

1 AN ACT concerning revenue.

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

4 Section 1. Short title. This Act may be cited as the
5 Reimagining Electric Vehicles in Illinois Act.

6 Section 5. Purpose. It is the intent of the General
7 Assembly that Illinois should lead the nation in the
8 production of electric vehicles. The General Assembly finds
9 that, through investments in electric vehicle manufacturing,
10 Illinois will be on the forefront of emerging technologies
11 that are currently transforming the auto manufacturing
12 industry. This Act will reduce carbon emissions, create good
13 paying jobs, and generate long-term economic investment in the
14 Illinois business economy. Illinois must aggressively adopt
15 new business development investment tools so that Illinois is
16 more competitive in site location decision-making for
17 manufacturing facilities directly related to the electric
18 vehicle industry. Illinois' long-term development benefits
19 from rational, strategic use of State resources in support of
20 development and growth in the electric vehicle industry.

21 The General Assembly finds that workers are essential to
22 the prosperity of our State's economy and play a critical role
23 in Illinois becoming leader in manufacturing. The General

1 Assembly further finds that, for the prosperity of our State,
2 workers in this industry must be afforded high quality jobs
3 that honor the dignity of work. Therefore, the General
4 Assembly finds that it is in the best interest of Illinois to
5 protect the work conditions, worker safety, and worker rights
6 in the manufacturing industry and further finds that employer
7 workplace policies shall be interpreted broadly to protect
8 employees.

9 Section 10. Definitions. As used in this Act:

10 "Agreement" means the agreement between a taxpayer and the
11 Department under the provisions of Section 45 of this Act.

12 "Applicant" means a taxpayer that (i) operates a business
13 in Illinois or is planning to locate a business within the
14 State of Illinois and (ii) is engaged in interstate or
15 intrastate commerce for the purpose of manufacturing electric
16 vehicles, electric vehicle component parts, or electric
17 vehicle power supply equipment. "Applicant" does not include a
18 taxpayer who closes or substantially reduces by more than 50%
19 operations at one location in the State and relocates
20 substantially the same operation to another location in the
21 State. This does not prohibit a Taxpayer from expanding its
22 operations at another location in the State. This also does
23 not prohibit a Taxpayer from moving its operations from one
24 location in the State to another location in the State for the
25 purpose of expanding the operation, provided that the

1 Department determines that expansion cannot reasonably be
2 accommodated within the municipality or county in which the
3 business is located, or, in the case of a business located in
4 an incorporated area of the county, within the county in which
5 the business is located, after conferring with the chief
6 elected official of the municipality or county and taking into
7 consideration any evidence offered by the municipality or
8 county regarding the ability to accommodate expansion within
9 the municipality or county.

10 "Capital improvements" means the purchase, renovation,
11 rehabilitation, or construction of permanent tangible land,
12 buildings, structures, equipment, and furnishings in an
13 approved project sited in Illinois and expenditures for goods
14 or services that are normally capitalized, including
15 organizational costs and research and development costs
16 incurred in Illinois. For land, buildings, structures, and
17 equipment that are leased, the lease must equal or exceed the
18 term of the agreement, and the cost of the property shall be
19 determined from the present value, using the corporate
20 interest rate prevailing at the time of the application, of
21 the lease payments.

22 "Credit" means either a "REV Illinois Credit" or a "REV
23 Construction Jobs Credit" agreed to between the Department and
24 applicant under this Act.

25 "Department" means the Department of Commerce and Economic
26 Opportunity.

1 "Director" means the Director of Commerce and Economic
2 Opportunity.

3 "Electric vehicle" means a vehicle that is exclusively
4 powered by and refueled by electricity, must be plugged in to
5 charge or utilize a pre-charged battery, and is permitted to
6 operate on public roadways. "Electric vehicle" does not
7 include hybrid electric vehicles and extended-range electric
8 vehicles that are also equipped with conventional fueled
9 propulsion or auxiliary engines.

10 "Electric vehicle manufacturer" means a new or existing
11 manufacturer that is focused on reequipping, expanding, or
12 establishing a manufacturing facility in Illinois that
13 produces electric vehicles as defined in this Section.

14 "Electric vehicle component parts manufacturer" means a
15 new or existing manufacturer that is primarily focused on
16 reequipping, expanding, or establishing a manufacturing
17 facility in Illinois that produces key components that
18 directly support the electric functions of electric vehicles,
19 as defined by this Section.

20 "Electric vehicle power supply equipment" means the
21 equipment used specifically for the purpose of delivering
22 electricity to an electric vehicle.

23 "Electric vehicle power supply manufacturer" means a new
24 or existing manufacturer that is focused on reequipping,
25 expanding, or establishing a manufacturing facility in
26 Illinois that produces electric vehicle power supply equipment

1 used for the purpose of delivering electricity to an electric
2 vehicle.

3 "Energy Transition Area" means a county with less than
4 100,000 people or a municipality that contains one or more of
5 the following:

6 (1) a fossil fuel plant that was retired from service
7 or has significant reduced service within 6 years before
8 the time of the application or will be retired or have
9 service significantly reduced within 6 years following the
10 time of the application; or

11 (2) a coal mine that was closed or had operations
12 significantly reduced within 6 years before the time of
13 the application or is anticipated to be closed or have
14 operations significantly reduced within 6 years following
15 the time of the application.

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

24 "Incremental income tax" means the total amount withheld
25 during the taxable year from the compensation of new employees
26 and, if applicable, retained employees under Article 7 of the

1 Illinois Income Tax Act arising from employment at a project
2 that is the subject of an agreement.

3 "Institution of higher education" or "institution" means
4 any accredited public or private university, college,
5 community college, business, technical, or vocational school,
6 or other accredited educational institution offering degrees
7 and instruction beyond the secondary school level.

8 "Minority person" means a minority person as defined in
9 the Business Enterprise for Minorities, Women, and Persons
10 with Disabilities Act.

11 "New employee" means a newly-hired full-time employee
12 employed to work at the project site and whose work is directly
13 related to the project.

14 "Noncompliance date" means, in the case of a taxpayer that
15 is not complying with the requirements of the agreement or the
16 provisions of this Act, the day following the last date upon
17 which the taxpayer was in compliance with the requirements of
18 the agreement and the provisions of this Act, as determined by
19 the Director, pursuant to Section 70.

20 "Pass-through entity" means an entity that is exempt from
21 the tax under subsection (b) or (c) of Section 205 of the
22 Illinois Income Tax Act.

23 "Placed in service" means the state or condition of
24 readiness, availability for a specifically assigned function,
25 and the facility is constructed and ready to conduct its
26 facility operations to manufacture goods.

1 "Professional employer organization" (PEO) means an
2 employee leasing company, as defined in Section 206.1 of the
3 Illinois Unemployment Insurance Act.

4 "Program" means the Reimagining Electric Vehicles in
5 Illinois Program (the REV Illinois Program) established in
6 this Act.

7 "Project" or "REV Illinois Project" means a for-profit
8 economic development activity for the manufacture of electric
9 vehicles, electric vehicle component parts, or electric
10 vehicle power supply equipment which is designated by the
11 Department as a REV Illinois Project and is the subject of an
12 agreement.

13 "Recycling facility" means a location at which the
14 taxpayer disposes of batteries and other component parts in
15 manufacturing of electric vehicles, electric vehicle component
16 parts, or electric vehicle power supply equipment.

17 "Related member" means a person that, with respect to the
18 taxpayer during any portion of the taxable year, is any one of
19 the following:

20 (1) An individual stockholder, if the stockholder and
21 the members of the stockholder's family (as defined in
22 Section 318 of the Internal Revenue Code) own directly,
23 indirectly, beneficially, or constructively, in the
24 aggregate, at least 50% of the value of the taxpayer's
25 outstanding stock.

26 (2) A partnership, estate, trust and any partner or

1 beneficiary, if the partnership, estate, or trust, and its
2 partners or beneficiaries own directly, indirectly,
3 beneficially, or constructively, in the aggregate, at
4 least 50% of the profits, capital, stock, or value of the
5 taxpayer.

6 (3) A corporation, and any party related to the
7 corporation in a manner that would require an attribution
8 of stock from the corporation under the attribution rules
9 of Section 318 of the Internal Revenue Code, if the
10 Taxpayer owns directly, indirectly, beneficially, or
11 constructively at least 50% of the value of the
12 corporation's outstanding stock.

13 (4) A corporation and any party related to that
14 corporation in a manner that would require an attribution
15 of stock from the corporation to the party or from the
16 party to the corporation under the attribution rules of
17 Section 318 of the Internal Revenue Code, if the
18 corporation and all such related parties own in the
19 aggregate at least 50% of the profits, capital, stock, or
20 value of the taxpayer.

21 (5) A person to or from whom there is an attribution of
22 stock ownership in accordance with Section 1563(e) of the
23 Internal Revenue Code, except, for purposes of determining
24 whether a person is a related member under this paragraph,
25 20% shall be substituted for 5% wherever 5% appears in
26 Section 1563(e) of the Internal Revenue Code.

1 "Retained employee" means a full-time employee employed by
2 the taxpayer prior to the term of the Agreement who continues
3 to be employed during the term of the agreement whose job
4 duties are directly and substantially related to the project.
5 For purposes of this definition, "directly and substantially
6 related to the project" means at least two-thirds of the
7 employee's job duties must be directly related to the project
8 and the employee must devote at least two-thirds of his or her
9 time to the project. The term "retained employee" does not
10 include any individual who has a direct or an indirect
11 ownership interest of at least 5% in the profits, equity,
12 capital, or value of the taxpayer or a child, grandchild,
13 parent, or spouse, other than a spouse who is legally
14 separated from the individual, of any individual who has a
15 direct or indirect ownership of at least 5% in the profits,
16 equity, capital, or value of the taxpayer.

17 "REV Illinois credit" means a credit agreed to between the
18 Department and the applicant under this Act that is based on
19 the incremental income tax attributable to new employees and,
20 if applicable, retained employees, and on training costs for
21 such employees at the applicant's project.

22 "REV construction jobs credit" means a credit agreed to
23 between the Department and the applicant under this Act that
24 is based on the incremental income tax attributable to
25 construction wages paid in connection with construction of the
26 project facilities.

1 "Statewide baseline" means the total number of full-time
2 employees of the applicant and any related member employed by
3 such entities at the time of application for incentives under
4 this Act.

5 "Taxpayer" means an individual, corporation, partnership,
6 or other entity that has a legal obligation to pay Illinois
7 income taxes and file an Illinois income tax return.

8 "Training costs" means costs incurred to upgrade the
9 technological skills of full-time employees in Illinois and
10 includes: curriculum development; training materials
11 (including scrap product costs); trainee domestic travel
12 expenses; instructor costs (including wages, fringe benefits,
13 tuition and domestic travel expenses); rent, purchase or lease
14 of training equipment; and other usual and customary training
15 costs. "Training costs" do not include costs associated with
16 travel outside the United States (unless the Taxpayer receives
17 prior written approval for the travel by the Director based on
18 a showing of substantial need or other proof the training is
19 not reasonably available within the United States), wages and
20 fringe benefits of employees during periods of training, or
21 administrative cost related to Full-Time Employees of the
22 Taxpayer.

23 "Underserved area" means any geographic areas as defined
24 in Section 5-5 of the Economic Development for a Growing
25 Economy Tax Credit Act.

1 Section 15. Powers of the Department. The Department, in
2 addition to those powers granted under the Civil
3 Administrative Code of Illinois, is granted and shall have all
4 the powers necessary or convenient to administer the program
5 under this Act and to carry out and effectuate the purposes and
6 provisions of this Act, including, but not limited to, the
7 power and authority to:

8 (1) adopt rules deemed necessary and appropriate for
9 the administration of the REV Illinois Program, the
10 designation of REV Illinois Projects, and the awarding of
11 credits;

12 (2) establish forms for applications, notifications,
13 contracts, or any other agreements and accept applications
14 at any time during the year;

15 (3) assist taxpayers pursuant to the provisions of
16 this Act and cooperate with taxpayers that are parties to
17 agreements under this Act to promote, foster, and support
18 economic development, capital investment, and job creation
19 or retention within the State;

20 (4) enter into agreements and memoranda of
21 understanding for participation of, and engage in
22 cooperation with, agencies of the federal government,
23 units of local government, universities, research
24 foundations or institutions, regional economic development
25 corporations, or other organizations to implement the
26 requirements and purposes of this Act;

1 (5) gather information and conduct inquiries, in the
2 manner and by the methods it deems desirable, including
3 without limitation, gathering information with respect to
4 applicants for the purpose of making any designations or
5 certifications necessary or desirable or to gather
6 information to assist the Department with any
7 recommendation or guidance in the furtherance of the
8 purposes of this Act;

9 (6) establish, negotiate and effectuate agreements and
10 any term, agreement, or other document with any person,
11 necessary or appropriate to accomplish the purposes of
12 this Act; and to consent, subject to the provisions of any
13 agreement with another party, to the modification or
14 restructuring of any agreement to which the Department is
15 a party;

16 (7) fix, determine, charge, and collect any premiums,
17 fees, charges, costs, and expenses from applicants,
18 including, without limitation, any application fees,
19 commitment fees, program fees, financing charges, or
20 publication fees as deemed appropriate to pay expenses
21 necessary or incident to the administration, staffing, or
22 operation in connection with the Department's activities
23 under this Act, or for preparation, implementation, and
24 enforcement of the terms of the agreement, or for
25 consultation, advisory and legal fees, and other costs;
26 however, all fees and expenses incident thereto shall be

1 the responsibility of the applicant;

2 (8) provide for sufficient personnel to permit
3 administration, staffing, operation, and related support
4 required to adequately discharge its duties and
5 responsibilities described in this Act from funds made
6 available through charges to applicants or from funds as
7 may be appropriated by the General Assembly for the
8 administration of this Act;

9 (9) require applicants, upon written request, to issue
10 any necessary authorization to the appropriate federal,
11 State, or local authority for the release of information
12 concerning a project being considered under the provisions
13 of this Act, with the information requested to include,
14 but not be limited to, financial reports, returns, or
15 records relating to the taxpayer or its project;

16 (10) require that a taxpayer shall at all times keep
17 proper books of record and account in accordance with
18 generally accepted accounting principles consistently
19 applied, with the books, records, or papers related to the
20 agreement in the custody or control of the taxpayer open
21 for reasonable Department inspection and audits, and
22 including, without limitation, the making of copies of the
23 books, records, or papers, and the inspection or appraisal
24 of any of the taxpayer or project assets;

25 (11) take whatever actions are necessary or
26 appropriate to protect the State's interest in the event

1 of bankruptcy, default, foreclosure, or noncompliance with
2 the terms and conditions of financial assistance or
3 participation required under this Act, including the power
4 to sell, dispose, lease, or rent, upon terms and
5 conditions determined by the Director to be appropriate,
6 real or personal property that the Department may receive
7 as a result of these actions.

8 Section 20. REV Illinois Program; project applications.

9 (a) The Reimagining Electric Vehicles in Illinois (REV
10 Illinois) Program is hereby established and shall be
11 administered by the Department. The Program will provide
12 financial incentives to eligible manufacturers of electric
13 vehicles, electric vehicle component parts, and electric
14 vehicle power supply equipment.

15 (b) Any taxpayer planning a project to be located in
16 Illinois may request consideration for designation of its
17 project as a REV Illinois Project, by formal written letter of
18 request or by formal application to the Department, in which
19 the applicant states its intent to make at least a specified
20 level of investment and intends to hire a specified number of
21 full-time employees at a designated location in Illinois. As
22 circumstances require, the Department shall require a formal
23 application from an applicant and a formal letter of request
24 for assistance.

