



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5191

Introduced 2/9/2024, by Rep. Brad Halbrook

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 5/201
35 ILCS 5/517 new
35 ILCS 5/714 new
35 ILCS 105/3-10
5 ILCS 100/5-45.55 new

Creates the Protect Illinois Manufacturing and Energy from Foreign Adversaries Act. Provides that a disqualified foreign adversary may not receive certain State incentives. Provides that a disqualified foreign adversary that operates in Illinois is subject to specified taxes and fees. Defines "disqualified foreign adversary" as individuals or entities that are associated with a foreign adversary and that establish, invest in, or operate an advanced manufacturing and energy business. Amends the Illinois Income Tax Act and the Use Tax Act to make conforming changes. Amends the Illinois Administrative Procedure Act to provide for emergency rulemaking. Effective immediately.

LRB103 38839 HLH 68976 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Protect Illinois Manufacturing and Energy from Foreign
6 Adversaries Act.

7 Section 5. Legislative intent. The General Assembly finds
8 and declares that protecting the State and the nation against
9 dangerous foreign investments is an important public purpose.

10 Section 10. Definitions.

11 "Disqualified foreign adversary" means any of the
12 following individuals or entities that establishes, invests
13 in, or operates a specified advanced manufacturing and energy
14 business located in this State:

15 (1) the government of a foreign adversary, any agency
16 or government instrumentality of a foreign adversary, or
17 any entity that is directly or indirectly owned,
18 controlled, or directed by any such government, agency, or
19 government instrumentality;

20 (2) an individual who is a citizen of a foreign
21 adversary, an entity organized under the laws of a foreign
22 adversary or any political subdivision of a foreign

1 adversary, or an entity whose headquarters is located in a
2 foreign adversary;

3 (3) any individual or entity that is directly or
4 indirectly owned, controlled, directed, or materially
5 influenced by any party described in items (1) or (2);

6 (4) any entity in which 10% or more of the outstanding
7 equity interest, by value, voting, governance, board
8 appointment, or similar rights or influence, is held
9 directly or indirectly by or on behalf of one or more of
10 the persons or entities described in items (1), (2), or
11 (3) on any day of the applicable tax year, including
12 through interests in co-investment vehicles, joint
13 ventures, or similar arrangements; or

14 (5) an individual or entity whose actions, management,
15 or operations are subject to the direct or indirect
16 influence of one or more persons or entities described in
17 items (1) through (4) as a result of any debt, lease or
18 sublease arrangement, management or operating arrangement,
19 contract manufacturing arrangement, license or sublicense
20 agreement, financial derivative or other obligation or
21 arrangement entered into between such parties, as
22 determined by the Illinois Secretary of State, the
23 Department of Revenue, the Department of Commerce and
24 Economic Opportunity, the Office of the Governor, or any
25 other department or agency of the State, provided that the
26 mere purchase of equipment or manufacturing inputs on

1 arm's-length terms shall not, in and of itself, be deemed
2 to provide a substantial benefit.

3 "Foreign adversary" means any foreign adversary, as
4 defined in 15 CFR 7.4 on the effective date of this Act.

5 "Specified advanced manufacturing and energy business"
6 means a business that produces or manufactures any eligible
7 component, as defined in Section 45X(c)(1)(A) of the Internal
8 Revenue Code of 1986, as amended and any U.S. Treasury
9 regulations issued thereafter.

10 Section 15. Disqualified foreign adversaries.
11 Notwithstanding any other provision of law, no disqualified
12 foreign adversary is eligible to receive any of the State
13 incentives listed in Section 20, and each disqualified foreign
14 adversary that operates in Illinois is subject to the taxes
15 and fees set forth in Section 25.

16 Section 20. Prohibited State incentives. No disqualified
17 foreign adversary shall be granted or benefit from any of the
18 following incentives granted by the State or any political
19 subdivision of the State:

20 (1) any exemption or reduction to State or local
21 property and real property transfer taxes;

22 (2) any exemption or exclusion from State income taxes
23 or use and occupation taxes;

24 (3) any deferment of State or local fees or taxes;

1 (4) any financial assistance or training granted by
2 the State or a unit of local government to attract and
3 retain employees;

4 (5) any discretionary incentive, including a grant,
5 debt financing resource, or infrastructure assistance; or

6 (6) any other incentive or benefit granted by the
7 Department of Revenue, the Department of Commerce and
8 Economic Opportunity, or any other agency or department of
9 the State.

10 Section 25. Taxes and fees. Beginning on January 1, 2025,
11 any disqualified foreign adversary that operates in the State
12 is subject to the following taxes and fees in respect of its
13 business operations:

14 (1) an excise tax of 20% of any gross revenues of the
15 disqualified foreign adversary attributable to Illinois,
16 as provided in subsection (b-6) of Section 201 of the
17 Illinois Income Tax Act;

18 (2) an excise tax of 30% of the selling price of any
19 tangible property, intangible property, or services used
20 or acquired by the disqualified foreign adversary in the
21 State of Illinois, as provided in Section 3-10 of the Use
22 Tax Act;

23 (3) an excise tax of 80% of the compensation paid to
24 persons employed by the taxpayer in Illinois, as provided
25 in Section 714 of the Illinois Income Tax Act; and

1 (4) an annual fee for the privilege of doing business
2 in Illinois equal to the greater of (i) \$250,000 or (ii)
3 15% of the fair market value of the disqualified foreign
4 adversary's total shareholders' equity reported on the
5 U.S. Form 1120, Schedule L, total partner capital reported
6 on U.S. Form 1065, Schedule L, or comparable measure of
7 owners' equity as determined by the Department of Revenue,
8 in each case, relative to the disqualified foreign
9 adversary immediately preceding fiscal year; the fee under
10 this item (4) shall be collected by the Secretary of State
11 in the same manner as franchise taxes are collected under
12 the Business Corporation Act of 1983.

13 Section 30. Administration.

14 (a) Each State income tax return and annual report filed
15 in Illinois shall hereafter require taxpayer certification as
16 to the taxpayer's status as a disqualified foreign adversary.

17 (b) The Department of Commerce and Economic Opportunity
18 may adopt any rules, including emergency rules, necessary for
19 the prompt implementation of the provisions of this Act by the
20 Department of Commerce and Economic Opportunity. The
21 Department of Revenue may adopt any rules, including emergency
22 rules, necessary for the prompt implementation of the
23 provisions of this Act by the Department of Revenue. The
24 Secretary of State may adopt any rules, including emergency
25 rules, necessary for the prompt implementation of the

1 provisions of this Act by the Secretary of State.

