

1 AN ACT concerning safety.

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

4 ARTICLE 1. INVESTING IN ILLINOIS WORKS TAX CREDIT ACT

5 Section 1-1. Short title. This Article may be cited as the  
6 Investing in Illinois Works Tax Credit Act. References in this  
7 Article to "this Act" mean this Article.

8 Section 1-3. Legislative findings. The General Assembly  
9 finds that:

10 Economic research indicates that registered apprenticeship  
11 programs have positive economic impacts, and countries with  
12 more widespread usage of apprenticeship programs have shown to  
13 be more successful at transitioning young workers into stable  
14 jobs, resulting in lower youth unemployment rates.

15 The demographics of registered apprenticeship programs in  
16 our State do not mirror the diversity of Illinoisans.  
17 According to data from the U.S. Department of Labor's Office  
18 of Apprenticeship, from 2000 through 2016, only 8.8% of all  
19 construction apprentices were African-American, 17.6% were  
20 Hispanic or Latino/Latina, while 69.6% were white.

21 In order to work toward a level playing field for all who  
22 seek the training and economic stability apprenticeships

1 provide, Illinois created the Illinois Works Preapprenticeship  
2 Program, which funds preapprenticeship skills training through  
3 community-based organizations serving populations that have,  
4 historically, been met with barriers to entry or advancement  
5 in the workforce.

6 By targeting historically underutilized communities whose  
7 members seek to access the upward mobility and career  
8 advancement apprenticeships bring, the Illinois Works  
9 Preapprenticeship Program is one part of many State  
10 initiatives to increase diversity in apprenticeship programs  
11 and careers in the construction and building trades.

12 The Investing in Illinois Works Tax Credit expands the  
13 goals of the Illinois Works Preapprenticeship Program to  
14 private construction projects and highly skilled training  
15 programs by incentivizing contractors to utilize graduates of  
16 the Illinois Works Preapprenticeship Program or graduates of  
17 the U.S. Department of Labor's Office of Apprenticeship as  
18 part of their skilled and trained workforces on projects at  
19 high-hazard facilities.

20 Section 1-5. Definitions. As used in this Act:

21 "Apprenticeship program" has the same meaning as provided  
22 in Section 10-5 of the Illinois Hazardous Materials Workforce  
23 Training Act.

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

1 "Illinois Works Preapprenticeship Program" means a network  
2 of community-based, nonprofit organizations throughout  
3 Illinois that receive grant funding from the Illinois  
4 Department of Commerce and Economic Opportunity to recruit,  
5 pre-screen, and provide preapprenticeship skill training to  
6 create a qualified, diverse pipeline of workers who are  
7 prepared for careers in the construction and building trades  
8 as prescribed in Section 20-15 of the Illinois Works Jobs  
9 Program Act.

10 "Inflation adjustment" means for any calendar year the  
11 percentage, if any, by which the Consumer Price Index for All  
12 Urban Consumers, as issued by the United States Department of  
13 Labor, for the preceding calendar year exceeds the Consumer  
14 Price Index for All Urban Consumers for calendar year 2021.

15 "Owner or operator" has the meaning provided in Section 5  
16 of the Illinois Hazardous Materials Workforce Training Act.

17 "Qualifying employee" means a qualifying graduate who was  
18 continuously employed by the owner or operator, or a  
19 contractor employed by the owner or operator, in Illinois  
20 during all 4 reporting periods occurring in the calendar year  
21 directly preceding the calendar year in which the credit is  
22 claimed.

23 "Qualifying graduate" means an individual from an  
24 underrepresented population who has successfully completed a  
25 preapprenticeship program through the Illinois Works  
26 Preapprenticeship Program in compliance with the requirements

1 of Section 20-15 of the Illinois Works Jobs Programs Act and  
2 who is a registered apprentice as defined under Section 10-5  
3 of the Illinois Hazardous Materials Workforce Training Act or  
4 has successfully completed an apprenticeship program approved  
5 by and registered with the United States Department of Labor's  
6 Office of Apprenticeship.

7 "Reporting period" means the quarter for which a return is  
8 required to be filed under subsection (b) of Section 704A of  
9 the Illinois Income Tax Act.

10 "Skilled and trained workforce" has the same meaning  
11 provided in Section 10-5 of the Illinois Hazardous Materials  
12 Workforce Training Act.

