



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB3967

Introduced 3/4/2021, by Rep. Rita Mayfield and Kelly M. Cassidy

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Energy Community Reinvestment Act. Provides that the Department of Commerce and Economic Opportunity shall designate certain regions impacted by the decline of coal generation, gas generation, nuclear generation, and coal mining as Clean Energy Empowerment Zones. Creates the Energy Workforce Development Program and Energy Community Development Program. Creates the Clean Energy Empowerment Zone Tax Credit Act. Creates a tax credit for applicants operating a business in the State that hires a former energy worker or graduate or trainee from an equity-focused workforce training program designated by the Illinois Power Agency as a new employee. Creates a tax credit for applicants operating a renewable energy enterprise that proposes a project to create new jobs and invest in the development of a renewable energy production facility in a Clean Energy Empowerment Zone. Creates the Coal Severance Fee Act. Provides for a tax upon any person engaged in the business of severing or preparing coal for sale, profit, or commercial use if the coal is severed from a mine located in the State. Amends the Illinois Administrative Procedure Act to allow for emergency rulemaking. Amends the State Finance Act to create the Energy Community Reinvestment Fund. Amends the Illinois Income Tax Act, the Public Utilities Act, the Environmental Protection Act, and the Illinois Nuclear Facility Safety Act by making changes to implement certain programs. Effective immediately.

LRB102 14276 SPS 19628 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 ARTICLE 1. Findings

5 Section 1-5. Findings. The General Assembly finds that:

6 (a) The growing clean energy economy in Illinois can be a  
7 vehicle for expanding equitable access to public health,  
8 safety, a cleaner environment, quality jobs, economic  
9 opportunity, and wealth-building, particularly in economically  
10 disadvantaged communities and communities of black,  
11 indigenous, and people of color that have had to bear the  
12 disproportionate burden of dirty fossil fuel pollution.

13 (b) Placing Illinois on a path to 100% renewable energy is  
14 vital to a clean energy future. To bring this vision to  
15 fruition, our energy policy must prioritize a just transition  
16 that incentivizes renewable development and other  
17 carbon-reducing policies, such as energy efficiency,  
18 beneficial electrification, and peak demand reduction, while  
19 ensuring that the benefits and opportunities of a carbon-free  
20 future are accessible in economically disadvantaged  
21 communities, environmental justice communities, and  
22 communities of black, indigenous, and people of color.

23 (c) In the wake of federal reversals on climate action,

1 the State of Illinois should pursue immediate action on  
2 policies that will ensure a just and responsible phase out of  
3 fossil fuels from the power sector to reduce harmful emissions  
4 from Illinois power plants, support power plant communities  
5 and workers, and allow the clean energy economy to continue  
6 growing in every corner of Illinois.

7 (d) Illinois needs to adopt a broad-based policy approach  
8 to decarbonize Illinois' electric sector (including  
9 electricity production and consumption) in a just and  
10 equitable manner that puts our State on track to phase out  
11 carbon dioxide emitting power plants by 2030.

12 (e) Illinois' policy approach must ensure the reduction of  
13 co-pollutant emissions that cause serious local health  
14 impacts, prioritizing environmental justice communities near  
15 power plants.

16 (f) As we decarbonize Illinois' electric sector, Illinois  
17 must create new investment to stimulate the economic and  
18 environmental well-being of communities disproportionately  
19 impacted by the historical operation of, and recent or  
20 expected closures of, fossil fuel power plants and coal mining  
21 operations.

22 ARTICLE 5. Energy Community Reinvestment Act

23 Section 5-1. Short title. This Article may be cited as the  
24 Energy Community Reinvestment Act. References in this Article

1 to "this Act" mean this Article.

2 Section 5-5. Findings. The General Assembly finds that, as  
3 part of putting Illinois on a path to 100% renewable energy,  
4 the State of Illinois should ensure a just transition to that  
5 goal, providing support for the transition of Illinois'  
6 communities and workers impacted by closures or reduced use of  
7 fossil fuel power plants, nuclear power plants, or coal mines  
8 by allocating new economic development resources for business  
9 tax incentives, workforce training, site clean-up and reuse,  
10 and local tax revenue replacement.

11 The General Assembly finds and declares that the health,  
12 safety, and welfare of the people of this State are dependent  
13 upon a healthy economy and vibrant communities; that the  
14 closure of fossil fuel power plants, nuclear power plants, and  
15 coal mines across the State have a significant impact on their  
16 surrounding communities; that the expansion of renewable  
17 energy creates significant job growth and contributes  
18 significantly to the health, safety, and welfare of the people  
19 of this State; that the continual encouragement, development,  
20 growth, and expansion of renewable energy within the State  
21 requires a cooperative and continuous partnership between  
22 government and the renewable energy sector; and that there are  
23 certain areas in this State that have lost, or will lose, jobs  
24 due to the closure of fossil fuel power plants, nuclear power  
25 plants, and coal mines and need the particular attention of

1 government, labor, and the residents of Illinois to help  
2 attract new investment into these areas and directly aid the  
3 local community and its residents.

4 Therefore, it is declared to be the purpose of this Act to  
5 explore ways of stimulating the growth of new private  
6 investment, including renewable energy investment, in this  
7 State and to foster job growth in areas impacted by the closure  
8 of coal energy plants, coal mines, and nuclear energy plants.

9 Section 5-10. Definitions. As used in this Act, unless the  
10 context otherwise requires:

11 "State agencies" or "agencies" has the same meaning as  
12 "State agencies" under Section 1-7 of the Illinois State  
13 Auditing Act.

14 "Board" means the Clean Energy Empowerment Zone Board  
15 created in Section 5-20.

16 "Clean Energy Empowerment Zone" or "Empowerment Zones"  
17 means an area of the State certified by the Department as a  
18 Clean Energy Empowerment Zone under this Act.

19 "Commission" means the Energy Transition Workforce  
20 Commission created in Section 5-45.

21 "Department" means the Department of Commerce and Economic  
22 Opportunity.

23 "Displaced energy worker" means an energy worker who has  
24 lost employment, or is anticipated by the Department to lose  
25 employment within the next 2 years, due to the reduced

1 operation or closure of a fossil fuel power plant, nuclear  
2 power plant, or coal mine.

3 "Energy worker" means a person who has been employed  
4 full-time for a period of one year or longer, and within the  
5 previous 5 years, at a fossil fuel power plant, a nuclear power  
6 plant, or a coal mine located within the State of Illinois,  
7 whether or not they are employed by the owner of the power  
8 plant or mine. Energy workers are considered to be full-time  
9 if they work at least 35 hours per week for 45 weeks a year or  
10 the 1,820 work-hour equivalent with vacations, paid holidays,  
11 and sick time, but not overtime, included in this computation.  
12 Classification of an individual as an energy worker continues  
13 for 5 years from the latest date of employment or the effective  
14 date of this Act, whichever is later.

15 "Environmental justice communities" means the definition  
16 of that term based on existing methodologies and findings,  
17 used and as may be updated by the Illinois Power Agency and its  
18 program administrator in the Illinois Solar for All Program.

19 "Fossil fuel power plant" means an electric generating  
20 facility powered by gas, coal, other fossil fuels, or a  
21 combination thereof.

22 "Low-income" means persons and families whose income does  
23 not exceed 80% of area median income, adjusted for family size  
24 and revised every 2 years.

25 "Local labor market area" means an economically integrated  
26 area within which individuals reside and find employment

1 within a reasonable distance of their places of residence or  
2 can readily change jobs without changing their places of  
3 residence.

4 "Renewable energy enterprise" means a company that is  
5 engaged in the production, manufacturing, distribution, or  
6 development of renewable energy resources and associated  
7 technologies.

8 "Renewable energy project" means a project conducted by a  
9 renewable energy enterprise for the purpose of generating  
10 renewable energy resources or energy storage.

11 "Renewable energy resources" has the meaning set forth in  
12 Section 1-10 of the Illinois Power Agency Act.

13 "Rule" has the meaning set forth in Section 1-70 of the  
14 Illinois Administrative Procedure Act.

15 Section 5-15. Designation of Clean Energy Empowerment  
16 Zones.

17 (a) Purpose. It is the intent of the General Assembly that  
18 designation of a community as a Clean Energy Empowerment Zone  
19 shall be reserved for communities that have experienced  
20 economic or environmental hardship due to the energy  
21 transition or fossil fuel power generation and extraction. The  
22 purpose of this Section 5-45 is to establish an efficient and  
23 equitable process by which the Department and communities  
24 across the State may seek the designation of Clean Energy  
25 Empowerment Zones, thereby allowing for economic and

1 environmental benefits of the clean energy economy to be  
2 obtained by communities that have been deprived of these  
3 benefits. The process conducted by the Department, the Board,  
4 and participating units of local government shall be as  
5 transparent and inclusive as is reasonably practical.

6 (b) Notification of local governments. Within 30 days  
7 after the effective date of this Act, the Department shall  
8 publish a notice on its website stating its intention to begin  
9 the review of potential locations for Clean Energy Empowerment  
10 Zone regional designations, and solicit information from the  
11 public on this topic. Within 45 days after the effective date  
12 of this Act, the Department shall submit a notice to the county  
13 board of each jurisdiction in which a fossil fuel power plant,  
14 coal mine, or nuclear power plant is located, informing the  
15 local governments of their intention to develop a list of  
16 Clean Energy Empowerment Zones, providing a basic explanation  
17 of the benefits of designation as a Clean Energy Empowerment  
18 Zone, and informing them of participation opportunities in the  
19 designation process. The Department may notify other persons  
20 or local government units of this process at any time.

21 (c) Proposed list of Clean Energy Empowerment Zones.  
22 Within 120 days after the effective date of this Act, the  
23 Department of Commerce and Economic Opportunity shall develop  
24 a proposed list of geographic regions in Illinois that qualify  
25 as Clean Energy Empowerment Zones. The Department shall work  
26 with the Illinois Environmental Protection Agency, the

1 Commission on Environmental Justice, the Department of Labor,  
2 the Department of Natural Resources, and community  
3 organizations to identify regions impacted by the decline of  
4 coal generation, gas generation, nuclear generation, and coal  
5 mining to develop the recommended list of regions that qualify  
6 for Clean Energy Empowerment Zone designations. The Department  
7 shall furnish maps that identify the proposed boundaries of  
8 proposed Clean Energy Empowerment Zones, and include  
9 justification for the inclusion or exclusion of certain  
10 locations or regions. The proposed list shall be subject to  
11 the notice and comment process established in subsection (e).

12 (d) Criteria for designation as a Clean Energy Empowerment  
13 Zone. A region shall be proposed by the Department, and  
14 certified by the Board as a Clean Energy Empowerment Zone if it  
15 meets all of the following characteristics listed in  
16 paragraphs (1) through (3) of this subsection (d).

17 (1) The region is a contiguous area, provided that a  
18 Zone area may exclude wholly surrounded territory within  
19 its boundaries;

20 (2) The region satisfies any additional criteria  
21 established by the Department consistent with the purposes  
22 of this Act; and

23 (3) The region meets one or more of the following:

24 (A) the area contains a fossil fuel or nuclear  
25 power plant that was retired from service or has  
26 significantly reduced service within 10 years before

1 the application for designation or will be retired or  
2 have service significantly reduced within 5 years  
3 following the application for designation;

4 (B) the area contains a coal mine that was closed  
5 or had operations significantly reduced within 10  
6 years before the application for designation or is  
7 anticipated to be closed or have operations  
8 significantly reduced within 5 years following the  
9 application for designation; or

10 (C) the area contains a nuclear power plant that  
11 was decommissioned, but continued storing nuclear  
12 waste before the effective date of this Act.

13 (e) Review and comment process. After developing the  
14 proposed list of regions to be designated as Clean Energy  
15 Empowerment Zones, or proposing additions to the list, the  
16 Department shall conduct a 60-day public comment process, in  
17 partnership with the other agencies, departments, and units of  
18 local government where beneficial for the purposes of this  
19 Section. The public comment process shall include, at a  
20 minimum, 2 public hearings that are accessible to working  
21 residents, shall prioritize the solicitation of feedback from  
22 environmental justice communities and communities directly  
23 impacted by the Clean Energy Empowerment Zone designation, and  
24 shall provide for the submission of written comments through  
25 the Internet.

26 Within 30 days after concluding the public comment

1 process, the Department shall modify or finalize the proposed  
2 list of geographic regions that qualify as Clean Energy  
3 Empowerment Zones and submit the list to the Clean Energy  
4 Empowerment Zone Board for approval or modification as  
5 described in Section 5-20.

6 (f) Local government self-designation. After the  
7 Department submits its first list of proposed Clean Energy  
8 Empowerment Zones to the Board, units of local government may,  
9 on an ongoing basis, submit applications to the Department to  
10 designate an area wholly or partially in their jurisdiction as  
11 a Clean Energy Empowerment Zone if the Department has not  
12 proposed the region as a potential Clean Energy Empowerment  
13 Zone to the Board. Multiple units of local government may  
14 submit a joint application for designation if the proposed  
15 region or regions fall partially or wholly within their  
16 combined jurisdictions. A unit of local government may submit  
17 an application to the Department if:

18 (1) the area meets the criteria for designation as a  
19 Clean Energy Empowerment Zone established in subsection  
20 (d); and

21 (2) the unit of local government has conducted at  
22 least one public hearing within the proposed Zone area  
23 considering all of the following questions: (A) whether to  
24 create the Zone; (B) what local plans, tax incentives, and  
25 other programs should be established in connection with  
26 the zone; and (C) what the boundaries of the Zone should

1 be. Public notice of the hearing shall be published in at  
2 least one newspaper of general circulation within the Zone  
3 area, not more than 21 days nor less than 7 days before the  
4 hearing.

5 An application submitted under this subsection (f) shall  
6 include a certified copy of the ordinance designating the  
7 proposed Zone; a map of the proposed Clean Energy Empowerment  
8 Zone, showing existing streets and highways; an analysis, and  
9 any appropriate supporting documents and statistics,  
10 demonstrating that the proposed zone area is qualified in  
11 accordance with subsection (d); a statement detailing any tax,  
12 grant, and other financial incentives or benefits, and any  
13 programs, to be provided by the municipality or county to  
14 renewable energy enterprises within the Zone, which are not  
15 otherwise provided throughout the municipality or county; a  
16 statement setting forth the economic development and planning  
17 objectives for the Zone; an estimate of the economic impact of  
18 the Zone, considering all of the tax incentives, financial  
19 benefits and programs contemplated, upon the revenues of the  
20 municipality or county; a specific definition of the  
21 applicant's local labor market area; a transcript of all  
22 public hearings on the Zone; and any additional information as  
23 the Department may by rule require.

24 Within 60 days after receiving an application from a unit  
25 of local government, the Department shall review the  
26 application to determine whether the designated area qualifies

1 as a Clean Energy Empowerment Zone under this Section, and  
2 submit its recommendation to the Clean Energy Empowerment Zone  
3 Board including all necessary information and records for the  
4 Board to review, as described in Section 5-20. Within 7 days  
5 after submitting the recommendation to the Board, the  
6 Department shall provide a copy of its recommendation to the  
7 applicant, including all supporting documents and information  
8 submitted to the Board.

9 (g) Application process. The Department shall, no later  
10 than July 1, 2021, develop an ongoing application process for  
11 Clean Energy Empowerment Zone applications by units of local  
12 government. The application process shall be open during the  
13 period of July 1, 2021 through January 1, 2050. The  
14 Department, or any predecessor of the Department, may extend  
15 the application process beyond that date if it deems it is  
16 necessary or prudent to accomplish the purpose of this Act.

17 (h) Length of designation. A Clean Energy Empowerment Zone  
18 designation lasts for 10 years from the effective date of the  
19 designation and shall be subject to review by the Board after  
20 10 years for an additional 10-year designation beginning on  
21 the expiration date of the Clean Energy Empowerment Zone.  
22 During the review process, the Board shall consider the costs  
23 incurred by the State and units of local government as a result  
24 of benefits received by the Clean Energy Empowerment Zone.

25 (i) Emergency rulemaking. The Department has emergency  
26 rulemaking authority for the purpose of implementation of this

1 Section until 12 months after the effective date of this Act as  
2 provided under Section 5-45 of the Illinois Administrative  
3 Procedure Act.

4 Section 5-20. Clean Energy Empowerment Zone Board.

5 (a) A Clean Energy Empowerment Zone Board is hereby  
6 created within the Department.

7 (b) The Board shall consist of 8 voting members, one of  
8 whom shall be the Director of Commerce and Economic  
9 Opportunity, or his or her designee, who shall serve as  
10 chairperson; one of whom shall be the Director of Revenue, or  
11 his or her designee; 2 of whom shall be members appointed by  
12 the Governor, with the advice and consent of the Senate; one of  
13 whom shall be appointed by the Speaker of the House of  
14 Representatives; one of whom shall be appointed by the  
15 President of the Senate; one of whom shall be appointed by the  
16 Minority Leader of the House; and one of whom shall be  
17 appointed by the Minority Leader of the Senate. Designees  
18 shall be appointed within 60 days after a vacancy. No fewer  
19 than 4 of the 8 voting members shall consist of low-income  
20 residents or residents of environmental justice communities.  
21 At least one of the Board members shall be a representative of  
22 organized labor. All meetings shall be accessible, with  
23 rotating locations, call-in options, and materials and agendas  
24 circulated well in advance, and there shall also be  
25 opportunities for input outside of meetings from those with

1 limited capacity and ability to attend, via one-on-one  
2 meetings, surveys, and calls.

3 Board members shall serve without compensation, but may be  
4 reimbursed for necessary expenses incurred in the performance  
5 of their duties from funds appropriated for that purpose. Each  
6 member appointed shall have at least 5 years of experience in  
7 business development or economic development. The Department  
8 of Commerce and Economic Opportunity shall provide  
9 administrative support to the Board, including the selection  
10 of a Department staff member to serve as a Board Liaison  
11 between the Department and the Advisory Board.

12 (c) All final actions by the Board pursuant to this  
13 subsection (c) shall require approval by a simple majority of  
14 the Board. The Board shall have the following duties:

15 (1) reviewing applications and extensions for  
16 designation as a Clean Energy Empowerment Zone, including  
17 Department recommendations, testimony from public  
18 hearings, public comment, and supporting materials;

19 (2) voting to approve, disapprove, or modify  
20 applications for designation and extensions as a Clean  
21 Energy Empowerment Zones;

22 (3) the approval of tax credits under the Clean Energy  
23 Empowerment Zone Tax Credit Act; and

24 (4) modifying applications for designation or  
25 extensions as a Clean Energy Empowerment Zone before  
26 approval.

1 (d) Deadlines for responses by the Board. Within 60 days  
2 after submission of applications or tax credits, pursuant to  
3 subsection (c) of this Section, to the Board by the  
4 Department, the Board shall approve, disapprove, or modify  
5 applications for certification of regions as Clean Energy  
6 Empowerment Zones. If the Board does not take final action on a  
7 submission within 60 days after the submission, the  
8 application submitted by the Department shall be considered  
9 approved, and the regions proposed in the application shall be  
10 certified as Clean Energy Empowerment Zones.

11 Section 5-25. Incentives for renewable energy enterprises  
12 located within a Clean Energy Empowerment Zone.

13 (a) Renewable energy enterprises located in Clean Energy  
14 Empowerment Zones are eligible to apply for a State income tax  
15 credit under the Clean Energy Empowerment Zone Tax Credit Act.

16 (b) Renewable energy enterprises located in Clean Energy  
17 Empowerment Zones are eligible to receive an investment credit  
18 subject to the requirements of paragraph (1) of subsection (f)  
19 of Section 201 of the Illinois Income Tax Act.

20 (c) Renewable energy enterprises are eligible to purchase  
21 building materials exempt from use and occupation taxes to be  
22 incorporated into their renewable energy projects within the  
23 Clean Energy Empowerment Zone when purchased from a retailer  
24 within the Clean Energy Empowerment Zone under Section 5k-5 of  
25 the Retailers' Occupation Tax Act.

1 (d) Renewable energy enterprises located in a Clean Energy  
2 Empowerment Zone that meet the qualifications of Section  
3 9-222.1B of the Public Utilities Act are exempt, in part or in  
4 whole, from State and local taxes on gas and electricity.

5 (e) Preference for procurements shall be conducted by the  
6 Illinois Power Agency as described in subparagraph (P) of  
7 paragraph (1) of subsection (c) of Section 1-75 of the  
8 Illinois Power Agency Act.

9 Section 5-30. State incentives regarding public services  
10 and physical infrastructure.

11 (a) The State Treasurer is authorized and encouraged to  
12 place deposits of State funds with financial institutions  
13 doing business in a Clean Energy Empowerment Zone.

14 (b) This Act does not restrict tax incentive financing  
15 under Division 74.4 of Article 11 of the Illinois Municipal  
16 Code.

17 Section 5-35. Supporting impacted communities.

18 (a) No later than July 1, 2021, the Department shall  
19 develop a process for accepting applications from units of  
20 local government included in Clean Energy Empowerment Zones to  
21 mitigate the impact of an annual reduction of at least 30% in  
22 the sum of property tax revenue or other direct payments, or  
23 both, from fossil fuel power plants or coal mines to local  
24 governments due to the retirement, or reduced operation, of

1 the power plant or mine that occurred after January 1, 2016. In  
2 the case of reduced operation, the proposal may only be  
3 accepted if the reduction in operation is reasonably expected  
4 to be permanent. The Department shall accept applications on  
5 an ongoing basis after beginning the program. Local government  
6 units may submit applications jointly.

7 (b) The Department shall use available funds from the  
8 Energy Community Reinvestment Fund, subject to the provisions  
9 of subsection (c) of Section 5-70, to provide payments to  
10 communities for a period of no longer than 5 years from the  
11 approval of their proposal, subject to the following  
12 restrictions:

13 (1) Payments shall be assessed based on need, taking  
14 into consideration the net amount of any increase in  
15 payments from any other State source, including, but not  
16 limited to, funding provided based on an evidence-based  
17 funding formula developed by the Illinois State Board of  
18 Education.

19 (2) The highest annual payment to the unit of local  
20 government cannot exceed the lower value of either (i) the  
21 average annual sum of property tax and other direct  
22 payments from the fossil fuel power plant or coal mine to  
23 the unit of local government from the most recent 3  
24 taxable years before the reduction or cessation of  
25 operation of the fossil fuel power plant or coal mine, or  
26 (ii) the difference between projected local government

1 revenue for the years for which assistance is requested  
2 (taking into account reasonably anticipated new revenue  
3 sources) and the average local government revenue from the  
4 most recent 3 taxable years before the reduction or  
5 cessation of fossil fuel power plant or coal mine  
6 operation. The Department may choose to consider budget  
7 information from prior years if doing so allows the  
8 Department to better measure the revenue impacts of the  
9 energy transition.

10 (3) The Department shall not provide funding under  
11 this Program that exceeds the amount specified in this  
12 paragraph (3) to any local government unit. Each unit of  
13 local government shall not be granted by the Department a  
14 total amount of funding over the lifetime of this Program,  
15 for each fossil fuel power plant or coal mine, that is  
16 greater than 5 times the average annual sum of property  
17 tax payments and other direct payments from the fossil  
18 fuel power plant or coal mine to the unit of local  
19 government, calculated based on the most recent 3 taxable  
20 years that occurred before the reduction or cessation of  
21 operation of the fossil fuel power plant or coal mine.

22 (4) The Department may develop a payment schedule that  
23 phases out support over time, based on its analysis of  
24 available present and anticipated future funding in the  
25 Energy Community Reinvestment Fund or other reasons  
26 consistent with the purposes of this Act.

1           (5) If the total amount of qualified proposals exceeds  
2           the available present and anticipated future funding in  
3           the Energy Community Reinvestment Fund, the Department may  
4           prorate payments to units of local government, or  
5           prioritize communities for investment based on an  
6           environmental justice screen in coordination with the  
7           Commission on Environmental Justice, and input from  
8           stakeholders. The Department shall allocate funding in an  
9           equitable and effective manner. Nothing in this Act shall  
10          be interpreted to infer that units of local government  
11          have a right to revenue replacement from the State.

12          (6) Funding allocated under this program may not be  
13          used to support fossil fuel power plants, nuclear power  
14          plants, or coal mines in any form. Any local government  
15          unit that uses funds provided under this Act to support  
16          fossil fuel power plants, nuclear power plants, or coal  
17          mines shall reimburse the State for all funding used for  
18          that purpose. If requested, the Department shall provide  
19          guidance to local government units on whether a proposed  
20          use of funds is considered a violation of this  
21          requirement.

22          (7) At least once every 2 years following the  
23          allocation of funds for this program, the Department shall  
24          publish a document available online detailing the  
25          allocation of funds, including a map that shows the  
26          geographic distribution of the funds and the locations of

1 Clean Energy Empowerment Zones.

2 (c) The Department shall contact all units of local  
3 government in Clean Energy Empowerment Zones and provide  
4 information on the application process for funding under this  
5 Section and a reasonable estimate of total funding that will  
6 be available for this program. The Department shall request  
7 that applications for funding contain the information  
8 necessary for the Department to evaluate the fiscal impact of  
9 the energy transition on communities located in Clean Energy  
10 Empowerment Zones; however the Department shall allow for  
11 reasonable flexibility in the applications to accommodate  
12 local government units that may have less resources available  
13 to prepare an application. The Department shall, to the extent  
14 practical, assist local government units in the application  
15 process.

16 (d) The Department shall develop rules to implement the  
17 provisions of this Section.

18 Section 5-40. Clean Energy Empowerment Task Forces.

19 (a) The Department and the Board shall work with local  
20 stakeholders in Clean Energy Empowerment Zones to support the  
21 convening of local Clean Energy Empowerment Task Forces.

22 (b) Local Clean Energy Empowerment Task Forces shall  
23 include a broad range of local stakeholders to inform  
24 transition needs and include, at a minimum, elected  
25 representatives from municipal and State governments,

1 operators of local power plants or mines, multiple  
2 representatives from community-based organizations, local  
3 environmental, fish, or wildlife groups, organized labor, and  
4 the Illinois Environmental Protection Agency.

5 (c) The Board shall put forward requests for proposals for  
6 third-party facilitators for Task Forces in prioritized Clean  
7 Energy Empowerment Zones based on need and those facing recent  
8 or near-term retirements of plants or mines.

9 (d) The Department shall work with local Task Forces to  
10 develop local transition plans that identify economic,  
11 workforce, and environmental health needs with strategies to  
12 mitigate energy transition impacts and any accompanying  
13 funding requests from the Energy Community Reinvestment Fund.

14 (e) As part of developing local transition plans, the  
15 Department shall work with third-party facilitators and Task  
16 Force members to gather and incorporate public comment and  
17 feedback into a finalized transition plan.

18 (f) If the Department determines that a fossil fuel power  
19 plant owner has failed to engage productively in stakeholder  
20 meetings and with Clean Energy Empowerment Zone Task Forces,  
21 the Department shall submit a notification to the Illinois  
22 Environmental Protection Agency for enforcement actions and  
23 the assessment of fees as described in Section 9.16 of the  
24 Environmental Protection Act.

25 Section 5-45. Energy Transition Workforce Commission.

1           (a) The Energy Transition Workforce Commission is hereby  
2 created within the Department of Commerce and Economic  
3 Opportunity.

4           (b) The Commission shall consist of the following 5  
5 members:

6                 (1) the Director of Commerce and Economic Opportunity,  
7 or his or her designee, who shall serve as chairperson;

8                 (2) the Director of Labor, or his or her designee; and

9                 (3) 3 members appointed by the Governor, with the  
10 advice and consent of the Senate, of which at least one  
11 shall be from organized labor and at least one shall be a  
12 resident of an environmental justice community.

13           Designees shall be appointed within 60 days after a  
14 vacancy.

15           (c) Members of the Commission shall serve without  
16 compensation, but may be reimbursed for necessary expenses  
17 incurred in the performance of their duties from funds  
18 appropriated for that purpose. The Department of Commerce and  
19 Economic Opportunity shall provide administrative support to  
20 the Commission.

21           (d) Within 120 days after the effective date of this Act,  
22 the Commission shall produce an Energy Transition Workforce  
23 Report regarding the anticipated impact of the energy  
24 transition and a comprehensive set of recommendations to  
25 address changes to the Illinois workforce during the period of  
26 2020 through 2050, or a later year. The report shall contain

1 the following elements, designed to be used for the programs  
2 created in this Act:

3 (1) Information related to the impact on current  
4 workers, including:

5 (A) a comprehensive accounting of all employees  
6 who currently work in fossil fuel energy generation,  
7 nuclear energy generation, and coal mining in the  
8 State; this shall include information on their  
9 location, employer, salary ranges, full-time or  
10 part-time status, nature of their work, educational  
11 attainment, union status, and other factors the  
12 Commission finds relevant; the Commission shall keep a  
13 confidential list of these employees and the  
14 information necessary to identify them for the purpose  
15 of their eligibility to participate in programs  
16 designed for their benefit;

17 (B) the anticipated schedule of closures of fossil  
18 fuel power plants, nuclear power plants, and coal  
19 mines across the State; when information is  
20 unavailable to provide exact data, the report shall  
21 include approximations based upon the best available  
22 information;

23 (C) an estimate of worker impacts due to scheduled  
24 closures, including layoffs, early retirements, salary  
25 changes, and other factors the Commission finds  
26 relevant; and

1           (D) the likely outcome for workers who are  
2           employed by facilities that are anticipated to close  
3           or have significant layoffs during their tenure or  
4           lifetime.