25 (c) In order to qualify for credits under the REV Illinois

1 Program, an Applicant must:

2 (1) for an electric vehicle manufacturer:

3 (A) make an investment of at least \$1,500,000,000
4 in capital improvements at the project site;

5 (B) to be placed in service within the State
6 within a 60-month period after approval of the
7 application; and

8 (C) create at least 500 new full-time employee
9 jobs; or

10 (2) for an electric vehicle component parts
11 manufacturer:

12 (A) make an investment of at least \$300,000,000 in
13 capital improvements at the project site;

14 (B) manufacture one or more parts that are
15 primarily used for electric vehicle manufacturing;

16 (C) to be placed in service within the State
17 within a 60-month period after approval of the
18 application; and

19 (D) create at least 150 new full-time employee
20 jobs; or

21 (3) for an electric vehicle manufacturer, electric
22 vehicle power supply equipment Manufacturer, or electric
23 vehicle component part manufacturer that does not qualify
24 under paragraph (2) above:

25 (A) make an investment of at least \$20,000,000 in
26 capital improvements at the project site;

1 (B) for electric vehicle component part
2 manufacturers, manufacture one or more parts that are
3 primarily used for electric vehicle manufacturing;

4 (C) to be placed in service within the State
5 within a 48-month period after approval of the
6 application; and

7 (D) create at least 50 new full-time employee
8 jobs; or

9 (4) for an electric vehicle manufacturer or electric
10 vehicle component parts manufacturer with existing
11 operations within Illinois that intends to convert or
12 expand, in whole or in part, the existing facility from
13 traditional manufacturing to electric vehicle
14 manufacturing, electric vehicle component parts
15 manufacturing, or electric vehicle power supply equipment
16 manufacturing:

17 (A) make an investment of at least \$100,000,000 in
18 capital improvements at the project site;

19 (B) to be placed in service within the State
20 within a 60-month period after approval of the
21 application; and

22 (C) create the lesser of 75 new full-time employee
23 jobs or new full-time employee jobs equivalent to 10%
24 of the Statewide baseline applicable to the taxpayer
25 and any related member at the time of application.

26 (d) For any applicant creating the full-time employee jobs

1 noted in subsection (c), those jobs must have a total
2 compensation equal to or greater than 120% of the average wage
3 paid to full-time employees in the county where the project is
4 located, as determined by the U.S. Bureau of Labor Statistics.

5 (e) For any applicant, within 24 months after being placed
6 in service, it must certify to the Department that it is carbon
7 neutral or has attained certification under one of more of the
8 following green building standards:

9 (1) BREEAM for New Construction or BREEAM In-Use;

10 (2) ENERGY STAR;

11 (3) Envision;

12 (4) ISO 50001 - energy management;

13 (5) LEED for Building Design and Construction or LEED
14 for Building Operations and Maintenance;

15 (6) Green Globes for New Construction or Green Globes
16 for Existing Buildings; or

17 (7) UL 3223.

18 (f) Each applicant must outline its hiring plan and
19 commitment to recruit and hire full-time employee positions at
20 the project site. The hiring plan may include a partnership
21 with an institution of higher education to provide
22 internships, including, but not limited to, internships
23 supported by the Clean Jobs Workforce Network Program, or
24 full-time permanent employment for students at the project
25 site. Additionally, the applicant may create or utilize
26 participants from apprenticeship programs that are approved by

1 and registered with the United States Department of Labor's
2 Bureau of Apprenticeship and Training. The Applicant may apply
3 for apprenticeship education expense credits in accordance
4 with the provisions set forth in 14 Ill. Admin. Code 522. Each
5 applicant is required to report annually, on or before April
6 15, on the diversity of its workforce in accordance with
7 Section 50 of this Act. For existing facilities of applicants
8 under paragraph (3) of subsection (b) above, if the taxpayer
9 expects a reduction in force due to its transition to
10 manufacturing electric vehicle, electric vehicle component
11 parts, or electric vehicle power supply equipment, the plan
12 submitted under this Section must outline the taxpayer's plan
13 to assist with retraining its workforce aligned with the
14 taxpayer's adoption of new technologies and anticipated
15 efforts to retrain employees through employment opportunities
16 within the taxpayer's workforce.

17 (g) Each applicant must demonstrate a contractual or other
18 relationship with a recycling facility, or demonstrate its own
19 recycling capabilities, at the time of application and report
20 annually a continuing contractual or other relationship with a
21 recycling facility and the percentage of batteries used in
22 electric vehicles recycled throughout the term of the
23 agreement.

24 (h) A taxpayer may not enter into more than one agreement
25 under this Act with respect to a single address or location for
26 the same period of time. Also, a taxpayer may not enter into an

1 agreement under this Act with respect to a single address or
2 location for the same period of time for which the taxpayer
3 currently holds an active agreement under the Economic
4 Development for a Growing Economy Tax Credit Act. This
5 provision does not preclude the applicant from entering into
6 an additional agreement after the expiration or voluntary
7 termination of an earlier agreement under this Act or under
8 the Economic Development for a Growing Economy Tax Credit Act
9 to the extent that the taxpayer's application otherwise
10 satisfies the terms and conditions of this Act and is approved
11 by the Department. An applicant with an existing agreement
12 under the Economic Development for a Growing Economy Tax
13 Credit Act may submit an application for an agreement under
14 this Act after it terminates any existing agreement under the
15 Economic Development for a Growing Economy Tax Credit Act with
16 respect to the same address or location.

17 Section 25. Review of application. The Department shall
18 determine which projects will benefit the State. In making its
19 recommendation that an applicant's application for credit
20 should or should not be accepted, which shall occur within a
21 reasonable time frame as determined by the nature of the
22 application, the Department shall determine that all the
23 following conditions exist:

- 24 (1) the applicant intends to make the required
25 investment in the State and intends to hire the required

1 number of full-time employees;

2 (2) the applicant's project is economically sound,
3 will benefit the people of the State by increasing
4 opportunities for employment, and will strengthen the
5 economy of the State;

6 (3) awarding the credit will result in an overall
7 positive fiscal impact to the State, as certified by the
8 Department using the best available data; and

9 (4) the credit is not prohibited under this Act.

10 Section 30. Tax credit awards.

11 (a) Subject to the conditions set forth in this Act, a
12 taxpayer is entitled to a credit against the tax imposed
13 pursuant to subsections (a) and (b) of Section 201 of the
14 Illinois Income Tax Act for a taxable year beginning on or
15 after January 1, 2025 if the taxpayer is awarded a credit by
16 the Department in accordance with an agreement under this Act.
17 The Department has authority to award credits under this Act
18 on and after January 1, 2022.

19 (b) REV Illinois Credits. A taxpayer may receive a tax
20 credit against the tax imposed under subsections (a) and (b)
21 of Section 201 of the Illinois Income Tax Act, not to exceed
22 the sum of (i) 75% of the incremental income tax attributable
23 to new employees at the applicant's project and (ii) 10% of the
24 training costs of the new employees. If the project is located
25 in an underserved area or an energy transition area, then the

1 amount of the credit may not exceed the sum of (i) 100% of the
2 incremental income tax attributable to new employees at the
3 applicant's project; and (ii) 10% of the training costs of the
4 new employees. The percentage of training costs includable in
5 the calculation may be increased by an additional 15% for
6 training costs associated with new employees that are recent
7 (2 years or less) graduates, certificate holders, or
8 credential recipients from an institution of higher education
9 in Illinois, or, if the training is provided by an institution
10 of higher education in Illinois, the Clean Jobs Workforce
11 Network Program, or an apprenticeship and training program
12 located in Illinois and approved by and registered with the
13 United States Department of Labor's Bureau of Apprenticeship
14 and Training. An applicant is also eligible for a training
15 credit that shall not exceed 10% of the training costs of
16 retained employees for the purpose of upskilling to meet the
17 operational needs of the applicant or the REV Illinois
18 Project. The percentage of training costs includable in the
19 calculation shall not exceed a total of 25%. If an applicant
20 agrees to hire the required number of new employees, then the
21 maximum amount of the credit for that applicant may be
22 increased by an amount not to exceed 25% of the incremental
23 income tax attributable to retained employees at the
24 applicant's project; provided that, in order to receive the
25 increase for retained employees, the applicant must, if
26 applicable, meet or exceed the statewide baseline. If the

1 Project is in an underserved area or an energy transition
2 area, the maximum amount of the credit attributable to
3 retained employees for the applicant may be increased to an
4 amount not to exceed 50% of the incremental income tax
5 attributable to retained employees at the applicant's project;
6 provided that, in order to receive the increase for retained
7 employees, the applicant must meet or exceed the statewide
8 baseline. REV Illinois Credits awarded may include credit
9 earned for incremental income tax withheld and training costs
10 incurred by the taxpayer beginning on or after January 1,
11 2022. Credits so earned and certified by the Department may be
12 applied against the tax imposed by subsections (a) and (b) of
13 Section 201 of the Illinois Income Tax Act for taxable years
14 beginning on or after January 1, 2025.

15 (c) REV Construction Jobs Credit. For construction wages
16 associated with a project that qualified for a REV Illinois
17 Credit under subsection (b), the taxpayer may receive a tax
18 credit against the tax imposed under subsections (a) and (b)
19 of Section 201 of the Illinois Income Tax Act in an amount
20 equal to 50% of the incremental income tax attributable to
21 construction wages paid in connection with construction of the
22 project facilities, as a jobs credit for workers hired to
23 construct the project.

24 The REV Construction Jobs Credit may not exceed 75% of the
25 amount of the incremental income tax attributable to
26 construction wages paid in connection with construction of the

1 project facilities if the project is in an underserved area or
2 an energy transition area.

3 (d) The Department shall certify to the Department of
4 Revenue: (1) the identity of Taxpayers that are eligible for
5 the REV Illinois Credit and REV Construction Jobs Credit; (2)
6 the amount of the REV Illinois Credits and REV Construction
7 Jobs Credits awarded in each calendar year; and (3) the amount
8 of the REV Illinois Credit and REV Construction Jobs Credit
9 claimed in each calendar year. REV Illinois Credits awarded
10 may include credit earned for Incremental Income Tax withheld
11 and Training Costs incurred by the Taxpayer beginning on or
12 after January 1, 2022. Credits so earned and certified by the
13 Department may be applied against the tax imposed by Section
14 201(a) and (b) of the Illinois Income Tax Act for taxable years
15 beginning on or after January 1, 2025.

16 (e) Applicants seeking certification for a tax credits
17 related to the construction of the project facilities in the
18 State shall require the contractor to enter into a project
19 labor agreement that conforms with the Project Labor
20 Agreements Act.

21 (f) Any applicant issued a certificate for a tax credit or
22 tax exemption under this Act must annually report to the
23 Department the total project tax benefits received. Reports
24 are due no later than May 31 of each year and shall cover the
25 previous calendar year. The first report is for the 2022
26 calendar year and is due no later than May 31, 2023.

1 (g) Nothing in this Act shall prohibit an award of credit
2 to an applicant that uses a PEO if all other award criteria are
3 satisfied.

4 (h) With respect to any portion of a REV Illinois Credit
5 that is based on the incremental income tax attributable to
6 new employees or retained employees, in lieu of the Credit
7 allowed under this Act against the taxes imposed pursuant to
8 subsections (a) and (b) of Section 201 of the Illinois Income
9 Tax Act, a taxpayer that otherwise meets the criteria set
10 forth in this Section, the taxpayer may elect to claim the
11 credit, on or after January 1, 2025, against its obligation to
12 pay over withholding under Section 704A of the Illinois Income
13 Tax Act. The election shall be made in the manner prescribed by
14 the Department of Revenue and once made shall be irrevocable.

15 Section 35. Relocation of jobs in Illinois. A taxpayer is
16 not entitled to claim a credit provided by this Act with
17 respect to any jobs that the Taxpayer relocates from one site
18 in Illinois to another site in Illinois. Any full-time
19 employee relocated to Illinois in connection with a qualifying
20 project is deemed to be a new employee for purposes of this
21 Act. Determinations under this Section shall be made by the
22 Department.

23 Section 40. Amount and duration of the credits; limitation
24 to amount of costs of specified items. The Department shall

1 determine the amount and duration of the REV Illinois Credit
2 awarded under this Act, subject to the limitations set forth
3 in this Act. For a project that qualified under paragraph (1),
4 (2), or (4) of subsection (c) of Section 20, the duration of
5 the credit may not exceed 15 taxable years. For project that
6 qualified under paragraph (3) of subsection (c) of Section 20,
7 the duration of the credit may not exceed 10 taxable years. The
8 credit may be stated as a percentage of the incremental income
9 tax and training costs attributable to the applicant's project
10 and may include a fixed dollar limitation.

11 Nothing in this Section shall prevent the Department, in
12 consultation with the Department of Revenue, from adopting
13 rules to extend the sunset of any earned, existing, and unused
14 tax credit or credits a taxpayer may be in possession of, as
15 provided for in Section 605-1055 of the Department of Commerce
16 and Economic Opportunity Law of the Civil Administrative Code
17 of Illinois, notwithstanding the carry-forward provisions
18 pursuant to paragraph (4) of Section 211 of the Illinois
19 Income Tax Act.

20 Section 45. Contents of agreements with applicants.

21 (a) The Department shall enter into an agreement with an
22 applicant that is awarded a credit under this Act. The
23 agreement shall include all of the following:

24 (1) A detailed description of the project that is the
25 subject of the agreement, including the location and

1 amount of the investment and jobs created or retained.

2 (2) The duration of the credit, the first taxable year
3 for which the credit may be awarded, and the first taxable
4 year in which the credit may be used by the taxpayer.

5 (3) The credit amount that will be allowed for each
6 taxable year.

7 (4) For a project qualified under paragraphs (1), (2),
8 or (4) of subsection (c) of Section 20, a requirement that
9 the taxpayer shall maintain operations at the project
10 location a minimum number of years not to exceed 15. For
11 project qualified under paragraph (3) of subsection (c) of
12 Section 20, a requirement that the taxpayer shall maintain
13 operations at the project location a minimum number of
14 years not to exceed 10.

15 (5) A specific method for determining the number of
16 new employees and if applicable, retained employees,
17 employed during a taxable year.

18 (6) A requirement that the taxpayer shall annually
19 report to the Department the number of new employees, the
20 incremental income tax withheld in connection with the new
21 employees, and any other information the Department deems
22 necessary and appropriate to perform its duties under this
23 Act.

24 (7) A requirement that the Director is authorized to
25 verify with the appropriate State agencies the amounts
26 reported under paragraph (6), and after doing so shall

1 issue a certificate to the taxpayer stating that the
2 amounts have been verified.

3 (8) A requirement that the taxpayer shall provide
4 written notification to the Director not more than 30 days
5 after the taxpayer makes or receives a proposal that would
6 transfer the taxpayer's State tax liability obligations to
7 a successor taxpayer.

8 (9) A detailed description of the number of new
9 employees to be hired, and the occupation and payroll of
10 full-time jobs to be created or retained because of the
11 project.

12 (10) The minimum investment the taxpayer will make in
13 capital improvements, the time period for placing the
14 property in service, and the designated location in
15 Illinois for the investment.

16 (11) A requirement that the taxpayer shall provide
17 written notification to the Director and the Director's
18 designee not more than 30 days after the taxpayer
19 determines that the minimum job creation or retention,
20 employment payroll, or investment no longer is or will be
21 achieved or maintained as set forth in the terms and
22 conditions of the agreement. Additionally, the
23 notification should outline to the Department the number
24 of layoffs, date of the layoffs, and detail taxpayer's
25 efforts to provide career and training counseling for the
26 impacted workers with industry-related certifications and

1 trainings.

