



Sen. Adriane Johnson

**Filed: 4/16/2021**

10200SB1084sam001

LRB102 04890 SPS 25398 a

1 AMENDMENT TO SENATE BILL 1084

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1084 by replacing  
3 everything after the enacting clause with the following:

4 "ARTICLE 1. Findings

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

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

13 (b) Placing Illinois on a path to 100% renewable energy is  
14 vital to a clean energy future. To bring this vision to  
15 fruition, our energy policy must prioritize a just transition  
16 that incentivizes renewable development and other

1 carbon-reducing policies, such as energy efficiency,  
2 beneficial electrification, and peak demand reduction, while  
3 ensuring that the benefits and opportunities of a carbon-free  
4 future are accessible in economically disadvantaged  
5 communities, environmental justice communities, and  
6 communities of black, indigenous, and people of color.

7 (c) In the wake of federal reversals on climate action,  
8 the State of Illinois should pursue immediate action on  
9 policies that will ensure a just and responsible phase out of  
10 fossil fuels from the power sector to reduce harmful emissions  
11 from Illinois power plants, support power plant communities  
12 and workers, and allow the clean energy economy to continue  
13 growing in every corner of Illinois.

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

19 (e) Illinois' policy approach must ensure the reduction of  
20 co-pollutant emissions that cause serious local health  
21 impacts, prioritizing environmental justice communities near  
22 power plants.

23 (f) As we decarbonize Illinois' electric sector, Illinois  
24 must create new investment to stimulate the economic and  
25 environmental well-being of communities disproportionately  
26 impacted by the historical operation of, and recent or

1 expected closures of, fossil fuel power plants and coal mining  
2 operations.

3 ARTICLE 5. Energy Community Reinvestment Act

4 Section 5-1. Short title. This Article may be cited as the  
5 Energy Community Reinvestment Act. References in this Article  
6 to "this Act" mean this Article.

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

16 The General Assembly finds and declares that the health,  
17 safety, and welfare of the people of this State are dependent  
18 upon a healthy economy and vibrant communities; that the  
19 closure of fossil fuel power plants, nuclear power plants, and  
20 coal mines across the State have a significant impact on their  
21 surrounding communities; that the expansion of renewable  
22 energy creates significant job growth and contributes  
23 significantly to the health, safety, and welfare of the people

1 of this State; that the continual encouragement, development,  
2 growth, and expansion of renewable energy within the State  
3 requires a cooperative and continuous partnership between  
4 government and the renewable energy sector; and that there are  
5 certain areas in this State that have lost, or will lose, jobs  
6 due to the closure of fossil fuel power plants, nuclear power  
7 plants, and coal mines and need the particular attention of  
8 government, labor, and the residents of Illinois to help  
9 attract new investment into these areas and directly aid the  
10 local community and its residents.

11 Therefore, it is declared to be the purpose of this Act to  
12 explore ways of stimulating the growth of new private  
13 investment, including renewable energy investment, in this  
14 State and to foster job growth in areas impacted by the closure  
15 of coal energy plants, coal mines, and nuclear energy plants.

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

18 "State agencies" or "agencies" has the same meaning as  
19 "State agencies" under Section 1-7 of the Illinois State  
20 Auditing Act.

21 "Board" means the Clean Energy Empowerment Zone Board  
22 created in Section 5-20.

23 "Clean Energy Empowerment Zone" or "Empowerment Zones"  
24 means an area of the State certified by the Department as a  
25 Clean Energy Empowerment Zone under this Act.

1 "Commission" means the Energy Transition Workforce  
2 Commission created in Section 5-45.

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

5 "Displaced energy worker" means an energy worker who has  
6 lost employment, or is anticipated by the Department to lose  
7 employment within the next 2 years, due to the reduced  
8 operation or closure of a fossil fuel power plant, nuclear  
9 power plant, or coal mine.

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

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

26 "Fossil fuel power plant" means an electric generating

1 facility powered by gas, coal, other fossil fuels, or a  
2 combination thereof.

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

6 "Local labor market area" means an economically integrated  
7 area within which individuals reside and find employment  
8 within a reasonable distance of their places of residence or  
9 can readily change jobs without changing their places of  
10 residence.

11 "Renewable energy enterprise" means a company that is  
12 engaged in the production, manufacturing, distribution, or  
13 development of renewable energy resources and associated  
14 technologies.

15 "Renewable energy project" means a project conducted by a  
16 renewable energy enterprise for the purpose of generating  
17 renewable energy resources or energy storage.

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

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

22 Section 5-15. Designation of Clean Energy Empowerment  
23 Zones.

24 (a) Purpose. It is the intent of the General Assembly that  
25 designation of a community as a Clean Energy Empowerment Zone

1 shall be reserved for communities that have experienced  
2 economic or environmental hardship due to the energy  
3 transition or fossil fuel power generation and extraction. The  
4 purpose of this Section 5-45 is to establish an efficient and  
5 equitable process by which the Department and communities  
6 across the State may seek the designation of Clean Energy  
7 Empowerment Zones, thereby allowing for economic and  
8 environmental benefits of the clean energy economy to be  
9 obtained by communities that have been deprived of these  
10 benefits. The process conducted by the Department, the Board,  
11 and participating units of local government shall be as  
12 transparent and inclusive as is reasonably practical.

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

1 or local government units of this process at any time.

2 (c) Proposed list of Clean Energy Empowerment Zones.  
3 Within 120 days after the effective date of this Act, the  
4 Department of Commerce and Economic Opportunity shall develop  
5 a proposed list of geographic regions in Illinois that qualify  
6 as Clean Energy Empowerment Zones. The Department shall work  
7 with the Illinois Environmental Protection Agency, the  
8 Commission on Environmental Justice, the Department of Labor,  
9 the Department of Natural Resources, and community  
10 organizations to identify regions impacted by the decline of  
11 coal generation, gas generation, nuclear generation, and coal  
12 mining to develop the recommended list of regions that qualify  
13 for Clean Energy Empowerment Zone designations. The Department  
14 shall furnish maps that identify the proposed boundaries of  
15 proposed Clean Energy Empowerment Zones, and include  
16 justification for the inclusion or exclusion of certain  
17 locations or regions. The proposed list shall be subject to  
18 the notice and comment process established in subsection (e).

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

24 (1) The region is a contiguous area, provided that a  
25 Zone area may exclude wholly surrounded territory within  
26 its boundaries;



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

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

5           (A) the area contains a fossil fuel or nuclear  
6 power plant that was retired from service or has  
7 significantly reduced service within 10 years before  
8 the application for designation or will be retired or  
9 have service significantly reduced within 5 years  
10 following the application for designation;

11           (B) the area contains a coal mine that was closed  
12 or had operations significantly reduced within 10  
13 years before the application for designation or is  
14 anticipated to be closed or have operations  
15 significantly reduced within 5 years following the  
16 application for designation; or

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

20           (e) Review and comment process. After developing the  
21 proposed list of regions to be designated as Clean Energy  
22 Empowerment Zones, or proposing additions to the list, the  
23 Department shall conduct a 60-day public comment process, in  
24 partnership with the other agencies, departments, and units of  
25 local government where beneficial for the purposes of this  
26 Section. The public comment process shall include, at a

1 minimum, 2 public hearings that are accessible to working  
2 residents, shall prioritize the solicitation of feedback from  
3 environmental justice communities and communities directly  
4 impacted by the Clean Energy Empowerment Zone designation, and  
5 shall provide for the submission of written comments through  
6 the Internet.

7 Within 30 days after concluding the public comment  
8 process, the Department shall modify or finalize the proposed  
9 list of geographic regions that qualify as Clean Energy  
10 Empowerment Zones and submit the list to the Clean Energy  
11 Empowerment Zone Board for approval or modification as  
12 described in Section 5-20.

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

- 25 (1) the area meets the criteria for designation as a  
26 Clean Energy Empowerment Zone established in subsection

1 (d); and

2 (2) the unit of local government has conducted at  
3 least one public hearing within the proposed Zone area  
4 considering all of the following questions: (A) whether to  
5 create the Zone; (B) what local plans, tax incentives, and  
6 other programs should be established in connection with  
7 the zone; and (C) what the boundaries of the Zone should  
8 be. Public notice of the hearing shall be published in at  
9 least one newspaper of general circulation within the Zone  
10 area, not more than 21 days nor less than 7 days before the  
11 hearing.

12 An application submitted under this subsection (f) shall  
13 include a certified copy of the ordinance designating the  
14 proposed Zone; a map of the proposed Clean Energy Empowerment  
15 Zone, showing existing streets and highways; an analysis, and  
16 any appropriate supporting documents and statistics,  
17 demonstrating that the proposed zone area is qualified in  
18 accordance with subsection (d); a statement detailing any tax,  
19 grant, and other financial incentives or benefits, and any  
20 programs, to be provided by the municipality or county to  
21 renewable energy enterprises within the Zone, which are not  
22 otherwise provided throughout the municipality or county; a  
23 statement setting forth the economic development and planning  
24 objectives for the Zone; an estimate of the economic impact of  
25 the Zone, considering all of the tax incentives, financial  
26 benefits and programs contemplated, upon the revenues of the

1 municipality or county; a specific definition of the  
2 applicant's local labor market area; a transcript of all  
3 public hearings on the Zone; and any additional information as  
4 the Department may by rule require.

5 Within 60 days after receiving an application from a unit  
6 of local government, the Department shall review the  
7 application to determine whether the designated area qualifies  
8 as a Clean Energy Empowerment Zone under this Section, and  
9 submit its recommendation to the Clean Energy Empowerment Zone  
10 Board including all necessary information and records for the  
11 Board to review, as described in Section 5-20. Within 7 days  
12 after submitting the recommendation to the Board, the  
13 Department shall provide a copy of its recommendation to the  
14 applicant, including all supporting documents and information  
15 submitted to the Board.

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

24 (h) Length of designation. A Clean Energy Empowerment Zone  
25 designation lasts for 10 years from the effective date of the  
26 designation and shall be subject to review by the Board after

1 10 years for an additional 10-year designation beginning on  
2 the expiration date of the Clean Energy Empowerment Zone.  
3 During the review process, the Board shall consider the costs  
4 incurred by the State and units of local government as a result  
5 of benefits received by the Clean Energy Empowerment Zone.

6 (i) Emergency rulemaking. The Department has emergency  
7 rulemaking authority for the purpose of implementation of this  
8 Section until 12 months after the effective date of this Act as  
9 provided under Section 5-45 of the Illinois Administrative  
10 Procedure Act.

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

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

14 (b) The Board shall consist of 8 voting members, one of  
15 whom shall be the Director of Commerce and Economic  
16 Opportunity, or his or her designee, who shall serve as  
17 chairperson; one of whom shall be the Director of Revenue, or  
18 his or her designee; 2 of whom shall be members appointed by  
19 the Governor, with the advice and consent of the Senate; one of  
20 whom shall be appointed by the Speaker of the House of  
21 Representatives; one of whom shall be appointed by the  
22 President of the Senate; one of whom shall be appointed by the  
23 Minority Leader of the House; and one of whom shall be  
24 appointed by the Minority Leader of the Senate. Designees  
25 shall be appointed within 60 days after a vacancy. No fewer

1 than 4 of the 8 voting members shall consist of low-income  
2 residents or residents of environmental justice communities.  
3 At least one of the Board members shall be a representative of  
4 organized labor. All meetings shall be accessible, with  
5 rotating locations, call-in options, and materials and agendas  
6 circulated well in advance, and there shall also be  
7 opportunities for input outside of meetings from those with  
8 limited capacity and ability to attend, via one-on-one  
9 meetings, surveys, and calls.

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

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

22 (1) reviewing applications and extensions for  
23 designation as a Clean Energy Empowerment Zone, including  
24 Department recommendations, testimony from public  
25 hearings, public comment, and supporting materials;

26 (2) voting to approve, disapprove, or modify

1 applications for designation and extensions as a Clean  
2 Energy Empowerment Zones;

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

5 (4) modifying applications for designation or  
6 extensions as a Clean Energy Empowerment Zone before  
7 approval.

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

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

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

23 (b) Renewable energy enterprises located in Clean Energy  
24 Empowerment Zones are eligible to receive an investment credit  
25 subject to the requirements of paragraph (1) of subsection (f)

1 of Section 201 of the Illinois Income Tax Act.

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

8 (d) Renewable energy enterprises located in a Clean Energy  
9 Empowerment Zone that meet the qualifications of Section  
10 9-222.1B of the Public Utilities Act are exempt, in part or in  
11 whole, from State and local taxes on gas and electricity.

12 (e) Preference for procurements shall be conducted by the  
13 Illinois Power Agency as described in subparagraph (P) of  
14 paragraph (1) of subsection (c) of Section 1-75 of the  
15 Illinois Power Agency Act.

16 Section 5-30. State incentives regarding public services  
17 and physical infrastructure.

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

21 (b) This Act does not restrict tax incentive financing  
22 under Division 74.4 of Article 11 of the Illinois Municipal  
23 Code.

24 Section 5-35. Supporting impacted communities.



1           (a) No later than July 1, 2021, the Department shall  
2 develop a process for accepting applications from units of  
3 local government included in Clean Energy Empowerment Zones to  
4 mitigate the impact of an annual reduction of at least 30% in  
5 the sum of property tax revenue or other direct payments, or  
6 both, from fossil fuel power plants or coal mines to local  
7 governments due to the retirement, or reduced operation, of  
8 the power plant or mine that occurred after January 1, 2016. In  
9 the case of reduced operation, the proposal may only be  
10 accepted if the reduction in operation is reasonably expected  
11 to be permanent. The Department shall accept applications on  
12 an ongoing basis after beginning the program. Local government  
13 units may submit applications jointly.

14           (b) The Department shall use available funds from the  
15 Energy Community Reinvestment Fund, subject to the provisions  
16 of subsection (c) of Section 5-70, to provide payments to  
17 communities for a period of no longer than 5 years from the  
18 approval of their proposal, subject to the following  
19 restrictions:

20           (1) Payments shall be assessed based on need, taking  
21 into consideration the net amount of any increase in  
22 payments from any other State source, including, but not  
23 limited to, funding provided based on an evidence-based  
24 funding formula developed by the Illinois State Board of  
25 Education.

26           (2) The highest annual payment to the unit of local

1 government cannot exceed the lower value of either (i) the  
2 average annual sum of property tax and other direct  
3 payments from the fossil fuel power plant or coal mine to  
4 the unit of local government from the most recent 3  
5 taxable years before the reduction or cessation of  
6 operation of the fossil fuel power plant or coal mine, or  
7 (ii) the difference between projected local government  
8 revenue for the years for which assistance is requested  
9 (taking into account reasonably anticipated new revenue  
10 sources) and the average local government revenue from the  
11 most recent 3 taxable years before the reduction or  
12 cessation of fossil fuel power plant or coal mine  
13 operation. The Department may choose to consider budget  
14 information from prior years if doing so allows the  
15 Department to better measure the revenue impacts of the  
16 energy transition.

17 (3) The Department shall not provide funding under  
18 this Program that exceeds the amount specified in this  
19 paragraph (3) to any local government unit. Each unit of  
20 local government shall not be granted by the Department a  
21 total amount of funding over the lifetime of this Program,  
22 for each fossil fuel power plant or coal mine, that is  
23 greater than 5 times the average annual sum of property  
24 tax payments and other direct payments from the fossil  
25 fuel power plant or coal mine to the unit of local  
26 government, calculated based on the most recent 3 taxable

1 years that occurred before the reduction or cessation of  
2 operation of the fossil fuel power plant or coal mine.

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

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

19 (6) Funding allocated under this program may not be  
20 used to support fossil fuel power plants, nuclear power  
21 plants, or coal mines in any form. Any local government  
22 unit that uses funds provided under this Act to support  
23 fossil fuel power plants, nuclear power plants, or coal  
24 mines shall reimburse the State for all funding used for  
25 that purpose. If requested, the Department shall provide  
26 guidance to local government units on whether a proposed

1 use of funds is considered a violation of this  
2 requirement.

3 (7) At least once every 2 years following the  
4 allocation of funds for this program, the Department shall  
5 publish a document available online detailing the  
6 allocation of funds, including a map that shows the  
7 geographic distribution of the funds and the locations of  
8 Clean Energy Empowerment Zones.

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

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

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

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

4           (b) Local Clean Energy Empowerment Task Forces shall  
5 include a broad range of local stakeholders to inform  
6 transition needs and include, at a minimum, elected  
7 representatives from municipal and State governments,  
8 operators of local power plants or mines, multiple  
9 representatives from community-based organizations, local  
10 environmental, fish, or wildlife groups, organized labor, and  
11 the Illinois Environmental Protection Agency.

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

16           (d) The Department shall work with local Task Forces to  
17 develop local transition plans that identify economic,  
18 workforce, and environmental health needs with strategies to  
19 mitigate energy transition impacts and any accompanying  
20 funding requests from the Energy Community Reinvestment Fund.

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

25           (f) If the Department determines that a fossil fuel power  
26 plant owner has failed to engage productively in stakeholder

1 meetings and with Clean Energy Empowerment Zone Task Forces,  
2 the Department shall submit a notification to the Illinois  
3 Environmental Protection Agency for enforcement actions and  
4 the assessment of fees as described in Section 9.16 of the  
5 Environmental Protection Act.

6 Section 5-45. Energy Transition Workforce Commission.

7 (a) The Energy Transition Workforce Commission is hereby  
8 created within the Department of Commerce and Economic  
9 Opportunity.

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

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

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

15 (3) 3 members appointed by the Governor, with the  
16 advice and consent of the Senate, of which at least one  
17 shall be from organized labor and at least one shall be a  
18 resident of an environmental justice community.

19 Designees shall be appointed within 60 days after a  
20 vacancy.

21 (c) Members of the Commission shall serve without  
22 compensation, but may be reimbursed for necessary expenses  
23 incurred in the performance of their duties from funds  
24 appropriated for that purpose. The Department of Commerce and  
25 Economic Opportunity shall provide administrative support to

1 the Commission.

2 (d) Within 120 days after the effective date of this Act,  
3 the Commission shall produce an Energy Transition Workforce  
4 Report regarding the anticipated impact of the energy  
5 transition and a comprehensive set of recommendations to  
6 address changes to the Illinois workforce during the period of  
7 2020 through 2050, or a later year. The report shall contain  
8 the following elements, designed to be used for the programs  
9 created in this Act:

10 (1) Information related to the impact on current  
11 workers, including:

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

24 (B) the anticipated schedule of closures of fossil  
25 fuel power plants, nuclear power plants, and coal  
26 mines across the State; when information is

1           unavailable to provide exact data, the report shall  
2           include approximations based upon the best available  
3           information;

4           (C) an estimate of worker impacts due to scheduled  
5           closures, including layoffs, early retirements, salary  
6           changes, and other factors the Commission finds  
7           relevant; and

8           (D) the likely outcome for workers who are  
9           employed by facilities that are anticipated to close  
10          or have significant layoffs during their tenure or  
11          lifetime.

