



Sen. Laura Fine

**Filed: 2/7/2022**

10200SB3882sam001

LRB102 25848 KTG 35991 a

1 AMENDMENT TO SENATE BILL 3882

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3882 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Recovery and Mental Health Tax Credit Act.

6 Section 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 the State have been more negatively impacted in  
14 employment opportunities for minority residents diagnosed with  
15 mental illness and substance use disorders and should receive  
16 additional employment opportunities and incentives for

1 employing minority residents diagnosed with mental illness or  
2 substance use disorders.

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

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

13 Section 10. Definitions. As used in this Act:

14 "Department" means the Department of Human Services.

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

1 for such substance use disorder or mental illness. A relapse  
2 in an individual's state of wellness shall not make the  
3 individual ineligible, so long as the individual shows a  
4 continued commitment to recovery that aligns with an  
5 individual's relapse prevention plan, discharge plan, or  
6 recovery plan.

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

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

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

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

1 Section 15. Authorization of tax credit program for  
2 individuals in recovery from substance use disorders or mental  
3 illness.

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

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

24 (1) agree to provide to the Department the information  
25 necessary to demonstrate that the employer has satisfied  
26 program eligibility requirements and provided all

1 information requested or needed by the Department,  
2 including the number of hours worked by the eligible  
3 individual and other information necessary for the  
4 Department to calculate the amount of credit permitted;  
5 and

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

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

1 aggregated to reach the minimum number of hours. If an  
2 eligible individual has worked in excess of 500 hours between  
3 the date of hiring and December 31 of that year, a qualified  
4 employer can elect to compute and claim a credit for such  
5 eligible individual in that year based on the hours worked by  
6 December 31. Alternatively, the qualified employer may elect  
7 to include such individual in the computation of the credit in  
8 the year immediately succeeding the year in which the eligible  
9 individual was hired. In that case, the credit shall be  
10 computed on the basis of all hours worked by the eligible  
11 individual from the date of hire to the earlier of the last day  
12 of employment or December 31 of the succeeding year.

13 (d) The aggregate amount of all credits the Department may  
14 award under this Act in any calendar year may not exceed  
15 \$2,000,000.

16 (e) If the qualified employer's taxable year is a calendar  
17 year, the employer shall be entitled to claim the credit as  
18 shown on the certificate of tax credit on the calendar year  
19 return for which the certificate of tax credit was issued. If  
20 the certified employer's taxable year is a fiscal year, the  
21 qualified employer shall be entitled to claim the credit as  
22 shown on the certificate of tax credit on the return for the  
23 fiscal year that includes the last day of the calendar year  
24 covered by the certificate of tax credit. The tax credit may  
25 not be carried forward.

26 (f) If Department criteria and all other requirements are

1 met, a qualified employer shall be entitled to a tax credit  
2 equal to the product of \$1 and the number of hours worked by  
3 each eligible individual during the eligible individual's  
4 period of employment with the qualified employer. The tax  
5 credit awarded hereunder may not exceed \$2,000 per eligible  
6 individual employed by the qualified employer in the State. In  
7 determining the amount of tax credit that any qualified  
8 employer may claim, the Department shall review all claims  
9 submitted for credit by all employers and, to the extent that  
10 the total amount claimed by employers exceeds the amount  
11 allocated for this program in that calendar year, shall issue  
12 tax credits on a pro rata basis corresponding to each  
13 qualified employer's share of the total amount claimed.

14 (g) No tax credit awarded under this Act may reduce a  
15 qualified employer's tax obligation to less than zero.

16 (h) The Department of Revenue shall review the certificate  
17 issued to the qualified employer and submitted with its tax  
18 return and, if approved, accept and apply the tax credit  
19 toward the qualified employer's income tax obligation. A  
20 taxpayer that is a qualified employer that has received a  
21 certificate of tax credit from the Department shall be allowed  
22 a credit against the tax imposed equal to the amount shown on  
23 such certificate of tax credit. For partners, shareholders of  
24 Subchapter S corporations, and owners of limited liability  
25 companies, if the liability company is treated as a  
26 partnership for purposes of federal and State income taxation,

1 there shall be allowed a credit under this subsection (f) to be  
2 determined in accordance with the determination of income and  
3 distributive share of income under Sections 702 and 704 and  
4 Subchapter S of the Internal Revenue Code. In carrying out  
5 this Act, no patient-specific information shall be shared or  
6 disclosed. Any individual or patient-specific information  
7 collected by the Department or the Department of Revenue shall  
8 not be subject to public disclosure or Freedom of Information  
9 Act requests.

10 (i) The credit under this Act is exempt from the  
11 provisions of Section 250 of the Illinois Income Tax Act.

12 Section 20. Advisory Council on Mental Illness and  
13 Substance Use Disorder Impacts on Employment Opportunities  
14 within Minority Communities. The Secretary of the Department  
15 shall appoint the Advisory Council on Mental Illness and  
16 Substance Use Disorder Impacts on Employment Opportunities  
17 within Minority Communities, to be composed of 15 members,  
18 which shall include a balanced representation of recipients,  
19 services providers, employers, local governmental units,  
20 community and welfare advocacy groups, academia, and the  
21 general public. The Advisory Council shall advise the  
22 Department regarding all aspects of employment impacts  
23 resulting from mental illnesses and substance use disorders  
24 within minority communities, tax credits, outreach, marketing,  
25 and education about the tax credit and employment



1 opportunities, and other areas as deemed appropriate by the  
2 Secretary. In appointing the first Council, the Secretary  
3 shall name 8 members to terms of 2 years and 7 members to serve  
4 terms of 4 years, all of whom shall be appointed within 6  
5 months of the effective date of this Act. All members  
6 appointed thereafter shall serve terms of 4 years. Members  
7 shall serve without compensation other than reimbursement of  
8 expenses actually incurred in the performance of their  
9 official duties. At its first meeting, the Advisory Council  
10 shall select a chair from among its members. The Advisory  
11 Council shall meet at least quarterly and at other times at the  
12 call of the chair.

13 Section 25. Powers. The Department shall adopt rules for  
14 the administration of this Act. The Department may enter into  
15 an intergovernmental agreement with the Department of Revenue  
16 for the administration of this Act.

17 Section 30. The Illinois Income Tax Act is amended by  
18 adding Section 232 as follows:

19 (35 ILCS 5/232 new)

20 Sec. 232. Recovery and Mental Health Tax Credit Act. A  
21 taxpayer who has been awarded a credit under the Recovery and  
22 Mental Health Tax Credit Act is entitled to a credit against  
23 the tax imposed by subsections (a) and (b) of Section 201 as

1 provided in that Act. This Section is exempt from the  
2 provisions of Section 250."