



Sen. Laura Fine

**Filed: 2/17/2022**

10200SB3882sam002

LRB102 25848 KTG 36479 a

1 AMENDMENT TO SENATE BILL 3882

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

5 "Section 1. Short title. This Article may be cited as the  
6 Recovery and Mental Health Tax Credit Act. References in this  
7 Article to "this Act" mean this Article.

8 Section 5. Findings.

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

14 (b) The General Assembly finds and declares that minority  
15 communities in this State have been more negatively impacted  
16 in employment opportunities for minority residents diagnosed

1 with mental illness and substance use disorders and should  
2 receive additional employment opportunities and incentives for  
3 employing minority residents diagnosed with mental illness or  
4 substance use disorders.

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

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

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

16 "Department" means the Department of Human Services.

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

1 by the Department, that he or she has completed a course of  
2 treatment or is currently in receipt of treatment for such  
3 substance use disorder or mental illness. A relapse in an  
4 individual's state of wellness shall not make the individual  
5 ineligible, so long as the individual shows a continued  
6 commitment to recovery that aligns with an individual's  
7 relapse prevention plan, discharge plan, or recovery plan.

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

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

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

23 "Taxpayer" means any individual, corporation,  
24 partnership, trust, or other entity subject to the Illinois  
25 income tax. For the purposes of this Act, 2 individuals filing  
26 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  
15 income tax liability in accordance with the Illinois Income  
16 Tax Act. The Department shall maintain an electronic listing  
17 of the certificates issued by which the Department of Revenue  
18 may verify tax credit certificates issued.

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

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

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

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

1 of employment of 2 or more eligible individuals may not be  
2 aggregated to reach the minimum number of hours. If an  
3 eligible individual has worked in excess of 500 hours between  
4 the date of hiring and December 31 of that year, a qualified  
5 employer can elect to compute and claim a credit for such  
6 eligible individual in that year based on the hours worked by  
7 December 31. Alternatively, the qualified employer may elect  
8 to include such individual in the computation of the credit in  
9 the year immediately succeeding the year in which the eligible  
10 individual was hired. In that case, the credit shall be  
11 computed on the basis of all hours worked by the eligible  
12 individual from the date of hire to the earlier of the last day  
13 of employment or December 31 of the succeeding year.

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

1 qualified employer's share of the total amount claimed.

2 (e) The aggregate amount of all credits the Department may  
3 award under this Act in any calendar year may not exceed  
4 \$2,000,000.

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

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

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

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

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

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



1       Section 25. Powers. The Department shall adopt rules for  
2       the administration of this Act. The Department may enter into  
3       an intergovernmental agreement with the Department of Revenue  
4       for the administration of this Act.

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

7       (35 ILCS 5/232 new)

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