



Rep. Michael J. Zalewski

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1 AMENDMENT TO SENATE BILL 157

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 157, AS AMENDED,  
3 with reference to page and line numbers of House Amendment No.  
4 2, on page 842, immediately below line 16, by inserting the  
5 following:

6 "ARTICLE 110. MICRO ACT

7 Section 110-1. Short title. This Article may be cited as  
8 the Manufacturing Illinois Chips for Real Opportunity (MICRO)  
9 Act. References in this Article to "this Act" mean this  
10 Article.

11 Section 110-5. Purpose. It is the intent of the General  
12 Assembly that Illinois should lead the nation in production of  
13 semiconductors and microchips as they become even more  
14 prevalent in everyday life. The General Assembly finds that,  
15 through investments in semiconductors and microchips, Illinois

1 will be on the forefront of reshoring semiconductor and  
2 microchip production that fuels modern technologies that are  
3 essential to the operation of computers, phones, vehicles and  
4 any electric product that have become essential to modern  
5 life. This Act will create good paying jobs, and generate  
6 long-term economic investment in the Illinois business  
7 economy, in addition to ensuring a vital product is made in the  
8 United States. Illinois must aggressively adopt new business  
9 development investment tools so that Illinois can compete with  
10 domestic and foreign competitors for semiconductor and chip  
11 manufacturing.

12 Section 110-10. Definitions. As used in this Act:

13 "Agreement" means the agreement between a taxpayer and the  
14 Department under the provisions of this Act.

15 "Applicant" means a taxpayer that: (i) operates a business  
16 in Illinois as a semiconductor manufacturer, a microchip  
17 manufacturer, or a manufacturer of semiconductor or microchip  
18 component parts; or (ii) is planning to locate a business  
19 within the State of Illinois as a semiconductor manufacturer,  
20 a microchip manufacturer, or a manufacturer of semiconductor  
21 or microchip component parts. "Applicant" does not include a  
22 taxpayer who closes or substantially reduces by more than 50%  
23 operations at one location in the State and relocates  
24 substantially the same operation to another location in the  
25 State. This does not prohibit a Taxpayer from expanding its

1 operations at another location in the State. This also does  
2 not prohibit a Taxpayer from moving its operations from one  
3 location in the State to another location in the State for the  
4 purpose of expanding the operation, provided that the  
5 Department determines that expansion cannot reasonably be  
6 accommodated within the municipality or county in which the  
7 business is located, or, in the case of a business located in  
8 an incorporated area of the county, within the county in which  
9 the business is located, after conferring with the chief  
10 elected official of the municipality or county and taking into  
11 consideration any evidence offered by the municipality or  
12 county regarding the ability to accommodate expansion within  
13 the municipality or county.

14 "Capital improvements" means the purchase, renovation,  
15 rehabilitation, or construction of permanent tangible land,  
16 buildings, structures, equipment, and furnishings in an  
17 approved project sited in Illinois and expenditures for goods  
18 or services that are normally capitalized, including  
19 organizational costs and research and development costs  
20 incurred in Illinois. For land, buildings, structures, and  
21 equipment that are leased, the lease must equal or exceed the  
22 term of the agreement, and the cost of the property shall be  
23 determined from the present value, using the corporate  
24 interest rate prevailing at the time of the application, of  
25 the lease payments.

26 "Credit" or "MICRO credit" means a credit agreed to

1 between the Department and applicant under this Act.

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

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

6 "Energy Transition Area" means a county with less than  
7 100,000 people or a municipality that contains one or more of  
8 the following:

9 (1) a fossil fuel plant that was retired from service  
10 or has significant reduced service within 6 years before  
11 the time of the application or will be retired or have  
12 service significantly reduced within 6 years following the  
13 time of the application; or

14 (2) a coal mine that was closed or had operations  
15 significantly reduced within 6 years before the time of  
16 the application or is anticipated to be closed or have  
17 operations significantly reduced within 6 years following  
18 the time of the application.

19 "Full-time employee" means an individual who is employed  
20 for consideration for at least 35 hours each week or who  
21 renders any other standard of service generally accepted by  
22 industry custom or practice as full-time employment. An  
23 individual for whom a W-2 is issued by a Professional Employer  
24 Organization (PEO) is a full-time employee if employed in the  
25 service of the applicant for consideration for at least 35  
26 hours each week.

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

6 "Institution of higher education" or "institution" means  
7 any accredited public or private university, college,  
8 community college, business, technical, or vocational school,  
9 or other accredited educational institution offering degrees  
10 and instruction beyond the secondary school level.

11 "MICRO construction jobs credit" means a credit agreed to  
12 between the Department and the applicant under this Act that  
13 is based on the incremental income tax attributable to  
14 construction wages paid in connection with construction of the  
15 project facilities.

16 "MICRO credit" means a credit agreed to between the  
17 Department and the applicant under this Act that is based on  
18 the incremental income tax attributable to new employees and,  
19 if applicable, retained employees, and on training costs for  
20 such employees at the applicant's project.

21 "Microchip" means a wafer of semiconducting material that  
22 is less than 15 millimeters long and less than 5 millimeters  
23 wide and is used to make an integrated circuit.

24 "Microchip manufacturer" means a new or existing  
25 manufacturer that is focused on reequipping, expanding, or  
26 establishing a manufacturing facility in Illinois that

1 produces microchips or key components that directly support  
2 the functions of microchips.

3 "Minority person" means a minority person as defined in  
4 the Business Enterprise for Minorities, Women, and Persons  
5 with Disabilities Act.

6 "New employee" means a newly-hired full-time employee  
7 employed to work at the project site and whose work is directly  
8 related to the project.

9 "Noncompliance date" means, in the case of a taxpayer that  
10 is not complying with the requirements of the agreement or the  
11 provisions of this Act, the day following the last date upon  
12 which the taxpayer was in compliance with the requirements of  
13 the agreement and the provisions of this Act, as determined by  
14 the Director.

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

18 "Placed in service" means the state or condition of  
19 readiness, availability for a specifically assigned function,  
20 and the facility is constructed and ready to conduct its  
21 facility operations to manufacture goods.

22 "Professional employer organization" (PEO) means an  
23 employee leasing company, as defined in Section 206.1 of the  
24 Illinois Unemployment Insurance Act.

25 "Program" means the Manufacturing Illinois Chips for Real  
26 Opportunity (MICRO) program established in this Act.

1 "Project" means a for-profit economic development activity  
2 for the manufacture of semiconductors and microchips.

3 "Related member" means a person that, with respect to the  
4 taxpayer during any portion of the taxable year, is any one of  
5 the following:

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

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

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

25 (4) A corporation and any party related to that  
26 corporation in a manner that would require an attribution

1 of stock from the corporation to the party or from the  
2 party to the corporation under the attribution rules of  
3 Section 318 of the Internal Revenue Code, if the  
4 corporation and all such related parties own in the  
5 aggregate at least 50% of the profits, capital, stock, or  
6 value of the taxpayer.

7 (5) A person to or from whom there is an attribution of  
8 stock ownership in accordance with Section 1563(e) of the  
9 Internal Revenue Code, except, for purposes of determining  
10 whether a person is a related member under this paragraph,  
11 20% shall be substituted for 5% wherever 5% appears in  
12 Section 1563(e) of the Internal Revenue Code.

13 "Retained employee" means a full-time employee employed by  
14 the taxpayer prior to the term of the Agreement who continues  
15 to be employed during the term of the agreement whose job  
16 duties are directly and substantially related to the project.  
17 For purposes of this definition, "directly and substantially  
18 related to the project" means at least two-thirds of the  
19 employee's job duties must be directly related to the project  
20 and the employee must devote at least two-thirds of his or her  
21 time to the project. The term "retained employee" does not  
22 include any individual who has a direct or an indirect  
23 ownership interest of at least 5% in the profits, equity,  
24 capital, or value of the taxpayer or a child, grandchild,  
25 parent, or spouse, other than a spouse who is legally  
26 separated from the individual, of any individual who has a



1 direct or indirect ownership of at least 5% in the profits,  
2 equity, capital, or value of the taxpayer.

3 "Semiconductor" means any class of crystalline solids  
4 intermediate in electrical conductivity between a conductor  
5 and an insulator.

6 "Semiconductor manufacturer" means a new or existing  
7 manufacturer that is focused on reequipping, expanding, or  
8 establishing a manufacturing facility in Illinois that  
9 produces semiconductors or key components that directly  
10 support the functions of semiconductors.

11 "Statewide baseline" means the total number of full-time  
12 employees of the applicant and any related member employed by  
13 such entities at the time of application for incentives under  
14 this Act.

15 "Taxpayer" means an individual, corporation, partnership,  
16 or other entity that has a legal obligation to pay Illinois  
17 income taxes and file an Illinois income tax return.

18 "Training costs" means costs incurred to upgrade the  
19 technological skills of full-time employees in Illinois and  
20 includes: curriculum development; training materials  
21 (including scrap product costs); trainee domestic travel  
22 expenses; instructor costs (including wages, fringe benefits,  
23 tuition and domestic travel expenses); rent, purchase or lease  
24 of training equipment; and other usual and customary training  
25 costs. "Training costs" do not include costs associated with  
26 travel outside the United States (unless the Taxpayer receives

1 prior written approval for the travel by the Director based on  
2 a showing of substantial need or other proof the training is  
3 not reasonably available within the United States), wages and  
4 fringe benefits of employees during periods of training, or  
5 administrative cost related to Full-Time Employees of the  
6 Taxpayer.

7 "Underserved area" means any geographic areas as defined  
8 in Section 5-5 of the Economic Development for a Growing  
9 Economy Tax Credit Act.

10 Section 110-15. Powers of the Department. The Department,  
11 in addition to those powers granted under the Civil  
12 Administrative Code of Illinois, is granted and shall have all  
13 the powers necessary or convenient to administer the program  
14 under this Act and to carry out and effectuate the purposes and  
15 provisions of this Act, including, but not limited to, the  
16 power and authority to:

17 (1) adopt rules deemed necessary and appropriate for  
18 the administration of the program, the designation of  
19 projects, and the awarding of credits;

20 (2) establish forms for applications, notifications,  
21 contracts, or any other agreements and accept applications  
22 at any time during the year;

23 (3) assist taxpayers pursuant to the provisions of  
24 this Act and cooperate with taxpayers that are parties to  
25 agreements under this Act to promote, foster, and support

1 economic development, capital investment, and job creation  
2 or retention within the State;

3 (4) enter into agreements and memoranda of  
4 understanding for participation of, and engage in  
5 cooperation with, agencies of the federal government,  
6 units of local government, universities, research  
7 foundations or institutions, regional economic development  
8 corporations, or other organizations to implement the  
9 requirements and purposes of this Act;

10 (5) gather information and conduct inquiries, in the  
11 manner and by the methods it deems desirable, including  
12 without limitation, gathering information with respect to  
13 applicants for the purpose of making any designations or  
14 certifications necessary or desirable or to gather  
15 information to assist the Department with any  
16 recommendation or guidance in the furtherance of the  
17 purposes of this Act;

18 (6) establish, negotiate and effectuate agreements and  
19 any term, agreement, or other document with any person,  
20 necessary or appropriate to accomplish the purposes of  
21 this Act; and to consent, subject to the provisions of any  
22 agreement with another party, to the modification or  
23 restructuring of any agreement to which the Department is  
24 a party;

25 (7) fix, determine, charge, and collect any premiums,  
26 fees, charges, costs, and expenses from applicants,

1 including, without limitation, any application fees,  
2 commitment fees, program fees, financing charges, or  
3 publication fees as deemed appropriate to pay expenses  
4 necessary or incident to the administration, staffing, or  
5 operation in connection with the Department's activities  
6 under this Act, or for preparation, implementation, and  
7 enforcement of the terms of the agreement, or for  
8 consultation, advisory and legal fees, and other costs;  
9 however, all fees and expenses incident thereto shall be  
10 the responsibility of the applicant;

11 (8) provide for sufficient personnel to permit  
12 administration, staffing, operation, and related support  
13 required to adequately discharge its duties and  
14 responsibilities described in this Act from funds made  
15 available through charges to applicants or from funds as  
16 may be appropriated by the General Assembly for the  
17 administration of this Act;

18 (9) require applicants, upon written request, to issue  
19 any necessary authorization to the appropriate federal,  
20 State, or local authority for the release of information  
21 concerning a project being considered under the provisions  
22 of this Act, with the information requested to include,  
23 but not be limited to, financial reports, returns, or  
24 records relating to the taxpayer or its project;

25 (10) require that a taxpayer shall at all times keep  
26 proper books of record and account in accordance with

1 generally accepted accounting principles consistently  
2 applied, with the books, records, or papers related to the  
3 agreement in the custody or control of the taxpayer open  
4 for reasonable Department inspection and audits, and  
5 including, without limitation, the making of copies of the  
6 books, records, or papers, and the inspection or appraisal  
7 of any of the taxpayer or project assets;

8 (11) take whatever actions are necessary or  
9 appropriate to protect the State's interest in the event  
10 of bankruptcy, default, foreclosure, or noncompliance with  
11 the terms and conditions of financial assistance or  
12 participation required under this Act, including the power  
13 to sell, dispose, lease, or rent, upon terms and  
14 conditions determined by the Director to be appropriate,  
15 real or personal property that the Department may receive  
16 as a result of these actions.