13 "Tax credit certificate" means the certificate awarded by  
14 the Department pursuant to Section 1-20 of this Act.

15 "Underrepresented population" has the meaning provided in  
16 Section 20-10 of the Illinois Works Job Program Act.

17 Section 1-10. Credit amount. For reporting periods  
18 beginning on or after January 1, 2022, subject to the  
19 limitations provided in this Act, an owner or operator may  
20 claim as a credit against the tax imposed under Section 704A of  
21 the Illinois Income Tax Act an amount equal to \$2,500 for each  
22 qualifying employee, plus any applicable inflation adjustment,  
23 as certified by the Department on a tax credit certificate  
24 awarded pursuant to this Act.

1 Section 1-15. Application process.

2 (a) An owner or operator may apply to the Department for a  
3 certificate to receive a credit under Section 1-10.

4 (b) The Department shall establish an application process  
5 to certify an owner or operator for the credit under Section  
6 1-10 as necessary for implementation of this Act. As part of  
7 the application process, the Department shall require the  
8 owner or operator to provide:

9 (1) the name, year, and community-based organization  
10 or union through which each qualifying employee completed  
11 his or her Illinois Works Preapprenticeship Program or  
12 apprenticeship program;

13 (2) the certificate of completion from the Department  
14 of Labor that the qualifying employee has completed the  
15 minimum approved safety training required by the Illinois  
16 Hazardous Materials Workforce Training Act;

17 (3) the hours worked by the qualifying employee that  
18 go to meeting his or her apprenticeship requirements at  
19 the time of the application;

20 (4) a signed affidavit from the owner or operator  
21 attesting that: (i) the qualifying employee was employed  
22 by the owner and operator or a contractor reemployed by  
23 the owner or operator during all 4 reporting periods  
24 occurring during the calendar year preceding the calendar  
25 year in which the credit will be applied; (ii) the  
26 qualifying employee performed work in his or her

1 prevailing wage classification for the duration of his or  
2 her employment in the calendar year preceding the calendar  
3 year in which the credit will be applied; (iii) the  
4 documents provided in the application are true; and (iv)  
5 the owner or operator will comply with all applicable  
6 laws; and

7 (5) any other material required by the Department.

8 Section 1-20. Credit awards.

9 (a) Upon satisfactory review, the Department shall issue a  
10 tax credit certificate stating the amount of the tax credit to  
11 which an owner or operator is entitled under this Act. Each  
12 certificate shall include a unique identifying number. The  
13 credit shall be claimed for the first reporting period  
14 beginning on or after the date on which the certificate is  
15 issued by the Department. The credit shall be equal to the  
16 amount shown on the certificate but may not reduce the  
17 taxpayer's obligation for any payment due under Section 704A  
18 of the Illinois Income Tax Act to less than zero. If the amount  
19 of the credit exceeds the total payments due under this  
20 Section with respect to amounts withheld during the reporting  
21 period, the excess may be carried forward and applied against  
22 the taxpayer's liability under Section 704A of the Illinois  
23 Income Tax Act in the 5 succeeding calendar years. The credit  
24 shall be applied to the earliest reporting period for which  
25 there is a tax liability. If there are credits from more than

1 one reporting period that are available to offset a liability,  
2 the earlier credit shall be applied first. No credit awarded  
3 under this Act shall be sold or otherwise transferred.

4 (b) This Section is exempt from the provisions of Section  
5 250 of the Illinois Income Tax Act.

6 (c) The Department shall award not more than an aggregate  
7 of \$20,000,000 in total annual tax credits pursuant to this  
8 Act, increased annually by any applicable inflation  
9 adjustment. If applications for a greater amount are received,  
10 credits shall be allowed on a first-come, first-served basis  
11 based on the date on which each properly completed application  
12 for certification is received by the Department. If more than  
13 one properly completed application for certification is  
14 received on the same day, the credits shall be awarded based on  
15 the time of submission for that particular day.

16 Section 1-25. Penalties; recapture.

17 (a) False or fraudulent claims for credits under this Act  
18 may be subject to penalties as provided under Sections 3-5 or  
19 3-6 of the Uniform Penalty and Interest Act, as applicable.