5           (2) Information regarding impact on communities and  
6           local governments, including:

7                   (A) changes in the revenue for units of local  
8                   government in areas that currently or recently have  
9                   had a closure or reduction in operation of a fossil  
10                  fuel power plant, nuclear power plant, coal mine, or  
11                  related industry;

12                  (B) environmental impacts in areas that currently  
13                  or recently have had fossil fuel power plants, coal  
14                  mines, nuclear power plants, or related industry; and

15                  (C) economic impacts of the energy transition,  
16                  including, but not limited to, the supply chain  
17                  impacts of the energy transition shift toward new  
18                  energy sources across the State.

19           (3) Information on emerging industries and State  
20           economic development opportunities in regions that have  
21           historically been the site of fossil fuel power plants,  
22           nuclear power plants, or coal mining.

23           (e) Following the completion of each report, or if the  
24           Department finds that it is prudent to begin before the  
25           completion of a report, the Department shall coordinate with  
26           the Commission to create a comprehensive draft plan for

1 designing, maintaining, and funding programs established under  
2 this Act, including the Energy Workforce Development Program  
3 created under Section 5-50, the Energy Community Development  
4 Program created under Section 5-55, and the Displaced Energy  
5 Workers Bill of Rights provided under Section 5-60. The draft  
6 plan shall include, at a minimum, the following information:

7 (1) A detailed accounting of the anticipated costs for  
8 each program and the anticipated amount of funding that  
9 will be provided for each program.

10 (2) Information on the locations at which each program  
11 shall have services provided. If this information is not  
12 yet known by the Department at the time of the plan's  
13 drafting, the Department shall generally explain how they  
14 intend to determine the program locations.

15 Within 120 days after the effective date of this Act, the  
16 Department shall publish the draft plan online. The Department  
17 shall take public comments on the draft plan for a period of no  
18 less than 45 days and publish the final plan within 30 days  
19 after the closing of the comment period.

20 (f) The Department shall periodically review its findings  
21 in the developed reports and make modifications to the report  
22 and programs based on new findings. The Department shall  
23 conduct a comprehensive reevaluation of the report, and  
24 publish a modified version along with a new draft plan, on each  
25 of the following years following initial publication: 2023;  
26 2027; 2030; 2035; 2040; and any year thereafter which the

1 Department determines is necessary or prudent.

2 Section 5-50. Energy Workforce Development Program.

3 (a) The purpose of the Energy Workforce Development  
4 Program is to proactively assist energy workers in their  
5 search for economic opportunity.

6 (b) The Director of Commerce and Economic Opportunity  
7 shall design, develop, and administer the Energy Workforce  
8 Development Program. The Energy Workforce Development Program  
9 shall include the following elements:

10 (1) comprehensive career services for displaced energy  
11 workers, including advising displaced energy workers  
12 looking for new positions on finding new employment or  
13 preparing for retirement;

14 (2) communication services to provide displaced energy  
15 workers advance notice of any power plant or coal mine  
16 closures that are likely to result in a loss of employment  
17 for the energy worker;

18 (3) administrative assistance for displaced energy  
19 workers in applying for programs provided by the State,  
20 the federal government, nonprofit organizations, or other  
21 programs that are designed to offer career or financial  
22 assistance;

23 (4) the creation and maintenance of a registry of all  
24 persons in Illinois who qualify as an energy worker to use  
25 for coordination with programs created under this Act or

1 other benefits for those workers, including all  
2 information necessary or beneficial for the implementation  
3 of this Act;

4 (5) the management of funding for services outlined in  
5 this Section; and

6 (6) financial advice for displaced energy workers  
7 designed to assist workers with retirement, a change in  
8 positions, pursuing an education, or other goals that the  
9 energy worker has identified.

10 (c) In administering the Energy Workforce Development  
11 Program, the Department shall develop and implement the  
12 Program with the following goals:

13 (1) to use the recommendations and information  
14 contained in the report created under Section 5-45 to  
15 proactively plan for each phase of the energy transition  
16 in Illinois;

17 (2) to increase access to the services contained in  
18 this Program by locating services in different regions of  
19 the State as dictated by the anticipated schedule of power  
20 plant and coal mine closures and regional economic  
21 changes;

22 (3) to maximize the efficiency of resources used;

23 (4) to design the Energy Workforce Development Program  
24 to work in collaboration with the Displaced Energy Workers  
25 Bill of Rights; and

26 (5) any other goals identified by the Department.

1 Section 5-55. Energy Community Development Program.

2 (a) The purpose of the Energy Community Development  
3 Program is to proactively assist Clean Energy Empowerment Zone  
4 communities in their search for economic opportunities leading  
5 up to and after the closure of a fossil fuel power plant,  
6 nuclear power plant, or coal mine.

7 (b) The Director of Commerce and Economic Opportunity  
8 shall, subject to appropriation, administer the Energy  
9 Community Development Program. In administering the Energy  
10 Community Development Program, the Department shall:

11 (1) assist local governments in Clean Energy  
12 Empowerment Zones in finding private and public sector  
13 partners to invest in regional development;

14 (2) assist units of local government in finding and  
15 negotiating terms with businesses willing to relocate or  
16 open new enterprises in regions impacted;

17 (3) provide coordination services to connect  
18 organizations or persons seeking to use tax credits  
19 created under Act with units of local government;

20 (4) conduct outreach and educational events for  
21 private sector organizations for the purpose of attracting  
22 investment in Clean Energy Empowerment Zones; and

23 (5) gather and incorporate public comment and feedback  
24 so that local knowledge, priorities, and strengths help  
25 shape and guide private and public development.

1 (c) In administering the Energy Community Development  
2 Program, the Department shall develop and implement the  
3 Program with the following goals:

4 (1) to increase private sector development in Clean  
5 Energy Empowerment Zones;

6 (2) to replace and improve employment opportunities in  
7 Clean Energy Empowerment Zones for community members;

8 (3) to provide resources for Clean Energy Empowerment  
9 Zone communities across the State, and avoid geographic  
10 preferences in the allocation of resources; and

11 (4) to create a healthful environment for community  
12 members in Clean Energy Empowerment Zones.

13 Section 5-60. Displaced Energy Workers Bill of Rights.

14 (a) The Department of Commerce and Economic Opportunity  
15 shall implement the Displaced Energy Workers Bill of Rights  
16 and shall be responsible for the implementation of the  
17 Displaced Energy Workers Bill of Rights programs and rights  
18 created under this Section. The Department shall provide the  
19 following benefits to displaced energy workers listed in  
20 paragraphs (1) through (4) of this subsection:

21 (1) Advance notice of power plant or coal mine  
22 closure.

23 (A) The Department of Commerce and Economic  
24 Opportunity shall notify all energy workers of the  
25 upcoming closure of any qualifying facility at least 2

1 years in advance of the scheduled closing date.

2 (B) In providing the advance notice described in  
3 this paragraph (1), the Department shall take  
4 reasonable steps to ensure that all displaced energy  
5 workers are educated on the various programs available  
6 through the Department to assist with the energy  
7 transition.

8 (2) Employment assistance and career services. The  
9 Department shall provide displaced energy workers with  
10 assistance in finding new sources of employment through  
11 the Energy Workforce Development Program established in  
12 this Act.

13 (3) Full-tuition scholarship for Illinois institutions  
14 and trade schools.

15 (A) The Department shall provide any displaced  
16 energy worker with a full-tuition scholarship to any  
17 of the following programs: (i) public universities in  
18 this State; (ii) trade schools in this State; (iii)  
19 community college programs in this State; or (iv)  
20 union training programs in this State. The Department  
21 may set cost caps on the maximum amount of tuition that  
22 may be funded.

23 (B) The Department shall provide information and  
24 consultation to displaced energy workers on the  
25 various educational opportunities available through  
26 this Program, and advise workers on which

1 opportunities meet their needs and preferences.

2 (C) Displaced energy workers who are eligible for  
3 scholarships created under this Section by the date of  
4 their enrollment shall be considered eligible for  
5 scholarship funding for up to 4 years or until  
6 completion of their degree or certification, whichever  
7 is the shorter duration.

8 (4) Financial Planning Services. Displaced energy  
9 workers shall be entitled to services as described in the  
10 energy worker Programs in this subsection, including  
11 financial planning services.

12 (b) The owners of power plants with a nameplate capacity  
13 of greater than 300 megawatts and the owners of coal mines  
14 located in Illinois shall be required to comply with the  
15 requirements set out in this subsection (b). The owners shall  
16 be required to take the following actions:

17 (1) provide employment information for energy workers;  
18 prior to the closure of an electric generating unit or  
19 mine, the owners of the power plant or mine shall provide  
20 energy workers information on whether there are employment  
21 opportunities provided by their employer;

22 (2) provide extended health insurance for displaced  
23 energy workers who are former employees of the power plant  
24 owner that (A) costs no more than the average monthly  
25 premium paid by the worker over the last 12 months and (B)  
26 offers the same level of benefits, including, but not

1 limited to, coverage, in-network providers, deductibles,  
2 and copayments covered during the previous 12 months;  
3 companies that sell energy into auctions managed by the  
4 Illinois Power Agency shall be required to offer 2 years  
5 of health insurance following closure of an electric  
6 generating unit to employees who are not employed in new  
7 positions that offer health insurance upon: (i) plant  
8 closure; or (ii) employment termination; the Department  
9 may require funding for health insurance to be provided in  
10 advance of employment termination; and

11 (3) maintain responsible retirement account  
12 portfolios; employees of qualifying facilities shall have  
13 their retirement funds backed by financial tools that are  
14 not economically dependent upon the success of their  
15 employer's business.

16 Section 5-65. Consideration of energy worker employment.

17 (a) All State departments and agencies shall conduct a  
18 review of the Department of Commerce and Economic  
19 Opportunity's registry of energy workers to determine whether  
20 any qualified candidates are displaced energy workers before  
21 making a final hiring decision for a position in State  
22 employment.

23 (b) The Department of Commerce and Economic Opportunity  
24 shall inform all State agencies and departments of the  
25 obligations created by this Section and take steps to ensure

1 compliance.

2 (c) Nothing in this Section shall be interpreted to  
3 indicate that the State is required to hire displaced energy  
4 workers for any position.

5 (d) No part of this Section shall be interpreted to be in  
6 conflict with federal or State civil rights or employment law.

7 Section 5-70. Energy Community Reinvestment Fund.

8 (a) The General Assembly hereby declares that management  
9 of several economic development programs requires a  
10 consolidated funding source to improve resource efficiency.  
11 The General Assembly specifically recognizes that properly  
12 serving communities and workers impacted by the energy  
13 transition requires that the Department of Commerce and  
14 Economic Opportunity have access to the resources required for  
15 the execution of the programs in this Act.

16 The intent of the General Assembly is that the Energy  
17 Community Reinvestment Fund is able to provide all funding for  
18 development programs created in this Act, and that no  
19 additional charge is borne by the taxpayers or ratepayers of  
20 Illinois absent a deficiency.

21 (b) The Energy Community Reinvestment Fund is created as a  
22 special fund in the State treasury to be used by the Department  
23 of Commerce and Economic Opportunity for purposes provided  
24 under this Section. The Fund shall be used to fund programs  
25 specified under subsection (c). The objective of the Fund is

1 to bring economic development to communities in this State in  
2 a manner that equitably maximizes economic opportunity in all  
3 communities by increasing efficiency of resource allocation  
4 across the programs listed in subsection (c). The Department  
5 shall include a description of its proposed approach to the  
6 design, administration, implementation, and evaluation of the  
7 Fund, as part of the Energy Transition Workforce Plan  
8 described in this Act. Contracts that will be paid with moneys  
9 in the Fund shall be executed by the Department.

10 (c) The Department shall be responsible for the  
11 administration of the Fund and shall allocate funding on the  
12 basis of priorities established in this Section. Each year,  
13 the Department shall determine the available amount of  
14 resources in the Fund that can be allocated to the programs  
15 identified in this Section, and allocate the funding  
16 accordingly. The Department shall, to the extent practical,  
17 consider both the short-term and long-term costs of the  
18 programs and allocate, save, or invest funding so that the  
19 Department is able to cover both the short-term and long-term  
20 costs of these programs using projected revenue.

21 The available funding for each year shall be allocated  
22 from the Fund in the following order of priority:

- 23 (1) for costs related to the Energy Community  
24 Development programs in this Act, up to \$2,000,000  
25 annually or 2% of the available funding, whichever is  
26 less;

1           (2) for costs related to the Energy Workforce  
2           Development programs and the Displaced Energy Workers Bill  
3           of Rights in this Act, including all programs created by  
4           the Energy Transition Workforce Commission, up to  
5           \$13,000,000 annually or 21% of the available funding,  
6           whichever is less. If 21% of the available funding is more  
7           than \$13,000,000, the amount over \$13,000,000 is allocated  
8           to the items in (1) through (3) by their relative  
9           percentages until those programs are fully funded;

10          (3) for costs, up to \$100,000,000 annually, to support  
11          units of local government in Clean Energy Empowerment  
12          Zones, as described in Section 5-35;

13          (4) if the programs identified in paragraphs (1)  
14          through (7) are fully funded and the Department reasonably  
15          predicts they will be adequately funded in future years,  
16          the Department shall transfer an amount equal to the  
17          year's tax credits awarded through the programs of up to  
18          \$22,500,000 annually go the General Revenue Fund to offset  
19          revenue reductions from tax credits provided under the  
20          Clean Energy Empowerment Zone Tax Credit Act;

21          (5) to support the Low Income Home Energy Assistance  
22          Program, up to \$30,000,000 annually, to support additional  
23          costs from the Percentage of Income Payment Program  
24          expansion and energy assistance expansion;

25          (6) if the programs identified in paragraphs (1)  
26          through (6) are fully funded and the Department reasonably

1 predicts they shall be adequately funded in future years,  
2 the Department shall transfer all surplus to the General  
3 Revenue Fund.

4 (d) No later than June 1, 2021, and by June 1 of each year  
5 thereafter, the Department shall submit a notification to the  
6 Illinois Environmental Protection Agency for the purpose of  
7 implementing the energy community reinvestment fee as  
8 described in Section 9.16 of the Environmental Protection Act.  
9 The notification shall include the revenue and spending  
10 requirements for the programs identified under the Energy  
11 Community Reinvestment Act for the upcoming fiscal year, as  
12 well as the projected spending for all program years through  
13 Fiscal Year 2036. The projected revenue and spending need  
14 identified for any program year shall be no less than  
15 \$200,000,000 per year for the calendar years 2021 through 2025  
16 and \$100,000,000 per year for all calendar years starting in  
17 2026 that the Illinois electric sector generates greenhouse  
18 gas emissions.

19 (e) If there is a funding shortfall for items identified  
20 in paragraphs (1) through (4) of subsection (c), the  
21 Department shall submit a request for funds to applicable  
22 electric utilities for funds collected under subsection (k) of  
23 Section 1-75 of the Illinois Power Agency Act up to  
24 \$25,000,000 per year to cover the shortfall. Upon notification  
25 by utilities that sufficient funds are available for use under  
26 the terms of paragraph (7) of subsection (k) of Section 1-75 of

1 the Illinois Power Agency Act, the Department shall send an  
2 invoice to the applicable utilities for the amount requested.  
3 Upon receipt, the funds shall be deposited into the Energy  
4 Community Reinvestment Fund.

5 (f) The Department shall, on an ongoing basis, seek out  
6 and apply for funding from alternative sources to cover the  
7 costs of these programs. Alternative sources may include the  
8 federal government, other State programs, private foundations,  
9 donors, or other opportunities for funding. The Department  
10 shall, as described in subsection (c), use any additional  
11 funding obtained for these programs to reduce or eliminate any  
12 costs borne by taxpayers and ratepayers. Nothing in this  
13 subsection (f) shall be interpreted to reduce or remove the  
14 revenue requirements obtained by the Illinois Environmental  
15 Protection Agency as described in subsection (d).

16 (g) Notwithstanding any other law to the contrary, the  
17 Energy Community Reinvestment Fund is not subject to sweeps,  
18 administrative chargebacks, or any other fiscal or budgetary  
19 maneuver that would in any way transfer any amounts from the  
20 Energy Community Reinvestment Fund into any other fund of the  
21 State.

22 (h) The Department is granted all powers necessary for the  
23 implementation of this Section.

24 Section 5-75. Administrative review. All final  
25 administrative decisions, including, but not limited to,

1 funding allocation and rules issued by the Department under  
2 this Act are subject to judicial review under the  
3 Administrative Review Law. No action may be commenced under  
4 this Section prior to 60 days after the complainant has given  
5 notice in writing of the action to the Department.

6 ARTICLE 10. Clean Energy Empowerment Zone Tax Credit Act

7 Section 10-1. Short title. This Article may be cited as  
8 the Clean Energy Empowerment Zone Tax Credit Act. References  
9 in this Article to "this Act" mean this Article.

10 Part 1.

11 Section 10-100. Definitions. As used in this Part 1:

12 "Applicant" means a person that is operating a business  
13 located within the State of Illinois and has applied for an  
14 income tax credit through a program under this Act.

15 "Basic wage" means compensation for employment that meets  
16 the prevailing wage standards as defined by the Department.

17 "Certificate" means the tax credit certificate issued by  
18 the Department under Section 10-125.

19 "Certificate of eligibility" means the certificate issued  
20 by the Department under Section 10-110.

21 "Credit" means the amount awarded by the Department to an  
22 applicant by issuance of a certificate under Section 10-125

1 for each new full-time equivalent employee hired or job  
2 created.

3 "Department" means the Department of Commerce and Economic  
4 Opportunity.

5 "Director" means the Director of Commerce and Economic  
6 Opportunity.

7 "Former energy worker" means an individual who is  
8 employed, or was employed, at a fossil fuel power plant,  
9 nuclear power plant, or coal mine, and is listed in the  
10 registry of energy workers developed by the Department of  
11 Commerce and Economic Opportunity pursuant to Section 5-50 of  
12 the Energy Community Reinvestment Act.

13 "Full-time employee" means an individual who is employed  
14 at a prevailing wage for at least 35 hours each week, and  
15 provided standard worker benefits, or who renders any other  
16 standard of service generally accepted by industry custom or  
17 practice as full-time employment. An individual for whom a W-2  
18 is issued by a Professional Employer Organization is a  
19 full-time employee if he or she is employed in the service of  
20 the applicant for a basic wage for at least 35 hours each week  
21 or renders any other standard of service generally accepted by  
22 industry custom or practice as full-time employment. For the  
23 purposes of this Act, such an individual shall be considered a  
24 full-time employee of the applicant.

25 "Incentive period" means the period beginning on July 1  
26 and ending on June 30 of the following year. The first

1 incentive period shall begin on July 1, 2021 and the last  
2 incentive period shall end on June 30, 2040.

3 "New employee" means a full-time employee:

4 (1) who first became employed by an applicant within  
5 the incentive period whose hire results in a net increase  
6 in the applicant's full-time Illinois employees and who is  
7 receiving a prevailing wage as compensation; and

8 (2) who was previously employed in a fossil fuel power  
9 plant, nuclear power plant, or coal mine in the State of  
10 Illinois that has since closed.

11 "New employee" does not include:

12 (1) a person who was previously employed in Illinois  
13 by the applicant or a related member prior to the onset of  
14 the incentive period, unless the new employee is hired for  
15 site remediation work; or

16 (2) a person who has a direct or indirect ownership  
17 interest of at least 5% in the profits, capital, or value  
18 of the applicant or a related member; or

19 (3) a person who has been hired to assist in the  
20 production of fossil fuel derived energy directly or  
21 indirectly, unless that person has been hired to assist in  
22 the deconstruction of a fossil fuel power plant, the  
23 deconstruction of a coal mine, the remediation of a site  
24 formerly used for fossil fuel power production, or the  
25 remediation of a coal mine.

26 "Noncompliance date" means, in the case of an applicant

1 that is not complying with the requirements of this Act, the  
2 day following the last date upon which the taxpayer was in  
3 compliance with the requirements of this Act, as determined by  
4 the Director under Section 10-135.

5 "Professional Employer Organization" has the same meaning  
6 as ascribed to that term under Section 5-5 of the Economic  
7 Development for a Growing Economy Tax Credit Act.  
8 "Professional Employer Organization" does not include a day  
9 and temporary labor service agency regulated under the Day and  
10 Temporary Labor Services Act.

11 "Related member" means a person that, with respect to the  
12 applicant during any portion of the incentive period, is any  
13 one of the following:

14 (1) An individual, if the individual and the members  
15 of the individual's family, as defined in Section 318 of  
16 the Internal Revenue Code, own directly, indirectly,  
17 beneficially, or constructively, in the aggregate, at  
18 least 50% of the value of the outstanding profits,  
19 capital, stock, or other ownership interest in the  
20 applicant.

21 (2) A partnership, estate, or trust and any partner or  
22 beneficiary, if the partnership, estate, or trust and its  
23 partners or beneficiaries own directly, indirectly,  
24 beneficially, or constructively, in the aggregate, at  
25 least 50% of the profits, capital, stock, or other  
26 ownership interest in the applicant.

1           (3) A corporation, and any party related to the  
2 corporation, in a manner that would require an attribution  
3 of stock from the corporation under the attribution rules  
4 of Section 318 of the Internal Revenue Code, if the  
5 applicant and any other related member own, in the  
6 aggregate, directly, indirectly, beneficially, or  
7 constructively, at least 50% of the value of the  
8 corporation's outstanding stock.

9           (4) A corporation and any party related to that  
10 corporation in a manner that would require an attribution  
11 of stock from the corporation to the party or from the  
12 party to the corporation under the attribution rules of  
13 Section 318 of the Internal Revenue Code, if the  
14 corporation and all such related parties own, in the  
15 aggregate, at least 50% of the profits, capital, stock, or  
16 other ownership interest in the applicant.

17           (5) A person to or from whom there is attribution of  
18 stock ownership in accordance with subsection (e) of  
19 Section 1563 of the Internal Revenue Code, except that for  
20 purposes of determining whether a person is a related  
21 member under this paragraph (5):

22           (A) stock owned, directly or indirectly, by or for  
23 a partnership shall be considered as owned by any  
24 partner having an interest of 20% or more in either the  
25 capital or profits of the partnership in proportion to  
26 his or her interest in capital or profits, whichever

1           such proportion is the greater;

2           (B) stock owned, directly or indirectly, by or for  
3           an estate or trust shall be considered as owned by any  
4           beneficiary who has an actuarial interest of 20% or  
5           more in such stock, to the extent of such actuarial  
6           interest. For purposes of this subparagraph, the  
7           actuarial interest of each beneficiary shall be  
8           determined by assuming the maximum exercise of  
9           discretion by the fiduciary in favor of such  
10          beneficiary and the maximum use of such stock to  
11          satisfy his or her rights as a beneficiary; and

12          (C) stock owned, directly or indirectly, by or for  
13          a corporation shall be considered as owned by any  
14          person who owns 20% or more in value of its stock in  
15          that proportion which the value of the stock which the  
16          person so owns bears to the value of all the stock in  
17          the corporation.

18          Section 10-105. Powers of the Department. The Department,  
19          in addition to those powers granted under the Civil  
20          Administrative Code of Illinois, is granted and shall have all  
21          the powers necessary or convenient to carry out and effectuate  
22          the purposes and provisions of this Act, including, but not  
23          limited to, power and authority to:

24                 (1) Adopt rules deemed necessary and appropriate for  
25                 the administration of this Act; establish forms for

1 applications, notifications, contracts, or any other  
2 agreements; and accept applications at any time during the  
3 year and require that all applications be submitted  
4 electronically through the Internet.

5 (2) Provide guidance and assistance to applicants  
6 under the provisions of this Act, and cooperate with  
7 applicants to promote, foster, and support job creation  
8 within this State.

9 (3) Enter into agreements and memoranda of  
10 understanding for participation of and engage in  
11 cooperation with agencies of the federal government, units  
12 of local government, universities, research foundations or  
13 institutions, regional economic development corporations,  
14 or other organizations for the purposes of this Act.

15 (4) Gather information and conduct inquiries, in the  
16 manner and by the methods it deems desirable, including,  
17 without limitation, gathering information with respect to  
18 applicants for the purpose of making any designations or  
19 certifications necessary or desirable or to gather  
20 information in furtherance of the purposes of this Act.

21 (5) Establish, negotiate, and effectuate any term,  
22 agreement, or other document with any person necessary or  
23 appropriate to accomplish the purposes of this Act, and  
24 consent, subject to the provisions of any agreement with  
25 another party, to the modification or restructuring of any  
26 agreement to which the Department is a party.

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

8           (7) Require applicants, upon written request, to issue  
9 any necessary authorization to the appropriate federal,  
10 State, or local authority or any other person for the  
11 release to the Department of information requested by the  
12 Department, with the information requested to include, but  
13 not be limited to, financial reports, returns, or records  
14 relating to the applicant or to the amount of credit  
15 allowable under this Act.

16           (8) Require that an applicant shall at all times keep  
17 proper books of record and account in accordance with  
18 generally accepted accounting principles consistently  
19 applied, with the books, records, or papers related to the  
20 agreement in the custody or control of the applicant open  
21 for reasonable Department inspection and audits, and  
22 including, without limitation, the making of copies of the  
23 books, records, or papers.

24           (9) Take whatever actions are necessary or appropriate  
25 to protect the State's interest in the event of  
26 bankruptcy, default, foreclosure, or noncompliance with

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

7 Section 10-110. Certificate of eligibility for tax credit.

8 (a) An applicant that has hired a former energy worker or a  
9 graduate or trainee from an equity-focused workforce training  
10 program designated by the Illinois Power Agency as a new  
11 employee during the incentive period may apply for a  
12 certificate of eligibility for the credit with respect to that  
13 position on or after the date of hire of the new employee. The  
14 date of hire shall be the first day on which the employee  
15 begins providing services for basic wage compensation.

16 (b) An applicant may apply for a certificate of  
17 eligibility for the credit for more than one new employee on or  
18 after the date of hire of each qualifying new employee.

19 (c) After receipt of an application under this Section,  
20 the Department shall issue a certificate of eligibility to the  
21 applicant that states the following:

22 (1) the date and time on which the application was  
23 received by the Department and an identifying number  
24 assigned to the applicant by the Department;

25 (2) the maximum amount of the credit the applicant

1 could potentially receive under this Act with respect to  
2 the new employees listed on the application; and

3 (3) the maximum amount of the credit potentially  
4 allowable on certificates of eligibility issued for  
5 applications received prior to the application for which  
6 the certificate of eligibility is issued.

7 Section 10-115. Tax credit.

8 (a) Subject to the conditions set forth in this Act, an  
9 applicant is entitled to a credit against payment of taxes  
10 withheld under Section 704A of the Illinois Income Tax Act:

11 (1) for former energy workers or graduates of Clean  
12 Jobs Workforce programs hired as new employees who the  
13 applicant hires and retains for a minimum of one year; and

14 (2) in the amount of:

15 (A) 20% of the salary paid to the new employee for  
16 employees hired and retained for between the time of  
17 hiring and one year;

18 (B) 15% of the salary paid to the new employee for  
19 employees hired and retained between one year and 2  
20 years; and

21 (C) 10% of the salary paid to the new employee for  
22 employees hired and retained between 2 years and 3  
23 years.

24 (b) The Department shall make credit awards under this Act  
25 to further job creation.

1           (c) The credit shall be claimed for the first calendar  
2 year ending on or after the date on which the certificate is  
3 issued by the Department.

4           (d) The net increase in full-time Illinois employees,  
5 measured on an annual full-time equivalent basis, shall be the  
6 total number of full-time Illinois employees of the applicant  
7 on the final day of the incentive period, minus the number of  
8 full-time Illinois employees employed by the employer on the  
9 first day of that same incentive period. For purposes of the  
10 calculation, an employer that begins doing business in this  
11 State during the incentive period, as determined by the  
12 Director, shall be treated as having zero Illinois employees  
13 on the first day of the incentive period.

14           (e) The net increase in the number of full-time Illinois  
15 employees of the applicant under subsection (d) must be  
16 sustained continuously for at least 12 months, starting with  
17 the date of hire of a new employee during the incentive period.  
18 Eligibility for the credit does not depend on the continuous  
19 employment of any particular individual. For purposes of this  
20 subsection (e), if a new employee ceases to be employed before  
21 the completion of the 12-month period for any reason, the net  
22 increase in the number of full-time Illinois employees shall  
23 be treated as continuous if a different new employee is hired  
24 as a replacement within a reasonable time for the same  
25 position. The new employees must be hired to fill positions  
26 that the applicant reasonably anticipates will be available

1 for the new employee as a long-term position. For the purposes  
2 of this subsection (e), "long-term position" means a position  
3 that will be available for 3 years or longer.