17 Section 110-20. Manufacturing Illinois Chips for Real  
18 Opportunity (MICRO) Program; project applications.

19 (a) The Manufacturing Illinois Chips for Real Opportunity  
20 (MICRO) Program is hereby established and shall be  
21 administered by the Department. The Program will provide  
22 financial incentives to eligible semiconductor manufacturers  
23 and microchip manufacturers.

24 (b) Any taxpayer planning a project to be located in  
25 Illinois may request consideration for designation of its

1 project as a MICRO project, by formal written letter of  
2 request or by formal application to the Department, in which  
3 the applicant states its intent to make at least a specified  
4 level of investment and intends to hire a specified number of  
5 full-time employees at a designated location in Illinois. As  
6 circumstances require, the Department shall require a formal  
7 application from an applicant and a formal letter of request  
8 for assistance.

9 (c) In order to qualify for credits under the program, an  
10 Applicant must:

11 (1) for a semiconductor manufacturer or microchip  
12 manufacturer:

13 (A) make an investment of at least \$1,500,000,000  
14 in capital improvements at the project site;

15 (B) to be placed in service within the State  
16 within a 60-month period after approval of the  
17 application; and

18 (C) create at least 500 new full-time employee  
19 jobs; or

20 (2) for a semiconductor or microchip component parts  
21 manufacturer:

22 (A) make an investment of at least \$300,000,000 in  
23 capital improvements at the project site;

24 (B) manufacture one or more parts that are  
25 primarily used for the manufacture of semiconductors  
26 or microchips;

1 (C) to be placed in service within the State  
2 within a 60-month period after approval of the  
3 application; and

4 (D) create at least 150 new full-time employee  
5 jobs; or

6 (3) for a semiconductor manufacturer or microchip  
7 manufacturer or a semiconductor or microchip component  
8 parts manufacturer that does not qualify under paragraph  
9 (2) above:

10 (A) make an investment of at least \$20,000,000 in  
11 capital improvements at the project site;

12 (B) to be placed in service within the State  
13 within a 48-month period after approval of the  
14 application; and

15 (C) create at least 50 new full-time employee  
16 jobs; or

17 (4) for a semiconductor manufacturer or microchip  
18 manufacturer or a semiconductor or microchip component  
19 parts manufacturer with existing operations in Illinois  
20 that intends to convert or expand, in whole or in part, the  
21 existing facility from traditional manufacturing to  
22 semiconductor manufacturing or microchip manufacturing or  
23 semiconductor or microchip component parts manufacturing:

24 (A) make an investment of at least \$100,000,000 in  
25 capital improvements at the project site;

26 (B) to be placed in service within the State

1           within a 60-month period after approval of the  
2           application; and

3           (C) create the lesser of 75 new full-time employee  
4           jobs or new full-time employee jobs equivalent to 10%  
5           of the Statewide baseline applicable to the taxpayer  
6           and any related member at the time of application.

7           (d) For any applicant creating the full-time employee jobs  
8           noted in subsection (c), those jobs must have a total  
9           compensation equal to or greater than 120% of the average wage  
10          paid to full-time employees in the county where the project is  
11          located, as determined by the U.S. Bureau of Labor Statistics.

12          (e) Each applicant must outline its hiring plan and  
13          commitment to recruit and hire full-time employee positions at  
14          the project site. The hiring plan may include a partnership  
15          with an institution of higher education to provide  
16          internships, including, but not limited to, internships  
17          supported by the Clean Jobs Workforce Network Program, or  
18          full-time permanent employment for students at the project  
19          site. Additionally, the applicant may create or utilize  
20          participants from apprenticeship programs that are approved by  
21          and registered with the United States Department of Labor's  
22          Bureau of Apprenticeship and Training. The Applicant may apply  
23          for apprenticeship education expense credits in accordance  
24          with the provisions set forth in 14 Ill. Admin. Code 522. Each  
25          applicant is required to report annually, on or before April  
26          15, on the diversity of its workforce in accordance with



1 Section 110-50 of this Act. For existing facilities of  
2 applicants under paragraph (3) of subsection (b) above, if the  
3 taxpayer expects a reduction in force due to its transition to  
4 manufacturing semiconductors, microchips, or semiconductor or  
5 microchip component parts, the plan submitted under this  
6 Section must outline the taxpayer's plan to assist with  
7 retraining its workforce aligned with the taxpayer's adoption  
8 of new technologies and anticipated efforts to retrain  
9 employees through employment opportunities within the  
10 taxpayer's workforce.

11 (f) A taxpayer may not enter into more than one agreement  
12 under this Act with respect to a single address or location for  
13 the same period of time. Also, a taxpayer may not enter into an  
14 agreement under this Act with respect to a single address or  
15 location for the same period of time for which the taxpayer  
16 currently holds an active agreement under the Economic  
17 Development for a Growing Economy Tax Credit Act. This  
18 provision does not preclude the applicant from entering into  
19 an additional agreement after the expiration or voluntary  
20 termination of an earlier agreement under this Act or under  
21 the Economic Development for a Growing Economy Tax Credit Act  
22 to the extent that the taxpayer's application otherwise  
23 satisfies the terms and conditions of this Act and is approved  
24 by the Department. An applicant with an existing agreement  
25 under the Economic Development for a Growing Economy Tax  
26 Credit Act may submit an application for an agreement under

1 this Act after it terminates any existing agreement under the  
2 Economic Development for a Growing Economy Tax Credit Act with  
3 respect to the same address or location.

4 Section 110-25. Review of application. The Department  
5 shall determine which projects will benefit the State. In  
6 making its recommendation that an applicant's application for  
7 credit should or should not be accepted, which shall occur  
8 within a reasonable time frame as determined by the nature of  
9 the application, the Department shall determine that all the  
10 following conditions exist:

11 (1) the applicant intends to make the required  
12 investment in the State and intends to hire the required  
13 number of full-time employees;

14 (2) the applicant's project is economically sound,  
15 will benefit the people of the State by increasing  
16 opportunities for employment, and will strengthen the  
17 economy of the State;

18 (3) awarding the credit will result in an overall  
19 positive fiscal impact to the State, as certified by the  
20 Department using the best available data; and

21 (4) the credit is not prohibited under this Act.

22 Section 110-30. Tax credit awards.

23 (a) Subject to the conditions set forth in this Act, a  
24 taxpayer is entitled to a credit against the tax imposed

1 pursuant to subsections (a) and (b) of Section 201 of the  
2 Illinois Income Tax Act for a taxable year beginning on or  
3 after January 1, 2025 if the taxpayer is awarded a credit by  
4 the Department in accordance with an agreement under this Act.  
5 The Department has authority to award credits under this Act  
6 on and after January 1, 2023.

7 (b) A taxpayer may receive a tax credit against the tax  
8 imposed under subsections (a) and (b) of Section 201 of the  
9 Illinois Income Tax Act, not to exceed the sum of (i) 75% of  
10 the incremental income tax attributable to new employees at  
11 the applicant's project and (ii) 10% of the training costs of  
12 the new employees. If the project is located in an underserved  
13 area or an energy transition area, then the amount of the  
14 credit may not exceed the sum of (i) 100% of the incremental  
15 income tax attributable to new employees at the applicant's  
16 project; and (ii) 10% of the training costs of the new  
17 employees. The percentage of training costs includable in the  
18 calculation may be increased by an additional 15% for training  
19 costs associated with new employees that are recent (2 years  
20 or less) graduates, certificate holders, or credential  
21 recipients from an institution of higher education in  
22 Illinois, or, if the training is provided by an institution of  
23 higher education in Illinois, the Clean Jobs Workforce Network  
24 Program, or an apprenticeship and training program located in  
25 Illinois and approved by and registered with the United States  
26 Department of Labor's Bureau of Apprenticeship and Training.

1 An applicant is also eligible for a training credit that shall  
2 not exceed 10% of the training costs of retained employees for  
3 the purpose of upskilling to meet the operational needs of the  
4 applicant or the project. The percentage of training costs  
5 includable in the calculation shall not exceed a total of 25%.  
6 If an applicant agrees to hire the required number of new  
7 employees, then the maximum amount of the credit for that  
8 applicant may be increased by an amount not to exceed 25% of  
9 the incremental income tax attributable to retained employees  
10 at the applicant's project; provided that, in order to receive  
11 the increase for retained employees, the applicant must, if  
12 applicable, meet or exceed the statewide baseline. If the  
13 Project is in an underserved area or an energy transition  
14 area, the maximum amount of the credit attributable to  
15 retained employees for the applicant may be increased to an  
16 amount not to exceed 50% 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 meet or exceed the statewide  
20 baseline. Credits awarded may include credit earned for  
21 incremental income tax withheld and training costs incurred by  
22 the taxpayer beginning on or after January 1, 2023. Credits so  
23 earned and certified by the Department may be applied against  
24 the tax imposed by subsections (a) and (b) of Section 201 of  
25 the Illinois Income Tax Act for taxable years beginning on or  
26 after January 1, 2025.

1 (c) MICRO Construction Jobs Credit. For construction wages  
2 associated with a project that qualified for a credit under  
3 subsection (b), the taxpayer may receive a tax credit against  
4 the tax imposed under subsections (a) and (b) of Section 201 of  
5 the Illinois Income Tax Act in an amount equal to 50% of the  
6 incremental income tax attributable to construction wages paid  
7 in connection with construction of the project facilities, as  
8 a jobs credit for workers hired to construct the project.

9 The MICRO Construction Jobs Credit may not exceed 75% of  
10 the amount of the incremental income tax attributable to  
11 construction wages paid in connection with construction of the  
12 project facilities if the project is in an underserved area or  
13 an energy transition area.

14 (d) The Department shall certify to the Department of  
15 Revenue: (1) the identity of Taxpayers that are eligible for  
16 the MICRO Credit and MICRO Construction Jobs Credit; (2) the  
17 amount of the MICRO Credits and MICRO Construction Jobs  
18 Credits awarded in each calendar year; and (3) the amount of  
19 the MICRO Credit and MICRO Construction Jobs Credit claimed in  
20 each calendar year. MICRO Credits awarded may include credit  
21 earned for Incremental Income Tax withheld and Training Costs  
22 incurred by the Taxpayer beginning on or after January 1,  
23 2023. Credits so earned and certified by the Department may be  
24 applied against the tax imposed by Section 201(a) and (b) of  
25 the Illinois Income Tax Act for taxable years beginning on or  
26 after January 1, 2025.

1           (e) Applicants seeking certification for a tax credits  
2 related to the construction of the project facilities in the  
3 State shall require the contractor to enter into a project  
4 labor agreement that conforms with the Project Labor  
5 Agreements Act.

6           (f) Any applicant issued a certificate for a tax credit or  
7 tax exemption under this Act must annually report to the  
8 Department the total project tax benefits received. Reports  
9 are due no later than May 31 of each year and shall cover the  
10 previous calendar year. The first report is for the 2023  
11 calendar year and is due no later than May 31, 2023.