12          (2) Information regarding impact on communities and  
13          local governments, including:

14           (A) changes in the revenue for units of local  
15           government in areas that currently or recently have  
16           had a closure or reduction in operation of a fossil  
17           fuel power plant, nuclear power plant, coal mine, or  
18           related industry;

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

22           (C) economic impacts of the energy transition,  
23           including, but not limited to, the supply chain  
24           impacts of the energy transition shift toward new  
25           energy sources across the State.

26          (3) Information on emerging industries and State



1 economic development opportunities in regions that have  
2 historically been the site of fossil fuel power plants,  
3 nuclear power plants, or coal mining.

4 (e) Following the completion of each report, or if the  
5 Department finds that it is prudent to begin before the  
6 completion of a report, the Department shall coordinate with  
7 the Commission to create a comprehensive draft plan for  
8 designing, maintaining, and funding programs established under  
9 this Act, including the Energy Workforce Development Program  
10 created under Section 5-50, the Energy Community Development  
11 Program created under Section 5-55, and the Displaced Energy  
12 Workers Bill of Rights provided under Section 5-60. The draft  
13 plan shall include, at a minimum, the following information:

14 (1) A detailed accounting of the anticipated costs for  
15 each program and the anticipated amount of funding that  
16 will be provided for each program.

17 (2) Information on the locations at which each program  
18 shall have services provided. If this information is not  
19 yet known by the Department at the time of the plan's  
20 drafting, the Department shall generally explain how they  
21 intend to determine the program locations.

22 Within 120 days after the effective date of this Act, the  
23 Department shall publish the draft plan online. The Department  
24 shall take public comments on the draft plan for a period of no  
25 less than 45 days and publish the final plan within 30 days  
26 after the closing of the comment period.

1           (f) The Department shall periodically review its findings  
2 in the developed reports and make modifications to the report  
3 and programs based on new findings. The Department shall  
4 conduct a comprehensive reevaluation of the report, and  
5 publish a modified version along with a new draft plan, on each  
6 of the following years following initial publication: 2023;  
7 2027; 2030; 2035; 2040; and any year thereafter which the  
8 Department determines is necessary or prudent.

9           Section 5-50. Energy Workforce Development Program.

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

13           (b) The Director of Commerce and Economic Opportunity  
14 shall design, develop, and administer the Energy Workforce  
15 Development Program. The Energy Workforce Development Program  
16 shall include the following elements:

17           (1) comprehensive career services for displaced energy  
18 workers, including advising displaced energy workers  
19 looking for new positions on finding new employment or  
20 preparing for retirement;

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

25           (3) administrative assistance for displaced energy

1 workers in applying for programs provided by the State,  
2 the federal government, nonprofit organizations, or other  
3 programs that are designed to offer career or financial  
4 assistance;

5 (4) the creation and maintenance of a registry of all  
6 persons in Illinois who qualify as an energy worker to use  
7 for coordination with programs created under this Act or  
8 other benefits for those workers, including all  
9 information necessary or beneficial for the implementation  
10 of this Act;

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

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

17 (c) In administering the Energy Workforce Development  
18 Program, the Department shall develop and implement the  
19 Program with the following goals:

20 (1) to use the recommendations and information  
21 contained in the report created under Section 5-45 to  
22 proactively plan for each phase of the energy transition  
23 in Illinois;

24 (2) to increase access to the services contained in  
25 this Program by locating services in different regions of  
26 the State as dictated by the anticipated schedule of power

1 plant and coal mine closures and regional economic  
2 changes;

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

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

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

8 Section 5-55. Energy Community Development Program.

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

14 (b) The Director of Commerce and Economic Opportunity  
15 shall, subject to appropriation, administer the Energy  
16 Community Development Program. In administering the Energy  
17 Community Development Program, the Department shall:

18 (1) assist local governments in Clean Energy  
19 Empowerment Zones in finding private and public sector  
20 partners to invest in regional development;

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

24 (3) provide coordination services to connect  
25 organizations or persons seeking to use tax credits

1 created under Act with units of local government;

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

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

8 (c) In administering the Energy Community Development  
9 Program, the Department shall develop and implement the  
10 Program with the following goals:

11 (1) to increase private sector development in Clean  
12 Energy Empowerment Zones;

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

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

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

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

21 (a) The Department of Commerce and Economic Opportunity  
22 shall implement the Displaced Energy Workers Bill of Rights  
23 and shall be responsible for the implementation of the  
24 Displaced Energy Workers Bill of Rights programs and rights  
25 created under this Section. The Department shall provide the

1 following benefits to displaced energy workers listed in  
2 paragraphs (1) through (4) of this subsection:

3 (1) Advance notice of power plant or coal mine  
4 closure.

5 (A) The Department of Commerce and Economic  
6 Opportunity shall notify all energy workers of the  
7 upcoming closure of any qualifying facility at least 2  
8 years in advance of the scheduled closing date.

9 (B) In providing the advance notice described in  
10 this paragraph (1), the Department shall take  
11 reasonable steps to ensure that all displaced energy  
12 workers are educated on the various programs available  
13 through the Department to assist with the energy  
14 transition.

15 (2) Employment assistance and career services. The  
16 Department shall provide displaced energy workers with  
17 assistance in finding new sources of employment through  
18 the Energy Workforce Development Program established in  
19 this Act.

20 (3) Full-tuition scholarship for Illinois institutions  
21 and trade schools.

22 (A) The Department shall provide any displaced  
23 energy worker with a full-tuition scholarship to any  
24 of the following programs: (i) public universities in  
25 this State; (ii) trade schools in this State; (iii)  
26 community college programs in this State; or (iv)

1 union training programs in this State. The Department  
2 may set cost caps on the maximum amount of tuition that  
3 may be funded.

4 (B) The Department shall provide information and  
5 consultation to displaced energy workers on the  
6 various educational opportunities available through  
7 this Program, and advise workers on which  
8 opportunities meet their needs and preferences.

9 (C) Displaced energy workers who are eligible for  
10 scholarships created under this Section by the date of  
11 their enrollment shall be considered eligible for  
12 scholarship funding for up to 4 years or until  
13 completion of their degree or certification, whichever  
14 is the shorter duration.

15 (4) Financial Planning Services. Displaced energy  
16 workers shall be entitled to services as described in the  
17 energy worker Programs in this subsection, including  
18 financial planning services.

19 (b) The owners of power plants with a nameplate capacity  
20 of greater than 300 megawatts and the owners of coal mines  
21 located in Illinois shall be required to comply with the  
22 requirements set out in this subsection (b). The owners shall  
23 be required to take the following actions:

24 (1) provide employment information for energy workers;  
25 prior to the closure of an electric generating unit or  
26 mine, the owners of the power plant or mine shall provide

1 energy workers information on whether there are employment  
2 opportunities provided by their employer;

3 (2) provide extended health insurance for displaced  
4 energy workers who are former employees of the power plant  
5 owner that (A) costs no more than the average monthly  
6 premium paid by the worker over the last 12 months and (B)  
7 offers the same level of benefits, including, but not  
8 limited to, coverage, in-network providers, deductibles,  
9 and copayments covered during the previous 12 months;  
10 companies that sell energy into auctions managed by the  
11 Illinois Power Agency shall be required to offer 2 years  
12 of health insurance following closure of an electric  
13 generating unit to employees who are not employed in new  
14 positions that offer health insurance upon: (i) plant  
15 closure; or (ii) employment termination; the Department  
16 may require funding for health insurance to be provided in  
17 advance of employment termination; and

18 (3) maintain responsible retirement account  
19 portfolios; employees of qualifying facilities shall have  
20 their retirement funds backed by financial tools that are  
21 not economically dependent upon the success of their  
22 employer's business.

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

24 (a) All State departments and agencies shall conduct a  
25 review of the Department of Commerce and Economic



1 Opportunity's registry of energy workers to determine whether  
2 any qualified candidates are displaced energy workers before  
3 making a final hiring decision for a position in State  
4 employment.

5 (b) The Department of Commerce and Economic Opportunity  
6 shall inform all State agencies and departments of the  
7 obligations created by this Section and take steps to ensure  
8 compliance.

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

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

14 Section 5-70. Energy Community Reinvestment Fund.

15 (a) The General Assembly hereby declares that management  
16 of several economic development programs requires a  
17 consolidated funding source to improve resource efficiency.  
18 The General Assembly specifically recognizes that properly  
19 serving communities and workers impacted by the energy  
20 transition requires that the Department of Commerce and  
21 Economic Opportunity have access to the resources required for  
22 the execution of the programs in this Act.

23 The intent of the General Assembly is that the Energy  
24 Community Reinvestment Fund is able to provide all funding for  
25 development programs created in this Act, and that no

1 additional charge is borne by the taxpayers or ratepayers of  
2 Illinois absent a deficiency.

3 (b) The Energy Community Reinvestment Fund is created as a  
4 special fund in the State treasury to be used by the Department  
5 of Commerce and Economic Opportunity for purposes provided  
6 under this Section. The Fund shall be used to fund programs  
7 specified under subsection (c). The objective of the Fund is  
8 to bring economic development to communities in this State in  
9 a manner that equitably maximizes economic opportunity in all  
10 communities by increasing efficiency of resource allocation  
11 across the programs listed in subsection (c). The Department  
12 shall include a description of its proposed approach to the  
13 design, administration, implementation, and evaluation of the  
14 Fund, as part of the Energy Transition Workforce Plan  
15 described in this Act. Contracts that will be paid with moneys  
16 in the Fund shall be executed by the Department.

17 (c) The Department shall be responsible for the  
18 administration of the Fund and shall allocate funding on the  
19 basis of priorities established in this Section. Each year,  
20 the Department shall determine the available amount of  
21 resources in the Fund that can be allocated to the programs  
22 identified in this Section, and allocate the funding  
23 accordingly. The Department shall, to the extent practical,  
24 consider both the short-term and long-term costs of the  
25 programs and allocate, save, or invest funding so that the  
26 Department is able to cover both the short-term and long-term

1 costs of these programs using projected revenue.

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

4 (1) for costs related to the Energy Community  
5 Development programs in this Act, up to \$2,000,000  
6 annually or 2% of the available funding, whichever is  
7 less;

8 (2) for costs related to the Energy Workforce  
9 Development programs and the Displaced Energy Workers Bill  
10 of Rights in this Act, including all programs created by  
11 the Energy Transition Workforce Commission, up to  
12 \$13,000,000 annually or 21% of the available funding,  
13 whichever is less. If 21% of the available funding is more  
14 than \$13,000,000, the amount over \$13,000,000 is allocated  
15 to the items in (1) through (3) by their relative  
16 percentages until those programs are fully funded;

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

20 (4) if the programs identified in paragraphs (1)  
21 through (7) are fully funded and the Department reasonably  
22 predicts they will be adequately funded in future years,  
23 the Department shall transfer an amount equal to the  
24 year's tax credits awarded through the programs of up to  
25 \$22,500,000 annually go the General Revenue Fund to offset  
26 revenue reductions from tax credits provided under the

1 Clean Energy Empowerment Zone Tax Credit Act;

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

6 (6) if the programs identified in paragraphs (1)  
7 through (6) are fully funded and the Department reasonably  
8 predicts they shall be adequately funded in future years,  
9 the Department shall transfer all surplus to the General  
10 Revenue Fund.

11 (d) No later than June 1, 2021, and by June 1 of each year  
12 thereafter, the Department shall submit a notification to the  
13 Illinois Environmental Protection Agency for the purpose of  
14 implementing the energy community reinvestment fee as  
15 described in Section 9.16 of the Environmental Protection Act.  
16 The notification shall include the revenue and spending  
17 requirements for the programs identified under the Energy  
18 Community Reinvestment Act for the upcoming fiscal year, as  
19 well as the projected spending for all program years through  
20 Fiscal Year 2036. The projected revenue and spending need  
21 identified for any program year shall be no less than  
22 \$200,000,000 per year for the calendar years 2021 through 2025  
23 and \$100,000,000 per year for all calendar years starting in  
24 2026 that the Illinois electric sector generates greenhouse  
25 gas emissions.

26 (e) If there is a funding shortfall for items identified

1 in paragraphs (1) through (4) of subsection (c), the  
2 Department shall submit a request for funds to applicable  
3 electric utilities for funds collected under subsection (k) of  
4 Section 1-75 of the Illinois Power Agency Act up to  
5 \$25,000,000 per year to cover the shortfall. Upon notification  
6 by utilities that sufficient funds are available for use under  
7 the terms of paragraph (7) of subsection (k) of Section 1-75 of  
8 the Illinois Power Agency Act, the Department shall send an  
9 invoice to the applicable utilities for the amount requested.  
10 Upon receipt, the funds shall be deposited into the Energy  
11 Community Reinvestment Fund.

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

23 (g) Notwithstanding any other law to the contrary, the  
24 Energy Community Reinvestment Fund is not subject to sweeps,  
25 administrative chargebacks, or any other fiscal or budgetary  
26 maneuver that would in any way transfer any amounts from the

1 Energy Community Reinvestment Fund into any other fund of the  
2 State.

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

5 Section 5-75. Administrative review. All final  
6 administrative decisions, including, but not limited to,  
7 funding allocation and rules issued by the Department under  
8 this Act are subject to judicial review under the  
9 Administrative Review Law. No action may be commenced under  
10 this Section prior to 60 days after the complainant has given  
11 notice in writing of the action to the Department.

12 ARTICLE 10. Clean Energy Empowerment Zone Tax Credit Act

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

16 Part 1.

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

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

21 "Basic wage" means compensation for employment that meets

1 the prevailing wage standards as defined by the Department.

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

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

6 "Credit" means the amount awarded by the Department to an  
7 applicant by issuance of a certificate under Section 10-125  
8 for each new full-time equivalent employee hired or job  
9 created.

10 "Department" means the Department of Commerce and Economic  
11 Opportunity.

12 "Director" means the Director of Commerce and Economic  
13 Opportunity.

14 "Former energy worker" means an individual who is  
15 employed, or was employed, at a fossil fuel power plant,  
16 nuclear power plant, or coal mine, and is listed in the  
17 registry of energy workers developed by the Department of  
18 Commerce and Economic Opportunity pursuant to Section 5-50 of  
19 the Energy Community Reinvestment Act.

20 "Full-time employee" means an individual who is employed  
21 at a prevailing wage for at least 35 hours each week, and  
22 provided standard worker benefits, or who renders any other  
23 standard of service generally accepted by industry custom or  
24 practice as full-time employment. An individual for whom a W-2  
25 is issued by a Professional Employer Organization is a  
26 full-time employee if he or she is employed in the service of

1 the applicant for a basic wage for at least 35 hours each week  
2 or renders any other standard of service generally accepted by  
3 industry custom or practice as full-time employment. For the  
4 purposes of this Act, such an individual shall be considered a  
5 full-time employee of the applicant.

6 "Incentive period" means the period beginning on July 1  
7 and ending on June 30 of the following year. The first  
8 incentive period shall begin on July 1, 2021 and the last  
9 incentive period shall end on June 30, 2040.

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

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

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

18 "New employee" does not include:

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

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

26 (3) a person who has been hired to assist in the



1 production of fossil fuel derived energy directly or  
2 indirectly, unless that person has been hired to assist in  
3 the deconstruction of a fossil fuel power plant, the  
4 deconstruction of a coal mine, the remediation of a site  
5 formerly used for fossil fuel power production, or the  
6 remediation of a coal mine.

7 "Noncompliance date" means, in the case of an applicant  
8 that is not complying with the requirements of this Act, the  
9 day following the last date upon which the taxpayer was in  
10 compliance with the requirements of this Act, as determined by  
11 the Director under Section 10-135.

12 "Professional Employer Organization" has the same meaning  
13 as ascribed to that term under Section 5-5 of the Economic  
14 Development for a Growing Economy Tax Credit Act.  
15 "Professional Employer Organization" does not include a day  
16 and temporary labor service agency regulated under the Day and  
17 Temporary Labor Services Act.

18 "Related member" means a person that, with respect to the  
19 applicant during any portion of the incentive period, is any  
20 one of the following:

21 (1) An individual, if the individual and the members  
22 of the individual's family, as defined in Section 318 of  
23 the Internal Revenue Code, own directly, indirectly,  
24 beneficially, or constructively, in the aggregate, at  
25 least 50% of the value of the outstanding profits,  
26 capital, stock, or other ownership interest in the

1 applicant.

2 (2) A partnership, estate, or trust and any partner or  
3 beneficiary, if the partnership, estate, or trust and its  
4 partners or beneficiaries own directly, indirectly,  
5 beneficially, or constructively, in the aggregate, at  
6 least 50% of the profits, capital, stock, or other  
7 ownership interest in the applicant.

8 (3) A corporation, and any party related to the  
9 corporation, in a manner that would require an attribution  
10 of stock from the corporation under the attribution rules  
11 of Section 318 of the Internal Revenue Code, if the  
12 applicant and any other related member own, in the  
13 aggregate, directly, indirectly, beneficially, or  
14 constructively, at least 50% of the value of the  
15 corporation's outstanding stock.

16 (4) A corporation and any party related to that  
17 corporation in a manner that would require an attribution  
18 of stock from the corporation to the party or from the  
19 party to the corporation under the attribution rules of  
20 Section 318 of the Internal Revenue Code, if the  
21 corporation and all such related parties own, in the  
22 aggregate, at least 50% of the profits, capital, stock, or  
23 other ownership interest in the applicant.

24 (5) A person to or from whom there is attribution of  
25 stock ownership in accordance with subsection (e) of  
26 Section 1563 of the Internal Revenue Code, except that for

1 purposes of determining whether a person is a related  
2 member under this paragraph (5):

3 (A) stock owned, directly or indirectly, by or for  
4 a partnership shall be considered as owned by any  
5 partner having an interest of 20% or more in either the  
6 capital or profits of the partnership in proportion to  
7 his or her interest in capital or profits, whichever  
8 such proportion is the greater;

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

19 (C) stock owned, directly or indirectly, by or for  
20 a corporation shall be considered as owned by any  
21 person who owns 20% or more in value of its stock in  
22 that proportion which the value of the stock which the  
23 person so owns bears to the value of all the stock in  
24 the corporation.

25 Section 10-105. Powers of the Department. The Department,

1 in addition to those powers granted under the Civil  
2 Administrative Code of Illinois, is granted and shall have all  
3 the powers necessary or convenient to carry out and effectuate  
4 the purposes and provisions of this Act, including, but not  
5 limited to, power and authority to:

6 (1) Adopt rules deemed necessary and appropriate for  
7 the administration of this Act; establish forms for  
8 applications, notifications, contracts, or any other  
9 agreements; and accept applications at any time during the  
10 year and require that all applications be submitted  
11 electronically through the Internet.

12 (2) Provide guidance and assistance to applicants  
13 under the provisions of this Act, and cooperate with  
14 applicants to promote, foster, and support job creation  
15 within this State.