20 (b) If the Department determines that an owner or operator  
21 who has received a credit under this Act does not comply with  
22 the requirements of this Act or that a certification the owner  
23 or operator made in his or her application are false, the  
24 Department may initiate recapture procedures against the owner  
25 or operator and, after notice and an opportunity for hearing,

1 recapture the entire credit amount awarded pursuant to any tax  
2 credit certificate under issued under this Act. The Department  
3 shall notify the Department of Revenue of any credits  
4 recaptured pursuant to this subsection.

5 (c) If a previously awarded credit is required to be  
6 recaptured under subsection (b), the owner or operator shall  
7 increase the next withholding payment required under Section  
8 704A of the Illinois Income Tax Act by the amount of the  
9 recaptured credit.

10 Section 1-30. Rulemaking. The Department shall adopt rules  
11 for the implementation and administration of this Act. In  
12 order to provide for the expeditious and timely implementation  
13 of this Act, the Department, the Department of Labor, and the  
14 Department of Revenue may adopt emergency rules. The adoption  
15 of emergency rules authorized by this Section is deemed to be  
16 necessary for the public interest, safety, and welfare.

17 ARTICLE 5. ACCESS TO APPRENTICESHIP ACT

18 Section 5-1. Short title. This Article may be cited as the  
19 Access to Apprenticeship Act. References in this Article to  
20 "this Act" mean this Article.

21 Section 5-5. Restrictions on application requirements.  
22 Notwithstanding any law to the contrary, in order to ensure

1 fair and equal access to apprenticeship programs, no  
2 application for a preapprenticeship or apprenticeship program,  
3 whether run by the State, a community-based organization, a  
4 community college, a public university, a private employer, a  
5 union, or joint labor-management program, may require a  
6 recommendation from a union member or any other person as a  
7 condition of acceptance to the preapprenticeship or  
8 apprenticeship program. An intent to hire letter from a  
9 signatory contractor shall not be considered a recommendation  
10 for purposes of this Act.

11 Section 5-97. Severability. The provisions of this Act are  
12 severable under Section 1.31 of the Statute on Statutes.

13 ARTICLE 10. ILLINOIS HAZARDOUS MATERIALS WORKFORCE TRAINING  
14 ACT

15 Section 10-1. Short title. This Article may be cited as  
16 the Illinois Hazardous Materials Workforce Training Act.  
17 References in this Article to "this Act" mean this Article.

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

19 "Apprenticeable occupation" means an occupation in the  
20 building and construction trades for which training and  
21 apprenticeship programs have been approved by and registered  
22 with the U.S. Department of Labor's Office of Apprenticeship.

1 "Apprenticeship program" means an applicable training and  
2 apprenticeship program approved by and registered with the  
3 U.S. Department of Labor's Office of Apprenticeship.

4 "Building and construction trades council" means any labor  
5 organization that represents multiple construction trades and  
6 monitors or is attentive to compliance with public or workers'  
7 safety laws, wage and hour requirements, or other statutory  
8 requirements and negotiates and maintains collective  
9 bargaining agreements.

10 "Construction" means all work at a stationary source  
11 involving laborers, workers, or mechanics, including any  
12 maintenance, repair, assembly, or disassembly work performed  
13 on equipment whether owned, leased, or rented.

14 "Department" means the Department of Labor.

15 "Director" means the Director of Labor.

16 "Labor agreement" means a form of prehire collective  
17 bargaining agreement covering all terms and conditions of  
18 employment.

19 "Labor organization" means an organization that is the  
20 exclusive representative of an employer's employees recognized  
21 or certified under the federal National Labor Relations Act of  
22 1935.

23 "Minimum approved safety training for workers at high  
24 hazard facilities" means a minimum 30-hour OSHA Outreach  
25 Training Program for the Construction class consisting of a  
26 curriculum of OSHA-designated training topics with training

1 performed by an authorized OSHA Outreach Training Program  
2 Trainer and that is intended to provide workers with  
3 information about their rights, employer responsibilities,  
4 safety and health hazards a worker may encounter on a work  
5 site, as well as how to identify, abate, avoid, and prevent  
6 job-related hazards by emphasizing hazard identification,  
7 avoidance, control, and prevention.

8 "OSHA" means the United States Department of Labor's  
9 Occupational Safety and Health Administration.