2 Section 97. Severability. The provisions of this Act are
3 severable under Section 1.31 of the Statute on Statutes.

4 Section 900. The Illinois Income Tax Act is amended by
5 changing Section 201 and by adding Sections 517 and 714 as
6 follows:

7 (35 ILCS 5/201)

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

1 taxable years beginning prior to July 1, 1989 and ending
2 after June 30, 1989, an amount equal to the sum of (i) 2
3 1/2% of the taxpayer's net income for the period prior to
4 July 1, 1989, as calculated under Section 202.3, and (ii)
5 3% of the taxpayer's net income for the period after June
6 30, 1989, as calculated under Section 202.3.

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

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

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

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

1 (ii) 3.75% of the taxpayer's net income for the period
2 after December 31, 2014, as calculated under Section
3 202.5.

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

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

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

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

22 (7) In the case of a corporation, for taxable years
23 beginning prior to July 1, 1989 and ending after June 30,
24 1989, an amount equal to the sum of (i) 4% of the
25 taxpayer's net income for the period prior to July 1,
26 1989, as calculated under Section 202.3, and (ii) 4.8% of

1 the taxpayer's net income for the period after June 30,
2 1989, as calculated under Section 202.3.

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

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

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

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

25 (12) In the case of a corporation, for taxable years
26 beginning on or after January 1, 2015, and ending prior to

1 July 1, 2017, an amount equal to 5.25% of the taxpayer's
2 net income for the taxable year.

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

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

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

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

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

4 (A) bankruptcy, a receivership, or a debt
5 adjustment initiated by or against the initial
6 licensee or the substantial owners of the initial
7 licensee;

8 (B) cancellation, revocation, or termination of
9 any such license by the Illinois Gaming Board or the
10 Illinois Racing Board;

11 (C) a determination by the Illinois Gaming Board
12 that transfer of the license is in the best interests
13 of Illinois gaming;

14 (D) the death of an owner of the equity interest in
15 a licensee;

16 (E) the acquisition of a controlling interest in
17 the stock or substantially all of the assets of a
18 publicly traded company;

19 (F) a transfer by a parent company to a wholly
20 owned subsidiary; or

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

24 (2) the controlling interest in the organization
25 gaming license, organization license, or racetrack
26 property is transferred in a transaction to lineal

1 descendants in which no gain or loss is recognized or as a
2 result of a transaction in accordance with Section 351 of
3 the Internal Revenue Code in which no gain or loss is
4 recognized; or

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

9 The transfer of an organization gaming license,
10 organization license, or racetrack property by a person other
11 than the initial licensee to receive the organization gaming
12 license is not subject to a surcharge. The Department shall
13 adopt rules necessary to implement and administer this
14 subsection.

15 (b-6) Notwithstanding any other provision of law, for
16 taxable years beginning on or after January 1, 2025, a
17 taxpayer that is a disqualified foreign adversary, as defined
18 in the Protect Illinois Manufacturing and Energy from Foreign
19 Adversaries Act, is subject to an additional excise tax of 20%
20 of the gross revenues of the disqualified foreign adversary
21 attributable to Illinois, as determined under Article 3.

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

1 and trust, for each taxable year ending after June 30, 1979.
2 Such taxes are imposed on the privilege of earning or
3 receiving income in or as a resident of this State. The
4 Personal Property Tax Replacement Income Tax shall be in
5 addition to the income tax imposed by subsections (a) and (b)
6 of this Section and in addition to all other occupation or
7 privilege taxes imposed by this State or by any municipal
8 corporation or political subdivision thereof.

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

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

1 under paragraph (2) of subsection (b) of Section 304, except
2 that for purposes of this determination premiums from
3 reinsurance do not include premiums from inter-affiliate
4 reinsurance arrangements), beginning with taxable years ending
5 on or after December 31, 1999, the sum of the rates of tax
6 imposed by subsections (b) and (d) shall be reduced (but not
7 increased) to the rate at which the total amount of tax imposed
8 under this Act, net of all credits allowed under this Act,
9 shall equal (i) the total amount of tax that would be imposed
10 on the foreign insurer's net income allocable to Illinois for
11 the taxable year by such foreign insurer's state or country of
12 domicile if that net income were subject to all income taxes
13 and taxes measured by net income imposed by such foreign
14 insurer's state or country of domicile, net of all credits
15 allowed or (ii) a rate of zero if no such tax is imposed on
16 such income by the foreign insurer's state of domicile. For
17 the purposes of this subsection (d-1), an inter-affiliate
18 includes a mutual insurer under common management.

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

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

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

1 company tax imposed by Section 12 of the Fire
2 Investigation Act, and the fire department taxes
3 imposed under Section 11-10-1 of the Illinois
4 Municipal Code,

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

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

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

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

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

1 in service on or after July 1, 1984. There shall be allowed
2 an additional credit equal to .5% of the basis of
3 qualified property placed in service during the taxable
4 year, provided such property is placed in service on or
5 after July 1, 1986, and the taxpayer's base employment
6 within Illinois has increased by 1% or more over the
7 preceding year as determined by the taxpayer's employment
8 records filed with the Illinois Department of Employment
9 Security. Taxpayers who are new to Illinois shall be
10 deemed to have met the 1% growth in base employment for the
11 first year in which they file employment records with the
12 Illinois Department of Employment Security. The provisions
13 added to this Section by Public Act 85-1200 (and restored
14 by Public Act 87-895) shall be construed as declaratory of
15 existing law and not as a new enactment. If, in any year,
16 the increase in base employment within Illinois over the
17 preceding year is less than 1%, the additional credit
18 shall be limited to that percentage times a fraction, the
19 numerator of which is .5% and the denominator of which is
20 1%, but shall not exceed .5%. The investment credit shall
21 not be allowed to the extent that it would reduce a
22 taxpayer's liability in any tax year below zero, nor may
23 any credit for qualified property be allowed for any year
24 other than the year in which the property was placed in
25 service in Illinois. For tax years ending on or after
26 December 31, 1987, and on or before December 31, 1988, the

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

1 there is a liability. If there is credit from more than one
2 tax year that is available to offset a liability, earlier
3 credit shall be applied first.

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

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

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

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

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

26 (E) has not previously been used in Illinois in

1 such a manner and by such a person as would qualify for
2 the credit provided by this subsection (e) or
3 subsection (f).

