 service, or, if the amount of the credit exceeds the tax
7 liability for that year, whether it exceeds the original
8 liability or the liability as later amended, such excess
9 may be carried forward and applied to the tax liability of
10 the 5 taxable years following the excess credit year. The
11 credit shall be applied to the earliest year for which
12 there is a liability. If there is credit from more than one
13 tax year that is available to offset a liability, the
14 credit accruing first in time shall be applied first.

15 Changes made in this subdivision (h) (1) by Public Act
16 88-670 restore changes made by Public Act 85-1182 and
17 reflect existing law.

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

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

21 (B) is depreciable pursuant to Section 167 of the
22 Internal Revenue Code, except that "3-year property"
23 as defined in Section 168(c) (2) (A) of that Code is not
24 eligible for the credit provided by this subsection
25 (h);

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code; and

2 (D) is not eligible for the Enterprise Zone
3 Investment Credit provided by subsection (f) of this
4 Section.

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

8 (4) If the basis of the property for federal income tax
9 depreciation purposes is increased after it has been placed
10 in service in a federally designated Foreign Trade Zone or
11 Sub-Zone located in Illinois by the taxpayer, the amount of
12 such increase shall be deemed property placed in service on
13 the date of such increase in basis.

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

16 (6) If during any taxable year ending on or before
17 December 31, 1996, any property ceases to be qualified
18 property in the hands of the taxpayer within 48 months
19 after being placed in service, or the situs of any
20 qualified property is moved outside Illinois within 48
21 months after being placed in service, the tax imposed under
22 subsections (a) and (b) of this Section for such taxable
23 year shall be increased. Such increase shall be determined
24 by (i) recomputing the investment credit which would have
25 been allowed for the year in which credit for such property
26 was originally allowed by eliminating such property from

1 such computation, and (ii) subtracting such recomputed
2 credit from the amount of credit previously allowed. For
3 the purposes of this paragraph (6), a reduction of the
4 basis of qualified property resulting from a
5 redetermination of the purchase price shall be deemed a
6 disposition of qualified property to the extent of such
7 reduction.

8 (7) Beginning with tax years ending after December 31,
9 1996, if a taxpayer qualifies for the credit under this
10 subsection (h) and thereby is granted a tax abatement and
11 the taxpayer relocates its entire facility in violation of
12 the explicit terms and length of the contract under Section
13 18-183 of the Property Tax Code, the tax imposed under
14 subsections (a) and (b) of this Section shall be increased
15 for the taxable year in which the taxpayer relocated its
16 facility by an amount equal to the amount of credit
17 received by the taxpayer under this subsection (h).

18 (h-5) High Impact Business construction ~~constructions~~ jobs
19 credit. For taxable years beginning on or after January 1,
20 2021, there shall also be allowed a High Impact Business
21 construction jobs credit against the tax imposed under
22 subsections (a) and (b) of this Section as provided in
23 subsections (i) and (j) of Section 5.5 of the Illinois
24 Enterprise Zone Act.

25 The credit or credits may not reduce the taxpayer's
26 liability to less than zero. If the amount of the credit or

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

9 For partners, shareholders of Subchapter S corporations,
10 and owners of limited liability companies, if the liability
11 company is treated as a partnership for the purposes of federal
12 and State income taxation, there shall be allowed a credit
13 under this Section to be determined in accordance with the
14 determination of income and distributive share of income under
15 Sections 702 and 704 and Subchapter S of the Internal Revenue
16 Code.

17 The total aggregate amount of credits awarded under the
18 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
19 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
20 \$20,000,000 in any State fiscal year.

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

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

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

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

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

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

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

24 Any credit allowed under this subsection which is unused in
25 the year the credit is earned may be carried forward to each of
26 the 5 taxable years following the year for which the credit is

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

8 (k) Research and development credit. For tax years ending
9 after July 1, 1990 and prior to December 31, 2003, and
10 beginning again for tax years ending on or after December 31,
11 2004, and ending prior to January 1, 2027, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a) and
13 (b) of this Section for increasing research activities in this
14 State. The credit allowed against the tax imposed by
15 subsections (a) and (b) shall be equal to 6 1/2% of the
16 qualifying expenditures for increasing research activities in
17 this State. 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 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 For purposes of this subsection, "qualifying expenditures"
26 means the qualifying expenditures as defined for the federal

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

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

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

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

6 No inference shall be drawn from Public Act 91-644 ~~this~~
7 ~~amendatory Act of the 91st General Assembly~~ in construing this
8 Section for taxable years beginning before January 1, 1999.

9 It is the intent of the General Assembly that the research
10 and development credit under this subsection (k) shall apply
11 continuously for all tax years ending on or after December 31,
12 2004 and ending prior to January 1, 2027, including, but not
13 limited to, the period beginning on January 1, 2016 and ending
14 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~. All actions taken
16 in reliance on the continuation of the credit under this
17 subsection (k) by any taxpayer are hereby validated.

18 (l) Environmental Remediation Tax Credit.