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

22 (4) Gather information and conduct inquiries, in the  
23 manner and by the methods it deems desirable, including,  
24 without limitation, gathering information with respect to  
25 applicants for the purpose of making any designations or  
26 certifications necessary or desirable or to gather

1 information in furtherance of the purposes of this Act.

2 (5) Establish, negotiate, and effectuate any term,  
3 agreement, or other document with any person necessary or  
4 appropriate to accomplish the purposes of this Act, and  
5 consent, subject to the provisions of any agreement with  
6 another party, to the modification or restructuring of any  
7 agreement to which the Department is a party.

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

15 (7) Require applicants, upon written request, to issue  
16 any necessary authorization to the appropriate federal,  
17 State, or local authority or any other person for the  
18 release to the Department of information requested by the  
19 Department, with the information requested to include, but  
20 not be limited to, financial reports, returns, or records  
21 relating to the applicant or to the amount of credit  
22 allowable under this Act.

23 (8) Require that an applicant shall at all times keep  
24 proper books of record and account in accordance with  
25 generally accepted accounting principles consistently  
26 applied, with the books, records, or papers related to the

1 agreement in the custody or control of the applicant open  
2 for reasonable Department inspection and audits, and  
3 including, without limitation, the making of copies of the  
4 books, records, or papers.

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

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

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

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

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

4 (1) the date and time on which the application was  
5 received by the Department and an identifying number  
6 assigned to the applicant by the Department;

7 (2) the maximum amount of the credit the applicant  
8 could potentially receive under this Act with respect to  
9 the new employees listed on the application; and

10 (3) the maximum amount of the credit potentially  
11 allowable on certificates of eligibility issued for  
12 applications received prior to the application for which  
13 the certificate of eligibility is issued.

14 Section 10-115. Tax credit.

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

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

21 (2) in the amount of:

22 (A) 20% of the salary paid to the new employee for  
23 employees hired and retained for between the time of  
24 hiring and one year;

25 (B) 15% of the salary paid to the new employee for

1 employees hired and retained between one year and 2  
2 years; and

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

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

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

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

21 (e) The net increase in the number of full-time Illinois  
22 employees of the applicant under subsection (d) must be  
23 sustained continuously for at least 12 months, starting with  
24 the date of hire of a new employee during the incentive period.  
25 Eligibility for the credit does not depend on the continuous  
26 employment of any particular individual. For purposes of this



1 subsection (e), if a new employee ceases to be employed before  
2 the completion of the 12-month period for any reason, the net  
3 increase in the number of full-time Illinois employees shall  
4 be treated as continuous if a different new employee is hired  
5 as a replacement within a reasonable time for the same  
6 position. The new employees must be hired to fill positions  
7 that the applicant reasonably anticipates will be available  
8 for the new employee as a long-term position. For the purposes  
9 of this subsection (e), "long-term position" means a position  
10 that will be available for 3 years or longer.

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

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

1 awarded based on the time of submission for that particular  
2 day.

3 Section 10-125. Application for award of tax credit; tax  
4 credit certificate.

5 (a) On or after the conclusion of the 12-month period, or  
6 other period, after a new employee has been hired, for the  
7 purposes of subsection (a) of Section 10-115, an applicant  
8 shall file with the Department an application for award of a  
9 credit. The application shall include the following:

10 (1) the names, Social Security numbers, job  
11 descriptions, salary or wage rates, and dates of hire of  
12 the new employees with respect to whom the credit is being  
13 requested;

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

17 (3) the number of new employees hired by the applicant  
18 during the incentive period;

19 (4) the net increase in the number of full-time  
20 Illinois employees of the applicant, including the new  
21 employees listed in the request, between the beginning of  
22 the incentive period and the dates on which the new  
23 employees listed in the request were hired;

24 (5) an agreement that the Director is authorized to  
25 verify with the appropriate State agencies the information

1 contained in the request before issuing a certificate to  
2 the applicant; and

3 (6) any other information the Department determines to  
4 be appropriate.

5 (b) Although an application may be filed at any time after  
6 the conclusion of the 12-month period after a new employee was  
7 hired, an application filed more than 90 days after the  
8 earliest date on which it could have been filed shall not be  
9 awarded any credit if, prior to the date it is filed, the  
10 Department has received applications under this Section for  
11 credits totaling more than \$20,000,000.

12 (c) The Department shall issue a certificate to each  
13 applicant awarded a credit under this Act. The certificate  
14 shall include the following:

15 (1) the name and taxpayer identification number of the  
16 applicant;

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

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

19 (4) any other information the Department determines to  
20 be appropriate.

21 Section 10-130. Submission of tax credit certificate to  
22 the Department of Revenue. An applicant claiming a credit  
23 under this Act shall submit to the Department of Revenue a copy  
24 of each certificate issued under Section 10-125 with the first  
25 tax return for which the credit shown on the certificate is

1 claimed. Failure to submit a copy of the certificate with the  
2 applicant's tax return shall not invalidate a claim for a  
3 credit.

4 Section 10-135. Administrative review.

5 (a) If the Director determines that an applicant who has  
6 received a credit under this Act is not complying with the  
7 requirements of this Act, the Director shall provide notice to  
8 the applicant of the alleged noncompliance, and allow the  
9 taxpayer a hearing under the provisions of the Illinois  
10 Administrative Procedure Act. If, after the notice and  
11 hearing, the Director determines that noncompliance exists,  
12 the Director shall issue to the Department of Revenue notice  
13 to that effect, and state the date of noncompliance.

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

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

1 Part 2.

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

3 "Agreement" means the agreement between a taxpayer and the  
4 Department entered into for a tax credit awarded under Section  
5 10-210.

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

1 the municipality or county and taking into consideration any  
2 evidence offered by the municipality or county regarding the  
3 ability to accommodate expansion within the municipality or  
4 county.

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

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

1 required under paragraph (3) of subsection (c) of Section  
2 10-215.

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

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

7 "Full-time employee" means an individual who is employed  
8 for consideration for at least 35 hours each week or who  
9 renders any other standard of service generally accepted by  
10 industry custom or practice as full-time employment. An  
11 individual for whom a W-2 is issued by a Professional Employer  
12 Organization is a full-time employee if employed in the  
13 service of the applicant for consideration for at least 35  
14 hours each week or who renders any other standard of service  
15 generally accepted by industry custom or practice as full-time  
16 employment to the applicant.

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

22 "New employee" means a full-time employee first employed  
23 by a taxpayer in the project that is the subject of an  
24 agreement and who is hired after the taxpayer enters into the  
25 agreement.

26 "New employee" does not include:

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

5           (2) an employee of the taxpayer who was previously  
6 employed in Illinois by a related member of the taxpayer  
7 and whose employment was shifted to the taxpayer after the  
8 taxpayer entered into the agreement; or

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

14           Notwithstanding any other provisions of this Section, an  
15 employee may be considered a new employee under the agreement  
16 if the employee performs a job that was previously performed  
17 by an employee who was: (i) treated under the agreement as a  
18 new employee; and (ii) promoted by the taxpayer to another  
19 job.

20           Notwithstanding any other provisions of this Section, the  
21 Department may award a credit to an applicant with respect to  
22 an employee hired prior to the date of the agreement if: (i)  
23 the applicant is in receipt of a letter from the Department  
24 stating an intent to enter into a credit agreement; (ii) the  
25 letter described in item (i) of this paragraph is issued by the  
26 Department not later than 15 days after the effective date of



1 this Act; and (iii) the employee was hired after the date the  
2 letter described in item (i) of this paragraph was issued.

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

6 "Related member" means a person that, with respect to the  
7 taxpayer during any portion of the taxable year, is any one of  
8 the following:

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

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

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

1 at least 50% of the value of the corporation's outstanding  
2 stock.

3 (4) A corporation and any party related to that  
4 corporation in a manner that would require an attribution  
5 of stock from the corporation to the party or from the  
6 party to the corporation under the attribution rules of  
7 Section 318 of the Internal Revenue Code, if the  
8 corporation and all such related parties own in the  
9 aggregate at least 50% of the profits, capital, stock, or  
10 value of the taxpayer.

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

16 (A) stock owned, directly or indirectly, by or for  
17 a partnership shall be considered as owned by any  
18 partner having an interest of 20% or more in either the  
19 capital or profits of the partnership in proportion to  
20 his or her interest in capital or profits, whichever  
21 such proportion is the greater;

22 (B) stock owned, directly or indirectly, by or for  
23 an estate or trust shall be considered as owned by any  
24 beneficiary who has an actuarial interest of 20% or  
25 more in such stock, to the extent of such actuarial  
26 interest. For purposes of this subparagraph, the

1 actuarial interest of each beneficiary shall be  
2 determined by assuming the maximum exercise of  
3 discretion by the fiduciary in favor of such  
4 beneficiary and the maximum use of such stock to  
5 satisfy his or her rights as a beneficiary; and

6 (C) stock owned, directly or indirectly, by or for  
7 a corporation shall be considered as owned by any  
8 person who owns 20% or more in value of its stock in  
9 that proportion which the value of the stock which the  
10 person so owns bears to the value of all the stock in  
11 the corporation.

12 "Renewable energy" means solar energy, wind energy, water  
13 energy, geothermal energy, bioenergy, or hydrogen fuel and  
14 cells.

15 "Renewable energy production facility" means a facility  
16 owned by a company that is engaged in and used such a facility  
17 for the production of solar energy, wind energy, water energy,  
18 geothermal energy, bioenergy, or hydrogen fuel and cells.

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

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

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

25 (2) 75% or more of the children in the area  
26 participate in the federal free lunch program according to

1 reported statistics from the State Board of Education;

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

5 (4) the area has an average unemployment rate, as  
6 determined by the Department of Employment Security, that  
7 is more than 120% of the national unemployment average, as  
8 determined by the United States Department of Labor, for a  
9 period of at least 2 consecutive calendar years preceding  
10 the date of the application.

11 Section 10-205. Powers of the Department. The Department,  
12 in addition to those powers granted under the Civil  
13 Administrative Code of Illinois and Part 1 of this Act, is  
14 granted and has all the powers necessary or convenient to  
15 carry out and effectuate the purposes and provisions of this  
16 Act, including, but not limited to, power and authority to:

17 (a) Adopt rules deemed necessary and appropriate for the  
18 administration of programs; establish forms for applications,  
19 notifications, contracts, or any other agreements; and accept  
20 applications at any time during the year.

21 (b) Provide and assist taxpayers pursuant to the  
22 provisions of this Act, and cooperate with taxpayers that are  
23 parties to agreements to promote, foster, and support economic  
24 development, capital investment, and job creation or retention  
25 within the Clean Energy Empowerment Zone.

1           (c) Enter into agreements and memoranda of understanding  
2 for participation of and engage in cooperation with agencies  
3 of the federal government, units of local government,  
4 universities, research foundations or institutions, regional  
5 economic development corporations, or other organizations for  
6 the purposes of this Act.

7           (d) Gather information and conduct inquiries, in the  
8 manner and by the methods as it deems desirable, including,  
9 without limitation, gathering information with respect to  
10 applicants for the purpose of making any designations or  
11 certifications necessary or desirable or to gather information  
12 to assist the Board with any recommendation or guidance in the  
13 furtherance of the purposes of this Act.

14           (e) Establish, negotiate and effectuate any term,  
15 agreement or other document with any person, necessary or  
16 appropriate to accomplish the purposes of this Act, and  
17 consent, subject to the provisions of any agreement with  
18 another party, to the modification or restructuring of any  
19 agreement to which the Department is a party.

20           (f) Fix, determine, charge, and collect any premiums,  
21 fees, charges, costs, and expenses from applicants, including,  
22 without limitation, any application fees, commitment fees,  
23 program fees, financing charges, or publication fees as deemed  
24 appropriate to pay expenses necessary or incident to the  
25 administration, staffing, or operation in connection with the  
26 Department's or Board's activities under this Act, or for

1 preparation, implementation, and enforcement of the terms of  
2 the agreement, or for consultation, advisory and legal fees,  
3 and other costs. All fees and expenses incident thereto shall  
4 be the responsibility of the applicant.

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

12 (h) Require applicants, upon written request, to issue any  
13 necessary authorization to the appropriate federal, State, or  
14 local authority for the release of information concerning a  
15 project being considered under the provisions of this Act,  
16 with the information requested to include, but not be limited  
17 to, financial reports, returns, or records relating to the  
18 taxpayer or its project.

19 (i) Require that a taxpayer shall at all times keep proper  
20 books of record and account in accordance with generally  
21 accepted accounting principles consistently applied, with the  
22 books, records, or papers related to the agreement in the  
23 custody or control of the taxpayer open for reasonable  
24 Department inspection and audits, and including, without  
25 limitation, the making of copies of the books, records, or  
26 papers, and the inspection or appraisal of any of the taxpayer

1 or project assets.

2 (j) Take whatever actions are necessary or appropriate to  
3 protect the State's interest in the event of bankruptcy,  
4 default, foreclosure, or noncompliance with the terms and  
5 conditions of financial assistance or participation required  
6 under this Act, including the power to sell, dispose, lease,  
7 or rent, upon terms and conditions determined by the Director  
8 to be appropriate, real or personal property that the  
9 Department may receive as a result of these actions.

10 Section 10-210. Tax credit awards.

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

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

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

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

3           (e) The credit shall not exceed the incremental income tax  
4 attributable to the project that is the subject of the  
5 agreement.

6           (f) Nothing herein shall prohibit a tax credit award to an  
7 applicant that uses a Professional Employer Organization if  
8 all other award criteria are satisfied.

9           (g) A pass-through entity that has been awarded a credit  
10 under this Act, its shareholders, or its partners may treat  
11 some or all of the credit awarded under this Act as a tax  
12 payment for purposes of the Illinois Income Tax Act. In no  
13 event shall the amount of the award credited under this Act  
14 exceed the Illinois income tax liability of the pass-through  
15 entity or its shareholders or partners for the taxable year.

16           For the purposes of this subsection (g), "tax payment"  
17 means a payment as described in Article 6 or Article 8 of the  
18 Illinois Income Tax Act or a composite payment made by a  
19 pass-through entity on behalf of any of its shareholders or  
20 partners to satisfy such shareholders' or partners' taxes  
21 imposed pursuant to subsections (a) and (b) of Section 201 of  
22 the Illinois Income Tax Act.

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

25           (a) Any renewable energy enterprise proposing a project to



1 build a renewable energy production facility located or  
2 planned to be located in a Clean Energy Empowerment Zone may  
3 request consideration for designation of its project, by  
4 formal written letter of request or by formal application to  
5 the Department, in which the applicant states its intent to  
6 make at least a specified level of investment and intends to  
7 hire or retain a specified number of full-time employees at a  
8 designated location in Illinois. As circumstances require, the  
9 Department may require a formal application from an applicant  
10 and a formal letter of request for assistance.

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

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

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

20 (3) if the applicant has more than 100 employees,  
21 employ a number of new employees in the Clean Energy  
22 Empowerment Zone equal to the lesser of (A) 10% of the  
23 number of full-time employees employed by the applicant  
24 world-wide on the date the application is filed with the  
25 Department; or (B) 50 new employees. If the applicant has  
26 100 or fewer employees, employ a number of new employees

1 in the State equal to the lesser of (A) 5% of the number of  
2 full-time employees employed by the applicant world-wide  
3 on the date the application is filed with the Department  
4 or (B) 50 New Employees.

5 (c) After receipt of an application, the Department shall  
6 review the application, make inquiries, and conduct studies in  
7 the manner and by the methods as it deems desirable, and  
8 consult with and make a recommendation to the Clean Energy  
9 Empowerment Zone Board created under the Energy Community  
10 Reinvestment Act. The Department and the Board shall make its  
11 recommendations and approvals based on whether they determine  
12 that all of the following conditions exist:

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

17 (2) The applicant's project is economically sound and  
18 will benefit the people of the State of Illinois by  
19 increasing opportunities for employment and strengthening  
20 the economy of Illinois.

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

1           (4) The political subdivisions affected by the project  
2           have committed local incentives or other support with  
3           respect to the project, considering local ability to  
4           assist.

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

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

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

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

1           Section 10-225. Determination of the amount of credit. In  
2 determining the amount of credit that should be awarded, the  
3 Board shall provide guidance on, and the Department shall take  
4 into consideration, all of the following factors:

5           (1) the number and location of jobs created and  
6 retained in relation to the economy of the Clean Energy  
7 Empowerment Zone where the projected investment is to  
8 occur;

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

11           (3) the advancement of renewable energy in the Clean  
12 Energy Empowerment Zone;

13           (4) the incremental payroll attributable to the  
14 project;

15           (5) the capital investment attributable to the  
16 project;

17           (6) the amount of the average wage and benefits paid  
18 by the applicant in relation to the wage and benefits of  
19 the Clean Energy Empowerment Zone;

20           (7) the costs to Illinois and the affected political  
21 subdivisions with respect to the project; and

22           (8) the financial assistance that is otherwise  
23 provided by Illinois and the affected political  
24 subdivisions.

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

1           (a) The Department shall determine the amount and duration  
2 of the credit awarded under this Act. The duration of the  
3 credit may not exceed 10 taxable years. The credit may be  
4 stated as a percentage of the incremental income tax  
5 attributable to the applicant's project and may include a  
6 fixed dollar limitation. An agreement for the credit must be  
7 finalized and signed by all parties while the area in which the  
8 project is located is designated a Clean Energy Empowerment  
9 Zone. The credit may last longer than the applicable Clean  
10 Energy Empowerment Zone designation. Agreements entered into  
11 prior to the de-designation of a Clean Energy Empowerment Zone  
12 shall be honored for the length of the agreement.

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

26           Any credit that is unused in the year the credit is

1 computed may be carried forward and applied to the tax  
2 liability of the 5 taxable years following the excess credit  
3 year. The credit shall be applied to the earliest year for  
4 which there is a tax liability. If there are credits from more  
5 than one tax year that are available to offset a liability, the  
6 earlier credit shall be applied first.

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

10 Section 10-240. Certificate of verification; submission to  
11 the Department of Revenue. A taxpayer claiming a credit under  
12 this Act shall submit to the Department of Revenue a copy of  
13 the Director's certificate of verification under this Act for  
14 the taxable year. 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 Section 10-245. Supplier diversity. Each taxpayer claiming  
18 a credit under this Act shall, no later than April 15 of each  
19 taxable year for which the taxpayer claims a credit under this  
20 Act, submit to the Department of Commerce and Economic  
21 Opportunity an annual report containing the information  
22 described in subsections (b), (c), (d), and (e) of Section  
23 5-117 of the Public Utilities Act. Those reports shall be

1 submitted in the form and manner required by the Department of  
2 Commerce and Economic Opportunity.