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

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

26 (5) If the basis of the property for federal income

1 tax depreciation purposes is increased after it has been
2 placed in service in Illinois by the taxpayer, the amount
3 of such increase shall be deemed property placed in
4 service on the date of such increase in basis.

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

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

24 (8) Unless the investment credit is extended by law,
25 the basis of qualified property shall not include costs
26 incurred after December 31, 2018, except for costs

1 incurred pursuant to a binding contract entered into on or
2 before December 31, 2018.

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

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

1 under this subsection (e) during the taxable year by the
2 partnership or Subchapter S corporation, determined in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704
5 and Subchapter S of the Internal Revenue Code. This
6 paragraph is exempt from the provisions of Section 250.

7 (f) Investment credit; Enterprise Zone; River Edge
8 Redevelopment Zone.

9 (1) A taxpayer shall be allowed a credit against the
10 tax imposed by subsections (a) and (b) of this Section for
11 investment in qualified property which is placed in
12 service in an Enterprise Zone created pursuant to the
13 Illinois Enterprise Zone Act or, for property placed in
14 service on or after July 1, 2006, a River Edge
15 Redevelopment Zone established pursuant to the River Edge
16 Redevelopment Zone Act. For partners, shareholders of
17 Subchapter S corporations, and owners of limited liability
18 companies, if the liability company is treated as a
19 partnership for purposes of federal and State income
20 taxation, for taxable years ending before December 31,
21 2023, there shall be allowed a credit under this
22 subsection (f) to be determined in accordance with the
23 determination of income and distributive share of income
24 under Sections 702 and 704 and Subchapter S of the
25 Internal Revenue Code. For taxable years ending on or
26 after December 31, 2023, for partners and shareholders of

1 Subchapter S corporations, the provisions of Section 251
2 shall apply with respect to the credit under this
3 subsection. The credit shall be .5% of the basis for such
4 property. The credit shall be available only in the
5 taxable year in which the property is placed in service in
6 the Enterprise Zone or River Edge Redevelopment Zone and
7 shall not be allowed to the extent that it would reduce a
8 taxpayer's liability for the tax imposed by subsections
9 (a) and (b) of this Section to below zero. For tax years
10 ending on or after December 31, 1985, the credit shall be
11 allowed for the tax year in which the property is placed in
12 service, or, if the amount of the credit exceeds the tax
13 liability for that year, whether it exceeds the original
14 liability or the liability as later amended, such excess
15 may be carried forward and applied to the tax liability of
16 the 5 taxable years following the excess credit year. The
17 credit shall be applied to the earliest year for which
18 there is a liability. If there is credit from more than one
19 tax year that is available to offset a liability, the
20 credit accruing first in time shall be applied first.

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

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

24 (B) is depreciable pursuant to Section 167 of the
25 Internal Revenue Code, except that "3-year property"
26 as defined in Section 168(c)(2)(A) of that Code is not

1 eligible for the credit provided by this subsection
2 (f);

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

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

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

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

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

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

22 (6) If during any taxable year, any property ceases to
23 be qualified property in the hands of the taxpayer within
24 48 months after being placed in service, or the situs of
25 any qualified property is moved outside the Enterprise
26 Zone or River Edge Redevelopment Zone within 48 months

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

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

1 employment within Illinois over the preceding year is less
2 than 1%, the additional credit shall be limited to that
3 percentage times a fraction, the numerator of which is
4 0.5% and the denominator of which is 1%, but shall not
5 exceed 0.5%.

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

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

22 For partners, shareholders of Subchapter S
23 corporations, and owners of limited liability companies,
24 if the liability company is treated as a partnership for
25 the purposes of federal and State income taxation, for
26 taxable years ending before December 31, 2023, there shall

1 be allowed a credit under this Section to be 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. For taxable
5 years ending on or after December 31, 2023, for partners
6 and shareholders of Subchapter S corporations, the
7 provisions of Section 251 shall apply with respect to the
8 credit under this subsection.

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

12 This paragraph (8) is exempt from the provisions of
13 Section 250.

14 (g) (Blank).

15 (h) Investment credit; High Impact Business.

16 (1) Subject to subsections (b) and (b-5) of Section
17 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
18 be allowed a credit against the tax imposed by subsections
19 (a) and (b) of this Section for investment in qualified
20 property which is placed in service by a Department of
21 Commerce and Economic Opportunity designated High Impact
22 Business. The credit shall be .5% of the basis for such
23 property. The credit shall not be available (i) until the
24 minimum investments in qualified property set forth in
25 subdivision (a)(3)(A) of Section 5.5 of the Illinois
26 Enterprise Zone Act have been satisfied or (ii) until the

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

1 from more than one tax year that is available to offset a
2 liability, the credit accruing first in time shall be
3 applied first.

4 Changes made in this subdivision (h) (1) by Public Act
5 88-670 restore changes made by Public Act 85-1182 and
6 reflect existing law.

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

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

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

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code; and

17 (D) is not eligible for the Enterprise Zone
18 Investment Credit provided by subsection (f) of this
19 Section.

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

23 (4) If the basis of the property for federal income
24 tax depreciation purposes is increased after it has been
25 placed in service in a federally designated Foreign Trade
26 Zone or Sub-Zone located in Illinois by the taxpayer, the

1 amount of such increase shall be deemed property placed in
2 service on the date of such increase in basis.

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

5 (6) If during any taxable year ending on or before
6 December 31, 1996, any property ceases to be qualified
7 property in the hands of the taxpayer within 48 months
8 after being placed in service, or the situs of any
9 qualified property is moved outside Illinois within 48
10 months after being placed in service, the tax imposed
11 under subsections (a) and (b) of this Section for such
12 taxable year shall be increased. Such increase shall be
13 determined by (i) recomputing the investment credit which
14 would have been allowed for the year in which credit for
15 such 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 (6), 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 (7) Beginning with tax years ending after December 31,
24 1996, if a taxpayer qualifies for the credit under this
25 subsection (h) and thereby is granted a tax abatement and
26 the taxpayer relocates its entire facility in violation of

1 the explicit terms and length of the contract under
2 Section 18-183 of the Property Tax Code, the tax imposed
3 under subsections (a) and (b) of this Section shall be
4 increased for the taxable year in which the taxpayer
5 relocated its facility by an amount equal to the amount of
6 credit received by the taxpayer under this subsection (h).