12           (g) Nothing in this Act shall prohibit an award of credit  
13 to an applicant that uses a PEO if all other award criteria are  
14 satisfied.

15           (h) With respect to any portion of a Credit that is based  
16 on the incremental income tax attributable to new employees or  
17 retained employees, in lieu of the Credit allowed under this  
18 Act against the taxes imposed pursuant to subsections (a) and  
19 (b) of Section 201 of the Illinois Income Tax Act, a taxpayer  
20 that otherwise meets the criteria set forth in this Section,  
21 the taxpayer may elect to claim the credit, on or after January  
22 1, 2025, against its obligation to pay over withholding under  
23 Section 704A of the Illinois Income Tax Act. The election  
24 shall be made in the manner prescribed by the Department of  
25 Revenue and once made shall be irrevocable.

1           Section 110-35. Relocation of jobs in Illinois. A taxpayer  
2 is not entitled to claim a credit provided by this Act with  
3 respect to any jobs that the Taxpayer relocates from one site  
4 in Illinois to another site in Illinois. Any full-time  
5 employee relocated to Illinois in connection with a qualifying  
6 project is deemed to be a new employee for purposes of this  
7 Act. Determinations under this Section shall be made by the  
8 Department.

9           Section 110-40. Amount and duration of the credits;  
10 limitation to amount of costs of specified items. The  
11 Department shall determine the amount and duration of the  
12 credit awarded under this Act, subject to the limitations set  
13 forth in this Act. For a project that qualified under  
14 paragraph (1), (2), or (4) of subsection (c) of Section  
15 110-20, the duration of the credit may not exceed 15 taxable  
16 years. For project that qualified under paragraph (3) of  
17 subsection (c) of Section 110-20, the duration of the credit  
18 may not exceed 10 taxable years. The credit may be stated as a  
19 percentage of the incremental income tax and training costs  
20 attributable to the applicant's project and may include a  
21 fixed dollar limitation.

22           Nothing in this Section shall prevent the Department, in  
23 consultation with the Department of Revenue, from adopting  
24 rules to extend the sunset of any earned, existing, and unused  
25 tax credit or credits a taxpayer may be in possession of.

1 Section 110-45. Contents of agreements with applicants.

2 (a) The Department shall enter into an agreement with an  
3 applicant that is awarded a credit under this Act. The  
4 agreement shall include all of the following:

5 (1) A detailed description of the project that is the  
6 subject of the agreement, including the location and  
7 amount of the investment and jobs created or retained.

8 (2) The duration of the credit, the first taxable year  
9 for which the credit may be awarded, and the first taxable  
10 year in which the credit may be used by the taxpayer.

11 (3) The credit amount that will be allowed for each  
12 taxable year.

13 (4) For a project qualified under paragraphs (1), (2),  
14 or (4) of subsection (c) of Section 110-20, a requirement  
15 that the taxpayer shall maintain operations at the project  
16 location a minimum number of years not to exceed 15. For  
17 project qualified under paragraph (3) of subsection (c) of  
18 Section 110-20, a requirement that the taxpayer shall  
19 maintain operations at the project location a minimum  
20 number of years not to exceed 10.

21 (5) A specific method for determining the number of  
22 new employees and, if applicable, retained employees,  
23 employed during a taxable year.

24 (6) A requirement that the taxpayer shall annually  
25 report to the Department the number of new employees, the



1 incremental income tax withheld in connection with the new  
2 employees, and any other information the Department deems  
3 necessary and appropriate to perform its duties under this  
4 Act.

5 (7) A requirement that the Director is authorized to  
6 verify with the appropriate State agencies the amounts  
7 reported under paragraph (6), and after doing so shall  
8 issue a certificate to the taxpayer stating that the  
9 amounts have been verified.

10 (8) A requirement that the taxpayer shall provide  
11 written notification to the Director not more than 30 days  
12 after the taxpayer makes or receives a proposal that would  
13 transfer the taxpayer's State tax liability obligations to  
14 a successor taxpayer.

15 (9) A detailed description of the number of new  
16 employees to be hired, and the occupation and payroll of  
17 full-time jobs to be created or retained because of the  
18 project.

19 (10) The minimum investment the taxpayer will make in  
20 capital improvements, the time period for placing the  
21 property in service, and the designated location in  
22 Illinois for the investment.

23 (11) A requirement that the taxpayer shall provide  
24 written notification to the Director and the Director's  
25 designee not more than 30 days after the taxpayer  
26 determines that the minimum job creation or retention,

1 employment payroll, or investment no longer is or will be  
2 achieved or maintained as set forth in the terms and  
3 conditions of the agreement. Additionally, the  
4 notification should outline to the Department the number  
5 of layoffs, date of the layoffs, and detail taxpayer's  
6 efforts to provide career and training counseling for the  
7 impacted workers with industry-related certifications and  
8 trainings.

9 (12) A provision that, if the total number of new  
10 employees falls below a specified level, the allowance of  
11 credit shall be suspended until the number of new  
12 employees equals or exceeds the agreement amount.

13 (13) If applicable, a provision that specifies the  
14 statewide baseline at the time of application for retained  
15 employees. Additionally, the agreement must have a  
16 provision addressing if the total number retained  
17 employees falls below the statewide baseline, the  
18 allowance of the credit shall be suspended until the  
19 number of retained employees equals or exceeds the  
20 agreement amount.

21 (14) A detailed description of the items for which the  
22 costs incurred by the Taxpayer will be included in the  
23 limitation on the Credit.

24 (15) A provision stating that if the taxpayer fails to  
25 meet either the investment or job creation and retention  
26 requirements specified in the agreement during the entire

1 5-year period beginning on the first day of the first  
2 taxable year in which the agreement is executed and ending  
3 on the last day of the fifth taxable year after the  
4 agreement is executed, then the agreement is automatically  
5 terminated on the last day of the fifth taxable year after  
6 the agreement is executed, and the taxpayer is not  
7 entitled to the award of any credits for any of that 5-year  
8 period.

9 (16) A provision stating that if the taxpayer ceases  
10 principal operations with the intent to permanently shut  
11 down the project in the State during the term of the  
12 Agreement, then the entire credit amount awarded to the  
13 taxpayer prior to the date the taxpayer ceases principal  
14 operations shall be returned to the Department and shall  
15 be reallocated to the local workforce investment area in  
16 which the project was located.

17 (17) A provision stating that the Taxpayer must  
18 provide the reports outlined in Sections 110-50 and 110-55  
19 on or before April 15 each year.

20 (18) A provision requiring the taxpayer to report  
21 annually its contractual obligations or otherwise with a  
22 recycling facility for its operations.

23 (19) Any other performance conditions or contract  
24 provisions the Department determines are necessary or  
25 appropriate.

26 (20) Each taxpayer under paragraph (1) of subsection

1 (c) of Section 110-20 above shall maintain labor  
2 neutrality toward any union organizing campaign for any  
3 employees of the taxpayer assigned to work on the premises  
4 of the project. This paragraph shall not apply to a  
5 manufacturer who is subject to collective bargaining  
6 agreement entered into prior to the taxpayer filing an  
7 application pursuant to this Act.

8 (b) The Department shall post on its website the terms of  
9 each agreement entered into under this Act. Such information  
10 shall be posted within 10 days after entering into the  
11 agreement and must include the following:

- 12 (1) the name of the taxpayer;
- 13 (2) the location of the project;
- 14 (3) the estimated value of the credit;
- 15 (4) the number of new employee jobs and, if  
16 applicable, number of retained employee jobs at the  
17 project; and
- 18 (5) whether or not the project is in an underserved  
19 area or energy transition area.

20 Section 110-50. Diversity report on the taxpayer's  
21 workforce, board of directors, and vendors.

22 (a) Each taxpayer with a workforce of 100 or more  
23 employees and with an agreement for a credit under this Act  
24 shall, starting on April 15, 2026, and every year thereafter  
25 prior to April 15, for which the Taxpayer has an Agreement

1 under this Act, submit to the Department an annual report  
2 detailing the diversity of the taxpayer's own workforce,  
3 including full-time and part-time employees, contractors, and  
4 board of directors' membership. Any taxpayer seeking to claim  
5 a credit under this Act that fails to timely submit the  
6 required report shall not receive a credit for that taxable  
7 year unless and until such report is finalized and submitted  
8 to the Department. The report should also address the  
9 Taxpayer's best efforts to meet or exceed the recruitment and  
10 hiring plan outlined in the application referenced in Section  
11 110-20. Those reports shall be submitted in the form and  
12 manner required by the Department.

13 (b) Vendor diversity and annual report. Each taxpayer with  
14 a workforce of 100 or more full-time employees shall, starting  
15 on April 15, 2025 and every year thereafter for which the  
16 taxpayer has an Agreement under this Act, report on the  
17 diversity of the vendors that it utilizes, for publication on  
18 the Department's website, and include the following  
19 information:

20 (1) a point of contact for potential vendors to  
21 register with the taxpayer's project;

22 (2) certifications that the taxpayer accepts or  
23 recognizes for minority and women-owned businesses as  
24 entities;

25 (3) the taxpayer's goals to contract with diverse  
26 vendors, if any, for the next fiscal year for the entire

1 budget of the taxpayer's project;

2 (4) for the last fiscal year, the actual contractual  
3 spending for the entire budget of the project and the  
4 actual spending for minority-owned businesses and  
5 women-owned businesses, expressed as a percentage of the  
6 total budget for actual spending for the project;

7 (5) a narrative explaining the results of the report  
8 and the taxpayer's plan to address the voluntary goals for  
9 the next fiscal year; and

10 (6) a copy of the taxpayer's submission of vendor  
11 diversity information to the federal government, including  
12 but not limited to vendor diversity goals and actual  
13 contractual spending for minority-and women-owned  
14 businesses, if the Taxpayer is a federal contractor and is  
15 required by the federal government to submit such  
16 information.

17 Section 110-55. Sexual harassment policy report. Each  
18 taxpayer claiming a credit under this Act shall, prior to  
19 April 15 of each taxable year for which the taxpayer claims a  
20 credit under this Act, submit to the Department a report  
21 detailing that taxpayer's sexual harassment policy, which  
22 contains, at a minimum, the following information: (i) the  
23 illegality of sexual harassment; (ii) the definition of sexual  
24 harassment under State law; (iii) a description of sexual  
25 harassment, utilizing examples; (iv) the vendor's internal

1 complaint process, including penalties; (v) the legal recourse  
2 and investigative and complaint processes available through  
3 the Department; (vi) directions on how to contact the  
4 Department; and (vii) protection against retaliation as  
5 provided by Section 6-101 of the Illinois Human Rights Act. A  
6 copy of the policy shall be provided to the Department upon  
7 request. The reports required under this Section shall be  
8 submitted in a form and manner determined by the Department.

9 Section 110-60. Certificate of verification; submission to  
10 the Department of Revenue.

11 (a) A taxpayer claiming a credit under this Act shall  
12 submit to the Department of Revenue a copy of the Director's  
13 certificate of verification under this Act for the taxable  
14 year. However, failure to submit a copy of the certificate  
15 with the taxpayer's tax return shall not invalidate a claim  
16 for a credit.

17 (b) For a taxpayer to be eligible for a certificate of  
18 verification, the taxpayer shall provide proof as required by  
19 the Department, prior to the end of each calendar year,  
20 including, but not limited to, attestation by the taxpayer  
21 that:

22 (1) The project has achieved the level of new employee  
23 jobs specified in the agreement.

24 (2) The project has achieved the level of annual  
25 payroll in Illinois specified in its agreement.

1           (3) The project has achieved the level of capital  
2           improvements in Illinois specified in its agreement.