3 Section 10-250. Pass-through entity. The shareholders or  
4 partners of a taxpayer that is a pass-through entity shall be  
5 entitled to the credit allowed under the agreement. The credit  
6 is in addition to any credit to which a shareholder or partner  
7 is otherwise entitled under a separate agreement under this  
8 Act. A pass-through entity and a shareholder or partner of the  
9 pass-through entity may not claim more than one credit under  
10 the same agreement.

11 Section 10-255. Rules. The Department may adopt rules  
12 necessary to implement this Part 2. The rules may provide for  
13 recipients of credits under this Part 2 to be charged fees to  
14 cover administrative costs of the tax credit program. Fees  
15 collected shall be deposited into the Energy Community  
16 Reinvestment Fund.

17 Section 10-260. Program terms and conditions.

18 (a) Any documentary materials or data made available or  
19 received by any member of a board or any agent or employee of  
20 the Department shall be deemed confidential and shall not be  
21 deemed public records to the extent that the materials or data  
22 consists of trade secrets, commercial or financial information  
23 regarding the operation of the business conducted by the

1 applicant for or recipient of any tax credit under this Act, or  
2 any information regarding the competitive position of a  
3 business in a particular field of endeavor.

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

7 ARTICLE 15. Coal Severance Fee Act

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

11 Section 15-5. Coal severance fee.

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

13 "Department" means the Department of Revenue.

14 "Person" means any natural individual, firm, partnership,  
15 association, joint stock company, joint adventure, public or  
16 private corporation, limited liability company, or a receiver,  
17 executor, trustee, guardian, or other representative appointed  
18 by order of any court.

19 (b) Tax imposed.

20 (1) On and after June 1, 2021, there is hereby imposed  
21 a tax upon any person engaged in the business of severing  
22 or preparing coal for sale, profit, or commercial use, if  
23 the coal is severed from a mine located in this State. The



1 rate of the tax imposed under this Section is 6% of the  
2 gross value of the severed coal.

3 (2) The liability for the tax accrues at the time the  
4 coal is severed.

5 (c) Payment and collection of tax.

6 (1) The tax imposed under this Act shall be due and  
7 payable on or before the 20th day of the month following  
8 the month in which the coal is severed.

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

12 (d) Registration. A person who is subject to the tax  
13 imposed under this Act shall register with the Department.  
14 Application for a certificate of registration shall be made to  
15 the Department upon forms furnished by the Department and  
16 shall contain any reasonable information the Department may  
17 require. Upon receipt of the application for a certificate of  
18 registration in proper form, the Department shall issue to the  
19 applicant a certificate of registration.

20 (e) Inspection of records by Department, subpoena power,  
21 contempt. For the purpose of computing the amount of the tax  
22 due under this Section, the Department has the following  
23 powers:

24 (1) to require any person who is subject to this tax to  
25 furnish any additional information deemed to be necessary  
26 for the computation of the tax;

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

3           (3) to issue subpoenas and examine witnesses under  
4 oath. If any witness fails or refuses to appear at the  
5 request of the Director, or if any witness refuses access  
6 to books, records, or files, the circuit court of the  
7 proper county, or the judge thereof, on application of the  
8 Department, shall compel obedience by proceedings for  
9 contempt, as in the case of disobedience of the  
10 requirements of a subpoena issued from that court or a  
11 refusal to testify therein.

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

14                 (1) the name of the taxpayer;

15                 (2) the address of the taxpayer's principal place of  
16 business;

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

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

20                 (5) the amount of tax due;

21                 (6) the signature of the taxpayer; and

22                 (7) any other reasonable information as the Department  
23 may require.

24           (g) The return shall be filed on or before the 20th day of  
25 the month after the month during which the coal is severed. The  
26 Department may require any additional report or information it

1 deems necessary for the proper administration of this Act.

2 (h) Returns due under this Section shall be filed  
3 electronically in the manner prescribed by the Department.  
4 Taxpayers shall make all payments of the tax to the Department  
5 under this Act by electronic funds transfer unless, as  
6 provided by rule, the Department grants an exception upon  
7 petition of a taxpayer. Returns must be accompanied by  
8 appropriate computer generated magnetic media supporting  
9 schedule data in the format required by the Department,  
10 unless, as provided by rule, the Department grants an  
11 exception upon petition of a taxpayer.

12 (i) Incorporation by reference. All of the provisions of  
13 Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 13 6a, 6b,  
14 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'  
15 Occupation Tax Act which are not inconsistent with this Act,  
16 and all provisions of the Uniform Penalty and Interest Act  
17 shall apply, as far as practicable, to the subject matter of  
18 this Act to the same extent as if such provisions were included  
19 herein.

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

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

1 Article 90. Amendatory Provisions

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

4 (5 ILCS 100/5-45.8 new)

5 Sec. 5-45.8. Emergency rulemaking; Energy Community  
6 Reinvestment Act. To provide for the expeditious and timely  
7 implementation of the Energy Community Reinvestment Act,  
8 emergency rules may be adopted in accordance with Section 5-45  
9 by the Department of Commerce and Economic Opportunity to  
10 implement Section 5-15 of the Energy Community Reinvestment  
11 Act with respect to applications for designation as Clean  
12 Energy Empowerment Zones. The adoption of emergency rules  
13 authorized by Section 5-45 and this Section is deemed to be  
14 necessary for the public interest, safety, and welfare.

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

17 (30 ILCS 105/5.935 new)

18 Sec. 5.935. The Energy Community Reinvestment Fund.

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

1 (35 ILCS 5/201)

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

4 Sec. 201. Tax imposed.

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

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

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

19 (2) In the case of an individual, trust or estate, for  
20 taxable years beginning prior to July 1, 1989 and ending  
21 after June 30, 1989, an amount equal to the sum of (i) 2  
22 1/2% of the taxpayer's net income for the period prior to  
23 July 1, 1989, as calculated under Section 202.3, and (ii)  
24 3% of the taxpayer's net income for the period after June  
25 30, 1989, as calculated under Section 202.3.

26 (3) In the case of an individual, trust or estate, for

1 taxable years beginning after June 30, 1989, and ending  
2 prior to January 1, 2011, an amount equal to 3% of the  
3 taxpayer's net income for the taxable year.

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

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

15 (5.1) In the case of an individual, trust, or estate,  
16 for taxable years beginning prior to January 1, 2015, and  
17 ending after December 31, 2014, an amount equal to the sum  
18 of (i) 5% of the taxpayer's net income for the period prior  
19 to January 1, 2015, as calculated under Section 202.5, and  
20 (ii) 3.75% of the taxpayer's net income for the period  
21 after December 31, 2014, as calculated under Section  
22 202.5.

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

1           (5.3) In the case of an individual, trust, or estate,  
2           for taxable years beginning prior to July 1, 2017, and  
3           ending after June 30, 2017, an amount equal to the sum of  
4           (i) 3.75% of the taxpayer's net income for the period  
5           prior to July 1, 2017, as calculated under Section 202.5,  
6           and (ii) 4.95% of the taxpayer's net income for the period  
7           after June 30, 2017, as calculated under Section 202.5.

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

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

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

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

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

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

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

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

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

22 (13) In the case of a corporation, for taxable years  
23 beginning prior to July 1, 2017, and ending after June 30,  
24 2017, an amount equal to the sum of (i) 5.25% of the  
25 taxpayer's net income for the period prior to July 1,  
26 2017, as calculated under Section 202.5, and (ii) 7% of



1 the taxpayer's net income for the period after June 30,  
2 2017, as calculated under Section 202.5.

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

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

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

20 (1) the organization gaming license, organization  
21 license, or racetrack property is transferred as a result  
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt  
24 adjustment initiated by or against the initial  
25 licensee or the substantial owners of the initial  
26 licensee;

1 (B) cancellation, revocation, or termination of  
2 any such license by the Illinois Gaming Board or the  
3 Illinois Racing Board;

4 (C) a determination by the Illinois Gaming Board  
5 that transfer of the license is in the best interests  
6 of Illinois gaming;

7 (D) the death of an owner of the equity interest in  
8 a licensee;

9 (E) the acquisition of a controlling interest in  
10 the stock or substantially all of the assets of a  
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly  
13 owned subsidiary; or

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

17 (2) the controlling interest in the organization  
18 gaming license, organization license, or racetrack  
19 property is transferred in a transaction to lineal  
20 descendants in which no gain or loss is recognized or as a  
21 result of a transaction in accordance with Section 351 of  
22 the Internal Revenue Code in which no gain or loss is  
23 recognized; or

24 (3) live horse racing was not conducted in 2010 at a  
25 racetrack located within 3 miles of the Mississippi River  
26 under a license issued pursuant to the Illinois Horse

1 Racing Act of 1975.

2 The transfer of an organization gaming license,  
3 organization license, or racetrack property by a person other  
4 than the initial licensee to receive the organization gaming  
5 license is not subject to a surcharge. The Department shall  
6 adopt rules necessary to implement and administer this  
7 subsection.

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

21 (d) Additional Personal Property Tax Replacement Income  
22 Tax Rates. The personal property tax replacement income tax  
23 imposed by this subsection and subsection (c) of this Section  
24 in the case of a corporation, other than a Subchapter S  
25 corporation and except as adjusted by subsection (d-1), shall  
26 be an additional amount equal to 2.85% of such taxpayer's net

1 income for the taxable year, except that beginning on January  
2 1, 1981, and thereafter, the rate of 2.85% specified in this  
3 subsection shall be reduced to 2.5%, and in the case of a  
4 partnership, trust or a Subchapter S corporation shall be an  
5 additional amount equal to 1.5% of such taxpayer's net income  
6 for the taxable year.

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

1 allowed or (ii) a rate of zero if no such tax is imposed on  
2 such income by the foreign insurer's state of domicile. For  
3 the purposes of this subsection (d-1), an inter-affiliate  
4 includes a mutual insurer under common management.

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

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

11 (B) the privilege tax imposed by Section 409 of  
12 the Illinois Insurance Code, the fire insurance  
13 company tax imposed by Section 12 of the Fire  
14 Investigation Act, and the fire department taxes  
15 imposed under Section 11-10-1 of the Illinois  
16 Municipal Code,

17 equals 1.25% for taxable years ending prior to December  
18 31, 2003, or 1.75% for taxable years ending on or after  
19 December 31, 2003, of the net taxable premiums written for  
20 the taxable year, as described by subsection (1) of  
21 Section 409 of the Illinois Insurance Code. This paragraph  
22 will in no event increase the rates imposed under  
23 subsections (b) and (d).

24 (2) Any reduction in the rates of tax imposed by this  
25 subsection shall be applied first against the rates  
26 imposed by subsection (b) and only after the tax imposed

1 by subsection (a) net of all credits allowed under this  
2 Section other than the credit allowed under subsection (i)  
3 has been reduced to zero, against the rates imposed by  
4 subsection (d).

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

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

10 (1) A taxpayer shall be allowed a credit equal to .5%  
11 of the basis of qualified property placed in service  
12 during the taxable year, provided such property is placed  
13 in service on or after July 1, 1984. There shall be allowed  
14 an additional credit equal to .5% of the basis of  
15 qualified property placed in service during the taxable  
16 year, provided such property is placed in service on or  
17 after July 1, 1986, and the taxpayer's base employment  
18 within Illinois has increased by 1% or more over the  
19 preceding year as determined by the taxpayer's employment  
20 records filed with the Illinois Department of Employment  
21 Security. Taxpayers who are new to Illinois shall be  
22 deemed to have met the 1% growth in base employment for the  
23 first year in which they file employment records with the  
24 Illinois Department of Employment Security. The provisions  
25 added to this Section by Public Act 85-1200 (and restored  
26 by Public Act 87-895) shall be construed as declaratory of

1 existing law and not as a new enactment. If, in any year,  
2 the increase in base employment within Illinois over the  
3 preceding year is less than 1%, the additional credit  
4 shall be limited to that percentage times a fraction, the  
5 numerator of which is .5% and the denominator of which is  
6 1%, but shall not exceed .5%. The investment credit shall  
7 not be allowed to the extent that it would reduce a  
8 taxpayer's liability in any tax year below zero, nor may  
9 any credit for qualified property be allowed for any year  
10 other than the year in which the property was placed in  
11 service in Illinois. For tax years ending on or after  
12 December 31, 1987, and on or before December 31, 1988, the  
13 credit shall be allowed for the tax year in which the  
14 property is placed in service, or, if the amount of the  
15 credit exceeds the tax liability for that year, whether it  
16 exceeds the original liability or the liability as later  
17 amended, such excess may be carried forward and applied to  
18 the tax liability of the 5 taxable years following the  
19 excess credit years if the taxpayer (i) makes investments  
20 which cause the creation of a minimum of 2,000 full-time  
21 equivalent jobs in Illinois, (ii) is located in an  
22 enterprise zone established pursuant to the Illinois  
23 Enterprise Zone Act and (iii) is certified by the  
24 Department of Commerce and Community Affairs (now  
25 Department of Commerce and Economic Opportunity) as  
26 complying with the requirements specified in clause (i)

1 and (ii) by July 1, 1986. The Department of Commerce and  
2 Community Affairs (now Department of Commerce and Economic  
3 Opportunity) shall notify the Department of Revenue of all  
4 such certifications immediately. For tax years ending  
5 after December 31, 1988, the credit shall be allowed for  
6 the tax year in which the property is placed in service,  
7 or, if the amount of the credit exceeds the tax liability  
8 for that year, whether it exceeds the original liability  
9 or the liability as later amended, such excess may be  
10 carried forward and applied to the tax liability of the 5  
11 taxable years following the excess credit years. The  
12 credit shall be applied to the earliest year for which  
13 there is a liability. If there is credit from more than one  
14 tax year that is available to offset a liability, earlier  
15 credit shall be applied first.

16 (2) The term "qualified property" means property  
17 which:

18 (A) is tangible, whether new or used, including  
19 buildings and structural components of buildings and  
20 signs that are real property, but not including land  
21 or improvements to real property that are not a  
22 structural component of a building such as  
23 landscaping, sewer lines, local access roads, fencing,  
24 parking lots, and other appurtenances;

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



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

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

6 (D) is used in Illinois by a taxpayer who is  
7 primarily engaged in manufacturing, or in mining coal  
8 or fluorite, or in retailing, or was placed in service  
9 on or after July 1, 2006 in a River Edge Redevelopment  
10 Zone established pursuant to the River Edge  
11 Redevelopment Zone Act; and

12 (E) has not previously been used in Illinois in  
13 such a manner and by such a person as would qualify for  
14 the credit provided by this subsection (e) or  
15 subsection (f).

16 (3) For purposes of this subsection (e),  
17 "manufacturing" means the material staging and production  
18 of tangible personal property by procedures commonly  
19 regarded as manufacturing, processing, fabrication, or  
20 assembling which changes some existing material into new  
21 shapes, new qualities, or new combinations. For purposes  
22 of this subsection (e) the term "mining" shall have the  
23 same meaning as the term "mining" in Section 613(c) of the  
24 Internal Revenue Code. For purposes of this subsection  
25 (e), the term "retailing" means the sale of tangible  
26 personal property for use or consumption and not for

1 resale, or services rendered in conjunction with the sale  
2 of tangible personal property for use or consumption and  
3 not for resale. For purposes of this subsection (e),  
4 "tangible personal property" has the same meaning as when  
5 that term is used in the Retailers' Occupation Tax Act,  
6 and, for taxable years ending after December 31, 2008,  
7 does not include the generation, transmission, or  
8 distribution of electricity.

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

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

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

19 (7) If during any taxable year, any property ceases to  
20 be qualified property in the hands of the taxpayer within  
21 48 months after being placed in service, or the situs of  
22 any qualified property is moved outside Illinois within 48  
23 months after being placed in service, the Personal  
24 Property Tax Replacement Income Tax for such taxable year  
25 shall be increased. Such increase shall be determined by  
26 (i) recomputing the investment credit which would have

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

10           (8) Unless the investment credit is extended by law,  
11           the basis of qualified property shall not include costs  
12           incurred after December 31, 2018, except for costs  
13           incurred pursuant to a binding contract entered into on or  
14           before December 31, 2018.

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

1 partners for that taxable year. The partnership shall make  
2 this election on its Personal Property Tax Replacement  
3 Income Tax return for that taxable year. The election to  
4 pass through the credits shall be irrevocable.

5 For taxable years ending on or after December 31,  
6 2000, a partner that qualifies its partnership for a  
7 subtraction under subparagraph (I) of paragraph (2) of  
8 subsection (d) of Section 203 or a shareholder that  
9 qualifies a Subchapter S corporation for a subtraction  
10 under subparagraph (S) of paragraph (2) of subsection (b)  
11 of Section 203 shall be allowed a credit under this  
12 subsection (e) equal to its share of the credit earned  
13 under this subsection (e) during the taxable year by the  
14 partnership or Subchapter S corporation, determined in  
15 accordance with the determination of income and  
16 distributive share of income under Sections 702 and 704  
17 and Subchapter S of the Internal Revenue Code. This  
18 paragraph is exempt from the provisions of Section 250.

19 (f) Investment credit; Enterprise Zone; River Edge  
20 Redevelopment Zone.

21 (1) A taxpayer shall be allowed a credit against the  
22 tax imposed by subsections (a) and (b) of this Section for  
23 investment in qualified property which is placed in  
24 service in an Enterprise Zone created pursuant to the  
25 Illinois Enterprise Zone Act or, for property placed in  
26 service on or after July 1, 2006, a River Edge

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

1 liability, the credit accruing first in time shall be  
2 applied first.

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

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

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

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

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

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

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

22 (4) If the basis of the property for federal income  
23 tax depreciation purposes is increased after it has been  
24 placed in service in the Enterprise Zone or River Edge  
25 Redevelopment Zone by the taxpayer, the amount of such  
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

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

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

22 (7) There shall be allowed an additional credit equal  
23 to 0.5% of the basis of qualified property placed in  
24 service during the taxable year in a River Edge  
25 Redevelopment Zone, provided such property is placed in  
26 service on or after July 1, 2006, and the taxpayer's base

1 employment within Illinois has increased by 1% or more  
2 over the preceding year as determined by the taxpayer's  
3 employment records filed with the Illinois Department of  
4 Employment Security. Taxpayers who are new to Illinois  
5 shall be deemed to have met the 1% growth in base  
6 employment for the first year in which they file  
7 employment records with the Illinois Department of  
8 Employment Security. If, in any year, the increase in base  
9 employment within Illinois over the preceding year is less  
10 than 1%, the additional credit shall be limited to that  
11 percentage times a fraction, the numerator of which is  
12 0.5% and the denominator of which is 1%, but shall not  
13 exceed 0.5%.

14 (8) For taxable years beginning on or after January 1,  
15 2021, there shall be allowed an Enterprise Zone  
16 construction jobs credit against the taxes imposed under  
17 subsections (a) and (b) of this Section as provided in  
18 Section 13 of the Illinois Enterprise Zone Act.