2 (12) A provision that, if the total number of new
3 employees falls below a specified level, the allowance of
4 credit shall be suspended until the number of new
5 employees equals or exceeds the agreement amount.

6 (13) If applicable, a provision that specifies the
7 statewide baseline at the time of application for retained
8 employees. Additionally, the agreement must have a
9 provision addressing if the total number retained
10 employees falls below the statewide baseline, the
11 allowance of the credit shall be suspended until the
12 number of retained employees equals or exceeds the
13 agreement amount.

14 (14) A detailed description of the items for which the
15 costs incurred by the Taxpayer will be included in the
16 limitation on the Credit provided in Section 40.

17 (15) A provision stating that if the taxpayer fails to
18 meet either the investment or job creation and retention
19 requirements specified in the agreement during the entire
20 5-year period beginning on the first day of the first
21 taxable year in which the agreement is executed and ending
22 on the last day of the fifth taxable year after the
23 agreement is executed, then the agreement is automatically
24 terminated on the last day of the fifth taxable year after
25 the agreement is executed, and the taxpayer is not
26 entitled to the award of any credits for any of that 5-year

1 period.

2 (16) A provision stating that if the taxpayer ceases
3 principal operations with the intent to permanently shut
4 down the project in the State during the term of the
5 Agreement, then the entire credit amount awarded to the
6 taxpayer prior to the date the taxpayer ceases principal
7 operations shall be returned to the Department and shall
8 be reallocated to the local workforce investment area in
9 which the project was located.

10 (17) A provision stating that the Taxpayer must
11 provide the reports outlined in Sections 50 and 55 on or
12 before April 15 each year.

13 (18) A provision requiring the taxpayer to report
14 annually its contractual obligations or otherwise with a
15 recycling facility for its operations.

16 (19) Any other performance conditions or contract
17 provisions the Department determines are necessary or
18 appropriate.

19 (20) Each taxpayer under paragraph (1) of subsection
20 (c) of Section 20 above shall maintain labor neutrality
21 toward any union organizing campaign for any employees of
22 the taxpayer assigned to work on the premises of the REV
23 Illinois Project Site. This paragraph shall not apply to
24 an electric vehicle manufacturer, electric vehicle
25 component part manufacturer, electric vehicle power supply
26 manufacturer or any joint venture including an electric

1 vehicle manufacturer, electric vehicle component part
2 manufacturer, and electric vehicle power supply
3 manufacturer, who is subject to collective bargaining
4 agreement entered into prior to the taxpayer filing an
5 application pursuant to this Act.

6 (b) The Department shall post on its website the terms of
7 each agreement entered into under this Act. Such information
8 shall be posted within 10 days after entering into the
9 agreement and must include the following:

- 10 (1) the name of the taxpayer;
- 11 (2) the location of the project;
- 12 (3) the estimated value of the credit;
- 13 (4) the number of new employee jobs and, if
14 applicable, number of retained employee jobs at the
15 project; and
- 16 (5) whether or not the project is in an underserved
17 area or energy transition area.

18 Section 50. Diversity report on the taxpayer's workforce,
19 board of directors, and vendors.

20 (a) Each taxpayer with a workforce of 100 or more
21 employees and with an agreement for a REV Illinois project
22 under this Act shall, starting on April 15, 2025, and every
23 year thereafter prior to April 15, for which the Taxpayer has
24 an Agreement under this Act, submit to the Department an
25 annual report detailing the diversity of the taxpayer's own

1 workforce, including full-time and part-time employees,
2 contractors, and board of directors' membership. Any taxpayer
3 seeking to claim a credit under this Act that fails to timely
4 submit the required report shall not receive a credit for that
5 taxable year unless and until such report is finalized and
6 submitted to the Department. The report should also address
7 the Taxpayer's best efforts to meet or exceed the recruitment
8 and hiring plan outlined in the application referenced in
9 Section 20. Those reports shall be submitted in the form and
10 manner required by the Department.

11 (b) Vendor diversity and annual report. Each taxpayer with
12 a workforce of 100 or more full-time employees shall, starting
13 on April 15, 2025 and every year thereafter for which the
14 taxpayer has an Agreement under this Act, report on the
15 diversity of the vendors that it utilizes, for publication on
16 the Department's website, and include the following
17 information:

18 (1) a point of contact for potential vendors to
19 register with the taxpayer's REV Illinois Project;

20 (2) certifications that the taxpayer accepts or
21 recognizes for minority and women-owned businesses as
22 entities;

23 (3) the taxpayers goals to contract with diverse
24 vendors, if any, for the next fiscal year for the entire
25 budget of the Taxpayer's REV Illinois Project;

26 (4) for the last fiscal year, the actual contractual

1 spending for the entire budget of the REV Illinois Project
2 and the actual spending for minority-owned businesses and
3 women-owned businesses, expressed as a percentage of the
4 total budget for actual spending for the REV Illinois
5 project;

6 (5) A narrative explaining the results of the report
7 and the taxpayer's plan to address the voluntary goals for
8 the next fiscal year; and

9 (6) A copy of the taxpayer's submission of vendor
10 diversity information to the federal government, including
11 but not limited to vendor diversity goals and actual
12 contractual spending for minority-and women-owned
13 businesses, if the Taxpayer is a federal contractor and is
14 required by the federal government to submit such
15 information.

16 Section 55. Sexual harassment policy report. Each taxpayer
17 claiming a credit under this Act shall, prior to April 15 of
18 each taxable year for which the taxpayer claims a credit under
19 this Act, submit to the Department a report detailing that
20 taxpayer's sexual harassment policy, which contains, at a
21 minimum, the following information: (i) the illegality of
22 sexual harassment; (ii) the definition of sexual harassment
23 under State law; (iii) a description of sexual harassment,
24 utilizing examples; (iv) the vendor's internal complaint
25 process, including penalties; (v) the legal recourse and

1 investigative and complaint processes available through the
2 Department; (vi) directions on how to contact the Department;
3 and (vii) protection against retaliation as provided by
4 Section 6-101 of the Illinois Human Rights Act. A copy of the
5 policy shall be provided to the Department upon request. The
6 reports required under this Section shall be submitted in a
7 form and manner determined by the Department.

8 Section 60. Certificate of verification; submission to the
9 Department of Revenue.

10 (a) A taxpayer claiming a credit under this Act shall
11 submit to the Department of Revenue a copy of the Director's
12 certificate of verification under this Act for the taxable
13 year. However, failure to submit a copy of the certificate
14 with the taxpayer's tax return shall not invalidate a claim
15 for a credit.

16 (b) For a taxpayer to be eligible for a certificate of
17 verification, the taxpayer shall provide proof as required by
18 the Department, prior to the end of each calendar year,
19 including, but not limited to, attestation by the taxpayer
20 that:

21 (1) The project has achieved the level of new employee
22 jobs specified in the agreement.

23 (2) The project has achieved the level of annual
24 payroll in Illinois specified in its agreement.

25 (3) The project has achieved the level of capital

1 improvements in Illinois specified in its agreement.

2 (4) The project has achieved and maintained carbon
3 neutrality or one of the certifications specified in this
4 Act.

5 Section 65. Certified payroll.

6 (a) Each contractor and subcontractor that is engaged in
7 construction work on project facilities for a taxpayer who
8 seeks to apply for a REV Construction Jobs credit shall:

9 (1) make and keep, for a period of 5 years from the
10 date of the last payment made on a contract or subcontract
11 for construction of facilities for a REV Illinois Project
12 pursuant to an agreement, records of all laborers and
13 other workers employed by the contractor or subcontractor
14 on the project; the records shall include:

15 (A) the worker's name;

16 (B) the worker's address;

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

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

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

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

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

25 (H) the worker's starting and ending times of work

1 each day;

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

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

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

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

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

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

1 general contractor does not knowingly rely upon a
2 subcontractor's false certification.

3 (b) Any contractor or subcontractor subject to this
4 Section, and any officer, employee, or agent of such
5 contractor or subcontractor whose duty as an officer,
6 employee, or agent it is to file a certified payroll under this
7 Section, who willfully fails to file such a certified payroll,
8 on or before the date such certified payroll is required to be
9 filed and any person who willfully files a false certified
10 payroll as to any material fact is in violation of this Act and
11 guilty of a Class A misdemeanor and may be enforced by the
12 Illinois Department of Labor or the Department. The Attorney
13 General shall represented the Illinois Department of Labor or
14 the Department in the proceeding.

15 (c) The taxpayer in charge of the project shall keep the
16 records submitted in accordance with this Section for a period
17 of 5 years from the date of the last payment for work on a
18 contract or subcontract for the project.

19 (d) The records submitted in accordance with this Section
20 shall be considered public records, except an employee's
21 address, telephone number, and social security number, which
22 shall be redacted. The records shall be made publicly
23 available in accordance with the Freedom of Information Act.
24 The contractor or subcontractor shall submit reports to the
25 Department of Labor electronically that meet the requirements
26 of this subsection and shall share the information with the

1 Department to comply with the awarding of the REV Construction
2 Jobs Credit. A contractor, subcontractor, or public body may
3 retain records required under this Section in paper or
4 electronic format.

5 (e) Upon 7 business days' notice, the contractor and each
6 subcontractor shall make available for inspection and copying
7 at a location within this State during reasonable hours, the
8 records identified in paragraph (1) of this subsection to the
9 Taxpayer in charge of the Project, its officers and agents,
10 the Director of the Department of Labor and his/her deputies
11 and agents, and to federal, State, or local law enforcement
12 agencies and prosecutors.

13 Section 70. Noncompliance; notice; assessment. If the
14 Director determines that a taxpayer who has received a credit
15 under this Act is not complying with the requirements of the
16 agreement or all of the provisions of this Act, the Director
17 shall provide notice to the taxpayer of the alleged
18 noncompliance and allow the taxpayer a hearing under the
19 provisions of the Illinois Administrative Procedure Act. If,
20 after such notice and any hearing, the Director determines
21 that a noncompliance exists, the Director shall issue to the
22 Department of Revenue notice to that effect, stating the
23 noncompliance date. If, during the term of an agreement, the
24 taxpayer ceases operations at a project location that is the
25 subject of that agreement with the intent to terminate

1 operations in the State, the Department and the Department of
2 Revenue shall recapture from the taxpayer the entire credit
3 amount awarded under that agreement prior to the date the
4 taxpayer ceases operations. The Department shall, subject to
5 appropriation, reallocate the recaptured amounts within 6
6 months to the local workforce investment area in which the
7 project was located for purposes of workforce development,
8 expanded opportunities for unemployed persons, and expanded
9 opportunities for women and minority persons in the workforce.
10 The taxpayer will be ineligible for future funding under other
11 State tax credit or exemption programs for a 36-month period.
12 Noncompliance of the agreement with result in a default of
13 other agreements for State tax credits and exemption programs
14 for the project.

15 Section 75. Annual report.

16 (a) On or before July 1 each year, the Department shall
17 submit a report on the tax credit program under this Act to the
18 Governor and the General Assembly. The report shall include
19 information on the number of agreements that were entered into
20 under this Act during the preceding calendar year, a
21 description of the project that is the subject of each
22 agreement, an update on the status of projects under
23 agreements entered into before the preceding calendar year,
24 and the sum of the credits awarded under this Act. A copy of
25 the report shall be delivered to the Governor and to each

1 member of the General Assembly.

2 (b) The report must include, for each agreement:

3 (1) the original estimates of the value of the credit
4 and the number of new employee jobs to be created and, if
5 applicable, the number of retained employee jobs;

6 (2) any relevant modifications to existing agreements;

7 (3) a statement of the progress made by each taxpayer
8 in meeting the terms of the original agreement;

9 (4) a statement of wages paid to new employees and, if
10 applicable, retained employees in the State; and

11 (5) a copy of the original agreement or link to the
12 agreement on the Department's website.

13 Section 80. Evaluation of tax credit program. The
14 Department shall evaluate the tax credit program every three
15 years and issue a report. The evaluation shall include an
16 assessment of the effectiveness of the program in creating new
17 jobs in Illinois and of the revenue impact of the program and
18 may include a review of the practices and experiences of other
19 states with similar programs. The Director shall submit a
20 report on the evaluation to the Governor and the General
21 Assembly three years after the Effective Date of the Act and
22 every three years thereafter.

23 Section 85. Sunset of new agreements. The Department shall
24 not enter into any new Agreements under the provisions of this

1 Act after December 31, 2027.

2 Section 90. Prioritization of project review with the
3 Department of Transportation. A project that would directly
4 assist in the feasibility of locating an electric vehicle
5 manufacturing facility, component parts manufacturing
6 facility, or electric vehicle power supply manufacturing
7 facility may be prioritized by the Secretary of Transportation
8 if: (i) such project is included in the Highway Improvement
9 Program; and (ii) the company will operate the facility that
10 was approved to receive a REV Construction Jobs credit or a REV
11 Illinois credit. Under no circumstances should a project be
12 prioritized if it would compromise the delivery of a project
13 to remediate an immediate threat to safety.

14 Section 95. Utility tax exemptions for REV Illinois
15 Project sites. The Department may certify a taxpayer with a
16 REV Illinois credit for a Project that meets the
17 qualifications under Section paragraphs (1), (2), and (4) of
18 subsection (c) of Section 20, subject to an agreement under
19 this Act for an exemption from the tax imposed at the project
20 site by Section 2-4 of the Electricity Excise Tax Law. To
21 receive such certification, the taxpayer must be registered to
22 self-assess that tax. The taxpayer is also exempt from any
23 additional charges added to the taxpayer's utility bills at
24 the project site as a pass-on of State utility taxes under

1 Section 9-222 of the Public Utilities Act. The taxpayer must
2 meet any other the criteria for certification set by the
3 Department.

4 The Department shall determine the period during which the
5 exemption from the Electricity Excise Tax Law and the charges
6 imposed under Section 9-222 of the Public Utilities Act are in
7 effect, which shall not exceed 10 years from the date of the
8 taxpayer's initial receipt of certification from the
9 Department under this Section.

10 The Department is authorized to adopt rules to carry out
11 the provisions of this Section, including procedures to apply
12 for the exemptions; to define the amounts and types of
13 eligible investments that an applicant must make in order to
14 receive electricity excise tax exemptions or exemptions from
15 the additional charges imposed under Section 9-222 and the
16 Public Utilities Act; to approve such electricity excise tax
17 exemptions for applicants whose investments are not yet placed
18 in service; and to require that an applicant granted an
19 electricity excise tax exemption or an exemption from
20 additional charges under Section 9-222 of the Public Utilities
21 Act repay the exempted amount if the Applicant fails to comply
22 with the terms and conditions of the agreement.

23 Upon certification by the Department under this Section,
24 the Department shall notify the Department of Revenue of the
25 certification. The Department of Revenue shall notify the
26 public utilities of the exempt status of any taxpayer

1 certified for exemption under this Act from the electricity
2 excise tax or pass-on charges. The exemption status shall take
3 effect within 3 months after certification of the taxpayer and
4 notice to the Department of Revenue by the Department.

