



Sen. Michael E. Hastings

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1 AMENDMENT TO SENATE BILL 1166

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1166 by replacing  
3 everything after the enacting clause with the following:

4 "ARTICLE 1. INVESTING IN ILLINOIS WORKS TAX CREDIT ACT

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

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

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

15 The demographics of registered apprenticeship programs in

1 our State do not mirror the diversity of Illinoisans.  
2 According to data from the U.S. Department of Labor's Office  
3 of Apprenticeship, from 2000 through 2016, only 8.8% of all  
4 construction apprentices were African-American, 17.6% were  
5 Hispanic or Latino/Latina, while 69.6% were white.

6 In order to work toward a level playing field for all who  
7 seek the training and economic stability apprenticeships  
8 provide, Illinois created the Illinois Works Preapprenticeship  
9 Program, which funds preapprenticeship skills training through  
10 community-based organizations serving populations that have,  
11 historically, been met with barriers to entry or advancement  
12 in the workforce.

13 By targeting historically underutilized communities whose  
14 members seek to access the upward mobility and career  
15 advancement apprenticeships bring, the Illinois  
16 Preapprenticeship Program is one part of many State  
17 initiatives to increase diversity in apprenticeship programs  
18 and careers in the construction and building trades.

19 The Investing in Illinois Works Tax Credit expands the  
20 goals of the Illinois Preapprenticeship Program to private  
21 construction projects and highly skilled training programs by  
22 incentivizing contractors to utilize graduates of the Illinois  
23 Works Preapprenticeship Program or graduates of the U.S.  
24 Department of Labor's Office of Apprenticeship as part of  
25 their skilled and trained workforces on projects at  
26 high-hazard facilities.

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

2 "Department" means the Department of Revenue.

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

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

14 "Skilled and trained workforce" has the meaning provided  
15 in Section 5 of the Illinois Hazardous Materials Workforce  
16 Training Act.

17 "Qualified wages" means the wages paid or incurred by the  
18 employer during the taxable year to a qualifying graduate.

19 "Qualifying graduate" means an individual from an  
20 underrepresented population who has successfully completed a  
21 preapprenticeship program through the Illinois Works  
22 Preapprenticeship Program in compliance with the requirements  
23 of Section 20-15 of the Illinois Works Jobs Programs Act and  
24 who is a registered apprentice as defined under Section 10-5  
25 of the Illinois Hazardous Materials Workforce Training Act or

1 has successfully completed an apprenticeship program approved  
2 by and registered with the United States Department of Labor's  
3 Office of Apprenticeship.

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

6 Section 1-10. Tax credit. An owner or operator may apply  
7 for a certificate of eligibility to receive a credit against  
8 the payment of taxes withheld under Section 704A of the  
9 Illinois Income Tax Act up to an amount equal to 45% of  
10 qualified wages paid to each member of its skilled and trained  
11 workforce who is also a qualifying graduate performing work in  
12 his or her prevailing wage classification for the duration of  
13 his or her employment in the calendar year for which the credit  
14 will be applied.

15 The Department shall award credits under this Act to  
16 further career advancement of underrepresented populations and  
17 diversity in private sector skilled construction trades.

18 Section 1-15. Application process. The Department shall  
19 establish an application process for owners and operators to  
20 certify their eligibility for the credit, in coordination with  
21 the Department of Labor and the Department of Commerce and  
22 Economic Opportunity as necessary for implementation.

23 The owner or operator must provide:

24 (1) the name, year, and community-based organization

1 or union through which each qualifying graduate completed  
2 his or her preapprenticeship program, apprenticeship  
3 program, or applicable apprenticeship and training program  
4 approved by and registered with the United States  
5 Department of Labor's Office of Apprenticeship;

6 (2) the certificate of completion from the Department  
7 of Labor that the qualifying graduate has completed the  
8 minimum approved safety training required by the Illinois  
9 Hazardous Materials Workforce Training Act;

10 (3) the hours worked by the qualifying graduate that  
11 go to meeting his or her apprenticeship requirements at  
12 the time of the application;

13 (4) a signed affidavit from the principal attesting  
14 that: (i) the qualifying graduate will perform work in his  
15 or her prevailing wage classification for the duration of  
16 his or her employment in the calendar year in which the  
17 credit will be applied; (ii) the documents provided in the  
18 application are true; and (iii) the owner or operator will  
19 comply with all applicable laws; and

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

21 Section 1-20. Credit awards.

22 (a) The credit shall be claimed for the first calendar  
23 year ending on or after the date on which the certificate is  
24 issued by the Department. The credit shall not exceed \$2,500  
25 per qualifying graduate annually, increased annually by the

1 inflation adjustment, nor shall the credit exceed the actual  
2 taxes withheld under Section 704A of the Illinois Income Tax  
3 Act. The Department shall limit the monetary amount of credits  
4 awarded under this Act to no more than \$20,000,000, increased  
5 annually by the inflation adjustment. If applications for a  
6 greater amount are received, credits shall be allowed on a  
7 first-come-first-served basis, based on the date on which each  
8 properly complete application for a certification of  
9 eligibility is received by the Department. If more than one  
10 certificate of eligibility is received on the same day, the  
11 credits shall be awarded based on the time of submission for  
12 that particular day.