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

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

23 For partners, shareholders of Subchapter S corporations,
24 and owners of limited liability companies, for taxable years
25 ending before December 31, 2023, if the liability company is
26 treated as a partnership for the purposes of federal and State

1 income taxation, there shall be allowed a credit under this
2 Section to be determined in accordance with the determination
3 of income and distributive share of income under Sections 702
4 and 704 and Subchapter S of the Internal Revenue Code. For
5 taxable years ending on or after December 31, 2023, for
6 partners and shareholders of Subchapter S corporations, the
7 provisions of Section 251 shall apply with respect to the
8 credit under this subsection.

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

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

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

24 Any credit earned on or after December 31, 1986 under this
25 subsection which is unused in the year the credit is computed
26 because it exceeds the tax liability imposed by subsections

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

12 If, during any taxable year ending on or after December
13 31, 1986, the tax imposed by subsections (c) and (d) of this
14 Section for which a taxpayer has claimed a credit under this
15 subsection (i) is reduced, the amount of credit for such tax
16 shall also be reduced. Such reduction shall be determined by
17 recomputing the credit to take into account the reduced tax
18 imposed by subsections (c) and (d). If any portion of the
19 reduced amount of credit has been carried to a different
20 taxable year, an amended return shall be filed for such
21 taxable year to reduce the amount of credit claimed.

22 (j) Training expense credit. Beginning with tax years
23 ending on or after December 31, 1986 and prior to December 31,
24 2003, a taxpayer shall be allowed a credit against the tax
25 imposed by subsections (a) and (b) under this Section for all
26 amounts paid or accrued, on behalf of all persons employed by

1 the taxpayer in Illinois or Illinois residents employed
2 outside of Illinois by a taxpayer, for educational or
3 vocational training in semi-technical or technical fields or
4 semi-skilled or skilled fields, which were deducted from gross
5 income in the computation of taxable income. The credit
6 against the tax imposed by subsections (a) and (b) shall be
7 1.6% of such training expenses. For partners, shareholders of
8 subchapter S corporations, and owners of limited liability
9 companies, if the liability company is treated as a
10 partnership for purposes of federal and State income taxation,
11 for taxable years ending before December 31, 2023, there shall
12 be allowed a credit under this subsection (j) to be determined
13 in accordance with the determination of income and
14 distributive share of income under Sections 702 and 704 and
15 subchapter S of the Internal Revenue Code. For taxable years
16 ending on or after December 31, 2023, for partners and
17 shareholders of Subchapter S corporations, the provisions of
18 Section 251 shall apply with respect to the credit under this
19 subsection.

20 Any credit allowed under this subsection which is unused
21 in the year the credit is earned may be carried forward to each
22 of the 5 taxable years following the year for which the credit
23 is first computed until it is used. This credit shall be
24 applied first to the earliest year for which there is a
25 liability. If there is a credit under this subsection from
26 more than one tax year that is available to offset a liability,

1 the earliest credit arising under this subsection shall be
2 applied first. No carryforward credit may be claimed in any
3 tax year ending on or after December 31, 2003.

4 (k) Research and development credit. For tax years ending
5 after July 1, 1990 and prior to December 31, 2003, and
6 beginning again for tax years ending on or after December 31,
7 2004, and ending prior to January 1, 2027, a taxpayer shall be
8 allowed a credit against the tax imposed by subsections (a)
9 and (b) of this Section for increasing research activities in
10 this State. The credit allowed against the tax imposed by
11 subsections (a) and (b) shall be equal to 6 1/2% of the
12 qualifying expenditures for increasing research activities in
13 this State. For partners, shareholders of subchapter S
14 corporations, and owners of limited liability companies, if
15 the liability company is treated as a partnership for purposes
16 of federal and State income taxation, for taxable years ending
17 before December 31, 2023, there shall be allowed a credit
18 under this subsection to be determined in accordance with the
19 determination of income and distributive share of income under
20 Sections 702 and 704 and subchapter S of the Internal Revenue
21 Code. For taxable years ending on or after December 31, 2023,
22 for partners and shareholders of Subchapter S corporations,
23 the provisions of Section 251 shall apply with respect to the
24 credit under this subsection.

25 For purposes of this subsection, "qualifying expenditures"
26 means the qualifying expenditures as defined for the federal

1 credit for increasing research activities which would be
2 allowable under Section 41 of the Internal Revenue Code and
3 which are conducted in this State, "qualifying expenditures
4 for increasing research activities in this State" means the
5 excess of qualifying expenditures for the taxable year in
6 which incurred over qualifying expenditures for the base
7 period, "qualifying expenditures for the base period" means
8 the average of the qualifying expenditures for each year in
9 the base period, and "base period" means the 3 taxable years
10 immediately preceding the taxable year for which the
11 determination is being made.

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

20 If an unused credit is carried forward to a given year from
21 2 or more earlier years, that credit arising in the earliest
22 year will be applied first against the tax liability for the
23 given year. If a tax liability for the given year still
24 remains, the credit from the next earliest year will then be
25 applied, and so on, until all credits have been used or no tax
26 liability for the given year remains. Any remaining unused

1 credit or credits then will be carried forward to the next
2 following year in which a tax liability is incurred, except
3 that no credit can be carried forward to a year which is more
4 than 5 years after the year in which the expense for which the
5 credit is given was incurred.

6 No inference shall be drawn from Public Act 91-644 in
7 construing this Section for taxable years beginning before
8 January 1, 1999.

9 It is the intent of the General Assembly that the research
10 and development credit under this subsection (k) shall apply
11 continuously for all tax years ending on or after December 31,
12 2004 and ending prior to January 1, 2027, including, but not
13 limited to, the period beginning on January 1, 2016 and ending
14 on July 6, 2017 (the effective date of Public Act 100-22). All
15 actions taken in reliance on the continuation of the credit
16 under this subsection (k) by any taxpayer are hereby
17 validated.

18 (l) Environmental Remediation Tax Credit.