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

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

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

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

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

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

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

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

10 For purposes of this subsection:

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

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

22 "School" means any public or nonpublic elementary or
23 secondary school in Illinois that is in compliance with Title
24 VI of the Civil Rights Act of 1964 and attendance at which
25 satisfies the requirements of Section 26-1 of the School Code,
26 except that nothing shall be construed to require a child to

1 attend any particular public or nonpublic school to qualify for
2 the credit under this Section.

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

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

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

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

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. This
22 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 (o) For each of taxable years during the Compassionate Use
18 of Medical Cannabis Program, a surcharge is imposed on all
19 taxpayers on income arising from the sale or exchange of
20 capital assets, depreciable business property, real property
21 used in the trade or business, and Section 197 intangibles of
22 an organization registrant under the Compassionate Use of
23 Medical Cannabis Program Act. The amount of the surcharge is
24 equal to the amount of federal income tax liability for the
25 taxable year attributable to those sales and exchanges. The
26 surcharge imposed does not apply if:

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

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

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

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

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

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

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

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the registration when the registration was issued;

1 or

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

9 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
10 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
11 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 9-17-19.)

12 Section 10-25. The Retailers' Occupation Tax Act is amended
13 by adding Section 5k-1 as follows:

14 (35 ILCS 120/5k-1 new)

15 Sec. 5k-1. Building materials exemption; Energy Transition
16 Zone.

17 (a) Each retailer who makes a qualified sale of building
18 materials to be incorporated into a green energy project, as
19 defined in the Energy Transition Zone Act, being built by a
20 green energy enterprise in an Energy Transition Zone
21 established by or municipality under the Illinois Energy
22 Transition Zone Act by remodeling, rehabilitation or new
23 construction, may deduct receipts from such sales when
24 calculating the tax imposed by this Act. For purposes of this

1 Section, "qualified sale" means a sale of building materials
2 that will be incorporated into real estate as part of a
3 building project for which an Energy Transition Zone Building
4 Materials Exemption Certificate has been issued to the
5 purchaser by the Department. A construction contractor or other
6 entity shall not make tax-free purchases unless it has an
7 active Energy Transition Zone Building Materials Exemption
8 Certificate issued by the Department at the time of the
9 purchase.

10 (b) To document the exemption allowed under this Section,
11 the retailer must obtain from the purchaser the certification
12 required under subsection (c), which must contain the Energy
13 Transition Zone Building Materials Exemption Certificate
14 number issued to the purchaser by the Department. Upon request
15 from the Energy Transition Zone Administrator, the Department
16 shall issue an Energy Transition Zone Building Materials
17 Exemption Certificate for each construction contractor or
18 other entity identified by the Energy Transition Zone
19 Administrator. The Department shall make the Energy Transition
20 Zone Building Materials Exemption Certificates available
21 directly to each Energy Transition Zone Administrator,
22 construction contractor, or other entity. The request for
23 Energy Transition Zone Building Materials Exemption
24 Certificates from the Energy Transition Zone Administrator to
25 the Department must include the following information:

26 (1) the name and address of the construction contractor

1 or other entity;

2 (2) the name and number of the Energy Transition Zone;

3 (3) the name and location or address of the green
4 energy enterprise;

5 (4) the estimated amount of the exemption for each
6 construction contractor or other entity for which a request
7 for Energy Transition Zone Building Materials Exemption
8 Certificate is made, based on a stated estimated average
9 tax rate and the percentage of the contract that consists
10 of materials;

11 (5) the period of time over which supplies for the
12 project are expected to be purchased; and

13 (6) other reasonable information as the Department may
14 require, including, but not limited to FEIN numbers, to
15 determine if the contractor or other entity, or any
16 partner, or a corporate officer, and in the case of a
17 limited liability company, any manager or member, of the
18 construction contractor or other entity, is or has been the
19 owner, a partner, a corporate officer, and in the case of a
20 limited liability company, a manager or member, of a person
21 that is in default for moneys due to the Department under
22 this Act or any other tax or fee Act administered by the
23 Department.

24 The Department shall issue the Energy Transition Zone
25 Building Materials Exemption Certificates within 3 business
26 days after receipt of request from the Zone Administrator. This

1 requirement does not apply in circumstances where the
2 Department, for reasonable cause, is unable to issue the Energy
3 Transition Zone Building Materials Exemption Certificate
4 within 3 business days. The Department may refuse to issue an
5 Energy Transition Zone Building Materials Exemption
6 Certificate if the owner, any partner, or a corporate officer,
7 and in the case of a limited liability company, any manager or
8 member, of the construction contractor or other entity is or
9 has been the owner, a partner, a corporate officer, and in the
10 case of a limited liability company, a manager or member, of a
11 person that is in default for moneys due to the Department
12 under this Act or any other tax or fee Act administered by the
13 Department. The Energy Transition Zone Building Materials
14 Exemption Certificate shall contain language stating that if
15 the construction contractor or other entity who is issued the
16 Energy Transition Zone Building Materials Exemption
17 Certificate makes a tax-exempt purchase, as described in this
18 Section, that is not eligible for exemption under this Section
19 or allows another person to make a tax-exempt purchase, as
20 described in this Section, that is not eligible for exemption
21 under this Section, then, in addition to any tax or other
22 penalty imposed, the construction contractor or other entity is
23 subject to a penalty equal to the tax that would have been paid
24 by the retailer under this Act as well as any applicable local
25 retailers' occupation tax on the purchase that is not eligible
26 for the exemption.