4 (f) The Department shall adopt rules to enable an  
5 applicant for which a Professional Employer Organization has  
6 been contracted to issue W-2s and make payment of taxes  
7 withheld under Section 704A of the Illinois Income Tax Act for  
8 new employees to retain the benefit of tax credits to which the  
9 applicant is otherwise entitled under this Act.

10 Section 10-120. Maximum amount of credits allowed. The  
11 Department shall limit the monetary amount of credits awarded  
12 under this Act to no more than \$18,000,000 annually during the  
13 incentive period. If applications for a greater amount are  
14 received, credits shall be allowed on a first-come,  
15 first-served basis, based on the date on which each properly  
16 completed application for a certificate of eligibility is  
17 received by the Department. If more than one certificate of  
18 eligibility is received on the same day, the credits shall be  
19 awarded based on the time of submission for that particular  
20 day.

21 Section 10-125. Application for award of tax credit; tax  
22 credit certificate.

23 (a) On or after the conclusion of the 12-month period, or  
24 other period, after a new employee has been hired, for the

1 purposes of subsection (a) of Section 10-115, an applicant  
2 shall file with the Department an application for award of a  
3 credit. The application shall include the following:

4 (1) the names, Social Security numbers, job  
5 descriptions, salary or wage rates, and dates of hire of  
6 the new employees with respect to whom the credit is being  
7 requested;

8 (2) a certification that each new employee listed has  
9 been retained on the job for at least one year from the  
10 date of hire;

11 (3) the number of new employees hired by the applicant  
12 during the incentive period;

13 (4) the net increase in the number of full-time  
14 Illinois employees of the applicant, including the new  
15 employees listed in the request, between the beginning of  
16 the incentive period and the dates on which the new  
17 employees listed in the request were hired;

18 (5) an agreement that the Director is authorized to  
19 verify with the appropriate State agencies the information  
20 contained in the request before issuing a certificate to  
21 the applicant; and

22 (6) any other information the Department determines to  
23 be appropriate.

24 (b) Although an application may be filed at any time after  
25 the conclusion of the 12-month period after a new employee was  
26 hired, an application filed more than 90 days after the

1 earliest date on which it could have been filed shall not be  
2 awarded any credit if, prior to the date it is filed, the  
3 Department has received applications under this Section for  
4 credits totaling more than \$20,000,000.

5 (c) The Department shall issue a certificate to each  
6 applicant awarded a credit under this Act. The certificate  
7 shall include the following:

8 (1) the name and taxpayer identification number of the  
9 applicant;

10 (2) the date on which the certificate is issued;

11 (3) the credit amount that will be allowed; and

12 (4) any other information the Department determines to  
13 be appropriate.

14 Section 10-130. Submission of tax credit certificate to  
15 the Department of Revenue. An applicant claiming a credit  
16 under this Act shall submit to the Department of Revenue a copy  
17 of each certificate issued under Section 10-125 with the first  
18 tax return for which the credit shown on the certificate is  
19 claimed. Failure to submit a copy of the certificate with the  
20 applicant's tax return shall not invalidate a claim for a  
21 credit.

22 Section 10-135. Administrative review.

23 (a) If the Director determines that an applicant who has  
24 received a credit under this Act is not complying with the

1 requirements of this Act, the Director shall provide notice to  
2 the applicant of the alleged noncompliance, and allow the  
3 taxpayer a hearing under the provisions of the Illinois  
4 Administrative Procedure Act. If, after the notice and  
5 hearing, the Director determines that noncompliance exists,  
6 the Director shall issue to the Department of Revenue notice  
7 to that effect, and state the date of noncompliance.

8 (b) All final administrative decisions, including, but not  
9 limited to, funding allocation and rules issued by the  
10 Department under this Act are subject to judicial review under  
11 the Administrative Review Law. No action may be commenced  
12 under this Section prior to 60 days after the complainant has  
13 given notice in writing of the action to the Department.

14 Section 10-140. Rules. The Department may adopt rules  
15 necessary to implement this Part 1. The rules may provide for  
16 recipients of credits under this Part 1 to be charged fees to  
17 cover administrative costs of the tax credit program.

18 Part 2.

19 Section 10-200. Definitions. As used in this Part 2:

20 "Agreement" means the agreement between a taxpayer and the  
21 Department entered into for a tax credit awarded under Section  
22 10-210.

23 "Applicant" means a taxpayer operating a renewable energy

1 enterprise, as determined under the Energy Community  
2 Reinvestment Act, located within or that the renewable energy  
3 enterprise plans to locate within a Clean Energy Empowerment  
4 Zone. "Applicant" does not include a taxpayer who closes or  
5 substantially reduces an operation at one location in this  
6 State and relocates substantially the same operation to a  
7 location in a Clean Energy Empowerment Zone. A taxpayer is not  
8 prohibited from expanding its operations at a location in a  
9 Clean Energy Empowerment Zone, provided that existing  
10 operations of a similar nature located within the State are  
11 not closed or substantially reduced. A taxpayer is also not  
12 prohibited from moving operations from one location in this  
13 State to a Clean Energy Empowerment Zone for the purpose of  
14 expanding the operation provided that the Department  
15 determines that expansion cannot reasonably be accommodated  
16 within the municipality in which the business is located, or  
17 in the case of a business located in an incorporated area of  
18 the county, within the county in which the business is  
19 located, after conferring with the chief elected official of  
20 the municipality or county and taking into consideration any  
21 evidence offered by the municipality or county regarding the  
22 ability to accommodate expansion within the municipality or  
23 county.

24 "Board" means the Clean Energy Empowerment Zone Board  
25 created under Section 5-20 of the Illinois Energy Community  
26 Reinvestment Act.

1 "Credit" means the amount agreed to between the Department  
2 and the Applicant under this Act, but not to exceed the lesser  
3 of: (1) the sum of (i) 50% of the incremental income tax  
4 attributable to new employees at the applicant's project and  
5 (ii) 10% of the training costs of new employees; or (2) 100% of  
6 the incremental income tax attributable to new employees at  
7 the applicant's project. If the project is located in an  
8 underserved area, then the amount of the credit may not exceed  
9 the lesser of: (1) the sum of (i) 75% of the incremental income  
10 tax attributable to new employees at the applicant's project  
11 and (ii) 10% of the training costs of new employees; or (2)  
12 100% of the incremental income tax attributable to new  
13 employees at the applicant's project. If an applicant agrees  
14 to hire the required number of new employees, then the maximum  
15 amount of the credit for that applicant may be increased by an  
16 amount not to exceed 25% of the incremental income tax  
17 attributable to retained employees at the applicant's project;  
18 provided that, in order to receive the increase for retained  
19 employees, the applicant must provide the additional evidence  
20 required under paragraph (3) of subsection (c) of Section  
21 10-215.

22 "Department" means the Department of Commerce and Economic  
23 Opportunity.

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

26 "Full-time employee" means an individual who is employed

1 for consideration for at least 35 hours each week or who  
2 renders any other standard of service generally accepted by  
3 industry custom or practice as full-time employment. An  
4 individual for whom a W-2 is issued by a Professional Employer  
5 Organization is a full-time employee if employed in the  
6 service of the applicant for consideration for at least 35  
7 hours each week or who renders any other standard of service  
8 generally accepted by industry custom or practice as full-time  
9 employment to the applicant.

10 "Incremental income tax" means the total amount withheld  
11 during the taxable year from the compensation of new employees  
12 and, if applicable, retained employees under Article 7 of the  
13 Illinois Income Tax Act arising from employment at a project  
14 that is the subject of an agreement.

15 "New employee" means a full-time employee first employed  
16 by a taxpayer in the project that is the subject of an  
17 agreement and who is hired after the taxpayer enters into the  
18 agreement.

19 "New employee" does not include:

20 (1) an employee of the taxpayer who performs a job  
21 that was previously performed by another employee, if that  
22 job existed for at least 6 months before hiring the  
23 employee;

24 (2) an employee of the taxpayer who was previously  
25 employed in Illinois by a related member of the taxpayer  
26 and whose employment was shifted to the taxpayer after the

1 taxpayer entered into the agreement; or

2 (3) a child, grandchild, parent, or spouse, other than  
3 a spouse who is legally separated from the individual, of  
4 any individual who has a direct or an indirect ownership  
5 interest of at least 5% in the profits, capital, or value  
6 of the taxpayer.

7 Notwithstanding any other provisions of this Section, an  
8 employee may be considered a new employee under the agreement  
9 if the employee performs a job that was previously performed  
10 by an employee who was: (i) treated under the agreement as a  
11 new employee; and (ii) promoted by the taxpayer to another  
12 job.

13 Notwithstanding any other provisions of this Section, the  
14 Department may award a credit to an applicant with respect to  
15 an employee hired prior to the date of the agreement if: (i)  
16 the applicant is in receipt of a letter from the Department  
17 stating an intent to enter into a credit agreement; (ii) the  
18 letter described in item (i) of this paragraph is issued by the  
19 Department not later than 15 days after the effective date of  
20 this Act; and (iii) the employee was hired after the date the  
21 letter described in item (i) of this paragraph was issued.

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

25 "Related member" means a person that, with respect to the  
26 taxpayer during any portion of the taxable year, is any one of

1 the following:

2 (1) An individual stockholder, if the stockholder and  
3 the members of the stockholder's family, as defined in  
4 Section 318 of the Internal Revenue Code, own directly,  
5 indirectly, beneficially, or constructively, in the  
6 aggregate, at least 50% of the value of the taxpayer's  
7 outstanding stock.

8 (2) A partnership, estate, or trust and any partner or  
9 beneficiary, if the partnership, estate, or trust, and its  
10 partners or beneficiaries own directly, indirectly,  
11 beneficially, or constructively, in the aggregate, at  
12 least 50% of the profits, capital, stock, or value of the  
13 taxpayer.

14 (3) A corporation, and any party related to the  
15 corporation in a manner that would require an attribution  
16 of stock from the corporation to the party or from the  
17 party to the corporation under the attribution rules of  
18 Section 318 of the Internal Revenue Code, if the taxpayer  
19 owns directly, indirectly, beneficially, or constructively  
20 at least 50% of the value of the corporation's outstanding  
21 stock.

22 (4) A corporation and any party related to that  
23 corporation in a manner that would require an attribution  
24 of stock from the corporation to the party or from the  
25 party to the corporation under the attribution rules of  
26 Section 318 of the Internal Revenue Code, if the

1 corporation and all such related parties own in the  
2 aggregate at least 50% of the profits, capital, stock, or  
3 value of the taxpayer.

4 (5) A person to or from whom there is attribution of  
5 stock ownership in accordance with subsection (e) of  
6 Section 1563 of the Internal Revenue Code, except that for  
7 purposes of determining whether a person is a related  
8 member under this paragraph (5):

9 (A) stock owned, directly or indirectly, by or for  
10 a partnership shall be considered as owned by any  
11 partner having an interest of 20% or more in either the  
12 capital or profits of the partnership in proportion to  
13 his or her interest in capital or profits, whichever  
14 such proportion is the greater;

15 (B) stock owned, directly or indirectly, by or for  
16 an estate or trust shall be considered as owned by any  
17 beneficiary who has an actuarial interest of 20% or  
18 more in such stock, to the extent of such actuarial  
19 interest. For purposes of this subparagraph, the  
20 actuarial interest of each beneficiary shall be  
21 determined by assuming the maximum exercise of  
22 discretion by the fiduciary in favor of such  
23 beneficiary and the maximum use of such stock to  
24 satisfy his or her rights as a beneficiary; and

25 (C) stock owned, directly or indirectly, by or for  
26 a corporation shall be considered as owned by any

1 person who owns 20% or more in value of its stock in  
2 that proportion which the value of the stock which the  
3 person so owns bears to the value of all the stock in  
4 the corporation.

5 "Renewable energy" means solar energy, wind energy, water  
6 energy, geothermal energy, bioenergy, or hydrogen fuel and  
7 cells.

8 "Renewable energy production facility" means a facility  
9 owned by a company that is engaged in and used such a facility  
10 for the production of solar energy, wind energy, water energy,  
11 geothermal energy, bioenergy, or hydrogen fuel and cells.

12 "Taxpayer" means an individual, corporation, partnership,  
13 or other entity that has any Illinois income tax liability.

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

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

18 (2) 75% or more of the children in the area  
19 participate in the federal free lunch program according to  
20 reported statistics from the State Board of Education;

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

24 (4) the area has an average unemployment rate, as  
25 determined by the Department of Employment Security, that  
26 is more than 120% of the national unemployment average, as

1           determined by the United States Department of Labor, for a  
2           period of at least 2 consecutive calendar years preceding  
3           the date of the application.

4           Section 10-205. Powers of the Department. The Department,  
5           in addition to those powers granted under the Civil  
6           Administrative Code of Illinois and Part 1 of this Act, is  
7           granted and has all the powers necessary or convenient to  
8           carry out and effectuate the purposes and provisions of this  
9           Act, including, but not limited to, power and authority to:

10           (a) Adopt rules deemed necessary and appropriate for the  
11           administration of programs; establish forms for applications,  
12           notifications, contracts, or any other agreements; and accept  
13           applications at any time during the year.

14           (b) Provide and assist taxpayers pursuant to the  
15           provisions of this Act, and cooperate with taxpayers that are  
16           parties to agreements to promote, foster, and support economic  
17           development, capital investment, and job creation or retention  
18           within the Clean Energy Empowerment Zone.

19           (c) Enter into agreements and memoranda of understanding  
20           for participation of and engage in cooperation with agencies  
21           of the federal government, units of local government,  
22           universities, research foundations or institutions, regional  
23           economic development corporations, or other organizations for  
24           the purposes of this Act.

25           (d) Gather information and conduct inquiries, in the

1 manner and by the methods as it deems desirable, including,  
2 without limitation, gathering information with respect to  
3 applicants for the purpose of making any designations or  
4 certifications necessary or desirable or to gather information  
5 to assist the Board with any recommendation or guidance in the  
6 furtherance of the purposes of this Act.

7 (e) Establish, negotiate and effectuate any term,  
8 agreement or other document with any person, necessary or  
9 appropriate to accomplish the purposes of this Act, and  
10 consent, subject to the provisions of any agreement with  
11 another party, to the modification or restructuring of any  
12 agreement to which the Department is a party.

13 (f) Fix, determine, charge, and collect any premiums,  
14 fees, charges, costs, and expenses from applicants, including,  
15 without limitation, any application fees, commitment fees,  
16 program fees, financing charges, or publication fees as deemed  
17 appropriate to pay expenses necessary or incident to the  
18 administration, staffing, or operation in connection with the  
19 Department's or Board's activities under this Act, or for  
20 preparation, implementation, and enforcement of the terms of  
21 the agreement, or for consultation, advisory and legal fees,  
22 and other costs. All fees and expenses incident thereto shall  
23 be the responsibility of the applicant.

24 (g) Provide for sufficient personnel to permit  
25 administration, staffing, operation, and related support  
26 required to adequately discharge its duties and

1 responsibilities described in this Act from funds made  
2 available through charges to applicants or from funds as may  
3 be appropriated by the General Assembly for the administration  
4 of this Act.

5 (h) Require applicants, upon written request, to issue any  
6 necessary authorization to the appropriate federal, State, or  
7 local authority for the release of information concerning a  
8 project being considered under the provisions of this Act,  
9 with the information requested to include, but not be limited  
10 to, financial reports, returns, or records relating to the  
11 taxpayer or its project.

12 (i) Require that a taxpayer shall at all times keep proper  
13 books of record and account in accordance with generally  
14 accepted accounting principles consistently applied, with the  
15 books, records, or papers related to the agreement in the  
16 custody or control of the taxpayer open for reasonable  
17 Department inspection and audits, and including, without  
18 limitation, the making of copies of the books, records, or  
19 papers, and the inspection or appraisal of any of the taxpayer  
20 or project assets.

21 (j) Take whatever actions are necessary or appropriate to  
22 protect the State's interest in the event of bankruptcy,  
23 default, foreclosure, or noncompliance with the terms and  
24 conditions of financial assistance or participation required  
25 under this Act, including the power to sell, dispose, lease,  
26 or rent, upon terms and conditions determined by the Director

1 to be appropriate, real or personal property that the  
2 Department may receive as a result of these actions.

3 Section 10-210. Tax credit awards.

4 (a) Subject to the conditions set forth in this Act, a  
5 taxpayer is entitled to a credit against or, as described in  
6 subsection (g), a payment toward taxes imposed pursuant to  
7 subsections (a) and (b) of Section 201 of the Illinois Income  
8 Tax Act that may be imposed on the taxpayer for a taxable year  
9 beginning on or after January 1, 2019, if the taxpayer is  
10 awarded a credit by the Department under this Act for that  
11 taxable year.

12 (b) The Department shall make credit awards under this Act  
13 to foster job creation and the development of renewable energy  
14 in Clean Energy Empowerment Zones.

15 (c) A person that proposes a project to create new jobs and  
16 to invest in the development of a renewable energy production  
17 facility in a Clean Energy Empowerment Zone must enter into an  
18 agreement with the Department for the credit under this Act.

19 (d) The credit shall be claimed for the taxable years  
20 specified in the agreement.

21 (e) The credit shall not exceed the incremental income tax  
22 attributable to the project that is the subject of the  
23 agreement.

24 (f) Nothing herein shall prohibit a tax credit award to an  
25 applicant that uses a Professional Employer Organization if

1 all other award criteria are satisfied.

2 (g) A pass-through entity that has been awarded a credit  
3 under this Act, its shareholders, or its partners may treat  
4 some or all of the credit awarded under this Act as a tax  
5 payment for purposes of the Illinois Income Tax Act. In no  
6 event shall the amount of the award credited under this Act  
7 exceed the Illinois income tax liability of the pass-through  
8 entity or its shareholders or partners for the taxable year.

9 For the purposes of this subsection (g), "tax payment"  
10 means a payment as described in Article 6 or Article 8 of the  
11 Illinois Income Tax Act or a composite payment made by a  
12 pass-through entity on behalf of any of its shareholders or  
13 partners to satisfy such shareholders' or partners' taxes  
14 imposed pursuant to subsections (a) and (b) of Section 201 of  
15 the Illinois Income Tax Act.

16 Section 10-215. Application for a project to create and  
17 retain new jobs and to develop renewable energy.

18 (a) Any renewable energy enterprise proposing a project to  
19 build a renewable energy production facility located or  
20 planned to be located in a Clean Energy Empowerment Zone may  
21 request consideration for designation of its project, by  
22 formal written letter of request or by formal application to  
23 the Department, in which the applicant states its intent to  
24 make at least a specified level of investment and intends to  
25 hire or retain a specified number of full-time employees at a

1 designated location in Illinois. As circumstances require, the  
2 Department may require a formal application from an applicant  
3 and a formal letter of request for assistance.

4 (b) In order to qualify for credits under this Act, an  
5 applicant's project must:

6 (1) be for the purpose of producing renewable energy;

7 (2) if the applicant has more than 100 employees,  
8 involve an investment of at least \$2,500,000 in capital  
9 improvements to be placed in service within a Clean Energy  
10 Empowerment Zone as a direct result of the project. If the  
11 applicant has 100 or fewer employees, then there is no  
12 capital investment requirement; and

13 (3) if the applicant has more than 100 employees,  
14 employ a number of new employees in the Clean Energy  
15 Empowerment Zone equal to the lesser of (A) 10% of the  
16 number of full-time employees employed by the applicant  
17 world-wide on the date the application is filed with the  
18 Department; or (B) 50 new employees. If the applicant has  
19 100 or fewer employees, employ a number of new employees  
20 in the State equal to the lesser of (A) 5% of the number of  
21 full-time employees employed by the applicant world-wide  
22 on the date the application is filed with the Department  
23 or (B) 50 New Employees.

24 (c) After receipt of an application, the Department shall  
25 review the application, make inquiries, and conduct studies in  
26 the manner and by the methods as it deems desirable, and

1 consult with and make a recommendation to the Clean Energy  
2 Empowerment Zone Board created under the Energy Community  
3 Reinvestment Act. The Department and the Board shall make its  
4 recommendations and approvals based on whether they determine  
5 that all of the following conditions exist:

6 (1) The applicant's project will make the required  
7 investment in the State and the applicant intends to hire  
8 the required number of new employees in Illinois as a  
9 result of that project, as described in this Act.

10 (2) The applicant's project is economically sound and  
11 will benefit the people of the State of Illinois by  
12 increasing opportunities for employment and strengthening  
13 the economy of Illinois.

14 (3) That, if not for the credit, the project would not  
15 occur in Illinois or in the Clean Energy Empowerment Zone,  
16 which may be demonstrated by evidence that receipt of the  
17 credit is essential to the applicant's decision to create  
18 new jobs in the State, such as the magnitude of the cost  
19 differential between Illinois and a competing state;

20 (4) The political subdivisions affected by the project  
21 have committed local incentives or other support with  
22 respect to the project, considering local ability to  
23 assist.

24 (5) Awarding the credit will result in an overall  
25 positive fiscal impact to the State, as certified by the  
26 Board using the best available data.

1           (6) The credit is not prohibited by Section 10-225.

2           (d) After approval by the Board, the Department may enter  
3 into an agreement with the applicant.

4           Section 10-220. Relocation of jobs to Clean Energy  
5 Empowerment Zone. A taxpayer is not entitled to claim the  
6 credit provided by this Act with respect to any jobs that the  
7 taxpayer relocates from one site in Illinois to another site  
8 in a Clean Energy Empowerment Zone. A taxpayer with respect to  
9 a qualifying project certified under the Corporate  
10 Headquarters Relocation Act, however, is not subject to the  
11 requirements of this Section, but is nevertheless considered  
12 an applicant for purposes of this Act. Moreover, any full-time  
13 employee of an eligible renewable energy enterprise relocated  
14 to a Clean Energy Empowerment Zone in connection with that  
15 qualifying project is deemed to be a new employee for purposes  
16 of this Act. Determinations under this Section shall be made  
17 by the Department.

18           Section 10-225. Determination of the amount of credit. In  
19 determining the amount of credit that should be awarded, the  
20 Board shall provide guidance on, and the Department shall take  
21 into consideration, all of the following factors:

22           (1) the number and location of jobs created and  
23 retained in relation to the economy of the Clean Energy  
24 Empowerment Zone where the projected investment is to

1 occur;

2 (2) the potential impact on the economy of the Clean  
3 Energy Empowerment Zone;

4 (3) the advancement of renewable energy in the Clean  
5 Energy Empowerment Zone;

6 (4) the incremental payroll attributable to the  
7 project;

8 (5) the capital investment attributable to the  
9 project;

10 (6) the amount of the average wage and benefits paid  
11 by the applicant in relation to the wage and benefits of  
12 the Clean Energy Empowerment Zone;

13 (7) the costs to Illinois and the affected political  
14 subdivisions with respect to the project; and

15 (8) the financial assistance that is otherwise  
16 provided by Illinois and the affected political  
17 subdivisions.

18 Section 10-230. Amount and duration of credit.

19 (a) The Department shall determine the amount and duration  
20 of the credit awarded under this Act. The duration of the  
21 credit may not exceed 10 taxable years. The credit may be  
22 stated as a percentage of the incremental income tax  
23 attributable to the applicant's project and may include a  
24 fixed dollar limitation. An agreement for the credit must be  
25 finalized and signed by all parties while the area in which the

1 project is located is designated a Clean Energy Empowerment  
2 Zone. The credit may last longer than the applicable Clean  
3 Energy Empowerment Zone designation. Agreements entered into  
4 prior to the de-designation of a Clean Energy Empowerment Zone  
5 shall be honored for the length of the agreement.

6 (b) Notwithstanding subsection (a), and except as the  
7 credit may be applied in a carryover year as otherwise  
8 provided in this subsection (b), the credit may be applied  
9 against the State income tax liability in more than 10 taxable  
10 years, but not in more than 15 taxable years for an eligible  
11 green energy enterprise that: (i) qualifies under this Act and  
12 the Corporate Headquarters Relocation Act and has in fact  
13 undertaken a qualifying project within the time frame  
14 specified by the Department of Commerce and Economic  
15 Opportunity under that Act; and (ii) applies against its State  
16 income tax liability, during the entire 15-year period, no  
17 more than 60% of the maximum credit per year that would  
18 otherwise be available under this Act.

19 Any credit that is unused in the year the credit is  
20 computed may be carried forward and applied to the tax  
21 liability of the 5 taxable years following the excess credit  
22 year. The credit shall be applied to the earliest year for  
23 which there is a tax liability. If there are credits from more  
24 than one tax year that are available to offset a liability, the  
25 earlier credit shall be applied first.

1           Section 10-235. Contents of agreements with applicants.  
2           The Department shall enter into an agreement with an applicant  
3           that is awarded a credit under this Act.

4           Section 10-240. Certificate of verification; submission to  
5           the Department of Revenue. A taxpayer claiming a credit under  
6           this Act shall submit to the Department of Revenue a copy of  
7           the Director's certificate of verification under this Act for  
8           the taxable year. Failure to submit a copy of the certificate  
9           with the taxpayer's tax return shall not invalidate a claim  
10          for a credit.

11          Section 10-245. Supplier diversity. Each taxpayer claiming  
12          a credit under this Act shall, no later than April 15 of each  
13          taxable year for which the taxpayer claims a credit under this  
14          Act, submit to the Department of Commerce and Economic  
15          Opportunity an annual report containing the information  
16          described in subsections (b), (c), (d), and (e) of Section  
17          5-117 of the Public Utilities Act. Those reports shall be  
18          submitted in the form and manner required by the Department of  
19          Commerce and Economic Opportunity.

20          Section 10-250. Pass-through entity. The shareholders or  
21          partners of a taxpayer that is a pass-through entity shall be  
22          entitled to the credit allowed under the agreement. The credit  
23          is in addition to any credit to which a shareholder or partner

1 is otherwise entitled under a separate agreement under this  
2 Act. A pass-through entity and a shareholder or partner of the  
3 pass-through entity may not claim more than one credit under  
4 the same agreement.

5 Section 10-255. Rules. The Department may adopt rules  
6 necessary to implement this Part 2. The rules may provide for  
7 recipients of credits under this Part 2 to be charged fees to  
8 cover administrative costs of the tax credit program. Fees  
9 collected shall be deposited into the Energy Community  
10 Reinvestment Fund.

11 Section 10-260. Program terms and conditions.

12 (a) Any documentary materials or data made available or  
13 received by any member of a board or any agent or employee of  
14 the Department shall be deemed confidential and shall not be  
15 deemed public records to the extent that the materials or data  
16 consists of trade secrets, commercial or financial information  
17 regarding the operation of the business conducted by the  
18 applicant for or recipient of any tax credit under this Act, or  
19 any information regarding the competitive position of a  
20 business in a particular field of endeavor.

21 (b) Nothing in this Act shall be construed as creating any  
22 rights in any applicant to enter into an agreement or in any  
23 person to challenge the terms of any agreement.

1                   ARTICLE 15. Coal Severance Fee Act

2           Section 15-1. Short title. This Article may be cited as  
3 the Coal Severance Fee Act. References in this Article to  
4 "this Act" mean this Article.

5           Section 15-5. Coal severance fee.

6           (a) Definitions. As used in this Act:

7           "Department" means the Department of Revenue.

8           "Person" means any natural individual, firm, partnership,  
9 association, joint stock company, joint adventure, public or  
10 private corporation, limited liability company, or a receiver,  
11 executor, trustee, guardian, or other representative appointed  
12 by order of any court.

13           (b) Tax imposed.

14           (1) On and after June 1, 2021, there is hereby imposed  
15 a tax upon any person engaged in the business of severing  
16 or preparing coal for sale, profit, or commercial use, if  
17 the coal is severed from a mine located in this State. The  
18 rate of the tax imposed under this Section is 6% of the  
19 gross value of the severed coal.

20           (2) The liability for the tax accrues at the time the  
21 coal is severed.

22           (c) Payment and collection of tax.

23           (1) The tax imposed under this Act shall be due and  
24 payable on or before the 20th day of the month following

1 the month in which the coal is severed.

2 (2) The State shall have a lien on all coal severed in  
3 this State on or after June 1, 2021 to secure the payment  
4 of the tax.

5 (d) Registration. A person who is subject to the tax  
6 imposed under this Act shall register with the Department.  
7 Application for a certificate of registration shall be made to  
8 the Department upon forms furnished by the Department and  
9 shall contain any reasonable information the Department may  
10 require. Upon receipt of the application for a certificate of  
11 registration in proper form, the Department shall issue to the  
12 applicant a certificate of registration.

13 (e) Inspection of records by Department, subpoena power,  
14 contempt. For the purpose of computing the amount of the tax  
15 due under this Section, the Department has the following  
16 powers:

17 (1) to require any person who is subject to this tax to  
18 furnish any additional information deemed to be necessary  
19 for the computation of the tax;

20 (2) to examine books, records, and files of such  
21 person; and

22 (3) to issue subpoenas and examine witnesses under  
23 oath. If any witness fails or refuses to appear at the  
24 request of the Director, or if any witness refuses access  
25 to books, records, or files, the circuit court of the  
26 proper county, or the judge thereof, on application of the

1 Department, shall compel obedience by proceedings for  
2 contempt, as in the case of disobedience of the  
3 requirements of a subpoena issued from that court or a  
4 refusal to testify therein.

