



Sen. Patrick J. Joyce

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10200HB3174sam001

LRB102 14914 HLH 26233 a

1 AMENDMENT TO HOUSE BILL 3174

2 AMENDMENT NO. _____. Amend House Bill 3174 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Enterprise Zone Act is amended by
5 changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to assist
9 in the encouragement, development, growth, and expansion of
10 the private sector through large scale investment and
11 development projects, the Department is authorized to receive
12 and approve applications for the designation of "High Impact
13 Businesses" in Illinois subject to the following conditions:

14 (1) such applications may be submitted at any time
15 during the year;

16 (2) such business is not located, at the time of

1 designation, in an enterprise zone designated pursuant to
2 this Act;

3 (3) the business intends to do one or more of the
4 following:

5 (A) the business intends to make a minimum
6 investment of \$12,000,000 which will be placed in
7 service in qualified property and intends to create
8 500 full-time equivalent jobs at a designated location
9 in Illinois or intends to make a minimum investment of
10 \$30,000,000 which will be placed in service in
11 qualified property and intends to retain 1,500
12 full-time retained jobs at a designated location in
13 Illinois. The business must certify in writing that
14 the investments would not be placed in service in
15 qualified property and the job creation or job
16 retention would not occur without the tax credits and
17 exemptions set forth in subsection (b) of this
18 Section. The terms "placed in service" and "qualified
19 property" have the same meanings as described in
20 subsection (h) of Section 201 of the Illinois Income
21 Tax Act; or

22 (B) the business intends to establish a new
23 electric generating facility at a designated location
24 in Illinois. "New electric generating facility", for
25 purposes of this Section, means a newly-constructed
26 electric generation plant or a newly-constructed

1 generation capacity expansion at an existing electric
2 generation plant, including the transmission lines and
3 associated equipment that transfers electricity from
4 points of supply to points of delivery, and for which
5 such new foundation construction commenced not sooner
6 than July 1, 2001. Such facility shall be designed to
7 provide baseload electric generation and shall operate
8 on a continuous basis throughout the year; and (i)
9 shall have an aggregate rated generating capacity of
10 at least 1,000 megawatts for all new units at one site
11 if it uses natural gas as its primary fuel and
12 foundation construction of the facility is commenced
13 on or before December 31, 2004, or shall have an
14 aggregate rated generating capacity of at least 400
15 megawatts for all new units at one site if it uses coal
16 or gases derived from coal as its primary fuel and
17 shall support the creation of at least 150 new
18 Illinois coal mining jobs, or (ii) shall be funded
19 through a federal Department of Energy grant before
20 December 31, 2010 and shall support the creation of
21 Illinois coal-mining jobs, or (iii) shall use coal
22 gasification or integrated gasification-combined cycle
23 units that generate electricity or chemicals, or both,
24 and shall support the creation of Illinois coal-mining
25 jobs. The business must certify in writing that the
26 investments necessary to establish a new electric

1 generating facility would not be placed in service and
2 the job creation in the case of a coal-fueled plant
3 would not occur without the tax credits and exemptions
4 set forth in subsection (b-5) of this Section. The
5 term "placed in service" has the same meaning as
6 described in subsection (h) of Section 201 of the
7 Illinois Income Tax Act; or

8 (B-5) the business intends to establish a new
9 gasification facility at a designated location in
10 Illinois. As used in this Section, "new gasification
11 facility" means a newly constructed coal gasification
12 facility that generates chemical feedstocks or
13 transportation fuels derived from coal (which may
14 include, but are not limited to, methane, methanol,
15 and nitrogen fertilizer), that supports the creation
16 or retention of Illinois coal-mining jobs, and that
17 qualifies for financial assistance from the Department
18 before December 31, 2010. A new gasification facility
19 does not include a pilot project located within
20 Jefferson County or within a county adjacent to
21 Jefferson County for synthetic natural gas from coal;
22 or

23 (C) the business intends to establish production
24 operations at a new coal mine, re-establish production
25 operations at a closed coal mine, or expand production
26 at an existing coal mine at a designated location in