3           Section 110-65. Certified payroll.

4           (a) Each contractor and subcontractor that is engaged in  
5           construction work on project facilities for a taxpayer who  
6           seeks to apply for a MICRO Construction Jobs Credit shall:

7           (1) make and keep, for a period of 5 years from the  
8           date of the last payment made on a contract or subcontract  
9           for construction of facilities for a project pursuant to  
10          an agreement, records of all laborers and other workers  
11          employed by the contractor or subcontractor on the  
12          project; the records shall include:

13                   (A) the worker's name;

14                   (B) the worker's address;

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

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

17                   (E) the worker's classification or  
18                   classifications;

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

21                   (G) the worker's number of hours worked in each  
22                   day;

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

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



1 (J) the worker's hourly overtime wage rate; and  
2 (2) no later than the 15th day of each calendar month,  
3 provide a certified payroll for the immediately preceding  
4 month to the taxpayer in charge of the project; within 5  
5 business days after receiving the certified payroll, the  
6 Taxpayer shall file the certified payroll with the  
7 Department of Labor and the Department; a certified  
8 payroll must be filed for only those calendar months  
9 during which construction on the project facilities has  
10 occurred; the certified payroll shall consist of a  
11 complete copy of the records identified in paragraph (1),  
12 but may exclude the starting and ending times of work each  
13 day; the certified payroll shall be accompanied by a  
14 statement signed by the contractor or subcontractor or an  
15 officer, employee, or agent of the contractor or  
16 subcontractor which avers that:

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

20 (B) the contractor or subcontractor is aware that  
21 filing a certified payroll that he or she knows to be  
22 false is a Class A misdemeanor.

23 A general contractor is not prohibited from relying on a  
24 certified payroll of a lower-tier subcontractor, provided the  
25 general contractor does not knowingly rely upon a  
26 subcontractor's false certification.

1 (b) Any contractor or subcontractor subject to this  
2 Section, and any officer, employee, or agent of such  
3 contractor or subcontractor whose duty as an officer,  
4 employee, or agent it is to file a certified payroll under this  
5 Section, who willfully fails to file such a certified payroll,  
6 on or before the date such certified payroll is required to be  
7 filed and any person who willfully files a false certified  
8 payroll as to any material fact is in violation of this Act and  
9 guilty of a Class A misdemeanor and may be enforced by the  
10 Illinois Department of Labor or the Department. The Attorney  
11 General shall represented the Illinois Department of Labor or  
12 the Department in the proceeding.

13 (c) The taxpayer in charge of the project shall keep the  
14 records submitted in accordance with this Section for a period  
15 of 5 years from the date of the last payment for work on a  
16 contract or subcontract for the project.

17 (d) The records submitted in accordance with this Section  
18 shall be considered public records, except an employee's  
19 address, telephone number, and social security number, which  
20 shall be redacted. The records shall be made publicly  
21 available in accordance with the Freedom of Information Act.  
22 The contractor or subcontractor shall submit reports to the  
23 Department of Labor electronically that meet the requirements  
24 of this subsection and shall share the information with the  
25 Department to comply with the awarding of the MICRO  
26 Construction Jobs Credit. A contractor, subcontractor, or

1 public body may retain records required under this Section in  
2 paper or electronic format.

3 (e) Upon 7 business days' notice, the contractor and each  
4 subcontractor shall make available for inspection and copying  
5 at a location within this State during reasonable hours, the  
6 records identified in paragraph (1) of this subsection to the  
7 Taxpayer in charge of the Project, its officers and agents,  
8 the Director of the Department of Labor and his/her deputies  
9 and agents, and to federal, State, or local law enforcement  
10 agencies and prosecutors.

11 Section 110-70. Noncompliance; notice; assessment. If the  
12 Director determines that a taxpayer who has received a credit  
13 under this Act is not complying with the requirements of the  
14 agreement or all of the provisions of this Act, the Director  
15 shall provide notice to the taxpayer of the alleged  
16 noncompliance and allow the taxpayer a hearing under the  
17 provisions of the Illinois Administrative Procedure Act. If,  
18 after such notice and any hearing, the Director determines  
19 that a noncompliance exists, the Director shall issue to the  
20 Department of Revenue notice to that effect, stating the  
21 noncompliance date. If, during the term of an agreement, the  
22 taxpayer ceases operations at a project location that is the  
23 subject of that agreement with the intent to terminate  
24 operations in the State, the Department and the Department of  
25 Revenue shall recapture from the taxpayer the entire credit

1 amount awarded under that agreement prior to the date the  
2 taxpayer ceases operations. The Department shall, subject to  
3 appropriation, reallocate the recaptured amounts within 6  
4 months to the local workforce investment area in which the  
5 project was located for purposes of workforce development,  
6 expanded opportunities for unemployed persons, and expanded  
7 opportunities for women and minority persons in the workforce.  
8 The taxpayer will be ineligible for future funding under other  
9 State tax credit or exemption programs for a 36-month period.  
10 Noncompliance of the agreement with result in a default of  
11 other agreements for State tax credits and exemption programs  
12 for the project.

13 Section 110-75. Annual report.

14 (a) On or before July 1 each year, the Department shall  
15 submit a report on the tax credit program under this Act to the  
16 Governor and the General Assembly. The report shall include  
17 information on the number of agreements that were entered into  
18 under this Act during the preceding calendar year, a  
19 description of the project that is the subject of each  
20 agreement, an update on the status of projects under  
21 agreements entered into before the preceding calendar year,  
22 and the sum of the credits awarded under this Act. A copy of  
23 the report shall be delivered to the Governor and to each  
24 member of the General Assembly.

25 (b) The report must include, for each agreement:

1           (1) the original estimates of the value of the credit  
2           and the number of new employee jobs to be created and, if  
3           applicable, the number of retained employee jobs;

4           (2) any relevant modifications to existing agreements;

5           (3) a statement of the progress made by each taxpayer  
6           in meeting the terms of the original agreement;

7           (4) a statement of wages paid to new employees and, if  
8           applicable, retained employees in the State; and

9           (5) a copy of the original agreement or link to the  
10          agreement on the Department's website.

11          Section 110-80. Evaluation of tax credit program. The  
12          Department shall evaluate the tax credit program every three  
13          years and issue a report. The evaluation shall include an  
14          assessment of the effectiveness of the program in creating new  
15          jobs in Illinois and of the revenue impact of the program and  
16          may include a review of the practices and experiences of other  
17          states with similar programs. The Director shall submit a  
18          report on the evaluation to the Governor and the General  
19          Assembly three years after the Effective Date of the Act and  
20          every three years thereafter.

21          Section 110-85. Sunset of new agreements. The Department  
22          shall not enter into any new Agreements under the provisions  
23          of this Act after December 31, 2028.

1           Section 110-95. Utility tax exemptions for MICRO projects.  
2           The Department may certify a taxpayer with a credit for a  
3           project that meets the qualifications under paragraphs (1),  
4           (2), and (4) of subsection (c) of Section 110-20, subject to an  
5           agreement under this Act, for an exemption from the tax  
6           imposed at the project site by Section 2-4 of the Electricity  
7           Excise Tax Law. To receive such certification, the taxpayer  
8           must be registered to self-assess that tax. The taxpayer is  
9           also exempt from any additional charges added to the  
10          taxpayer's utility bills at the project site as a pass-on of  
11          State utility taxes under Section 9-222 of the Public  
12          Utilities Act. The taxpayer must meet any other the criteria  
13          for certification set by the Department.

14          The Department shall determine the period during which the  
15          exemption from the Electricity Excise Tax Law and the charges  
16          imposed under Section 9-222 of the Public Utilities Act are in  
17          effect, which shall not exceed 10 years from the date of the  
18          taxpayer's initial receipt of certification from the  
19          Department under this Section.

20          The Department is authorized to adopt rules to carry out  
21          the provisions of this Section, including procedures to apply  
22          for the exemptions; to define the amounts and types of  
23          eligible investments that an applicant must make in order to  
24          receive electricity excise tax exemptions or exemptions from  
25          the additional charges imposed under Section 9-222 and the  
26          Public Utilities Act; to approve such electricity excise tax

1 exemptions for applicants whose investments are not yet placed  
2 in service; and to require that an applicant granted an  
3 electricity excise tax exemption or an exemption from  
4 additional charges under Section 9-222 of the Public Utilities  
5 Act repay the exempted amount if the Applicant fails to comply  
6 with the terms and conditions of the agreement.

7       Upon certification by the Department under this Section,  
8 the Department shall notify the Department of Revenue of the  
9 certification. The Department of Revenue shall notify the  
10 public utilities of the exempt status of any taxpayer  
11 certified for exemption under this Act from the electricity  
12 excise tax or pass-on charges. The exemption status shall take  
13 effect within 3 months after certification of the taxpayer and  
14 notice to the Department of Revenue by the Department.

15       Section 110-100. Investment tax credits for MICRO  
16 projects. Subject to the conditions set forth in this Act, a  
17 Taxpayer is entitled to an investment tax credit toward taxes  
18 imposed pursuant to subsections (a) and (b) of Section 201 of  
19 the Illinois Income Tax Act for a taxable year in which the  
20 Taxpayer, in accordance with an Agreement under this Act for  
21 that taxable year, invests in qualified property which is  
22 placed in service at the site of a project. The Department has  
23 authority to certify the amount of such investment tax credits  
24 to the Department of Revenue. The credit shall be 0.5% of the  
25 basis for such property and shall be determined in accordance

1 with Section 239 of the Illinois Income Tax Act. The credit  
2 shall be available only in the taxable year in which the  
3 property is placed in service and shall not be allowed to the  
4 extent that it would reduce a taxpayer's liability for the tax  
5 imposed by subsections (a) and (b) of Section 201 of the  
6 Illinois Income Tax Act to below zero. Unused credit may be  
7 carried forward in accordance with Section 239 of the Illinois  
8 Income Tax Act for use in future taxable years. Any taxpayer  
9 qualifying for the Investment Tax Credit shall not be eligible  
10 for either the investment tax credits in Section 201(e), (f),  
11 or (h) of the Illinois Income Tax Act.

12 Section 110-105. Building materials exemptions for project  
13 sites.

14 (a) The Department may certify a Taxpayer with a project  
15 that meets the qualifications under paragraphs (1), (2), or  
16 (4) of subsection (c) of Section 110-20, subject to an  
17 agreement under this Act, for an exemption from any State or  
18 local use tax or retailers' occupation tax on building  
19 materials for the construction of its project facilities. The  
20 taxpayer must meet any criteria for certification set by the  
21 Department under this Act.

22 The Department shall determine the period during which the  
23 exemption from State and local use tax and retailers'  
24 occupation tax are in effect, but in no event shall exceed 5  
25 years in accordance with Section 5m of the Retailers'



1 Occupation Tax Act.

2 The Department is authorized to promulgate rules and  
3 regulations to carry out the provisions of this Section,  
4 including procedures to apply for the exemption; to define the  
5 amounts and types of eligible investments that an applicant  
6 must make in order to receive tax exemption; to approve such  
7 tax exemption for an applicant whose investments are not yet  
8 placed in service; and to require that an applicant granted  
9 exemption repay the exempted amount if the applicant fails to  
10 comply with the terms and conditions of the agreement with the  
11 Department.

12 Upon certification by the Department under this Section,  
13 the Department shall notify the Department of Revenue of the  
14 certification. The exemption status shall take effect within 3  
15 months after certification of the taxpayer and notice to the  
16 Department of Revenue by the Department.

17 Section 110-905. The Illinois Income Tax Act is amended by  
18 changing Section 704A and by adding Sections 238 and 239 as  
19 follows:

20 (35 ILCS 5/238 new)

21 Sec. 238. MICRO credits.

22 (a) For tax years beginning on or after January 1, 2025, a  
23 taxpayer who has entered into an agreement under the  
24 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act

1 is entitled to a credit against the taxes imposed under  
2 subsections (a) and (b) of Section 201 of this Act in an amount  
3 to be determined in the Agreement. The taxpayer may elect to  
4 claim the credit, on or after January 1, 2026, against its  
5 obligation to pay over withholding under Section 704A of this  
6 Act as provided in this Section. If the taxpayer is a  
7 partnership or Subchapter S corporation, the credit shall be  
8 allowed to the partners or shareholders in accordance with the  
9 determination of income and distributive share of income under  
10 Sections 702 and 704 and subchapter S of the Internal Revenue  
11 Code. The Department, in cooperation with the Department of  
12 Commerce and Economic Opportunity, shall adopt rules to  
13 enforce and administer the provisions of this Section. This  
14 Section is exempt from the provisions of Section 250 of this  
15 Act.