5 Section 100. Investment tax credits for REV Illinois
6 Projects. Subject to the conditions set forth in this Act, a
7 Taxpayer is entitled to an investment tax credit toward taxes
8 imposed pursuant to subsections (a) and (b) of Section 201 of
9 the Illinois Income Tax Act for a taxable year in which the
10 Taxpayer, in accordance with an Agreement under this Act for
11 that taxable year, invests in qualified property which is
12 placed in service at the site of a REV Illinois Project. The
13 Department has authority to certify the amount of such
14 investment tax credits to the Department of Revenue. The
15 credit shall be 0.5% of the basis for such property and shall
16 be determined in accordance with Section 237 of the Illinois
17 Income Tax Act. The credit shall be available only in the
18 taxable year in which the property is placed in service and
19 shall not be allowed to the extent that it would reduce a
20 taxpayer's liability for the tax imposed by subsections (a)
21 and (b) of Section 201 of the Illinois Income Tax Act to below
22 zero. Unused credit may be carried forward in accordance with
23 Section 237 of the Illinois Income Tax Act for use in future
24 taxable years. Any taxpayer qualifying for the REV Illinois
25 Investment Tax Credit shall not be eligible for either the

1 investment tax credits in Section 201(e), (f), or (h) of the
2 Illinois Income Tax Act.

3 Section 105. Building materials exemptions for REV
4 Illinois Project sites.

5 (a) The Department may certify a Taxpayer with a REV
6 Illinois Project that meets the qualifications under
7 paragraphs (1), (2), or (4) of subsection (c) of Section 20,
8 subject to an agreement under this Act, for an exemption from
9 any State or local use tax or retailers' occupation tax on
10 building materials for the construction of its project
11 facilities. The taxpayer must meet any criteria for
12 certification set by the Department under this Act.

13 The Department shall determine the period during which the
14 exemption from State and local use tax and retailers'
15 occupation tax are in effect, but in no event shall exceed 5
16 years in accordance with Section 5m of the Retailers'
17 Occupation Tax Act.

18 The Department is authorized to promulgate rules and
19 regulations to carry out the provisions of this Section,
20 including procedures to apply for the exemption; to define the
21 amounts and types of eligible investments that an applicant
22 must make in order to receive tax exemption; to approve such
23 tax exemption for an applicant whose investments are not yet
24 placed in service; and to require that an applicant granted
25 exemption repay the exempted amount if the applicant fails to

1 comply with the terms and conditions of the agreement with the
2 Department.

3 Upon certification by the Department under this Section,
4 the Department shall notify the Department of Revenue of the
5 certification. The exemption status shall take effect within 3
6 months after certification of the taxpayer and notice to the
7 Department of Revenue by the Department.

8 Section 900. The Illinois Procurement Code is amended by
9 adding Section 45-100 as follows:

10 (30 ILCS 500/45-100 new)

11 Sec. 45-100. Electric vehicles. For purposes of this
12 Section, "electric vehicle" means a vehicle that is
13 exclusively powered by and refueled by electricity, must be
14 plugged in to charge or utilize a pre-charged battery, and is
15 permitted to operate on public roadways. "Electric vehicle"
16 does not include hybrid electric vehicles and extended-range
17 electric vehicles that are also equipped with conventional
18 fueled propulsion or auxiliary engines. For purposes of this
19 section, "Manufactured in Illinois" means, in the case of
20 electric vehicles, that design, final assembly, processing,
21 packaging, testing, or other process that adds value, quality,
22 or reliability occurs in Illinois.

23 In awarding contracts requiring the procurement of
24 electric vehicles, preference shall be given to an otherwise

1 qualified bidder or offeror who will fulfill the contract
2 through the use of electric vehicles manufactured in Illinois.
3 Specifications for contracts for electric vehicles shall
4 include a price preference of 20% for electric vehicles
5 manufactured in Illinois. The purchasing agency may require
6 additional information from bidders or offerors to verify
7 whether an electric vehicle is manufactured in Illinois as
8 defined by this Section.

9 Section 905. The Illinois Income Tax Act is amended by
10 changing Sections 207 and 704A and by adding Sections 236 and
11 237 as follows:

12 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

13 Sec. 207. Net Losses.

14 (a) If after applying all of the (i) modifications
15 provided for in paragraph (2) of Section 203(b), paragraph (2)
16 of Section 203(c) and paragraph (2) of Section 203(d) and (ii)
17 the allocation and apportionment provisions of Article 3 of
18 this Act and subsection (c) of this Section, the taxpayer's
19 net income results in a loss;

20 (1) for any taxable year ending prior to December 31,
21 1999, such loss shall be allowed as a carryover or
22 carryback deduction in the manner allowed under Section
23 172 of the Internal Revenue Code;

24 (2) for any taxable year ending on or after December

1 31, 1999 and prior to December 31, 2003, such loss shall be
2 allowed as a carryback to each of the 2 taxable years
3 preceding the taxable year of such loss and shall be a net
4 operating loss carryover to each of the 20 taxable years
5 following the taxable year of such loss; ~~and~~

6 (3) for any taxable year ending on or after December
7 31, 2003 and prior to December 31, 2021, such loss shall be
8 allowed as a net operating loss carryover to each of the 12
9 taxable years following the taxable year of such loss,
10 except as provided in subsection (d); ~~and~~.

11 (4) for any taxable year ending on or after December
12 31, 2021, and for any net loss incurred in a taxable year
13 prior to a taxable year ending on or after December 31,
14 2021 for which the statute of limitation for utilization
15 of such net loss has not expired, such loss shall be
16 allowed as a net operating loss carryover to each of the 20
17 taxable years following the taxable year of such loss,
18 except as provided in subsection (d).

19 (a-5) Election to relinquish carryback and order of
20 application of losses.

21 (A) For losses incurred in tax years ending prior
22 to December 31, 2003, the taxpayer may elect to
23 relinquish the entire carryback period with respect to
24 such loss. Such election shall be made in the form and
25 manner prescribed by the Department and shall be made
26 by the due date (including extensions of time) for

1 filing the taxpayer's return for the taxable year in
2 which such loss is incurred, and such election, once
3 made, shall be irrevocable.

4 (B) The entire amount of such loss shall be
5 carried to the earliest taxable year to which such
6 loss may be carried. The amount of such loss which
7 shall be carried to each of the other taxable years
8 shall be the excess, if any, of the amount of such loss
9 over the sum of the deductions for carryback or
10 carryover of such loss allowable for each of the prior
11 taxable years to which such loss may be carried.

12 (b) Any loss determined under subsection (a) of this
13 Section must be carried back or carried forward in the same
14 manner for purposes of subsections (a) and (b) of Section 201
15 of this Act as for purposes of subsections (c) and (d) of
16 Section 201 of this Act.

17 (c) Notwithstanding any other provision of this Act, for
18 each taxable year ending on or after December 31, 2008, for
19 purposes of computing the loss for the taxable year under
20 subsection (a) of this Section and the deduction taken into
21 account for the taxable year for a net operating loss
22 carryover under paragraphs (1), (2), and (3) of subsection (a)
23 of this Section, the loss and net operating loss carryover
24 shall be reduced in an amount equal to the reduction to the net
25 operating loss and net operating loss carryover to the taxable
26 year, respectively, required under Section 108(b)(2)(A) of the

1 Internal Revenue Code, multiplied by a fraction, the numerator
2 of which is the amount of discharge of indebtedness income
3 that is excluded from gross income for the taxable year (but
4 only if the taxable year ends on or after December 31, 2008)
5 under Section 108(a) of the Internal Revenue Code and that
6 would have been allocated and apportioned to this State under
7 Article 3 of this Act but for that exclusion, and the
8 denominator of which is the total amount of discharge of
9 indebtedness income excluded from gross income under Section
10 108(a) of the Internal Revenue Code for the taxable year. The
11 reduction required under this subsection (c) shall be made
12 after the determination of Illinois net income for the taxable
13 year in which the indebtedness is discharged.

14 (d) In the case of a corporation (other than a Subchapter S
15 corporation), no carryover deduction shall be allowed under
16 this Section for any taxable year ending after December 31,
17 2010 and prior to December 31, 2012, and no carryover
18 deduction shall exceed \$100,000 for any taxable year ending on
19 or after December 31, 2012 and prior to December 31, 2014 and
20 for any taxable year ending on or after December 31, 2021 and
21 prior to December 31, 2024; provided that, for purposes of
22 determining the taxable years to which a net loss may be
23 carried under subsection (a) of this Section, no taxable year
24 for which a deduction is disallowed under this subsection, or
25 for which the deduction would exceed \$100,000 if not for this
26 subsection, shall be counted.

1 (e) In the case of a residual interest holder in a real
2 estate mortgage investment conduit subject to Section 860E of
3 the Internal Revenue Code, the net loss in subsection (a)
4 shall be equal to:

5 (1) the amount computed under subsection (a), without
6 regard to this subsection (e), or if that amount is
7 positive, zero;

8 (2) minus an amount equal to the amount computed under
9 subsection (a), without regard to this subsection (e),
10 minus the amount that would be computed under subsection
11 (a) if the taxpayer's federal taxable income were computed
12 without regard to Section 860E of the Internal Revenue
13 Code and without regard to this subsection (e).

14 The modification in this subsection (e) is exempt from the
15 provisions of Section 250.

16 (Source: P.A. 102-16, eff. 6-17-21.)

17 (35 ILCS 5/236 new)

18 Sec. 236. Reimagining Electric Vehicles in Illinois Tax
19 credits.

20 (a) For tax years beginning on or after January 1, 2025, a
21 taxpayer who has entered into an agreement under the
22 Reimagining Electric Vehicles in Illinois Act is entitled to a
23 credit against the taxes imposed under subsections (a) and (b)
24 of Section 201 of this Act in an amount to be determined in the
25 Agreement. The taxpayer may elect to claim the credit, on or

1 after January 1, 2025, against its obligation to pay over
2 withholding under Section 704A of this Act as provided in
3 paragraph (6) of subsection (b). If the taxpayer is a
4 partnership or Subchapter S corporation, the credit shall be
5 allowed to the partners or shareholders in accordance with the
6 determination of income and distributive share of income under
7 Sections 702 and 704 and subchapter S of the Internal Revenue
8 Code. The Department, in cooperation with the Department of
9 Commerce and Economic Opportunity, shall adopt rules to
10 enforce and administer the provisions of this Section. This
11 Section is exempt from the provisions of Section 250 of this
12 Act.

13 (b) The credit is subject to the conditions set forth in
14 the agreement and the following limitations:

15 (1) The tax credit may be in the form of either or both
16 the REV Illinois Credit or the REV Construction Jobs
17 Credit (as defined in the Reimagining Electric Vehicles in
18 Illinois Act) and shall not exceed the percentage of
19 incremental income tax and percentage of training costs
20 permitted in that Act and in the agreement with respect to
21 the project.

22 (2) The amount of the credit allowed during a tax year
23 plus the sum of all amounts allowed in prior tax years
24 shall not exceed the maximum amount of credit established
25 in the agreement.

26 (3) The amount of the credit shall be determined on an

1 annual basis. Except as applied in a carryover year
2 pursuant to paragraph (4), the credit may not be applied
3 against any State income tax liability in more than 15
4 taxable years.

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

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

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

3 If, during any taxable year, a taxpayer ceases
4 operations at a project location that is the subject of
5 that agreement with the intent to terminate operations in
6 the State, the tax imposed under subsections (a) and (b)
7 of Section 201 of this Act for such taxable year shall be
8 increased by the amount of any credit allowed under the
9 Agreement for that Project location prior to the date the
10 Taxpayer ceases operations.

11 (6) Instead of claiming the credit against the taxes
12 imposed under subsections (a) and (b) of Section 201 of
13 this Act, with respect to the portion of a REV Illinois
14 Credit that is calculated based on the Incremental Income
15 Tax attributable to new employees and retained employees,
16 the taxpayer may elect, in accordance with the Reimagining
17 Electric Vehicles in Illinois Act, to claim the credit, on
18 or after January 1, 2025, against its obligation to pay
19 over withholding under Section 704A of the Illinois Income
20 Tax Act. Any credit for which a Taxpayer makes such an
21 election shall not be claimed against the taxes imposed
22 under subsections (a) and (b) of Section 201 of this Act.

23 (35 ILCS 5/237 new)

24 Sec. 237. REV Illinois Investment Tax credits.

25 (a) For tax years beginning on or after the effective date

1 of this amendatory Act of the 102nd General Assembly, a
2 taxpayer shall be allowed a credit against the tax imposed by
3 subsections (a) and (b) of Section 201 for investment in
4 qualified property which is placed in service at the site of a
5 REV Illinois Project subject to an agreement between the
6 taxpayer and the Department of Commerce and Economic
7 Opportunity pursuant to the Reimagining Electric Vehicles in
8 Illinois Act. For partners, shareholders of Subchapter S
9 corporations, and owners of limited liability companies, if
10 the liability company is treated as a partnership for purposes
11 of federal and State income taxation, there shall be allowed a
12 credit under this Section to be determined in accordance with
13 the determination of income and distributive share of income
14 under Sections 702 and 704 and Subchapter S of the Internal
15 Revenue Code. The credit shall be 0.5% of the basis for such
16 property. The credit shall be available only in the taxable
17 year in which the property is placed in service and shall not
18 be allowed to the extent that it would reduce a taxpayer's
19 liability for the tax imposed by subsections (a) and (b) of
20 Section 201 to below zero. The credit shall be allowed for the
21 tax year in which the property is placed in service, or, if the
22 amount of the credit exceeds the tax liability for that year,
23 whether it exceeds the original liability or the liability as
24 later amended, such excess may be carried forward and applied
25 to the tax liability of the 5 taxable years following the
26 excess credit year. The credit shall be applied to the

1 earliest year for which there is a liability. If there is
2 credit from more than one tax year that is available to offset
3 a liability, the credit accruing first in time shall be
4 applied first.

5 (b) The term qualified property means property which:

6 (1) is tangible, whether new or used, including
7 buildings and structural components of buildings;

8 (2) is depreciable pursuant to Section 167 of the
9 Internal Revenue Code, except that "3-year property" as
10 defined in Section 168(c)(2)(A) of that Code is not
11 eligible for the credit provided by this Section;

12 (3) is acquired by purchase as defined in Section
13 179(d) of the Internal Revenue Code;

14 (4) is used at the site of the REV Illinois Project by
15 the taxpayer; and

16 (5) has not been previously used in Illinois in such a
17 manner and by such a person as would qualify for the credit
18 provided by this Section.

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

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

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

3 (f) If during any taxable year, any property ceases to be
4 qualified property in the hands of the taxpayer within 48
5 months after being placed in service, or the situs of any
6 qualified property is moved from the REV Illinois Project site
7 within 48 months after being placed in service, the tax
8 imposed under subsections (a) and (b) of Section 201 for such
9 taxable year shall be increased. Such increase shall be
10 determined by (i) recomputing the investment credit which
11 would have been allowed for the year in which credit for such
12 property was originally allowed by eliminating such property
13 from such computation, and (ii) subtracting such recomputed
14 credit from the amount of credit previously allowed. For the
15 purposes of this subsection (f), a reduction of the basis of
16 qualified property resulting from a redetermination of the
17 purchase price shall be deemed a disposition of qualified
18 property to the extent of such reduction.

19 (35 ILCS 5/704A)

20 Sec. 704A. Employer's return and payment of tax withheld.

21 (a) In general, every employer who deducts and withholds
22 or is required to deduct and withhold tax under this Act on or
23 after January 1, 2008 shall make those payments and returns as
24 provided in this Section.

25 (b) Returns. Every employer shall, in the form and manner

1 required by the Department, make returns with respect to taxes
2 withheld or required to be withheld under this Article 7 for
3 each quarter beginning on or after January 1, 2008, on or
4 before the last day of the first month following the close of
5 that quarter.

6 (c) Payments. With respect to amounts withheld or required
7 to be withheld on or after January 1, 2008:

8 (1) Semi-weekly payments. For each calendar year, each
9 employer who withheld or was required to withhold more
10 than \$12,000 during the one-year period ending on June 30
11 of the immediately preceding calendar year, payment must
12 be made:

13 (A) on or before each Friday of the calendar year,
14 for taxes withheld or required to be withheld on the
15 immediately preceding Saturday, Sunday, Monday, or
16 Tuesday;

17 (B) on or before each Wednesday of the calendar
18 year, for taxes withheld or required to be withheld on
19 the immediately preceding Wednesday, Thursday, or
20 Friday.