1 The Department, in its discretion, may require that the
2 request for Energy Transition Zone Building Materials
3 Exemption Certificates be submitted electronically. The
4 Department may, in its discretion, issue the Energy Transition
5 Zone Building Materials Exemption Certificates electronically.
6 The Energy Transition Zone Building Materials Exemption
7 Certificate number shall be designed in such a way that the
8 Department can identify from the unique number on the Energy
9 Transition Zone Building Materials Exemption Certificate
10 issued to a given construction contractor or other entity, the
11 name of the Energy Transition Zone, the project for which the
12 Energy Transition Zone Building Materials Exemption
13 Certificate is issued, and the construction contractor or other
14 entity to whom the Energy Transition Zone Building Materials
15 Exemption Certificate is issued. The Energy Transition Zone
16 Building Materials Exemption Certificate shall contain an
17 expiration date, which shall be no more than 2 years after the
18 date of issuance. At the request of the Zone Administrator, the
19 Department may renew an Energy Transition Zone Building
20 Materials Exemption Certificate. After the Department issues
21 Energy Transition Zone Building Materials Exemption
22 Certificates for a given Energy Transition Zone project, the
23 Energy Transition Zone Administrator may notify the Department
24 of additional construction contractors or other entities
25 eligible for an Energy Transition Zone Building Materials
26 Exemption Certificate. Upon notification by the Energy

1 Transition Zone Administrator and subject to the other
2 provisions of this subsection (b), the Department shall issue
3 an Energy Transition Zone Building Materials Exemption
4 Certificate to each additional construction contractor or
5 other entity identified by the Energy Transition Zone
6 Administrator. An Energy Transition Zone Administrator may
7 notify the Department to rescind an Energy Transition Zone
8 Building Materials Exemption Certificate previously issued by
9 the Department but that has not yet expired. Upon notification
10 by the Energy Transition Zone Administrator and subject to the
11 other provisions of this subsection (b), the Department shall
12 issue the rescission of the Energy Transition Zone Building
13 Materials Exemption Certificate to the construction contractor
14 or other entity identified by the Energy Transition Zone
15 Administrator and provide a copy to the Energy Transition Zone
16 Administrator.

17 If the Department of Revenue determines that a construction
18 contractor or other entity that was issued an Energy Transition
19 Zone Building Materials Exemption Certificate under this
20 subsection (b) made a tax-exempt purchase, as described in this
21 Section, that was not eligible for exemption under this Section
22 or allowed another person to make a tax-exempt purchase, as
23 described in this Section, that was not eligible for exemption
24 under this Section, then, in addition to any tax or other
25 penalty imposed, the construction contractor or other entity is
26 subject to a penalty equal to the tax that would have been paid

1 by the retailer under this Act as well as any applicable local
2 retailers' occupation tax on the purchase that was not eligible
3 for the exemption.

4 (c) In addition, the retailer must obtain certification
5 from the purchaser that contains:

6 (1) a statement that the building materials are being
7 purchased for incorporation into a green energy project
8 located in an Illinois Energy Transition Zone;

9 (2) the location or address of the real estate into
10 which the building materials will be incorporated;

11 (3) the name of the Energy Transition Zone in which
12 that real estate is located;

13 (4) a description of the building materials being
14 purchased;

15 (5) the purchaser's Energy Transition Zone Building
16 Materials Exemption Certificate number issued by the
17 Department; and

18 (6) the purchaser's signature and date of purchase.

19 (d) The deduction allowed by this Section for the sale of
20 building materials may be limited, to the extent authorized by
21 ordinance by the municipality or county that created the Energy
22 Transition Zone into which the building materials will be
23 incorporated. The ordinance, however, may neither require nor
24 prohibit the purchase of building materials from any retailer
25 or class of retailers in order to qualify for the exemption
26 allowed under this Section. The provisions of this Section are

1 exempt from Section 2-70.

2 Section 10-30. The Illinois Municipal Code is amended by
3 changing Section 8-11-2 as follows:

4 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)

5 Sec. 8-11-2. The corporate authorities of any municipality
6 may tax any or all of the following occupations or privileges:

7 1. (Blank).

8 2. Persons engaged in the business of distributing,
9 supplying, furnishing, or selling gas for use or
10 consumption within the corporate limits of a municipality
11 of 500,000 or fewer population, and not for resale, at a
12 rate not to exceed 5% of the gross receipts therefrom.

13 2a. Persons engaged in the business of distributing,
14 supplying, furnishing, or selling gas for use or
15 consumption within the corporate limits of a municipality
16 of over 500,000 population, and not for resale, at a rate
17 not to exceed 8% of the gross receipts therefrom. If
18 imposed, this tax shall be paid in monthly payments.