13 (b) In the case of a taxable year beginning on or after  
14 January 1, 2021, the \$2,500 amount and the \$20,000,000 amount  
15 in subsection (a) shall be increased each year by the  
16 inflation adjustment. For the purposes of this Section, the  
17 inflation adjustment for any calendar year is the percentage  
18 (if any) by which the Consumer Price Index for All Urban  
19 Consumers, as issued by the United States Department of Labor,  
20 for the preceding calendar year exceeds the Consumer Price  
21 Index for All Urban Consumers for calendar year 2020.

22 Section 1-25. Penalties. False or fraudulent claims for  
23 credits under this Section may be subject to penalties as  
24 provided under Section 3-5 or 3-6 of the Uniform Penalty and  
25 Interest Act, as applicable.

1           If the Department determines that an owner or operator who  
2           has received a credit under this Section is not complying with  
3           its requirements or the certifications the owner or operator  
4           made in its application, the Department shall recapture from  
5           the taxpayer the entire credit amount awarded under its  
6           certification.

7           Section 1-35. Rulemaking. The Department, in coordination  
8           with the Department of Labor and the Department of Commerce  
9           and Economic Opportunity, shall adopt rules for the  
10          implementation and administration of this Act. In order to  
11          provide for the expeditious and timely implementation of this  
12          Act, the Department may adopt emergency rules, in consultation  
13          with the Department of Labor and the Department of Commerce  
14          and Economic Opportunity. The adoption of emergency rules  
15          authorized by this Section is deemed to be necessary for the  
16          public interest, safety, and welfare.

17                                   ARTICLE 5. ACCESS TO APPRENTICESHIP ACT

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

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

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

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

13 ARTICLE 10. ILLINOIS HAZARDOUS MATERIALS WORKFORCE TRAINING  
14 ACT

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

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

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



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

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

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

14 "Department" means the Department of Labor.

15 "Director" means the Director of Labor.

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

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

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

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

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

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

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

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

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

1 there may be multiple shifts per day.

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

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

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

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

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

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

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

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

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

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

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

11 Section 10-10. Minimum approved safety training.

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

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

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

1 this Section no later than July 1, 2023.

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

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

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

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

25 Section 10-15. Enforcement. Any interested party may file

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

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

1 Section 10-21. Reporting.

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

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

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

1 at high hazard facilities, within the last calendar year,  
2 broken down by race, gender, jurisdiction, age, and  
3 veteran status.

4 (3) The demographic data of the jurisdiction.

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

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

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

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

26 (C) Entering into a joint agreement with



1 educational institutions or approved Illinois Works  
2 Preapprenticeship Programs established under  
3 subsection (a) of Section 20-15 of the Illinois Works  
4 Jobs Program Act in the jurisdiction to enhance  
5 recruitment efforts.

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

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

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

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

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

19 Section 10-25. Penalties; noncompliant reporting;  
20 reinstatement.

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

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

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

1 training program, approved by and registered with the U.S.  
2 Department of Labor's Office of Apprenticeship, providing  
3 workers in high hazard facilities or the contractor operating  
4 at high hazard facilities is found to be in compliance with  
5 Section 10-21.

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

8 ARTICLE 15. AMENDATORY PROVISIONS

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

11 (5 ILCS 100/5-45.8 new)

12 Sec. 5-45.8. Emergency rulemaking. To provide for the  
13 expeditious and timely implementation of the Investing in  
14 Illinois Works Tax Credit Act, emergency rules implementing  
15 the Investing in Illinois Works Tax Credit Act may be adopted  
16 in accordance with Section 5-45 by the Department of Revenue,  
17 in coordination with the Department of Labor and the  
18 Department of Commerce and Economic Opportunity. The adoption  
19 of emergency rules authorized by Section 5-45 and this Section  
20 is deemed to be necessary for the public interest, safety, and  
21 welfare.

22 This Section is repealed on January 1, 2026.

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

3           (35 ILCS 5/704A)

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

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

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

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

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

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

1 Tuesday;

2 (B) on or before each Wednesday of the calendar  
3 year, for taxes withheld or required to be withheld on  
4 the immediately preceding Wednesday, Thursday, or  
5 Friday.