21 Beginning with calendar year 2011, payments made under
22 this paragraph (1) of subsection (c) must be made by
23 electronic funds transfer.

24 (2) Semi-weekly payments. Any employer who withholds
25 or is required to withhold more than \$12,000 in any
26 quarter of a calendar year is required to make payments on

1 the dates set forth under item (1) of this subsection (c)
2 for each remaining quarter of that calendar year and for
3 the subsequent calendar year.

4 (3) Monthly payments. Each employer, other than an
5 employer described in items (1) or (2) of this subsection,
6 shall pay to the Department, on or before the 15th day of
7 each month the taxes withheld or required to be withheld
8 during the immediately preceding month.

9 (4) Payments with returns. Each employer shall pay to
10 the Department, on or before the due date for each return
11 required to be filed under this Section, any tax withheld
12 or required to be withheld during the period for which the
13 return is due and not previously paid to the Department.

14 (d) Regulatory authority. The Department may, by rule:

15 (1) Permit employers, in lieu of the requirements of
16 subsections (b) and (c), to file annual returns due on or
17 before January 31 of the year for taxes withheld or
18 required to be withheld during the previous calendar year
19 and, if the aggregate amounts required to be withheld by
20 the employer under this Article 7 (other than amounts
21 required to be withheld under Section 709.5) do not exceed
22 \$1,000 for the previous calendar year, to pay the taxes
23 required to be shown on each such return no later than the
24 due date for such return.

25 (2) Provide that any payment required to be made under
26 subsection (c)(1) or (c)(2) is deemed to be timely to the

1 extent paid by electronic funds transfer on or before the
2 due date for deposit of federal income taxes withheld
3 from, or federal employment taxes due with respect to, the
4 wages from which the Illinois taxes were withheld.

5 (3) Designate one or more depositories to which
6 payment of taxes required to be withheld under this
7 Article 7 must be paid by some or all employers.

8 (4) Increase the threshold dollar amounts at which
9 employers are required to make semi-weekly payments under
10 subsection (c)(1) or (c)(2).

11 (e) Annual return and payment. Every employer who deducts
12 and withholds or is required to deduct and withhold tax from a
13 person engaged in domestic service employment, as that term is
14 defined in Section 3510 of the Internal Revenue Code, may
15 comply with the requirements of this Section with respect to
16 such employees by filing an annual return and paying the taxes
17 required to be deducted and withheld on or before the 15th day
18 of the fourth month following the close of the employer's
19 taxable year. The Department may allow the employer's return
20 to be submitted with the employer's individual income tax
21 return or to be submitted with a return due from the employer
22 under Section 1400.2 of the Unemployment Insurance Act.

23 (f) Magnetic media and electronic filing. With respect to
24 taxes withheld in calendar years prior to 2017, any W-2 Form
25 that, under the Internal Revenue Code and regulations
26 promulgated thereunder, is required to be submitted to the

1 Internal Revenue Service on magnetic media or electronically
2 must also be submitted to the Department on magnetic media or
3 electronically for Illinois purposes, if required by the
4 Department.

5 With respect to taxes withheld in 2017 and subsequent
6 calendar years, the Department may, by rule, require that any
7 return (including any amended return) under this Section and
8 any W-2 Form that is required to be submitted to the Department
9 must be submitted on magnetic media or electronically.

10 The due date for submitting W-2 Forms shall be as
11 prescribed by the Department by rule.

12 (g) For amounts deducted or withheld after December 31,
13 2009, a taxpayer who makes an election under subsection (f) of
14 Section 5-15 of the Economic Development for a Growing Economy
15 Tax Credit Act for a taxable year shall be allowed a credit
16 against payments due under this Section for amounts withheld
17 during the first calendar year beginning after the end of that
18 taxable year equal to the amount of the credit for the
19 incremental income tax attributable to full-time employees of
20 the taxpayer awarded to the taxpayer by the Department of
21 Commerce and Economic Opportunity under the Economic
22 Development for a Growing Economy Tax Credit Act for the
23 taxable year and credits not previously claimed and allowed to
24 be carried forward under Section 211(4) of this Act as
25 provided in subsection (f) of Section 5-15 of the Economic
26 Development for a Growing Economy Tax Credit Act. The credit

1 or credits may not reduce the taxpayer's obligation for any
2 payment due under this Section to less than zero. If the amount
3 of the credit or credits exceeds the total payments due under
4 this Section with respect to amounts withheld during the
5 calendar year, the excess may be carried forward and applied
6 against the taxpayer's liability under this Section in the
7 succeeding calendar years as allowed to be carried forward
8 under paragraph (4) of Section 211 of this Act. The credit or
9 credits shall be applied to the earliest year for which there
10 is a tax liability. If there are credits from more than one
11 taxable year that are available to offset a liability, the
12 earlier credit shall be applied first. Each employer who
13 deducts and withholds or is required to deduct and withhold
14 tax under this Act and who retains income tax withholdings
15 under subsection (f) of Section 5-15 of the Economic
16 Development for a Growing Economy Tax Credit Act must make a
17 return with respect to such taxes and retained amounts in the
18 form and manner that the Department, by rule, requires and pay
19 to the Department or to a depository designated by the
20 Department those withheld taxes not retained by the taxpayer.
21 For purposes of this subsection (g), the term taxpayer shall
22 include taxpayer and members of the taxpayer's unitary
23 business group as defined under paragraph (27) of subsection
24 (a) of Section 1501 of this Act. This Section is exempt from
25 the provisions of Section 250 of this Act. No credit awarded
26 under the Economic Development for a Growing Economy Tax

1 Credit Act for agreements entered into on or after January 1,
2 2015 may be credited against payments due under this Section.

3 (g-1) For amounts deducted or withheld after December 31,
4 2024, a taxpayer who makes an election under the Reimagining
5 Electric Vehicles in Illinois Act shall be allowed a credit
6 against payments due under this Section for amounts withheld
7 during the first quarterly reporting period beginning after
8 the certificate is issued equal to the portion of the REV
9 Illinois Credit attributable to the incremental income tax
10 attributable to new employees and retained employees as
11 certified by the Department of Commerce and Economic
12 Opportunity pursuant to an agreement with the taxpayer under
13 the Reimagining Electric Vehicles in Illinois Act for the
14 taxable year. The credit or credits may not reduce the
15 taxpayer's obligation for any payment due under this Section
16 to less than zero. If the amount of the credit or credits
17 exceeds the total payments due under this Section with respect
18 to amounts withheld during the quarterly reporting period, the
19 excess may be carried forward and applied against the
20 taxpayer's liability under this Section in the succeeding
21 quarterly reporting period as allowed to be carried forward
22 under paragraph (4) of Section 211 of this Act. The credit or
23 credits shall be applied to the earliest quarterly reporting
24 period for which there is a tax liability. If there are credits
25 from more than one quarterly reporting period that are
26 available to offset a liability, the earlier credit shall be

1 applied first. Each employer who deducts and withholds or is
2 required to deduct and withhold tax under this Act and who
3 retains income tax withholdings this subsection must make a
4 return with respect to such taxes and retained amounts in the
5 form and manner that the Department, by rule, requires and pay
6 to the Department or to a depository designated by the
7 Department those withheld taxes not retained by the taxpayer.
8 For purposes of this subsection (g-1), the term taxpayer shall
9 include taxpayer and members of the taxpayer's unitary
10 business group as defined under paragraph (27) of subsection
11 (a) of Section 1501 of this Act. This Section is exempt from
12 the provisions of Section 250 of this Act.

13 (h) An employer may claim a credit against payments due
14 under this Section for amounts withheld during the first
15 calendar year ending after the date on which a tax credit
16 certificate was issued under Section 35 of the Small Business
17 Job Creation Tax Credit Act. The credit shall be equal to the
18 amount shown on the certificate, but may not reduce the
19 taxpayer's obligation for any payment due under this Section
20 to less than zero. If the amount of the credit exceeds the
21 total payments due under this Section with respect to amounts
22 withheld during the calendar year, the excess may be carried
23 forward and applied against the taxpayer's liability under
24 this Section in the 5 succeeding calendar years. The credit
25 shall be applied to the earliest year for which there is a tax
26 liability. If there are credits from more than one calendar

1 year that are available to offset a liability, the earlier
2 credit shall be applied first. This Section is exempt from the
3 provisions of Section 250 of this Act.

4 (i) Each employer with 50 or fewer full-time equivalent
5 employees during the reporting period may claim a credit
6 against the payments due under this Section for each qualified
7 employee in an amount equal to the maximum credit allowable.
8 The credit may be taken against payments due for reporting
9 periods that begin on or after January 1, 2020, and end on or
10 before December 31, 2027. An employer may not claim a credit
11 for an employee who has worked fewer than 90 consecutive days
12 immediately preceding the reporting period; however, such
13 credits may accrue during that 90-day period and be claimed
14 against payments under this Section for future reporting
15 periods after the employee has worked for the employer at
16 least 90 consecutive days. In no event may the credit exceed
17 the employer's liability for the reporting period. Each
18 employer who deducts and withholds or is required to deduct
19 and withhold tax under this Act and who retains income tax
20 withholdings under this subsection must make a return with
21 respect to such taxes and retained amounts in the form and
22 manner that the Department, by rule, requires and pay to the
23 Department or to a depository designated by the Department
24 those withheld taxes not retained by the employer.

25 For each reporting period, the employer may not claim a
26 credit or credits for more employees than the number of

1 employees making less than the minimum or reduced wage for the
2 current calendar year during the last reporting period of the
3 preceding calendar year. Notwithstanding any other provision
4 of this subsection, an employer shall not be eligible for
5 credits for a reporting period unless the average wage paid by
6 the employer per employee for all employees making less than
7 \$55,000 during the reporting period is greater than the
8 average wage paid by the employer per employee for all
9 employees making less than \$55,000 during the same reporting
10 period of the prior calendar year.

11 For purposes of this subsection (i):

12 "Compensation paid in Illinois" has the meaning ascribed
13 to that term under Section 304(a)(2)(B) of this Act.

14 "Employer" and "employee" have the meaning ascribed to
15 those terms in the Minimum Wage Law, except that "employee"
16 also includes employees who work for an employer with fewer
17 than 4 employees. Employers that operate more than one
18 establishment pursuant to a franchise agreement or that
19 constitute members of a unitary business group shall aggregate
20 their employees for purposes of determining eligibility for
21 the credit.

22 "Full-time equivalent employees" means the ratio of the
23 number of paid hours during the reporting period and the
24 number of working hours in that period.

25 "Maximum credit" means the percentage listed below of the
26 difference between the amount of compensation paid in Illinois

1 to employees who are paid not more than the required minimum
2 wage reduced by the amount of compensation paid in Illinois to
3 employees who were paid less than the current required minimum
4 wage during the reporting period prior to each increase in the
5 required minimum wage on January 1. If an employer pays an
6 employee more than the required minimum wage and that employee
7 previously earned less than the required minimum wage, the
8 employer may include the portion that does not exceed the
9 required minimum wage as compensation paid in Illinois to
10 employees who are paid not more than the required minimum
11 wage.

12 (1) 25% for reporting periods beginning on or after
13 January 1, 2020 and ending on or before December 31, 2020;

14 (2) 21% for reporting periods beginning on or after
15 January 1, 2021 and ending on or before December 31, 2021;

16 (3) 17% for reporting periods beginning on or after
17 January 1, 2022 and ending on or before December 31, 2022;

18 (4) 13% for reporting periods beginning on or after
19 January 1, 2023 and ending on or before December 31, 2023;

20 (5) 9% for reporting periods beginning on or after
21 January 1, 2024 and ending on or before December 31, 2024;

22 (6) 5% for reporting periods beginning on or after
23 January 1, 2025 and ending on or before December 31, 2025.

24 The amount computed under this subsection may continue to
25 be claimed for reporting periods beginning on or after January
26 1, 2026 and:

1 (A) ending on or before December 31, 2026 for
2 employers with more than 5 employees; or

3 (B) ending on or before December 31, 2027 for
4 employers with no more than 5 employees.

5 "Qualified employee" means an employee who is paid not
6 more than the required minimum wage and has an average wage
7 paid per hour by the employer during the reporting period
8 equal to or greater than his or her average wage paid per hour
9 by the employer during each reporting period for the
10 immediately preceding 12 months. A new qualified employee is
11 deemed to have earned the required minimum wage in the
12 preceding reporting period.

13 "Reporting period" means the quarter for which a return is
14 required to be filed under subsection (b) of this Section.

15 (Source: P.A. 100-303, eff. 8-24-17; 100-511, eff. 9-18-17;
16 100-863, eff. 8-14-18; 101-1, eff. 2-19-19.)

17 Section 910. The Retailers' Occupation Tax Act is amended
18 by adding Section 5m as follows:

19 (35 ILCS 120/5m new)

20 Sec. 5m. Building materials exemption; electric vehicle
21 manufacturer, electric vehicle component parts manufacturer,
22 and electric vehicle power supply manufacturer. Each retailer
23 who makes a sale of building materials that will be
24 incorporated into real estate in an electric vehicle

1 manufacturing facility, an electric vehicle component parts
2 manufacturing facility, or an electric vehicle power supply
3 manufacturing facility REV Illinois Project which meets the
4 qualifications under paragraphs (1), (2), or (4) of subsection
5 (c) of Section 20 of the Reimagining Electric Vehicles in
6 Illinois Act for which a certificate of exemption has been
7 issued by the Department of Commerce and Economic Opportunity
8 under the Reimagining Electric Vehicles in Illinois Act, may
9 deduct receipts from such sales when calculating any State or
10 local use and occupation taxes. No retailer who is eligible
11 for the deduction or credit under Section 5k of this Act
12 related to enterprise zones or Section 5l of this Act related
13 to High Impact Businesses for a given sale shall be eligible
14 for the deduction or credit authorized under this Section for
15 that same sale.

16 In addition to any other requirements to document the
17 exemption allowed under this Section, the retailer must obtain
18 from the purchaser's REV Illinois Building Materials Exemption
19 certificate number issued by the Department. A construction
20 contractor or other entity shall not make tax-free purchases
21 unless it has an active REV Illinois Building Materials
22 Exemption Certificate issued by the Department at the time of
23 purchase.

24 Upon request from the electric vehicle manufacturer,
25 electric vehicle component parts manufacturer, or electric
26 vehicle power supply manufacturer certified by the Department

1 of Commerce and Economic Opportunity under REV Illinois Act,
2 the Department shall issue a REV Illinois Building Materials
3 Exemption Certificate for each construction contractor or
4 other entity identified by the certified electric vehicle
5 manufacturer, electric vehicle component parts manufacturer,
6 or electric vehicle power supply manufacturer. The Department
7 shall make the REV Illinois Building Materials Exemption
8 Certificates available to each construction contractor or
9 other entity and the certified electric vehicle manufacturer,
10 electric vehicle component parts manufacturer, or electric
11 vehicle power supply manufacturer. The request for REV
12 Illinois Building Materials Exemption Certificates from the
13 certified electric vehicle manufacturer, electric vehicle
14 component parts manufacturer, or electric vehicle power supply
15 manufacturer to the Department must include the following
16 information:

17 (1) the name and address of the construction
18 contractor or other entity;

19 (2) the name and location or address of the building
20 project site;

21 (3) the estimated amount of the exemption for each
22 construction contractor or other entity for which a
23 request for a REV Illinois Building Materials Exemption
24 Certificate is made, based on a stated estimated average
25 tax rate and the percentage of the contract that consists
26 of materials;

1 (4) the period of time over which supplies for the
2 project are expected to be purchased; and

3 (5) other reasonable information as the Department may
4 require, including but not limited to FEIN numbers, to
5 determine if the contractor or other entity, or any
6 partner, or a corporate officer, and in the case of a
7 limited liability company, any manager or member, of the
8 construction contractor or other entity, is or has been
9 the owner, a partner, a corporate officer, and in the case
10 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
13 the Department.