16 (b) The credit is subject to the conditions set forth in  
17 the agreement and the following limitations:

18 (1) The tax credit may be in the form of either or both  
19 the MICRO Illinois Credit or the MICRO Construction Jobs  
20 Credit and shall not exceed the percentage of incremental  
21 income tax and percentage of training costs permitted in  
22 that Act and in the agreement with respect to the project.

23 (2) The amount of the credit allowed during a tax year  
24 plus the sum of all amounts allowed in prior tax years  
25 shall not exceed the maximum amount of credit established  
26 in the agreement.

1           (3) The amount of the credit shall be determined on an  
2           annual basis. Except as applied in a carryover year  
3           pursuant to paragraph (4), the credit may not be applied  
4           against any State income tax liability in more than 15  
5           taxable years.

6           (4) The credit may not exceed the amount of taxes  
7           imposed pursuant to subsections (a) and (b) of Section 201  
8           of this Act. Any credit that is unused in the year the  
9           credit is computed may be carried forward and applied to  
10           the tax liability of the 5 taxable years following the  
11           excess credit year. The credit shall be applied to the  
12           earliest year for which there is a tax liability. If there  
13           are credits from more than one tax year that are available  
14           to offset a liability, the earlier credit shall be applied  
15           first.

16           (5) No credit shall be allowed with respect to any  
17           agreement for any taxable year ending after the  
18           noncompliance date. Upon receiving notification by the  
19           Department of Commerce and Economic Opportunity of the  
20           noncompliance of a taxpayer with an agreement, the  
21           Department shall notify the taxpayer that no credit is  
22           allowed with respect to that agreement for any taxable  
23           year ending after the noncompliance date, as stated in  
24           such notification. If any credit has been allowed with  
25           respect to an agreement for a taxable year ending after  
26           the noncompliance date for that agreement, any refund paid

1       to the taxpayer for that taxable year shall, to the extent  
2       of that credit allowed, be an erroneous refund within the  
3       meaning of Section 912 of this Act.

4       If, during any taxable year, a taxpayer ceases  
5       operations at a project location that is the subject of  
6       that agreement with the intent to terminate operations in  
7       the State, the tax imposed under subsections (a) and (b)  
8       of Section 201 of this Act for such taxable year shall be  
9       increased by the amount of any credit allowed under the  
10       Agreement for that Project location prior to the date the  
11       Taxpayer ceases operations.

12       (6) Instead of claiming the credit against the taxes  
13       imposed under subsections (a) and (b) of Section 201 of  
14       this Act, with respect to the portion of a MICRO Illinois  
15       credit that is calculated based on the Incremental Income  
16       Tax attributable to new employees and retained employees,  
17       the taxpayer may elect, in accordance with the  
18       Manufacturing Illinois Chips for Real Opportunity (MICRO)  
19       Act, to claim the credit, on or after January 1, 2026,  
20       against its obligation to pay over withholding under  
21       Section 704A of the Illinois Income Tax Act. Any credit  
22       for which a Taxpayer makes such an election shall not be  
23       claimed against the taxes imposed under subsections (a)  
24       and (b) of Section 201 of this Act.

1       Sec. 239. MICRO Investment Tax credits.

2       (a) For tax years beginning on or after January 1, 2025, a  
3 taxpayer shall be allowed a credit against the tax imposed by  
4 subsections (a) and (b) of Section 201 for investment in  
5 qualified property which is placed in service at the site of a  
6 project that is subject to an agreement between the taxpayer  
7 and the Department of Commerce and Economic Opportunity  
8 pursuant to the Manufacturing Illinois Chips for Real  
9 Opportunity (MICRO) Act. If the taxpayer is a partnership or a  
10 Subchapter S corporation, the credit shall be allowed to the  
11 partners or shareholders in accordance with the determination  
12 of income and distributive share of income under Sections 702  
13 and 704 and subchapter S of the Internal Revenue Code. The  
14 credit shall be 0.5% of the basis for such property. The credit  
15 shall be available only in the taxable year in which the  
16 property is placed in service and shall not be allowed to the  
17 extent that it would reduce a taxpayer's liability for the tax  
18 imposed by subsections (a) and (b) of Section 201 to below  
19 zero. The credit shall be allowed for the tax year in which the  
20 property is placed in service, or, if the amount of the credit  
21 exceeds the tax liability for that year, whether it exceeds  
22 the original liability or the liability as later amended, such  
23 excess may be carried forward and applied to the tax liability  
24 of the 5 taxable years following the excess credit year. The  
25 credit shall be applied to the earliest year for which there is  
26 a liability. If there is credit from more than one tax year

1 that is available to offset a liability, the credit accruing  
2 first in time shall be applied first.

3 (b) The term qualified property means property which:

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

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

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

12 (4) is used at the site of the MICRO Illinois project  
13 by the taxpayer; and

14 (5) has not been previously used in Illinois in such a  
15 manner and by such a person as would qualify for the credit  
16 provided by this Section.

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

20 (d) If the basis of the property for federal income tax  
21 depreciation purposes is increased after it has been placed in  
22 service at the site of the project by the taxpayer, the amount  
23 of such increase shall be deemed property placed in service on  
24 the date of such increase in basis.

25 (e) The term "placed in service" shall have the same  
26 meaning as under Section 46 of the Internal Revenue Code.

1       (f) If during any taxable year, any property ceases to be  
2 qualified property in the hands of the taxpayer within 48  
3 months after being placed in service, or the situs of any  
4 qualified property is moved from the project site within 48  
5 months after being placed in service, the tax imposed under  
6 subsections (a) and (b) of Section 201 for such taxable year  
7 shall be increased. Such increase shall be determined by (i)  
8 recomputing the investment credit which would have been  
9 allowed for the year in which credit for such property was  
10 originally allowed by eliminating such property from such  
11 computation, and (ii) subtracting such recomputed credit from  
12 the amount of credit previously allowed. For the purposes of  
13 this subsection (f), a reduction of the basis of qualified  
14 property resulting from a redetermination of the purchase  
15 price shall be deemed a disposition of qualified property to  
16 the extent of such reduction.

17       (35 ILCS 5/704A)

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

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

23       (b) Returns. Every employer shall, in the form and manner  
24 required by the Department, make returns with respect to taxes  
25 withheld or required to be withheld under this Article 7 for

1 each quarter beginning on or after January 1, 2008, on or  
2 before the last day of the first month following the close of  
3 that quarter.

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

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

11 (A) on or before each Friday of the calendar year,  
12 for taxes withheld or required to be withheld on the  
13 immediately preceding Saturday, Sunday, Monday, or  
14 Tuesday;

15 (B) on or before each Wednesday of the calendar  
16 year, for taxes withheld or required to be withheld on  
17 the immediately preceding Wednesday, Thursday, or  
18 Friday.

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

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



1 the subsequent calendar year.

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

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

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

13 (1) Permit employers, in lieu of the requirements of  
14 subsections (b) and (c), to file annual returns due on or  
15 before January 31 of the year for taxes withheld or  
16 required to be withheld during the previous calendar year  
17 and, if the aggregate amounts required to be withheld by  
18 the employer under this Article 7 (other than amounts  
19 required to be withheld under Section 709.5) do not exceed  
20 \$1,000 for the previous calendar year, to pay the taxes  
21 required to be shown on each such return no later than the  
22 due date for such return.

23 (2) Provide that any payment required to be made under  
24 subsection (c)(1) or (c)(2) is deemed to be timely to the  
25 extent paid by electronic funds transfer on or before the  
26 due date for deposit of federal income taxes withheld

1 from, or federal employment taxes due with respect to, the  
2 wages from which the Illinois taxes were withheld.

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

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

9 (e) Annual return and payment. Every employer who deducts  
10 and withholds or is required to deduct and withhold tax from a  
11 person engaged in domestic service employment, as that term is  
12 defined in Section 3510 of the Internal Revenue Code, may  
13 comply with the requirements of this Section with respect to  
14 such employees by filing an annual return and paying the taxes  
15 required to be deducted and withheld on or before the 15th day  
16 of the fourth month following the close of the employer's  
17 taxable year. The Department may allow the employer's return  
18 to be submitted with the employer's individual income tax  
19 return or to be submitted with a return due from the employer  
20 under Section 1400.2 of the Unemployment Insurance Act.

21 (f) Magnetic media and electronic filing. With respect to  
22 taxes withheld in calendar years prior to 2017, any W-2 Form  
23 that, under the Internal Revenue Code and regulations  
24 promulgated thereunder, is required to be submitted to the  
25 Internal Revenue Service on magnetic media or electronically  
26 must also be submitted to the Department on magnetic media or

1 electronically for Illinois purposes, if required by the  
2 Department.

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

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

10 (g) For amounts deducted or withheld after December 31,  
11 2009, a taxpayer who makes an election under subsection (f) of  
12 Section 5-15 of the Economic Development for a Growing Economy  
13 Tax Credit Act for a taxable year shall be allowed a credit  
14 against payments due under this Section for amounts withheld  
15 during the first calendar year beginning after the end of that  
16 taxable year equal to the amount of the credit for the  
17 incremental income tax attributable to full-time employees of  
18 the taxpayer awarded to the taxpayer by the Department of  
19 Commerce and Economic Opportunity under the Economic  
20 Development for a Growing Economy Tax Credit Act for the  
21 taxable year and credits not previously claimed and allowed to  
22 be carried forward under Section 211(4) of this Act as  
23 provided in subsection (f) of Section 5-15 of the Economic  
24 Development for a Growing Economy Tax Credit Act. The credit  
25 or credits may not reduce the taxpayer's obligation for any  
26 payment due under this Section to less than zero. If the amount

1 of the credit or credits exceeds the total payments due under  
2 this Section with respect to amounts withheld during the  
3 calendar year, the excess may be carried forward and applied  
4 against the taxpayer's liability under this Section in the  
5 succeeding calendar years as allowed to be carried forward  
6 under paragraph (4) of Section 211 of this Act. The credit or  
7 credits shall be applied to the earliest year for which there  
8 is a tax liability. If there are credits from more than one  
9 taxable year that are available to offset a liability, the  
10 earlier credit shall be applied first. Each employer who  
11 deducts and withholds or is required to deduct and withhold  
12 tax under this Act and who retains income tax withholdings  
13 under subsection (f) of Section 5-15 of the Economic  
14 Development for a Growing Economy Tax Credit Act must make a  
15 return with respect to such taxes and retained amounts in the  
16 form and manner that the Department, by rule, requires and pay  
17 to the Department or to a depository designated by the  
18 Department those withheld taxes not retained by the taxpayer.  
19 For purposes of this subsection (g), the term taxpayer shall  
20 include taxpayer and members of the taxpayer's unitary  
21 business group as defined under paragraph (27) of subsection  
22 (a) of Section 1501 of this Act. This Section is exempt from  
23 the provisions of Section 250 of this Act. No credit awarded  
24 under the Economic Development for a Growing Economy Tax  
25 Credit Act for agreements entered into on or after January 1,  
26 2015 may be credited against payments due under this Section.

1 (g-1) For amounts deducted or withheld after December 31,  
2 2024, a taxpayer who makes an election under the Reimagining  
3 Electric Vehicles in Illinois Act shall be allowed a credit  
4 against payments due under this Section for amounts withheld  
5 during the first quarterly reporting period beginning after  
6 the certificate is issued equal to the portion of the REV  
7 Illinois Credit attributable to the incremental income tax  
8 attributable to new employees and retained employees as  
9 certified by the Department of Commerce and Economic  
10 Opportunity pursuant to an agreement with the taxpayer under  
11 the Reimagining Electric Vehicles in Illinois Act for the  
12 taxable year. The credit or credits may not reduce the  
13 taxpayer's obligation for any payment due under this Section  
14 to less than zero. If the amount of the credit or credits  
15 exceeds the total payments due under this Section with respect  
16 to amounts withheld during the quarterly reporting period, the  
17 excess may be carried forward and applied against the  
18 taxpayer's liability under this Section in the succeeding  
19 quarterly reporting period as allowed to be carried forward  
20 under paragraph (4) of Section 211 of this Act. The credit or  
21 credits shall be applied to the earliest quarterly reporting  
22 period for which there is a tax liability. If there are credits  
23 from more than one quarterly reporting period that are  
24 available to offset a liability, the earlier credit shall be  
25 applied first. Each employer who deducts and withholds or is  
26 required to deduct and withhold tax under this Act and who

1 retains income tax withholdings this subsection must make a  
2 return with respect to such taxes and retained amounts in the  
3 form and manner that the Department, by rule, requires and pay  
4 to the Department or to a depository designated by the  
5 Department those withheld taxes not retained by the taxpayer.  
6 For purposes of this subsection (g-1), the term taxpayer shall  
7 include taxpayer and members of the taxpayer's unitary  
8 business group as defined under paragraph (27) of subsection  
9 (a) of Section 1501 of this Act. This Section is exempt from  
10 the provisions of Section 250 of this Act.