19 3. The privilege of using or consuming electricity
20 acquired in a purchase at retail and used or consumed
21 within the corporate limits of the municipality at rates
22 not to exceed the following maximum rates, calculated on a
23 monthly basis for each purchaser:

24 (i) For the first 2,000 kilowatt-hours used or

- 1 consumed in a month; 0.61 cents per kilowatt-hour;
- 2 (ii) For the next 48,000 kilowatt-hours used or
3 consumed in a month; 0.40 cents per kilowatt-hour;
- 4 (iii) For the next 50,000 kilowatt-hours used or
5 consumed in a month; 0.36 cents per kilowatt-hour;
- 6 (iv) For the next 400,000 kilowatt-hours used or
7 consumed in a month; 0.35 cents per kilowatt-hour;
- 8 (v) For the next 500,000 kilowatt-hours used or
9 consumed in a month; 0.34 cents per kilowatt-hour;
- 10 (vi) For the next 2,000,000 kilowatt-hours used or
11 consumed in a month; 0.32 cents per kilowatt-hour;
- 12 (vii) For the next 2,000,000 kilowatt-hours used
13 or consumed in a month; 0.315 cents per kilowatt-hour;
- 14 (viii) For the next 5,000,000 kilowatt-hours used
15 or consumed in a month; 0.31 cents per kilowatt-hour;
- 16 (ix) For the next 10,000,000 kilowatt-hours used
17 or consumed in a month; 0.305 cents per kilowatt-hour;
- 18 and
- 19 (x) For all electricity used or consumed in excess
20 of 20,000,000 kilowatt-hours in a month, 0.30 cents per
21 kilowatt-hour.

22 If a municipality imposes a tax at rates lower than
23 either the maximum rates specified in this Section or the
24 alternative maximum rates promulgated by the Illinois
25 Commerce Commission, as provided below, the tax rates shall
26 be imposed upon the kilowatt-hour categories set forth

1 above with the same proportional relationship as that which
2 exists among such maximum rates. Notwithstanding the
3 foregoing, until December 31, 2008, no municipality shall
4 establish rates that are in excess of rates reasonably
5 calculated to produce revenues that equal the maximum total
6 revenues such municipality could have received under the
7 tax authorized by this subparagraph in the last full
8 calendar year prior to August 1, 1998 (the effective date
9 of Section 65 of Public Act 90-561); provided that this
10 shall not be a limitation on the amount of tax revenues
11 actually collected by such municipality.

12 Upon the request of the corporate authorities of a
13 municipality, the Illinois Commerce Commission shall,
14 within 90 days after receipt of such request, promulgate
15 alternative rates for each of these kilowatt-hour
16 categories that will reflect, as closely as reasonably
17 practical for that municipality, the distribution of the
18 tax among classes of purchasers as if the tax were based on
19 a uniform percentage of the purchase price of electricity.
20 A municipality that has adopted an ordinance imposing a tax
21 pursuant to subparagraph 3 as it existed prior to August 1,
22 1998 (the effective date of Section 65 of Public Act
23 90-561) may, rather than imposing the tax permitted by
24 Public Act 90-561, continue to impose the tax pursuant to
25 that ordinance with respect to gross receipts received from
26 residential customers through July 31, 1999, and with

1 respect to gross receipts from any non-residential
2 customer until the first bill issued to such customer for
3 delivery services in accordance with Section 16-104 of the
4 Public Utilities Act but in no case later than the last
5 bill issued to such customer before December 31, 2000. No
6 ordinance imposing the tax permitted by Public Act 90-561
7 shall be applicable to any non-residential customer until
8 the first bill issued to such customer for delivery
9 services in accordance with Section 16-104 of the Public
10 Utilities Act but in no case later than the last bill
11 issued to such non-residential customer before December
12 31, 2000.

13 4. Persons engaged in the business of distributing,
14 supplying, furnishing, or selling water for use or
15 consumption within the corporate limits of the
16 municipality, and not for resale, at a rate not to exceed
17 5% of the gross receipts therefrom.

18 None of the taxes authorized by this Section may be imposed
19 with respect to any transaction in interstate commerce or
20 otherwise to the extent to which the business or privilege may
21 not, under the constitution and statutes of the United States,
22 be made the subject of taxation by this State or any political
23 sub-division thereof; nor shall any persons engaged in the
24 business of distributing, supplying, furnishing, selling or
25 transmitting gas, water, or electricity, or using or consuming
26 electricity acquired in a purchase at retail, be subject to

1 taxation under the provisions of this Section for those
2 transactions that are or may become subject to taxation under
3 the provisions of the Municipal Retailers' Occupation Tax Act
4 authorized by Section 8-11-1; nor shall any tax authorized by
5 this Section be imposed upon any person engaged in a business
6 or on any privilege unless the tax is imposed in like manner
7 and at the same rate upon all persons engaged in businesses of
8 the same class in the municipality, whether privately or
9 municipally owned or operated, or exercising the same privilege
10 within the municipality.

