



Rep. William Davis

Filed: 4/14/2021

10200HB2411ham001

LRB102 14689 RJF 23747 a

1 AMENDMENT TO HOUSE BILL 2411

2 AMENDMENT NO. _____. Amend House Bill 2411 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by changing Section 605-1025 as follows:

7 (20 ILCS 605/605-1025)

8 Sec. 605-1025. Data center investment.

9 (a) The Department shall issue certificates of exemption
10 from the Retailers' Occupation Tax Act, the Use Tax Act, the
11 Service Use Tax Act, and the Service Occupation Tax Act, all
12 locally-imposed retailers' occupation taxes administered and
13 collected by the Department, the Chicago non-titled Use Tax,
14 and a credit certification against the taxes imposed under
15 subsections (a) and (b) of Section 201 of the Illinois Income
16 Tax Act to qualifying Illinois data centers.

1 (b) For taxable years beginning on or after January 1,
2 2019, the Department shall award credits against the taxes
3 imposed under subsections (a) and (b) of Section 201 of the
4 Illinois Income Tax Act as provided in Section 229 of the
5 Illinois Income Tax Act.

6 (c) For purposes of this Section:

7 "Data center" means a facility: (1) whose primary
8 services are the storage, management, and processing of
9 digital data; and (2) that is used to house (i) computer
10 and network systems, including associated components such
11 as servers, network equipment and appliances,
12 telecommunications, and data storage systems, (ii) systems
13 for monitoring and managing infrastructure performance,
14 (iii) Internet-related equipment and services, (iv) data
15 communications connections, (v) environmental controls,
16 (vi) fire protection systems, and (vii) security systems
17 and services.

18 "Qualifying Illinois data center" means a new or
19 existing data center that:

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

21 (2) in the case of an existing data center, made a
22 capital investment of at least \$250,000,000
23 collectively by the data center operator and the
24 tenants of the data center over the 60-month period
25 immediately prior to January 1, 2020 or committed to
26 make a capital investment of at least \$250,000,000

1 over a 60-month period commencing before January 1,
2 2020 and ending after January 1, 2020; or

3 (3) in the case of a new data center, or an
4 existing data center making an upgrade, makes a
5 capital investment of at least \$250,000,000 over a
6 60-month period beginning on or after January 1, 2020;
7 and

8 (4) in the case of both existing and new data
9 centers, results in the creation of at least 20
10 full-time or full-time equivalent new jobs over a
11 period of 60 months by the data center operator and the
12 tenants of the data center, collectively, associated
13 with the operation or maintenance of the data center;
14 those jobs must have a total compensation equal to or
15 greater than 120% of the average wage paid to
16 full-time employees in the county where the data
17 center is located, as determined by the U.S. Bureau of
18 Labor Statistics; and

19 (5) within 2 years ~~90 days~~ after being placed in
20 service, certifies to the Department that it is carbon
21 neutral or has attained certification under one or
22 more of the following green building standards:

23 (A) BREEAM for New Construction or BREEAM
24 In-Use;

25 (B) ENERGY STAR;

26 (C) Envision;

1 (D) ISO 50001-energy management;

2 (E) LEED for Building Design and Construction
3 or LEED for Operations and Maintenance;

4 (F) Green Globes for New Construction or Green
5 Globes for Existing Buildings;

6 (G) UL 3223; or

7 (H) an equivalent program approved by the
8 Department of Commerce and Economic Opportunity.

9 "Full-time equivalent job" means a job in which the
10 new employee works for the owner, operator, contractor, or
11 tenant of a data center or for a corporation under
12 contract with the owner, operator or tenant of a data
13 center at a rate of at least 35 hours per week. An owner,
14 operator or tenant who employs labor or services at a
15 specific site or facility under contract with another may
16 declare one full-time, permanent job for every 1,820 man
17 hours worked per year under that contract. Vacations, paid
18 holidays, and sick time are included in this computation.
19 Overtime is not considered a part of regular hours.

20 "Qualified tangible personal property" means:
21 electrical systems and equipment; climate control and
22 chilling equipment and systems; mechanical systems and
23 equipment; monitoring and secure systems; emergency
24 generators; hardware; computers; servers; data storage
25 devices; network connectivity equipment; racks; cabinets;
26 telecommunications cabling infrastructure; raised floor

1 systems; peripheral components or systems; software;
2 mechanical, electrical, or plumbing systems; battery
3 systems; cooling systems and towers; temperature control
4 systems; other cabling; and other data center
5 infrastructure equipment and systems necessary to operate
6 qualified tangible personal property, including fixtures;
7 and component parts of any of the foregoing, including
8 installation, maintenance, repair, refurbishment, and
9 replacement of qualified tangible personal property to
10 generate, transform, transmit, distribute, or manage
11 electricity necessary to operate qualified tangible
12 personal property; and all other tangible personal
13 property that is essential to the operations of a computer
14 data center. "Qualified tangible personal property" also
15 includes building materials physically incorporated in to
16 the qualifying data center.

17 To document the exemption allowed under this Section, the
18 retailer must obtain from the purchaser a copy of the
19 certificate of eligibility issued by the Department.