11 (g-2) For amounts deducted or withheld after December 31,  
12 2024, a taxpayer who makes an election under the Manufacturing  
13 Illinois Chips for Real Opportunity (MICRO) Act shall be  
14 allowed a credit against payments due under this Section for  
15 amounts withheld during the first quarterly reporting period  
16 beginning after the certificate is issued equal to the portion  
17 of the MICRO Illinois Credit attributable to the incremental  
18 income tax attributable to new employees and retained  
19 employees as certified by the Department of Commerce and  
20 Economic Opportunity pursuant to an agreement with the  
21 taxpayer under the Manufacturing Illinois Chips for Real  
22 Opportunity (MICRO) Act for the taxable year. The credit or  
23 credits may not reduce the taxpayer's obligation for any  
24 payment due under this Section to less than zero. If the amount  
25 of the credit or credits exceeds the total payments due under  
26 this Section with respect to amounts withheld during the

1 quarterly reporting period, the excess may be carried forward  
2 and applied against the taxpayer's liability under this  
3 Section in the succeeding quarterly reporting period as  
4 allowed to be carried forward under paragraph (4) of Section  
5 211 of this Act. The credit or credits shall be applied to the  
6 earliest quarterly reporting period for which there is a tax  
7 liability. If there are credits from more than one quarterly  
8 reporting period that are available to offset a liability, the  
9 earlier credit shall be applied first. Each employer who  
10 deducts and withholds or is required to deduct and withhold  
11 tax under this Act and who retains income tax withholdings  
12 this subsection must make a return with respect to such taxes  
13 and retained amounts in the form and manner that the  
14 Department, by rule, requires and pay to the Department or to a  
15 depository designated by the Department those withheld taxes  
16 not retained by the taxpayer. For purposes of this subsection,  
17 the term taxpayer shall include taxpayer and members of the  
18 taxpayer's unitary business group as defined under paragraph  
19 (27) of subsection (a) of Section 1501 of this Act. This  
20 Section is exempt from the provisions of Section 250 of this  
21 Act.

22 (h) An employer may claim a credit against payments due  
23 under this Section for amounts withheld during the first  
24 calendar year ending after the date on which a tax credit  
25 certificate was issued under Section 35 of the Small Business  
26 Job Creation Tax Credit Act. The credit shall be equal to the

1 amount shown on the certificate, but may not reduce the  
2 taxpayer's obligation for any payment due under this Section  
3 to less than zero. If the amount of the credit exceeds the  
4 total payments due under this Section with respect to amounts  
5 withheld during the calendar year, the excess may be carried  
6 forward and applied against the taxpayer's liability under  
7 this Section in the 5 succeeding calendar years. The credit  
8 shall be applied to the earliest year for which there is a tax  
9 liability. If there are credits from more than one calendar  
10 year that are available to offset a liability, the earlier  
11 credit shall be applied first. This Section is exempt from the  
12 provisions of Section 250 of this Act.

13 (i) Each employer with 50 or fewer full-time equivalent  
14 employees during the reporting period may claim a credit  
15 against the payments due under this Section for each qualified  
16 employee in an amount equal to the maximum credit allowable.  
17 The credit may be taken against payments due for reporting  
18 periods that begin on or after January 1, 2020, and end on or  
19 before December 31, 2027. An employer may not claim a credit  
20 for an employee who has worked fewer than 90 consecutive days  
21 immediately preceding the reporting period; however, such  
22 credits may accrue during that 90-day period and be claimed  
23 against payments under this Section for future reporting  
24 periods after the employee has worked for the employer at  
25 least 90 consecutive days. In no event may the credit exceed  
26 the employer's liability for the reporting period. Each



1 employer who deducts and withholds or is required to deduct  
2 and withhold tax under this Act and who retains income tax  
3 withholdings under this subsection must make a return with  
4 respect to such taxes and retained amounts in the form and  
5 manner that the Department, by rule, requires and pay to the  
6 Department or to a depository designated by the Department  
7 those withheld taxes not retained by the employer.

8 For each reporting period, the employer may not claim a  
9 credit or credits for more employees than the number of  
10 employees making less than the minimum or reduced wage for the  
11 current calendar year during the last reporting period of the  
12 preceding calendar year. Notwithstanding any other provision  
13 of this subsection, an employer shall not be eligible for  
14 credits for a reporting period unless the average wage paid by  
15 the employer per employee for all employees making less than  
16 \$55,000 during the reporting period is greater than the  
17 average wage paid by the employer per employee for all  
18 employees making less than \$55,000 during the same reporting  
19 period of the prior calendar year.

20 For purposes of this subsection (i):

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

23 "Employer" and "employee" have the meaning ascribed to  
24 those terms in the Minimum Wage Law, except that "employee"  
25 also includes employees who work for an employer with fewer  
26 than 4 employees. Employers that operate more than one

1 establishment pursuant to a franchise agreement or that  
2 constitute members of a unitary business group shall aggregate  
3 their employees for purposes of determining eligibility for  
4 the credit.

5 "Full-time equivalent employees" means the ratio of the  
6 number of paid hours during the reporting period and the  
7 number of working hours in that period.

8 "Maximum credit" means the percentage listed below of the  
9 difference between the amount of compensation paid in Illinois  
10 to employees who are paid not more than the required minimum  
11 wage reduced by the amount of compensation paid in Illinois to  
12 employees who were paid less than the current required minimum  
13 wage during the reporting period prior to each increase in the  
14 required minimum wage on January 1. If an employer pays an  
15 employee more than the required minimum wage and that employee  
16 previously earned less than the required minimum wage, the  
17 employer may include the portion that does not exceed the  
18 required minimum wage as compensation paid in Illinois to  
19 employees who are paid not more than the required minimum  
20 wage.

21 (1) 25% for reporting periods beginning on or after  
22 January 1, 2020 and ending on or before December 31, 2020;

23 (2) 21% for reporting periods beginning on or after  
24 January 1, 2021 and ending on or before December 31, 2021;

25 (3) 17% for reporting periods beginning on or after  
26 January 1, 2022 and ending on or before December 31, 2022;

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

3 (5) 9% for reporting periods beginning on or after  
4 January 1, 2024 and ending on or before December 31, 2024;

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

7 The amount computed under this subsection may continue to  
8 be claimed for reporting periods beginning on or after January  
9 1, 2026 and:

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

12 (B) ending on or before December 31, 2027 for  
13 employers with no more than 5 employees.

14 "Qualified employee" means an employee who is paid not  
15 more than the required minimum wage and has an average wage  
16 paid per hour by the employer during the reporting period  
17 equal to or greater than his or her average wage paid per hour  
18 by the employer during each reporting period for the  
19 immediately preceding 12 months. A new qualified employee is  
20 deemed to have earned the required minimum wage in the  
21 preceding reporting period.

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

24 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

25 Section 110-907. The Use Tax Act is amended by changing

1 Section 12 as follows:

2 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

3 Sec. 12. Applicability of Retailers' Occupation Tax Act  
4 and Uniform Penalty and Interest Act. All of the provisions of  
5 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,  
6 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation  
7 provisions shall run from the date when the tax is due rather  
8 than from the date when gross receipts are received), 5  
9 (except that the time limitation provisions on the issuance of  
10 notices of tax liability shall run from the date when the tax  
11 is due rather than from the date when gross receipts are  
12 received and except that in the case of a failure to file a  
13 return required by this Act, no notice of tax liability shall  
14 be issued on and after each July 1 and January 1 covering tax  
15 due with that return during any month or period more than 6  
16 years before that July 1 or January 1, respectively), 5a, 5b,  
17 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5n, 7, 8, 9, 10, 11 and 12  
18 of the Retailers' Occupation Tax Act and Section 3-7 of the  
19 Uniform Penalty and Interest Act, which are not inconsistent  
20 with this Act, shall apply, as far as practicable, to the  
21 subject matter of this Act to the same extent as if such  
22 provisions were included herein.

23 (Source: P.A. 98-1098, eff. 8-26-14.)

24 Section 110-908. The Service Use Tax Act is amended by

1 changing Section 12 as follows:

2 (35 ILCS 110/12) (from Ch. 120, par. 439.42)

3 Sec. 12. Applicability of Retailers' Occupation Tax Act  
4 and Uniform Penalty and Interest Act. All of the provisions of  
5 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,  
6 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the  
7 Department of the money collected under this Act), 4 (except  
8 that the time limitation provisions shall run from the date  
9 when gross receipts are received), 5 (except that the time  
10 limitation provisions on the issuance of notices of tax  
11 liability shall run from the date when the tax is due rather  
12 than from the date when gross receipts are received and except  
13 that in the case of a failure to file a return required by this  
14 Act, no notice of tax liability shall be issued on and after  
15 July 1 and January 1 covering tax due with that return during  
16 any month or period more than 6 years before that July 1 or  
17 January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k,  
18 5l, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation  
19 Tax Act which are not inconsistent with this Act, and Section  
20 3-7 of the Uniform Penalty and Interest Act, shall apply, as  
21 far as practicable, to the subject matter of this Act to the  
22 same extent as if such provisions were included herein.

23 (Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

24 Section 110-909. The Service Occupation Tax Act is amended

1 by changing Section 12 as follows:

2 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

3 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,  
4 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3  
5 (except as to the disposition by the Department of the tax  
6 collected under this Act), 4 (except that the time limitation  
7 provisions shall run from the date when the tax is due rather  
8 than from the date when gross receipts are received), 5  
9 (except that the time limitation provisions on the issuance of  
10 notices of tax liability shall run from the date when the tax  
11 is due rather than from the date when gross receipts are  
12 received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5n, 6d, 7,  
13 8, 9, 10, 11 and 12 of the "Retailers' Occupation Tax Act"  
14 which are not inconsistent with this Act, and Section 3-7 of  
15 the Uniform Penalty and Interest Act shall apply, as far as  
16 practicable, to the subject matter of this Act to the same  
17 extent as if such provisions were included herein.

18 (Source: P.A. 98-1098, eff. 8-26-14; 99-217, eff. 7-31-15.)

19 Section 110-910. The Retailers' Occupation Tax Act is  
20 amended by adding Section 5n as follows:

21 (35 ILCS 120/5n new)

22 Sec. 5n. Building materials exemption; microchip and  
23 semiconductor manufacturing. Each retailer who makes a sale of

1 building materials that will be incorporated into real estate  
2 in a qualified facility for which a certificate of exemption  
3 has been issued by the Department of Commerce and Economic  
4 Opportunity under Section 110-105 of the Manufacturing  
5 Illinois Chips for Real Opportunity (MICRO) Act, may deduct  
6 receipts from such sales when calculating any State or local  
7 use and occupation taxes. No retailer who is eligible for the  
8 deduction or credit under Section 5k of this Act related to  
9 enterprise zones or Section 5l of this Act related to High  
10 Impact Businesses for a given sale shall be eligible for the  
11 deduction or credit authorized under this Section for that  
12 same sale.

13 In addition to any other requirements to document the  
14 exemption allowed under this Section, the retailer must obtain  
15 the purchaser's exemption certificate number issued by the  
16 Department. A construction contractor or other entity shall  
17 not make tax-free purchases unless it has an active exemption  
18 certificate issued by the Department at the time of purchase.