19 The credit or credits may not reduce the taxpayer's  
20 liability to less than zero. If the amount of the credit or  
21 credits exceeds the taxpayer's liability, the excess may  
22 be carried forward and applied against the taxpayer's  
23 liability in succeeding calendar years in the same manner  
24 provided under paragraph (4) of Section 211 of this Act.  
25 The credit or credits shall be applied to the earliest  
26 year for which there is a tax liability. If there are



1 credits from more than one taxable year that are available  
2 to offset a liability, the earlier credit shall be applied  
3 first.

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

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

16 This paragraph (8) is exempt from the provisions of  
17 Section 250.

18 (g) (Blank).

19 (h) Investment credit; High Impact Business.

20 (1) Subject to subsections (b) and (b-5) of Section  
21 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall  
22 be allowed a credit against the tax imposed by subsections  
23 (a) and (b) of this Section for investment in qualified  
24 property which is placed in service by a Department of  
25 Commerce and Economic Opportunity designated High Impact  
26 Business. The credit shall be .5% of the basis for such

1 property. The credit shall not be available (i) until the  
2 minimum investments in qualified property set forth in  
3 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
4 Enterprise Zone Act have been satisfied or (ii) until the  
5 time authorized in subsection (b-5) of the Illinois  
6 Enterprise Zone Act for entities designated as High Impact  
7 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
8 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
9 Act, and shall not be allowed to the extent that it would  
10 reduce a taxpayer's liability for the tax imposed by  
11 subsections (a) and (b) of this Section to below zero. The  
12 credit applicable to such investments shall be taken in  
13 the taxable year in which such investments have been  
14 completed. The credit for additional investments beyond  
15 the minimum investment by a designated high impact  
16 business authorized under subdivision (a)(3)(A) of Section  
17 5.5 of the Illinois Enterprise Zone Act shall be available  
18 only in the taxable year in which the property is placed in  
19 service and shall not be allowed to the extent that it  
20 would reduce a taxpayer's liability for the tax imposed by  
21 subsections (a) and (b) of this Section to below zero. For  
22 tax years ending on or after December 31, 1987, the credit  
23 shall be allowed for the tax year in which the property is  
24 placed in service, or, if the amount of the credit exceeds  
25 the tax liability for that year, whether it exceeds the  
26 original liability or the liability as later amended, such

1 excess may be carried forward and applied to the tax  
2 liability of the 5 taxable years following the excess  
3 credit year. The credit shall be applied to the earliest  
4 year for which there is a liability. If there is credit  
5 from more than one tax year that is available to offset a  
6 liability, the credit accruing first in time shall be  
7 applied first.

8 Changes made in this subdivision (h) (1) by Public Act  
9 88-670 restore changes made by Public Act 85-1182 and  
10 reflect existing law.

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

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

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

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

21 (D) is not eligible for the Enterprise Zone  
22 Investment Credit provided by subsection (f) of this  
23 Section.

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

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

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

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

1           (7) Beginning with tax years ending after December 31,  
2           1996, if a taxpayer qualifies for the credit under this  
3           subsection (h) and thereby is granted a tax abatement and  
4           the taxpayer relocates its entire facility in violation of  
5           the explicit terms and length of the contract under  
6           Section 18-183 of the Property Tax Code, the tax imposed  
7           under subsections (a) and (b) of this Section shall be  
8           increased for the taxable year in which the taxpayer  
9           relocated its facility by an amount equal to the amount of  
10          credit received by the taxpayer under this subsection (h).

11          (h-5) High Impact Business construction ~~constructions~~ jobs  
12          credit. For taxable years beginning on or after January 1,  
13          2021, there shall also be allowed a High Impact Business  
14          construction jobs credit against the tax imposed under  
15          subsections (a) and (b) of this Section as provided in  
16          subsections (i) and (j) of Section 5.5 of the Illinois  
17          Enterprise Zone Act.

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

1 credit shall be applied first.

2 For partners, shareholders of Subchapter S corporations,  
3 and owners of limited liability companies, if the liability  
4 company is treated as a partnership for the purposes of  
5 federal and State income taxation, there shall be allowed a  
6 credit under this Section to be determined in accordance with  
7 the determination of income and distributive share of income  
8 under Sections 702 and 704 and Subchapter S of the Internal  
9 Revenue Code.

10 The total aggregate amount of credits awarded under the  
11 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
12 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
13 \$20,000,000 in any State fiscal year.

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

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

26 Any credit earned on or after December 31, 1986 under this

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

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

24 (j) Training expense credit. Beginning with tax years  
25 ending on or after December 31, 1986 and prior to December 31,  
26 2003, a taxpayer shall be allowed a credit against the tax

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

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



1 (k) Research and development credit. For tax years ending  
2 after July 1, 1990 and prior to December 31, 2003, and  
3 beginning again for tax years ending on or after December 31,  
4 2004, and ending prior to January 1, 2027, a taxpayer shall be  
5 allowed a credit against the tax imposed by subsections (a)  
6 and (b) of this Section for increasing research activities in  
7 this State. The credit allowed against the tax imposed by  
8 subsections (a) and (b) shall be equal to 6 1/2% of the  
9 qualifying expenditures for increasing research activities in  
10 this State. For partners, shareholders of subchapter S  
11 corporations, and owners of limited liability companies, if  
12 the liability company is treated as a partnership for purposes  
13 of federal and State income taxation, there shall be allowed a  
14 credit under this subsection to be determined in accordance  
15 with the determination of income and distributive share of  
16 income under Sections 702 and 704 and subchapter S of the  
17 Internal Revenue Code.

18 For purposes of this subsection, "qualifying expenditures"  
19 means the qualifying expenditures as defined for the federal  
20 credit for increasing research activities which would be  
21 allowable under Section 41 of the Internal Revenue Code and  
22 which are conducted in this State, "qualifying expenditures  
23 for increasing research activities in this State" means the  
24 excess of qualifying expenditures for the taxable year in  
25 which incurred over qualifying expenditures for the base  
26 period, "qualifying expenditures for the base period" means

1 the average of the qualifying expenditures for each year in  
2 the base period, and "base period" means the 3 taxable years  
3 immediately preceding the taxable year for which the  
4 determination is being made.

5 Any credit in excess of the tax liability for the taxable  
6 year may be carried forward. A taxpayer may elect to have the  
7 unused credit shown on its final completed return carried over  
8 as a credit against the tax liability for the following 5  
9 taxable years or until it has been fully used, whichever  
10 occurs first; provided that no credit earned in a tax year  
11 ending prior to December 31, 2003 may be carried forward to any  
12 year ending on or after December 31, 2003.

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

25 No inference shall be drawn from Public Act 91-644 ~~this~~  
26 ~~amendatory Act of the 91st General Assembly~~ in construing this

1 Section for taxable years beginning before January 1, 1999.

2 It is the intent of the General Assembly that the research  
3 and development credit under this subsection (k) shall apply  
4 continuously for all tax years ending on or after December 31,  
5 2004 and ending prior to January 1, 2027, including, but not  
6 limited to, the period beginning on January 1, 2016 and ending  
7 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~  
8 ~~amendatory Act of the 100th General Assembly~~. All actions  
9 taken in reliance on the continuation of the credit under this  
10 subsection (k) by any taxpayer are hereby validated.

11 (l) Environmental Remediation Tax Credit.

12 (i) For tax years ending after December 31, 1997 and  
13 on or before December 31, 2001, a taxpayer shall be  
14 allowed a credit against the tax imposed by subsections  
15 (a) and (b) of this Section for certain amounts paid for  
16 unreimbursed eligible remediation costs, as specified in  
17 this subsection. For purposes of this Section,  
18 "unreimbursed eligible remediation costs" means costs  
19 approved by the Illinois Environmental Protection Agency  
20 ("Agency") under Section 58.14 of the Environmental  
21 Protection Act that were paid in performing environmental  
22 remediation at a site for which a No Further Remediation  
23 Letter was issued by the Agency and recorded under Section  
24 58.10 of the Environmental Protection Act. The credit must  
25 be claimed for the taxable year in which Agency approval  
26 of the eligible remediation costs is granted. The credit

1 is not available to any taxpayer if the taxpayer or any  
2 related party caused or contributed to, in any material  
3 respect, a release of regulated substances on, in, or  
4 under the site that was identified and addressed by the  
5 remedial action pursuant to the Site Remediation Program  
6 of the Environmental Protection Act. After the Pollution  
7 Control Board rules are adopted pursuant to the Illinois  
8 Administrative Procedure Act for the administration and  
9 enforcement of Section 58.9 of the Environmental  
10 Protection Act, determinations as to credit availability  
11 for purposes of this Section shall be made consistent with  
12 those rules. For purposes of this Section, "taxpayer"  
13 includes a person whose tax attributes the taxpayer has  
14 succeeded to under Section 381 of the Internal Revenue  
15 Code and "related party" includes the persons disallowed a  
16 deduction for losses by paragraphs (b), (c), and (f)(1) of  
17 Section 267 of the Internal Revenue Code by virtue of  
18 being a related taxpayer, as well as any of its partners.  
19 The credit allowed against the tax imposed by subsections  
20 (a) and (b) shall be equal to 25% of the unreimbursed  
21 eligible remediation costs in excess of \$100,000 per site,  
22 except that the \$100,000 threshold shall not apply to any  
23 site contained in an enterprise zone as determined by the  
24 Department of Commerce and Community Affairs (now  
25 Department of Commerce and Economic Opportunity). The  
26 total credit allowed shall not exceed \$40,000 per year

1 with a maximum total of \$150,000 per site. For partners  
2 and shareholders of subchapter S corporations, there shall  
3 be allowed a credit under this subsection to be determined  
4 in accordance with the determination of income and  
5 distributive share of income under Sections 702 and 704  
6 and subchapter S of the Internal Revenue Code.

7 (ii) A credit allowed under this subsection that is  
8 unused in the year the credit is earned may be carried  
9 forward to each of the 5 taxable years following the year  
10 for which the credit is first earned until it is used. The  
11 term "unused credit" does not include any amounts of  
12 unreimbursed eligible remediation costs in excess of the  
13 maximum credit per site authorized under paragraph (i).  
14 This credit shall be applied first to the earliest year  
15 for which there is a liability. If there is a credit under  
16 this subsection from more than one tax year that is  
17 available to offset a liability, the earliest credit  
18 arising under this subsection shall be applied first. A  
19 credit allowed under this subsection may be sold to a  
20 buyer as part of a sale of all or part of the remediation  
21 site for which the credit was granted. The purchaser of a  
22 remediation site and the tax credit shall succeed to the  
23 unused credit and remaining carry-forward period of the  
24 seller. To perfect the transfer, the assignor shall record  
25 the transfer in the chain of title for the site and provide  
26 written notice to the Director of the Illinois Department

1 of Revenue of the assignor's intent to sell the  
2 remediation site and the amount of the tax credit to be  
3 transferred as a portion of the sale. In no event may a  
4 credit be transferred to any taxpayer if the taxpayer or a  
5 related party would not be eligible under the provisions  
6 of subsection (i).

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

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

1 filing a joint federal tax return or (ii) \$250,000, in the case  
2 of all other taxpayers. This subsection is exempt from the  
3 provisions of Section 250 of this Act.

4 For purposes of this subsection:

5 "Qualifying pupils" means individuals who (i) are  
6 residents of the State of Illinois, (ii) are under the age of  
7 21 at the close of the school year for which a credit is  
8 sought, and (iii) during the school year for which a credit is  
9 sought were full-time pupils enrolled in a kindergarten  
10 through twelfth grade education program at any school, as  
11 defined in this subsection.

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

16 "School" means any public or nonpublic elementary or  
17 secondary school in Illinois that is in compliance with Title  
18 VI of the Civil Rights Act of 1964 and attendance at which  
19 satisfies the requirements of Section 26-1 of the School Code,  
20 except that nothing shall be construed to require a child to  
21 attend any particular public or nonpublic school to qualify  
22 for the credit under this Section.

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

26 (n) River Edge Redevelopment Zone site remediation tax

1 credit.

2 (i) For tax years ending on or after December 31,  
3 2006, a taxpayer shall be allowed a credit against the tax  
4 imposed by subsections (a) and (b) of this Section for  
5 certain amounts paid for unreimbursed eligible remediation  
6 costs, as specified in this subsection. For purposes of  
7 this Section, "unreimbursed eligible remediation costs"  
8 means costs approved by the Illinois Environmental  
9 Protection Agency ("Agency") under Section 58.14a of the  
10 Environmental Protection Act that were paid in performing  
11 environmental remediation at a site within a River Edge  
12 Redevelopment Zone for which a No Further Remediation  
13 Letter was issued by the Agency and recorded under Section  
14 58.10 of the Environmental Protection Act. The credit must  
15 be claimed for the taxable year in which Agency approval  
16 of the eligible remediation costs is granted. The credit  
17 is not available to any taxpayer if the taxpayer or any  
18 related party caused or contributed to, in any material  
19 respect, a release of regulated substances on, in, or  
20 under the site that was identified and addressed by the  
21 remedial action pursuant to the Site Remediation Program  
22 of the Environmental Protection Act. Determinations as to  
23 credit availability for purposes of this Section shall be  
24 made consistent with rules adopted by the Pollution  
25 Control Board pursuant to the Illinois Administrative  
26 Procedure Act for the administration and enforcement of



1 Section 58.9 of the Environmental Protection Act. For  
2 purposes of this Section, "taxpayer" includes a person  
3 whose tax attributes the taxpayer has succeeded to under  
4 Section 381 of the Internal Revenue Code and "related  
5 party" includes the persons disallowed a deduction for  
6 losses by paragraphs (b), (c), and (f)(1) of Section 267  
7 of the Internal Revenue Code by virtue of being a related  
8 taxpayer, as well as any of its partners. The credit  
9 allowed against the tax imposed by subsections (a) and (b)  
10 shall be equal to 25% of the unreimbursed eligible  
11 remediation costs in excess of \$100,000 per site.

12 (ii) A credit allowed under this subsection that is  
13 unused in the year the credit is earned may be carried  
14 forward to each of the 5 taxable years following the year  
15 for which the credit is first earned until it is used. This  
16 credit shall be applied first to the earliest year for  
17 which there is a liability. If there is a credit under this  
18 subsection from more than one tax year that is available  
19 to offset a liability, the earliest credit arising under  
20 this subsection shall be applied first. A credit allowed  
21 under this subsection may be sold to a buyer as part of a  
22 sale of all or part of the remediation site for which the  
23 credit was granted. The purchaser of a remediation site  
24 and the tax credit shall succeed to the unused credit and  
25 remaining carry-forward period of the seller. To perfect  
26 the transfer, the assignor shall record the transfer in

1 the chain of title for the site and provide written notice  
2 to the Director of the Illinois Department of Revenue of  
3 the assignor's intent to sell the remediation site and the  
4 amount of the tax credit to be transferred as a portion of  
5 the sale. In no event may a credit be transferred to any  
6 taxpayer if the taxpayer or a related party would not be  
7 eligible under the provisions of subsection (i).

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

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

21 (1) the medical cannabis cultivation center  
22 registration, medical cannabis dispensary registration, or  
23 the property of a registration is transferred as a result  
24 of any of the following:

25 (A) bankruptcy, a receivership, or a debt  
26 adjustment initiated by or against the initial

1 registration or the substantial owners of the initial  
2 registration;

3 (B) cancellation, revocation, or termination of  
4 any registration by the Illinois Department of Public  
5 Health;

6 (C) a determination by the Illinois Department of  
7 Public Health that transfer of the registration is in  
8 the best interests of Illinois qualifying patients as  
9 defined by the Compassionate Use of Medical Cannabis  
10 Program Act;

11 (D) the death of an owner of the equity interest in  
12 a registrant;

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

16 (F) a transfer by a parent company to a wholly  
17 owned subsidiary; or

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

21 or

22 (2) the cannabis cultivation center registration,  
23 medical cannabis dispensary registration, or the  
24 controlling interest in a registrant's property is  
25 transferred in a transaction to lineal descendants in  
26 which no gain or loss is recognized or as a result of a

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

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

6 (Text of Section with the changes made by P.A. 101-8,  
7 which did not take effect (see Section 99 of P.A. 101-8))

8 Sec. 201. Tax imposed.

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

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

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

23 (2) In the case of an individual, trust or estate, for  
24 taxable years beginning prior to July 1, 1989 and ending  
25 after June 30, 1989, an amount equal to the sum of (i) 2

1 1/2% of the taxpayer's net income for the period prior to  
2 July 1, 1989, as calculated under Section 202.3, and (ii)  
3 3% of the taxpayer's net income for the period after June  
4 30, 1989, as calculated under Section 202.3.

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

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

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

20 (5.1) In the case of an individual, trust, or estate,  
21 for taxable years beginning prior to January 1, 2015, and  
22 ending after December 31, 2014, an amount equal to the sum  
23 of (i) 5% of the taxpayer's net income for the period prior  
24 to January 1, 2015, as calculated under Section 202.5, and  
25 (ii) 3.75% of the taxpayer's net income for the period  
26 after December 31, 2014, as calculated under Section

1 202.5.

2 (5.2) In the case of an individual, trust, or estate,  
3 for taxable years beginning on or after January 1, 2015,  
4 and ending prior to July 1, 2017, an amount equal to 3.75%  
5 of the taxpayer's net income for the taxable year.

6 (5.3) In the case of an individual, trust, or estate,  
7 for taxable years beginning prior to July 1, 2017, and  
8 ending after June 30, 2017, an amount equal to the sum of  
9 (i) 3.75% of the taxpayer's net income for the period  
10 prior to July 1, 2017, as calculated under Section 202.5,  
11 and (ii) 4.95% of the taxpayer's net income for the period  
12 after June 30, 2017, as calculated under Section 202.5.

13 (5.4) In the case of an individual, trust, or estate,  
14 for taxable years beginning on or after July 1, 2017 and  
15 beginning prior to January 1, 2021, an amount equal to  
16 4.95% of the taxpayer's net income for the taxable year.

17 (5.5) In the case of an individual, trust, or estate,  
18 for taxable years beginning on or after January 1, 2021,  
19 an amount calculated under the rate structure set forth in  
20 Section 201.1.

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

24 (7) In the case of a corporation, for taxable years  
25 beginning prior to July 1, 1989 and ending after June 30,  
26 1989, an amount equal to the sum of (i) 4% of the

1 taxpayer's net income for the period prior to July 1,  
2 1989, as calculated under Section 202.3, and (ii) 4.8% of  
3 the taxpayer's net income for the period after June 30,  
4 1989, as calculated under Section 202.3.

5 (8) In the case of a corporation, for taxable years  
6 beginning after June 30, 1989, and ending prior to January  
7 1, 2011, an amount equal to 4.8% of the taxpayer's net  
8 income for the taxable year.

9 (9) In the case of a corporation, for taxable years  
10 beginning prior to January 1, 2011, and ending after  
11 December 31, 2010, an amount equal to the sum of (i) 4.8%  
12 of the taxpayer's net income for the period prior to  
13 January 1, 2011, as calculated under Section 202.5, and  
14 (ii) 7% of the taxpayer's net income for the period after  
15 December 31, 2010, as calculated under Section 202.5.