14 The Department shall issue the REV Illinois Building
15 Materials Exemption Certificates within 3 business days after
16 receipt of request from the certified electric vehicle
17 manufacturer, electric vehicle component parts manufacturer,
18 or electric vehicle power supply manufacturer. This
19 requirement does not apply in circumstances where the
20 Department, for reasonable cause, is unable to issue the
21 Exemption Certificate within 3 business days. The Department
22 may refuse to issue a REV Illinois Building Materials
23 Exemption Certificate if the owner, any partner, or a
24 corporate officer, and in the case of a limited liability
25 company, any manager or member, of the construction contractor
26 or other entity is or has been the owner, a partner, a

1 corporate officer, and in the case of a limited liability
2 company, a manager or member, of a person that is in default
3 for moneys due to the Department under this Act or any other
4 tax or fee Act administered by the Department.

5 The REV Illinois Building Materials Exemption Certificate
6 shall contain language stating that if the construction
7 contractor or other entity who is issued the Exemption
8 Certificate makes a tax-exempt purchase, as described in this
9 Section, that is not eligible for exemption under this Section
10 or allows another person to make a tax-exempt purchase, as
11 described in this Section, that is not eligible for exemption
12 under this Section, then, in addition to any tax or other
13 penalty imposed, the construction contractor or other entity
14 is subject to a penalty equal to the tax that would have been
15 paid by the retailer under this Act as well as any applicable
16 local retailers' occupation tax on the purchase that is not
17 eligible for the exemption.

18 The Department, in its discretion, may require that the
19 request for REV Illinois Building Materials Exemption
20 Certificates be submitted electronically. The Department may,
21 in its discretion, issue the Exemption Certificates
22 electronically. The REV Illinois Building Materials Exemption
23 Certificate number shall be designed in such a way that the
24 Department can identify from the unique number on the
25 Exemption Certificate issued to a given construction
26 contractor or other entity, the name of the designated

1 electric vehicle manufacturing, electric vehicle component
2 parts manufacturing, or electric vehicle power supply
3 manufacturing site and the construction contractor or other
4 entity to whom the Exemption Certificate is issued. The REV
5 Illinois Building Materials Exemption Certificate shall
6 contain an expiration date, which shall be no more than 5 years
7 after the date of issuance. At the request of the designated
8 certified electric vehicle manufacturer, electric vehicle
9 component parts manufacturer, or electric vehicle power supply
10 manufacturer, the Department may renew a REV Illinois Building
11 Materials Exemption Certificate. After the Department issues
12 Exemption Certificates for a given designated electric vehicle
13 manufacturing, electric vehicle component parts manufacturing,
14 or electric vehicle power supply manufacturing site, the
15 certified electric vehicle manufacturer, electric vehicle
16 component parts manufacturer, or electric vehicle power supply
17 manufacturer may notify the Department of additional
18 construction contractors or other entities eligible for a REV
19 Illinois Building Materials Exemption Certificate. Upon
20 notification by the certified electric vehicle manufacturer,
21 electric vehicle component parts manufacturer, or electric
22 vehicle power supply manufacturer and subject to the other
23 provisions of this Section, the Department shall issue a REV
24 Illinois Building Materials Exemption Certificate to each
25 additional construction contractor or other entity identified
26 by the certified electric vehicle manufacturer, electric

1 vehicle component parts manufacturer, or electric vehicle
2 power supply manufacturer. A certified electric vehicle
3 manufacturer, electric vehicle component parts manufacturer,
4 or electric vehicle power supply manufacturer may notify the
5 Department to rescind a REV Illinois Building Materials
6 Exemption Certificate previously issued by the Department but
7 that has not yet expired. Upon notification by the certified
8 electric vehicle manufacturer, electric vehicle component
9 parts manufacturer, or electric vehicle power supply
10 manufacturer and subject to the other provisions of this
11 Section, the Department shall issue the rescission of the REV
12 Illinois Building Materials Exemption Certificate to the
13 construction contractor or other entity identified by the
14 certified electric vehicle manufacturer, electric vehicle
15 component parts manufacturer, or electric vehicle power supply
16 manufacturer and provide a copy to the certified electric
17 vehicle manufacturer, electric vehicle component parts
18 manufacturer, or electric vehicle power supply manufacturer.

19 If the Department of Revenue determines that a
20 construction contractor or other entity that was issued an
21 Exemption Certificate under this Section made a tax-exempt
22 purchase, as described in this Section, that was not eligible
23 for exemption under this Section or allowed another person to
24 make a tax-exempt purchase, as described in this Section, that
25 was not eligible for exemption under this Section, then, in
26 addition to any tax or other penalty imposed, the construction

1 contractor or other entity is subject to a penalty equal to the
2 tax that would have been paid by the retailer under this Act as
3 well as any applicable local retailers' occupation tax on the
4 purchase that was not eligible for the exemption.

5 This Section is exempt from the provisions of Section
6 2-70.

7 Section 915. The Property Tax Code is amended by adding
8 Section 18-184.15 as follows:

9 (35 ILCS 200/18-184.15 new)

10 Sec. 18-184.15. REV Illinois project facilities for
11 electric vehicles, electric vehicle component parts, or
12 electric vehicle power supply equipment; abatement. Any taxing
13 district, upon a majority vote of its governing body, may,
14 after determination of the assessed value as set forth in this
15 Code, order the clerk of the appropriate municipality or
16 county to abate any portion of real property taxes otherwise
17 levied or extended by the taxing district on a REV Illinois
18 Project facility owned by an electric vehicle manufacturer,
19 electric vehicle component parts manufacturer, or an electric
20 vehicle power supply manufacturer that is subject to an
21 agreement with the Department of Commerce and Economic
22 Opportunity under Section 45 of the Reimagining Electric
23 Vehicles in Illinois Act, during the period of time such
24 agreement is in effect as specified by the Department of

1 Commerce and Economic Opportunity.

2 Section 920. The Telecommunications Excise Tax Act is
3 amended by changing Section 2 as follows:

4 (35 ILCS 630/2) (from Ch. 120, par. 2002)

5 Sec. 2. As used in this Article, unless the context
6 clearly requires otherwise:

7 (a) "Gross charge" means the amount paid for the act or
8 privilege of originating or receiving telecommunications in
9 this State and for all services and equipment provided in
10 connection therewith by a retailer, valued in money whether
11 paid in money or otherwise, including cash, credits, services
12 and property of every kind or nature, and shall be determined
13 without any deduction on account of the cost of such
14 telecommunications, the cost of materials used, labor or
15 service costs or any other expense whatsoever. In case credit
16 is extended, the amount thereof shall be included only as and
17 when paid. "Gross charges" for private line service shall
18 include charges imposed at each channel termination point
19 within this State, charges for the channel mileage between
20 each channel termination point within this State, and charges
21 for that portion of the interstate inter-office channel
22 provided within Illinois. Charges for that portion of the
23 interstate inter-office channel provided in Illinois shall be
24 determined by the retailer as follows: (i) for interstate

1 inter-office channels having 2 channel termination points,
2 only one of which is in Illinois, 50% of the total charge
3 imposed; or (ii) for interstate inter-office channels having
4 more than 2 channel termination points, one or more of which
5 are in Illinois, an amount equal to the total charge
6 multiplied by a fraction, the numerator of which is the number
7 of channel termination points within Illinois and the
8 denominator of which is the total number of channel
9 termination points. Prior to January 1, 2004, any method
10 consistent with this paragraph or other method that reasonably
11 apportions the total charges for interstate inter-office
12 channels among the states in which channel terminations points
13 are located shall be accepted as a reasonable method to
14 determine the charges for that portion of the interstate
15 inter-office channel provided within Illinois for that period.
16 However, "gross charges" shall not include any of the
17 following:

18 (1) Any amounts added to a purchaser's bill because of
19 a charge made pursuant to (i) the tax imposed by this
20 Article; (ii) charges added to customers' bills pursuant
21 to the provisions of Sections 9-221 or 9-222 of the Public
22 Utilities Act, as amended, or any similar charges added to
23 customers' bills by retailers who are not subject to rate
24 regulation by the Illinois Commerce Commission for the
25 purpose of recovering any of the tax liabilities or other
26 amounts specified in such provisions of such Act; (iii)

1 the tax imposed by Section 4251 of the Internal Revenue
2 Code; (iv) 911 surcharges; or (v) the tax imposed by the
3 Simplified Municipal Telecommunications Tax Act.

4 (2) Charges for a sent collect telecommunication
5 received outside of the State.

6 (3) Charges for leased time on equipment or charges
7 for the storage of data or information for subsequent
8 retrieval or the processing of data or information
9 intended to change its form or content. Such equipment
10 includes, but is not limited to, the use of calculators,
11 computers, data processing equipment, tabulating equipment
12 or accounting equipment and also includes the usage of
13 computers under a time-sharing agreement.

14 (4) Charges for customer equipment, including such
15 equipment that is leased or rented by the customer from
16 any source, wherein such charges are disaggregated and
17 separately identified from other charges.

18 (5) Charges to business enterprises certified under
19 Section 9-222.1 of the Public Utilities Act, as amended,
20 or to electric vehicle manufacturers, electric vehicle
21 component parts manufacturers, or electric vehicle power
22 supply manufacturers at REV Illinois Project sites for
23 which a certificate of exemption has been issued by the
24 Department of Commerce and Economic Opportunity under
25 Section 95 of the Reimagining Electric Vehicles in
26 Illinois Act, to the extent of such exemption and during

1 the period of time specified by the Department of Commerce
2 and Economic Opportunity.

3 (6) Charges for telecommunications and all services
4 and equipment provided in connection therewith between a
5 parent corporation and its wholly owned subsidiaries or
6 between wholly owned subsidiaries when the tax imposed
7 under this Article has already been paid to a retailer and
8 only to the extent that the charges between the parent
9 corporation and wholly owned subsidiaries or between
10 wholly owned subsidiaries represent expense allocation
11 between the corporations and not the generation of profit
12 for the corporation rendering such service.

13 (7) Bad debts. Bad debt means any portion of a debt
14 that is related to a sale at retail for which gross charges
15 are not otherwise deductible or excludable that has become
16 worthless or uncollectable, as determined under applicable
17 federal income tax standards. If the portion of the debt
18 deemed to be bad is subsequently paid, the retailer shall
19 report and pay the tax on that portion during the
20 reporting period in which the payment is made.

21 (8) Charges paid by inserting coins in coin-operated
22 telecommunication devices.

23 (9) Amounts paid by telecommunications retailers under
24 the Telecommunications Municipal Infrastructure
25 Maintenance Fee Act.

26 (10) Charges for nontaxable services or

1 telecommunications if (i) those charges are aggregated
2 with other charges for telecommunications that are
3 taxable, (ii) those charges are not separately stated on
4 the customer bill or invoice, and (iii) the retailer can
5 reasonably identify the nontaxable charges on the
6 retailer's books and records kept in the regular course of
7 business. If the nontaxable charges cannot reasonably be
8 identified, the gross charge from the sale of both taxable
9 and nontaxable services or telecommunications billed on a
10 combined basis shall be attributed to the taxable services
11 or telecommunications. The burden of proving nontaxable
12 charges shall be on the retailer of the
13 telecommunications.

14 (b) "Amount paid" means the amount charged to the
15 taxpayer's service address in this State regardless of where
16 such amount is billed or paid.

17 (c) "Telecommunications", in addition to the meaning
18 ordinarily and popularly ascribed to it, includes, without
19 limitation, messages or information transmitted through use of
20 local, toll and wide area telephone service; private line
21 services; channel services; telegraph services;
22 teletypewriter; computer exchange services; cellular mobile
23 telecommunications service; specialized mobile radio;
24 stationary two way radio; paging service; or any other form of
25 mobile and portable one-way or two-way communications; or any
26 other transmission of messages or information by electronic or

1 similar means, between or among points by wire, cable,
2 fiber-optics, laser, microwave, radio, satellite or similar
3 facilities. As used in this Act, "private line" means a
4 dedicated non-traffic sensitive service for a single customer,
5 that entitles the customer to exclusive or priority use of a
6 communications channel or group of channels, from one or more
7 specified locations to one or more other specified locations.
8 The definition of "telecommunications" shall not include value
9 added services in which computer processing applications are
10 used to act on the form, content, code and protocol of the
11 information for purposes other than transmission.
12 "Telecommunications" shall not include purchases of
13 telecommunications by a telecommunications service provider
14 for use as a component part of the service provided by him to
15 the ultimate retail consumer who originates or terminates the
16 taxable end-to-end communications. Carrier access charges,
17 right of access charges, charges for use of inter-company
18 facilities, and all telecommunications resold in the
19 subsequent provision of, used as a component of, or integrated
20 into end-to-end telecommunications service shall be
21 non-taxable as sales for resale.

22 (d) "Interstate telecommunications" means all
23 telecommunications that either originate or terminate outside
24 this State.

25 (e) "Intrastate telecommunications" means all
26 telecommunications that originate and terminate within this

1 State.

2 (f) "Department" means the Department of Revenue of the
3 State of Illinois.

4 (g) "Director" means the Director of Revenue for the
5 Department of Revenue of the State of Illinois.

6 (h) "Taxpayer" means a person who individually or through
7 his agents, employees or permittees engages in the act or
8 privilege of originating or receiving telecommunications in
9 this State and who incurs a tax liability under this Article.

10 (i) "Person" means any natural individual, firm, trust,
11 estate, partnership, association, joint stock company, joint
12 venture, corporation, limited liability company, or a
13 receiver, trustee, guardian or other representative appointed
14 by order of any court, the Federal and State governments,
15 including State universities created by statute or any city,
16 town, county or other political subdivision of this State.

17 (j) "Purchase at retail" means the acquisition,
18 consumption or use of telecommunication through a sale at
19 retail.

20 (k) "Sale at retail" means the transmitting, supplying or
21 furnishing of telecommunications and all services and
22 equipment provided in connection therewith for a consideration
23 to persons other than the Federal and State governments, and
24 State universities created by statute and other than between a
25 parent corporation and its wholly owned subsidiaries or
26 between wholly owned subsidiaries for their use or consumption

1 and not for resale.

2 (l) "Retailer" means and includes every person engaged in
3 the business of making sales at retail as defined in this
4 Article. The Department may, in its discretion, upon
5 application, authorize the collection of the tax hereby
6 imposed by any retailer not maintaining a place of business
7 within this State, who, to the satisfaction of the Department,
8 furnishes adequate security to insure collection and payment
9 of the tax. Such retailer shall be issued, without charge, a
10 permit to collect such tax. When so authorized, it shall be the
11 duty of such retailer to collect the tax upon all of the gross
12 charges for telecommunications in this State in the same
13 manner and subject to the same requirements as a retailer
14 maintaining a place of business within this State. The permit
15 may be revoked by the Department at its discretion.