19 (i) For tax years ending after December 31, 1997 and
20 on or before December 31, 2001, a taxpayer shall be
21 allowed a credit against the tax imposed by subsections
22 (a) and (b) of this Section for certain amounts paid for
23 unreimbursed eligible remediation costs, as specified in
24 this subsection. For purposes of this Section,
25 "unreimbursed eligible remediation costs" means costs
26 approved by the Illinois Environmental Protection Agency

1 ("Agency") under Section 58.14 of the Environmental
2 Protection Act that were paid in performing environmental
3 remediation at a site for which a No Further Remediation
4 Letter was issued by the Agency and recorded under Section
5 58.10 of the Environmental Protection Act. The credit must
6 be claimed for the taxable year in which Agency approval
7 of the eligible remediation costs is granted. The credit
8 is not available to any taxpayer if the taxpayer or any
9 related party caused or contributed to, in any material
10 respect, a release of regulated substances on, in, or
11 under the site that was identified and addressed by the
12 remedial action pursuant to the Site Remediation Program
13 of the Environmental Protection Act. After the Pollution
14 Control Board rules are adopted pursuant to the Illinois
15 Administrative Procedure Act for the administration and
16 enforcement of Section 58.9 of the Environmental
17 Protection Act, determinations as to credit availability
18 for purposes of this Section shall be made consistent with
19 those rules. For purposes of this Section, "taxpayer"
20 includes a person whose tax attributes the taxpayer has
21 succeeded to under Section 381 of the Internal Revenue
22 Code and "related party" includes the persons disallowed a
23 deduction for losses by paragraphs (b), (c), and (f)(1) of
24 Section 267 of the Internal Revenue Code by virtue of
25 being a related taxpayer, as well as any of its partners.
26 The credit allowed against the tax imposed by subsections

1 (a) and (b) shall be equal to 25% of the unreimbursed
2 eligible remediation costs in excess of \$100,000 per site,
3 except that the \$100,000 threshold shall not apply to any
4 site contained in an enterprise zone as determined by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity). The
7 total credit allowed shall not exceed \$40,000 per year
8 with a maximum total of \$150,000 per site. For partners
9 and shareholders of subchapter S corporations, there shall
10 be allowed a credit under this subsection to be determined
11 in accordance with the determination of income and
12 distributive share of income under Sections 702 and 704
13 and subchapter S of the Internal Revenue Code.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. The
18 term "unused credit" does not include any amounts of
19 unreimbursed eligible remediation costs in excess of the
20 maximum credit per site authorized under paragraph (i).
21 This credit shall be applied first to the earliest year
22 for which there is a liability. If there is a credit under
23 this subsection from more than one tax year that is
24 available to offset a liability, the earliest credit
25 arising under this subsection shall be applied first. A
26 credit allowed under this subsection may be sold to a

1 buyer as part of a sale of all or part of the remediation
2 site for which the credit was granted. The purchaser of a
3 remediation site and the tax credit shall succeed to the
4 unused credit and remaining carry-forward period of the
5 seller. To perfect the transfer, the assignor shall record
6 the transfer in the chain of title for the site and provide
7 written notice to the Director of the Illinois Department
8 of Revenue of the assignor's intent to sell the
9 remediation site and the amount of the tax credit to be
10 transferred as a portion of the sale. In no event may a
11 credit be transferred to any taxpayer if the taxpayer or a
12 related party would not be eligible under the provisions
13 of subsection (i).

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

17 (m) Education expense credit. Beginning with tax years
18 ending after December 31, 1999, a taxpayer who is the
19 custodian of one or more qualifying pupils shall be allowed a
20 credit against the tax imposed by subsections (a) and (b) of
21 this Section for qualified education expenses incurred on
22 behalf of the qualifying pupils. The credit shall be equal to
23 25% of qualified education expenses, but in no event may the
24 total credit under this subsection claimed by a family that is
25 the custodian of qualifying pupils exceed (i) \$500 for tax
26 years ending prior to December 31, 2017, and (ii) \$750 for tax

1 years ending on or after December 31, 2017. In no event shall a
2 credit under this subsection reduce the taxpayer's liability
3 under this Act to less than zero. Notwithstanding any other
4 provision of law, for taxable years beginning on or after
5 January 1, 2017, no taxpayer may claim a credit under this
6 subsection (m) if the taxpayer's adjusted gross income for the
7 taxable year exceeds (i) \$500,000, in the case of spouses
8 filing a joint federal tax return or (ii) \$250,000, in the case
9 of all other taxpayers. This subsection is exempt from the
10 provisions of Section 250 of this Act.

11 For purposes of this subsection:

12 "Qualifying pupils" means individuals who (i) are
13 residents of the State of Illinois, (ii) are under the age of
14 21 at the close of the school year for which a credit is
15 sought, and (iii) during the school year for which a credit is
16 sought were full-time pupils enrolled in a kindergarten
17 through twelfth grade education program at any school, as
18 defined in this subsection.

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

23 "School" means any public or nonpublic elementary or
24 secondary school in Illinois that is in compliance with Title
25 VI of the Civil Rights Act of 1964 and attendance at which
26 satisfies the requirements of Section 26-1 of the School Code,

1 except that nothing shall be construed to require a child to
2 attend any particular public or nonpublic school to qualify
3 for the credit under this Section.

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

7 (n) River Edge Redevelopment Zone site remediation tax
8 credit.

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

1 under the site that was identified and addressed by the
2 remedial action pursuant to the Site Remediation Program
3 of the Environmental Protection Act. Determinations as to
4 credit availability for purposes of this Section shall be
5 made consistent with rules adopted by the Pollution
6 Control Board pursuant to the Illinois Administrative
7 Procedure Act for the administration and enforcement of
8 Section 58.9 of the Environmental Protection Act. For
9 purposes of this Section, "taxpayer" includes a person
10 whose tax attributes the taxpayer has succeeded to under
11 Section 381 of the Internal Revenue Code and "related
12 party" includes the persons disallowed a deduction for
13 losses by paragraphs (b), (c), and (f)(1) of Section 267
14 of the Internal Revenue Code by virtue of being a related
15 taxpayer, as well as any of its partners. The credit
16 allowed against the tax imposed by subsections (a) and (b)
17 shall be equal to 25% of the unreimbursed eligible
18 remediation costs in excess of \$100,000 per site.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. This
23 credit shall be applied first to the earliest year for
24 which there is a liability. If there is a credit under this
25 subsection from more than one tax year that is available
26 to offset a liability, the earliest credit arising under

1 this subsection shall be applied first. A credit allowed
2 under this subsection may be sold to a buyer as part of a
3 sale of all or part of the remediation site for which the
4 credit was granted. The purchaser of a remediation site
5 and the tax credit shall succeed to the unused credit and
6 remaining carry-forward period of the seller. To perfect
7 the transfer, the assignor shall record the transfer in
8 the chain of title for the site and provide written notice
9 to the Director of the Illinois Department of Revenue of
10 the assignor's intent to sell the remediation site and the
11 amount of the tax credit to be transferred as a portion of
12 the sale. In no event may a credit be transferred to any
13 taxpayer if the taxpayer or a related party would not be
14 eligible under the provisions of subsection (i).