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

20 (11) In the case of a corporation, for taxable years  
21 beginning prior to January 1, 2015, and ending after  
22 December 31, 2014, an amount equal to the sum of (i) 7% of  
23 the taxpayer's net income for the period prior to January  
24 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
25 of the taxpayer's net income for the period after December  
26 31, 2014, as calculated under Section 202.5.

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

5           (13) In the case of a corporation, for taxable years  
6 beginning prior to July 1, 2017, and ending after June 30,  
7 2017, an amount equal to the sum of (i) 5.25% of the  
8 taxpayer's net income for the period prior to July 1,  
9 2017, as calculated under Section 202.5, and (ii) 7% of  
10 the taxpayer's net income for the period after June 30,  
11 2017, as calculated under Section 202.5.

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

16           (15) In the case of a corporation, for taxable years  
17 beginning on or after January 1, 2021, an amount equal to  
18 7.99% of the taxpayer's net income for the taxable year.

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

21           (b-5) Surcharge; sale or exchange of assets, properties,  
22 and intangibles of organization gaming licensees. For each of  
23 taxable years 2019 through 2027, a surcharge is imposed on all  
24 taxpayers on income arising from the sale or exchange of  
25 capital assets, depreciable business property, real property  
26 used in the trade or business, and Section 197 intangibles (i)



1 of an organization licensee under the Illinois Horse Racing  
2 Act of 1975 and (ii) of an organization gaming licensee under  
3 the Illinois Gambling Act. The amount of the surcharge is  
4 equal to the amount of federal income tax liability for the  
5 taxable year attributable to those sales and exchanges. The  
6 surcharge imposed shall not apply if:

7 (1) the organization gaming license, organization  
8 license, or racetrack property is transferred as a result  
9 of any of the following:

10 (A) bankruptcy, a receivership, or a debt  
11 adjustment initiated by or against the initial  
12 licensee or the substantial owners of the initial  
13 licensee;

14 (B) cancellation, revocation, or termination of  
15 any such license by the Illinois Gaming Board or the  
16 Illinois Racing Board;

17 (C) a determination by the Illinois Gaming Board  
18 that transfer of the license is in the best interests  
19 of Illinois gaming;

20 (D) the death of an owner of the equity interest in  
21 a licensee;

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

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

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

4 (2) the controlling interest in the organization  
5 gaming license, organization license, or racetrack  
6 property is transferred in a transaction to lineal  
7 descendants in which no gain or loss is recognized or as a  
8 result of a transaction in accordance with Section 351 of  
9 the Internal Revenue Code in which no gain or loss is  
10 recognized; or

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

15 The transfer of an organization gaming license,  
16 organization license, or racetrack property by a person other  
17 than the initial licensee to receive the organization gaming  
18 license is not subject to a surcharge. The Department shall  
19 adopt rules necessary to implement and administer this  
20 subsection.

21 (c) Personal Property Tax Replacement Income Tax.  
22 Beginning on July 1, 1979 and thereafter, in addition to such  
23 income tax, there is also hereby imposed the Personal Property  
24 Tax Replacement Income Tax measured by net income on every  
25 corporation (including Subchapter S corporations), partnership  
26 and trust, for each taxable year ending after June 30, 1979.

1 Such taxes are imposed on the privilege of earning or  
2 receiving income in or as a resident of this State. The  
3 Personal Property Tax Replacement Income Tax shall be in  
4 addition to the income tax imposed by subsections (a) and (b)  
5 of this Section and in addition to all other occupation or  
6 privilege taxes imposed by this State or by any municipal  
7 corporation or political subdivision thereof.

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

20 (d-1) Rate reduction for certain foreign insurers. In the  
21 case of a foreign insurer, as defined by Section 35A-5 of the  
22 Illinois Insurance Code, whose state or country of domicile  
23 imposes on insurers domiciled in Illinois a retaliatory tax  
24 (excluding any insurer whose premiums from reinsurance assumed  
25 are 50% or more of its total insurance premiums as determined  
26 under paragraph (2) of subsection (b) of Section 304, except

1 that for purposes of this determination premiums from  
2 reinsurance do not include premiums from inter-affiliate  
3 reinsurance arrangements), beginning with taxable years ending  
4 on or after December 31, 1999, the sum of the rates of tax  
5 imposed by subsections (b) and (d) shall be reduced (but not  
6 increased) to the rate at which the total amount of tax imposed  
7 under this Act, net of all credits allowed under this Act,  
8 shall equal (i) the total amount of tax that would be imposed  
9 on the foreign insurer's net income allocable to Illinois for  
10 the taxable year by such foreign insurer's state or country of  
11 domicile if that net income were subject to all income taxes  
12 and taxes measured by net income imposed by such foreign  
13 insurer's state or country of domicile, net of all credits  
14 allowed or (ii) a rate of zero if no such tax is imposed on  
15 such income by the foreign insurer's state of domicile. For  
16 the purposes of this subsection (d-1), an inter-affiliate  
17 includes a mutual insurer under common management.

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

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

24 (B) the privilege tax imposed by Section 409 of  
25 the Illinois Insurance Code, the fire insurance  
26 company tax imposed by Section 12 of the Fire

1 Investigation Act, and the fire department taxes  
2 imposed under Section 11-10-1 of the Illinois  
3 Municipal Code,  
4 equals 1.25% for taxable years ending prior to December  
5 31, 2003, or 1.75% for taxable years ending on or after  
6 December 31, 2003, of the net taxable premiums written for  
7 the taxable year, as described by subsection (1) of  
8 Section 409 of the Illinois Insurance Code. This paragraph  
9 will in no event increase the rates imposed under  
10 subsections (b) and (d).

11 (2) Any reduction in the rates of tax imposed by this  
12 subsection shall be applied first against the rates  
13 imposed by subsection (b) and only after the tax imposed  
14 by subsection (a) net of all credits allowed under this  
15 Section other than the credit allowed under subsection (i)  
16 has been reduced to zero, against the rates imposed by  
17 subsection (d).

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

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

23 (1) A taxpayer shall be allowed a credit equal to .5%  
24 of the basis of qualified property placed in service  
25 during the taxable year, provided such property is placed  
26 in service on or after July 1, 1984. There shall be allowed

1 an additional credit equal to .5% of the basis of  
2 qualified property placed in service during the taxable  
3 year, provided such property is placed in service on or  
4 after July 1, 1986, and the taxpayer's base employment  
5 within Illinois has increased by 1% or more over the  
6 preceding year as determined by the taxpayer's employment  
7 records filed with the Illinois Department of Employment  
8 Security. Taxpayers who are new to Illinois shall be  
9 deemed to have met the 1% growth in base employment for the  
10 first year in which they file employment records with the  
11 Illinois Department of Employment Security. The provisions  
12 added to this Section by Public Act 85-1200 (and restored  
13 by Public Act 87-895) shall be construed as declaratory of  
14 existing law and not as a new enactment. If, in any year,  
15 the increase in base employment within Illinois over the  
16 preceding year is less than 1%, the additional credit  
17 shall be limited to that percentage times a fraction, the  
18 numerator of which is .5% and the denominator of which is  
19 1%, but shall not exceed .5%. The investment credit shall  
20 not be allowed to the extent that it would reduce a  
21 taxpayer's liability in any tax year below zero, nor may  
22 any credit for qualified property be allowed for any year  
23 other than the year in which the property was placed in  
24 service in Illinois. For tax years ending on or after  
25 December 31, 1987, and on or before December 31, 1988, the  
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the  
2 credit exceeds the tax liability for that year, whether it  
3 exceeds the original liability or the liability as later  
4 amended, such excess may be carried forward and applied to  
5 the tax liability of the 5 taxable years following the  
6 excess credit years if the taxpayer (i) makes investments  
7 which cause the creation of a minimum of 2,000 full-time  
8 equivalent jobs in Illinois, (ii) is located in an  
9 enterprise zone established pursuant to the Illinois  
10 Enterprise Zone Act and (iii) is certified by the  
11 Department of Commerce and Community Affairs (now  
12 Department of Commerce and Economic Opportunity) as  
13 complying with the requirements specified in clause (i)  
14 and (ii) by July 1, 1986. The Department of Commerce and  
15 Community Affairs (now Department of Commerce and Economic  
16 Opportunity) shall notify the Department of Revenue of all  
17 such certifications immediately. For tax years ending  
18 after December 31, 1988, the credit shall be allowed for  
19 the tax year in which the property is placed in service,  
20 or, if the amount of the credit exceeds the tax liability  
21 for that year, whether it exceeds the original liability  
22 or the liability as later amended, such excess may be  
23 carried forward and applied to the tax liability of the 5  
24 taxable years following the excess credit years. The  
25 credit shall be applied to the earliest year for which  
26 there is a liability. If there is credit from more than one

1 tax year that is available to offset a liability, earlier  
2 credit shall be applied first.

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

5 (A) is tangible, whether new or used, including  
6 buildings and structural components of buildings and  
7 signs that are real property, but not including land  
8 or improvements to real property that are not a  
9 structural component of a building such as  
10 landscaping, sewer lines, local access roads, fencing,  
11 parking lots, and other appurtenances;

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

17 (C) is acquired by purchase as defined in Section  
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is  
20 primarily engaged in manufacturing, or in mining coal  
21 or fluorite, or in retailing, or was placed in service  
22 on or after July 1, 2006 in a River Edge Redevelopment  
23 Zone established pursuant to the River Edge  
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in  
26 such a manner and by such a person as would qualify for



1           the credit provided by this subsection (e) or  
2           subsection (f).

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

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

25          (5) If the basis of the property for federal income  
26          tax depreciation purposes is increased after it has been

1 placed in service in Illinois by the taxpayer, the amount  
2 of such increase shall be deemed property placed in  
3 service on the date of such increase in basis.

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

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

23 (8) Unless the investment credit is extended by law,  
24 the basis of qualified property shall not include costs  
25 incurred after December 31, 2018, except for costs  
26 incurred pursuant to a binding contract entered into on or

1 before December 31, 2018.

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

18 For taxable years ending on or after December 31,  
19 2000, a partner that qualifies its partnership for a  
20 subtraction under subparagraph (I) of paragraph (2) of  
21 subsection (d) of Section 203 or a shareholder that  
22 qualifies a Subchapter S corporation for a subtraction  
23 under subparagraph (S) of paragraph (2) of subsection (b)  
24 of Section 203 shall be allowed a credit under this  
25 subsection (e) equal to its share of the credit earned  
26 under this subsection (e) during the taxable year by the

1 partnership or Subchapter S corporation, determined in  
2 accordance with the determination of income and  
3 distributive share of income under Sections 702 and 704  
4 and Subchapter S of the Internal Revenue Code. This  
5 paragraph is exempt from the provisions of Section 250.

6 (f) Investment credit; Enterprise Zone; River Edge  
7 Redevelopment Zone; Clean Energy Empowerment Zone.

8 (1) A taxpayer shall be allowed a credit against the  
9 tax imposed by subsections (a) and (b) of this Section for  
10 investment in qualified property which is placed in  
11 service in an Enterprise Zone created pursuant to the  
12 Illinois Enterprise Zone Act or, for property placed in  
13 service on or after July 1, 2006, a River Edge  
14 Redevelopment Zone established pursuant to the River Edge  
15 Redevelopment Zone Act, or for investment in renewable  
16 energy enterprises located in Clean Energy Empowerment  
17 Zones created pursuant to the Energy Community  
18 Reinvestment Act. For partners, shareholders of Subchapter  
19 S corporations, and owners of limited liability companies,  
20 if the liability company is treated as a partnership for  
21 purposes of federal and State income taxation, there shall  
22 be allowed a credit under this subsection (f) to be  
23 determined in accordance with the determination of income  
24 and distributive share of income under Sections 702 and  
25 704 and Subchapter S of the Internal Revenue Code. The  
26 credit shall be .5% of the basis for such property. The

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

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

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

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

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code;

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

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

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

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

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

19 (6) If during any taxable year, any property ceases to  
20 be qualified property in the hands of the taxpayer within  
21 48 months after being placed in service, or the situs of  
22 any qualified property is moved outside the Enterprise  
23 Zone or River Edge Redevelopment Zone within 48 months  
24 after being placed in service, the tax imposed under  
25 subsections (a) and (b) of this Section for such taxable  
26 year shall be increased. Such increase shall be determined

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

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

1 0.5% and the denominator of which is 1%, but shall not  
2 exceed 0.5%.

3 (8) For taxable years beginning on or after January 1,  
4 2021, there shall be allowed an Enterprise Zone  
5 construction jobs credit against the taxes imposed under  
6 subsections (a) and (b) of this Section as provided in  
7 Section 13 of the Illinois Enterprise Zone Act.

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

19 For partners, shareholders of Subchapter S  
20 corporations, and owners of limited liability companies,  
21 if the liability company is treated as a partnership for  
22 the purposes of federal and State income taxation, there  
23 shall be allowed a credit under this Section to be  
24 determined in accordance with the determination of income  
25 and distributive share of income under Sections 702 and  
26 704 and Subchapter S of the Internal Revenue Code.



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

5           This paragraph (8) is exempt from the provisions of  
6           Section 250.

7           (g) (Blank).

8           (h) Investment credit; High Impact Business.

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

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

23 Changes made in this subdivision (h)(1) by Public Act  
24 88-670 restore changes made by Public Act 85-1182 and  
25 reflect existing law.

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

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

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

8 (C) is acquired by purchase as defined in Section  
9 179(d) of the Internal Revenue Code; and

10 (D) is not eligible for the Enterprise Zone  
11 Investment Credit provided by subsection (f) of this  
12 Section.

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

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

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

24 (6) If during any taxable year ending on or before  
25 December 31, 1996, any property ceases to be qualified  
26 property in the hands of the taxpayer within 48 months

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

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

26 (h-5) High Impact Business construction ~~constructions~~ jobs

1 credit. For taxable years beginning on or after January 1,  
2 2021, there shall also be allowed a High Impact Business  
3 construction jobs credit against the tax imposed under  
4 subsections (a) and (b) of this Section as provided in  
5 subsections (i) and (j) of Section 5.5 of the Illinois  
6 Enterprise Zone Act.

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

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

25 The total aggregate amount of credits awarded under the  
26 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~

1 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
2 \$20,000,000 in any State fiscal year.

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

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

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

1 offset a liability the earliest credit arising under this  
2 subsection shall be applied first.

3 If, during any taxable year ending on or after December  
4 31, 1986, the tax imposed by subsections (c) and (d) of this  
5 Section for which a taxpayer has claimed a credit under this  
6 subsection (i) is reduced, the amount of credit for such tax  
7 shall also be reduced. Such reduction shall be determined by  
8 recomputing the credit to take into account the reduced tax  
9 imposed by subsections (c) and (d). If any portion of the  
10 reduced amount of credit has been carried to a different  
11 taxable year, an amended return shall be filed for such  
12 taxable year to reduce the amount of credit claimed.

13 (j) Training expense credit. Beginning with tax years  
14 ending on or after December 31, 1986 and prior to December 31,  
15 2003, a taxpayer shall be allowed a credit against the tax  
16 imposed by subsections (a) and (b) under this Section for all  
17 amounts paid or accrued, on behalf of all persons employed by  
18 the taxpayer in Illinois or Illinois residents employed  
19 outside of Illinois by a taxpayer, for educational or  
20 vocational training in semi-technical or technical fields or  
21 semi-skilled or skilled fields, which were deducted from gross  
22 income in the computation of taxable income. The credit  
23 against the tax imposed by subsections (a) and (b) shall be  
24 1.6% of such training expenses. For partners, shareholders of  
25 subchapter S corporations, and owners of limited liability  
26 companies, if the liability company is treated as a

1 partnership for purposes of federal and State income taxation,  
2 there shall be allowed a credit under this subsection (j) to be  
3 determined in accordance with the determination of income and  
4 distributive share of income under Sections 702 and 704 and  
5 subchapter S of the Internal Revenue Code.

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

16 (k) Research and development credit. For tax years ending  
17 after July 1, 1990 and prior to December 31, 2003, and  
18 beginning again for tax years ending on or after December 31,  
19 2004, and ending prior to January 1, 2027, a taxpayer shall be  
20 allowed a credit against the tax imposed by subsections (a)  
21 and (b) of this Section for increasing research activities in  
22 this State. The credit allowed against the tax imposed by  
23 subsections (a) and (b) shall be equal to 6 1/2% of the  
24 qualifying expenditures for increasing research activities in  
25 this State. For partners, shareholders of subchapter S  
26 corporations, and owners of limited liability companies, if



1 the liability company is treated as a partnership for purposes  
2 of federal and State income taxation, there shall be allowed a  
3 credit under this subsection to be determined in accordance  
4 with the determination of income and distributive share of  
5 income under Sections 702 and 704 and subchapter S of the  
6 Internal Revenue Code.

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

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

1 year ending on or after December 31, 2003.

2 If an unused credit is carried forward to a given year from  
3 2 or more earlier years, that credit arising in the earliest  
4 year will be applied first against the tax liability for the  
5 given year. If a tax liability for the given year still  
6 remains, the credit from the next earliest year will then be  
7 applied, and so on, until all credits have been used or no tax  
8 liability for the given year remains. Any remaining unused  
9 credit or credits then will be carried forward to the next  
10 following year in which a tax liability is incurred, except  
11 that no credit can be carried forward to a year which is more  
12 than 5 years after the year in which the expense for which the  
13 credit is given was incurred.

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

17 It is the intent of the General Assembly that the research  
18 and development credit under this subsection (k) shall apply  
19 continuously for all tax years ending on or after December 31,  
20 2004 and ending prior to January 1, 2027, including, but not  
21 limited to, the period beginning on January 1, 2016 and ending  
22 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~  
23 ~~amendatory Act of the 100th General Assembly~~. All actions  
24 taken in reliance on the continuation of the credit under this  
25 subsection (k) by any taxpayer are hereby validated.

26 (1) Environmental Remediation Tax Credit.