16 (m) "Retailer maintaining a place of business in this
17 State", or any like term, means and includes any retailer
18 having or maintaining within this State, directly or by a
19 subsidiary, an office, distribution facilities, transmission
20 facilities, sales office, warehouse or other place of
21 business, or any agent or other representative operating
22 within this State under the authority of the retailer or its
23 subsidiary, irrespective of whether such place of business or
24 agent or other representative is located here permanently or
25 temporarily, or whether such retailer or subsidiary is
26 licensed to do business in this State.

1 (n) "Service address" means the location of
2 telecommunications equipment from which the telecommunications
3 services are originated or at which telecommunications
4 services are received by a taxpayer. In the event this may not
5 be a defined location, as in the case of mobile phones, paging
6 systems, maritime systems, service address means the
7 customer's place of primary use as defined in the Mobile
8 Telecommunications Sourcing Conformity Act. For air-to-ground
9 systems and the like, service address shall mean the location
10 of a taxpayer's primary use of the telecommunications
11 equipment as defined by telephone number, authorization code,
12 or location in Illinois where bills are sent.

13 (o) "Prepaid telephone calling arrangements" mean the
14 right to exclusively purchase telephone or telecommunications
15 services that must be paid for in advance and enable the
16 origination of one or more intrastate, interstate, or
17 international telephone calls or other telecommunications
18 using an access number, an authorization code, or both,
19 whether manually or electronically dialed, for which payment
20 to a retailer must be made in advance, provided that, unless
21 recharged, no further service is provided once that prepaid
22 amount of service has been consumed. Prepaid telephone calling
23 arrangements include the recharge of a prepaid calling
24 arrangement. For purposes of this subsection, "recharge" means
25 the purchase of additional prepaid telephone or
26 telecommunications services whether or not the purchaser

1 acquires a different access number or authorization code.
2 "Prepaid telephone calling arrangement" does not include an
3 arrangement whereby a customer purchases a payment card and
4 pursuant to which the service provider reflects the amount of
5 such purchase as a credit on an invoice issued to that customer
6 under an existing subscription plan.

7 (Source: P.A. 93-286, 1-1-04; 94-793, eff. 5-19-06.)

8 Section 925. The Electricity Excise Tax Law is amended by
9 changing Section 2-4 as follows:

10 (35 ILCS 640/2-4)

11 Sec. 2-4. Tax imposed.

12 (a) Except as provided in subsection (b), a tax is imposed
13 on the privilege of using in this State electricity purchased
14 for use or consumption and not for resale, other than by
15 municipal corporations owning and operating a local
16 transportation system for public service, at the following
17 rates per kilowatt-hour delivered to the purchaser:

18 (i) For the first 2000 kilowatt-hours used or consumed
19 in a month: 0.330 cents per kilowatt-hour;

20 (ii) For the next 48,000 kilowatt-hours used or
21 consumed in a month: 0.319 cents per kilowatt-hour;

22 (iii) For the next 50,000 kilowatt-hours used or
23 consumed in a month: 0.303 cents per kilowatt-hour;

24 (iv) For the next 400,000 kilowatt-hours used or

1 consumed in a month: 0.297 cents per kilowatt-hour;

2 (v) For the next 500,000 kilowatt-hours used or
3 consumed in a month: 0.286 cents per kilowatt-hour;

4 (vi) For the next 2,000,000 kilowatt-hours used or
5 consumed in a month: 0.270 cents per kilowatt-hour;

6 (vii) For the next 2,000,000 kilowatt-hours used or
7 consumed in a month: 0.254 cents per kilowatt-hour;

8 (viii) For the next 5,000,000 kilowatt-hours used or
9 consumed in a month: 0.233 cents per kilowatt-hour;

10 (ix) For the next 10,000,000 kilowatt-hours used or
11 consumed in a month: 0.207 cents per kilowatt-hour;

12 (x) For all electricity in excess of 20,000,000
13 kilowatt-hours used or consumed in a month: 0.202 cents
14 per kilowatt-hour.

15 Provided, that in lieu of the foregoing rates, the tax is
16 imposed on a self-assessing purchaser at the rate of 5.1% of
17 the self-assessing purchaser's purchase price for all
18 electricity distributed, supplied, furnished, sold,
19 transmitted and delivered to the self-assessing purchaser in a
20 month.

21 (b) A tax is imposed on the privilege of using in this
22 State electricity purchased from a municipal system or
23 electric cooperative, as defined in Article XVII of the Public
24 Utilities Act, which has not made an election as permitted by
25 either Section 17-200 or Section 17-300 of such Act, at the
26 lesser of 0.32 cents per kilowatt hour of all electricity

1 distributed, supplied, furnished, sold, transmitted, and
2 delivered by such municipal system or electric cooperative to
3 the purchaser or 5% of each such purchaser's purchase price
4 for all electricity distributed, supplied, furnished, sold,
5 transmitted, and delivered by such municipal system or
6 electric cooperative to the purchaser, whichever is the lower
7 rate as applied to each purchaser in each billing period.

8 (c) The tax imposed by this Section 2-4 is not imposed with
9 respect to any use of electricity by business enterprises
10 certified under Section 9-222.1 or 9-222.1A of the Public
11 Utilities Act, as amended, to the extent of such exemption and
12 during the time specified by the Department of Commerce and
13 Economic Opportunity; or with respect to any transaction in
14 interstate commerce, or otherwise, to the extent to which such
15 transaction may not, under the Constitution and statutes of
16 the United States, be made the subject of taxation by this
17 State.

18 (d) The tax imposed by this Section 2-4 is not imposed with
19 respect to any use of electricity at a REV Illinois Project
20 site that has received a certification for tax exemption from
21 the Department of Commerce and Economic Opportunity pursuant
22 to Section 95 of the Reimagining Electric Vehicles in Illinois
23 Act, to the extent of such exemption, which shall be no more
24 than 10 years.

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

1 Section 930. The Public Utilities Act is amended by
2 changing Section 9-222 as follows:

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

4 Sec. 9-222. Whenever a tax is imposed upon a public
5 utility engaged in the business of distributing, supplying,
6 furnishing, or selling gas for use or consumption pursuant to
7 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
8 required to be collected by a delivering supplier pursuant to
9 Section 2-7 of the Electricity Excise Tax Act, or whenever a
10 tax is imposed upon a public utility pursuant to Section 2-202
11 of this Act, such utility may charge its customers, other than
12 customers who are high impact businesses under Section 5.5 of
13 the Illinois Enterprise Zone Act, electric vehicle
14 manufacturers, electric vehicle component parts manufacturers,
15 or electric vehicle power supply equipment manufacturers at
16 REV Illinois Project sites as certified under Section 95 of
17 the Reimagining Electric Vehicles in Illinois Act, or
18 certified business enterprises under Section 9-222.1 of this
19 Act, to the extent of such exemption and during the period in
20 which such exemption is in effect, in addition to any rate
21 authorized by this Act, an additional charge equal to the
22 total amount of such taxes. The exemption of this Section
23 relating to high impact businesses shall be subject to the
24 provisions of subsections (a), (b), and (b-5) of Section 5.5
25 of the Illinois Enterprise Zone Act. This requirement shall

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

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

23 Section 935. The Environmental Protection Act is amended
24 by adding Section 52.10 as follows:

1 (415 ILCS 5/52.10 new)

2 Sec. 52.10. Electric Vehicle Permitting Task Force.

3 (a) The Electric Vehicle Permitting Task Force is hereby
4 created within the Environmental Protection Agency.

5 (b) The Task Force shall consist of the following members,
6 which shall represent the diversity of the people of Illinois:

7 (1) The Director of the Environmental Protection
8 Agency or his or her designee;

9 (2) The Director of Natural Resources or his or her
10 designee;

11 (3) The Secretary of Transportation or their designee;

12 (4) 8 members appointed by the Governor as follows:

13 (A) one member of a statewide organization
14 representing manufacturers;

15 (B) one member of a statewide organization
16 representing business interests;

17 (C) one member representing an environmental
18 justice organization;

19 (D) one member representing a statewide
20 environmental advocacy organization;

21 (E) one member representing the electric vehicle
22 industry;

23 (F) one member representing the waste management
24 industry;

25 (G) one member of a statewide organization
26 representing agricultural interests; and

1 (H) one member representing a labor organization.

2 (c) The duties and responsibilities of the Task Force
3 include the following:

4 (1) identify existing and potential challenges faced
5 by the electric vehicle industry with respect to the
6 process for obtaining necessary permits from the
7 Environmental Protection Agency, the Department of Natural
8 Resources, and the Department of Transportation, and
9 potential solutions;

10 (2) conduct an assessment of State permitting fees,
11 including those necessary for electric vehicle investment
12 in Illinois, and the revenue generated by those fees;

13 (3) assess the permitting needs of the electric
14 vehicle industry, including electric vehicle
15 manufacturers, electric vehicle power supply equipment
16 manufacturers, and electric vehicle component parts
17 manufacturers;

18 (4) recommend changes to expedite permitting processes
19 to support the rapid growth of the electric vehicle
20 industry in Illinois, including support for electric
21 vehicle businesses locating or relocating in Illinois;

22 (5) analyze anticipated staffing needs across State
23 agencies to support expedited permitting efforts;

24 (6) recommend adjustments to the fee structure for
25 state permits, including those permits necessary for
26 electric vehicle investment in Illinois, that will support

1 increased staffing at state agencies;

2 (7) Consider the impact of State and local permitting
3 issues on electric vehicle charging station deployments,
4 and make recommendations on best practices to streamline
5 permitting related to electric vehicle charging stations;
6 and

7 (8) recommend legislative and regulatory actions that
8 are necessary to support changes to permitting processes.

9 (d) The Task Force shall not consider or recommend changes
10 to environmental permitting standards outside of the scope of
11 the duties and responsibilities outlined in subsection (c).

12 (e) Appointments for the Task Force shall be made no later
13 than December 15, 2021. The Task Force shall issue a final
14 report based upon its findings and recommendations and submit
15 the report to the Governor and the General Assembly no later
16 than March 1, 2022.

17 (f) Members of the Task Force shall serve without
18 compensation. The Environmental Protection Agency shall
19 provide administrative support to the Task Force.

20 (g) The Task Force shall be dissolved upon the filing of
21 its report.

22 (h) This Section is repealed on December 31, 2022.

23 Section 940. The Motor Vehicle Franchise Act is amended by
24 changing Section 6 as follows:

1 (815 ILCS 710/6) (from Ch. 121 1/2, par. 756)

2 (Text of Section before amendment by P.A. 102-232)

3 Sec. 6. Warranty agreements; claims; approval; payment;
4 written disapproval.

5 (a) Every manufacturer, distributor, wholesaler,
6 distributor branch or division, factory branch or division, or
7 wholesale branch or division shall properly fulfill any
8 warranty agreement and adequately and fairly compensate each
9 of its motor vehicle dealers for labor and parts.

10 (b) In no event shall such compensation fail to include
11 reasonable compensation for diagnostic work, as well as repair
12 service, labor, and parts. Time allowances for the diagnosis
13 and performance of warranty work and service shall be
14 reasonable and adequate for the work to be performed. In the
15 determination of what constitutes reasonable compensation
16 under this Section, the principal factor to be given
17 consideration shall be the prevailing wage rates being paid by
18 the dealer in the relevant market area in which the motor
19 vehicle dealer is doing business, and in no event shall such
20 compensation of a motor vehicle dealer for warranty service be
21 less than the rates charged by such dealer for like service to
22 retail customers for nonwarranty service and repairs. The
23 franchiser shall reimburse the franchisee for any parts
24 provided in satisfaction of a warranty at the prevailing
25 retail price charged by that dealer for the same parts when not
26 provided in satisfaction of a warranty; provided that such

1 motor vehicle franchisee's prevailing retail price is not
2 unreasonable when compared with that of the holders of motor
3 vehicle franchises from the same motor vehicle franchiser for
4 identical merchandise in the geographic area in which the
5 motor vehicle franchisee is engaged in business. All claims,
6 either original or resubmitted, made by motor vehicle dealers
7 hereunder and under Section 5 for such labor and parts shall be
8 either approved or disapproved within 30 days following their
9 submission. All approved claims shall be paid within 30 days
10 following their approval. The motor vehicle dealer who submits
11 a claim which is disapproved shall be notified in writing of
12 the disapproval within the same period, and each such notice
13 shall state the specific grounds upon which the disapproval is
14 based. The motor vehicle dealer shall be permitted to correct
15 and resubmit such disapproved claims within 30 days of receipt
16 of disapproval. Any claims not specifically disapproved in
17 writing within 30 days from their submission shall be deemed
18 approved and payment shall follow within 30 days. The
19 manufacturer or franchiser shall have the right to require
20 reasonable documentation for claims and to audit such claims
21 within a one year period from the date the claim was paid or
22 credit issued by the manufacturer or franchiser, and to charge
23 back any false or unsubstantiated claims. The audit and charge
24 back provisions of this Section also apply to all other
25 incentive and reimbursement programs for a period of one year
26 after the date the claim was paid or credit issued by the

1 manufacturer or franchiser. However, the manufacturer retains
2 the right to charge back any fraudulent claim if the
3 manufacturer establishes in a court of competent jurisdiction
4 in this State that the claim is fraudulent.

5 (c) The motor vehicle franchiser shall not, by agreement,
6 by restrictions upon reimbursement, or otherwise, restrict the
7 nature and extent of services to be rendered or parts to be
8 provided so that such restriction prevents the motor vehicle
9 franchisee from satisfying the warranty by rendering services
10 in a good and workmanlike manner and providing parts which are
11 required in accordance with generally accepted standards. Any
12 such restriction shall constitute a prohibited practice.

13 (d) For the purposes of this Section, the "prevailing
14 retail price charged by that dealer for the same parts" means
15 the price paid by the motor vehicle franchisee for parts,
16 including all shipping and other charges, multiplied by the
17 sum of 1.0 and the franchisee's average percentage markup over
18 the price paid by the motor vehicle franchisee for parts
19 purchased by the motor vehicle franchisee from the motor
20 vehicle franchiser and sold at retail. The motor vehicle
21 franchisee may establish average percentage markup under this
22 Section by submitting to the motor vehicle franchiser 100
23 sequential customer paid service repair orders or 90 days of
24 customer paid service repair orders, whichever is less,
25 covering repairs made no more than 180 days before the
26 submission, and declaring what the average percentage markup

1 is. The average percentage markup so declared shall go into
2 effect 30 days following the declaration, subject to audit of
3 the submitted repair orders by the motor vehicle franchiser
4 and adjustment of the average percentage markup based on that
5 audit. Any audit must be conducted within 30 days following
6 the declaration. Only retail sales not involving warranty
7 repairs, parts covered by subsection (e) of this Section, or
8 parts supplied for routine vehicle maintenance, shall be
9 considered in calculating average percentage markup. No motor
10 vehicle franchiser shall require a motor vehicle franchisee to
11 establish average percentage markup by a methodology, or by
12 requiring information, that is unduly burdensome or time
13 consuming to provide, including, but not limited to, part by
14 part or transaction by transaction calculations. A motor
15 vehicle franchisee shall not request a change in the average
16 percentage markup more than twice in one calendar year.

17 (e) If a motor vehicle franchiser supplies a part or parts
18 for use in a repair rendered under a warranty other than by
19 sale of that part or parts to the motor vehicle franchisee, the
20 motor vehicle franchisee shall be entitled to compensation
21 equivalent to the motor vehicle franchisee's average
22 percentage markup on the part or parts, as if the part or parts
23 had been sold to the motor vehicle franchisee by the motor
24 vehicle franchiser. The requirements of this subsection (e)
25 shall not apply to entire engine assemblies and entire
26 transmission assemblies. In the case of those assemblies, the

1 motor vehicle franchiser shall reimburse the motor vehicle
2 franchisee in the amount of 30% of what the motor vehicle
3 franchisee would have paid the motor vehicle franchiser for
4 the assembly if the assembly had not been supplied by the
5 franchiser other than by the sale of that assembly to the motor
6 vehicle franchisee.