1 Illinois not sooner than July 1, 2001; provided that
2 the production operations result in the creation of
3 150 new Illinois coal mining jobs as described in
4 subdivision (a)(3)(B) of this Section, and further
5 provided that the coal extracted from such mine is
6 utilized as the predominant source for a new electric
7 generating facility. The business must certify in
8 writing that the investments necessary to establish a
9 new, expanded, or reopened coal mine would not be
10 placed in service and the job creation would not occur
11 without the tax credits and exemptions set forth in
12 subsection (b-5) of this Section. The term "placed in
13 service" has the same meaning as described in
14 subsection (h) of Section 201 of the Illinois Income
15 Tax Act; or

16 (D) the business intends to construct new
17 transmission facilities or upgrade existing
18 transmission facilities at designated locations in
19 Illinois, for which construction commenced not sooner
20 than July 1, 2001. For the purposes of this Section,
21 "transmission facilities" means transmission lines
22 with a voltage rating of 115 kilovolts or above,
23 including associated equipment, that transfer
24 electricity from points of supply to points of
25 delivery and that transmit a majority of the
26 electricity generated by a new electric generating

1 facility designated as a High Impact Business in
2 accordance with this Section. The business must
3 certify in writing that the investments necessary to
4 construct new transmission facilities or upgrade
5 existing transmission facilities would not be placed
6 in service without the tax credits and exemptions set
7 forth in subsection (b-5) of this Section. The term
8 "placed in service" has the same meaning as described
9 in subsection (h) of Section 201 of the Illinois
10 Income Tax Act; or

11 (E) the business intends to establish a new wind
12 power facility at a designated location in Illinois.
13 For purposes of this Section, "new wind power
14 facility" means a newly constructed electric
15 generation facility, ~~or~~ a newly constructed expansion
16 of an existing electric generation facility, or the
17 replacement of an existing electric generation
18 facility, including the demolition and removal of an
19 electric generation facility irrespective of whether
20 it will be replaced, placed in service or replaced on
21 or after July 1, 2009, that generates electricity
22 using wind energy devices, and such facility shall be
23 deemed to include any permanent structures associated
24 with the electric generation facility and all
25 associated transmission lines, substations, and other
26 equipment related to the generation of electricity

1 from wind energy devices. For purposes of this
2 Section, "wind energy device" means any device, with a
3 nameplate capacity of at least 0.5 megawatts, that is
4 used in the process of converting kinetic energy from
5 the wind to generate electricity; or

6 (F) the business commits to (i) make a minimum
7 investment of \$500,000,000, which will be placed in
8 service in a qualified property, (ii) create 125
9 full-time equivalent jobs at a designated location in
10 Illinois, (iii) establish a fertilizer plant at a
11 designated location in Illinois that complies with the
12 set-back standards as described in Table 1: Initial
13 Isolation and Protective Action Distances in the 2012
14 Emergency Response Guidebook published by the United
15 States Department of Transportation, (iv) pay a
16 prevailing wage for employees at that location who are
17 engaged in construction activities, and (v) secure an
18 appropriate level of general liability insurance to
19 protect against catastrophic failure of the fertilizer
20 plant or any of its constituent systems; in addition,
21 the business must agree to enter into a construction
22 project labor agreement including provisions
23 establishing wages, benefits, and other compensation
24 for employees performing work under the project labor
25 agreement at that location; for the purposes of this
26 Section, "fertilizer plant" means a newly constructed

1 or upgraded plant utilizing gas used in the production
2 of anhydrous ammonia and downstream nitrogen
3 fertilizer products for resale; for the purposes of
4 this Section, "prevailing wage" means the hourly cash
5 wages plus fringe benefits for training and
6 apprenticeship programs approved by the U.S.
7 Department of Labor, Bureau of Apprenticeship and
8 Training, health and welfare, insurance, vacations and
9 pensions paid generally, in the locality in which the
10 work is being performed, to employees engaged in work
11 of a similar character on public works; this paragraph
12 (F) applies only to businesses that submit an
13 application to the Department within 60 days after
14 July 25, 2013 (the effective date of Public Act
15 98-109) ~~this amendatory Act of the 98th General~~
16 ~~Assembly~~; and

17 (4) no later than 90 days after an application is
18 submitted, the Department shall notify the applicant of
19 the Department's determination of the qualification of the
20 proposed High Impact Business under this Section.