5 (f) Returns. Each taxpayer shall make a return to the  
6 Department showing the following:

7 (1) the name of the taxpayer;

8 (2) the address of the taxpayer's principal place of  
9 business;

10 (3) the quantity of coal severed or prepared during  
11 the month for which the return is filed;

12 (4) the gross value of the severed coal;

13 (5) the amount of tax due;

14 (6) the signature of the taxpayer; and

15 (7) any other reasonable information as the Department  
16 may require.

17 (g) The return shall be filed on or before the 20th day of  
18 the month after the month during which the coal is severed. The  
19 Department may require any additional report or information it  
20 deems necessary for the proper administration of this Act.

21 (h) Returns due under this Section shall be filed  
22 electronically in the manner prescribed by the Department.  
23 Taxpayers shall make all payments of the tax to the Department  
24 under this Act by electronic funds transfer unless, as  
25 provided by rule, the Department grants an exception upon  
26 petition of a taxpayer. Returns must be accompanied by

1 appropriate computer generated magnetic media supporting  
2 schedule data in the format required by the Department,  
3 unless, as provided by rule, the Department grants an  
4 exception upon petition of a taxpayer.

5 (i) Incorporation by reference. All of the provisions of  
6 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 13 6a, 6b,  
7 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
8 Occupation Tax Act which are not inconsistent with this Act,  
9 and all provisions of the Uniform Penalty and Interest Act  
10 shall apply, as far as practicable, to the subject matter of  
11 this Act to the same extent as if such provisions were included  
12 herein.

13 (j) Rulemaking. The Department is hereby authorized to  
14 adopt rules as may be necessary to administer and enforce the  
15 provisions of this Act.

16 (k) Distribution of proceeds. All moneys received by the  
17 Department under this Act shall be paid into the Energy  
18 Community Reinvestment Fund.

19 Article 90. Amendatory Provisions

20 Section 90-5. The Illinois Administrative Procedure Act is  
21 amended by adding Section 45.8 as follows:

22 (5 ILCS 100/45.8 new)

23 Sec. 45.8. Emergency rulemaking; Energy Community

1 Reinvestment Act. To provide for the expeditious and timely  
2 implementation of the Energy Community Reinvestment Act,  
3 emergency rules may be adopted in accordance with Section 5-45  
4 by the Department of Commerce and Economic Opportunity to  
5 implement Section 5-15 of the Energy Community Reinvestment  
6 Act with respect to applications for designation as Clean  
7 Energy Empowerment Zones. The adoption of emergency rules  
8 authorized by Section 5-45 and this Section is deemed to be  
9 necessary for the public interest, safety, and welfare.

10 Section 90-10. The State Finance Act is amended by adding  
11 Section 5.935 as follows:

12 (30 ILCS 105/5.935 new)

13 Sec. 5.935. The Energy Community Reinvestment Fund.

14 Section 90-15. The Illinois Income Tax Act is amended by  
15 changing Section 201 as follows:

16 (35 ILCS 5/201)

17 (Text of Section without the changes made by P.A. 101-8,  
18 which did not take effect (see Section 99 of P.A. 101-8))

19 Sec. 201. Tax imposed.

20 (a) In general. A tax measured by net income is hereby  
21 imposed on every individual, corporation, trust and estate for  
22 each taxable year ending after July 31, 1969 on the privilege

1 of earning or receiving income in or as a resident of this  
2 State. Such tax shall be in addition to all other occupation or  
3 privilege taxes imposed by this State or by any municipal  
4 corporation or political subdivision thereof.

5 (b) Rates. The tax imposed by subsection (a) of this  
6 Section shall be determined as follows, except as adjusted by  
7 subsection (d-1):

8 (1) In the case of an individual, trust or estate, for  
9 taxable years ending prior to July 1, 1989, an amount  
10 equal to 2 1/2% of the taxpayer's net income for the  
11 taxable year.

12 (2) In the case of an individual, trust or estate, for  
13 taxable years beginning prior to July 1, 1989 and ending  
14 after June 30, 1989, an amount equal to the sum of (i) 2  
15 1/2% of the taxpayer's net income for the period prior to  
16 July 1, 1989, as calculated under Section 202.3, and (ii)  
17 3% of the taxpayer's net income for the period after June  
18 30, 1989, as calculated under Section 202.3.

19 (3) In the case of an individual, trust or estate, for  
20 taxable years beginning after June 30, 1989, and ending  
21 prior to January 1, 2011, an amount equal to 3% of the  
22 taxpayer's net income for the taxable year.

23 (4) In the case of an individual, trust, or estate,  
24 for taxable years beginning prior to January 1, 2011, and  
25 ending after December 31, 2010, an amount equal to the sum  
26 of (i) 3% of the taxpayer's net income for the period prior

1 to January 1, 2011, as calculated under Section 202.5, and  
2 (ii) 5% of the taxpayer's net income for the period after  
3 December 31, 2010, as calculated under Section 202.5.

4 (5) In the case of an individual, trust, or estate,  
5 for taxable years beginning on or after January 1, 2011,  
6 and ending prior to January 1, 2015, an amount equal to 5%  
7 of the taxpayer's net income for the taxable year.

8 (5.1) In the case of an individual, trust, or estate,  
9 for taxable years beginning prior to January 1, 2015, and  
10 ending after December 31, 2014, an amount equal to the sum  
11 of (i) 5% of the taxpayer's net income for the period prior  
12 to January 1, 2015, as calculated under Section 202.5, and  
13 (ii) 3.75% of the taxpayer's net income for the period  
14 after December 31, 2014, as calculated under Section  
15 202.5.

16 (5.2) In the case of an individual, trust, or estate,  
17 for taxable years beginning on or after January 1, 2015,  
18 and ending prior to July 1, 2017, an amount equal to 3.75%  
19 of the taxpayer's net income for the taxable year.

20 (5.3) In the case of an individual, trust, or estate,  
21 for taxable years beginning prior to July 1, 2017, and  
22 ending after June 30, 2017, an amount equal to the sum of  
23 (i) 3.75% of the taxpayer's net income for the period  
24 prior to July 1, 2017, as calculated under Section 202.5,  
25 and (ii) 4.95% of the taxpayer's net income for the period  
26 after June 30, 2017, as calculated under Section 202.5.

1           (5.4) In the case of an individual, trust, or estate,  
2           for taxable years beginning on or after July 1, 2017, an  
3           amount equal to 4.95% of the taxpayer's net income for the  
4           taxable year.

5           (6) In the case of a corporation, for taxable years  
6           ending prior to July 1, 1989, an amount equal to 4% of the  
7           taxpayer's net income for the taxable year.

8           (7) In the case of a corporation, for taxable years  
9           beginning prior to July 1, 1989 and ending after June 30,  
10          1989, an amount equal to the sum of (i) 4% of the  
11          taxpayer's net income for the period prior to July 1,  
12          1989, as calculated under Section 202.3, and (ii) 4.8% of  
13          the taxpayer's net income for the period after June 30,  
14          1989, as calculated under Section 202.3.

15          (8) In the case of a corporation, for taxable years  
16          beginning after June 30, 1989, and ending prior to January  
17          1, 2011, an amount equal to 4.8% of the taxpayer's net  
18          income for the taxable year.

19          (9) In the case of a corporation, for taxable years  
20          beginning prior to January 1, 2011, and ending after  
21          December 31, 2010, an amount equal to the sum of (i) 4.8%  
22          of the taxpayer's net income for the period prior to  
23          January 1, 2011, as calculated under Section 202.5, and  
24          (ii) 7% of the taxpayer's net income for the period after  
25          December 31, 2010, as calculated under Section 202.5.

26          (10) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2011, and ending prior to  
2 January 1, 2015, an amount equal to 7% of the taxpayer's  
3 net income for the taxable year.

4 (11) In the case of a corporation, for taxable years  
5 beginning prior to January 1, 2015, and ending after  
6 December 31, 2014, an amount equal to the sum of (i) 7% of  
7 the taxpayer's net income for the period prior to January  
8 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
9 of the taxpayer's net income for the period after December  
10 31, 2014, as calculated under Section 202.5.

11 (12) In the case of a corporation, for taxable years  
12 beginning on or after January 1, 2015, and ending prior to  
13 July 1, 2017, an amount equal to 5.25% of the taxpayer's  
14 net income for the taxable year.

15 (13) In the case of a corporation, for taxable years  
16 beginning prior to July 1, 2017, and ending after June 30,  
17 2017, an amount equal to the sum of (i) 5.25% of the  
18 taxpayer's net income for the period prior to July 1,  
19 2017, as calculated under Section 202.5, and (ii) 7% of  
20 the taxpayer's net income for the period after June 30,  
21 2017, as calculated under Section 202.5.

22 (14) In the case of a corporation, for taxable years  
23 beginning on or after July 1, 2017, an amount equal to 7%  
24 of the taxpayer's net income for the taxable year.

25 The rates under this subsection (b) are subject to the  
26 provisions of Section 201.5.

1 (b-5) Surcharge; sale or exchange of assets, properties,  
2 and intangibles of organization gaming licensees. For each of  
3 taxable years 2019 through 2027, a surcharge is imposed on all  
4 taxpayers on income arising from the sale or exchange of  
5 capital assets, depreciable business property, real property  
6 used in the trade or business, and Section 197 intangibles (i)  
7 of an organization licensee under the Illinois Horse Racing  
8 Act of 1975 and (ii) of an organization gaming licensee under  
9 the Illinois Gambling Act. The amount of the surcharge is  
10 equal to the amount of federal income tax liability for the  
11 taxable year attributable to those sales and exchanges. The  
12 surcharge imposed shall not apply if:

13 (1) the organization gaming license, organization  
14 license, or racetrack property is transferred as a result  
15 of any of the following:

16 (A) bankruptcy, a receivership, or a debt  
17 adjustment initiated by or against the initial  
18 licensee or the substantial owners of the initial  
19 licensee;

20 (B) cancellation, revocation, or termination of  
21 any such license by the Illinois Gaming Board or the  
22 Illinois Racing Board;

23 (C) a determination by the Illinois Gaming Board  
24 that transfer of the license is in the best interests  
25 of Illinois gaming;

26 (D) the death of an owner of the equity interest in

1 a licensee;

2 (E) the acquisition of a controlling interest in  
3 the stock or substantially all of the assets of a  
4 publicly traded company;

5 (F) a transfer by a parent company to a wholly  
6 owned subsidiary; or

7 (G) the transfer or sale to or by one person to  
8 another person where both persons were initial owners  
9 of the license when the license was issued; or

10 (2) the controlling interest in the organization  
11 gaming license, organization license, or racetrack  
12 property is transferred in a transaction to lineal  
13 descendants in which no gain or loss is recognized or as a  
14 result of a transaction in accordance with Section 351 of  
15 the Internal Revenue Code in which no gain or loss is  
16 recognized; or

17 (3) live horse racing was not conducted in 2010 at a  
18 racetrack located within 3 miles of the Mississippi River  
19 under a license issued pursuant to the Illinois Horse  
20 Racing Act of 1975.

21 The transfer of an organization gaming license,  
22 organization license, or racetrack property by a person other  
23 than the initial licensee to receive the organization gaming  
24 license is not subject to a surcharge. The Department shall  
25 adopt rules necessary to implement and administer this  
26 subsection.

1           (c) Personal Property Tax Replacement Income Tax.  
2 Beginning on July 1, 1979 and thereafter, in addition to such  
3 income tax, there is also hereby imposed the Personal Property  
4 Tax Replacement Income Tax measured by net income on every  
5 corporation (including Subchapter S corporations), partnership  
6 and trust, for each taxable year ending after June 30, 1979.  
7 Such taxes are imposed on the privilege of earning or  
8 receiving income in or as a resident of this State. The  
9 Personal Property Tax Replacement Income Tax shall be in  
10 addition to the income tax imposed by subsections (a) and (b)  
11 of this Section and in addition to all other occupation or  
12 privilege taxes imposed by this State or by any municipal  
13 corporation or political subdivision thereof.

14           (d) Additional Personal Property Tax Replacement Income  
15 Tax Rates. The personal property tax replacement income tax  
16 imposed by this subsection and subsection (c) of this Section  
17 in the case of a corporation, other than a Subchapter S  
18 corporation and except as adjusted by subsection (d-1), shall  
19 be an additional amount equal to 2.85% of such taxpayer's net  
20 income for the taxable year, except that beginning on January  
21 1, 1981, and thereafter, the rate of 2.85% specified in this  
22 subsection shall be reduced to 2.5%, and in the case of a  
23 partnership, trust or a Subchapter S corporation shall be an  
24 additional amount equal to 1.5% of such taxpayer's net income  
25 for the taxable year.

26           (d-1) Rate reduction for certain foreign insurers. In the

1 case of a foreign insurer, as defined by Section 35A-5 of the  
2 Illinois Insurance Code, whose state or country of domicile  
3 imposes on insurers domiciled in Illinois a retaliatory tax  
4 (excluding any insurer whose premiums from reinsurance assumed  
5 are 50% or more of its total insurance premiums as determined  
6 under paragraph (2) of subsection (b) of Section 304, except  
7 that for purposes of this determination premiums from  
8 reinsurance do not include premiums from inter-affiliate  
9 reinsurance arrangements), beginning with taxable years ending  
10 on or after December 31, 1999, the sum of the rates of tax  
11 imposed by subsections (b) and (d) shall be reduced (but not  
12 increased) to the rate at which the total amount of tax imposed  
13 under this Act, net of all credits allowed under this Act,  
14 shall equal (i) the total amount of tax that would be imposed  
15 on the foreign insurer's net income allocable to Illinois for  
16 the taxable year by such foreign insurer's state or country of  
17 domicile if that net income were subject to all income taxes  
18 and taxes measured by net income imposed by such foreign  
19 insurer's state or country of domicile, net of all credits  
20 allowed or (ii) a rate of zero if no such tax is imposed on  
21 such income by the foreign insurer's state of domicile. For  
22 the purposes of this subsection (d-1), an inter-affiliate  
23 includes a mutual insurer under common management.

24 (1) For the purposes of subsection (d-1), in no event  
25 shall the sum of the rates of tax imposed by subsections  
26 (b) and (d) be reduced below the rate at which the sum of:

1 (A) the total amount of tax imposed on such  
2 foreign insurer under this Act for a taxable year, net  
3 of all credits allowed under this Act, plus

4 (B) the privilege tax imposed by Section 409 of  
5 the Illinois Insurance Code, the fire insurance  
6 company tax imposed by Section 12 of the Fire  
7 Investigation Act, and the fire department taxes  
8 imposed under Section 11-10-1 of the Illinois  
9 Municipal Code,

10 equals 1.25% for taxable years ending prior to December  
11 31, 2003, or 1.75% for taxable years ending on or after  
12 December 31, 2003, of the net taxable premiums written for  
13 the taxable year, as described by subsection (1) of  
14 Section 409 of the Illinois Insurance Code. This paragraph  
15 will in no event increase the rates imposed under  
16 subsections (b) and (d).

17 (2) Any reduction in the rates of tax imposed by this  
18 subsection shall be applied first against the rates  
19 imposed by subsection (b) and only after the tax imposed  
20 by subsection (a) net of all credits allowed under this  
21 Section other than the credit allowed under subsection (i)  
22 has been reduced to zero, against the rates imposed by  
23 subsection (d).

24 This subsection (d-1) is exempt from the provisions of  
25 Section 250.

26 (e) Investment credit. A taxpayer shall be allowed a

1 credit against the Personal Property Tax Replacement Income  
2 Tax for investment in qualified property.

3 (1) A taxpayer shall be allowed a credit equal to .5%  
4 of the basis of qualified property placed in service  
5 during the taxable year, provided such property is placed  
6 in service on or after July 1, 1984. There shall be allowed  
7 an additional credit equal to .5% of the basis of  
8 qualified property placed in service during the taxable  
9 year, provided such property is placed in service on or  
10 after July 1, 1986, and the taxpayer's base employment  
11 within Illinois has increased by 1% or more over the  
12 preceding year as determined by the taxpayer's employment  
13 records filed with the Illinois Department of Employment  
14 Security. Taxpayers who are new to Illinois shall be  
15 deemed to have met the 1% growth in base employment for the  
16 first year in which they file employment records with the  
17 Illinois Department of Employment Security. The provisions  
18 added to this Section by Public Act 85-1200 (and restored  
19 by Public Act 87-895) shall be construed as declaratory of  
20 existing law and not as a new enactment. If, in any year,  
21 the increase in base employment within Illinois over the  
22 preceding year is less than 1%, the additional credit  
23 shall be limited to that percentage times a fraction, the  
24 numerator of which is .5% and the denominator of which is  
25 1%, but shall not exceed .5%. The investment credit shall  
26 not be allowed to the extent that it would reduce a

1 taxpayer's liability in any tax year below zero, nor may  
2 any credit for qualified property be allowed for any year  
3 other than the year in which the property was placed in  
4 service in Illinois. For tax years ending on or after  
5 December 31, 1987, and on or before December 31, 1988, the  
6 credit shall be allowed for the tax year in which the  
7 property is placed in service, or, if the amount of the  
8 credit exceeds the tax liability for that year, whether it  
9 exceeds the original liability or the liability as later  
10 amended, such excess may be carried forward and applied to  
11 the tax liability of the 5 taxable years following the  
12 excess credit years if the taxpayer (i) makes investments  
13 which cause the creation of a minimum of 2,000 full-time  
14 equivalent jobs in Illinois, (ii) is located in an  
15 enterprise zone established pursuant to the Illinois  
16 Enterprise Zone Act and (iii) is certified by the  
17 Department of Commerce and Community Affairs (now  
18 Department of Commerce and Economic Opportunity) as  
19 complying with the requirements specified in clause (i)  
20 and (ii) by July 1, 1986. The Department of Commerce and  
21 Community Affairs (now Department of Commerce and Economic  
22 Opportunity) shall notify the Department of Revenue of all  
23 such certifications immediately. For tax years ending  
24 after December 31, 1988, the credit shall be allowed for  
25 the tax year in which the property is placed in service,  
26 or, if the amount of the credit exceeds the tax liability

1 for that year, whether it exceeds the original liability  
2 or the liability as later amended, such excess may be  
3 carried forward and applied to the tax liability of the 5  
4 taxable years following the excess credit years. The  
5 credit shall be applied to the earliest year for which  
6 there is a liability. If there is credit from more than one  
7 tax year that is available to offset a liability, earlier  
8 credit shall be applied first.

9 (2) The term "qualified property" means property  
10 which:

11 (A) is tangible, whether new or used, including  
12 buildings and structural components of buildings and  
13 signs that are real property, but not including land  
14 or improvements to real property that are not a  
15 structural component of a building such as  
16 landscaping, sewer lines, local access roads, fencing,  
17 parking lots, and other appurtenances;

18 (B) is depreciable pursuant to Section 167 of the  
19 Internal Revenue Code, except that "3-year property"  
20 as defined in Section 168(c)(2)(A) of that Code is not  
21 eligible for the credit provided by this subsection  
22 (e);

23 (C) is acquired by purchase as defined in Section  
24 179(d) of the Internal Revenue Code;

25 (D) is used in Illinois by a taxpayer who is  
26 primarily engaged in manufacturing, or in mining coal

1 or fluorite, or in retailing, or was placed in service  
2 on or after July 1, 2006 in a River Edge Redevelopment  
3 Zone established pursuant to the River Edge  
4 Redevelopment Zone Act; and

5 (E) has not previously been used in Illinois in  
6 such a manner and by such a person as would qualify for  
7 the credit provided by this subsection (e) or  
8 subsection (f).

9 (3) For purposes of this subsection (e),  
10 "manufacturing" means the material staging and production  
11 of tangible personal property by procedures commonly  
12 regarded as manufacturing, processing, fabrication, or  
13 assembling which changes some existing material into new  
14 shapes, new qualities, or new combinations. For purposes  
15 of this subsection (e) the term "mining" shall have the  
16 same meaning as the term "mining" in Section 613(c) of the  
17 Internal Revenue Code. For purposes of this subsection  
18 (e), the term "retailing" means the sale of tangible  
19 personal property for use or consumption and not for  
20 resale, or services rendered in conjunction with the sale  
21 of tangible personal property for use or consumption and  
22 not for resale. For purposes of this subsection (e),  
23 "tangible personal property" has the same meaning as when  
24 that term is used in the Retailers' Occupation Tax Act,  
25 and, for taxable years ending after December 31, 2008,  
26 does not include the generation, transmission, or

1 distribution of electricity.

2 (4) The basis of qualified property shall be the basis  
3 used to compute the depreciation deduction for federal  
4 income tax purposes.

5 (5) If the basis of the property for federal income  
6 tax depreciation purposes is increased after it has been  
7 placed in service in Illinois by the taxpayer, the amount  
8 of such increase shall be deemed property placed in  
9 service on the date of such increase in basis.

10 (6) The term "placed in service" shall have the same  
11 meaning as under Section 46 of the Internal Revenue Code.

12 (7) If during any taxable year, any property ceases to  
13 be qualified property in the hands of the taxpayer within  
14 48 months after being placed in service, or the situs of  
15 any qualified property is moved outside Illinois within 48  
16 months after being placed in service, the Personal  
17 Property Tax Replacement Income Tax for such taxable year  
18 shall be increased. Such increase shall be determined by  
19 (i) recomputing the investment credit which would have  
20 been allowed for the year in which credit for such  
21 property was originally allowed by eliminating such  
22 property from such computation and, (ii) subtracting such  
23 recomputed credit from the amount of credit previously  
24 allowed. For the purposes of this paragraph (7), a  
25 reduction of the basis of qualified property resulting  
26 from a redetermination of the purchase price shall be

1           deemed a disposition of qualified property to the extent  
2           of such reduction.

3           (8) Unless the investment credit is extended by law,  
4           the basis of qualified property shall not include costs  
5           incurred after December 31, 2018, except for costs  
6           incurred pursuant to a binding contract entered into on or  
7           before December 31, 2018.

8           (9) Each taxable year ending before December 31, 2000,  
9           a partnership may elect to pass through to its partners  
10          the credits to which the partnership is entitled under  
11          this subsection (e) for the taxable year. A partner may  
12          use the credit allocated to him or her under this  
13          paragraph only against the tax imposed in subsections (c)  
14          and (d) of this Section. If the partnership makes that  
15          election, those credits shall be allocated among the  
16          partners in the partnership in accordance with the rules  
17          set forth in Section 704(b) of the Internal Revenue Code,  
18          and the rules promulgated under that Section, and the  
19          allocated amount of the credits shall be allowed to the  
20          partners for that taxable year. The partnership shall make  
21          this election on its Personal Property Tax Replacement  
22          Income Tax return for that taxable year. The election to  
23          pass through the credits shall be irrevocable.

24          For taxable years ending on or after December 31,  
25          2000, a partner that qualifies its partnership for a  
26          subtraction under subparagraph (I) of paragraph (2) of

1 subsection (d) of Section 203 or a shareholder that  
2 qualifies a Subchapter S corporation for a subtraction  
3 under subparagraph (S) of paragraph (2) of subsection (b)  
4 of Section 203 shall be allowed a credit under this  
5 subsection (e) equal to its share of the credit earned  
6 under this subsection (e) during the taxable year by the  
7 partnership or Subchapter S corporation, determined in  
8 accordance with the determination of income and  
9 distributive share of income under Sections 702 and 704  
10 and Subchapter S of the Internal Revenue Code. This  
11 paragraph is exempt from the provisions of Section 250.

12 (f) Investment credit; Enterprise Zone; River Edge  
13 Redevelopment Zone.

14 (1) A taxpayer shall be allowed a credit against the  
15 tax imposed by subsections (a) and (b) of this Section for  
16 investment in qualified property which is placed in  
17 service in an Enterprise Zone created pursuant to the  
18 Illinois Enterprise Zone Act or, for property placed in  
19 service on or after July 1, 2006, a River Edge  
20 Redevelopment Zone established pursuant to the River Edge  
21 Redevelopment Zone Act. For partners, shareholders of  
22 Subchapter S corporations, and owners of limited liability  
23 companies, if the liability company is treated as a  
24 partnership for purposes of federal and State income  
25 taxation, there shall be allowed a credit under this  
26 subsection (f) to be determined in accordance with the

1 determination of income and distributive share of income  
2 under Sections 702 and 704 and Subchapter S of the  
3 Internal Revenue Code. The credit shall be .5% of the  
4 basis for such property. The credit shall be available  
5 only in the taxable year in which the property is placed in  
6 service in the Enterprise Zone or River Edge Redevelopment  
7 Zone and shall not be allowed to the extent that it would  
8 reduce a taxpayer's liability for the tax imposed by  
9 subsections (a) and (b) of this Section to below zero. For  
10 tax years ending on or after December 31, 1985, the credit  
11 shall be allowed for the tax year in which the property is  
12 placed in service, or, if the amount of the credit exceeds  
13 the tax liability for that year, whether it exceeds the  
14 original liability or the liability as later amended, such  
15 excess may be carried forward and applied to the tax  
16 liability of the 5 taxable years following the excess  
17 credit year. The credit shall be applied to the earliest  
18 year for which there is a liability. If there is credit  
19 from more than one tax year that is available to offset a  
20 liability, the credit accruing first in time shall be  
21 applied first.

22 (2) The term qualified property means property which:

23 (A) is tangible, whether new or used, including  
24 buildings and structural components of buildings;

25 (B) is depreciable pursuant to Section 167 of the  
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not  
2 eligible for the credit provided by this subsection  
3 (f);

4 (C) is acquired by purchase as defined in Section  
5 179(d) of the Internal Revenue Code;

6 (D) is used in the Enterprise Zone or River Edge  
7 Redevelopment Zone by the taxpayer; and

8 (E) has not been previously used in Illinois in  
9 such a manner and by such a person as would qualify for  
10 the credit provided by this subsection (f) or  
11 subsection (e).

12 (3) The basis of qualified property shall be the basis  
13 used to compute the depreciation deduction for federal  
14 income tax purposes.

15 (4) If the basis of the property for federal income  
16 tax depreciation purposes is increased after it has been  
17 placed in service in the Enterprise Zone or River Edge  
18 Redevelopment Zone by the taxpayer, the amount of such  
19 increase shall be deemed property placed in service on the  
20 date of such increase in basis.

21 (5) The term "placed in service" shall have the same  
22 meaning as under Section 46 of the Internal Revenue Code.

23 (6) If during any taxable year, any property ceases to  
24 be qualified property in the hands of the taxpayer within  
25 48 months after being placed in service, or the situs of  
26 any qualified property is moved outside the Enterprise

1 Zone or River Edge Redevelopment Zone within 48 months  
2 after being placed in service, the tax imposed under  
3 subsections (a) and (b) of this Section for such taxable  
4 year shall be increased. Such increase shall be determined  
5 by (i) recomputing the investment credit which would have  
6 been allowed for the year in which credit for such  
7 property was originally allowed by eliminating such  
8 property from such computation, and (ii) subtracting such  
9 recomputed credit from the amount of credit previously  
10 allowed. For the purposes of this paragraph (6), a  
11 reduction of the basis of qualified property resulting  
12 from a redetermination of the purchase price shall be  
13 deemed a disposition of qualified property to the extent  
14 of such reduction.

15 (7) There shall be allowed an additional credit equal  
16 to 0.5% of the basis of qualified property placed in  
17 service during the taxable year in a River Edge  
18 Redevelopment Zone, provided such property is placed in  
19 service on or after July 1, 2006, and the taxpayer's base  
20 employment within Illinois has increased by 1% or more  
21 over the preceding year as determined by the taxpayer's  
22 employment records filed with the Illinois Department of  
23 Employment Security. Taxpayers who are new to Illinois  
24 shall be deemed to have met the 1% growth in base  
25 employment for the first year in which they file  
26 employment records with the Illinois Department of

1           Employment Security. If, in any year, the increase in base  
2           employment within Illinois over the preceding year is less  
3           than 1%, the additional credit shall be limited to that  
4           percentage times a fraction, the numerator of which is  
5           0.5% and the denominator of which is 1%, but shall not  
6           exceed 0.5%.

7           (8) For taxable years beginning on or after January 1,  
8           2021, there shall be allowed an Enterprise Zone  
9           construction jobs credit against the taxes imposed under  
10          subsections (a) and (b) of this Section as provided in  
11          Section 13 of the Illinois Enterprise Zone Act.

12          The credit or credits may not reduce the taxpayer's  
13          liability to less than zero. If the amount of the credit or  
14          credits exceeds the taxpayer's liability, the excess may  
15          be carried forward and applied against the taxpayer's  
16          liability in succeeding calendar years in the same manner  
17          provided under paragraph (4) of Section 211 of this Act.  
18          The credit or credits shall be applied to the earliest  
19          year for which there is a tax liability. If there are  
20          credits from more than one taxable year that are available  
21          to offset a liability, the earlier credit shall be applied  
22          first.

23          For partners, shareholders of Subchapter S  
24          corporations, and owners of limited liability companies,  
25          if the liability company is treated as a partnership for  
26          the purposes of federal and State income taxation, there

1 shall be allowed a credit under this Section to be  
2 determined in accordance with the determination of income  
3 and distributive share of income under Sections 702 and  
4 704 and Subchapter S of the Internal Revenue Code.