10 "Owner or operator" means an owner or operator of a  
11 stationary source that is engaged in activities described in  
12 Code 324110, 325110, 325193, or 325199 of the 2017 North  
13 American Industry Classification System (NAICS), and has one  
14 or more covered processes that are required to prepare and  
15 submit a Risk Management Plan. "Owner or operator" does not  
16 include oil and gas extraction operations.

17 "Prevailing hourly wage rate" has the same meaning as  
18 "general prevailing rate of hourly wages" as defined in  
19 Section 2 of the Prevailing Wage Act.

20 "Registered apprentice" means an apprentice registered in  
21 an applicable apprenticeship program for an apprenticeable  
22 occupation approved by and registered with the U.S. Department  
23 of Labor's Office of Apprenticeship.

24 "Shift" means a set standard period of time an employer  
25 requires its employees to perform his or her work-related  
26 duties on a daily basis. For purposes of this definition,

1 there may be multiple shifts per day.

2 "Skilled journey person" means a worker who meets all of  
3 the following criteria:

4 (1) the worker either graduated from an approved  
5 apprenticeship and training program approved by and  
6 registered with the U.S. Department of Labor's Office of  
7 Apprenticeship for the applicable occupation, or has at  
8 least as many hours of on-the-job experience in the  
9 applicable occupation that would be required to graduate  
10 from an apprenticeship program approved by and registered  
11 with the U.S. Department of Labor's Office of  
12 Apprenticeship for the applicable occupation;

13 (2) the worker is being paid at least a rate  
14 equivalent to the prevailing hourly wage rate for a  
15 journey person in the applicable occupation and locality;  
16 and

17 (3) beginning on or after July 1, 2024, the worker has  
18 completed, within the prior 3 calendar years, minimum  
19 approved safety training for workers at high hazard  
20 facilities and has filed a certificate of completion with  
21 the Department.

22 "Skilled and trained workforce" means a workforce that  
23 meets all of the following criteria:

24 (1) all the workers are either registered apprentices  
25 or skilled journey persons;

26 (2) beginning on July 1, 2022, at least 45% of the

1 skilled journeypersons are graduates of an apprenticeship  
2 program for the applicable occupation;

3 (3) beginning on July 1, 2023, at least 60% of the  
4 skilled journeypersons are graduates of an apprenticeship  
5 program for the applicable occupation; and

6 (4) beginning on July 1, 2024, at least 80% of the  
7 skilled journeypersons are graduates of an apprenticeship  
8 program for the applicable occupation.

9 "Stationary source" means that term as it is defined under  
10 Section 39.5 of the Environmental Protection Act.

11 Section 10-10. Minimum approved safety training.

12 (a) A person who has completed minimum approved safety  
13 training for workers at high hazard facilities shall file his  
14 or her certificate of completion with the Department in a  
15 manner prescribed by the Department.

16 (b) The owner or operator, when contracting for the  
17 performance of construction work at the stationary source,  
18 shall require that its contractors and any subcontractors use  
19 a skilled and trained workforce to perform all onsite work  
20 within an apprenticeable occupation in the building and  
21 construction trades.

22 (c) The requirements of this Section shall not immediately  
23 apply to contracts awarded before July 1, 2022, unless the  
24 contract is extended or renewed after that date. Contracts  
25 awarded before July 1, 2022 shall meet the requirements of

1 this Section no later than July 1, 2023.

2 (d) The requirements of this Section shall only apply to  
3 the skilled and trained workforce, contracted with an owner or  
4 operator to perform construction work at the stationary source  
5 site.

6 (e) The skilled and trained workforce requirements under  
7 this Section shall not apply to:

8 (1) Contractors that have requested qualified workers  
9 from the local hiring halls that dispatch workers in the  
10 apprenticeable occupation and, due to workforce shortages,  
11 the contractor is unable to obtain sufficient qualified  
12 workers within 48 hours of the request, Saturdays,  
13 Sundays, and holidays excepted. This Act shall not prevent  
14 contractors from obtaining workers from any source.

15 (2) An emergency where compliance is impracticable;  
16 namely, an emergency requires immediate action to prevent  
17 imminent harm to public health or safety or to the  
18 environment. Within 14 days of an emergency, the Illinois  
19 Department of Labor must certify that the emergency  
20 warranted noncompliance with this Act. The employer must  
21 provide necessary documentation of the emergency to the  
22 Illinois Department of Labor.