11 Any of the taxes enumerated in this Section may be in
12 addition to the payment of money, or value of products or
13 services furnished to the municipality by the taxpayer as
14 compensation for the use of its streets, alleys, or other
15 public places, or installation and maintenance therein,
16 thereon or thereunder of poles, wires, pipes, or other
17 equipment used in the operation of the taxpayer's business.

18 (a) If the corporate authorities of any home rule
19 municipality have adopted an ordinance that imposed a tax on
20 public utility customers, between July 1, 1971, and October 1,
21 1981, on the good faith belief that they were exercising
22 authority pursuant to Section 6 of Article VII of the 1970
23 Illinois Constitution, that action of the corporate
24 authorities shall be declared legal and valid, notwithstanding
25 a later decision of a judicial tribunal declaring the ordinance
26 invalid. No municipality shall be required to rebate, refund,

1 or issue credits for any taxes described in this paragraph, and
2 those taxes shall be deemed to have been levied and collected
3 in accordance with the Constitution and laws of this State.

4 (b) In any case in which (i) prior to October 19, 1979, the
5 corporate authorities of any municipality have adopted an
6 ordinance imposing a tax authorized by this Section (or by the
7 predecessor provision of the Revised Cities and Villages Act)
8 and have explicitly or in practice interpreted gross receipts
9 to include either charges added to customers' bills pursuant to
10 the provision of paragraph (a) of Section 36 of the Public
11 Utilities Act or charges added to customers' bills by taxpayers
12 who are not subject to rate regulation by the Illinois Commerce
13 Commission for the purpose of recovering any of the tax
14 liabilities or other amounts specified in such paragraph (a) of
15 Section 36 of that Act, and (ii) on or after October 19, 1979,
16 a judicial tribunal has construed gross receipts to exclude all
17 or part of those charges, then neither that municipality nor
18 any taxpayer who paid the tax shall be required to rebate,
19 refund, or issue credits for any tax imposed or charge
20 collected from customers pursuant to the municipality's
21 interpretation prior to October 19, 1979. This paragraph
22 reflects a legislative finding that it would be contrary to the
23 public interest to require a municipality or its taxpayers to
24 refund taxes or charges attributable to the municipality's more
25 inclusive interpretation of gross receipts prior to October 19,
26 1979, and is not intended to prescribe or limit judicial

1 construction of this Section. The legislative finding set forth
2 in this subsection does not apply to taxes imposed after
3 January 1, 1996 (the effective date of Public Act 89-325).

4 (c) The tax authorized by subparagraph 3 shall be collected
5 from the purchaser by the person maintaining a place of
6 business in this State who delivers the electricity to the
7 purchaser. This tax shall constitute a debt of the purchaser to
8 the person who delivers the electricity to the purchaser and if
9 unpaid, is recoverable in the same manner as the original
10 charge for delivering the electricity. Any tax required to be
11 collected pursuant to an ordinance authorized by subparagraph 3
12 and any such tax collected by a person delivering electricity
13 shall constitute a debt owed to the municipality by such person
14 delivering the electricity, provided, that the person
15 delivering electricity shall be allowed credit for such tax
16 related to deliveries of electricity the charges for which are
17 written off as uncollectible, and provided further, that if
18 such charges are thereafter collected, the delivering supplier
19 shall be obligated to remit such tax. For purposes of this
20 subsection (c), any partial payment not specifically
21 identified by the purchaser shall be deemed to be for the
22 delivery of electricity. Persons delivering electricity shall
23 collect the tax from the purchaser by adding such tax to the
24 gross charge for delivering the electricity, in the manner
25 prescribed by the municipality. Persons delivering electricity
26 shall also be authorized to add to such gross charge an amount

1 equal to 3% of the tax to reimburse the person delivering
2 electricity for the expenses incurred in keeping records,
3 billing customers, preparing and filing returns, remitting the
4 tax and supplying data to the municipality upon request. If the
5 person delivering electricity fails to collect the tax from the
6 purchaser, then the purchaser shall be required to pay the tax
7 directly to the municipality in the manner prescribed by the
8 municipality. Persons delivering electricity who file returns
9 pursuant to this paragraph (c) shall, at the time of filing
10 such return, pay the municipality the amount of the tax
11 collected pursuant to subparagraph 3.

12 (d) For the purpose of the taxes enumerated in this
13 Section:

14 "Gross receipts" means the consideration received for
15 distributing, supplying, furnishing or selling gas for use or
16 consumption and not for resale, and the consideration received
17 for distributing, supplying, furnishing or selling water for
18 use or consumption and not for resale, and for all services
19 rendered in connection therewith valued in money, whether
20 received in money or otherwise, including cash, credit,
21 services and property of every kind and material and for all
22 services rendered therewith, and shall be determined without
23 any deduction on account of the cost of the service, product or
24 commodity supplied, the cost of materials used, labor or
25 service cost, or any other expenses whatsoever. "Gross
26 receipts" shall not include that portion of the consideration

1 received for distributing, supplying, furnishing, or selling
2 gas or water to business enterprises or green energy
3 enterprises described in paragraph (e) of this Section to the
4 extent and during the period in which the exemption authorized
5 by paragraph (e) is in effect or for school districts or units
6 of local government described in paragraph (f) during the
7 period in which the exemption authorized in paragraph (f) is in
8 effect.