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

18 (o) For each of taxable years during the Compassionate Use
19 of Medical Cannabis Program, a surcharge is imposed on all
20 taxpayers on income arising from the sale or exchange of
21 capital assets, depreciable business property, real property
22 used in the trade or business, and Section 197 intangibles of
23 an organization registrant under the Compassionate Use of
24 Medical Cannabis Program Act. The amount of the surcharge is
25 equal to the amount of federal income tax liability for the
26 taxable year attributable to those sales and exchanges. The

1 surcharge imposed does not apply if:

2 (1) the medical cannabis cultivation center
3 registration, medical cannabis dispensary registration, or
4 the property of a registration is transferred as a result
5 of any of the following:

6 (A) bankruptcy, a receivership, or a debt
7 adjustment initiated by or against the initial
8 registration or the substantial owners of the initial
9 registration;

10 (B) cancellation, revocation, or termination of
11 any registration by the Illinois Department of Public
12 Health;

13 (C) a determination by the Illinois Department of
14 Public Health that transfer of the registration is in
15 the best interests of Illinois qualifying patients as
16 defined by the Compassionate Use of Medical Cannabis
17 Program Act;

18 (D) the death of an owner of the equity interest in
19 a registrant;

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

23 (F) a transfer by a parent company to a wholly
24 owned subsidiary; or

25 (G) the transfer or sale to or by one person to
26 another person where both persons were initial owners

1 of the registration when the registration was issued;

2 or

3 (2) the cannabis cultivation center registration,
4 medical cannabis dispensary registration, or the
5 controlling interest in a registrant's property is
6 transferred in a transaction to lineal descendants in
7 which no gain or loss is recognized or as a result of a
8 transaction in accordance with Section 351 of the Internal
9 Revenue Code in which no gain or loss is recognized.

10 (p) Pass-through entity tax.

11 (1) For taxable years ending on or after December 31,
12 2021 and beginning prior to January 1, 2026, a partnership
13 (other than a publicly traded partnership under Section
14 7704 of the Internal Revenue Code) or Subchapter S
15 corporation may elect to apply the provisions of this
16 subsection. A separate election shall be made for each
17 taxable year. Such election shall be made at such time,
18 and in such form and manner as prescribed by the
19 Department, and, once made, is irrevocable.

20 (2) Entity-level tax. A partnership or Subchapter S
21 corporation electing to apply the provisions of this
22 subsection shall be subject to a tax for the privilege of
23 earning or receiving income in this State in an amount
24 equal to 4.95% of the taxpayer's net income for the
25 taxable year.

26 (3) Net income defined.

1 (A) In general. For purposes of paragraph (2), the
2 term net income has the same meaning as defined in
3 Section 202 of this Act, except that, for tax years
4 ending on or after December 31, 2023, a deduction
5 shall be allowed in computing base income for
6 distributions to a retired partner to the extent that
7 the partner's distributions are exempt from tax under
8 Section 203(a)(2)(F) of this Act. In addition, the
9 following modifications shall not apply:

10 (i) the standard exemption allowed under
11 Section 204;

12 (ii) the deduction for net losses allowed
13 under Section 207;

14 (iii) in the case of an S corporation, the
15 modification under Section 203(b)(2)(S); and

16 (iv) in the case of a partnership, the
17 modifications under Section 203(d)(2)(H) and
18 Section 203(d)(2)(I).

19 (B) Special rule for tiered partnerships. If a
20 taxpayer making the election under paragraph (1) is a
21 partner of another taxpayer making the election under
22 paragraph (1), net income shall be computed as
23 provided in subparagraph (A), except that the taxpayer
24 shall subtract its distributive share of the net
25 income of the electing partnership (including its
26 distributive share of the net income of the electing

1 partnership derived as a distributive share from
2 electing partnerships in which it is a partner).

3 (4) Credit for entity level tax. Each partner or
4 shareholder of a taxpayer making the election under this
5 Section shall be allowed a credit against the tax imposed
6 under subsections (a) and (b) of Section 201 of this Act
7 for the taxable year of the partnership or Subchapter S
8 corporation for which an election is in effect ending
9 within or with the taxable year of the partner or
10 shareholder in an amount equal to 4.95% times the partner
11 or shareholder's distributive share of the net income of
12 the electing partnership or Subchapter S corporation, but
13 not to exceed the partner's or shareholder's share of the
14 tax imposed under paragraph (1) which is actually paid by
15 the partnership or Subchapter S corporation. If the
16 taxpayer is a partnership or Subchapter S corporation that
17 is itself a partner of a partnership making the election
18 under paragraph (1), the credit under this paragraph shall
19 be allowed to the taxpayer's partners or shareholders (or
20 if the partner is a partnership or Subchapter S
21 corporation then its partners or shareholders) in
22 accordance with the determination of income and
23 distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. If the
25 amount of the credit allowed under this paragraph exceeds
26 the partner's or shareholder's liability for tax imposed

1 under subsections (a) and (b) of Section 201 of this Act
2 for the taxable year, such excess shall be treated as an
3 overpayment for purposes of Section 909 of this Act.

4 (5) Nonresidents. A nonresident individual who is a
5 partner or shareholder of a partnership or Subchapter S
6 corporation for a taxable year for which an election is in
7 effect under paragraph (1) shall not be required to file
8 an income tax return under this Act for such taxable year
9 if the only source of net income of the individual (or the
10 individual and the individual's spouse in the case of a
11 joint return) is from an entity making the election under
12 paragraph (1) and the credit allowed to the partner or
13 shareholder under paragraph (4) equals or exceeds the
14 individual's liability for the tax imposed under
15 subsections (a) and (b) of Section 201 of this Act for the
16 taxable year.

17 (6) Liability for tax. Except as provided in this
18 paragraph, a partnership or Subchapter S making the
19 election under paragraph (1) is liable for the
20 entity-level tax imposed under paragraph (2). If the
21 electing partnership or corporation fails to pay the full
22 amount of tax deemed assessed under paragraph (2), the
23 partners or shareholders shall be liable to pay the tax
24 assessed (including penalties and interest). Each partner
25 or shareholder shall be liable for the unpaid assessment
26 based on the ratio of the partner's or shareholder's share

1 of the net income of the partnership over the total net
2 income of the partnership. If the partnership or
3 Subchapter S corporation fails to pay the tax assessed
4 (including penalties and interest) and thereafter an
5 amount of such tax is paid by the partners or
6 shareholders, such amount shall not be collected from the
7 partnership or corporation.