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

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

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

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

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

26 (1) Permit employers, in lieu of the requirements of

1 subsections (b) and (c), to file annual returns due on or  
2 before January 31 of the year for taxes withheld or  
3 required to be withheld during the previous calendar year  
4 and, if the aggregate amounts required to be withheld by  
5 the employer under this Article 7 (other than amounts  
6 required to be withheld under Section 709.5) do not exceed  
7 \$1,000 for the previous calendar year, to pay the taxes  
8 required to be shown on each such return no later than the  
9 due date for such return.

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

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

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

22 (e) Annual return and payment. Every employer who deducts  
23 and withholds or is required to deduct and withhold tax from a  
24 person engaged in domestic service employment, as that term is  
25 defined in Section 3510 of the Internal Revenue Code, may  
26 comply with the requirements of this Section with respect to

1 such employees by filing an annual return and paying the taxes  
2 required to be deducted and withheld on or before the 15th day  
3 of the fourth month following the close of the employer's  
4 taxable year. The Department may allow the employer's return  
5 to be submitted with the employer's individual income tax  
6 return or to be submitted with a return due from the employer  
7 under Section 1400.2 of the Unemployment Insurance Act.

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

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

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

23 (g) For amounts deducted or withheld after December 31,  
24 2009, a taxpayer who makes an election under subsection (f) of  
25 Section 5-15 of the Economic Development for a Growing Economy  
26 Tax Credit Act for a taxable year shall be allowed a credit



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

1 Development for a Growing Economy Tax Credit Act must make a  
2 return with respect to such taxes and retained amounts in the  
3 form and manner that the Department, by rule, requires and pay  
4 to the Department or to a depository designated by the  
5 Department those withheld taxes not retained by the taxpayer.  
6 For purposes of this subsection (g), the term taxpayer shall  
7 include taxpayer and members of the taxpayer's unitary  
8 business group as defined under paragraph (27) of subsection  
9 (a) of Section 1501 of this Act. This Section is exempt from  
10 the provisions of Section 250 of this Act. No credit awarded  
11 under the Economic Development for a Growing Economy Tax  
12 Credit Act for agreements entered into on or after January 1,  
13 2015 may be credited against payments due under this Section.

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

1 liability. If there are credits from more than one calendar  
2 year that are available to offset a liability, the earlier  
3 credit shall be applied first. This Section is exempt from the  
4 provisions of Section 250 of this Act.

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

26 For each reporting period, the employer may not claim a

1 credit or credits for more employees than the number of  
2 employees making less than the minimum or reduced wage for the  
3 current calendar year during the last reporting period of the  
4 preceding calendar year. Notwithstanding any other provision  
5 of this subsection, an employer shall not be eligible for  
6 credits for a reporting period unless the average wage paid by  
7 the employer per employee for all employees making less than  
8 \$55,000 during the reporting period is greater than the  
9 average wage paid by the employer per employee for all  
10 employees making less than \$55,000 during the same reporting  
11 period of the prior calendar year.

12 For purposes of this subsection (i):

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

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

23 "Full-time equivalent employees" means the ratio of the  
24 number of paid hours during the reporting period and the  
25 number of working hours in that period.

26 "Maximum credit" means the percentage listed below of the

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

13 (1) 25% for reporting periods beginning on or after  
14 January 1, 2022 ~~2020~~ and ending on or before December 31,  
15 2022 ~~2020~~;

16 (2) 21% for reporting periods beginning on or after  
17 January 1, 2023 ~~2021~~ and ending on or before December 31,  
18 2023 ~~2021~~;

19 (3) 17% for reporting periods beginning on or after  
20 January 1, 2024 ~~2022~~ and ending on or before December 31,  
21 2024 ~~2022~~;

22 (4) 13% for reporting periods beginning on or after  
23 January 1, 2025 ~~2023~~ and ending on or before December 31,  
24 2025 ~~2023~~;

25 (5) 9% for reporting periods beginning on or after  
26 January 1, 2026 ~~2024~~ and ending on or before December 31,

1           2026 ~~2024~~;

2           (6) 5% for reporting periods beginning on or after  
3           January 1, 2027 ~~2025~~ and ending on or before December 31,  
4           2027 ~~2025~~.

5           The amount computed under this subsection may continue to  
6           be claimed for reporting periods beginning on or after January  
7           1, 2028 ~~2026~~ and:

8           (A) ending on or before December 31, 2028 ~~2026~~ for  
9           employers with more than 5 employees; or

10           (B) ending on or before December 31, 2029 ~~2027~~ for  
11           employers with no more than 5 employees.

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

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

22           (j) Each owner or operator, as defined in the Illinois  
23           Hazardous Materials Workforce Training Act, who receives a tax  
24           credit under the Investing in Illinois Works Tax Credit Act is  
25           entitled to a credit against payments due under this Section  
26           as provided in the Investing in Illinois Works Tax Credit Act.

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

3 ARTICLE 99. EFFECTIVE DATE

4 Section 99-99. Effective date. This Act takes effect  
5 January 1, 2022."