23 Section 10-15. Enforcement. Any interested party may file  
24 a complaint with the Department of Labor against an owner,  
25 operator, or construction contractor covered under this Act if

1 there is reasonable belief that the owner, operator, or  
2 construction contractor is in violation of this Act. Upon  
3 receiving the complaint, the Department of Labor shall request  
4 a copy of any contract at issue that was entered into between  
5 the owner, operator, or construction contractor to ensure that  
6 training requirements under this Act were included in the  
7 contract's terms. The Department of Labor shall request from  
8 the construction contractor a copy of the construction  
9 contractor's payroll, broken down by any registered apprentice  
10 and skilled journeyman on the job site. If the Department  
11 of Labor finds that an owner, operator, or construction  
12 contractor has not complied with this Act, the Department  
13 shall refer the matter to the Attorney General for  
14 enforcement.

15 Section 10-20. Exemptions. This Act does not apply to any  
16 owner or operator that has an executed national or local labor  
17 agreement in effect pertaining to the performance of  
18 construction work at a given facility or site under the terms  
19 of the agreement. The labor agreement must be negotiated with  
20 and approved by a local building and construction trades  
21 council that has geographic jurisdiction over the stationary  
22 source.

23 Section 10-21. Reporting.

24 (a) Any applicable apprenticeship and training program

1 approved by and registered with the U.S. Department of Labor's  
2 Office of Apprenticeship providing minimum approved safety  
3 training for workers in high hazard facilities and any  
4 contractor who employs workers operating at high hazard  
5 facilities shall file an annual report with the Department and  
6 the Illinois Works Review Panel, in the form and manner  
7 required by the Department, within 6 months after the  
8 effective date of this Act and on January 31 of each year  
9 thereafter. The report shall contain the following  
10 information:

11 (1) A description of the applicable apprenticeship and  
12 training program, approved by and registered with the U.S.  
13 Department of Labor's Office of Apprenticeship, or the  
14 contractor's recruitment efforts, screening efforts, and a  
15 general description of training efforts.

16 (2) The applicable apprenticeship and training  
17 program, approved by and registered with the U.S.  
18 Department of Labor's Office of Apprenticeship, shall  
19 provide the number of individuals who apply to,  
20 participate in, and complete the minimum approved safety  
21 training for workers at high hazard facilities, broken  
22 down by race, gender, jurisdiction, age, and veteran  
23 status. A contractor under this paragraph shall provide  
24 the number of workers who the contractor employs to work  
25 at high hazard facilities, within the last calendar year,  
26 broken down by race, gender, jurisdiction, age, and

1 veteran status.

2 (3) The demographic data of the jurisdiction.

3 (4) For the applicable apprenticeship and training  
4 program, approved by and registered with the U.S.  
5 Department of Labor's Office of Apprenticeship, a  
6 statement of the minimum diversity goal that participation  
7 in the minimum approved safety training for workers in  
8 high hazard facilities is equal to the demographics of its  
9 jurisdiction. For a contractor under this paragraph, a  
10 statement of the minimum diversity goal that the workers  
11 employed by the contractor to work at high hazard  
12 facilities are equal to of the demographics of the  
13 contractor's jurisdiction.

14 (5) An action plan to increase diversity and meet or  
15 exceed the stated minimum diversity goal, inclusive of,  
16 but not limited to, the following actions if the diversity  
17 goal is not met:

18 (A) Providing information on this Act for all high  
19 schools and field offices of the Department of  
20 Employment Security in the jurisdiction.

21 (B) Entering into a joint agreement with the  
22 Department of Employment Security for outreach and  
23 employment.

24 (C) Entering into a joint agreement with  
25 educational institutions or approved Illinois Works  
26 Preapprenticeship Programs established under

1 subsection (a) of Section 20-15 of the Illinois Works  
2 Jobs Program Act in the jurisdiction to enhance  
3 recruitment efforts.

4 (D) Eliminating experience requirements, when  
5 feasible, to permit increased participation by  
6 minorities.

7 (b) If the Department and the Illinois Works Review Panel  
8 conclude that the report submitted under this Section does not  
9 meet or is unlikely to meet the minimum diversity goal under  
10 paragraph (4) of subsection (a) within 12 months after filing  
11 its report, or that the action plan was not followed, the  
12 Department and the Illinois Works Review Panel shall recommend  
13 that the action plan be revised to provide additional steps  
14 and opportunities for minority participation.