1 (i) For tax years ending after December 31, 1997 and  
2 on or before December 31, 2001, a taxpayer shall be  
3 allowed a credit against the tax imposed by subsections  
4 (a) and (b) of this Section for certain amounts paid for  
5 unreimbursed eligible remediation costs, as specified in  
6 this subsection. For purposes of this Section,  
7 "unreimbursed eligible remediation costs" means costs  
8 approved by the Illinois Environmental Protection Agency  
9 ("Agency") under Section 58.14 of the Environmental  
10 Protection Act that were paid in performing environmental  
11 remediation at a site for which a No Further Remediation  
12 Letter was issued by the Agency and recorded under Section  
13 58.10 of the Environmental Protection Act. The credit must  
14 be claimed for the taxable year in which Agency approval  
15 of the eligible remediation costs is granted. The credit  
16 is not available to any taxpayer if the taxpayer or any  
17 related party caused or contributed to, in any material  
18 respect, a release of regulated substances on, in, or  
19 under the site that was identified and addressed by the  
20 remedial action pursuant to the Site Remediation Program  
21 of the Environmental Protection Act. After the Pollution  
22 Control Board rules are adopted pursuant to the Illinois  
23 Administrative Procedure Act for the administration and  
24 enforcement of Section 58.9 of the Environmental  
25 Protection Act, determinations as to credit availability  
26 for purposes of this Section shall be made consistent with

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

22 (ii) A credit allowed under this subsection that is  
23 unused in the year the credit is earned may be carried  
24 forward to each of the 5 taxable years following the year  
25 for which the credit is first earned until it is used. The  
26 term "unused credit" does not include any amounts of

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

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

25 (m) Education expense credit. Beginning with tax years  
26 ending after December 31, 1999, a taxpayer who is the

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

19 For purposes of this subsection:

20 "Qualifying pupils" means individuals who (i) are  
21 residents of the State of Illinois, (ii) are under the age of  
22 21 at the close of the school year for which a credit is  
23 sought, and (iii) during the school year for which a credit is  
24 sought were full-time pupils enrolled in a kindergarten  
25 through twelfth grade education program at any school, as  
26 defined in this subsection.

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

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

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

15 (n) River Edge Redevelopment Zone site remediation tax  
16 credit.

17 (i) For tax years ending on or after December 31,  
18 2006, a taxpayer shall be allowed a credit against the tax  
19 imposed by subsections (a) and (b) of this Section for  
20 certain amounts paid for unreimbursed eligible remediation  
21 costs, as specified in this subsection. For purposes of  
22 this Section, "unreimbursed eligible remediation costs"  
23 means costs approved by the Illinois Environmental  
24 Protection Agency ("Agency") under Section 58.14a of the  
25 Environmental Protection Act that were paid in performing  
26 environmental remediation at a site within a River Edge

1 Redevelopment Zone for which a No Further Remediation  
2 Letter was issued by the Agency and recorded under Section  
3 58.10 of the Environmental Protection Act. The credit must  
4 be claimed for the taxable year in which Agency approval  
5 of the eligible remediation costs is granted. The credit  
6 is not available to any taxpayer if the taxpayer or any  
7 related party caused or contributed to, in any material  
8 respect, a release of regulated substances on, in, or  
9 under the site that was identified and addressed by the  
10 remedial action pursuant to the Site Remediation Program  
11 of the Environmental Protection Act. Determinations as to  
12 credit availability for purposes of this Section shall be  
13 made consistent with rules adopted by the Pollution  
14 Control Board pursuant to the Illinois Administrative  
15 Procedure Act for the administration and enforcement of  
16 Section 58.9 of the Environmental Protection Act. For  
17 purposes of this Section, "taxpayer" includes a person  
18 whose tax attributes the taxpayer has succeeded to under  
19 Section 381 of the Internal Revenue Code and "related  
20 party" includes the persons disallowed a deduction for  
21 losses by paragraphs (b), (c), and (f)(1) of Section 267  
22 of the Internal Revenue Code by virtue of being a related  
23 taxpayer, as well as any of its partners. The credit  
24 allowed against the tax imposed by subsections (a) and (b)  
25 shall be equal to 25% of the unreimbursed eligible  
26 remediation costs in excess of \$100,000 per site.



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

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

26           (o) For each of taxable years during the Compassionate Use

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

10 (1) the medical cannabis cultivation center  
11 registration, medical cannabis dispensary registration, or  
12 the property of a registration is transferred as a result  
13 of any of the following:

14 (A) bankruptcy, a receivership, or a debt  
15 adjustment initiated by or against the initial  
16 registration or the substantial owners of the initial  
17 registration;

18 (B) cancellation, revocation, or termination of  
19 any registration by the Illinois Department of Public  
20 Health;

21 (C) a determination by the Illinois Department of  
22 Public Health that transfer of the registration is in  
23 the best interests of Illinois qualifying patients as  
24 defined by the Compassionate Use of Medical Cannabis  
25 Program Act;

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

1 a registrant;

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

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

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

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

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

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

23 (35 ILCS 120/5k-5 new)

24 Sec. 5k-5. Building materials exemption; Clean Energy

1 Empowerment Zone. Each retailer who makes a sale of building  
2 materials to be incorporated into renewable energy projects in  
3 a Clean Energy Empowerment Zone established under the Energy  
4 Community Reinvestment Act may deduct receipts from such sales  
5 when calculating the tax imposed by this Act. A renewable  
6 energy enterprise or other entity shall not make tax-free  
7 purchases under this Section unless it has an active exemption  
8 certificate at the time of purchase, which shall be issued by  
9 the Department in a form prescribed by the Department. The  
10 Department shall adopt by rule all other requirements  
11 necessary for the implementation and operation of this  
12 Section.

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

15 (220 ILCS 5/9-222.1B new)

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

1 municipal utility taxes, and to the extent such charges are  
2 exempted by the percentage specified by the Department of  
3 Commerce and Economic Opportunity in the case of State utility  
4 taxes, provided such renewable energy enterprise meets the  
5 following criteria:

6 (1) it (i) makes investments that cause the creation  
7 of a minimum of 200 full-time equivalent jobs in Illinois;  
8 (ii) makes investments of at least \$175,000,000 that cause  
9 the creation of a minimum of 150 full-time equivalent jobs  
10 in Illinois; (iii) makes investments that cause the  
11 retention of a minimum of 300 full-time equivalent jobs in  
12 the manufacturing sector, as defined by the North American  
13 Industry Classification System, in an area in Illinois in  
14 which the unemployment rate is above 9% and makes an  
15 application to the Department within 3 months after the  
16 effective date of this amendatory Act of the 102nd General  
17 Assembly and certifies relocation of the 300 full-time  
18 equivalent jobs within 48 months after the application; or  
19 (iv) makes investments that cause the retention of a  
20 minimum of 1,000 full-time jobs in Illinois;

21 (2) it is located in a Clean Energy Empowerment Zone  
22 established under the Energy Community Reinvestment Act;  
23 and

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

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

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

1 authorized by this Section.

2 A renewable energy enterprise shall be exempt, in whole or  
3 in part, from the pass-on charges of municipal utility taxes  
4 imposed under Section 9-221, only if it meets the criteria  
5 specified in clauses (1) through (3) of this Section and the  
6 municipality has adopted an ordinance authorizing the  
7 exemption under paragraph (e) of Section 8-11-2 of the  
8 Illinois Municipal Code. Upon certification of the renewable  
9 energy enterprise by the Department of Commerce and Economic  
10 Opportunity, the Department of Commerce and Economic  
11 Opportunity shall notify the Department of Revenue of such  
12 certification. The Department of Revenue shall notify the  
13 public utilities of the exemption status of renewable energy  
14 enterprises from the pass-on charges of State and municipal  
15 utility taxes. Such exemption status shall be effective within  
16 3 months after certification of the renewable energy  
17 enterprise.

18 (220 ILCS 5/16-108.9 new)

19 Sec. 16-108.9. Clean Energy Empowerment Zone pilot  
20 projects.

21 (a) The General Assembly finds that it is important to  
22 support the rapid transition in the energy sector to put  
23 Illinois on a path to 100% renewable energy. This will require  
24 leveraging new technologies and solutions to support grid  
25 reliability to address issues such as the shift from large,

1 centralized, fossil generation to wind, solar, and distributed  
2 energy resources. To that end, the General Assembly sees the  
3 need for developing pilot projects in Clean Energy Empowerment  
4 Zones that enhance reliability while facilitating the  
5 transition toward clean energy.

6 (b) An electric utility serving more than 100,000 retail  
7 customers may propose one or more Clean Energy Empowerment  
8 Zone pilot projects to the Illinois Commerce Commission to  
9 conduct a competitive procurement for independently owned  
10 energy storage systems to be located in Clean Energy  
11 Empowerment Zones. The Commission shall evaluate the projects  
12 based on their ability to address present and future  
13 reliability needs identified by the Midcontinent Independent  
14 System Operator, PJM Interconnection, electric utilities, or  
15 independent analysts. In addition to supporting reliability, a  
16 qualifying project must support the transition toward or  
17 development of clean energy.

18 (c) The Clean Energy Empowerment Zones described in this  
19 Section shall be the same as defined by the Department of  
20 Commerce and Economic Opportunity in the Energy Community  
21 Reinvestment Act.

22 (d) The Clean Energy Empowerment Zone pilot projects shall  
23 closely coordinate with actual and expected development of new  
24 wind projects and new solar projects as described in Section  
25 1-75 of the Illinois Power Agency Act, electric vehicle  
26 adoption, and Community Energy, Climate, and Jobs Plans as



1 defined in the Community Energy, Climate, and Jobs Planning  
2 Act.

3 (e) Upon approval of a Clean Energy Empowerment Zone pilot  
4 project by the Illinois Commerce Commission, an electric  
5 utility is authorized to enter into a distribution services  
6 contract with new energy storage system projects in accordance  
7 with the approved project. Nothing in this Section or in the  
8 distribution services contract shall preclude the energy  
9 storage project from providing additional wholesale market  
10 services.

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

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

21 (h) Nothing in this Section is intended to limit the  
22 ability of any other entity to develop, construct, or install  
23 an energy storage system. In addition, nothing in this Section  
24 is intended to limit or alter otherwise applicable  
25 interconnection requirements.

1 Section 90-30. The Environmental Protection Act is amended  
2 by changing Section 9.10 and by adding Section 9.18 as  
3 follows:

4 (415 ILCS 5/9.10)

5 Sec. 9.10. Fossil fuel-powered electric generating units  
6 ~~Fossil fuel fired electric generating plants.~~

7 (a) As used in this Section:

8 "Board" means the Illinois Pollution Control Board.

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

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

18 "Frontline community" means any community or municipality  
19 within a 3-mile radius of a fossil fuel-powered electric  
20 generating unit.

21 "Meaningful involvement" means: (1) potentially affected  
22 populations have an appropriate opportunity to participate in  
23 decisions about a proposed regulatory action that may affect  
24 their environment or health; (2) the populations'  
25 contributions can influence the EPA's rulemaking decisions;

1 (3) the concerns of all participants involved shall be  
2 considered in the decision-making process; and (4) the IEPA  
3 shall seek out and facilitate the involvement of populations  
4 potentially affected by the IEPA's proposed regulatory action.

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

6 (1) fossil fuel-powered electric generating units  
7 ~~fossil fuel fired electric generating plants~~ are a  
8 significant source of air emissions in this State and have  
9 become the subject of a number of important new studies of  
10 their effects on the public health;

11 (2) existing state and federal policies, that allow  
12 older plants that meet federal standards to operate  
13 without meeting the more stringent requirements applicable  
14 to new plants, are being questioned on the basis of their  
15 environmental impacts and the economic distortions such  
16 policies cause in a deregulated energy market;

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

25 (4) scientific uncertainty regarding the formation of  
26 certain components of regional haze and the air quality

1 modeling that predict impacts of control measures requires  
2 careful consideration of the timing of the control of some  
3 of the pollutants from these facilities, particularly  
4 sulfur dioxides and nitrogen oxides that each interact  
5 with ammonia and other substances in the atmosphere;

6 (5) the development of energy policies to promote a  
7 safe, sufficient, reliable, and affordable energy supply  
8 on the state and national levels is being affected by the  
9 on-going deregulation of the power generation industry and  
10 the evolving energy markets;

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

16 (7) reducing greenhouse gas emissions and other air  
17 pollutants such as particulate matter, sulfur dioxide, and  
18 nitrogen oxide is critical to improving the health and  
19 welfare of Illinois residents by decreasing respiratory  
20 diseases, cardiovascular diseases, and related  
21 mortalities; lowering customers' energy costs; and  
22 responding to the growing impacts of climate change from  
23 fossil fuel generation;

24 (8) through reductions in harmful emissions and  
25 strategic planning for Illinois residents currently  
26 employed by and communities reliant on fossil fuel-powered

1 electric generating units, eliminating greenhouse gas  
2 emissions from the electricity generation sector is a  
3 priority for the State;

4 (9) The House of Representatives of the 100th General  
5 Assembly recognized this problem and, in adopting House  
6 Resolution 490 on June 26, 2017, it supported the Paris  
7 Climate Agreement and urged the State of Illinois to join  
8 the United States Climate Alliance and develop a plan to  
9 achieve 100% clean energy by 2045;

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

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

20 (10) (9) efforts on the state and federal levels are  
21 underway to consider the multiple environmental  
22 regulations affecting electric generating plants in order  
23 to improve the ability of government and the affected  
24 industry to engage in effective planning through the use  
25 of multi-pollutant strategies; and

26 (11) (10) these issues, taken together, call for a

1 comprehensive review of the impact of these facilities on  
2 the public health, considering also the energy supply,  
3 reliability, and costs, the role of renewable forms of  
4 energy, and the developments in federal law and  
5 regulations that may affect any state actions, prior to  
6 making final decisions in Illinois.

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

1 both PM<sub>10</sub> and PM<sub>2.5</sub>), mercury, nitrogen oxides, and sulfur  
2 dioxide, for each individual fossil fuel-powered electric  
3 generating unit in Illinois as well as aggregate annual  
4 statewide emissions caps. The Board may set different  
5 declining caps for each plant, but caps must decline to zero  
6 emissions for all plants by 2030. As part of its rulemaking  
7 proposal, the Agency shall:

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

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

24 (A) Population density;

25 (B) National-Scale Air Toxics Assessment (NATA)  
26 air toxics cancer risk;

1 (C) NATA respiratory hazard index;

2 (D) NATA diesel PM;

3 (E) particulate matter;

4 (F) ozone;

5 (G) traffic proximity and volume;

6 (H) lead paint indicator;

7 (I) proximity to Risk Management Plan sites;

8 (J) proximity to Hazardous Waste Treatment,  
9 Storage, and Disposal Facilities;

10 (K) proximity to National Priorities List sites;

11 (L) Wastewater Dischargers Indicator;

12 (M) percent low-income;

13 (N) percent black, indigenous, and people of  
14 color;

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

16 (P) linguistic isolation;

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

18 (R) number of asthma-related emergency department  
19 visits; and

20 (S) frequency of low birth weight infants;

21 (3) conduct a robust and inclusive stakeholder process  
22 prior to initiating a rulemaking proceeding before the  
23 Illinois Pollution Control Board that ensures the  
24 meaningful participation of Illinois residents, especially  
25 those most impacted by fossil fuel-powered electric  
26 generating units. To ensure meaningful involvement in its



1       stakeholder process, the agency shall:

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

6               (B) ensure full and fair access for working  
7               residents by providing opportunity for public comment  
8               outside the workday; and

9               (C) issue a responsiveness summary with a draft  
10              rulemaking briefly describing and responding to, at a  
11              minimum, all frontline community comments raised  
12              during the stakeholder process and public comment  
13              period;

14              (4) participate in strategic planning efforts with the  
15              Department of Commerce and Economic Opportunity to  
16              identify needs and initiatives for communities and workers  
17              economically impacted by the decline in fossil fuel  
18              generation;

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

24              (6) include provisions to allow owners or operators of  
25              fossil fuel-powered electric generating units to continue  
26              operating while using their best efforts to resolve any

1 reliability requirements with regional grid operators and  
2 cease operations as soon as practicable in situations  
3 where achieving the emission reductions required by the  
4 Agency's rulemaking proposal necessitates that a  
5 particular unit cease operations and a regional grid  
6 operator determines that operation of that unit is  
7 required to continue to maintain transmission reliability.  
8 The Agency's rulemaking proposal shall include mechanisms  
9 designed to limit, to the extent possible, any such  
10 disruption to the State's emission reduction program,  
11 including an evaluation of when and how advanced notice of  
12 intended unit closures should be given to regional grid  
13 operators; and

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

18 (A) Annual aggregate electric sector emissions  
19 caps. The aggregate emissions cap shall apply to the  
20 entire Illinois electric sector and include the sum of  
21 emissions from all fossil fuel-powered electric  
22 generating units. The Agency shall establish a  
23 schedule through which the aggregate cap shall decline  
24 annually. A baseline amount shall be calculated by  
25 averaging the emissions from 2017, 2018, and 2019 of  
26 plants operating as of the effective date of this

1 amendatory Act of the 102nd General Assembly. To  
2 ensure consistent progress toward the goal of  
3 eliminating all emissions from Illinois' electric  
4 sector by 2030, the annual aggregate emissions cap  
5 shall decrease each year by no less than 7% of the  
6 baseline amount.

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

23 (C) Annual report. Each year, the Agency shall  
24 prepare and publish a report on the implementation,  
25 review, and updating of the schedules regulating  
26 annual emissions caps as described in this subsection.

1           This report shall include:

2                   (i) an accounting of all greenhouse gas and  
3                   co-pollutant caps on, and actual emissions from,  
4                   individual plants demonstrating the Agency's  
5                   implementation of the requirements in this  
6                   subsection; and

7                   (ii) an accounting of the aggregate declining  
8                   cap schedules demonstrating the adequacy of the  
9                   schedules to achieve net-zero emissions in the  
10                   electric sector by 2030, and any changes to the  
11                   schedules.

12           In addition to the information required under  
13           items (i) and (ii), the 2025 report shall include a  
14           review of the Agency's rules regulating annual  
15           greenhouse gas pollution and co-pollutant caps in  
16           light of projected emissions for the remaining years  
17           until 2030 and demonstrate the adequacy of its rules  
18           and policies to achieve net-zero emissions in the  
19           electric sector by 2030. Should the Agency conclude  
20           its current rules and policies are insufficient to  
21           eliminate emissions from all fossil fuel-powered  
22           electric generating units by January 1, 2030 and  
23           comply with all other requirements in this Section, it  
24           shall initiate a rulemaking no later than 180 days  
25           from reaching this conclusion amending its rules to do  
26           so.