9 For utility bills issued on or after May 1, 1996, but
10 before May 1, 1997, and for receipts from those utility bills,
11 "gross receipts" does not include one-third of (i) amounts
12 added to customers' bills under Section 9-222 of the Public
13 Utilities Act, or (ii) amounts added to customers' bills by
14 taxpayers who are not subject to rate regulation by the
15 Illinois Commerce Commission for the purpose of recovering any
16 of the tax liabilities described in Section 9-222 of the Public
17 Utilities Act. For utility bills issued on or after May 1,
18 1997, but before May 1, 1998, and for receipts from those
19 utility bills, "gross receipts" does not include two-thirds of
20 (i) amounts added to customers' bills under Section 9-222 of
21 the Public Utilities Act, or (ii) amount added to customers'
22 bills by taxpayers who are not subject to rate regulation by
23 the Illinois Commerce Commission for the purpose of recovering
24 any of the tax liabilities described in Section 9-222 of the
25 Public Utilities Act. For utility bills issued on or after May
26 1, 1998, and for receipts from those utility bills, "gross

1 receipts" does not include (i) amounts added to customers'
2 bills under Section 9-222 of the Public Utilities Act, or (ii)
3 amounts added to customers' bills by taxpayers who are not
4 subject to rate regulation by the Illinois Commerce Commission
5 for the purpose of recovering any of the tax liabilities
6 described in Section 9-222 of the Public Utilities Act.

7 For purposes of this Section "gross receipts" shall not
8 include amounts added to customers' bills under Section 9-221
9 of the Public Utilities Act. This paragraph is not intended to
10 nor does it make any change in the meaning of "gross receipts"
11 for the purposes of this Section, but is intended to remove
12 possible ambiguities, thereby confirming the existing meaning
13 of "gross receipts" prior to January 1, 1996 (the effective
14 date of Public Act 89-325).

15 "Person" as used in this Section means any natural
16 individual, firm, trust, estate, partnership, association,
17 joint stock company, joint adventure, corporation, limited
18 liability company, municipal corporation, the State or any of
19 its political subdivisions, any State university created by
20 statute, or a receiver, trustee, guardian or other
21 representative appointed by order of any court.

22 "Person maintaining a place of business in this State"
23 shall mean any person having or maintaining within this State,
24 directly or by a subsidiary or other affiliate, an office,
25 generation facility, distribution facility, transmission
26 facility, sales office or other place of business, or any

1 employee, agent, or other representative operating within this
2 State under the authority of the person or its subsidiary or
3 other affiliate, irrespective of whether such place of business
4 or agent or other representative is located in this State
5 permanently or temporarily, or whether such person, subsidiary
6 or other affiliate is licensed or qualified to do business in
7 this State.

8 "Public utility" shall have the meaning ascribed to it in
9 Section 3-105 of the Public Utilities Act and shall include
10 alternative retail electric suppliers as defined in Section
11 16-102 of that Act.

12 "Purchase at retail" shall mean any acquisition of
13 electricity by a purchaser for purposes of use or consumption,
14 and not for resale, but shall not include the use of
15 electricity by a public utility directly in the generation,
16 production, transmission, delivery or sale of electricity.

17 "Purchaser" shall mean any person who uses or consumes,
18 within the corporate limits of the municipality, electricity
19 acquired in a purchase at retail.

20 (e) Any municipality that imposes taxes upon public
21 utilities or upon the privilege of using or consuming
22 electricity pursuant to this Section whose territory includes
23 any part of an enterprise zone, Energy Transition Zone, or
24 federally designated Foreign Trade Zone or Sub-Zone may, by a
25 majority vote of its corporate authorities, exempt from those
26 taxes for a period not exceeding 20 years any specified

1 percentage of gross receipts of public utilities received from,
2 or electricity used or consumed by, business enterprises or
3 green energy enterprises that:

4 (1) either (i) make investments that cause the creation
5 of a minimum of 200 full-time equivalent jobs in Illinois,
6 (ii) make investments of at least \$175,000,000 that cause
7 the creation of a minimum of 150 full-time equivalent jobs
8 in Illinois, or (iii) make investments that cause the
9 retention of a minimum of 1,000 full-time jobs in Illinois;
10 and

11 (2) are either (i) located in an Enterprise Zone
12 established pursuant to the Illinois Enterprise Zone Act or
13 (ii) Department of Commerce and Economic Opportunity
14 designated High Impact Businesses located in a federally
15 designated Foreign Trade Zone or Sub-Zone; or (iii) located
16 in an Energy Transition Zone established pursuant to the
17 Illinois Energy Transition Zone Act; and

18 (3) are certified by the Department of Commerce and
19 Economic Opportunity as complying with the requirements
20 specified in clauses (1) and (2) of this paragraph (e).