19 Upon request from a person that has been certified by the  
20 Department of Commerce and Economic Opportunity under the  
21 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,  
22 the Department shall issue a MICRO Illinois Building Materials  
23 Exemption Certificate for each construction contractor or  
24 other entity identified by the person so certified. The  
25 Department shall make the MICRO Illinois Building Materials  
26 Exemption Certificates available to each construction

1 contractor or other entity as well as the person certified  
2 under the Manufacturing Illinois Chips for Real Opportunity  
3 (MICRO) Act. The request for MICRO Illinois Building Materials  
4 Exemption Certificates must include the following information:

5 (1) the name and address of the construction  
6 contractor or other entity;

7 (2) the name and location or address of the building  
8 project site;

9 (3) the estimated amount of the exemption for each  
10 construction contractor or other entity for which a  
11 request for an exemption certificate is made, based on a  
12 stated estimated average tax rate and the percentage of  
13 the contract that consists of materials;

14 (4) the period of time over which supplies for the  
15 project are expected to be purchased; and

16 (5) other reasonable information as the Department may  
17 require, including but not limited to FEIN numbers, to  
18 determine if the contractor or other entity, or any  
19 partner, or a corporate officer, and in the case of a  
20 limited liability company, any manager or member, of the  
21 construction contractor or other entity, is or has been  
22 the owner, a partner, a corporate officer, and in the case  
23 of a limited liability company, a manager or member, of a  
24 person that is in default for moneys due to the Department  
25 under this Act or any other tax or fee Act administered by  
26 the Department.



1       The Department shall issue the exemption certificate  
2 within 3 business days after receipt of request. This  
3 requirement does not apply in circumstances where the  
4 Department, for reasonable cause, is unable to issue the  
5 exemption certificate within 3 business days. The Department  
6 may refuse to issue an exemption certificate under this  
7 Section if the owner, any partner, or a corporate officer, and  
8 in the case of a limited liability company, any manager or  
9 member, of the construction contractor or other entity is or  
10 has been the owner, a partner, a corporate officer, and in the  
11 case of a limited liability company, a manager or member, of a  
12 person that is in default for moneys due to the Department  
13 under this Act or any other tax or fee Act administered by the  
14 Department.

15       The MICRO Illinois Building Materials Exemption  
16 Certificate shall contain language stating that, if the  
17 construction contractor or other entity who is issued the  
18 exemption certificate makes a tax-exempt purchase, as  
19 described in this Section, that is not eligible for exemption  
20 under this Section or allows another person to make a  
21 tax-exempt purchase, as described in this Section, that is not  
22 eligible for exemption under this Section, then, in addition  
23 to any tax or other penalty imposed, the construction  
24 contractor or other entity is subject to a penalty equal to the  
25 tax that would have been paid by the retailer under this Act as  
26 well as any applicable local retailers' occupation tax on the

1 purchase that is not eligible for the exemption.

2 The Department, in its discretion, may require that the  
3 request for a MICRO Illinois Exemption Certificate be  
4 submitted electronically. The Department may, in its  
5 discretion, issue the exemption certificates electronically.  
6 The MICRO Illinois Building Materials Exemption Certificate  
7 number shall be designed in such a way that the Department can  
8 identify from the unique number on the exemption certificate  
9 issued to a given construction contractor or other entity, the  
10 name of the entity to whom the exemption certificate is  
11 issued. The MICRO Illinois Building Materials Exemption  
12 Certificate shall contain an expiration date, which shall be  
13 no more than 5 years after the date of issuance. At the request  
14 of the entity to whom the exemption certificate is issued, the  
15 Department may renew an exemption certificate issued under  
16 this Section. After the Department issues exemption  
17 certificates under this Section, the certified entity may  
18 notify the Department of additional construction contractors  
19 or other entities eligible for an exemption certificate under  
20 this Section. Upon such a notification and subject to the  
21 other provisions of this Section, the Department shall issue  
22 an exemption certificate to each additional qualified  
23 construction contractor or other entity so identified. A  
24 certified entity may notify the Department to rescind an  
25 exemption certificate previously issued by the Department that  
26 has not yet expired. Upon such a notification and subject to

1 the other provisions of this Section, the Department shall  
2 rescind the exemption certificate.

3 If the Department of Revenue determines that a  
4 construction contractor or other entity that was issued an  
5 exemption certificate under this Section made a tax-exempt  
6 purchase, as described in this Section, that was not eligible  
7 for exemption under this Section or allowed another person to  
8 make a tax-exempt purchase, as described in this Section, that  
9 was not eligible for exemption under this Section, then, in  
10 addition to any tax or other penalty imposed, the construction  
11 contractor or other entity is subject to a penalty equal to the  
12 tax that would have been paid by the retailer under this Act as  
13 well as any applicable local retailers' occupation tax on the  
14 purchase that was not eligible for the exemption.

15 This Section is exempt from the provisions of Section  
16 2-70.

17 Section 110-915. The Property Tax Code is amended by  
18 adding Section 18-184.20 as follows:

19 (35 ILCS 200/18-184.20 new)

20 Sec. 18-184.20. MICRO Illinois project facilities. Any  
21 taxing district, upon a majority vote of its governing body,  
22 may, after determination of the assessed value as set forth in  
23 this Code, order the clerk of the appropriate municipality or  
24 county to abate any portion of real property taxes otherwise

1 levied or extended by the taxing district on a MICRO Illinois  
2 Project facility owned by a semiconductor manufacturer or  
3 microchip manufacturer or a semiconductor or microchip  
4 component parts manufacturer that is subject to an agreement  
5 with the Department of Commerce and Economic Opportunity under  
6 the Manufacturing Illinois Chips for Real Opportunity (MICRO)  
7 Act, during the period of time such agreement is in effect as  
8 specified by the Department of Commerce and Economic  
9 Opportunity.

10 Section 110-920. The Telecommunications Excise Tax Act is  
11 amended by changing Section 2 as follows:

12 (35 ILCS 630/2) (from Ch. 120, par. 2002)

13 Sec. 2. As used in this Article, unless the context  
14 clearly requires otherwise:

15 (a) "Gross charge" means the amount paid for the act or  
16 privilege of originating or receiving telecommunications in  
17 this State and for all services and equipment provided in  
18 connection therewith by a retailer, valued in money whether  
19 paid in money or otherwise, including cash, credits, services  
20 and property of every kind or nature, and shall be determined  
21 without any deduction on account of the cost of such  
22 telecommunications, the cost of materials used, labor or  
23 service costs or any other expense whatsoever. In case credit  
24 is extended, the amount thereof shall be included only as and

1 when paid. "Gross charges" for private line service shall  
2 include charges imposed at each channel termination point  
3 within this State, charges for the channel mileage between  
4 each channel termination point within this State, and charges  
5 for that portion of the interstate inter-office channel  
6 provided within Illinois. Charges for that portion of the  
7 interstate inter-office channel provided in Illinois shall be  
8 determined by the retailer as follows: (i) for interstate  
9 inter-office channels having 2 channel termination points,  
10 only one of which is in Illinois, 50% of the total charge  
11 imposed; or (ii) for interstate inter-office channels having  
12 more than 2 channel termination points, one or more of which  
13 are in Illinois, an amount equal to the total charge  
14 multiplied by a fraction, the numerator of which is the number  
15 of channel termination points within Illinois and the  
16 denominator of which is the total number of channel  
17 termination points. Prior to January 1, 2004, any method  
18 consistent with this paragraph or other method that reasonably  
19 apportions the total charges for interstate inter-office  
20 channels among the states in which channel terminations points  
21 are located shall be accepted as a reasonable method to  
22 determine the charges for that portion of the interstate  
23 inter-office channel provided within Illinois for that period.  
24 However, "gross charges" shall not include any of the  
25 following:

- 26 (1) Any amounts added to a purchaser's bill because of

1 a charge made pursuant to (i) the tax imposed by this  
2 Article; (ii) charges added to customers' bills pursuant  
3 to the provisions of Sections 9-221 or 9-222 of the Public  
4 Utilities Act, as amended, or any similar charges added to  
5 customers' bills by retailers who are not subject to rate  
6 regulation by the Illinois Commerce Commission for the  
7 purpose of recovering any of the tax liabilities or other  
8 amounts specified in such provisions of such Act; (iii)  
9 the tax imposed by Section 4251 of the Internal Revenue  
10 Code; (iv) 911 surcharges; or (v) the tax imposed by the  
11 Simplified Municipal Telecommunications Tax Act.

12 (2) Charges for a sent collect telecommunication  
13 received outside of the State.

14 (3) Charges for leased time on equipment or charges  
15 for the storage of data or information for subsequent  
16 retrieval or the processing of data or information  
17 intended to change its form or content. Such equipment  
18 includes, but is not limited to, the use of calculators,  
19 computers, data processing equipment, tabulating equipment  
20 or accounting equipment and also includes the usage of  
21 computers under a time-sharing agreement.

22 (4) Charges for customer equipment, including such  
23 equipment that is leased or rented by the customer from  
24 any source, wherein such charges are disaggregated and  
25 separately identified from other charges.

26 (5) Charges to business enterprises certified under

1 Section 9-222.1 of the Public Utilities Act, as amended,  
2 or to electric vehicle manufacturers, electric vehicle  
3 component parts manufacturers, or electric vehicle power  
4 supply manufacturers at REV Illinois Project sites for  
5 which a certificate of exemption has been issued by the  
6 Department of Commerce and Economic Opportunity under  
7 Section 95 of the Reimagining Electric Vehicles in  
8 Illinois Act, to the extent of such exemption and during  
9 the period of time specified by the Department of Commerce  
10 and Economic Opportunity.

11 (5.1) Charges to business enterprises certified under  
12 the Manufacturing Illinois Chips for Real Opportunity  
13 (MICRO) Act.

14 (6) Charges for telecommunications and all services  
15 and equipment provided in connection therewith between a  
16 parent corporation and its wholly owned subsidiaries or  
17 between wholly owned subsidiaries when the tax imposed  
18 under this Article has already been paid to a retailer and  
19 only to the extent that the charges between the parent  
20 corporation and wholly owned subsidiaries or between  
21 wholly owned subsidiaries represent expense allocation  
22 between the corporations and not the generation of profit  
23 for the corporation rendering such service.

24 (7) Bad debts. Bad debt means any portion of a debt  
25 that is related to a sale at retail for which gross charges  
26 are not otherwise deductible or excludable that has become

1           worthless or uncollectable, as determined under applicable  
2           federal income tax standards. If the portion of the debt  
3           deemed to be bad is subsequently paid, the retailer shall  
4           report and pay the tax on that portion during the  
5           reporting period in which the payment is made.

6           (8) Charges paid by inserting coins in coin-operated  
7           telecommunication devices.

8           (9) Amounts paid by telecommunications retailers under  
9           the Telecommunications Municipal Infrastructure  
10          Maintenance Fee Act.

11          (10) Charges for nontaxable services or  
12          telecommunications if (i) those charges are aggregated  
13          with other charges for telecommunications that are  
14          taxable, (ii) those charges are not separately stated on  
15          the customer bill or invoice, and (iii) the retailer can  
16          reasonably identify the nontaxable charges on the  
17          retailer's books and records kept in the regular course of  
18          business. If the nontaxable charges cannot reasonably be  
19          identified, the gross charge from the sale of both taxable  
20          and nontaxable services or telecommunications billed on a  
21          combined basis shall be attributed to the taxable services  
22          or telecommunications. The burden of proving nontaxable  
23          charges shall be on the retailer of the  
24          telecommunications.

25          (b) "Amount paid" means the amount charged to the  
26          taxpayer's service address in this State regardless of where



1 such amount is billed or paid.