15 (c) An applicable apprenticeship and training program,  
16 approved by and registered with the U.S. Department of Labor's  
17 Office of Apprenticeship, providing workers in a high hazard  
18 facility or a contractor operating at high hazard facility  
19 shall be deemed unfit to provide workers or operate at high  
20 hazard facilities and may be subject to a penalty of up to one  
21 year's prohibition from providing workers or operating at high  
22 hazard facilities. If the Department and the Illinois Works  
23 Review Panel conclude that the applicable apprenticeship and  
24 training program, approved by and registered with the U.S.  
25 Department of Labor's Office of Apprenticeship, providing  
26 workers in a high hazard facility or the contractor operating

1 at a high hazard facility failed to follow its action plan  
2 under paragraph (5) of subsection (a) or the recommendations  
3 to its action plan provided by the Department and the Illinois  
4 Works Review Panel under subsection (b) within 12 months after  
5 filing the entity's report, then the applicable apprenticeship  
6 and training program or contractor shall be deemed unfit to  
7 provide workers or operate at high hazard facilities and may  
8 be subject to a penalty of up to one year's prohibition from  
9 providing workers or operating at high hazard facilities.

10 (d) For reporting purposes, the jurisdiction is the  
11 Illinois county where the applicable apprenticeship and  
12 training program, approved by and registered with the U.S.  
13 Department of Labor's Office of Apprenticeship, is located.  
14 For a contractor, the jurisdiction is the county where the  
15 contractor's workers perform the majority of work in a high  
16 hazard facility within the last calendar year.

17 Section 10-25. Penalties; noncompliant reporting;  
18 reinstatement.

19 (a) Except as provided in subsection (b), an owner or  
20 operator who violates the requirements of this Act shall be  
21 subject to a minimum civil penalty of \$10,000 for each  
22 violation. Each shift a violation of this Act occurs shall be  
23 considered a separate violation. The penalty may be recovered  
24 in a civil action brought by the Director in any circuit court.  
25 In the civil action, the Director shall be represented by the

1 Attorney General. All moneys received by the Department as  
2 fees and civil penalties under this Act shall be deposited  
3 into the Illinois Works Fund to be used to recruit, prescreen,  
4 and provide preapprenticeship skills training for which  
5 participants may attend free of charge and receive a stipend  
6 to create a qualified, diverse pipeline of workers who are  
7 prepared to work in high hazard facilities.

8 (b) Notwithstanding subsection (a), if the Department and  
9 the Illinois Works Review Panel determine that there is a  
10 violation of Section 10-21, the Department and the Illinois  
11 Works Review Panel shall provide reasonable notice of  
12 noncompliance to the violator within 90 days after the  
13 violation and inform the violator that the violator has 45  
14 days to comply with Section 10-21 without penalty. If the  
15 noncompliance is not remedied, the violator may be deemed  
16 unfit to provide workers or operate at high hazard facilities  
17 for a period of up to one year. If the Department and the  
18 Illinois Works Review Panel determine that the violator has  
19 remedied the violation and is in compliance with Section  
20 10-21, the Department shall have 45 days to reinstate the  
21 authorization for the violator to provide workers or operate  
22 at high hazard facilities. The Department and the Illinois  
23 Works Review Panel may not unreasonably withhold reinstatement  
24 under this subsection when the applicable apprenticeship and  
25 training program, approved by and registered with the U.S.  
26 Department of Labor's Office of Apprenticeship, providing

1 workers in high hazard facilities or the contractor operating  
2 at high hazard facilities is found to be in compliance with  
3 Section 10-21.

4 Section 10-97. Severability. The provisions of this Act  
5 are severable under Section 1.31 of the Statute on Statutes.

6 ARTICLE 15. AMENDATORY PROVISIONS

7 Section 15-5. The Illinois Administrative Procedure Act is  
8 amended by adding Section 5-45.8 as follows:

9 (5 ILCS 100/5-45.8 new)

10 Sec. 5-45.8. Emergency rulemaking. To provide for the  
11 expeditious and timely implementation of this amendatory Act  
12 of the 102nd General Assembly, the Department of Commerce and  
13 Economic Opportunity shall, and the Department of Labor and  
14 the Department of Revenue may, adopt emergency rules. The  
15 adoption of emergency rules authorized by this Section is  
16 deemed to be necessary for the public interest, safety, and  
17 welfare.