21 (b) Businesses designated as High Impact Businesses
22 pursuant to subdivision (a)(3)(A) of this Section shall
23 qualify for the credits and exemptions described in the
24 following Acts: Section 9-222 and Section 9-222.1A of the
25 Public Utilities Act, subsection (h) of Section 201 of the
26 Illinois Income Tax Act, and Section 1d of the Retailers'

1 Occupation Tax Act; provided that these credits and exemptions
2 described in these Acts shall not be authorized until the
3 minimum investments set forth in subdivision (a) (3) (A) of this
4 Section have been placed in service in qualified properties
5 and, in the case of the exemptions described in the Public
6 Utilities Act and Section 1d of the Retailers' Occupation Tax
7 Act, the minimum full-time equivalent jobs or full-time
8 retained jobs set forth in subdivision (a) (3) (A) of this
9 Section have been created or retained. Businesses designated
10 as High Impact Businesses under this Section shall also
11 qualify for the exemption described in Section 51 of the
12 Retailers' Occupation Tax Act. The credit provided in
13 subsection (h) of Section 201 of the Illinois Income Tax Act
14 shall be applicable to investments in qualified property as
15 set forth in subdivision (a) (3) (A) of this Section.

16 (b-5) Businesses designated as High Impact Businesses
17 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
18 and (a) (3) (D) of this Section shall qualify for the credits
19 and exemptions described in the following Acts: Section 51 of
20 the Retailers' Occupation Tax Act, Section 9-222 and Section
21 9-222.1A of the Public Utilities Act, and subsection (h) of
22 Section 201 of the Illinois Income Tax Act; however, the
23 credits and exemptions authorized under Section 9-222 and
24 Section 9-222.1A of the Public Utilities Act, and subsection
25 (h) of Section 201 of the Illinois Income Tax Act shall not be
26 authorized until the new electric generating facility, the new

1 gasification facility, the new transmission facility, or the
2 new, expanded, or reopened coal mine is operational, except
3 that a new electric generating facility whose primary fuel
4 source is natural gas is eligible only for the exemption under
5 Section 51 of the Retailers' Occupation Tax Act.

6 (b-6) Businesses designated as High Impact Businesses
7 pursuant to subdivision (a)(3)(E) of this Section shall
8 qualify for the exemptions described in Section 51 of the
9 Retailers' Occupation Tax Act; any business so designated as a
10 High Impact Business being, for purposes of this Section, a
11 "Wind Energy Business".

12 (b-7) Beginning on January 1, 2021, businesses designated
13 as High Impact Businesses by the Department shall qualify for
14 the High Impact Business construction jobs credit under
15 subsection (h-5) of Section 201 of the Illinois Income Tax Act
16 if the business meets the criteria set forth in subsection (i)
17 of this Section. The total aggregate amount of credits awarded
18 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9
19 ~~this amendatory Act of the 101st General Assembly~~) shall not
20 exceed \$20,000,000 in any State fiscal year.

21 (c) High Impact Businesses located in federally designated
22 foreign trade zones or sub-zones are also eligible for
23 additional credits, exemptions and deductions as described in
24 the following Acts: Section 9-221 and Section 9-222.1 of the
25 Public Utilities Act; and subsection (g) of Section 201, and
26 Section 203 of the Illinois Income Tax Act.

1 (d) Except for businesses contemplated under subdivision
2 (a) (3) (E) of this Section, existing Illinois businesses which
3 apply for designation as a High Impact Business must provide
4 the Department with the prospective plan for which 1,500
5 full-time retained jobs would be eliminated in the event that
6 the business is not designated.