5 The total aggregate amount of credits awarded under  
6 the Blue Collar Jobs Act (Article 20 of Public Act 101-9  
7 ~~this amendatory Act of the 101st General Assembly~~) shall  
8 not exceed \$20,000,000 in any State fiscal year.

9 This paragraph (8) is exempt from the provisions of  
10 Section 250.

11 (g) (Blank).

12 (h) Investment credit; High Impact Business.

13 (1) Subject to subsections (b) and (b-5) of Section  
14 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall  
15 be allowed a credit against the tax imposed by subsections  
16 (a) and (b) of this Section for investment in qualified  
17 property which is placed in service by a Department of  
18 Commerce and Economic Opportunity designated High Impact  
19 Business. The credit shall be .5% of the basis for such  
20 property. The credit shall not be available (i) until the  
21 minimum investments in qualified property set forth in  
22 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
23 Enterprise Zone Act have been satisfied or (ii) until the  
24 time authorized in subsection (b-5) of the Illinois  
25 Enterprise Zone Act for entities designated as High Impact  
26 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and

1 (a) (3) (D) of Section 5.5 of the Illinois Enterprise Zone  
2 Act, and shall not be allowed to the extent that it would  
3 reduce a taxpayer's liability for the tax imposed by  
4 subsections (a) and (b) of this Section to below zero. The  
5 credit applicable to such investments shall be taken in  
6 the taxable year in which such investments have been  
7 completed. The credit for additional investments beyond  
8 the minimum investment by a designated high impact  
9 business authorized under subdivision (a) (3) (A) of Section  
10 5.5 of the Illinois Enterprise Zone Act shall be available  
11 only in the taxable year in which the property is placed in  
12 service and shall not be allowed to the extent that it  
13 would reduce a taxpayer's liability for the tax imposed by  
14 subsections (a) and (b) of this Section to below zero. For  
15 tax years ending on or after December 31, 1987, the credit  
16 shall be allowed for the tax year in which the property is  
17 placed in service, or, if the amount of the credit exceeds  
18 the tax liability for that year, whether it exceeds the  
19 original liability or the liability as later amended, such  
20 excess may be carried forward and applied to the tax  
21 liability of the 5 taxable years following the excess  
22 credit year. The credit shall be applied to the earliest  
23 year for which there is a liability. If there is credit  
24 from more than one tax year that is available to offset a  
25 liability, the credit accruing first in time shall be  
26 applied first.

1 Changes made in this subdivision (h) (1) by Public Act  
2 88-670 restore changes made by Public Act 85-1182 and  
3 reflect existing law.

4 (2) The term qualified property means property which:

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

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

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

14 (D) is not eligible for the Enterprise Zone  
15 Investment Credit provided by subsection (f) of this  
16 Section.

17 (3) The basis of qualified property shall be the basis  
18 used to compute the depreciation deduction for federal  
19 income tax purposes.

20 (4) If the basis of the property for federal income  
21 tax depreciation purposes is increased after it has been  
22 placed in service in a federally designated Foreign Trade  
23 Zone or Sub-Zone located in Illinois by the taxpayer, the  
24 amount of such increase shall be deemed property placed in  
25 service on the date of such increase in basis.

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year ending on or before  
3 December 31, 1996, any property ceases to be qualified  
4 property in the hands of the taxpayer within 48 months  
5 after being placed in service, or the situs of any  
6 qualified property is moved outside Illinois within 48  
7 months after being placed in service, the tax imposed  
8 under subsections (a) and (b) of this Section for such  
9 taxable year shall be increased. Such increase shall be  
10 determined by (i) recomputing the investment credit which  
11 would have been allowed for the year in which credit for  
12 such property was originally allowed by eliminating such  
13 property from such computation, and (ii) subtracting such  
14 recomputed credit from the amount of credit previously  
15 allowed. For the purposes of this paragraph (6), a  
16 reduction of the basis of qualified property resulting  
17 from a redetermination of the purchase price shall be  
18 deemed a disposition of qualified property to the extent  
19 of such reduction.

20 (7) Beginning with tax years ending after December 31,  
21 1996, if a taxpayer qualifies for the credit under this  
22 subsection (h) and thereby is granted a tax abatement and  
23 the taxpayer relocates its entire facility in violation of  
24 the explicit terms and length of the contract under  
25 Section 18-183 of the Property Tax Code, the tax imposed  
26 under subsections (a) and (b) of this Section shall be

1 increased for the taxable year in which the taxpayer  
2 relocated its facility by an amount equal to the amount of  
3 credit received by the taxpayer under this subsection (h).

4 (h-5) High Impact Business construction ~~constructions~~ jobs  
5 credit. For taxable years beginning on or after January 1,  
6 2021, there shall also be allowed a High Impact Business  
7 construction jobs credit against the tax imposed under  
8 subsections (a) and (b) of this Section as provided in  
9 subsections (i) and (j) of Section 5.5 of the Illinois  
10 Enterprise Zone Act.

11 The credit or credits may not reduce the taxpayer's  
12 liability to less than zero. If the amount of the credit or  
13 credits exceeds the taxpayer's liability, the excess may be  
14 carried forward and applied against the taxpayer's liability  
15 in succeeding calendar years in the manner provided under  
16 paragraph (4) of Section 211 of this Act. The credit or credits  
17 shall be applied to the earliest year for which there is a tax  
18 liability. If there are credits from more than one taxable  
19 year that are available to offset a liability, the earlier  
20 credit shall be applied first.

21 For partners, shareholders of Subchapter S corporations,  
22 and owners of limited liability companies, if the liability  
23 company is treated as a partnership for the purposes of  
24 federal and State income taxation, there shall be allowed a  
25 credit under this Section to be determined in accordance with  
26 the determination of income and distributive share of income

1 under Sections 702 and 704 and Subchapter S of the Internal  
2 Revenue Code.

3 The total aggregate amount of credits awarded under the  
4 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
5 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
6 \$20,000,000 in any State fiscal year.

7 This subsection (h-5) is exempt from the provisions of  
8 Section 250.

9 (i) Credit for Personal Property Tax Replacement Income  
10 Tax. For tax years ending prior to December 31, 2003, a credit  
11 shall be allowed against the tax imposed by subsections (a)  
12 and (b) of this Section for the tax imposed by subsections (c)  
13 and (d) of this Section. This credit shall be computed by  
14 multiplying the tax imposed by subsections (c) and (d) of this  
15 Section by a fraction, the numerator of which is base income  
16 allocable to Illinois and the denominator of which is Illinois  
17 base income, and further multiplying the product by the tax  
18 rate imposed by subsections (a) and (b) of this Section.

19 Any credit earned on or after December 31, 1986 under this  
20 subsection which is unused in the year the credit is computed  
21 because it exceeds the tax liability imposed by subsections  
22 (a) and (b) for that year (whether it exceeds the original  
23 liability or the liability as later amended) may be carried  
24 forward and applied to the tax liability imposed by  
25 subsections (a) and (b) of the 5 taxable years following the  
26 excess credit year, provided that no credit may be carried

1 forward to any year ending on or after December 31, 2003. This  
2 credit shall be applied first to the earliest year for which  
3 there is a liability. If there is a credit under this  
4 subsection from more than one tax year that is available to  
5 offset a liability the earliest credit arising under this  
6 subsection shall be applied first.

7 If, during any taxable year ending on or after December  
8 31, 1986, the tax imposed by subsections (c) and (d) of this  
9 Section for which a taxpayer has claimed a credit under this  
10 subsection (i) is reduced, the amount of credit for such tax  
11 shall also be reduced. Such reduction shall be determined by  
12 recomputing the credit to take into account the reduced tax  
13 imposed by subsections (c) and (d). If any portion of the  
14 reduced amount of credit has been carried to a different  
15 taxable year, an amended return shall be filed for such  
16 taxable year to reduce the amount of credit claimed.

17 (j) Training expense credit. Beginning with tax years  
18 ending on or after December 31, 1986 and prior to December 31,  
19 2003, a taxpayer shall be allowed a credit against the tax  
20 imposed by subsections (a) and (b) under this Section for all  
21 amounts paid or accrued, on behalf of all persons employed by  
22 the taxpayer in Illinois or Illinois residents employed  
23 outside of Illinois by a taxpayer, for educational or  
24 vocational training in semi-technical or technical fields or  
25 semi-skilled or skilled fields, which were deducted from gross  
26 income in the computation of taxable income. The credit

1 against the tax imposed by subsections (a) and (b) shall be  
2 1.6% of such training expenses. For partners, shareholders of  
3 subchapter S corporations, and owners of limited liability  
4 companies, if the liability company is treated as a  
5 partnership for purposes of federal and State income taxation,  
6 there shall be allowed a credit under this subsection (j) to be  
7 determined in accordance with the determination of income and  
8 distributive share of income under Sections 702 and 704 and  
9 subchapter S of the Internal Revenue Code.

10 Any credit allowed under this subsection which is unused  
11 in the year the credit is earned may be carried forward to each  
12 of the 5 taxable years following the year for which the credit  
13 is first computed until it is used. This credit shall be  
14 applied first to the earliest year for which there is a  
15 liability. If there is a credit under this subsection from  
16 more than one tax year that is available to offset a liability,  
17 the earliest credit arising under this subsection shall be  
18 applied first. No carryforward credit may be claimed in any  
19 tax year ending on or after December 31, 2003.

20 (k) Research and development credit. For tax years ending  
21 after July 1, 1990 and prior to December 31, 2003, and  
22 beginning again for tax years ending on or after December 31,  
23 2004, and ending prior to January 1, 2027, a taxpayer shall be  
24 allowed a credit against the tax imposed by subsections (a)  
25 and (b) of this Section for increasing research activities in  
26 this State. The credit allowed against the tax imposed by

1 subsections (a) and (b) shall be equal to 6 1/2% of the  
2 qualifying expenditures for increasing research activities in  
3 this State. For partners, shareholders of subchapter S  
4 corporations, and owners of limited liability companies, if  
5 the liability company is treated as a partnership for purposes  
6 of federal and State income taxation, there shall be allowed a  
7 credit under this subsection to be determined in accordance  
8 with the determination of income and distributive share of  
9 income under Sections 702 and 704 and subchapter S of the  
10 Internal Revenue Code.

11 For purposes of this subsection, "qualifying expenditures"  
12 means the qualifying expenditures as defined for the federal  
13 credit for increasing research activities which would be  
14 allowable under Section 41 of the Internal Revenue Code and  
15 which are conducted in this State, "qualifying expenditures  
16 for increasing research activities in this State" means the  
17 excess of qualifying expenditures for the taxable year in  
18 which incurred over qualifying expenditures for the base  
19 period, "qualifying expenditures for the base period" means  
20 the average of the qualifying expenditures for each year in  
21 the base period, and "base period" means the 3 taxable years  
22 immediately preceding the taxable year for which the  
23 determination is being made.

24 Any credit in excess of the tax liability for the taxable  
25 year may be carried forward. A taxpayer may elect to have the  
26 unused credit shown on its final completed return carried over

1 as a credit against the tax liability for the following 5  
2 taxable years or until it has been fully used, whichever  
3 occurs first; provided that no credit earned in a tax year  
4 ending prior to December 31, 2003 may be carried forward to any  
5 year ending on or after December 31, 2003.

6 If an unused credit is carried forward to a given year from  
7 2 or more earlier years, that credit arising in the earliest  
8 year will be applied first against the tax liability for the  
9 given year. If a tax liability for the given year still  
10 remains, the credit from the next earliest year will then be  
11 applied, and so on, until all credits have been used or no tax  
12 liability for the given year remains. Any remaining unused  
13 credit or credits then will be carried forward to the next  
14 following year in which a tax liability is incurred, except  
15 that no credit can be carried forward to a year which is more  
16 than 5 years after the year in which the expense for which the  
17 credit is given was incurred.

18 No inference shall be drawn from Public Act 91-644 ~~this~~  
19 ~~amendatory Act of the 91st General Assembly~~ in construing this  
20 Section for taxable years beginning before January 1, 1999.

21 It is the intent of the General Assembly that the research  
22 and development credit under this subsection (k) shall apply  
23 continuously for all tax years ending on or after December 31,  
24 2004 and ending prior to January 1, 2027, including, but not  
25 limited to, the period beginning on January 1, 2016 and ending  
26 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~

1 ~~amendatory Act of the 100th General Assembly.~~ All actions  
2 taken in reliance on the continuation of the credit under this  
3 subsection (k) by any taxpayer are hereby validated.

4 (l) Environmental Remediation Tax Credit.

5 (i) For tax years ending after December 31, 1997 and  
6 on or before December 31, 2001, a taxpayer shall be  
7 allowed a credit against the tax imposed by subsections  
8 (a) and (b) of this Section for certain amounts paid for  
9 unreimbursed eligible remediation costs, as specified in  
10 this subsection. For purposes of this Section,  
11 "unreimbursed eligible remediation costs" means costs  
12 approved by the Illinois Environmental Protection Agency  
13 ("Agency") under Section 58.14 of the Environmental  
14 Protection Act that were paid in performing environmental  
15 remediation at a site for which a No Further Remediation  
16 Letter was issued by the Agency and recorded under Section  
17 58.10 of the Environmental Protection Act. The credit must  
18 be claimed for the taxable year in which Agency approval  
19 of the eligible remediation costs is granted. The credit  
20 is not available to any taxpayer if the taxpayer or any  
21 related party caused or contributed to, in any material  
22 respect, a release of regulated substances on, in, or  
23 under the site that was identified and addressed by the  
24 remedial action pursuant to the Site Remediation Program  
25 of the Environmental Protection Act. After the Pollution  
26 Control Board rules are adopted pursuant to the Illinois

1 Administrative Procedure Act for the administration and  
2 enforcement of Section 58.9 of the Environmental  
3 Protection Act, determinations as to credit availability  
4 for purposes of this Section shall be made consistent with  
5 those rules. For purposes of this Section, "taxpayer"  
6 includes a person whose tax attributes the taxpayer has  
7 succeeded to under Section 381 of the Internal Revenue  
8 Code and "related party" includes the persons disallowed a  
9 deduction for losses by paragraphs (b), (c), and (f)(1) of  
10 Section 267 of the Internal Revenue Code by virtue of  
11 being a related taxpayer, as well as any of its partners.  
12 The credit allowed against the tax imposed by subsections  
13 (a) and (b) shall be equal to 25% of the unreimbursed  
14 eligible remediation costs in excess of \$100,000 per site,  
15 except that the \$100,000 threshold shall not apply to any  
16 site contained in an enterprise zone as determined by the  
17 Department of Commerce and Community Affairs (now  
18 Department of Commerce and Economic Opportunity). The  
19 total credit allowed shall not exceed \$40,000 per year  
20 with a maximum total of \$150,000 per site. For partners  
21 and shareholders of subchapter S corporations, there shall  
22 be allowed a credit under this subsection to be determined  
23 in accordance with the determination of income and  
24 distributive share of income under Sections 702 and 704  
25 and subchapter S of the Internal Revenue Code.

26 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried  
2 forward to each of the 5 taxable years following the year  
3 for which the credit is first earned until it is used. The  
4 term "unused credit" does not include any amounts of  
5 unreimbursed eligible remediation costs in excess of the  
6 maximum credit per site authorized under paragraph (i).  
7 This credit shall be applied first to the earliest year  
8 for which there is a liability. If there is a credit under  
9 this subsection from more than one tax year that is  
10 available to offset a liability, the earliest credit  
11 arising under this subsection shall be applied first. A  
12 credit allowed under this subsection may be sold to a  
13 buyer as part of a sale of all or part of the remediation  
14 site for which the credit was granted. The purchaser of a  
15 remediation site and the tax credit shall succeed to the  
16 unused credit and remaining carry-forward period of the  
17 seller. To perfect the transfer, the assignor shall record  
18 the transfer in the chain of title for the site and provide  
19 written notice to the Director of the Illinois Department  
20 of Revenue of the assignor's intent to sell the  
21 remediation site and the amount of the tax credit to be  
22 transferred as a portion of the sale. In no event may a  
23 credit be transferred to any taxpayer if the taxpayer or a  
24 related party would not be eligible under the provisions  
25 of subsection (i).

26 (iii) For purposes of this Section, the term "site"

1 shall have the same meaning as under Section 58.2 of the  
2 Environmental Protection Act.

3 (m) Education expense credit. Beginning with tax years  
4 ending after December 31, 1999, a taxpayer who is the  
5 custodian of one or more qualifying pupils shall be allowed a  
6 credit against the tax imposed by subsections (a) and (b) of  
7 this Section for qualified education expenses incurred on  
8 behalf of the qualifying pupils. The credit shall be equal to  
9 25% of qualified education expenses, but in no event may the  
10 total credit under this subsection claimed by a family that is  
11 the custodian of qualifying pupils exceed (i) \$500 for tax  
12 years ending prior to December 31, 2017, and (ii) \$750 for tax  
13 years ending on or after December 31, 2017. In no event shall a  
14 credit under this subsection reduce the taxpayer's liability  
15 under this Act to less than zero. Notwithstanding any other  
16 provision of law, for taxable years beginning on or after  
17 January 1, 2017, no taxpayer may claim a credit under this  
18 subsection (m) if the taxpayer's adjusted gross income for the  
19 taxable year exceeds (i) \$500,000, in the case of spouses  
20 filing a joint federal tax return or (ii) \$250,000, in the case  
21 of all other taxpayers. This subsection is exempt from the  
22 provisions of Section 250 of this Act.

23 For purposes of this subsection:

24 "Qualifying pupils" means individuals who (i) are  
25 residents of the State of Illinois, (ii) are under the age of  
26 21 at the close of the school year for which a credit is

1 sought, and (iii) during the school year for which a credit is  
2 sought were full-time pupils enrolled in a kindergarten  
3 through twelfth grade education program at any school, as  
4 defined in this subsection.

5 "Qualified education expense" means the amount incurred on  
6 behalf of a qualifying pupil in excess of \$250 for tuition,  
7 book fees, and lab fees at the school in which the pupil is  
8 enrolled during the regular school year.

9 "School" means any public or nonpublic elementary or  
10 secondary school in Illinois that is in compliance with Title  
11 VI of the Civil Rights Act of 1964 and attendance at which  
12 satisfies the requirements of Section 26-1 of the School Code,  
13 except that nothing shall be construed to require a child to  
14 attend any particular public or nonpublic school to qualify  
15 for the credit under this Section.

16 "Custodian" means, with respect to qualifying pupils, an  
17 Illinois resident who is a parent, the parents, a legal  
18 guardian, or the legal guardians of the qualifying pupils.

19 (n) River Edge Redevelopment Zone site remediation tax  
20 credit.

21 (i) For tax years ending on or after December 31,  
22 2006, a taxpayer shall be allowed a credit against the tax  
23 imposed by subsections (a) and (b) of this Section for  
24 certain amounts paid for unreimbursed eligible remediation  
25 costs, as specified in this subsection. For purposes of  
26 this Section, "unreimbursed eligible remediation costs"

1 means costs approved by the Illinois Environmental  
2 Protection Agency ("Agency") under Section 58.14a of the  
3 Environmental Protection Act that were paid in performing  
4 environmental remediation at a site within a River Edge  
5 Redevelopment Zone for which a No Further Remediation  
6 Letter was issued by the Agency and recorded under Section  
7 58.10 of the Environmental Protection Act. The credit must  
8 be claimed for the taxable year in which Agency approval  
9 of the eligible remediation costs is granted. The credit  
10 is not available to any taxpayer if the taxpayer or any  
11 related party caused or contributed to, in any material  
12 respect, a release of regulated substances on, in, or  
13 under the site that was identified and addressed by the  
14 remedial action pursuant to the Site Remediation Program  
15 of the Environmental Protection Act. Determinations as to  
16 credit availability for purposes of this Section shall be  
17 made consistent with rules adopted by the Pollution  
18 Control Board pursuant to the Illinois Administrative  
19 Procedure Act for the administration and enforcement of  
20 Section 58.9 of the Environmental Protection Act. For  
21 purposes of this Section, "taxpayer" includes a person  
22 whose tax attributes the taxpayer has succeeded to under  
23 Section 381 of the Internal Revenue Code and "related  
24 party" includes the persons disallowed a deduction for  
25 losses by paragraphs (b), (c), and (f)(1) of Section 267  
26 of the Internal Revenue Code by virtue of being a related

1 taxpayer, as well as any of its partners. The credit  
2 allowed against the tax imposed by subsections (a) and (b)  
3 shall be equal to 25% of the unreimbursed eligible  
4 remediation costs in excess of \$100,000 per site.

5 (ii) A credit allowed under this subsection that is  
6 unused in the year the credit is earned may be carried  
7 forward to each of the 5 taxable years following the year  
8 for which the credit is first earned until it is used. This  
9 credit shall be applied first to the earliest year for  
10 which there is a liability. If there is a credit under this  
11 subsection from more than one tax year that is available  
12 to offset a liability, the earliest credit arising under  
13 this subsection shall be applied first. A credit allowed  
14 under this subsection may be sold to a buyer as part of a  
15 sale of all or part of the remediation site for which the  
16 credit was granted. The purchaser of a remediation site  
17 and the tax credit shall succeed to the unused credit and  
18 remaining carry-forward period of the seller. To perfect  
19 the transfer, the assignor shall record the transfer in  
20 the chain of title for the site and provide written notice  
21 to the Director of the Illinois Department of Revenue of  
22 the assignor's intent to sell the remediation site and the  
23 amount of the tax credit to be transferred as a portion of  
24 the sale. In no event may a credit be transferred to any  
25 taxpayer if the taxpayer or a related party would not be  
26 eligible under the provisions of subsection (i).

1           (iii) For purposes of this Section, the term "site"  
2           shall have the same meaning as under Section 58.2 of the  
3           Environmental Protection Act.

4           (o) For each of taxable years during the Compassionate Use  
5           of Medical Cannabis Program, a surcharge is imposed on all  
6           taxpayers on income arising from the sale or exchange of  
7           capital assets, depreciable business property, real property  
8           used in the trade or business, and Section 197 intangibles of  
9           an organization registrant under the Compassionate Use of  
10          Medical Cannabis Program Act. The amount of the surcharge is  
11          equal to the amount of federal income tax liability for the  
12          taxable year attributable to those sales and exchanges. The  
13          surcharge imposed does not apply if:

14               (1) the medical cannabis cultivation center  
15               registration, medical cannabis dispensary registration, or  
16               the property of a registration is transferred as a result  
17               of any of the following:

18                       (A) bankruptcy, a receivership, or a debt  
19                       adjustment initiated by or against the initial  
20                       registration or the substantial owners of the initial  
21                       registration;

22                       (B) cancellation, revocation, or termination of  
23                       any registration by the Illinois Department of Public  
24                       Health;

25                       (C) a determination by the Illinois Department of  
26                       Public Health that transfer of the registration is in

1 the best interests of Illinois qualifying patients as  
2 defined by the Compassionate Use of Medical Cannabis  
3 Program Act;

4 (D) the death of an owner of the equity interest in  
5 a registrant;

6 (E) the acquisition of a controlling interest in  
7 the stock or substantially all of the assets of a  
8 publicly traded company;

9 (F) a transfer by a parent company to a wholly  
10 owned subsidiary; or

11 (G) the transfer or sale to or by one person to  
12 another person where both persons were initial owners  
13 of the registration when the registration was issued;  
14 or

15 (2) the cannabis cultivation center registration,  
16 medical cannabis dispensary registration, or the  
17 controlling interest in a registrant's property is  
18 transferred in a transaction to lineal descendants in  
19 which no gain or loss is recognized or as a result of a  
20 transaction in accordance with Section 351 of the Internal  
21 Revenue Code in which no gain or loss is recognized.

22 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,  
23 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;  
24 revised 11-18-20.)

25 (Text of Section with the changes made by P.A. 101-8,

1 which did not take effect (see Section 99 of P.A. 101-8))

2 Sec. 201. Tax imposed.

3 (a) In general. A tax measured by net income is hereby  
4 imposed on every individual, corporation, trust and estate for  
5 each taxable year ending after July 31, 1969 on the privilege  
6 of earning or receiving income in or as a resident of this  
7 State. Such tax shall be in addition to all other occupation or  
8 privilege taxes imposed by this State or by any municipal  
9 corporation or political subdivision thereof.

10 (b) Rates. The tax imposed by subsection (a) of this  
11 Section shall be determined as follows, except as adjusted by  
12 subsection (d-1):

13 (1) In the case of an individual, trust or estate, for  
14 taxable years ending prior to July 1, 1989, an amount  
15 equal to 2 1/2% of the taxpayer's net income for the  
16 taxable year.

17 (2) In the case of an individual, trust or estate, for  
18 taxable years beginning prior to July 1, 1989 and ending  
19 after June 30, 1989, an amount equal to the sum of (i) 2  
20 1/2% of the taxpayer's net income for the period prior to  
21 July 1, 1989, as calculated under Section 202.3, and (ii)  
22 3% of the taxpayer's net income for the period after June  
23 30, 1989, as calculated under Section 202.3.

24 (3) In the case of an individual, trust or estate, for  
25 taxable years beginning after June 30, 1989, and ending  
26 prior to January 1, 2011, an amount equal to 3% of the

1 taxpayer's net income for the taxable year.

2 (4) In the case of an individual, trust, or estate,  
3 for taxable years beginning prior to January 1, 2011, and  
4 ending after December 31, 2010, an amount equal to the sum  
5 of (i) 3% of the taxpayer's net income for the period prior  
6 to January 1, 2011, as calculated under Section 202.5, and  
7 (ii) 5% of the taxpayer's net income for the period after  
8 December 31, 2010, as calculated under Section 202.5.

9 (5) In the case of an individual, trust, or estate,  
10 for taxable years beginning on or after January 1, 2011,  
11 and ending prior to January 1, 2015, an amount equal to 5%  
12 of the taxpayer's net income for the taxable year.

13 (5.1) In the case of an individual, trust, or estate,  
14 for taxable years beginning prior to January 1, 2015, and  
15 ending after December 31, 2014, an amount equal to the sum  
16 of (i) 5% of the taxpayer's net income for the period prior  
17 to January 1, 2015, as calculated under Section 202.5, and  
18 (ii) 3.75% of the taxpayer's net income for the period  
19 after December 31, 2014, as calculated under Section  
20 202.5.

21 (5.2) In the case of an individual, trust, or estate,  
22 for taxable years beginning on or after January 1, 2015,  
23 and ending prior to July 1, 2017, an amount equal to 3.75%  
24 of the taxpayer's net income for the taxable year.

25 (5.3) In the case of an individual, trust, or estate,  
26 for taxable years beginning prior to July 1, 2017, and

1 ending after June 30, 2017, an amount equal to the sum of  
2 (i) 3.75% of the taxpayer's net income for the period  
3 prior to July 1, 2017, as calculated under Section 202.5,  
4 and (ii) 4.95% of the taxpayer's net income for the period  
5 after June 30, 2017, as calculated under Section 202.5.

6 (5.4) In the case of an individual, trust, or estate,  
7 for taxable years beginning on or after July 1, 2017 and  
8 beginning prior to January 1, 2021, an amount equal to  
9 4.95% of the taxpayer's net income for the taxable year.

10 (5.5) In the case of an individual, trust, or estate,  
11 for taxable years beginning on or after January 1, 2021,  
12 an amount calculated under the rate structure set forth in  
13 Section 201.1.

14 (6) In the case of a corporation, for taxable years  
15 ending prior to July 1, 1989, an amount equal to 4% of the  
16 taxpayer's net income for the taxable year.

17 (7) In the case of a corporation, for taxable years  
18 beginning prior to July 1, 1989 and ending after June 30,  
19 1989, an amount equal to the sum of (i) 4% of the  
20 taxpayer's net income for the period prior to July 1,  
21 1989, as calculated under Section 202.3, and (ii) 4.8% of  
22 the taxpayer's net income for the period after June 30,  
23 1989, as calculated under Section 202.3.

24 (8) In the case of a corporation, for taxable years  
25 beginning after June 30, 1989, and ending prior to January  
26 1, 2011, an amount equal to 4.8% of the taxpayer's net

1 income for the taxable year.

2 (9) In the case of a corporation, for taxable years  
3 beginning prior to January 1, 2011, and ending after  
4 December 31, 2010, an amount equal to the sum of (i) 4.8%  
5 of the taxpayer's net income for the period prior to  
6 January 1, 2011, as calculated under Section 202.5, and  
7 (ii) 7% of the taxpayer's net income for the period after  
8 December 31, 2010, as calculated under Section 202.5.

9 (10) In the case of a corporation, for taxable years  
10 beginning on or after January 1, 2011, and ending prior to  
11 January 1, 2015, an amount equal to 7% of the taxpayer's  
12 net income for the taxable year.

13 (11) In the case of a corporation, for taxable years  
14 beginning prior to January 1, 2015, and ending after  
15 December 31, 2014, an amount equal to the sum of (i) 7% of  
16 the taxpayer's net income for the period prior to January  
17 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
18 of the taxpayer's net income for the period after December  
19 31, 2014, as calculated under Section 202.5.