18 This Section is repealed on January 1, 2026.

19 Section 15-10. The Illinois Income Tax Act is amended by  
20 changing Section 704A as follows:

1 (35 ILCS 5/704A)

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

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

7 (b) Returns. Every employer shall, in the form and manner  
8 required by the Department, make returns with respect to taxes  
9 withheld or required to be withheld under this Article 7 for  
10 each quarter beginning on or after January 1, 2008, on or  
11 before the last day of the first month following the close of  
12 that quarter.

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

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

20 (A) on or before each Friday of the calendar year,  
21 for taxes withheld or required to be withheld on the  
22 immediately preceding Saturday, Sunday, Monday, or  
23 Tuesday;

24 (B) on or before each Wednesday of the calendar  
25 year, for taxes withheld or required to be withheld on  
26 the immediately preceding Wednesday, Thursday, or

1 Friday.

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

5 (2) Semi-weekly payments. Any employer who withholds  
6 or is required to withhold more than \$12,000 in any  
7 quarter of a calendar year is required to make payments on  
8 the dates set forth under item (1) of this subsection (c)  
9 for each remaining quarter of that calendar year and for  
10 the subsequent calendar year.

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

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

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

22 (1) Permit employers, in lieu of the requirements of  
23 subsections (b) and (c), to file annual returns due on or  
24 before January 31 of the year for taxes withheld or  
25 required to be withheld during the previous calendar year  
26 and, if the aggregate amounts required to be withheld by

1 the employer under this Article 7 (other than amounts  
2 required to be withheld under Section 709.5) do not exceed  
3 \$1,000 for the previous calendar year, to pay the taxes  
4 required to be shown on each such return no later than the  
5 due date for such return.

6 (2) Provide that any payment required to be made under  
7 subsection (c)(1) or (c)(2) is deemed to be timely to the  
8 extent paid by electronic funds transfer on or before the  
9 due date for deposit of federal income taxes withheld  
10 from, or federal employment taxes due with respect to, the  
11 wages from which the Illinois taxes were withheld.

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

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

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

1 to be submitted with the employer's individual income tax  
2 return or to be submitted with a return due from the employer  
3 under Section 1400.2 of the Unemployment Insurance Act.

4 (f) Magnetic media and electronic filing. With respect to  
5 taxes withheld in calendar years prior to 2017, any W-2 Form  
6 that, under the Internal Revenue Code and regulations  
7 promulgated thereunder, is required to be submitted to the  
8 Internal Revenue Service on magnetic media or electronically  
9 must also be submitted to the Department on magnetic media or  
10 electronically for Illinois purposes, if required by the  
11 Department.

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

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

19 (g) For amounts deducted or withheld after December 31,  
20 2009, a taxpayer who makes an election under subsection (f) of  
21 Section 5-15 of the Economic Development for a Growing Economy  
22 Tax Credit Act for a taxable year shall be allowed a credit  
23 against payments due under this Section for amounts withheld  
24 during the first calendar year beginning after the end of that  
25 taxable year equal to the amount of the credit for the  
26 incremental income tax attributable to full-time employees of

1 the taxpayer awarded to the taxpayer by the Department of  
2 Commerce and Economic Opportunity under the Economic  
3 Development for a Growing Economy Tax Credit Act for the  
4 taxable year and credits not previously claimed and allowed to  
5 be carried forward under Section 211(4) of this Act as  
6 provided in subsection (f) of Section 5-15 of the Economic  
7 Development for a Growing Economy Tax Credit Act. The credit  
8 or credits may not reduce the taxpayer's obligation for any  
9 payment due under this Section to less than zero. If the amount  
10 of the credit or credits exceeds the total payments due under  
11 this Section with respect to amounts withheld during the  
12 calendar year, the excess may be carried forward and applied  
13 against the taxpayer's liability under this Section in the  
14 succeeding calendar years as allowed to be carried forward  
15 under paragraph (4) of Section 211 of this Act. The credit or  
16 credits shall be applied to the earliest year for which there  
17 is a tax liability. If there are credits from more than one  
18 taxable year that are available to offset a liability, the  
19 earlier credit shall be applied first. Each employer who  
20 deducts and withholds or is required to deduct and withhold  
21 tax under this Act and who retains income tax withholdings  
22 under subsection (f) of Section 5-15 of the Economic  
23 Development for a Growing Economy Tax Credit Act must make a  
24 return with respect to such taxes and retained amounts in the  
25 form and manner that the Department, by rule, requires and pay  
26 to the Department or to a depository designated by the

