



Sen. Laura Fine

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LRB102 22973 KTG 36477 a

1 AMENDMENT TO SENATE BILL 3617

2 AMENDMENT NO. _____. Amend Senate Bill 3617, AS AMENDED,
3 with reference to page and line numbers of Senate Amendment
4 No. 1, by replacing line 8 on page 1 through line 4 on page 10
5 with the following:

6 "Section 3-5. Findings.

7 (a) In the interest of reducing stigma and increasing the
8 available pool of potential employees, the General Assembly
9 finds and declares that those residents of Illinois diagnosed
10 with mental illness and substance use disorders should be
11 eligible for and encouraged to seek gainful employment.

12 (b) The General Assembly finds and declares that minority
13 communities in this State have been more negatively impacted
14 in employment opportunities for minority residents diagnosed
15 with mental illness and substance use disorders and should
16 receive additional employment opportunities and incentives for
17 employing minority residents diagnosed with mental illness or

1 substance use disorders.

2 (c) Due to the COVID-19 public health emergency, employers
3 in the State of Illinois have suffered negative economic
4 impacts, a loss in workforce, staffing difficulties, and have
5 found it difficult to recruit new workers.

6 (d) In the interest of providing additional employment
7 opportunities for those residents of Illinois diagnosed with
8 mental illness or substance use disorders and expanding the
9 pool of potential workers in this State, the General Assembly
10 finds and declares that certain qualified employers who employ
11 eligible individuals should be eligible for a tax credit.

12 Section 3-10. Definitions. As used in this Act:

13 "Department" means the Department of Human Services.

14 "Eligible individual" means an individual with a substance
15 use disorder, as that term is defined under Section 1-10 of the
16 Substance Use Disorder Act, or an individual with a mental
17 illness as that term is defined under Section 1-129 of the
18 Mental Health and Developmental Disabilities Code, who is in a
19 state of wellness and recovery where there is an abatement of
20 signs and symptoms that characterize active substance use
21 disorder or mental illness and has demonstrated to the
22 qualified employer's satisfaction, pursuant to rules adopted
23 by the Department, that he or she has completed a course of
24 treatment or is currently in receipt of treatment for such
25 substance use disorder or mental illness. A relapse in an

1 individual's state of wellness shall not make the individual
2 ineligible, so long as the individual shows a continued
3 commitment to recovery that aligns with an individual's
4 relapse prevention plan, discharge plan, or recovery plan.

5 "Qualified employer" means an employer operating within
6 the State that has received a certificate of tax credit from
7 the Department after the Department has determined that the
8 employer:

9 (1) provides a recovery supportive environment for
10 their employees evidenced by a formal working relationship
11 with a substance use disorder treatment provider or
12 facility or mental health provider or facility, each as
13 may be licensed or certified within the State of Illinois,
14 and providing reasonable accommodation to the employees to
15 address their substance use disorder or mental illness,
16 all at no cost or expense to the eligible individual; and

17 (2) satisfies all other criteria in this Section and
18 established by the Department to participate in the
19 recovery tax program created hereunder.

20 "Taxpayer" means any individual, corporation,
21 partnership, trust, or other entity subject to the Illinois
22 income tax. For the purposes of this Act, 2 individuals filing
23 a joint return shall be considered one taxpayer.

24 Section 3-15. Authorization of tax credit program for
25 individuals in recovery from substance use disorders or mental

1 illness.

2 (a) For taxable years beginning on or after January 1,
3 2023, the Department is authorized to and shall establish and
4 administer a recovery tax credit program to provide tax
5 incentives to qualified employers who employ eligible
6 individuals in recovery from a substance use disorder or
7 mental illness in part-time and full-time positions within
8 Illinois. The Department shall award the tax credit by
9 issuance of a certificate of tax credit to the qualified
10 employer, who will present the certificate of tax credit to
11 the Department of Revenue by attaching the certificate to its
12 tax return, as a credit against the qualified employer's
13 income tax liability in accordance with the Illinois Income
14 Tax Act. The Department shall maintain an electronic listing
15 of the certificates issued by which the Department of Revenue
16 may verify tax credit certificates issued.

17 (b) To be a qualified employer, an employer must apply
18 annually to the Department to claim a credit based upon
19 eligible individuals employed during the preceding calendar
20 year, using the forms prescribed by the Department. To be
21 approved for a credit under this Act, the employer must:

22 (1) agree to provide to the Department the information
23 necessary to demonstrate that the employer has satisfied
24 program eligibility requirements and provided all
25 information requested or needed by the Department,
26 including the number of hours worked by the eligible

1 individual and other information necessary for the
2 Department to calculate the amount of credit permitted;
3 and

4 (2) agree to provide names, employer identification
5 numbers, amounts that the employer may claim, and other
6 information necessary for the Department to calculate any
7 tax credit.