21 Upon adoption of the ordinance authorizing the exemption,
22 the municipal clerk shall transmit a copy of that ordinance to
23 the Department of Commerce and Economic Opportunity. The
24 Department of Commerce and Economic Opportunity shall
25 determine whether the business enterprises or green energy
26 enterprises located in the municipality meet the criteria

1 prescribed in this paragraph. If the Department of Commerce and
2 Economic Opportunity determines that the business enterprises
3 or green energy enterprises meet the criteria, it shall grant
4 certification. The Department of Commerce and Economic
5 Opportunity shall act upon certification requests within 30
6 days after receipt of the ordinance.

7 Upon certification of the business enterprise or green
8 energy enterprises by the Department of Commerce and Economic
9 Opportunity, the Department of Commerce and Economic
10 Opportunity shall notify the Department of Revenue of the
11 certification. The Department of Revenue shall notify the
12 public utilities of the exemption status of the gross receipts
13 received from, and the electricity used or consumed by, the
14 certified business enterprises and certified green energy
15 enterprises. Such exemption status shall be effective within 3
16 months after certification.

17 (f) A municipality that imposes taxes upon public utilities
18 or upon the privilege of using or consuming electricity under
19 this Section and whose territory includes part of another unit
20 of local government or a school district may by ordinance
21 exempt the other unit of local government or school district
22 from those taxes.

23 (g) The amendment of this Section by Public Act 84-127
24 shall take precedence over any other amendment of this Section
25 by any other amendatory Act passed by the 84th General Assembly
26 before August 1, 1985 (the effective date of Public Act

1 84-127).

2 (h) In any case in which, before July 1, 1992, a person
3 engaged in the business of transmitting messages through the
4 use of mobile equipment, such as cellular phones and paging
5 systems, has determined the municipality within which the gross
6 receipts from the business originated by reference to the
7 location of its transmitting or switching equipment, then (i)
8 neither the municipality to which tax was paid on that basis
9 nor the taxpayer that paid tax on that basis shall be required
10 to rebate, refund, or issue credits for any such tax or charge
11 collected from customers to reimburse the taxpayer for the tax
12 and (ii) no municipality to which tax would have been paid with
13 respect to those gross receipts if the provisions of Public Act
14 87-773 had been in effect before July 1, 1992, shall have any
15 claim against the taxpayer for any amount of the tax.

16 (Source: P.A. 100-201, eff. 8-18-17.)

17 Section 10-35. The Public Utilities Act is amended by
18 changing Sections 9-221 and 9-222 and by adding Section
19 9-222.1b as follows:

20 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)

21 Sec. 9-221. Whenever a municipality pursuant to Section
22 8-11-2 of the Illinois Municipal Code, as heretofore and
23 hereafter amended, imposes a tax on any public utility, such
24 utility may charge its customers, other than customers who are

1 certified business enterprises or certified green energy
2 enterprises under paragraph (e) of Section 8-11-2 of the
3 Illinois Municipal Code or are exempted from those taxes under
4 paragraph (f) of that Section, to the extent of such exemption
5 and during the period in which such exemption is in effect, in
6 addition to any rate authorized by this Act, an additional
7 charge equal to the sum of (1) an amount equal to such
8 municipal tax, or any part thereof (2) 3% of such tax, or any
9 part thereof, as the case may be, to cover costs of accounting,
10 and (3) an amount equal to the increase in taxes and other
11 payments to governmental bodies resulting from the amount of
12 such additional charge. Such utility shall file with the
13 Commission a true and correct copy of the municipal ordinance
14 imposing such tax; and also shall file with the Commission a
15 supplemental schedule applicable to such municipality which
16 shall specify such additional charge and which shall become
17 effective upon filing without further notice. Such additional
18 charge shall be shown separately on the utility bill to each
19 customer. The Commission shall have power to investigate
20 whether or not such supplemental schedule correctly specifies
21 such additional charge, but shall have no power to suspend such
22 supplemental schedule. If the Commission finds, after a
23 hearing, that such supplemental schedule does not correctly
24 specify such additional charge, it shall by order require a
25 refund to the appropriate customers of the excess, if any, with
26 interest, in such manner as it shall deem just and reasonable,

1 and in and by such order shall require the utility to file an
2 amended supplemental schedule corresponding to the finding and
3 order of the Commission.

4 (Source: P.A. 87-895; 88-132.)

5 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

6 Sec. 9-222. Whenever a tax is imposed upon a public utility
7 engaged in the business of distributing, supplying,
8 furnishing, or selling gas for use or consumption pursuant to
9 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
10 required to be collected by a delivering supplier pursuant to
11 Section 2-7 of the Electricity Excise Tax Act, or whenever a
12 tax is imposed upon a public utility pursuant to Section 2-202
13 of this Act, such utility may charge its customers, other than
14 customers who are high impact businesses under Section 5.5 of
15 the Illinois Enterprise Zone Act, or certified business
16 enterprises under Section 9-222.1 of this Act, or certified
17 green energy enterprises under Section 9-221.B, to the extent
18 of such exemption and during the period in which such exemption
19 is in effect, in addition to any rate authorized by this Act,
20 an additional charge equal to the total amount of such taxes.
21 The exemption of this Section relating to high impact
22 businesses shall be subject to the provisions of subsections
23 (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise
24 Zone Act. This requirement shall not apply to taxes on invested
25 capital imposed pursuant to the Messages Tax Act, the Gas