20 (12) In the case of a corporation, for taxable years  
21 beginning on or after January 1, 2015, and ending prior to  
22 July 1, 2017, an amount equal to 5.25% of the taxpayer's  
23 net income for the taxable year.

24 (13) In the case of a corporation, for taxable years  
25 beginning prior to July 1, 2017, and ending after June 30,  
26 2017, an amount equal to the sum of (i) 5.25% of the

1 taxpayer's net income for the period prior to July 1,  
2 2017, as calculated under Section 202.5, and (ii) 7% of  
3 the taxpayer's net income for the period after June 30,  
4 2017, as calculated under Section 202.5.

5 (14) In the case of a corporation, for taxable years  
6 beginning on or after July 1, 2017 and beginning prior to  
7 January 1, 2021, an amount equal to 7% of the taxpayer's  
8 net income for the taxable year.

9 (15) In the case of a corporation, for taxable years  
10 beginning on or after January 1, 2021, an amount equal to  
11 7.99% of the taxpayer's net income for the taxable year.

12 The rates under this subsection (b) are subject to the  
13 provisions of Section 201.5.

14 (b-5) Surcharge; sale or exchange of assets, properties,  
15 and intangibles of organization gaming licensees. For each of  
16 taxable years 2019 through 2027, a surcharge is imposed on all  
17 taxpayers on income arising from the sale or exchange of  
18 capital assets, depreciable business property, real property  
19 used in the trade or business, and Section 197 intangibles (i)  
20 of an organization licensee under the Illinois Horse Racing  
21 Act of 1975 and (ii) of an organization gaming licensee under  
22 the Illinois Gambling Act. The amount of the surcharge is  
23 equal to the amount of federal income tax liability for the  
24 taxable year attributable to those sales and exchanges. The  
25 surcharge imposed shall not apply if:

26 (1) the organization gaming license, organization

1 license, or racetrack property is transferred as a result  
2 of any of the following:

3 (A) bankruptcy, a receivership, or a debt  
4 adjustment initiated by or against the initial  
5 licensee or the substantial owners of the initial  
6 licensee;

7 (B) cancellation, revocation, or termination of  
8 any such license by the Illinois Gaming Board or the  
9 Illinois Racing Board;

10 (C) a determination by the Illinois Gaming Board  
11 that transfer of the license is in the best interests  
12 of Illinois gaming;

13 (D) the death of an owner of the equity interest in  
14 a licensee;

15 (E) the acquisition of a controlling interest in  
16 the stock or substantially all of the assets of a  
17 publicly traded company;

18 (F) a transfer by a parent company to a wholly  
19 owned subsidiary; or

20 (G) the transfer or sale to or by one person to  
21 another person where both persons were initial owners  
22 of the license when the license was issued; or

23 (2) the controlling interest in the organization  
24 gaming license, organization license, or racetrack  
25 property is transferred in a transaction to lineal  
26 descendants in which no gain or loss is recognized or as a

1 result of a transaction in accordance with Section 351 of  
2 the Internal Revenue Code in which no gain or loss is  
3 recognized; or

4 (3) live horse racing was not conducted in 2010 at a  
5 racetrack located within 3 miles of the Mississippi River  
6 under a license issued pursuant to the Illinois Horse  
7 Racing Act of 1975.

8 The transfer of an organization gaming license,  
9 organization license, or racetrack property by a person other  
10 than the initial licensee to receive the organization gaming  
11 license is not subject to a surcharge. The Department shall  
12 adopt rules necessary to implement and administer this  
13 subsection.

14 (c) Personal Property Tax Replacement Income Tax.  
15 Beginning on July 1, 1979 and thereafter, in addition to such  
16 income tax, there is also hereby imposed the Personal Property  
17 Tax Replacement Income Tax measured by net income on every  
18 corporation (including Subchapter S corporations), partnership  
19 and trust, for each taxable year ending after June 30, 1979.  
20 Such taxes are imposed on the privilege of earning or  
21 receiving income in or as a resident of this State. The  
22 Personal Property Tax Replacement Income Tax shall be in  
23 addition to the income tax imposed by subsections (a) and (b)  
24 of this Section and in addition to all other occupation or  
25 privilege taxes imposed by this State or by any municipal  
26 corporation or political subdivision thereof.

1           (d) Additional Personal Property Tax Replacement Income  
2 Tax Rates. The personal property tax replacement income tax  
3 imposed by this subsection and subsection (c) of this Section  
4 in the case of a corporation, other than a Subchapter S  
5 corporation and except as adjusted by subsection (d-1), shall  
6 be an additional amount equal to 2.85% of such taxpayer's net  
7 income for the taxable year, except that beginning on January  
8 1, 1981, and thereafter, the rate of 2.85% specified in this  
9 subsection shall be reduced to 2.5%, and in the case of a  
10 partnership, trust or a Subchapter S corporation shall be an  
11 additional amount equal to 1.5% of such taxpayer's net income  
12 for the taxable year.

13           (d-1) Rate reduction for certain foreign insurers. In the  
14 case of a foreign insurer, as defined by Section 35A-5 of the  
15 Illinois Insurance Code, whose state or country of domicile  
16 imposes on insurers domiciled in Illinois a retaliatory tax  
17 (excluding any insurer whose premiums from reinsurance assumed  
18 are 50% or more of its total insurance premiums as determined  
19 under paragraph (2) of subsection (b) of Section 304, except  
20 that for purposes of this determination premiums from  
21 reinsurance do not include premiums from inter-affiliate  
22 reinsurance arrangements), beginning with taxable years ending  
23 on or after December 31, 1999, the sum of the rates of tax  
24 imposed by subsections (b) and (d) shall be reduced (but not  
25 increased) to the rate at which the total amount of tax imposed  
26 under this Act, net of all credits allowed under this Act,

1 shall equal (i) the total amount of tax that would be imposed  
2 on the foreign insurer's net income allocable to Illinois for  
3 the taxable year by such foreign insurer's state or country of  
4 domicile if that net income were subject to all income taxes  
5 and taxes measured by net income imposed by such foreign  
6 insurer's state or country of domicile, net of all credits  
7 allowed or (ii) a rate of zero if no such tax is imposed on  
8 such income by the foreign insurer's state of domicile. For  
9 the purposes of this subsection (d-1), an inter-affiliate  
10 includes a mutual insurer under common management.

11 (1) For the purposes of subsection (d-1), in no event  
12 shall the sum of the rates of tax imposed by subsections  
13 (b) and (d) be reduced below the rate at which the sum of:

14 (A) the total amount of tax imposed on such  
15 foreign insurer under this Act for a taxable year, net  
16 of all credits allowed under this Act, plus

17 (B) the privilege tax imposed by Section 409 of  
18 the Illinois Insurance Code, the fire insurance  
19 company tax imposed by Section 12 of the Fire  
20 Investigation Act, and the fire department taxes  
21 imposed under Section 11-10-1 of the Illinois  
22 Municipal Code,

23 equals 1.25% for taxable years ending prior to December  
24 31, 2003, or 1.75% for taxable years ending on or after  
25 December 31, 2003, of the net taxable premiums written for  
26 the taxable year, as described by subsection (1) of

1 Section 409 of the Illinois Insurance Code. This paragraph  
2 will in no event increase the rates imposed under  
3 subsections (b) and (d).

4 (2) Any reduction in the rates of tax imposed by this  
5 subsection shall be applied first against the rates  
6 imposed by subsection (b) and only after the tax imposed  
7 by subsection (a) net of all credits allowed under this  
8 Section other than the credit allowed under subsection (i)  
9 has been reduced to zero, against the rates imposed by  
10 subsection (d).

11 This subsection (d-1) is exempt from the provisions of  
12 Section 250.

13 (e) Investment credit. A taxpayer shall be allowed a  
14 credit against the Personal Property Tax Replacement Income  
15 Tax for investment in qualified property.

16 (1) A taxpayer shall be allowed a credit equal to .5%  
17 of the basis of qualified property placed in service  
18 during the taxable year, provided such property is placed  
19 in service on or after July 1, 1984. There shall be allowed  
20 an additional credit equal to .5% of the basis of  
21 qualified property placed in service during the taxable  
22 year, provided such property is placed in service on or  
23 after July 1, 1986, and the taxpayer's base employment  
24 within Illinois has increased by 1% or more over the  
25 preceding year as determined by the taxpayer's employment  
26 records filed with the Illinois Department of Employment

1 Security. Taxpayers who are new to Illinois shall be  
2 deemed to have met the 1% growth in base employment for the  
3 first year in which they file employment records with the  
4 Illinois Department of Employment Security. The provisions  
5 added to this Section by Public Act 85-1200 (and restored  
6 by Public Act 87-895) shall be construed as declaratory of  
7 existing law and not as a new enactment. If, in any year,  
8 the increase in base employment within Illinois over the  
9 preceding year is less than 1%, the additional credit  
10 shall be limited to that percentage times a fraction, the  
11 numerator of which is .5% and the denominator of which is  
12 1%, but shall not exceed .5%. The investment credit shall  
13 not be allowed to the extent that it would reduce a  
14 taxpayer's liability in any tax year below zero, nor may  
15 any credit for qualified property be allowed for any year  
16 other than the year in which the property was placed in  
17 service in Illinois. For tax years ending on or after  
18 December 31, 1987, and on or before December 31, 1988, the  
19 credit shall be allowed for the tax year in which the  
20 property is placed in service, or, if the amount of the  
21 credit exceeds the tax liability for that year, whether it  
22 exceeds the original liability or the liability as later  
23 amended, such excess may be carried forward and applied to  
24 the tax liability of the 5 taxable years following the  
25 excess credit years if the taxpayer (i) makes investments  
26 which cause the creation of a minimum of 2,000 full-time

1 equivalent jobs in Illinois, (ii) is located in an  
2 enterprise zone established pursuant to the Illinois  
3 Enterprise Zone Act and (iii) is certified by the  
4 Department of Commerce and Community Affairs (now  
5 Department of Commerce and Economic Opportunity) as  
6 complying with the requirements specified in clause (i)  
7 and (ii) by July 1, 1986. The Department of Commerce and  
8 Community Affairs (now Department of Commerce and Economic  
9 Opportunity) shall notify the Department of Revenue of all  
10 such certifications immediately. For tax years ending  
11 after December 31, 1988, the credit shall be allowed for  
12 the tax year in which the property is placed in service,  
13 or, if the amount of the credit exceeds the tax liability  
14 for that year, whether it exceeds the original liability  
15 or the liability as later amended, such excess may be  
16 carried forward and applied to the tax liability of the 5  
17 taxable years following the excess credit years. The  
18 credit shall be applied to the earliest year for which  
19 there is a liability. If there is credit from more than one  
20 tax year that is available to offset a liability, earlier  
21 credit shall be applied first.

22 (2) The term "qualified property" means property  
23 which:

24 (A) is tangible, whether new or used, including  
25 buildings and structural components of buildings and  
26 signs that are real property, but not including land

1 or improvements to real property that are not a  
2 structural component of a building such as  
3 landscaping, sewer lines, local access roads, fencing,  
4 parking lots, and other appurtenances;

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

10 (C) is acquired by purchase as defined in Section  
11 179(d) of the Internal Revenue Code;

12 (D) is used in Illinois by a taxpayer who is  
13 primarily engaged in manufacturing, or in mining coal  
14 or fluorite, or in retailing, or was placed in service  
15 on or after July 1, 2006 in a River Edge Redevelopment  
16 Zone established pursuant to the River Edge  
17 Redevelopment Zone Act; and

18 (E) has not previously been used in Illinois in  
19 such a manner and by such a person as would qualify for  
20 the credit provided by this subsection (e) or  
21 subsection (f).

22 (3) For purposes of this subsection (e),  
23 "manufacturing" means the material staging and production  
24 of tangible personal property by procedures commonly  
25 regarded as manufacturing, processing, fabrication, or  
26 assembling which changes some existing material into new

1 shapes, new qualities, or new combinations. For purposes  
2 of this subsection (e) the term "mining" shall have the  
3 same meaning as the term "mining" in Section 613(c) of the  
4 Internal Revenue Code. For purposes of this subsection  
5 (e), the term "retailing" means the sale of tangible  
6 personal property for use or consumption and not for  
7 resale, or services rendered in conjunction with the sale  
8 of tangible personal property for use or consumption and  
9 not for resale. For purposes of this subsection (e),  
10 "tangible personal property" has the same meaning as when  
11 that term is used in the Retailers' Occupation Tax Act,  
12 and, for taxable years ending after December 31, 2008,  
13 does not include the generation, transmission, or  
14 distribution of electricity.

15 (4) The basis of qualified property shall be the basis  
16 used to compute the depreciation deduction for federal  
17 income tax purposes.

18 (5) If the basis of the property for federal income  
19 tax depreciation purposes is increased after it has been  
20 placed in service in Illinois by the taxpayer, the amount  
21 of such increase shall be deemed property placed in  
22 service on the date of such increase in basis.

23 (6) The term "placed in service" shall have the same  
24 meaning as under Section 46 of the Internal Revenue Code.

25 (7) If during any taxable year, any property ceases to  
26 be qualified property in the hands of the taxpayer within

1 48 months after being placed in service, or the situs of  
2 any qualified property is moved outside Illinois within 48  
3 months after being placed in service, the Personal  
4 Property Tax Replacement Income Tax for such taxable year  
5 shall be increased. Such increase shall be determined by  
6 (i) recomputing the investment credit which would have  
7 been allowed for the year in which credit for such  
8 property was originally allowed by eliminating such  
9 property from such computation and, (ii) subtracting such  
10 recomputed credit from the amount of credit previously  
11 allowed. For the purposes of this paragraph (7), a  
12 reduction of the basis of qualified property resulting  
13 from a redetermination of the purchase price shall be  
14 deemed a disposition of qualified property to the extent  
15 of such reduction.

16 (8) Unless the investment credit is extended by law,  
17 the basis of qualified property shall not include costs  
18 incurred after December 31, 2018, except for costs  
19 incurred pursuant to a binding contract entered into on or  
20 before December 31, 2018.

21 (9) Each taxable year ending before December 31, 2000,  
22 a partnership may elect to pass through to its partners  
23 the credits to which the partnership is entitled under  
24 this subsection (e) for the taxable year. A partner may  
25 use the credit allocated to him or her under this  
26 paragraph only against the tax imposed in subsections (c)

1 and (d) of this Section. If the partnership makes that  
2 election, those credits shall be allocated among the  
3 partners in the partnership in accordance with the rules  
4 set forth in Section 704(b) of the Internal Revenue Code,  
5 and the rules promulgated under that Section, and the  
6 allocated amount of the credits shall be allowed to the  
7 partners for that taxable year. The partnership shall make  
8 this election on its Personal Property Tax Replacement  
9 Income Tax return for that taxable year. The election to  
10 pass through the credits shall be irrevocable.

11 For taxable years ending on or after December 31,  
12 2000, a partner that qualifies its partnership for a  
13 subtraction under subparagraph (I) of paragraph (2) of  
14 subsection (d) of Section 203 or a shareholder that  
15 qualifies a Subchapter S corporation for a subtraction  
16 under subparagraph (S) of paragraph (2) of subsection (b)  
17 of Section 203 shall be allowed a credit under this  
18 subsection (e) equal to its share of the credit earned  
19 under this subsection (e) during the taxable year by the  
20 partnership or Subchapter S corporation, determined in  
21 accordance with the determination of income and  
22 distributive share of income under Sections 702 and 704  
23 and Subchapter S of the Internal Revenue Code. This  
24 paragraph is exempt from the provisions of Section 250.

25 (f) Investment credit; Enterprise Zone; River Edge  
26 Redevelopment Zone; Clean Energy Empowerment Zone.

1           (1) A taxpayer shall be allowed a credit against the  
2 tax imposed by subsections (a) and (b) of this Section for  
3 investment in qualified property which is placed in  
4 service in an Enterprise Zone created pursuant to the  
5 Illinois Enterprise Zone Act or, for property placed in  
6 service on or after July 1, 2006, a River Edge  
7 Redevelopment Zone established pursuant to the River Edge  
8 Redevelopment Zone Act, or for investment in renewable  
9 energy enterprises located in Clean Energy Empowerment  
10 Zones created pursuant to the Energy Community  
11 Reinvestment Act. For partners, shareholders of Subchapter  
12 S corporations, and owners of limited liability companies,  
13 if the liability company is treated as a partnership for  
14 purposes of federal and State income taxation, there shall  
15 be allowed a credit under this subsection (f) to be  
16 determined in accordance with the determination of income  
17 and distributive share of income under Sections 702 and  
18 704 and Subchapter S of the Internal Revenue Code. The  
19 credit shall be .5% of the basis for such property. The  
20 credit shall be available only in the taxable year in  
21 which the property is placed in service in the Enterprise  
22 Zone or River Edge Redevelopment Zone and shall not be  
23 allowed to the extent that it would reduce a taxpayer's  
24 liability for the tax imposed by subsections (a) and (b)  
25 of this Section to below zero. For tax years ending on or  
26 after December 31, 1985, the credit shall be allowed for

1 the tax year in which the property is placed in service,  
2 or, if the amount of the credit exceeds the tax liability  
3 for that year, whether it exceeds the original liability  
4 or the liability as later amended, such excess may be  
5 carried forward and applied to the tax liability of the 5  
6 taxable years following the excess credit year. The credit  
7 shall be applied to the earliest year for which there is a  
8 liability. If there is credit from more than one tax year  
9 that is available to offset a liability, the credit  
10 accruing first in time shall be applied first.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including  
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the  
15 Internal Revenue Code, except that "3-year property"  
16 as defined in Section 168(c)(2)(A) of that Code is not  
17 eligible for the credit provided by this subsection  
18 (f);

19 (C) is acquired by purchase as defined in Section  
20 179(d) of the Internal Revenue Code;

21 (D) is used in the Enterprise Zone or River Edge  
22 Redevelopment Zone by the taxpayer; and

23 (E) has not been previously used in Illinois in  
24 such a manner and by such a person as would qualify for  
25 the credit provided by this subsection (f) or  
26 subsection (e).

1           (3) The basis of qualified property shall be the basis  
2 used to compute the depreciation deduction for federal  
3 income tax purposes.

4           (4) If the basis of the property for federal income  
5 tax depreciation purposes is increased after it has been  
6 placed in service in the Enterprise Zone or River Edge  
7 Redevelopment Zone by the taxpayer, the amount of such  
8 increase shall be deemed property placed in service on the  
9 date of such increase in basis.

10          (5) The term "placed in service" shall have the same  
11 meaning as under Section 46 of the Internal Revenue Code.

12          (6) If during any taxable year, any property ceases to  
13 be qualified property in the hands of the taxpayer within  
14 48 months after being placed in service, or the situs of  
15 any qualified property is moved outside the Enterprise  
16 Zone or River Edge Redevelopment Zone within 48 months  
17 after being placed in service, the tax imposed under  
18 subsections (a) and (b) of this Section for such taxable  
19 year shall be increased. Such increase shall be determined  
20 by (i) recomputing the investment credit which would have  
21 been allowed for the year in which credit for such  
22 property was originally allowed by eliminating such  
23 property from such computation, and (ii) subtracting such  
24 recomputed credit from the amount of credit previously  
25 allowed. For the purposes of this paragraph (6), a  
26 reduction of the basis of qualified property resulting

1 from a redetermination of the purchase price shall be  
2 deemed a disposition of qualified property to the extent  
3 of such reduction.

4 (7) There shall be allowed an additional credit equal  
5 to 0.5% of the basis of qualified property placed in  
6 service during the taxable year in a River Edge  
7 Redevelopment Zone, provided such property is placed in  
8 service on or after July 1, 2006, and the taxpayer's base  
9 employment within Illinois has increased by 1% or more  
10 over the preceding year as determined by the taxpayer's  
11 employment records filed with the Illinois Department of  
12 Employment Security. Taxpayers who are new to Illinois  
13 shall be deemed to have met the 1% growth in base  
14 employment for the first year in which they file  
15 employment records with the Illinois Department of  
16 Employment Security. If, in any year, the increase in base  
17 employment within Illinois over the preceding year is less  
18 than 1%, the additional credit shall be limited to that  
19 percentage times a fraction, the numerator of which is  
20 0.5% and the denominator of which is 1%, but shall not  
21 exceed 0.5%.

22 (8) For taxable years beginning on or after January 1,  
23 2021, there shall be allowed an Enterprise Zone  
24 construction jobs credit against the taxes imposed under  
25 subsections (a) and (b) of this Section as provided in  
26 Section 13 of the Illinois Enterprise Zone Act.

1           The credit or credits may not reduce the taxpayer's  
2           liability to less than zero. If the amount of the credit or  
3           credits exceeds the taxpayer's liability, the excess may  
4           be carried forward and applied against the taxpayer's  
5           liability in succeeding calendar years in the same manner  
6           provided under paragraph (4) of Section 211 of this Act.  
7           The credit or credits shall be applied to the earliest  
8           year for which there is a tax liability. If there are  
9           credits from more than one taxable year that are available  
10          to offset a liability, the earlier credit shall be applied  
11          first.

12          For partners, shareholders of Subchapter S  
13          corporations, and owners of limited liability companies,  
14          if the liability company is treated as a partnership for  
15          the purposes of federal and State income taxation, there  
16          shall be allowed a credit under this Section to be  
17          determined in accordance with the determination of income  
18          and distributive share of income under Sections 702 and  
19          704 and Subchapter S of the Internal Revenue Code.

20          The total aggregate amount of credits awarded under  
21          the Blue Collar Jobs Act (Article 20 of Public Act 101-9  
22          ~~this amendatory Act of the 101st General Assembly~~) shall  
23          not exceed \$20,000,000 in any State fiscal year.

24          This paragraph (8) is exempt from the provisions of  
25          Section 250.

26          (g) (Blank).

1 (h) Investment credit; High Impact Business.

2 (1) Subject to subsections (b) and (b-5) of Section  
3 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall  
4 be allowed a credit against the tax imposed by subsections  
5 (a) and (b) of this Section for investment in qualified  
6 property which is placed in service by a Department of  
7 Commerce and Economic Opportunity designated High Impact  
8 Business. The credit shall be .5% of the basis for such  
9 property. The credit shall not be available (i) until the  
10 minimum investments in qualified property set forth in  
11 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
12 Enterprise Zone Act have been satisfied or (ii) until the  
13 time authorized in subsection (b-5) of the Illinois  
14 Enterprise Zone Act for entities designated as High Impact  
15 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
16 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
17 Act, and shall not be allowed to the extent that it would  
18 reduce a taxpayer's liability for the tax imposed by  
19 subsections (a) and (b) of this Section to below zero. The  
20 credit applicable to such investments shall be taken in  
21 the taxable year in which such investments have been  
22 completed. The credit for additional investments beyond  
23 the minimum investment by a designated high impact  
24 business authorized under subdivision (a)(3)(A) of Section  
25 5.5 of the Illinois Enterprise Zone Act shall be available  
26 only in the taxable year in which the property is placed in

1 service and shall not be allowed to the extent that it  
2 would reduce a taxpayer's liability for the tax imposed by  
3 subsections (a) and (b) of this Section to below zero. For  
4 tax years ending on or after December 31, 1987, the credit  
5 shall be allowed for the tax year in which the property is  
6 placed in service, or, if the amount of the credit exceeds  
7 the tax liability for that year, whether it exceeds the  
8 original liability or the liability as later amended, such  
9 excess may be carried forward and applied to the tax  
10 liability of the 5 taxable years following the excess  
11 credit year. The credit shall be applied to the earliest  
12 year for which there is a liability. If there is credit  
13 from more than one tax year that is available to offset a  
14 liability, the credit accruing first in time shall be  
15 applied first.

16 Changes made in this subdivision (h) (1) by Public Act  
17 88-670 restore changes made by Public Act 85-1182 and  
18 reflect existing law.

19 (2) The term qualified property means property which:

20 (A) is tangible, whether new or used, including  
21 buildings and structural components of buildings;

22 (B) is depreciable pursuant to Section 167 of the  
23 Internal Revenue Code, except that "3-year property"  
24 as defined in Section 168(c) (2) (A) of that Code is not  
25 eligible for the credit provided by this subsection

26 (h);

1 (C) is acquired by purchase as defined in Section  
2 179(d) of the Internal Revenue Code; and

3 (D) is not eligible for the Enterprise Zone  
4 Investment Credit provided by subsection (f) of this  
5 Section.

6 (3) The basis of qualified property shall be the basis  
7 used to compute the depreciation deduction for federal  
8 income tax purposes.

9 (4) If the basis of the property for federal income  
10 tax depreciation purposes is increased after it has been  
11 placed in service in a federally designated Foreign Trade  
12 Zone or Sub-Zone located in Illinois by the taxpayer, the  
13 amount of such increase shall be deemed property placed in  
14 service on the date of such increase in basis.

15 (5) The term "placed in service" shall have the same  
16 meaning as under Section 46 of the Internal Revenue Code.

17 (6) If during any taxable year ending on or before  
18 December 31, 1996, any property ceases to be qualified  
19 property in the hands of the taxpayer within 48 months  
20 after being placed in service, or the situs of any  
21 qualified property is moved outside Illinois within 48  
22 months after being placed in service, the tax imposed  
23 under subsections (a) and (b) of this Section for such  
24 taxable year shall be increased. Such increase shall be  
25 determined by (i) recomputing the investment credit which  
26 would have been allowed for the year in which credit for

1 such property was originally allowed by eliminating such  
2 property from such computation, and (ii) subtracting such  
3 recomputed credit from the amount of credit previously  
4 allowed. For the purposes of this paragraph (6), a  
5 reduction of the basis of qualified property resulting  
6 from a redetermination of the purchase price shall be  
7 deemed a disposition of qualified property to the extent  
8 of such reduction.

9 (7) Beginning with tax years ending after December 31,  
10 1996, if a taxpayer qualifies for the credit under this  
11 subsection (h) and thereby is granted a tax abatement and  
12 the taxpayer relocates its entire facility in violation of  
13 the explicit terms and length of the contract under  
14 Section 18-183 of the Property Tax Code, the tax imposed  
15 under subsections (a) and (b) of this Section shall be  
16 increased for the taxable year in which the taxpayer  
17 relocated its facility by an amount equal to the amount of  
18 credit received by the taxpayer under this subsection (h).

19 (h-5) High Impact Business construction ~~constructions~~ jobs  
20 credit. For taxable years beginning on or after January 1,  
21 2021, there shall also be allowed a High Impact Business  
22 construction jobs credit against the tax imposed under  
23 subsections (a) and (b) of this Section as provided in  
24 subsections (i) and (j) of Section 5.5 of the Illinois  
25 Enterprise Zone Act.

26 The credit or credits may not reduce the taxpayer's

1 liability to less than zero. If the amount of the credit or  
2 credits exceeds the taxpayer's liability, the excess may be  
3 carried forward and applied against the taxpayer's liability  
4 in succeeding calendar years in the manner provided under  
5 paragraph (4) of Section 211 of this Act. The credit or credits  
6 shall be applied to the earliest year for which there is a tax  
7 liability. If there are credits from more than one taxable  
8 year that are available to offset a liability, the earlier  
9 credit shall be applied first.

10 For partners, shareholders of Subchapter S corporations,  
11 and owners of limited liability companies, if the liability  
12 company is treated as a partnership for the purposes of  
13 federal and State income taxation, there shall be allowed a  
14 credit under this Section to be determined in accordance with  
15 the determination of income and distributive share of income  
16 under Sections 702 and 704 and Subchapter S of the Internal  
17 Revenue Code.

18 The total aggregate amount of credits awarded under the  
19 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
20 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
21 \$20,000,000 in any State fiscal year.

22 This subsection (h-5) is exempt from the provisions of  
23 Section 250.

24 (i) Credit for Personal Property Tax Replacement Income  
25 Tax. For tax years ending prior to December 31, 2003, a credit  
26 shall be allowed against the tax imposed by subsections (a)

1 and (b) of this Section for the tax imposed by subsections (c)  
2 and (d) of this Section. This credit shall be computed by  
3 multiplying the tax imposed by subsections (c) and (d) of this  
4 Section by a fraction, the numerator of which is base income  
5 allocable to Illinois and the denominator of which is Illinois  
6 base income, and further multiplying the product by the tax  
7 rate imposed by subsections (a) and (b) of this Section.

8 Any credit earned on or after December 31, 1986 under this  
9 subsection which is unused in the year the credit is computed  
10 because it exceeds the tax liability imposed by subsections  
11 (a) and (b) for that year (whether it exceeds the original  
12 liability or the liability as later amended) may be carried  
13 forward and applied to the tax liability imposed by  
14 subsections (a) and (b) of the 5 taxable years following the  
15 excess credit year, provided that no credit may be carried  
16 forward to any year ending on or after December 31, 2003. This  
17 credit shall be applied first to the earliest year for which  
18 there is a liability. If there is a credit under this  
19 subsection from more than one tax year that is available to  
20 offset a liability the earliest credit arising under this  
21 subsection shall be applied first.