7 (f) The obligations imposed on motor vehicle franchisers
8 by this Section shall apply to any parent, subsidiary,
9 affiliate, or agent of the motor vehicle franchiser, any
10 person under common ownership or control, any employee of the
11 motor vehicle franchiser, and any person holding 1% or more of
12 the shares of any class of securities or other ownership
13 interest in the motor vehicle franchiser, if a warranty or
14 service or repair plan is issued by that person instead of or
15 in addition to one issued by the motor vehicle franchiser.

16 (g) (1) Any motor vehicle franchiser and at least a
17 majority of its Illinois franchisees of the same line make may
18 agree in an express written contract citing this Section upon
19 a uniform warranty reimbursement policy used by contracting
20 franchisees to perform warranty repairs. The policy shall only
21 involve either reimbursement for parts used in warranty
22 repairs or the use of a Uniform Time Standards Manual, or both.
23 Reimbursement for parts under the agreement shall be used
24 instead of the franchisees' "prevailing retail price charged
25 by that dealer for the same parts" as defined in this Section
26 to calculate compensation due from the franchiser for parts

1 used in warranty repairs. This Section does not authorize a
2 franchiser and its Illinois franchisees to establish a uniform
3 hourly labor reimbursement.

4 Each franchiser shall only have one such agreement with
5 each line make. Any such agreement shall:

6 (A) Establish a uniform parts reimbursement rate. The
7 uniform parts reimbursement rate shall be greater than the
8 franchiser's nationally established parts reimbursement
9 rate in effect at the time the first such agreement
10 becomes effective; however, any subsequent agreement shall
11 result in a uniform reimbursement rate that is greater or
12 equal to the rate set forth in the immediately prior
13 agreement.

14 (B) Apply to all warranty repair orders written during
15 the period that the agreement is effective.

16 (C) Be available, during the period it is effective,
17 to any motor vehicle franchisee of the same line make at
18 any time and on the same terms.

19 (D) Be for a term not to exceed 3 years so long as any
20 party to the agreement may terminate the agreement upon
21 the annual anniversary of the agreement and with 30 days'
22 prior written notice; however, the agreement shall remain
23 in effect for the term of the agreement regardless of the
24 number of dealers of the same line make that may terminate
25 the agreement.

26 (2) A franchiser that enters into an agreement with its

1 franchisees pursuant to paragraph (1) of this subsection (g)
2 may seek to recover its costs from only those franchisees that
3 are receiving their "prevailing retail price charged by that
4 dealer" under subsections (a) through (f) of this Section,
5 subject to the following requirements:

6 (A) "costs" means the difference between the uniform
7 reimbursement rate set forth in an agreement entered into
8 pursuant to paragraph (1) of this subsection (g) and the
9 "prevailing retail price charged by that dealer" received
10 by those franchisees of the same line make. "Costs" do not
11 include the following: legal fees or expenses;
12 administrative expenses; a profit mark-up; or any other
13 item;

14 (B) the costs shall be recovered only by increasing
15 the invoice price on new vehicles received by those
16 franchisees; and

17 (C) price increases imposed for the purpose of
18 recovering costs imposed by this Section may vary from
19 time to time and from model to model, but shall apply
20 uniformly to all franchisees of the same line make in the
21 State of Illinois that have requested reimbursement for
22 warranty repairs at their "prevailing retail price charged
23 by that dealer", except that a franchiser may make an
24 exception for vehicles that are titled in the name of a
25 consumer in another state.

26 (3) If a franchiser contracts with its Illinois dealers

1 pursuant to paragraph (1) of this subsection (g), the
2 franchiser shall certify under oath to the Motor Vehicle
3 Review Board that a majority of the franchisees of that line
4 make did agree to such an agreement and file a sample copy of
5 the agreement. On an annual basis, each franchiser shall
6 certify under oath to the Motor Vehicle Review Board that the
7 reimbursement costs it recovers under paragraph (2) of this
8 subsection (g) do not exceed the amounts authorized by
9 paragraph (2) of this subsection (g). The franchiser shall
10 maintain for a period of 3 years a file that contains the
11 information upon which its certification is based.

12 (3.1) A franchiser subject to subdivision (g)(2) of this
13 Section, upon request of a dealer subject to that subdivision,
14 shall disclose to the dealer, in writing or in person if
15 requested by the dealer, the method by which the franchiser
16 calculated the amount of the costs to be reimbursed by the
17 dealer. The franchiser shall also provide aggregate data
18 showing (i) the total costs the franchiser incurred and (ii)
19 the total number of new vehicles invoiced to each dealer that
20 received the "prevailing retail price charged by that dealer"
21 during the relevant period of time. In responding to a
22 dealer's request under this subdivision (g)(3.1), a franchiser
23 may not disclose any confidential or competitive information
24 regarding any other dealer. Any dealer who receives
25 information from a franchiser under this subdivision (g)(3.1)
26 may not disclose that information to any third party unless

1 the disclosure occurs in the course of a lawful proceeding
2 before, or upon the order of, the Motor Vehicle Review Board or
3 a court of competent jurisdiction.

4 (4) If a franchiser and its franchisees do not enter into
5 an agreement pursuant to paragraph (1) of this subsection (g),
6 and for any matter that is not the subject of an agreement,
7 this subsection (g) shall have no effect whatsoever.

8 (5) For purposes of this subsection (g), a Uniform Time
9 Standard Manual is a document created by a franchiser that
10 establishes the time allowances for the diagnosis and
11 performance of warranty work and service. The allowances shall
12 be reasonable and adequate for the work and service to be
13 performed. Each franchiser shall have a reasonable and fair
14 process that allows a franchisee to request a modification or
15 adjustment of a standard or standards included in such a
16 manual.

17 (6) A franchiser may not take any adverse action against a
18 franchisee for not having executed an agreement contemplated
19 by this subsection (g) or for receiving the "prevailing retail
20 price charged by that dealer". Nothing in this subsection
21 shall be construed to prevent a franchiser from making a
22 determination of a franchisee's "prevailing retail price
23 charged by that dealer", as provided by this Section.

24 (Source: P.A. 96-11, eff. 5-22-09.)

25 (Text of Section after amendment by P.A. 102-232)

1 Sec. 6. Warranty agreements; claims; approval; payment;
2 written disapproval.

3 (a) Every manufacturer, distributor, wholesaler,
4 distributor branch or division, factory branch or division, or
5 wholesale branch or division shall properly fulfill any
6 warranty agreement and adequately and fairly compensate each
7 of its motor vehicle dealers for labor and parts.

8 (b) Adequate and fair compensation requires the
9 manufacturer to pay each dealer no less than the amount the
10 retail customer pays for the same services with regard to rate
11 and time.

12 Any time guide previously agreed to by the manufacturer
13 and the dealer for extended warranty repairs may be used in
14 lieu of actual time expended. In the event that a time guide
15 has not been agreed to for warranty repairs, or said time guide
16 does not define time for an applicable warranty repair, the
17 manufacturer's time guide shall be used, multiplied by 1.5.

18 In no event shall such compensation fail to include full
19 compensation for diagnostic work, as well as repair service,
20 labor, and parts. Time allowances for the diagnosis and
21 performance of warranty work and service shall be no less than
22 charged to retail customers for the same work to be performed.

23 No warranty or factory compensated repairs shall be
24 excluded from this requirement, including recalls or other
25 voluntary stop-sell repairs required by the manufacturer. If a
26 manufacturer is required to issue a recall, the dealer will be

1 compensated for labor time as above stated.

2 Furthermore, manufacturers shall pay the dealer the same
3 effective labor rate (using the 100 sequential repair orders
4 chosen and submitted by the dealer less simple maintenance
5 repair orders) that the dealer receives for customer-pay
6 repairs. This requirement includes vehicle diagnostic times
7 for all warranty repairs. Additionally, if a technician is
8 required to communicate with a Technical Assistance
9 Center/Engineering/or some external manufacturer source in
10 order to provide a warranty repair, the manufacturer shall pay
11 for the time from start of communications (including hold
12 time) until the communication is complete.

13 The dealer may submit a request to the manufacturer for
14 warranty labor rate increases a maximum of once per calendar
15 year.

16 A claim made by a franchised motor vehicle dealer for
17 compensation under this Section shall be either approved or
18 disapproved within 30 days after the claim is submitted to the
19 manufacturer in the manner and on the forms the manufacturer
20 reasonably prescribes. An approved claim shall be paid within
21 30 days after its approval. If a claim is not specifically
22 disapproved in writing or by electronic transmission within 30
23 days after the date on which the manufacturer receives it, the
24 claim shall be considered to be approved and payment shall
25 follow within 30 days.

26 In no event shall compensation to a motor vehicle dealer

1 for labor times and labor rates be less than the rates charged
2 by such dealer for like service to retail customers for
3 nonwarranty service and repairs. Additionally, the
4 manufacturer shall reimburse the dealer for any parts provided
5 in satisfaction of a warranty at the prevailing retail price
6 charged by that dealer for the same parts when not provided in
7 satisfaction of a warranty; provided that such dealer's
8 prevailing retail price is not unreasonable when compared with
9 that of the holders of motor vehicle franchises from the same
10 manufacturer for identical parts in the geographic area in
11 which the dealer is engaged in business. ~~Additionally, the~~
12 ~~manufacturer shall reimburse the dealer for any parts provided~~
13 ~~in satisfaction of a warranty at the prevailing retail price~~
14 ~~charged by that dealer for the same parts when sold to a retail~~
15 ~~customer.~~

16 There shall be no reduction in payments due to
17 preestablished market norms or market averages. Manufacturers
18 are prohibited from establishing restrictions or limitations
19 of customer repair frequency due to failure rate indexes or
20 national failure averages.

21 No debit reduction or charge back of any item on a warranty
22 repair order may be made absent a finding of fraud or illegal
23 actions by the dealer.

24 A warranty claim timely made shall not be deemed invalid
25 solely because unavailable parts cause additional use and
26 mileage on the vehicle.

1 If a manufacturer imposes a recall or stop sale on any new
2 vehicle in a dealer's inventory that prevents the sale of the
3 vehicle, the manufacturer shall compensate the dealer for any
4 interest and storage until the vehicle is repaired and made
5 ready for sale.

6 Manufacturers are not permitted to impose any form of cost
7 recovery fees or surcharges against a franchised auto
8 dealership for payments made in accordance with this Section.

9 All claims, either original or resubmitted, made by motor
10 vehicle dealers hereunder and under Section 5 for such labor
11 and parts shall be either approved or disapproved within 30
12 days following their submission. All approved claims shall be
13 paid within 30 days following their approval. The motor
14 vehicle dealer who submits a claim which is disapproved shall
15 be notified in writing of the disapproval within the same
16 period, and each such notice shall state the specific grounds
17 upon which the disapproval is based. The motor vehicle dealer
18 shall be permitted to correct and resubmit such disapproved
19 claims within 30 days of receipt of disapproval. Any claims
20 not specifically disapproved in writing within 30 days from
21 their submission shall be deemed approved and payment shall
22 follow within 30 days. The manufacturer or franchiser shall
23 have the right to require reasonable documentation for claims
24 and to audit such claims within a one year period from the date
25 the claim was paid or credit issued by the manufacturer or
26 franchiser, and to charge back any false or unsubstantiated

1 claims. The audit and charge back provisions of this Section
2 also apply to all other incentive and reimbursement programs
3 for a period of one year after the date the claim was paid or
4 credit issued by the manufacturer or franchiser. However, the
5 manufacturer retains the right to charge back any fraudulent
6 claim if the manufacturer establishes in a court of competent
7 jurisdiction in this State that the claim is fraudulent.

8 (c) The motor vehicle franchiser shall not, by agreement,
9 by restrictions upon reimbursement, or otherwise, restrict the
10 nature and extent of services to be rendered or parts to be
11 provided so that such restriction prevents the motor vehicle
12 franchisee from satisfying the warranty by rendering services
13 in a good and workmanlike manner and providing parts which are
14 required in accordance with generally accepted standards. Any
15 such restriction shall constitute a prohibited practice.

16 (d) For the purposes of this Section, the "prevailing
17 retail price charged by that dealer for the same parts" means
18 the price paid by the motor vehicle franchisee for parts,
19 including all shipping and other charges, multiplied by the
20 sum of 1.0 and the franchisee's average percentage markup over
21 the price paid by the motor vehicle franchisee for parts
22 purchased by the motor vehicle franchisee from the motor
23 vehicle franchiser and sold at retail. The motor vehicle
24 franchisee may establish average percentage markup under this
25 Section by submitting to the motor vehicle franchiser 100
26 sequential customer paid service repair orders or 90 days of

1 customer paid service repair orders, whichever is less,
2 covering repairs made no more than 180 days before the
3 submission, and declaring what the average percentage markup
4 is. The average percentage markup so declared shall go into
5 effect 30 days following the declaration, subject to audit of
6 the submitted repair orders by the motor vehicle franchiser
7 and adjustment of the average percentage markup based on that
8 audit. Any audit must be conducted within 30 days following
9 the declaration. Only retail sales not involving warranty
10 repairs, parts covered by subsection (e) of this Section, or
11 parts supplied for routine vehicle maintenance, shall be
12 considered in calculating average percentage markup. No motor
13 vehicle franchiser shall require a motor vehicle franchisee to
14 establish average percentage markup by a methodology, or by
15 requiring information, that is unduly burdensome or time
16 consuming to provide, including, but not limited to, part by
17 part or transaction by transaction calculations. A motor
18 vehicle franchisee shall not request a change in the average
19 percentage markup more than twice in one calendar year.

20 (e) If a motor vehicle franchiser supplies a part or parts
21 for use in a repair rendered under a warranty other than by
22 sale of that part or parts to the motor vehicle franchisee, the
23 motor vehicle franchisee shall be entitled to compensation
24 equivalent to the motor vehicle franchisee's average
25 percentage markup on the part or parts, as if the part or parts
26 had been sold to the motor vehicle franchisee by the motor

1 vehicle franchiser. The requirements of this subsection (e)
2 shall not apply to entire engine assemblies, propulsion engine
3 assemblies, including electric vehicle batteries, and entire
4 transmission assemblies. In the case of those assemblies, the
5 motor vehicle franchiser shall reimburse the motor vehicle
6 franchisee up to and including 30% of what the motor vehicle
7 franchisee would have paid the motor vehicle franchiser for
8 the assembly if the assembly had not been supplied by the
9 franchiser other than by the sale of that assembly to the motor
10 vehicle franchisee and entire transmission assemblies.

11 (f) The obligations imposed on motor vehicle franchisers
12 by this Section shall apply to any parent, subsidiary,
13 affiliate, or agent of the motor vehicle franchiser, any
14 person under common ownership or control, any employee of the
15 motor vehicle franchiser, and any person holding 1% or more of
16 the shares of any class of securities or other ownership
17 interest in the motor vehicle franchiser, if a warranty or
18 service or repair plan is issued by that person instead of or
19 in addition to one issued by the motor vehicle franchiser.

20 (g) (Blank).

21 (Source: P.A. 102-232, eff. 1-1-22.)

22 Section 995. No acceleration or delay. Where this Act
23 makes changes in a statute that is represented in this Act by
24 text that is not yet or no longer in effect (for example, a
25 Section represented by multiple versions), the use of that

1 text does not accelerate or delay the taking effect of (i) the
2 changes made by this Act or (ii) provisions derived from any
3 other Public Act.

4 Section 999. Effective date. This Act takes effect upon
5 becoming law.