8 (7) Foreign tax. For purposes of the credit allowed
9 under Section 601(b)(3) of this Act, tax paid by a
10 partnership or Subchapter S corporation to another state
11 which, as determined by the Department, is substantially
12 similar to the tax imposed under this subsection, shall be
13 considered tax paid by the partner or shareholder to the
14 extent that the partner's or shareholder's share of the
15 income of the partnership or Subchapter S corporation
16 allocated and apportioned to such other state bears to the
17 total income of the partnership or Subchapter S
18 corporation allocated or apportioned to such other state.

19 (8) Suspension of withholding. The provisions of
20 Section 709.5 of this Act shall not apply to a partnership
21 or Subchapter S corporation for the taxable year for which
22 an election under paragraph (1) is in effect.

23 (9) Requirement to pay estimated tax. For each taxable
24 year for which an election under paragraph (1) is in
25 effect, a partnership or Subchapter S corporation is
26 required to pay estimated tax for such taxable year under

1 Sections 803 and 804 of this Act if the amount payable as
2 estimated tax can reasonably be expected to exceed \$500.

3 (10) The provisions of this subsection shall apply
4 only with respect to taxable years for which the
5 limitation on individual deductions applies under Section
6 164(b) (6) of the Internal Revenue Code.

7 (Source: P.A. 102-558, eff. 8-20-21; 102-658, eff. 8-27-21;
8 103-9, eff. 6-7-23; 103-396, eff. 1-1-24; revised 12-12-23.)

9 (35 ILCS 5/517 new)

10 Sec. 517. Disqualified foreign adversaries. Each return
11 filed under this Act shall, on and after January 1, 2025,
12 require the taxpayer to certify as to the taxpayer's status as
13 a disqualified foreign adversary, as defined in the Protect
14 Illinois Manufacturing and Energy from Foreign Adversaries
15 Act.

16 (35 ILCS 5/714 new)

17 Sec. 714. Disqualified foreign adversaries.
18 Notwithstanding any other provision of law, on and after
19 January 1, 2025, a taxpayer that is a disqualified foreign
20 adversary, as defined in the Protect Illinois Manufacturing
21 and Energy from Foreign Adversaries Act, is subject to an
22 excise tax of 80% of the compensation paid to persons employed
23 by the taxpayer in the State of Illinois. The tax under this
24 Section shall be paid by the taxpayer at the same time as

1 withholding taxes are paid under this Article 7; however,
2 those amounts shall not be deducted from the compensation paid
3 to the employee. Each return filed under this Article 7 shall,
4 on and after January 1, 2025, require the taxpayer to certify
5 as to the taxpayer's status as a disqualified foreign
6 adversary, as defined in the Protect Illinois Manufacturing
7 and Energy from Foreign Adversaries Act.

8 Section 905. The Use Tax Act is amended by changing
9 Section 3-10 as follows:

10 (35 ILCS 105/3-10)

11 Sec. 3-10. Rate of tax. Unless otherwise provided in this
12 Section, the tax imposed by this Act is at the rate of 6.25% of
13 either the selling price or the fair market value, if any, of
14 the tangible personal property. In all cases where property
15 functionally used or consumed is the same as the property that
16 was purchased at retail, then the tax is imposed on the selling
17 price of the property. In all cases where property
18 functionally used or consumed is a by-product or waste product
19 that has been refined, manufactured, or produced from property
20 purchased at retail, then the tax is imposed on the lower of
21 the fair market value, if any, of the specific property so used
22 in this State or on the selling price of the property purchased
23 at retail. For purposes of this Section "fair market value"
24 means the price at which property would change hands between a

1 willing buyer and a willing seller, neither being under any
2 compulsion to buy or sell and both having reasonable knowledge
3 of the relevant facts. The fair market value shall be
4 established by Illinois sales by the taxpayer of the same
5 property as that functionally used or consumed, or if there
6 are no such sales by the taxpayer, then comparable sales or
7 purchases of property of like kind and character in Illinois.

8 Beginning on July 1, 2000 and through December 31, 2000,
9 with respect to motor fuel, as defined in Section 1.1 of the
10 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
11 the Use Tax Act, the tax is imposed at the rate of 1.25%.

12 Beginning on August 6, 2010 through August 15, 2010, and
13 beginning again on August 5, 2022 through August 14, 2022,
14 with respect to sales tax holiday items as defined in Section
15 3-6 of this Act, the tax is imposed at the rate of 1.25%.

16 With respect to gasohol, the tax imposed by this Act
17 applies to (i) 70% of the proceeds of sales made on or after
18 January 1, 1990, and before July 1, 2003, (ii) 80% of the
19 proceeds of sales made on or after July 1, 2003 and on or
20 before July 1, 2017, (iii) 100% of the proceeds of sales made
21 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
22 the proceeds of sales made on or after January 1, 2024 and on
23 or before December 31, 2028, and (v) 100% of the proceeds of
24 sales made after December 31, 2028. If, at any time, however,
25 the tax under this Act on sales of gasohol is imposed at the
26 rate of 1.25%, then the tax imposed by this Act applies to 100%

1 of the proceeds of sales of gasohol made during that time.

2 With respect to mid-range ethanol blends, the tax imposed
3 by this Act applies to (i) 80% of the proceeds of sales made on
4 or after January 1, 2024 and on or before December 31, 2028 and
5 (ii) 100% of the proceeds of sales made thereafter. If, at any
6 time, however, the tax under this Act on sales of mid-range
7 ethanol blends is imposed at the rate of 1.25%, then the tax
8 imposed by this Act applies to 100% of the proceeds of sales of
9 mid-range ethanol blends made during that time.

10 With respect to majority blended ethanol fuel, the tax
11 imposed by this Act does not apply to the proceeds of sales
12 made on or after July 1, 2003 and on or before December 31,
13 2028 but applies to 100% of the proceeds of sales made
14 thereafter.

15 With respect to biodiesel blends with no less than 1% and
16 no more than 10% biodiesel, the tax imposed by this Act applies
17 to (i) 80% of the proceeds of sales made on or after July 1,
18 2003 and on or before December 31, 2018 and (ii) 100% of the
19 proceeds of sales made after December 31, 2018 and before
20 January 1, 2024. On and after January 1, 2024 and on or before
21 December 31, 2030, the taxation of biodiesel, renewable
22 diesel, and biodiesel blends shall be as provided in Section
23 3-5.1. If, at any time, however, the tax under this Act on
24 sales of biodiesel blends with no less than 1% and no more than
25 10% biodiesel is imposed at the rate of 1.25%, then the tax
26 imposed by this Act applies to 100% of the proceeds of sales of

1 biodiesel blends with no less than 1% and no more than 10%
2 biodiesel made during that time.