1 Department those withheld taxes not retained by the taxpayer.  
2 For purposes of this subsection (g), the term taxpayer shall  
3 include taxpayer and members of the taxpayer's unitary  
4 business group as defined under paragraph (27) of subsection  
5 (a) of Section 1501 of this Act. This Section is exempt from  
6 the provisions of Section 250 of this Act. No credit awarded  
7 under the Economic Development for a Growing Economy Tax  
8 Credit Act for agreements entered into on or after January 1,  
9 2015 may be credited against payments due under this Section.

10 (h) An employer may claim a credit against payments due  
11 under this Section for amounts withheld during the first  
12 calendar year ending after the date on which a tax credit  
13 certificate was issued under Section 35 of the Small Business  
14 Job Creation Tax Credit Act. The credit shall be equal to the  
15 amount shown on the certificate, but may not reduce the  
16 taxpayer's obligation for any payment due under this Section  
17 to less than zero. If the amount of the credit exceeds the  
18 total payments due under this Section with respect to amounts  
19 withheld during the calendar year, the excess may be carried  
20 forward and applied against the taxpayer's liability under  
21 this Section in the 5 succeeding calendar years. The credit  
22 shall be applied to the earliest year for which there is a tax  
23 liability. If there are credits from more than one calendar  
24 year that are available to offset a liability, the earlier  
25 credit shall be applied first. This Section is exempt from the  
26 provisions of Section 250 of this Act.

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

22           For each reporting period, the employer may not claim a  
23 credit or credits for more employees than the number of  
24 employees making less than the minimum or reduced wage for the  
25 current calendar year during the last reporting period of the  
26 preceding calendar year. Notwithstanding any other provision

1 of this subsection, an employer shall not be eligible for  
2 credits for a reporting period unless the average wage paid by  
3 the employer per employee for all employees making less than  
4 \$55,000 during the reporting period is greater than the  
5 average wage paid by the employer per employee for all  
6 employees making less than \$55,000 during the same reporting  
7 period of the prior calendar year.

8 For purposes of this subsection (i):

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

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

19 "Full-time equivalent employees" means the ratio of the  
20 number of paid hours during the reporting period and the  
21 number of working hours in that period.

22 "Maximum credit" means the percentage listed below of the  
23 difference between the amount of compensation paid in Illinois  
24 to employees who are paid not more than the required minimum  
25 wage reduced by the amount of compensation paid in Illinois to  
26 employees who were paid less than the current required minimum

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

9 (1) 25% for reporting periods beginning on or after  
10 January 1, 2020 and ending on or before December 31, 2020;

11 (2) 21% for reporting periods beginning on or after  
12 January 1, 2021 and ending on or before December 31, 2021;

13 (3) 17% for reporting periods beginning on or after  
14 January 1, 2022 and ending on or before December 31, 2022;

15 (4) 13% for reporting periods beginning on or after  
16 January 1, 2023 and ending on or before December 31, 2023;

17 (5) 9% for reporting periods beginning on or after  
18 January 1, 2024 and ending on or before December 31, 2024;

19 (6) 5% for reporting periods beginning on or after  
20 January 1, 2025 and ending on or before December 31, 2025.

21 The amount computed under this subsection may continue to  
22 be claimed for reporting periods beginning on or after January  
23 1, 2026 and:

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

26 (B) ending on or before December 31, 2027 for

1 employers with no more than 5 employees.

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

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

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

1 credit shall be applied first. This Section is exempt from the  
2 provisions of Section 250 of this Act.

3 (Source: P.A. 100-303, eff. 8-24-17; 100-511, eff. 9-18-17;  
4 100-863, eff. 8-14-18; 101-1, eff. 2-19-19.)

5 ARTICLE 99. EFFECTIVE DATE

6 Section 99-99. Effective date. This Act takes effect  
7 January 1, 2022.