22 If, during any taxable year ending on or after December  
23 31, 1986, the tax imposed by subsections (c) and (d) of this  
24 Section for which a taxpayer has claimed a credit under this  
25 subsection (i) is reduced, the amount of credit for such tax  
26 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax  
2 imposed by subsections (c) and (d). If any portion of the  
3 reduced amount of credit has been carried to a different  
4 taxable year, an amended return shall be filed for such  
5 taxable year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years  
7 ending on or after December 31, 1986 and prior to December 31,  
8 2003, a taxpayer shall be allowed a credit against the tax  
9 imposed by subsections (a) and (b) under this Section for all  
10 amounts paid or accrued, on behalf of all persons employed by  
11 the taxpayer in Illinois or Illinois residents employed  
12 outside of Illinois by a taxpayer, for educational or  
13 vocational training in semi-technical or technical fields or  
14 semi-skilled or skilled fields, which were deducted from gross  
15 income in the computation of taxable income. The credit  
16 against the tax imposed by subsections (a) and (b) shall be  
17 1.6% of such training expenses. For partners, shareholders of  
18 subchapter S corporations, and owners of limited liability  
19 companies, if the liability company is treated as a  
20 partnership for purposes of federal and State income taxation,  
21 there shall be allowed a credit under this subsection (j) to be  
22 determined in accordance with the determination of income and  
23 distributive share of income under Sections 702 and 704 and  
24 subchapter S of the Internal Revenue Code.

25 Any credit allowed under this subsection which is unused  
26 in the year the credit is earned may be carried forward to each

1 of the 5 taxable years following the year for which the credit  
2 is first computed until it is used. This credit shall be  
3 applied first to the earliest year for which there is a  
4 liability. If there is a credit under this subsection from  
5 more than one tax year that is available to offset a liability,  
6 the earliest credit arising under this subsection shall be  
7 applied first. No carryforward credit may be claimed in any  
8 tax year ending on or after December 31, 2003.

9 (k) Research and development credit. For tax years ending  
10 after July 1, 1990 and prior to December 31, 2003, and  
11 beginning again for tax years ending on or after December 31,  
12 2004, and ending prior to January 1, 2027, a taxpayer shall be  
13 allowed a credit against the tax imposed by subsections (a)  
14 and (b) of this Section for increasing research activities in  
15 this State. The credit allowed against the tax imposed by  
16 subsections (a) and (b) shall be equal to 6 1/2% of the  
17 qualifying expenditures for increasing research activities in  
18 this State. For partners, shareholders of subchapter S  
19 corporations, and owners of limited liability companies, if  
20 the liability company is treated as a partnership for purposes  
21 of federal and State income taxation, there shall be allowed a  
22 credit under this subsection to be determined in accordance  
23 with the determination of income and distributive share of  
24 income under Sections 702 and 704 and subchapter S of the  
25 Internal Revenue Code.

26 For purposes of this subsection, "qualifying expenditures"

1 means the qualifying expenditures as defined for the federal  
2 credit for increasing research activities which would be  
3 allowable under Section 41 of the Internal Revenue Code and  
4 which are conducted in this State, "qualifying expenditures  
5 for increasing research activities in this State" means the  
6 excess of qualifying expenditures for the taxable year in  
7 which incurred over qualifying expenditures for the base  
8 period, "qualifying expenditures for the base period" means  
9 the average of the qualifying expenditures for each year in  
10 the base period, and "base period" means the 3 taxable years  
11 immediately preceding the taxable year for which the  
12 determination is being made.

13 Any credit in excess of the tax liability for the taxable  
14 year may be carried forward. A taxpayer may elect to have the  
15 unused credit shown on its final completed return carried over  
16 as a credit against the tax liability for the following 5  
17 taxable years or until it has been fully used, whichever  
18 occurs first; provided that no credit earned in a tax year  
19 ending prior to December 31, 2003 may be carried forward to any  
20 year ending on or after December 31, 2003.

21 If an unused credit is carried forward to a given year from  
22 2 or more earlier years, that credit arising in the earliest  
23 year will be applied first against the tax liability for the  
24 given year. If a tax liability for the given year still  
25 remains, the credit from the next earliest year will then be  
26 applied, and so on, until all credits have been used or no tax

1 liability for the given year remains. Any remaining unused  
2 credit or credits then will be carried forward to the next  
3 following year in which a tax liability is incurred, except  
4 that no credit can be carried forward to a year which is more  
5 than 5 years after the year in which the expense for which the  
6 credit is given was incurred.

7 No inference shall be drawn from Public Act 91-644 ~~this~~  
8 ~~amendatory Act of the 91st General Assembly~~ in construing this  
9 Section for taxable years beginning before January 1, 1999.

10 It is the intent of the General Assembly that the research  
11 and development credit under this subsection (k) shall apply  
12 continuously for all tax years ending on or after December 31,  
13 2004 and ending prior to January 1, 2027, including, but not  
14 limited to, the period beginning on January 1, 2016 and ending  
15 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~  
16 ~~amendatory Act of the 100th General Assembly~~. All actions  
17 taken in reliance on the continuation of the credit under this  
18 subsection (k) by any taxpayer are hereby validated.

19 (l) Environmental Remediation Tax Credit.

20 (i) For tax years ending after December 31, 1997 and  
21 on or before December 31, 2001, a taxpayer shall be  
22 allowed a credit against the tax imposed by subsections  
23 (a) and (b) of this Section for certain amounts paid for  
24 unreimbursed eligible remediation costs, as specified in  
25 this subsection. For purposes of this Section,  
26 "unreimbursed eligible remediation costs" means costs

1 approved by the Illinois Environmental Protection Agency  
2 ("Agency") under Section 58.14 of the Environmental  
3 Protection Act that were paid in performing environmental  
4 remediation at a site for which a No Further Remediation  
5 Letter was issued by the Agency and recorded under Section  
6 58.10 of the Environmental Protection Act. The credit must  
7 be claimed for the taxable year in which Agency approval  
8 of the eligible remediation costs is granted. The credit  
9 is not available to any taxpayer if the taxpayer or any  
10 related party caused or contributed to, in any material  
11 respect, a release of regulated substances on, in, or  
12 under the site that was identified and addressed by the  
13 remedial action pursuant to the Site Remediation Program  
14 of the Environmental Protection Act. After the Pollution  
15 Control Board rules are adopted pursuant to the Illinois  
16 Administrative Procedure Act for the administration and  
17 enforcement of Section 58.9 of the Environmental  
18 Protection Act, determinations as to credit availability  
19 for purposes of this Section shall be made consistent with  
20 those rules. For purposes of this Section, "taxpayer"  
21 includes a person whose tax attributes the taxpayer has  
22 succeeded to under Section 381 of the Internal Revenue  
23 Code and "related party" includes the persons disallowed a  
24 deduction for losses by paragraphs (b), (c), and (f)(1) of  
25 Section 267 of the Internal Revenue Code by virtue of  
26 being a related taxpayer, as well as any of its partners.

1 The credit allowed against the tax imposed by subsections  
2 (a) and (b) shall be equal to 25% of the unreimbursed  
3 eligible remediation costs in excess of \$100,000 per site,  
4 except that the \$100,000 threshold shall not apply to any  
5 site contained in an enterprise zone as determined by the  
6 Department of Commerce and Community Affairs (now  
7 Department of Commerce and Economic Opportunity). The  
8 total credit allowed shall not exceed \$40,000 per year  
9 with a maximum total of \$150,000 per site. For partners  
10 and shareholders of subchapter S corporations, there shall  
11 be allowed a credit under this subsection to be determined  
12 in accordance with the determination of income and  
13 distributive share of income under Sections 702 and 704  
14 and subchapter S of the Internal Revenue Code.

15 (ii) A credit allowed under this subsection that is  
16 unused in the year the credit is earned may be carried  
17 forward to each of the 5 taxable years following the year  
18 for which the credit is first earned until it is used. The  
19 term "unused credit" does not include any amounts of  
20 unreimbursed eligible remediation costs in excess of the  
21 maximum credit per site authorized under paragraph (i).  
22 This credit shall be applied first to the earliest year  
23 for which there is a liability. If there is a credit under  
24 this subsection from more than one tax year that is  
25 available to offset a liability, the earliest credit  
26 arising under this subsection shall be applied first. A

1 credit allowed under this subsection may be sold to a  
2 buyer as part of a sale of all or part of the remediation  
3 site for which the credit was granted. The purchaser of a  
4 remediation site and the tax credit shall succeed to the  
5 unused credit and remaining carry-forward period of the  
6 seller. To perfect the transfer, the assignor shall record  
7 the transfer in the chain of title for the site and provide  
8 written notice to the Director of the Illinois Department  
9 of Revenue of the assignor's intent to sell the  
10 remediation site and the amount of the tax credit to be  
11 transferred as a portion of the sale. In no event may a  
12 credit be transferred to any taxpayer if the taxpayer or a  
13 related party would not be eligible under the provisions  
14 of subsection (i).

15 (iii) For purposes of this Section, the term "site"  
16 shall have the same meaning as under Section 58.2 of the  
17 Environmental Protection Act.

18 (m) Education expense credit. Beginning with tax years  
19 ending after December 31, 1999, a taxpayer who is the  
20 custodian of one or more qualifying pupils shall be allowed a  
21 credit against the tax imposed by subsections (a) and (b) of  
22 this Section for qualified education expenses incurred on  
23 behalf of the qualifying pupils. The credit shall be equal to  
24 25% of qualified education expenses, but in no event may the  
25 total credit under this subsection claimed by a family that is  
26 the custodian of qualifying pupils exceed (i) \$500 for tax

1 years ending prior to December 31, 2017, and (ii) \$750 for tax  
2 years ending on or after December 31, 2017. In no event shall a  
3 credit under this subsection reduce the taxpayer's liability  
4 under this Act to less than zero. Notwithstanding any other  
5 provision of law, for taxable years beginning on or after  
6 January 1, 2017, no taxpayer may claim a credit under this  
7 subsection (m) if the taxpayer's adjusted gross income for the  
8 taxable year exceeds (i) \$500,000, in the case of spouses  
9 filing a joint federal tax return or (ii) \$250,000, in the case  
10 of all other taxpayers. This subsection is exempt from the  
11 provisions of Section 250 of this Act.

12 For purposes of this subsection:

13 "Qualifying pupils" means individuals who (i) are  
14 residents of the State of Illinois, (ii) are under the age of  
15 21 at the close of the school year for which a credit is  
16 sought, and (iii) during the school year for which a credit is  
17 sought were full-time pupils enrolled in a kindergarten  
18 through twelfth grade education program at any school, as  
19 defined in this subsection.

20 "Qualified education expense" means the amount incurred on  
21 behalf of a qualifying pupil in excess of \$250 for tuition,  
22 book fees, and lab fees at the school in which the pupil is  
23 enrolled during the regular school year.

24 "School" means any public or nonpublic elementary or  
25 secondary school in Illinois that is in compliance with Title  
26 VI of the Civil Rights Act of 1964 and attendance at which

1 satisfies the requirements of Section 26-1 of the School Code,  
2 except that nothing shall be construed to require a child to  
3 attend any particular public or nonpublic school to qualify  
4 for the credit under this Section.

5 "Custodian" means, with respect to qualifying pupils, an  
6 Illinois resident who is a parent, the parents, a legal  
7 guardian, or the legal guardians of the qualifying pupils.

8 (n) River Edge Redevelopment Zone site remediation tax  
9 credit.

10 (i) For tax years ending on or after December 31,  
11 2006, a taxpayer shall be allowed a credit against the tax  
12 imposed by subsections (a) and (b) of this Section for  
13 certain amounts paid for unreimbursed eligible remediation  
14 costs, as specified in this subsection. For purposes of  
15 this Section, "unreimbursed eligible remediation costs"  
16 means costs approved by the Illinois Environmental  
17 Protection Agency ("Agency") under Section 58.14a of the  
18 Environmental Protection Act that were paid in performing  
19 environmental remediation at a site within a River Edge  
20 Redevelopment Zone for which a No Further Remediation  
21 Letter was issued by the Agency and recorded under Section  
22 58.10 of the Environmental Protection Act. The credit must  
23 be claimed for the taxable year in which Agency approval  
24 of the eligible remediation costs is granted. The credit  
25 is not available to any taxpayer if the taxpayer or any  
26 related party caused or contributed to, in any material

1        respect, a release of regulated substances on, in, or  
2        under the site that was identified and addressed by the  
3        remedial action pursuant to the Site Remediation Program  
4        of the Environmental Protection Act. Determinations as to  
5        credit availability for purposes of this Section shall be  
6        made consistent with rules adopted by the Pollution  
7        Control Board pursuant to the Illinois Administrative  
8        Procedure Act for the administration and enforcement of  
9        Section 58.9 of the Environmental Protection Act. For  
10       purposes of this Section, "taxpayer" includes a person  
11       whose tax attributes the taxpayer has succeeded to under  
12       Section 381 of the Internal Revenue Code and "related  
13       party" includes the persons disallowed a deduction for  
14       losses by paragraphs (b), (c), and (f)(1) of Section 267  
15       of the Internal Revenue Code by virtue of being a related  
16       taxpayer, as well as any of its partners. The credit  
17       allowed against the tax imposed by subsections (a) and (b)  
18       shall be equal to 25% of the unreimbursed eligible  
19       remediation costs in excess of \$100,000 per site.

20       (ii) A credit allowed under this subsection that is  
21       unused in the year the credit is earned may be carried  
22       forward to each of the 5 taxable years following the year  
23       for which the credit is first earned until it is used. This  
24       credit shall be applied first to the earliest year for  
25       which there is a liability. If there is a credit under this  
26       subsection from more than one tax year that is available

1 to offset a liability, the earliest credit arising under  
2 this subsection shall be applied first. A credit allowed  
3 under this subsection may be sold to a buyer as part of a  
4 sale of all or part of the remediation site for which the  
5 credit was granted. The purchaser of a remediation site  
6 and the tax credit shall succeed to the unused credit and  
7 remaining carry-forward period of the seller. To perfect  
8 the transfer, the assignor shall record the transfer in  
9 the chain of title for the site and provide written notice  
10 to the Director of the Illinois Department of Revenue of  
11 the assignor's intent to sell the remediation site and the  
12 amount of the tax credit to be transferred as a portion of  
13 the sale. In no event may a credit be transferred to any  
14 taxpayer if the taxpayer or a related party would not be  
15 eligible under the provisions of subsection (i).

16 (iii) For purposes of this Section, the term "site"  
17 shall have the same meaning as under Section 58.2 of the  
18 Environmental Protection Act.

19 (o) For each of taxable years during the Compassionate Use  
20 of Medical Cannabis Program, a surcharge is imposed on all  
21 taxpayers on income arising from the sale or exchange of  
22 capital assets, depreciable business property, real property  
23 used in the trade or business, and Section 197 intangibles of  
24 an organization registrant under the Compassionate Use of  
25 Medical Cannabis Program Act. The amount of the surcharge is  
26 equal to the amount of federal income tax liability for the

1 taxable year attributable to those sales and exchanges. The  
2 surcharge imposed does not apply if:

3 (1) the medical cannabis cultivation center  
4 registration, medical cannabis dispensary registration, or  
5 the property of a registration is transferred as a result  
6 of any of the following:

7 (A) bankruptcy, a receivership, or a debt  
8 adjustment initiated by or against the initial  
9 registration or the substantial owners of the initial  
10 registration;

11 (B) cancellation, revocation, or termination of  
12 any registration by the Illinois Department of Public  
13 Health;

14 (C) a determination by the Illinois Department of  
15 Public Health that transfer of the registration is in  
16 the best interests of Illinois qualifying patients as  
17 defined by the Compassionate Use of Medical Cannabis  
18 Program Act;

19 (D) the death of an owner of the equity interest in  
20 a registrant;

21 (E) the acquisition of a controlling interest in  
22 the stock or substantially all of the assets of a  
23 publicly traded company;

24 (F) a transfer by a parent company to a wholly  
25 owned subsidiary; or

26 (G) the transfer or sale to or by one person to

1 another person where both persons were initial owners  
2 of the registration when the registration was issued;  
3 or

4 (2) the cannabis cultivation center registration,  
5 medical cannabis dispensary registration, or the  
6 controlling interest in a registrant's property is  
7 transferred in a transaction to lineal descendants in  
8 which no gain or loss is recognized or as a result of a  
9 transaction in accordance with Section 351 of the Internal  
10 Revenue Code in which no gain or loss is recognized.

11 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for  
12 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
13 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

14 Section 90-20. The Retailers' Occupation Tax Act is  
15 amended by adding Section 5k-5 as follows:

16 (35 ILCS 120/5k-5 new)

17 Sec. 5k-5. Building materials exemption; Clean Energy  
18 Empowerment Zone. Each retailer who makes a sale of building  
19 materials to be incorporated into renewable energy projects in  
20 a Clean Energy Empowerment Zone established under the Energy  
21 Community Reinvestment Act may deduct receipts from such sales  
22 when calculating the tax imposed by this Act. A renewable  
23 energy enterprise or other entity shall not make tax-free  
24 purchases under this Section unless it has an active exemption

1 certificate at the time of purchase, which shall be issued by  
2 the Department in a form prescribed by the Department. The  
3 Department shall adopt by rule all other requirements  
4 necessary for the implementation and operation of this  
5 Section.

6 Section 90-25. The Public Utilities Act is amended by  
7 adding Sections 9-222.1B and 16-108.9 as follows:

8 (220 ILCS 5/9-222.1B new)

9 Sec. 9-222.1B. Clean Energy Empowerment Zone exemption. A  
10 renewable energy enterprise that is located within a Clean  
11 Energy Empowerment Zone established under the Energy Community  
12 Reinvestment Act shall be exempt from the additional charges  
13 added to the renewable energy enterprise's utility bills as a  
14 pass-on of municipal and State utility taxes under Sections  
15 9-221 and 9-222 of this Act, to the extent such charges are  
16 exempted by ordinance adopted in accordance with paragraph (e)  
17 of Section 8-11-2 of the Illinois Municipal Code in the case of  
18 municipal utility taxes, and to the extent such charges are  
19 exempted by the percentage specified by the Department of  
20 Commerce and Economic Opportunity in the case of State utility  
21 taxes, provided such renewable energy enterprise meets the  
22 following criteria:

23 (1) it (i) makes investments that cause the creation  
24 of a minimum of 200 full-time equivalent jobs in Illinois;

1       (ii) makes investments of at least \$175,000,000 that cause  
2       the creation of a minimum of 150 full-time equivalent jobs  
3       in Illinois; (iii) makes investments that cause the  
4       retention of a minimum of 300 full-time equivalent jobs in  
5       the manufacturing sector, as defined by the North American  
6       Industry Classification System, in an area in Illinois in  
7       which the unemployment rate is above 9% and makes an  
8       application to the Department within 3 months after the  
9       effective date of this amendatory Act of the 102nd General  
10       Assembly and certifies relocation of the 300 full-time  
11       equivalent jobs within 48 months after the application; or  
12       (iv) makes investments that cause the retention of a  
13       minimum of 1,000 full-time jobs in Illinois;

14       (2) it is located in a Clean Energy Empowerment Zone  
15       established under the Energy Community Reinvestment Act;  
16       and

17       (3) it is certified by the Department of Commerce and  
18       Economic Opportunity as complying with the requirements  
19       specified in clauses (1) and (2) of this Section.

20       The Department of Commerce and Economic Opportunity shall  
21       determine the period during which such exemption from the  
22       charges imposed under Section 9-222 is in effect which shall  
23       not exceed 30 years or the term of the Clean Energy Empowerment  
24       Zone, whichever period is shorter, except that the exemption  
25       period for a renewable energy enterprise qualifying under item  
26       (iii) of clause (1) of this Section shall not exceed 30 years.

1       The Department of Commerce and Economic Opportunity has  
2 the power to adopt rules to carry out the provisions of this  
3 Section including procedures for complying with the  
4 requirements specified in clauses (1) and (2) of this Section  
5 and procedures for applying for the exemptions authorized  
6 under this Section; to define the amounts and types of  
7 eligible investments that a renewable energy enterprise must  
8 make in order to receive State utility tax exemptions pursuant  
9 to Sections 9-222 and 9-222.1 of this Act; to approve such  
10 utility tax exemptions for renewable energy enterprise whose  
11 investments are not yet placed in service; and to require that  
12 renewable energy enterprise granted tax exemptions repay the  
13 exempted tax should the renewable energy enterprise fail to  
14 comply with the terms and conditions of the certification.  
15 However, no renewable energy enterprise shall be required, as  
16 a condition for certification under clause (3) of this  
17 Section, to attest that its decision to invest under clause  
18 (1) of this Section and to locate under clause (2) of this  
19 Section is predicated upon the availability of the exemptions  
20 authorized by this Section.

21       A renewable energy enterprise shall be exempt, in whole or  
22 in part, from the pass-on charges of municipal utility taxes  
23 imposed under Section 9-221, only if it meets the criteria  
24 specified in clauses (1) through (3) of this Section and the  
25 municipality has adopted an ordinance authorizing the  
26 exemption under paragraph (e) of Section 8-11-2 of the

1 Illinois Municipal Code. Upon certification of the renewable  
2 energy enterprise by the Department of Commerce and Economic  
3 Opportunity, the Department of Commerce and Economic  
4 Opportunity shall notify the Department of Revenue of such  
5 certification. The Department of Revenue shall notify the  
6 public utilities of the exemption status of renewable energy  
7 enterprises from the pass-on charges of State and municipal  
8 utility taxes. Such exemption status shall be effective within  
9 3 months after certification of the renewable energy  
10 enterprise.

11 (220 ILCS 5/16-108.9 new)

12 Sec. 16-108.9. Clean Energy Empowerment Zone pilot  
13 projects.

14 (a) The General Assembly finds that it is important to  
15 support the rapid transition in the energy sector to put  
16 Illinois on a path to 100% renewable energy. This will require  
17 leveraging new technologies and solutions to support grid  
18 reliability to address issues such as the shift from large,  
19 centralized, fossil generation to wind, solar, and distributed  
20 energy resources. To that end, the General Assembly sees the  
21 need for developing pilot projects in Clean Energy Empowerment  
22 Zones that enhance reliability while facilitating the  
23 transition toward clean energy.

24 (b) An electric utility serving more than 100,000 retail  
25 customers may propose one or more Clean Energy Empowerment

1 Zone pilot projects to the Illinois Commerce Commission to  
2 conduct a competitive procurement for independently owned  
3 energy storage systems to be located in Clean Energy  
4 Empowerment Zones. The Commission shall evaluate the projects  
5 based on their ability to address present and future  
6 reliability needs identified by the Midcontinent Independent  
7 System Operator, PJM Interconnection, electric utilities, or  
8 independent analysts. In addition to supporting reliability, a  
9 qualifying project must support the transition toward or  
10 development of clean energy.

11 (c) The Clean Energy Empowerment Zones described in this  
12 Section shall be the same as defined by the Department of  
13 Commerce and Economic Opportunity in the Energy Community  
14 Reinvestment Act.

15 (d) The Clean Energy Empowerment Zone pilot projects shall  
16 closely coordinate with actual and expected development of new  
17 wind projects and new solar projects as described in Section  
18 1-75 of the Illinois Power Agency Act, electric vehicle  
19 adoption, and Community Energy, Climate, and Jobs Plans as  
20 defined in the Community Energy, Climate, and Jobs Planning  
21 Act.

22 (e) Upon approval of a Clean Energy Empowerment Zone pilot  
23 project by the Illinois Commerce Commission, an electric  
24 utility is authorized to enter into a distribution services  
25 contract with new energy storage system projects in accordance  
26 with the approved project. Nothing in this Section or in the

1 distribution services contract shall preclude the energy  
2 storage project from providing additional wholesale market  
3 services.

4 (f) An electric utility that elects to undertake the  
5 investment described in subsection (b) of this Section may, at  
6 its election, recover the costs of such investment through an  
7 automatic adjustment clause tariff or through a delivery  
8 services charge regardless of how the costs are classified on  
9 the utility's books and records of account.

10 (g) To the extent feasible and consistent with State and  
11 federal law, the investments made pursuant to this Section  
12 shall provide employment opportunities for former workers in  
13 fossil fuel industries.

14 (h) Nothing in this Section is intended to limit the  
15 ability of any other entity to develop, construct, or install  
16 an energy storage system. In addition, nothing in this Section  
17 is intended to limit or alter otherwise applicable  
18 interconnection requirements.

19 Section 90-30. The Environmental Protection Act is amended  
20 by changing Section 9.10 and by adding Section 9.18 as  
21 follows:

22 (415 ILCS 5/9.10)

23 Sec. 9.10. Fossil fuel-powered electric generating units  
24 ~~Fossil fuel fired electric generating plants.~~

1       (a) As used in this Section:

2       "Board" means the Illinois Pollution Control Board.

3       "BIPOC" and "black, indigenous, and people of color" are  
4 defined as people who are members of the groups described in  
5 subparagraphs (a) through (e) of paragraph (A) of subsection  
6 (1) of Section 2 of the Business Enterprise for Minorities,  
7 Women, and Persons with Disabilities Act.

8       "Emissions" means greenhouse gases, particulate matter,  
9 mercury, nitrogen oxides, sulfur dioxide, and any other  
10 pollutant that the Agency deems appropriate for regulation to  
11 protect health or land in the State.

12       "Frontline community" means any community or municipality  
13 within a 3-mile radius of a fossil fuel-powered electric  
14 generating unit.

15       "Meaningful involvement" means: (1) potentially affected  
16 populations have an appropriate opportunity to participate in  
17 decisions about a proposed regulatory action that may affect  
18 their environment or health; (2) the populations'  
19 contributions can influence the EPA's rulemaking decisions;  
20 (3) the concerns of all participants involved shall be  
21 considered in the decision-making process; and (4) the IEPA  
22 shall seek out and facilitate the involvement of populations  
23 potentially affected by the IEPA's proposed regulatory action.

24       (a-1) ~~(a)~~ The General Assembly finds and declares that:

25               (1) fossil fuel-powered electric generating units  
26 fossil fuel fired electric generating plants are a

1 significant source of air emissions in this State and have  
2 become the subject of a number of important new studies of  
3 their effects on the public health;

4 (2) existing state and federal policies, that allow  
5 older plants that meet federal standards to operate  
6 without meeting the more stringent requirements applicable  
7 to new plants, are being questioned on the basis of their  
8 environmental impacts and the economic distortions such  
9 policies cause in a deregulated energy market;

10 (3) fossil fuel-powered electric generating units  
11 ~~fossil fuel-fired electric generating plants~~ are, or may  
12 be, affected by a number of regulatory programs, some of  
13 which are under review or development on the state and  
14 national levels, and to a certain extent the international  
15 level, including the federal acid rain program,  
16 tropospheric ozone, mercury and other hazardous pollutant  
17 control requirements, regional haze, and global warming;

18 (4) scientific uncertainty regarding the formation of  
19 certain components of regional haze and the air quality  
20 modeling that predict impacts of control measures requires  
21 careful consideration of the timing of the control of some  
22 of the pollutants from these facilities, particularly  
23 sulfur dioxides and nitrogen oxides that each interact  
24 with ammonia and other substances in the atmosphere;

25 (5) the development of energy policies to promote a  
26 safe, sufficient, reliable, and affordable energy supply

1 on the state and national levels is being affected by the  
2 on-going deregulation of the power generation industry and  
3 the evolving energy markets;

4 (6) the Governor's formation of an Energy Cabinet and  
5 the development of a State energy policy calls for actions  
6 by the Agency and the Board that are in harmony with the  
7 energy needs and policy of the State, while protecting the  
8 public health and the environment;

9 (7) reducing greenhouse gas emissions and other air  
10 pollutants such as particulate matter, sulfur dioxide, and  
11 nitrogen oxide is critical to improving the health and  
12 welfare of Illinois residents by decreasing respiratory  
13 diseases, cardiovascular diseases, and related  
14 mortalities; lowering customers' energy costs; and  
15 responding to the growing impacts of climate change from  
16 fossil fuel generation;

17 (8) through reductions in harmful emissions and  
18 strategic planning for Illinois residents currently  
19 employed by and communities reliant on fossil fuel-powered  
20 electric generating units, eliminating greenhouse gas  
21 emissions from the electricity generation sector is a  
22 priority for the State;

23 (9) The House of Representatives of the 100th General  
24 Assembly recognized this problem and, in adopting House  
25 Resolution 490 on June 26, 2017, it supported the Paris  
26 Climate Agreement and urged the State of Illinois to join

1 the United States Climate Alliance and develop a plan to  
2 achieve 100% clean energy by 2045;

3 ~~(7) Illinois coal is an abundant resource and an~~  
4 ~~important component of Illinois' economy whose use should~~  
5 ~~be encouraged to the greatest extent possible consistent~~  
6 ~~with protecting the public health and the environment;~~

7 ~~(8) renewable forms of energy should be promoted as an~~  
8 ~~important element of the energy and environmental policies~~  
9 ~~of the State and that it is a goal of the State that at~~  
10 ~~least 5% of the State's energy production and use be~~  
11 ~~derived from renewable forms of energy by 2010 and at~~  
12 ~~least 15% from renewable forms of energy by 2020;~~

13 (10) ~~(9)~~ efforts on the state and federal levels are  
14 underway to consider the multiple environmental  
15 regulations affecting electric generating plants in order  
16 to improve the ability of government and the affected  
17 industry to engage in effective planning through the use  
18 of multi-pollutant strategies; and

19 (11) ~~(10)~~ these issues, taken together, call for a  
20 comprehensive review of the impact of these facilities on  
21 the public health, considering also the energy supply,  
22 reliability, and costs, the role of renewable forms of  
23 energy, and the developments in federal law and  
24 regulations that may affect any state actions, prior to  
25 making final decisions in Illinois.