3 With respect to biodiesel and biodiesel blends with more
4 than 10% but no more than 99% biodiesel, the tax imposed by
5 this Act does not apply to the proceeds of sales made on or
6 after July 1, 2003 and on or before December 31, 2023. On and
7 after January 1, 2024 and on or before December 31, 2030, the
8 taxation of biodiesel, renewable diesel, and biodiesel blends
9 shall be as provided in Section 3-5.1.

10 Until July 1, 2022 and beginning again on July 1, 2023,
11 with respect to food for human consumption that is to be
12 consumed off the premises where it is sold (other than
13 alcoholic beverages, food consisting of or infused with adult
14 use cannabis, soft drinks, and food that has been prepared for
15 immediate consumption), the tax is imposed at the rate of 1%.
16 Beginning on July 1, 2022 and until July 1, 2023, with respect
17 to food for human consumption that is to be consumed off the
18 premises where it is sold (other than alcoholic beverages,
19 food consisting of or infused with adult use cannabis, soft
20 drinks, and food that has been prepared for immediate
21 consumption), the tax is imposed at the rate of 0%.

22 With respect to prescription and nonprescription
23 medicines, drugs, medical appliances, products classified as
24 Class III medical devices by the United States Food and Drug
25 Administration that are used for cancer treatment pursuant to
26 a prescription, as well as any accessories and components

1 related to those devices, modifications to a motor vehicle for
2 the purpose of rendering it usable by a person with a
3 disability, and insulin, blood sugar testing materials,
4 syringes, and needles used by human diabetics, the tax is
5 imposed at the rate of 1%. For the purposes of this Section,
6 until September 1, 2009: the term "soft drinks" means any
7 complete, finished, ready-to-use, non-alcoholic drink, whether
8 carbonated or not, including, but not limited to, soda water,
9 cola, fruit juice, vegetable juice, carbonated water, and all
10 other preparations commonly known as soft drinks of whatever
11 kind or description that are contained in any closed or sealed
12 bottle, can, carton, or container, regardless of size; but
13 "soft drinks" does not include coffee, tea, non-carbonated
14 water, infant formula, milk or milk products as defined in the
15 Grade A Pasteurized Milk and Milk Products Act, or drinks
16 containing 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "soft drinks" means non-alcoholic
19 beverages that contain natural or artificial sweeteners. "Soft
20 drinks" does not include beverages that contain milk or milk
21 products, soy, rice or similar milk substitutes, or greater
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine. Beginning
3 August 1, 2009, and notwithstanding any other provisions of
4 this Act, "food for human consumption that is to be consumed
5 off the premises where it is sold" includes all food sold
6 through a vending machine, except soft drinks, candy, and food
7 products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "food for human consumption that
11 is to be consumed off the premises where it is sold" does not
12 include candy. For purposes of this Section, "candy" means a
13 preparation of sugar, honey, or other natural or artificial
14 sweeteners in combination with chocolate, fruits, nuts or
15 other ingredients or flavorings in the form of bars, drops, or
16 pieces. "Candy" does not include any preparation that contains
17 flour or requires refrigeration.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "nonprescription medicines and
20 drugs" does not include grooming and hygiene products. For
21 purposes of this Section, "grooming and hygiene products"
22 includes, but is not limited to, soaps and cleaning solutions,
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
24 lotions and screens, unless those products are available by
25 prescription only, regardless of whether the products meet the
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 CFR 201.66. The "over-the-counter-drug"
4 label includes:

5 (A) a "Drug Facts" panel; or

6 (B) a statement of the "active ingredient(s)" with a
7 list of those ingredients contained in the compound,
8 substance or preparation.

9 Beginning on January 1, 2014 (the effective date of Public
10 Act 98-122), "prescription and nonprescription medicines and
11 drugs" includes medical cannabis purchased from a registered
12 dispensing organization under the Compassionate Use of Medical
13 Cannabis Program Act.

14 As used in this Section, "adult use cannabis" means
15 cannabis subject to tax under the Cannabis Cultivation
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
17 and does not include cannabis subject to tax under the
18 Compassionate Use of Medical Cannabis Program Act.

19 If the property that is purchased at retail from a
20 retailer is acquired outside Illinois and used outside
21 Illinois before being brought to Illinois for use here and is
22 taxable under this Act, the "selling price" on which the tax is
23 computed shall be reduced by an amount that represents a
24 reasonable allowance for depreciation for the period of prior
25 out-of-state use.

26 On and after January 1, 2025, in addition to any other tax

1 imposed by the State, a taxpayer that is a disqualified
2 foreign adversary, as defined in the Protect Illinois
3 Manufacturing and Energy from Foreign Adversaries Act, is
4 subject to an excise tax of 30% of the selling price of any
5 tangible property, intangible property, or services used or
6 acquired by the disqualified foreign adversary in the State of
7 Illinois. Each return filed under this Act shall, on and after
8 January 1, 2025, require the taxpayer to certify as to the
9 taxpayer's status as a disqualified foreign adversary, as
10 defined in the Protect Illinois Manufacturing and Energy from
11 Foreign Adversaries Act.

12 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
13 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
14 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
15 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

16 Section 915. The Illinois Administrative Procedure Act is
17 amended by adding Section 5-45.55 as follows:

18 (5 ILCS 100/5-45.55 new)

19 Sec. 5-45.55. Emergency rulemaking; the Protect Illinois
20 Manufacturing and Energy from Foreign Adversaries Act. To
21 provide for the expeditious and timely implementation of the
22 Protect Illinois Manufacturing and Energy from Foreign
23 Adversaries Act, emergency rules implementing the Protect
24 Illinois Manufacturing and Energy from Foreign Adversaries Act

1 may be adopted in accordance with Section 5-45 by the
2 Department of Commerce and Economic Opportunity, the
3 Department of Revenue, and the Secretary of State. The
4 adoption of emergency rules authorized by Section 5-45 and
5 this Section is deemed to be necessary for the public
6 interest, safety, and welfare.

7 This Section is repealed one year after the effective date
8 of this amendatory Act of the 103rd General Assembly.

9 Section 999. Effective date. This Act takes effect upon
10 becoming law.