20 (d) New and existing data centers seeking a certificate of
21 exemption for new or existing facilities shall apply to the
22 Department in the manner specified by the Department. The
23 Department shall determine the duration of the certificate of
24 exemption awarded under this Act. The duration of the
25 certificate of exemption may not exceed 20 calendar years. The
26 Department and any data center seeking the exemption,

1 including a data center operator on behalf of itself and its
2 tenants, must enter into a memorandum of understanding that at
3 a minimum provides:

4 (1) the details for determining the amount of capital
5 investment to be made;

6 (2) the number of new jobs created;

7 (3) the timeline for achieving the capital investment
8 and new job goals;

9 (4) the repayment obligation should those goals not be
10 achieved and any conditions under which repayment by the
11 qualifying data center or data center tenant claiming the
12 exemption will be required;

13 (5) the duration of the exemption; and

14 (6) other provisions as deemed necessary by the
15 Department.

16 (e) Beginning July 1, 2021, and each year thereafter, the
17 Department shall annually report to the Governor and the
18 General Assembly on the outcomes and effectiveness of Public
19 Act 101-31 that shall include the following:

20 (1) the name of each recipient business;

21 (2) the location of the project;

22 (3) the estimated value of the credit;

23 (4) the number of new jobs and, if applicable,
24 retained jobs pledged as a result of the project; and

25 (5) whether or not the project is located in an
26 underserved area.

1 (f) New and existing data centers seeking a certificate of
2 exemption related to the rehabilitation or construction of
3 data centers in the State shall require the contractor and all
4 subcontractors to comply with the requirements of Section
5 30-22 of the Illinois Procurement Code as they apply to
6 responsible bidders and to present satisfactory evidence of
7 that compliance to the Department.

8 (g) New and existing data centers seeking a certificate of
9 exemption for the rehabilitation or construction of data
10 centers in the State shall require the contractor to enter
11 into a project labor agreement approved by the Department.

12 (h) Any qualifying data center issued a certificate of
13 exemption under this Section must annually report to the
14 Department the total data center tax benefits that are
15 received by the business. Reports are due no later than May 31
16 of each year and shall cover the previous calendar year. The
17 first report is for the 2019 calendar year and is due no later
18 than May 31, 2020.

19 To the extent that a business issued a certificate of
20 exemption under this Section has obtained an Enterprise Zone
21 Building Materials Exemption Certificate or a High Impact
22 Business Building Materials Exemption Certificate, no
23 additional reporting for those building materials exemption
24 benefits is required under this Section.

25 Failure to file a report under this subsection (h) may
26 result in suspension or revocation of the certificate of

1 exemption. Factors to be considered in determining whether a
2 data center certificate of exemption shall be suspended or
3 revoked include, but are not limited to, prior compliance with
4 the reporting requirements, cooperation in discontinuing and
5 correcting violations, the extent of the violation, and
6 whether the violation was willful or inadvertent.

7 (i) The Department shall not issue any new certificates of
8 exemption under the provisions of this Section after July 1,
9 2029. This sunset shall not affect any existing certificates
10 of exemption in effect on July 1, 2029.

11 (j) The Department shall adopt rules to implement and
12 administer this Section.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19.)

14 Section 10. The Brownfields Redevelopment and Intermodal
15 Promotion Act is amended by changing Section 3-20 as follows:

16 (20 ILCS 607/3-20)

17 Sec. 3-20. South Suburban Brownfields Redevelopment Fund;
18 eligible projects. In State fiscal years 2015 through 2026
19 ~~2021~~, all moneys in the South Suburban Brownfields
20 Redevelopment Fund shall be held solely to fund eligible
21 projects undertaken pursuant to the provisions of Section 3-35
22 of this Act and performed either directly by Cook County
23 through a development agreement with the Department, by an
24 entity designated by Cook County through a development

1 agreement with the Department to perform specific tasks, or by
2 an Eligible Developer or an Eligible Employer through a
3 development agreement. All Eligible Projects are subject to
4 review and approval by the Managing Partner and by the
5 Department. The life span of the Fund may be extended past 2026
6 by law.

7 (Source: P.A. 101-275, eff. 8-9-19.)

8 Section 15. The New Markets Development Program Act is
9 amended by changing Section 50 as follows:

10 (20 ILCS 663/50)

11 Sec. 50. Sunset. For fiscal years following fiscal year
12 2026 ~~2021~~, qualified equity investments shall not be made
13 under this Act unless reauthorization is made pursuant to this
14 Section. For all fiscal years following fiscal year 2026 ~~2021~~,
15 unless the General Assembly adopts a joint resolution granting
16 authority to the Department to approve qualified equity
17 investments for the Illinois new markets development program
18 and clearly describing the amount of tax credits available for
19 the next fiscal year, or otherwise complies with the
20 provisions of this Section, no qualified equity investments
21 may be permitted to be made under this Act. The amount of
22 available tax credits contained in such a resolution shall not
23 exceed the limitation provided under Section 20. Nothing in
24 this Section precludes a taxpayer who makes a qualified equity

1 investment prior to the expiration of authority to make
2 qualified equity investments from claiming tax credits
3 relating to that qualified equity investment for each
4 applicable credit allowance date.

5 (Source: P.A. 100-408, eff. 8-25-17.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law."