26 (b) Taking into account the findings and declarations of

1 the General Assembly contained in subsection (a) of this  
2 Section, the Agency shall, within 180 days after the effective  
3 date of this amendatory Act of the 102nd General Assembly,  
4 initiate a rulemaking to amend Title 35 of the Illinois  
5 Administrative Code to establish annual declining greenhouse  
6 gas pollution caps and caps on co-pollutants, including, but  
7 not limited to, particulate matter (including both PM<sub>10</sub> and  
8 PM<sub>2.5</sub>), mercury, nitrogen oxides, and sulfur dioxide, beginning  
9 in 2023 from all fossil fuel-powered electric generating units  
10 (including, but not limited to, coal-fired, coal-derived,  
11 oil-fired, combustion turbine, integrated gasification  
12 combined cycle, and cogeneration facilities with a nameplate  
13 capacity that exceeds 25 MW) so as to progressively eliminate  
14 all emissions of those pollutants from Illinois' electric  
15 sector by the year 2030. No later than one year after receipt  
16 of the Agency's proposal under this Section, the Board shall  
17 adopt rules setting out declining annual emissions caps for  
18 greenhouse gases (CO<sub>2</sub> equivalent) and co-pollutants,  
19 including, but not limited to, particulate matter (including  
20 both PM<sub>10</sub> and PM<sub>2.5</sub>), mercury, nitrogen oxides, and sulfur  
21 dioxide, for each individual fossil fuel-powered electric  
22 generating unit in Illinois as well as aggregate annual  
23 statewide emissions caps. The Board may set different  
24 declining caps for each plant, but caps must decline to zero  
25 emissions for all plants by 2030. As part of its rulemaking  
26 proposal, the Agency shall:

1           (1) ensure that power plants located near densely  
2           populated and environmental justice communities and those  
3           with sulfur dioxide emission rates above 0.0007 pounds per  
4           million Btu are prioritized for more rapid, mandatory,  
5           plant-specific emissions reductions for both greenhouse  
6           gases and co-pollutants;

7           (2) develop an environmental justice analysis, in  
8           partnership with the Illinois Commission on Environmental  
9           Justice and with frontline community feedback, to inform a  
10           draft rule proposal and identification of power plants of  
11           particular concern requiring priority emissions  
12           reductions. This analysis shall include a cumulative  
13           impacts assessment and use existing methodologies and  
14           findings, used and as may be updated by the Illinois Power  
15           Agency and its Administrator in its Illinois Solar for All  
16           Program, taking into account the following factors:

17                   (A) Population density;

18                   (B) National-Scale Air Toxics Assessment (NATA)  
19           air toxics cancer risk;

20                   (C) NATA respiratory hazard index;

21                   (D) NATA diesel PM;

22                   (E) particulate matter;

23                   (F) ozone;

24                   (G) traffic proximity and volume;

25                   (H) lead paint indicator;

26                   (I) proximity to Risk Management Plan sites;

1           (J) proximity to Hazardous Waste Treatment,  
2           Storage, and Disposal Facilities;

3           (K) proximity to National Priorities List sites;

4           (L) Wastewater Dischargers Indicator;

5           (M) percent low-income;

6           (N) percent black, indigenous, and people of  
7           color;

8           (O) percent less than a high school education;

9           (P) linguistic isolation;

10          (Q) age (individuals under age 5 or over 64);

11          (R) number of asthma-related emergency department  
12          visits; and

13          (S) frequency of low birth weight infants;

14          (3) conduct a robust and inclusive stakeholder process  
15          prior to initiating a rulemaking proceeding before the  
16          Illinois Pollution Control Board that ensures the  
17          meaningful participation of Illinois residents, especially  
18          those most impacted by fossil fuel-powered electric  
19          generating units. To ensure meaningful involvement in its  
20          stakeholder process, the agency shall:

21               (A) include a formal public comment period with at  
22               least 4 public hearings located in communities  
23               geographically dispersed, where fossil fuel-powered  
24               electric generating units are located;

25               (B) ensure full and fair access for working  
26               residents by providing opportunity for public comment

1           outside the workday; and

2           (C) issue a responsiveness summary with a draft  
3           rulemaking briefly describing and responding to, at a  
4           minimum, all frontline community comments raised  
5           during the stakeholder process and public comment  
6           period;

7           (4) participate in strategic planning efforts with the  
8           Department of Commerce and Economic Opportunity to  
9           identify needs and initiatives for communities and workers  
10           economically impacted by the decline in fossil fuel  
11           generation;

12           (5) evaluate individual units using the criteria above  
13           and set appropriate annually declining caps for emission  
14           reductions, which ultimately result in caps of zero  
15           emissions from all fossil fuel-powered electric generating  
16           units by January 1, 2030;

17           (6) include provisions to allow owners or operators of  
18           fossil fuel-powered electric generating units to continue  
19           operating while using their best efforts to resolve any  
20           reliability requirements with regional grid operators and  
21           cease operations as soon as practicable in situations  
22           where achieving the emission reductions required by the  
23           Agency's rulemaking proposal necessitates that a  
24           particular unit cease operations and a regional grid  
25           operator determines that operation of that unit is  
26           required to continue to maintain transmission reliability.

1 The Agency's rulemaking proposal shall include mechanisms  
2 designed to limit, to the extent possible, any such  
3 disruption to the State's emission reduction program,  
4 including an evaluation of when and how advanced notice of  
5 intended unit closures should be given to regional grid  
6 operators; and

7 (7) establish emissions caps for (i) individual fossil  
8 fuel-powered electric generating units and (ii) the entire  
9 electric sector. The emissions caps shall include all  
10 emissions, including greenhouse gases and co-pollutants.

11 (A) Annual aggregate electric sector emissions  
12 caps. The aggregate emissions cap shall apply to the  
13 entire Illinois electric sector and include the sum of  
14 emissions from all fossil fuel-powered electric  
15 generating units. The Agency shall establish a  
16 schedule through which the aggregate cap shall decline  
17 annually. A baseline amount shall be calculated by  
18 averaging the emissions from 2017, 2018, and 2019 of  
19 plants operating as of the effective date of this  
20 amendatory Act of the 102nd General Assembly. To  
21 ensure consistent progress toward the goal of  
22 eliminating all emissions from Illinois' electric  
23 sector by 2030, the annual aggregate emissions cap  
24 shall decrease each year by no less than 7% of the  
25 baseline amount.

26 (B) Annual unit-specific emissions caps. Annual

1 emissions caps shall apply to each fossil fuel-powered  
2 electric generating unit in the State and be  
3 consistent with achieving the aggregate emissions cap.  
4 Starting in 2023, the annual emissions cap for each  
5 plant shall be no greater than the highest emissions  
6 amount from any of the 3 previous years of operation.  
7 If a plant first became operational less than 3 years  
8 before being subject to a unit-specific emissions cap,  
9 then the annual emissions cap for such a plant shall be  
10 no greater than its previous year of operation; or if a  
11 fossil fuel-powered electric generating unit has been  
12 operational less than one year, then the Agency shall  
13 set a cap that is consistent with achieving the  
14 aggregate emissions cap and the goal of eliminating  
15 all emissions from Illinois' electric sector by 2030.

16 (C) Annual report. Each year, the Agency shall  
17 prepare and publish a report on the implementation,  
18 review, and updating of the schedules regulating  
19 annual emissions caps as described in this subsection.

20 This report shall include:

21 (i) an accounting of all greenhouse gas and  
22 co-pollutant caps on, and actual emissions from,  
23 individual plants demonstrating the Agency's  
24 implementation of the requirements in this  
25 subsection; and

26 (ii) an accounting of the aggregate declining

1           cap schedules demonstrating the adequacy of the  
2           schedules to achieve net-zero emissions in the  
3           electric sector by 2030, and any changes to the  
4           schedules.

5           In addition to the information required under  
6           items (i) and (ii), the 2025 report shall include a  
7           review of the Agency's rules regulating annual  
8           greenhouse gas pollution and co-pollutant caps in  
9           light of projected emissions for the remaining years  
10          until 2030 and demonstrate the adequacy of its rules  
11          and policies to achieve net-zero emissions in the  
12          electric sector by 2030. Should the Agency conclude  
13          its current rules and policies are insufficient to  
14          eliminate emissions from all fossil fuel-powered  
15          electric generating units by January 1, 2030 and  
16          comply with all other requirements in this Section, it  
17          shall initiate a rulemaking no later than 180 days  
18          from reaching this conclusion amending its rules to do  
19          so.

20          ~~before September 30, 2004, but not before September 30, 2003,~~  
21          ~~issue to the House and Senate Committees on Environment and~~  
22          ~~Energy findings that address the potential need for the~~  
23          ~~control or reduction of emissions from fossil fuel-fired~~  
24          ~~electric generating plants, including the following~~  
25          ~~provisions:~~

26                 ~~(1) reduction of nitrogen oxide emissions, as~~

1 ~~appropriate, with consideration of maximum annual~~  
2 ~~emissions rate limits or establishment of an emissions~~  
3 ~~trading program and with consideration of the developments~~  
4 ~~in federal law and regulations that may affect any State~~  
5 ~~action, prior to making final decisions in Illinois;~~

6 ~~(2) reduction of sulfur dioxide emissions, as~~  
7 ~~appropriate, with consideration of maximum annual~~  
8 ~~emissions rate limits or establishment of an emissions~~  
9 ~~trading program and with consideration of the developments~~  
10 ~~in federal law and regulations that may affect any State~~  
11 ~~action, prior to making final decisions in Illinois;~~

12 ~~(3) incentives to promote renewable sources of energy~~  
13 ~~consistent with item (8) of subsection (a) of this~~  
14 ~~Section;~~

15 ~~(4) reduction of mercury as appropriate, consideration~~  
16 ~~of the availability of control technology, industry~~  
17 ~~practice requirements, or incentive programs, or some~~  
18 ~~combination of these approaches that are sufficient to~~  
19 ~~prevent unacceptable local impacts from individual~~  
20 ~~facilities and with consideration of the developments in~~  
21 ~~federal law and regulations that may affect any state~~  
22 ~~action, prior to making final decisions in Illinois; and~~

23 ~~(5) establishment of a banking system, consistent with~~  
24 ~~the United States Department of Energy's voluntary~~  
25 ~~reporting system, for certifying credits for voluntary~~  
26 ~~offsets of emissions of greenhouse gases, as identified by~~

1 ~~the United States Environmental Protection Agency, or~~  
2 ~~other voluntary reductions of greenhouse gases. Such~~  
3 ~~reduction efforts may include, but are not limited to,~~  
4 ~~carbon sequestration, technology based control measures,~~  
5 ~~energy efficiency measures, and the use of renewable~~  
6 ~~energy sources.~~

7 The Agency shall consider the impact on the public health,  
8 considering also energy supply, reliability and costs, the  
9 role of renewable forms of energy, and developments in federal  
10 law and regulations that may affect any state actions, prior  
11 to making final decisions in Illinois.

12 (c) Nothing in this Section is intended to or should be  
13 interpreted in a manner to limit or restrict the authority of  
14 the Illinois Environmental Protection Agency to propose, or  
15 the Illinois Pollution Control Board to adopt, any regulations  
16 applicable or that may become applicable to the facilities  
17 covered by this Section that are required by federal law and  
18 other Illinois laws.

19 (d) The Agency may file proposed rules with the Board to  
20 effectuate the goals set forth in subsection (b) ~~its findings~~  
21 ~~provided to the Senate Committee on Environment and Energy and~~  
22 ~~the House Committee on Environment and Energy in accordance~~  
23 ~~with subsection (b) of this Section. Any such proposal shall~~  
24 ~~not be submitted sooner than 90 days after the issuance of the~~  
25 ~~findings provided for in subsection (b) of this Section. The~~  
26 Board shall take action on any such proposal within one year of

1 the Agency's filing of the proposed rules.

2 (e) Enforcement.

3 (1) Any person may file with the Board a complaint,  
4 following the procedures contained in subsection (d) of  
5 Section 31 of this Act, against any person, the State of  
6 Illinois, or any government official for failure to  
7 perform any act or nondiscretionary duty under this  
8 Section or for allegedly violating this Section, any rule  
9 or regulation adopted under this Section, any permit or  
10 term or condition of a permit related to this Section, or  
11 any Board order issued pursuant to this Section. Any  
12 person shall have standing in an action under this Section  
13 before the Board. Any person may intervene as a party as a  
14 matter of right in any legal action concerning this  
15 Section, whichever the forum, if he or she is or may be  
16 adversely affected by any failure to perform any act or  
17 nondiscretionary duty under this Section or any alleged  
18 violation of this Section, any rule or regulation adopted  
19 under this Section, any permit or term or condition of a  
20 permit, or any Board order, by any person, the State of  
21 Illinois, or any government official.

22 (2) In an action brought pursuant to this Section, any  
23 person may request, and the Board or court may grant,  
24 injunctive relief, damages (including reasonable attorney  
25 and expert witness fees), and any other remedy available  
26 pursuant to Sections 33 or 42 of this Act. The Board or

1 court may, if a temporary restraining order or preliminary  
2 injunction is sought, require the filing of a bond or  
3 equivalent security in accordance with the Illinois Code  
4 of Civil Procedure.

5 (3) No existing civil or criminal remedy shall be  
6 excluded or impaired by this Section. ~~This Section shall~~  
7 ~~apply only to those electrical generating units that are~~  
8 ~~subject to the provisions of Subpart W of Part 217 of Title~~  
9 ~~35 of the Illinois Administrative Code, as promulgated by~~  
10 ~~the Illinois Pollution Control Board on December 21, 2000.~~

11 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

12 (415 ILCS 5/9.18 new)

13 Sec. 9.18. Energy community reinvestment fee.

14 (a) As used in this Section:

15 "Carbon dioxide equivalent" means a unit of measure  
16 denoting the amount of emissions from a greenhouse gas,  
17 expressed as the amount of carbon dioxide by weight that  
18 produces the same global warming impact.

19 "Fossil fuel generating plant" means an electric  
20 generating unit or a co-generating unit that produces  
21 electricity using fossil fuels.

22 "Payment period" means the three-month period of time  
23 during which emissions are measured for the purpose of  
24 quarterly fee calculation.

25 (b) The General Assembly finds and declares that:

1           (1) the negative effects of fossil fuel-powered  
2 electric generating units on human health, environmental  
3 quality, and the climate of our planet require Illinois to  
4 swiftly retire all such plants and shift to 100% renewable  
5 energy;

6           (2) communities located near fossil fuel-powered  
7 electric generating units have experienced these health  
8 and environmental impacts most acutely;

9           (3) communities located near fossil fuel-powered  
10 electric generating units will also experience economic  
11 challenges as these plants retire;

12           (4) the assessment of a fee on the emissions of fossil  
13 fuel generating plants will lower the exposure of  
14 surrounding communities to harmful air pollutants by  
15 providing incentive for fossil fuel generating plants to  
16 reduce emissions;

17           (5) it is in the public interest that communities  
18 located near fossil fuel-fired electric generating plants  
19 should receive support in the form of economic  
20 reinvestment, as recompense for the negative impacts of  
21 the operation of fossil fuel-fired electric generating  
22 plants, to invest in clean energy developments that reduce  
23 the cumulative impacts of air pollution thus protecting  
24 the public health, and as a means for creating new  
25 economic growth and opportunity which is needed when the  
26 plants retire; and

1           (6) this support should be paid for by the owners and  
2           operators of fossil fuel-fired electric generating plants,  
3           the operation of which caused harm to the surrounding  
4           communities.

5           (c) Calculation of the Energy Community Reinvestment Fee.  
6           The Agency shall establish procedures for the collection of  
7           energy community reinvestment fees. Energy community  
8           reinvestment fees shall be paid at least quarterly (once every  
9           3 months) by owners of all fossil fuel generating plants in  
10           Illinois, based on the share of each plant's contribution to  
11           the total amount of air pollution emitted by all fossil fuel  
12           generating plants in that payment period, as determined by the  
13           Agency and described in this subsection (c).

14           (1) Pollution Calculation. The energy community  
15           reinvestment fee shall be calculated to reflect the  
16           pollution burden from fossil fuel generating plants, based  
17           on the total emissions of greenhouse gases. The fee shall  
18           be calculated based solely on emissions of carbon dioxide,  
19           methane, and nitrous oxide measured in carbon dioxide  
20           equivalent tons. The exclusive use of carbon dioxide,  
21           methane, and nitrous oxide in the calculation of the fee  
22           is designed to reflect the overall pollution impact from  
23           each fossil fuel generating plant by using these  
24           pollutants as a proximate measurement of overall  
25           emissions.

26           (2) Fee Calculation. The Agency shall calculate the

1 fee owed by each fossil fuel generating plant owner for  
2 each payment period by dividing (A) the total emissions of  
3 carbon dioxide equivalents in tons by each plant as  
4 described under paragraph (1) of this subsection (c) by  
5 (B) the total emissions of carbon dioxide equivalents in  
6 tons of all fossil fuel generating plants subject to the  
7 energy community reinvestment fee, and multiplying that  
8 figure by (C) the portion of the annual revenue  
9 requirements, established in subsection (d) of Section  
10 5-70 of the Energy Community Reinvestment Act, for that  
11 payment period.

12 (3) Right to Fee Reduction. The owner of each plant  
13 liable to pay the energy community reinvestment fee shall  
14 have the right to reduce its liability based on  
15 electricity production as described in this paragraph (3).  
16 If requested, the total amount owed each payment period  
17 for any plant shall be no greater than the total amount of  
18 kilowatt hours of electricity produced by the plant during  
19 the payment period multiplied by one cent per kilowatt  
20 hour, adjusted for inflation from the year this Act takes  
21 effect. Upon request by a plant owner the Agency shall  
22 adjust the total amount owed for each payment period by  
23 the amount necessary to reflect a maximum cost calculated  
24 based on electricity production.

25 (4) Notification by the Agency. The first payment  
26 period shall begin June 1, 2021. No later than September

1       1, 2021, and every 3 months thereafter on the first of the  
2       month, the Agency shall notify each fossil fuel generating  
3       plant owner of the fee calculated pursuant to paragraph  
4       (2) of this subsection (c) for the quarterly period just  
5       concluded.

6       (5) Fee Collection. Plant owners shall remit payment  
7       of their fee to the Agency within 30 days after the close  
8       of each payment period, as established by the Agency.  
9       Funds collected from the energy community reinvestment fee  
10       shall be deposited into the Energy Community Reinvestment  
11       Fund.

12       (d) Clean Energy Empowerment Zone Task Force involvement.  
13       If the Agency receives notification from the Department of  
14       Commerce and Economic Opportunity that a plant owner has  
15       failed to engage productively in stakeholder meetings and with  
16       Clean Energy Empowerment Zone Task Forces, as described in the  
17       Energy Community Reinvestment Act, an enforcement action may  
18       be brought under Section 31 of this Act. In addition to any  
19       other relief that may be obtained as part of the enforcement  
20       action, the Agency may seek to recover the avoided engagement  
21       fees. The avoided engagement fees shall be calculated as  
22       double the amount that is owed by the plant owner under  
23       subsection (c) for the current payment period, and subsequent  
24       payment periods, until the Department of Commerce and Economic  
25       Opportunity sends notification to the Agency that the plant  
26       owner is in compliance with the stakeholder engagement

1 requirements of the Energy Community Reinvestment Act. Avoided  
2 engagement fees (which, for clarity, are in addition to fees  
3 collected under subsection (c)) shall be deposited into the  
4 Energy Community Reinvestment Fund to be directed solely to  
5 support the local community's own planning efforts and  
6 investments, and the Agency shall transmit a notification to  
7 the Department of Commerce and Economic Opportunity of the  
8 amount collected, and the plant owner responsible.

9 (e) If a plant owner subject to a fee under this Section  
10 fails to pay the fee within 90 days after its due date, or  
11 makes the fee payment from an account with insufficient funds  
12 to cover the amount of the fee payment, the Agency shall notify  
13 the plant owner of the failure to pay the fee. If the plant  
14 owner fails to pay the fee within 60 days after such  
15 notification, the Agency may, by written notice, immediately  
16 revoke the air pollution operating permit. Failure of the  
17 Agency to notify the plant owner of failure to pay a fee due  
18 under this Section, or the payment of the fee from an account  
19 with insufficient funds to cover the amount of the fee  
20 payment, does not excuse or alter the duty of the plant owner  
21 to comply with the provisions of this Section.

22 (f) No later than November 30 of each year, the Agency  
23 shall submit a report to the Department of Commerce and  
24 Economic Opportunity describing the amount of fees collected  
25 from each fossil fuel-powered electric generating unit, the  
26 status of any delinquencies, and the total amount expected to

1 be collected.

2 (g) Nothing in this Section shall be interpreted to mean  
3 that the sum owed by each fossil fuel generating plant due to  
4 the energy community reinvestment fee is equal to or greater  
5 than the financial valuation of the total harm created by air  
6 pollution from each plant.

7 (h) Enforcement.

8 (1) Any person may file with the Board a complaint,  
9 following the procedures contained in subsection (d) of  
10 Section 31 of this Act, against any person, the State of  
11 Illinois, or any government official for failure to  
12 perform any act or nondiscretionary duty under this  
13 Section or for allegedly violating this Section, any rule  
14 or regulation adopted under this Section, any permit or  
15 term or condition of a permit related to this Section, or  
16 any Board order issued pursuant to this Section. Any  
17 person shall have standing in an action under this Section  
18 before the Board. Any person may intervene as a party as a  
19 matter of right in any legal action concerning this  
20 Section, whichever the forum, if he or she is or may be  
21 adversely affected by any failure to perform any act or  
22 nondiscretionary duty under this Section or any alleged  
23 violation of this Section, any rule or regulation adopted  
24 under this Section, any permit or term or condition of a  
25 permit, or any Board order, by any person, the State of  
26 Illinois, or any government official. Any person with

1 standing to commence an action pursuant to subsection (e)  
2 of Section 9.10 shall have standing to pursue enforcement  
3 under this Section.

4 (2) In an action brought pursuant to this Section, any  
5 person may request, and the Board or court may grant,  
6 injunctive relief, damages (including reasonable attorney  
7 and expert witness fees), and any other remedy available  
8 pursuant to Sections 33 or 42 of this Act. The Board or  
9 court may, if a temporary restraining order or preliminary  
10 injunction is sought, require the filing of a bond or  
11 equivalent security in accordance with the Illinois Code  
12 of Civil Procedure.

13 (3) No existing civil or criminal remedy shall be  
14 excluded or impaired by this Section.

15 (415 ILCS 5/9.15 rep.)

16 Section 90-35. The Environmental Protection Act is amended  
17 by repealing Section 9.15.

18 Section 90-40. The Illinois Nuclear Facility Safety Act is  
19 amended by adding Section 10 as follows:

20 (420 ILCS 10/10 new)

21 Sec. 10. Local government nuclear impact fees.

22 (a) As used in this Section:

23 "Local taxing body" means any unit of government that

1 assesses and collects property taxes.

2 "Qualifying Nuclear Facility" means a facility playing or  
3 having played a direct role in the operation of commercial  
4 nuclear power reactors for the generation of electricity;  
5 including facilities used to process radioactive materials for  
6 nuclear fuel fabrication, nuclear power reactors, high-level  
7 and low-level radioactive waste treatment sites, and storage  
8 and disposal locations.

9 "Qualifying Nuclear Operator" means any entity that  
10 operates or has in the past 50 years operated a Qualifying  
11 Nuclear Facility.

12 (b) Notwithstanding any other provision of law to the  
13 contrary, any local taxing body may establish and collect an  
14 annual Nuclear Impact Fee from Qualifying Nuclear Facility  
15 within the boundaries of that local taxing body.

16 (c) The Nuclear Impact Fee shall be charged to the  
17 Qualifying Nuclear Operator.

18 (d) The Nuclear Impact Fee may only be applied  
19 prospectively on or after the effective date of this  
20 amendatory Act of the 102nd General Assembly, and may not be  
21 applied retroactively to a date before which this amendatory  
22 Act is passed.

23 (e) The Nuclear Impact Fee permission granted to local  
24 taxing bodies under these rules shall expire separately for  
25 each individual local taxing body. That date of expiration of  
26 the Nuclear Impact Fee permission for each local taxing body

1 shall be either exactly 30 years after the effective date of  
2 this amendatory Act of the 102nd General Assembly, or 10 years  
3 following the permanent shutdown of the Qualifying Nuclear  
4 Facility from which the local taxing body collected property  
5 taxes, whichever date is later.

6 (f) In any calendar year, a local taxing body may not  
7 impose a Nuclear Impact Fee that exceeds 25% of the average  
8 annual amount of property taxes, or payments in lieu of taxes,  
9 paid to that local taxing body by the Qualifying Nuclear  
10 Facility over the most recent 5-year period that the  
11 Qualifying Nuclear Facility has been operational.

12 (g) Any failure by the Qualifying Nuclear Operator to pay  
13 a Nuclear Impact Fee within 180 days after the fee payment  
14 deadline shall be deemed a failure to comply, and shall  
15 automatically require the Qualifying Nuclear Operator to pay  
16 the Local Entity double the otherwise-allowable property  
17 taxes, up to 50% of the average annual amount of property taxes  
18 paid over the most recent 5-year period that the Qualifying  
19 Nuclear Facility was operational.

20 (h) To establish a Nuclear Impact Fee, the local taxing  
21 body shall adopt a resolution or ordinance describing the  
22 public need for economic transition, the annual amount of the  
23 fee, the Qualifying Nuclear Facility, the Qualifying Nuclear  
24 Operator to be assessed, and a description of projected  
25 expenses for the fee for the period the fee is in effect. The  
26 local taxing body shall conduct a public hearing before

1 adopting a resolution or ordinance imposing a Nuclear Impact  
2 Fee permitted under this Section. The hearing shall be held  
3 within the boundaries of the local taxing body. Public notice  
4 of the time, place, and purpose of the hearing shall be given  
5 at least 10 business days before the date of the hearing.

6 (i) A local taxing body shall include in its resolution or  
7 ordinance the method for collection of payment of a Nuclear  
8 Impact Fee. A county which has adopted a resolution or  
9 ordinance imposing a Nuclear Impact Fee may collect such Fees  
10 in the regular property tax bills of the county. The county  
11 collector of the county in which a local taxing body has  
12 adopted a resolution or ordinance imposing a Nuclear Impact  
13 Fee may bill and collect such Fees with the regular property  
14 tax bills of the county if requested by a local taxing body  
15 within its jurisdiction.

16 (j) The revenue collected through the Nuclear Impact Fee  
17 by a local taxing body shall only be used for the purposes of  
18 supporting the "economic transition" of local communities that  
19 have experienced the closure of a Qualifying Nuclear Facility  
20 or will experience a Qualifying Nuclear Facility in the  
21 future. "Economic transition" uses may include tax base  
22 replacement, workforce development, public school funding,  
23 essential public service, or sustainable infrastructure  
24 projects.

25 (k) The revenue collected under this Section shall not be  
26 used either directly or indirectly to aid, subsidize, enact,

1 support, or otherwise enable investment in any electricity  
2 generation infrastructure that processes or can process fossil  
3 or nuclear fuels.

4 (l) No later than November 30 of each calendar year, each  
5 local taxing body collecting a Nuclear Impact Fee pursuant to  
6 this Section shall remit to the Department of Revenue for  
7 deposit in the Energy Community Reinvestment Fund 20% of the  
8 annual revenue collection from any Nuclear Impact Fees in  
9 order to help fund state programs that support economic  
10 transition and workforce development, showing such information  
11 as the Department of Revenue may reasonably require.

12 (m) No later than November 30 of each calendar year, each  
13 local taxing body collecting a Nuclear Impact Fee pursuant to  
14 this Section shall submit to the Department of Commerce and  
15 Economic Opportunity and the Agency a report detailing the  
16 total amount of funds collected from any Nuclear Impact Fees,  
17 the planned expenditure of the funds, the coordination of  
18 expenditure with any Department economic transition activities  
19 and investments, copies of any adoption of or amendments to  
20 resolutions or ordinances impacting the assessment of Nuclear  
21 Impact Fees, and a certification of the remittance of the  
22 State portion of the funds collected to the Department of  
23 Revenue.

24 (n) The Department of Commerce and Economic Opportunity  
25 may establish such rules as it deems necessary to implement  
26 this Section.

1           Section 99. Effective date. This Act takes effect upon  
2           becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 5 ILCS 100/45.8 new

5 30 ILCS 105/5.935 new

6 35 ILCS 5/201

7 35 ILCS 120/5k-5 new

8 220 ILCS 5/9-222.1B new

9 220 ILCS 5/16-108.9 new

10 415 ILCS 5/9.10

11 415 ILCS 5/9.18 new

12 415 ILCS 5/9.15 rep.

13 420 ILCS 10/10 new