



Sen. Ram Villivalam

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LRB101 18626 HLH 71714 a

1 AMENDMENT TO SENATE BILL 3874

2 AMENDMENT NO. _____. Amend Senate Bill 3874 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-1045 as follows:

7 (20 ILCS 605/605-1045 new)

8 Sec. 605-1045. Retaining Illinois Students of Engineering
9 (RISE) income tax credit.

10 (a) The Department shall issue a credit certification
11 against the taxes imposed under subsections (a) and (b) of
12 Section 201 of the Illinois Income Tax Act to qualified
13 professional design firms in Illinois. The credits shall be
14 awarded as provided in subsection (b) of this Section.

15 (b) For taxable years beginning on or after January 1,
16 2020, the Department shall award credits in the amount of (i)

1 10% of the qualified compensation paid to each qualified
2 employee who graduated from an accredited institution of higher
3 learning in the State and (ii) 5% of the qualified compensation
4 paid to each qualified employee who graduated from an
5 accredited institution of higher learning outside of the State.
6 The credit shall be taken against the taxes imposed under
7 subsections (a) and (b) of Section 201 of the Illinois Income
8 Tax Act as provided in Section 232 of the Illinois Income Tax
9 Act. The credit for each taxable year may not exceed \$50,000
10 per qualified professional design firm.

11 (c) Qualified professional design firms seeking a
12 certificate of exemption under this Section shall apply to the
13 Department in the manner specified by the Department. The
14 Department shall determine the duration of the certificate of
15 exemption awarded under this Section. The Department and any
16 qualified professional design firm seeking the credit must
17 enter into a memorandum of understanding that at a minimum
18 provides: (1) the number of new jobs created; (2) the salary
19 for qualifying employees; and (3) the accredited institution
20 from which qualifying employees graduated.

21 (d) For partners, shareholders of Subchapter S
22 corporations, and members of limited liability companies, if
23 the limited liability company is treated as a partnership for
24 purposes of federal and State income taxation, there shall be
25 allowed a credit under this subsection to be determined in
26 accordance with the determination of income and distributive

1 share of income under Sections 702 and 704 and Subchapter S of
2 the Internal Revenue Code.

3 (e) Beginning July 1, 2022, and each year thereafter, the
4 Department shall annually report to the Governor and the
5 General Assembly on the outcomes and effectiveness of the
6 credit awarded under this Section that shall include the
7 following:

8 (1) the city and county in which each recipient
9 business is located;

10 (2) the estimated value of the credit; and

11 (3) the number of new jobs.

12 (f) For the purposes of this Section:

13 "Qualified compensation" means compensation paid by a
14 qualified professional design firm to a qualified employee in
15 the State.

16 "Qualified employee" means an employee who (i) works in the
17 State for a qualified professional design firm as an architect,
18 an architectural associate, a structural engineer, a
19 structural engineer intern, a design professional, or an
20 engineer intern and (ii) graduated from an accredited
21 institution of higher learning with a Bachelor's degree within
22 the 2 years immediately preceding the year in which the credit
23 is taken.

24 "Qualified professional design firm" means a design firm
25 registered under the Illinois Architecture Practice Act of
26 1989, the Illinois Professional Land Surveyor Act of 1989, the

1 Professional Engineering Practice Act of 1989, or the
2 Structural Engineering Practice Act that:

3 (1) is located in the State of Illinois;

4 (2) has hired a qualifying employee in the taxable year
5 in which the credit is claimed or the taxable year prior to
6 the taxable year in which the credit is claimed; and

7 (3) has paid the qualifying employee compensation in
8 the State during that taxable year.

9 (g) This Section is exempt from the provisions of Section
10 250.

11 Section 10. The Illinois Income Tax Act is amended by
12 adding Section 232 as follows:

13 (35 ILCS 5/232 new)

14 Sec. 232. RISE credit. A taxpayer that has been awarded a
15 credit under Section 605-1045 of the Department of Commerce and
16 Economic Opportunity Law of the Civil Administrative Code of
17 Illinois is entitled to a credit against the tax imposed under
18 subsections (a) and (b) of Section 201 as provided in Section
19 605-1045 of the Department of Commerce and Economic Opportunity
20 Law of the Civil Administrative Code of Illinois.

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