2 (c) "Telecommunications", in addition to the meaning  
3 ordinarily and popularly ascribed to it, includes, without  
4 limitation, messages or information transmitted through use of  
5 local, toll and wide area telephone service; private line  
6 services; channel services; telegraph services;  
7 teletypewriter; computer exchange services; cellular mobile  
8 telecommunications service; specialized mobile radio;  
9 stationary two way radio; paging service; or any other form of  
10 mobile and portable one-way or two-way communications; or any  
11 other transmission of messages or information by electronic or  
12 similar means, between or among points by wire, cable,  
13 fiber-optics, laser, microwave, radio, satellite or similar  
14 facilities. As used in this Act, "private line" means a  
15 dedicated non-traffic sensitive service for a single customer,  
16 that entitles the customer to exclusive or priority use of a  
17 communications channel or group of channels, from one or more  
18 specified locations to one or more other specified locations.  
19 The definition of "telecommunications" shall not include value  
20 added services in which computer processing applications are  
21 used to act on the form, content, code and protocol of the  
22 information for purposes other than transmission.  
23 "Telecommunications" shall not include purchases of  
24 telecommunications by a telecommunications service provider  
25 for use as a component part of the service provided by him to  
26 the ultimate retail consumer who originates or terminates the

1 taxable end-to-end communications. Carrier access charges,  
2 right of access charges, charges for use of inter-company  
3 facilities, and all telecommunications resold in the  
4 subsequent provision of, used as a component of, or integrated  
5 into end-to-end telecommunications service shall be  
6 non-taxable as sales for resale.

7 (d) "Interstate telecommunications" means all  
8 telecommunications that either originate or terminate outside  
9 this State.

10 (e) "Intrastate telecommunications" means all  
11 telecommunications that originate and terminate within this  
12 State.

13 (f) "Department" means the Department of Revenue of the  
14 State of Illinois.

15 (g) "Director" means the Director of Revenue for the  
16 Department of Revenue of the State of Illinois.

17 (h) "Taxpayer" means a person who individually or through  
18 his agents, employees or permittees engages in the act or  
19 privilege of originating or receiving telecommunications in  
20 this State and who incurs a tax liability under this Article.

21 (i) "Person" means any natural individual, firm, trust,  
22 estate, partnership, association, joint stock company, joint  
23 venture, corporation, limited liability company, or a  
24 receiver, trustee, guardian or other representative appointed  
25 by order of any court, the Federal and State governments,  
26 including State universities created by statute or any city,

1 town, county or other political subdivision of this State.

2 (j) "Purchase at retail" means the acquisition,  
3 consumption or use of telecommunication through a sale at  
4 retail.

5 (k) "Sale at retail" means the transmitting, supplying or  
6 furnishing of telecommunications and all services and  
7 equipment provided in connection therewith for a consideration  
8 to persons other than the Federal and State governments, and  
9 State universities created by statute and other than between a  
10 parent corporation and its wholly owned subsidiaries or  
11 between wholly owned subsidiaries for their use or consumption  
12 and not for resale.

13 (l) "Retailer" means and includes every person engaged in  
14 the business of making sales at retail as defined in this  
15 Article. The Department may, in its discretion, upon  
16 application, authorize the collection of the tax hereby  
17 imposed by any retailer not maintaining a place of business  
18 within this State, who, to the satisfaction of the Department,  
19 furnishes adequate security to insure collection and payment  
20 of the tax. Such retailer shall be issued, without charge, a  
21 permit to collect such tax. When so authorized, it shall be the  
22 duty of such retailer to collect the tax upon all of the gross  
23 charges for telecommunications in this State in the same  
24 manner and subject to the same requirements as a retailer  
25 maintaining a place of business within this State. The permit  
26 may be revoked by the Department at its discretion.

1 (m) "Retailer maintaining a place of business in this  
2 State", or any like term, means and includes any retailer  
3 having or maintaining within this State, directly or by a  
4 subsidiary, an office, distribution facilities, transmission  
5 facilities, sales office, warehouse or other place of  
6 business, or any agent or other representative operating  
7 within this State under the authority of the retailer or its  
8 subsidiary, irrespective of whether such place of business or  
9 agent or other representative is located here permanently or  
10 temporarily, or whether such retailer or subsidiary is  
11 licensed to do business in this State.

12 (n) "Service address" means the location of  
13 telecommunications equipment from which the telecommunications  
14 services are originated or at which telecommunications  
15 services are received by a taxpayer. In the event this may not  
16 be a defined location, as in the case of mobile phones, paging  
17 systems, maritime systems, service address means the  
18 customer's place of primary use as defined in the Mobile  
19 Telecommunications Sourcing Conformity Act. For air-to-ground  
20 systems and the like, service address shall mean the location  
21 of a taxpayer's primary use of the telecommunications  
22 equipment as defined by telephone number, authorization code,  
23 or location in Illinois where bills are sent.

24 (o) "Prepaid telephone calling arrangements" mean the  
25 right to exclusively purchase telephone or telecommunications  
26 services that must be paid for in advance and enable the

1 origination of one or more intrastate, interstate, or  
2 international telephone calls or other telecommunications  
3 using an access number, an authorization code, or both,  
4 whether manually or electronically dialed, for which payment  
5 to a retailer must be made in advance, provided that, unless  
6 recharged, no further service is provided once that prepaid  
7 amount of service has been consumed. Prepaid telephone calling  
8 arrangements include the recharge of a prepaid calling  
9 arrangement. For purposes of this subsection, "recharge" means  
10 the purchase of additional prepaid telephone or  
11 telecommunications services whether or not the purchaser  
12 acquires a different access number or authorization code.  
13 "Prepaid telephone calling arrangement" does not include an  
14 arrangement whereby a customer purchases a payment card and  
15 pursuant to which the service provider reflects the amount of  
16 such purchase as a credit on an invoice issued to that customer  
17 under an existing subscription plan.

18 (Source: P.A. 102-669, eff. 11-16-21.)

19 Section 110-925. The Electricity Excise Tax Law is amended  
20 by changing Section 2-4 as follows:

21 (35 ILCS 640/2-4)

22 Sec. 2-4. Tax imposed.

23 (a) Except as provided in subsection (b), a tax is imposed  
24 on the privilege of using in this State electricity purchased

1 for use or consumption and not for resale, other than by  
2 municipal corporations owning and operating a local  
3 transportation system for public service, at the following  
4 rates per kilowatt-hour delivered to the purchaser:

5 (i) For the first 2000 kilowatt-hours used or consumed  
6 in a month: 0.330 cents per kilowatt-hour;

7 (ii) For the next 48,000 kilowatt-hours used or  
8 consumed in a month: 0.319 cents per kilowatt-hour;

9 (iii) For the next 50,000 kilowatt-hours used or  
10 consumed in a month: 0.303 cents per kilowatt-hour;

11 (iv) For the next 400,000 kilowatt-hours used or  
12 consumed in a month: 0.297 cents per kilowatt-hour;

13 (v) For the next 500,000 kilowatt-hours used or  
14 consumed in a month: 0.286 cents per kilowatt-hour;

15 (vi) For the next 2,000,000 kilowatt-hours used or  
16 consumed in a month: 0.270 cents per kilowatt-hour;

17 (vii) For the next 2,000,000 kilowatt-hours used or  
18 consumed in a month: 0.254 cents per kilowatt-hour;

19 (viii) For the next 5,000,000 kilowatt-hours used or  
20 consumed in a month: 0.233 cents per kilowatt-hour;

21 (ix) For the next 10,000,000 kilowatt-hours used or  
22 consumed in a month: 0.207 cents per kilowatt-hour;

23 (x) For all electricity in excess of 20,000,000  
24 kilowatt-hours used or consumed in a month: 0.202 cents  
25 per kilowatt-hour.

26 Provided, that in lieu of the foregoing rates, the tax is

1 imposed on a self-assessing purchaser at the rate of 5.1% of  
2 the self-assessing purchaser's purchase price for all  
3 electricity distributed, supplied, furnished, sold,  
4 transmitted and delivered to the self-assessing purchaser in a  
5 month.

6 (b) A tax is imposed on the privilege of using in this  
7 State electricity purchased from a municipal system or  
8 electric cooperative, as defined in Article XVII of the Public  
9 Utilities Act, which has not made an election as permitted by  
10 either Section 17-200 or Section 17-300 of such Act, at the  
11 lesser of 0.32 cents per kilowatt hour of all electricity  
12 distributed, supplied, furnished, sold, transmitted, and  
13 delivered by such municipal system or electric cooperative to  
14 the purchaser or 5% of each such purchaser's purchase price  
15 for all electricity distributed, supplied, furnished, sold,  
16 transmitted, and delivered by such municipal system or  
17 electric cooperative to the purchaser, whichever is the lower  
18 rate as applied to each purchaser in each billing period.

19 (c) The tax imposed by this Section 2-4 is not imposed with  
20 respect to any use of electricity by business enterprises  
21 certified under Section 9-222.1 or 9-222.1A of the Public  
22 Utilities Act, as amended, to the extent of such exemption and  
23 during the time specified by the Department of Commerce and  
24 Economic Opportunity; or with respect to any transaction in  
25 interstate commerce, or otherwise, to the extent to which such  
26 transaction may not, under the Constitution and statutes of

1 the United States, be made the subject of taxation by this  
2 State.

3 (d) The tax imposed by this Section 2-4 is not imposed with  
4 respect to any use of electricity at a REV Illinois Project  
5 site that has received a certification for tax exemption from  
6 the Department of Commerce and Economic Opportunity pursuant  
7 to Section 95 of the Reimagining Electric Vehicles in Illinois  
8 Act, to the extent of such exemption, which shall be no more  
9 than 10 years.

10 (e) The tax imposed by this Section 2-4 is not imposed with  
11 respect to any use of electricity at a project site that has  
12 received a certification for tax exemption from the Department  
13 of Commerce and Economic Opportunity pursuant to the  
14 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,  
15 to the extent of such exemption, which shall be no more than 10  
16 years.

17 (Source: P.A. 102-669, eff. 11-16-21.)

18 Section 110-930. The Public Utilities Act is amended by  
19 changing Section 9-222 as follows:

20 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

21 Sec. 9-222. Whenever a tax is imposed upon a public  
22 utility engaged in the business of distributing, supplying,  
23 furnishing, or selling gas for use or consumption pursuant to  
24 Section 2 of the Gas Revenue Tax Act, or whenever a tax is



1 required to be collected by a delivering supplier pursuant to  
2 Section 2-7 of the Electricity Excise Tax Act, or whenever a  
3 tax is imposed upon a public utility pursuant to Section 2-202  
4 of this Act, such utility may charge its customers, other than  
5 customers who are high impact businesses under Section 5.5 of  
6 the Illinois Enterprise Zone Act, electric vehicle  
7 manufacturers, electric vehicle component parts manufacturers,  
8 or electric vehicle power supply equipment manufacturers at  
9 REV Illinois Project sites as certified under Section 95 of  
10 the Reimagining Electric Vehicles in Illinois Act,  
11 manufacturers under the Manufacturing Illinois Chips for Real  
12 Opportunity (MICRO) Act, or certified business enterprises  
13 under Section 9-222.1 of this Act, to the extent of such  
14 exemption and during the period in which such exemption is in  
15 effect, in addition to any rate authorized by this Act, an  
16 additional charge equal to the total amount of such taxes. The  
17 exemption of this Section relating to high impact businesses  
18 shall be subject to the provisions of subsections (a), (b),  
19 and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act.  
20 This requirement shall not apply to taxes on invested capital  
21 imposed pursuant to the Messages Tax Act, the Gas Revenue Tax  
22 Act and the Public Utilities Revenue Act. Such utility shall  
23 file with the Commission a supplemental schedule which shall  
24 specify such additional charge and which shall become  
25 effective upon filing without further notice. Such additional  
26 charge shall be shown separately on the utility bill to each

1 customer. The Commission shall have the power to investigate  
2 whether or not such supplemental schedule correctly specifies  
3 such additional charge, but shall have no power to suspend  
4 such supplemental schedule. If the Commission finds, after a  
5 hearing, that such supplemental schedule does not correctly  
6 specify such additional charge, it shall by order require a  
7 refund to the appropriate customers of the excess, if any,  
8 with interest, in such manner as it shall deem just and  
9 reasonable, and in and by such order shall require the utility  
10 to file an amended supplemental schedule corresponding to the  
11 finding and order of the Commission. Except with respect to  
12 taxes imposed on invested capital, such tax liabilities shall  
13 be recovered from customers solely by means of the additional  
14 charges authorized by this Section.

15 (Source: P.A. 102-669, eff. 11-16-21.)".