8 (c) To be an eligible individual, the individual must be
9 diagnosed with or have been diagnosed with a substance use
10 disorder or mental illness. Disclosure by the eligible
11 individual of his or her mental illness or substance use
12 disorder shall be completely voluntary and his or her health
13 information may not be shared or disclosed under this Act
14 without the eligible individual's express written consent. The
15 eligible individual must have been employed by the qualified
16 employer in this State for a minimum of 500 hours during the
17 applicable calendar year and the tax credit may only begin on
18 the date the eligible individual is hired by the qualified
19 employer and ending on December 31 of that calendar year or the
20 date that the eligible individual's employment with the
21 qualified employer ends, whichever occurs first. Only one tax
22 credit may be awarded for any eligible individual while
23 employed by the same or related qualified employer. The hours
24 of employment of 2 or more eligible individuals may not be
25 aggregated to reach the minimum number of hours. If an
26 eligible individual has worked in excess of 500 hours between

1 the date of hiring and December 31 of that year, a qualified
2 employer can elect to compute and claim a credit for such
3 eligible individual in that year based on the hours worked by
4 December 31. Alternatively, the qualified employer may elect
5 to include such individual in the computation of the credit in
6 the year immediately succeeding the year in which the eligible
7 individual was hired. In that case, the credit shall be
8 computed on the basis of all hours worked by the eligible
9 individual from the date of hire to the earlier of the last day
10 of employment or December 31 of the succeeding year.

11 (d) If Department criteria and all other requirements are
12 met, a qualified employer shall be entitled to a tax credit
13 equal to the product of \$1 and the number of hours worked by
14 each eligible individual during the eligible individual's
15 period of employment with the qualified employer. The tax
16 credit awarded under this Act may not exceed \$2,000 per
17 eligible individual employed by the qualified employer in this
18 State. In determining the amount of tax credit that any
19 qualified employer may claim, the Department shall review all
20 claims submitted for credit by all employers and, to the
21 extent that the total amount claimed by employers exceeds the
22 amount allocated for this program in that calendar year, shall
23 issue tax credits on a pro rata basis corresponding to each
24 qualified employer's share of the total amount claimed.

25 (e) The aggregate amount of all credits the Department may
26 award under this Act in any calendar year may not exceed

1 \$2,000,000.

2 (f) A taxpayer who is a qualified employer who has
3 received a certificate of tax credit from the Department shall
4 be allowed a credit against the tax imposed equal to the amount
5 shown on such certificate of tax credit.

6 (g) The credit must be claimed in the taxable year in which
7 the tax credit certificate is issued. The credit cannot reduce
8 a taxpayer's liability to less than zero. If the amount of the
9 credit exceeds the tax liability for the year, the credit may
10 not be carried forward.

11 (h) If the taxpayer is a partnership or Subchapter S
12 corporation the credit shall be allowed to the partners or
13 shareholders in accordance with the determination of income
14 and distributive share of income under Sections 702 and 704
15 and subchapter S of the Internal Revenue Code.

16 (i) In carrying out this Act, no patient-specific
17 information shall be shared or disclosed. Any individual or
18 patient-specific information collected by the Department or
19 the Department of Revenue shall not be subject to public
20 disclosure or Freedom of Information Act requests.

21 (j) The credit under this Act is exempt from the
22 provisions of Section 250 of the Illinois Income Tax Act.

23 Section 3-20. Advisory Council on Mental Illness and
24 Substance Use Disorder Impacts on Employment Opportunities
25 within Minority Communities. The Secretary of the Department

1 shall appoint the Advisory Council on Mental Illness and
2 Substance Use Disorder Impacts on Employment Opportunities
3 within Minority Communities, to be composed of 15 members,
4 which shall include a balanced representation of recipients,
5 services providers, employers, local governmental units,
6 community and welfare advocacy groups, academia, and the
7 general public. The Advisory Council shall advise the
8 Department regarding all aspects of employment impacts
9 resulting from mental illnesses and substance use disorders
10 within minority communities, tax credits, outreach, marketing,
11 and education about the tax credit and employment
12 opportunities, and other areas as deemed appropriate by the
13 Secretary. In appointing the first Council, the Secretary
14 shall name 8 members to terms of 2 years and 7 members to serve
15 terms of 4 years, all of whom shall be appointed within 6
16 months of the effective date of this Act. All members
17 appointed thereafter shall serve terms of 4 years. Members
18 shall serve without compensation other than reimbursement of
19 expenses actually incurred in the performance of their
20 official duties. At its first meeting, the Advisory Council
21 shall select a chair from among its members. The Advisory
22 Council shall meet at least quarterly and at other times at the
23 call of the chair.

24 Section 3-25. Powers. The Department shall adopt rules for
25 the administration of this Act. The Department may enter into

1 an intergovernmental agreement with the Department of Revenue
2 for the administration of this Act.

3 Section 3-30. The Illinois Income Tax Act is amended by
4 adding Section 232 as follows:

5 (35 ILCS 5/232 new)

6 Sec. 232. Recovery and Mental Health Tax Credit Act. For
7 taxable years beginning on or after January 1, 2023, a
8 taxpayer who has been awarded a credit under the Recovery and
9 Mental Health Tax Credit Act is entitled to a credit against
10 the tax imposed by subsections (a) and (b) of Section 201 as
11 provided in that Act. This Section is exempt from the
12 provisions of Section 250."