7 (e) Except for new wind power facilities contemplated
8 under subdivision (a) (3) (E) of this Section, new proposed
9 facilities which apply for designation as High Impact Business
10 must provide the Department with proof of alternative
11 non-Illinois sites which would receive the proposed investment
12 and job creation in the event that the business is not
13 designated as a High Impact Business.

14 (f) Except for businesses contemplated under subdivision
15 (a) (3) (E) of this Section, in the event that a business is
16 designated a High Impact Business and it is later determined
17 after reasonable notice and an opportunity for a hearing as
18 provided under the Illinois Administrative Procedure Act, that
19 the business would have placed in service in qualified
20 property the investments and created or retained the requisite
21 number of jobs without the benefits of the High Impact
22 Business designation, the Department shall be required to
23 immediately revoke the designation and notify the Director of
24 the Department of Revenue who shall begin proceedings to
25 recover all wrongfully exempted State taxes with interest. The
26 business shall also be ineligible for all State funded

1 Department programs for a period of 10 years.

2 (g) The Department shall revoke a High Impact Business
3 designation if the participating business fails to comply with
4 the terms and conditions of the designation. ~~However, the~~
5 ~~penalties for new wind power facilities or Wind Energy~~
6 ~~Businesses for failure to comply with any of the terms or~~
7 ~~conditions of the Illinois Prevailing Wage Act shall be only~~
8 ~~those penalties identified in the Illinois Prevailing Wage~~
9 ~~Act, and the Department shall not revoke a High Impact~~
10 ~~Business designation as a result of the failure to comply with~~
11 ~~any of the terms or conditions of the Illinois Prevailing Wage~~
12 ~~Act in relation to a new wind power facility or a Wind Energy~~
13 ~~Business.~~

14 (h) Prior to designating a business, the Department shall
15 provide the members of the General Assembly and Commission on
16 Government Forecasting and Accountability with a report
17 setting forth the terms and conditions of the designation and
18 guarantees that have been received by the Department in
19 relation to the proposed business being designated.

20 (i) High Impact Business construction jobs credit.
21 Beginning on January 1, 2021, a High Impact Business may
22 receive a tax credit against the tax imposed under subsections
23 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
24 amount equal to 50% of the amount of the incremental income tax
25 attributable to High Impact Business construction jobs credit
26 employees employed in the course of completing a High Impact

1 Business construction jobs project. However, the High Impact
2 Business construction jobs credit may equal 75% of the amount
3 of the incremental income tax attributable to High Impact
4 Business construction jobs credit employees if the High Impact
5 Business construction jobs credit project is located in an
6 underserved area.

7 The Department shall certify to the Department of Revenue:

8 (1) the identity of taxpayers that are eligible for the High
9 Impact Business construction jobs credit; and (2) the amount
10 of High Impact Business construction jobs credits that are
11 claimed pursuant to subsection (h-5) of Section 201 of the
12 Illinois Income Tax Act in each taxable year. Any business
13 entity that receives a High Impact Business construction jobs
14 credit shall maintain a certified payroll pursuant to
15 subsection (j) of this Section.

16 As used in this subsection (i):

17 "High Impact Business construction jobs credit" means an
18 amount equal to 50% (or 75% if the High Impact Business
19 construction project is located in an underserved area) of the
20 incremental income tax attributable to High Impact Business
21 construction job employees. The total aggregate amount of
22 credits awarded under the Blue Collar Jobs Act (Article 20 of
23 Public Act 101-9 ~~this amendatory Act of the 101st General~~
24 ~~Assembly~~) shall not exceed \$20,000,000 in any State fiscal
25 year

26 "High Impact Business construction job employee" means a

1 laborer or worker who is employed by an Illinois contractor or
2 subcontractor in the actual construction work on the site of a
3 High Impact Business construction job project.

