

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 journey person 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.