1 ~~before September 30, 2004, but not before September 30, 2003,~~  
2 ~~issue to the House and Senate Committees on Environment and~~  
3 ~~Energy findings that address the potential need for the~~  
4 ~~control or reduction of emissions from fossil fuel-fired~~  
5 ~~electric generating plants, including the following~~  
6 ~~provisions:~~

7 ~~(1) reduction of nitrogen oxide emissions, as~~  
8 ~~appropriate, with consideration of maximum annual~~  
9 ~~emissions rate limits or establishment of an emissions~~  
10 ~~trading program and with consideration of the developments~~  
11 ~~in federal law and regulations that may affect any State~~  
12 ~~action, prior to making final decisions in Illinois;~~

13 ~~(2) reduction of sulfur dioxide emissions, as~~  
14 ~~appropriate, with consideration of maximum annual~~  
15 ~~emissions rate limits or establishment of an emissions~~  
16 ~~trading program and with consideration of the developments~~  
17 ~~in federal law and regulations that may affect any State~~  
18 ~~action, prior to making final decisions in Illinois;~~

19 ~~(3) incentives to promote renewable sources of energy~~  
20 ~~consistent with item (8) of subsection (a) of this~~  
21 ~~Section;~~

22 ~~(4) reduction of mercury as appropriate, consideration~~  
23 ~~of the availability of control technology, industry~~  
24 ~~practice requirements, or incentive programs, or some~~  
25 ~~combination of these approaches that are sufficient to~~  
26 ~~prevent unacceptable local impacts from individual~~

1 ~~facilities and with consideration of the developments in~~  
2 ~~federal law and regulations that may affect any state~~  
3 ~~action, prior to making final decisions in Illinois; and~~

4 ~~(5) establishment of a banking system, consistent with~~  
5 ~~the United States Department of Energy's voluntary~~  
6 ~~reporting system, for certifying credits for voluntary~~  
7 ~~offsets of emissions of greenhouse gases, as identified by~~  
8 ~~the United States Environmental Protection Agency, or~~  
9 ~~other voluntary reductions of greenhouse gases. Such~~  
10 ~~reduction efforts may include, but are not limited to,~~  
11 ~~carbon sequestration, technology based control measures,~~  
12 ~~energy efficiency measures, and the use of renewable~~  
13 ~~energy sources.~~

14 The Agency shall consider the impact on the public health,  
15 considering also energy supply, reliability and costs, the  
16 role of renewable forms of energy, and developments in federal  
17 law and regulations that may affect any state actions, prior  
18 to making final decisions in Illinois.

19 (c) Nothing in this Section is intended to or should be  
20 interpreted in a manner to limit or restrict the authority of  
21 the Illinois Environmental Protection Agency to propose, or  
22 the Illinois Pollution Control Board to adopt, any regulations  
23 applicable or that may become applicable to the facilities  
24 covered by this Section that are required by federal law and  
25 other Illinois laws.

26 (d) The Agency may file proposed rules with the Board to

1 effectuate the goals set forth in subsection (b) ~~its findings~~  
2 ~~provided to the Senate Committee on Environment and Energy and~~  
3 ~~the House Committee on Environment and Energy in accordance~~  
4 ~~with subsection (b) of this Section. Any such proposal shall~~  
5 ~~not be submitted sooner than 90 days after the issuance of the~~  
6 ~~findings provided for in subsection (b) of this Section. The~~  
7 Board shall take action on any such proposal within one year of  
8 the Agency's filing of the proposed rules.

9 (e) Enforcement.

10 (1) Any person may file with the Board a complaint,  
11 following the procedures contained in subsection (d) of  
12 Section 31 of this Act, against any person, the State of  
13 Illinois, or any government official for failure to  
14 perform any act or nondiscretionary duty under this  
15 Section or for allegedly violating this Section, any rule  
16 or regulation adopted under this Section, any permit or  
17 term or condition of a permit related to this Section, or  
18 any Board order issued pursuant to this Section. Any  
19 person shall have standing in an action under this Section  
20 before the Board. Any person may intervene as a party as a  
21 matter of right in any legal action concerning this  
22 Section, whichever the forum, if he or she is or may be  
23 adversely affected by any failure to perform any act or  
24 nondiscretionary duty under this Section or any alleged  
25 violation of this Section, any rule or regulation adopted  
26 under this Section, any permit or term or condition of a

1 permit, or any Board order, by any person, the State of  
2 Illinois, or any government official.

3 (2) In an action brought pursuant to this Section, any  
4 person may request, and the Board or court may grant,  
5 injunctive relief, damages (including reasonable attorney  
6 and expert witness fees), and any other remedy available  
7 pursuant to Sections 33 or 42 of this Act. The Board or  
8 court may, if a temporary restraining order or preliminary  
9 injunction is sought, require the filing of a bond or  
10 equivalent security in accordance with the Illinois Code  
11 of Civil Procedure.

12 (3) No existing civil or criminal remedy shall be  
13 excluded or impaired by this Section. ~~This Section shall~~  
14 ~~apply only to those electrical generating units that are~~  
15 ~~subject to the provisions of Subpart W of Part 217 of Title~~  
16 ~~35 of the Illinois Administrative Code, as promulgated by~~  
17 ~~the Illinois Pollution Control Board on December 21, 2000.~~

18 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

19 (415 ILCS 5/9.18 new)

20 Sec. 9.18. Energy community reinvestment fee.

21 (a) As used in this Section:

22 "Carbon dioxide equivalent" means a unit of measure  
23 denoting the amount of emissions from a greenhouse gas,  
24 expressed as the amount of carbon dioxide by weight that  
25 produces the same global warming impact.



1       "Fossil fuel generating plant" means an electric  
2 generating unit or a co-generating unit that produces  
3 electricity using fossil fuels.

4       "Payment period" means the three-month period of time  
5 during which emissions are measured for the purpose of  
6 quarterly fee calculation.

7       (b) The General Assembly finds and declares that:

8           (1) the negative effects of fossil fuel-powered  
9 electric generating units on human health, environmental  
10 quality, and the climate of our planet require Illinois to  
11 swiftly retire all such plants and shift to 100% renewable  
12 energy;

13           (2) communities located near fossil fuel-powered  
14 electric generating units have experienced these health  
15 and environmental impacts most acutely;

16           (3) communities located near fossil fuel-powered  
17 electric generating units will also experience economic  
18 challenges as these plants retire;

19           (4) the assessment of a fee on the emissions of fossil  
20 fuel generating plants will lower the exposure of  
21 surrounding communities to harmful air pollutants by  
22 providing incentive for fossil fuel generating plants to  
23 reduce emissions;

24           (5) it is in the public interest that communities  
25 located near fossil fuel-fired electric generating plants  
26 should receive support in the form of economic

1 reinvestment, as recompense for the negative impacts of  
2 the operation of fossil fuel-fired electric generating  
3 plants, to invest in clean energy developments that reduce  
4 the cumulative impacts of air pollution thus protecting  
5 the public health, and as a means for creating new  
6 economic growth and opportunity which is needed when the  
7 plants retire; and

8 (6) this support should be paid for by the owners and  
9 operators of fossil fuel-fired electric generating plants,  
10 the operation of which caused harm to the surrounding  
11 communities.

12 (c) Calculation of the Energy Community Reinvestment Fee.  
13 The Agency shall establish procedures for the collection of  
14 energy community reinvestment fees. Energy community  
15 reinvestment fees shall be paid at least quarterly (once every  
16 3 months) by owners of all fossil fuel generating plants in  
17 Illinois, based on the share of each plant's contribution to  
18 the total amount of air pollution emitted by all fossil fuel  
19 generating plants in that payment period, as determined by the  
20 Agency and described in this subsection (c).

21 (1) Pollution Calculation. The energy community  
22 reinvestment fee shall be calculated to reflect the  
23 pollution burden from fossil fuel generating plants, based  
24 on the total emissions of greenhouse gases. The fee shall  
25 be calculated based solely on emissions of carbon dioxide,  
26 methane, and nitrous oxide measured in carbon dioxide

1       equivalent tons. The exclusive use of carbon dioxide,  
2       methane, and nitrous oxide in the calculation of the fee  
3       is designed to reflect the overall pollution impact from  
4       each fossil fuel generating plant by using these  
5       pollutants as a proximate measurement of overall  
6       emissions.

7       (2) Fee Calculation. The Agency shall calculate the  
8       fee owed by each fossil fuel generating plant owner for  
9       each payment period by dividing (A) the total emissions of  
10      carbon dioxide equivalents in tons by each plant as  
11      described under paragraph (1) of this subsection (c) by  
12      (B) the total emissions of carbon dioxide equivalents in  
13      tons of all fossil fuel generating plants subject to the  
14      energy community reinvestment fee, and multiplying that  
15      figure by (C) the portion of the annual revenue  
16      requirements, established in subsection (d) of Section  
17      5-70 of the Energy Community Reinvestment Act, for that  
18      payment period.

19      (3) Right to Fee Reduction. The owner of each plant  
20      liable to pay the energy community reinvestment fee shall  
21      have the right to reduce its liability based on  
22      electricity production as described in this paragraph (3).  
23      If requested, the total amount owed each payment period  
24      for any plant shall be no greater than the total amount of  
25      kilowatt hours of electricity produced by the plant during  
26      the payment period multiplied by one cent per kilowatt

1 hour, adjusted for inflation from the year this Act takes  
2 effect. Upon request by a plant owner the Agency shall  
3 adjust the total amount owed for each payment period by  
4 the amount necessary to reflect a maximum cost calculated  
5 based on electricity production.

6 (4) Notification by the Agency. The first payment  
7 period shall begin June 1, 2021. No later than September  
8 1, 2021, and every 3 months thereafter on the first of the  
9 month, the Agency shall notify each fossil fuel generating  
10 plant owner of the fee calculated pursuant to paragraph  
11 (2) of this subsection (c) for the quarterly period just  
12 concluded.

13 (5) Fee Collection. Plant owners shall remit payment  
14 of their fee to the Agency within 30 days after the close  
15 of each payment period, as established by the Agency.  
16 Funds collected from the energy community reinvestment fee  
17 shall be deposited into the Energy Community Reinvestment  
18 Fund.

19 (d) Clean Energy Empowerment Zone Task Force involvement.  
20 If the Agency receives notification from the Department of  
21 Commerce and Economic Opportunity that a plant owner has  
22 failed to engage productively in stakeholder meetings and with  
23 Clean Energy Empowerment Zone Task Forces, as described in the  
24 Energy Community Reinvestment Act, an enforcement action may  
25 be brought under Section 31 of this Act. In addition to any  
26 other relief that may be obtained as part of the enforcement

1 action, the Agency may seek to recover the avoided engagement  
2 fees. The avoided engagement fees shall be calculated as  
3 double the amount that is owed by the plant owner under  
4 subsection (c) for the current payment period, and subsequent  
5 payment periods, until the Department of Commerce and Economic  
6 Opportunity sends notification to the Agency that the plant  
7 owner is in compliance with the stakeholder engagement  
8 requirements of the Energy Community Reinvestment Act. Avoided  
9 engagement fees (which, for clarity, are in addition to fees  
10 collected under subsection (c)) shall be deposited into the  
11 Energy Community Reinvestment Fund to be directed solely to  
12 support the local community's own planning efforts and  
13 investments, and the Agency shall transmit a notification to  
14 the Department of Commerce and Economic Opportunity of the  
15 amount collected, and the plant owner responsible.

16 (e) If a plant owner subject to a fee under this Section  
17 fails to pay the fee within 90 days after its due date, or  
18 makes the fee payment from an account with insufficient funds  
19 to cover the amount of the fee payment, the Agency shall notify  
20 the plant owner of the failure to pay the fee. If the plant  
21 owner fails to pay the fee within 60 days after such  
22 notification, the Agency may, by written notice, immediately  
23 revoke the air pollution operating permit. Failure of the  
24 Agency to notify the plant owner of failure to pay a fee due  
25 under this Section, or the payment of the fee from an account  
26 with insufficient funds to cover the amount of the fee

1 payment, does not excuse or alter the duty of the plant owner  
2 to comply with the provisions of this Section.

3 (f) No later than November 30 of each year, the Agency  
4 shall submit a report to the Department of Commerce and  
5 Economic Opportunity describing the amount of fees collected  
6 from each fossil fuel-powered electric generating unit, the  
7 status of any delinquencies, and the total amount expected to  
8 be collected.

9 (g) Nothing in this Section shall be interpreted to mean  
10 that the sum owed by each fossil fuel generating plant due to  
11 the energy community reinvestment fee is equal to or greater  
12 than the financial valuation of the total harm created by air  
13 pollution from each plant.

14 (h) Enforcement.

15 (1) Any person may file with the Board a complaint,  
16 following the procedures contained in subsection (d) of  
17 Section 31 of this Act, against any person, the State of  
18 Illinois, or any government official for failure to  
19 perform any act or nondiscretionary duty under this  
20 Section or for allegedly violating this Section, any rule  
21 or regulation adopted under this Section, any permit or  
22 term or condition of a permit related to this Section, or  
23 any Board order issued pursuant to this Section. Any  
24 person shall have standing in an action under this Section  
25 before the Board. Any person may intervene as a party as a  
26 matter of right in any legal action concerning this

1       Section, whichever the forum, if he or she is or may be  
2       adversely affected by any failure to perform any act or  
3       nondiscretionary duty under this Section or any alleged  
4       violation of this Section, any rule or regulation adopted  
5       under this Section, any permit or term or condition of a  
6       permit, or any Board order, by any person, the State of  
7       Illinois, or any government official. Any person with  
8       standing to commence an action pursuant to subsection (e)  
9       of Section 9.10 shall have standing to pursue enforcement  
10       under this Section.

11       (2) In an action brought pursuant to this Section, any  
12       person may request, and the Board or court may grant,  
13       injunctive relief, damages (including reasonable attorney  
14       and expert witness fees), and any other remedy available  
15       pursuant to Sections 33 or 42 of this Act. The Board or  
16       court may, if a temporary restraining order or preliminary  
17       injunction is sought, require the filing of a bond or  
18       equivalent security in accordance with the Illinois Code  
19       of Civil Procedure.

20       (3) No existing civil or criminal remedy shall be  
21       excluded or impaired by this Section.

22       (415 ILCS 5/9.15 rep.)

23       Section 90-35. The Environmental Protection Act is amended  
24       by repealing Section 9.15.

1 Section 90-40. The Illinois Nuclear Facility Safety Act is  
2 amended by adding Section 10 as follows:

3 (420 ILCS 10/10 new)

4 Sec. 10. Local government nuclear impact fees.

5 (a) As used in this Section:

6 "Local taxing body" means any unit of government that  
7 assesses and collects property taxes.

8 "Qualifying Nuclear Facility" means a facility playing or  
9 having played a direct role in the operation of commercial  
10 nuclear power reactors for the generation of electricity;  
11 including facilities used to process radioactive materials for  
12 nuclear fuel fabrication, nuclear power reactors, high-level  
13 and low-level radioactive waste treatment sites, and storage  
14 and disposal locations.

15 "Qualifying Nuclear Operator" means any entity that  
16 operates or has in the past 50 years operated a Qualifying  
17 Nuclear Facility.

18 (b) Notwithstanding any other provision of law to the  
19 contrary, any local taxing body may establish and collect an  
20 annual Nuclear Impact Fee from Qualifying Nuclear Facility  
21 within the boundaries of that local taxing body.

22 (c) The Nuclear Impact Fee shall be charged to the  
23 Qualifying Nuclear Operator.

24 (d) The Nuclear Impact Fee may only be applied  
25 prospectively on or after the effective date of this



1 amendatory Act of the 102nd General Assembly, and may not be  
2 applied retroactively to a date before which this amendatory  
3 Act is passed.

4 (e) The Nuclear Impact Fee permission granted to local  
5 taxing bodies under these rules shall expire separately for  
6 each individual local taxing body. That date of expiration of  
7 the Nuclear Impact Fee permission for each local taxing body  
8 shall be either exactly 30 years after the effective date of  
9 this amendatory Act of the 102nd General Assembly, or 10 years  
10 following the permanent shutdown of the Qualifying Nuclear  
11 Facility from which the local taxing body collected property  
12 taxes, whichever date is later.

13 (f) In any calendar year, a local taxing body may not  
14 impose a Nuclear Impact Fee that exceeds 25% of the average  
15 annual amount of property taxes, or payments in lieu of taxes,  
16 paid to that local taxing body by the Qualifying Nuclear  
17 Facility over the most recent 5-year period that the  
18 Qualifying Nuclear Facility has been operational.

19 (g) Any failure by the Qualifying Nuclear Operator to pay  
20 a Nuclear Impact Fee within 180 days after the fee payment  
21 deadline shall be deemed a failure to comply, and shall  
22 automatically require the Qualifying Nuclear Operator to pay  
23 the Local Entity double the otherwise-allowable property  
24 taxes, up to 50% of the average annual amount of property taxes  
25 paid over the most recent 5-year period that the Qualifying  
26 Nuclear Facility was operational.

1       (h) To establish a Nuclear Impact Fee, the local taxing  
2 body shall adopt a resolution or ordinance describing the  
3 public need for economic transition, the annual amount of the  
4 fee, the Qualifying Nuclear Facility, the Qualifying Nuclear  
5 Operator to be assessed, and a description of projected  
6 expenses for the fee for the period the fee is in effect. The  
7 local taxing body shall conduct a public hearing before  
8 adopting a resolution or ordinance imposing a Nuclear Impact  
9 Fee permitted under this Section. The hearing shall be held  
10 within the boundaries of the local taxing body. Public notice  
11 of the time, place, and purpose of the hearing shall be given  
12 at least 10 business days before the date of the hearing.

13       (i) A local taxing body shall include in its resolution or  
14 ordinance the method for collection of payment of a Nuclear  
15 Impact Fee. A county which has adopted a resolution or  
16 ordinance imposing a Nuclear Impact Fee may collect such Fees  
17 in the regular property tax bills of the county. The county  
18 collector of the county in which a local taxing body has  
19 adopted a resolution or ordinance imposing a Nuclear Impact  
20 Fee may bill and collect such Fees with the regular property  
21 tax bills of the county if requested by a local taxing body  
22 within its jurisdiction.

23       (j) The revenue collected through the Nuclear Impact Fee  
24 by a local taxing body shall only be used for the purposes of  
25 supporting the "economic transition" of local communities that  
26 have experienced the closure of a Qualifying Nuclear Facility

1 or will experience a Qualifying Nuclear Facility in the  
2 future. "Economic transition" uses may include tax base  
3 replacement, workforce development, public school funding,  
4 essential public service, or sustainable infrastructure  
5 projects.

6 (k) The revenue collected under this Section shall not be  
7 used either directly or indirectly to aid, subsidize, enact,  
8 support, or otherwise enable investment in any electricity  
9 generation infrastructure that processes or can process fossil  
10 or nuclear fuels.

11 (l) No later than November 30 of each calendar year, each  
12 local taxing body collecting a Nuclear Impact Fee pursuant to  
13 this Section shall remit to the Department of Revenue for  
14 deposit in the Energy Community Reinvestment Fund 20% of the  
15 annual revenue collection from any Nuclear Impact Fees in  
16 order to help fund state programs that support economic  
17 transition and workforce development, showing such information  
18 as the Department of Revenue may reasonably require.

19 (m) No later than November 30 of each calendar year, each  
20 local taxing body collecting a Nuclear Impact Fee pursuant to  
21 this Section shall submit to the Department of Commerce and  
22 Economic Opportunity and the Agency a report detailing the  
23 total amount of funds collected from any Nuclear Impact Fees,  
24 the planned expenditure of the funds, the coordination of  
25 expenditure with any Department economic transition activities  
26 and investments, copies of any adoption of or amendments to

1 resolutions or ordinances impacting the assessment of Nuclear  
2 Impact Fees, and a certification of the remittance of the  
3 State portion of the funds collected to the Department of  
4 Revenue.

5 (n) The Department of Commerce and Economic Opportunity  
6 may establish such rules as it deems necessary to implement  
7 this Section.

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.".