4 "High Impact Business construction jobs project" means
5 building a structure or building or making improvements of any
6 kind to real property, undertaken and commissioned by a
7 business that was designated as a High Impact Business by the
8 Department. The term "High Impact Business construction jobs
9 project" does not include the routine operation, routine
10 repair, or routine maintenance of existing structures,
11 buildings, or real property.

12 "Incremental income tax" means the total amount withheld
13 during the taxable year from the compensation of High Impact
14 Business construction job employees.

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

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

19 (2) 75% or more of the children in the area
20 participate in the federal free lunch program according to
21 reported statistics from the State Board of Education;

22 (3) at least 20% of the households in the area receive
23 assistance under the Supplemental Nutrition Assistance
24 Program (SNAP); or

25 (4) the area has an average unemployment rate, as
26 determined by the Illinois Department of Employment

1 Security, that is more than 120% of the national
2 unemployment average, as determined by the U.S. Department
3 of Labor, for a period of at least 2 consecutive calendar
4 years preceding the date of the application.

5 (j) Each contractor and subcontractor who is engaged in
6 and executing a High Impact Business Construction jobs
7 project, as defined under subsection (i) of this Section, for
8 a business that is entitled to a credit pursuant to subsection
9 (i) of this Section shall:

10 (1) make and keep, for a period of 5 years from the
11 date of the last payment made on or after June 5, 2019 (the
12 effective date of Public Act 101-9) ~~this amendatory Act of~~
13 ~~the 101st General Assembly~~ on a contract or subcontract
14 for a High Impact Business Construction Jobs Project,
15 records for all laborers and other workers employed by the
16 contractor or subcontractor on the project; the records
17 shall include:

18 (A) the worker's name;

19 (B) the worker's address;

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

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

22 (E) the worker's classification or
23 classifications;

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

26 (G) the worker's number of hours worked each day;

1 (H) the worker's starting and ending times of work
2 each day;

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

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

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

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

25 (B) the contractor or subcontractor is aware that
26 filing a certified payroll that he or she knows to be

1 false is a Class A misdemeanor.

2 A general contractor is not prohibited from relying on a
3 certified payroll of a lower-tier subcontractor, provided the
4 general contractor does not knowingly rely upon a
5 subcontractor's false certification.

6 Any contractor or subcontractor subject to this
7 subsection, and any officer, employee, or agent of such
8 contractor or subcontractor whose duty as an officer,
9 employee, or agent it is to file a certified payroll under this
10 subsection, who willfully fails to file such a certified
11 payroll on or before the date such certified payroll is
12 required by this paragraph to be filed and any person who
13 willfully files a false certified payroll that is false as to
14 any material fact is in violation of this Act and guilty of a
15 Class A misdemeanor.

16 The taxpayer in charge of the project shall keep the
17 records submitted in accordance with this subsection on or
18 after June 5, 2019 (the effective date of Public Act 101-9)
19 ~~this amendatory Act of the 101st General Assembly~~ for a period
20 of 5 years from the date of the last payment for work on a
21 contract or subcontract for the High Impact Business
22 construction jobs project.

23 The records submitted in accordance with this subsection
24 shall be considered public records, except an employee's
25 address, telephone number, and social security number, and
26 made available in accordance with the Freedom of Information

1 Act. The Department of Labor shall accept any reasonable
2 submissions by the contractor that meet the requirements of
3 this subsection (j) and shall share the information with the
4 Department in order to comply with the awarding of a High
5 Impact Business construction jobs credit. A contractor,
6 subcontractor, or public body may retain records required
7 under this Section in paper or electronic format.

8 (k) Upon 7 business days' notice, each contractor and
9 subcontractor shall make available for inspection and copying
10 at a location within this State during reasonable hours, the
11 records identified in this subsection (j) to the taxpayer in
12 charge of the High Impact Business construction jobs project,
13 its officers and agents, the Director of the Department of
14 Labor and his or her deputies and agents, and to federal,
15 State, or local law enforcement agencies and prosecutors.

16 (Source: P.A. 101-9, eff. 6-5-19; revised 7-12-19.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."