1 Revenue Tax Act and the Public Utilities Revenue Act. Such
2 utility shall file with the Commission a supplemental schedule
3 which shall specify such additional charge and which shall
4 become effective upon filing without further notice. Such
5 additional charge shall be shown separately on the utility bill
6 to each customer. The Commission shall have the power to
7 investigate whether or not such supplemental schedule
8 correctly specifies such additional charge, but shall have no
9 power to suspend such supplemental schedule. If the Commission
10 finds, after a hearing, that such supplemental schedule does
11 not correctly specify such additional charge, it shall by order
12 require a refund to the appropriate customers of the excess, if
13 any, with interest, in such manner as it shall deem just and
14 reasonable, and in and by such order shall require the utility
15 to file an amended supplemental schedule corresponding to the
16 finding and order of the Commission. Except with respect to
17 taxes imposed on invested capital, such tax liabilities shall
18 be recovered from customers solely by means of the additional
19 charges authorized by this Section.

20 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

21 (220 ILCS 5/9-222.1b new)

22 Sec. 9-222.1b. Green energy enterprises. A green energy
23 enterprise as defined in the Illinois Energy Transition Zone
24 Act, which is located within an area designated by a county or
25 municipality as an Energy Transition Zone pursuant to the

1 Illinois Energy Transition Zone Act shall be exempt from the
2 additional charges added to the green energy enterprise's
3 utility bills as a pass-on of municipal and State utility taxes
4 under Sections 9-221 and 9-222 of this Act, to the extent such
5 charges are exempted by ordinance adopted in accordance with
6 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code
7 in the case of municipal utility taxes, and to the extent such
8 charges are exempted by the percentage specified by the
9 Department of Commerce and Economic Opportunity in the case of
10 State utility taxes, provided such green energy enterprise
11 meets the following criteria:

12 (1) it (i) makes investments which cause the creation
13 of a minimum of 200 full-time equivalent jobs in an Energy
14 Transition Zone; (ii) makes investments of at least
15 \$175,000,000 which cause the creation of a minimum of 150
16 full-time equivalent jobs in an Energy Transition Zone; or
17 (iii) makes investments which cause the retention of a
18 minimum of 1,000 full-time jobs in an Energy Transition
19 Zone; and

20 (2) it is located in an Energy Transition Zone
21 established pursuant to the Illinois Energy Transition
22 Zone Act; and

23 (3) it is certified by the Department of Commerce and
24 Economic Opportunity as complying with the requirements
25 specified in clauses (1) and (2) of this Section.

26 The Department of Commerce and Economic Opportunity shall

1 determine the period during which such exemption from the
2 charges imposed under Section 9-222 is in effect which shall
3 not exceed 30 years or the certified term of the energy
4 transition Zone, whichever period is shorter.

5 The Department of Commerce and Economic Opportunity shall
6 have the power to adopt rules to carry out the provisions of
7 this Section including procedures for complying with the
8 requirements specified in clauses (1) and (2) of this Section
9 and procedures for applying for the exemptions authorized under
10 this Section; to define the amounts and types of eligible
11 investments which green energy enterprises must make in order
12 to receive State utility tax exemptions pursuant to Sections
13 9-222 and 9-222.1B of this Act; to approve such utility tax
14 exemptions for green energy enterprises whose investments are
15 not yet placed in service; and to require that green energy
16 enterprises granted tax exemptions repay the exempted tax
17 should the green energy enterprise fail to comply with the
18 terms and conditions of the certification. However, no green
19 energy enterprise shall be required, as a condition for
20 certification under clause (3) of this Section, to attest that
21 its decision to invest under clause (1) of this Section and to
22 locate under clause (2) of this Section is predicated upon the
23 availability of the exemptions authorized by this Section.

24 A green energy enterprise shall be exempt, in whole or in
25 part, from the pass-on charges of municipal utility taxes
26 imposed under Section 9-221, only if it meets the criteria

1 specified in clauses (1) through (3) of this Section and the
2 municipality has adopted an ordinance authorizing the
3 exemption under paragraph (e) of Section 8-11-2 of the Illinois
4 Municipal Code. Upon certification of the green energy
5 enterprises by the Department of Commerce and Economic
6 Opportunity, the Department of Commerce and Economic
7 Opportunity shall notify the Department of Revenue of such
8 certification. The Department of Revenue shall notify the
9 public utilities of the exemption status of green energy
10 enterprises from the pass-on charges of State and municipal
11 utility taxes. Such exemption status shall be effective within
12 3 months after certification of the green energy enterprise.

13 Section 10-95. No acceleration or delay. Where this Act
14 makes changes in a statute that is represented in this Act by
15 text that is not yet or no longer in effect (for example, a
16 Section represented by multiple versions), the use of that text
17 does not accelerate or delay the taking effect of (i) the
18 changes made by this Act or (ii) provisions derived from any
19 other Public Act.

20 Article 99. Effective date

21 Section 99-99. Effective date. This Act takes effect upon
22 becoming law.