



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5412

Introduced 2/9/2024, by Rep. Joe C. Sosnowski

#### SYNOPSIS AS INTRODUCED:

20 ILCS 686/30  
35 ILCS 45/110-30  
35 ILCS 120/5m  
35 ILCS 120/5n

Amends the Reimagining Energy and Vehicles in Illinois Act and the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act. Provides that failure to report certain data may result in ineligibility to receive incentives and may result in revocation of building materials exemption certificates issued to the taxpayer. Amends the Retailers' Occupation Tax Act. In provisions concerning the building materials exemption for REV Illinois projects and microchip and semiconductor manufacturing, provides that the retailer must obtain a certification from the purchaser that contains certain specified information. Effective immediately.

LRB103 34192 HLH 64015 b

1 AN ACT concerning revenue.

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

4 Section 5. The Reimagining Energy and Vehicles in Illinois  
5 Act is amended by changing Section 30 as follows:

6 (20 ILCS 686/30)

7 Sec. 30. Tax credit awards.

8 (a) Subject to the conditions set forth in this Act, a  
9 taxpayer is entitled to a credit against the tax imposed  
10 pursuant to subsections (a) and (b) of Section 201 of the  
11 Illinois Income Tax Act for a taxable year beginning on or  
12 after January 1, 2025 if the taxpayer is awarded a credit by  
13 the Department in accordance with an agreement under this Act.  
14 The Department has authority to award credits under this Act  
15 on and after January 1, 2022.

16 (b) REV Illinois Credits. A taxpayer may receive a tax  
17 credit against the tax imposed under subsections (a) and (b)  
18 of Section 201 of the Illinois Income Tax Act, not to exceed  
19 the sum of (i) 75% of the incremental income tax attributable  
20 to new employees at the applicant's project and (ii) 10% of the  
21 training costs of the new employees. If the project is located  
22 in an underserved area or an energy transition area, then the  
23 amount of the credit may not exceed the sum of (i) 100% of the

1 incremental income tax attributable to new employees at the  
2 applicant's project; and (ii) 10% of the training costs of the  
3 new employees. The percentage of training costs includable in  
4 the calculation may be increased by an additional 15% for  
5 training costs associated with new employees that are recent  
6 (2 years or less) graduates, certificate holders, or  
7 credential recipients from an institution of higher education  
8 in Illinois, or, if the training is provided by an institution  
9 of higher education in Illinois, the Clean Jobs Workforce  
10 Network Program, or an apprenticeship and training program  
11 located in Illinois and approved by and registered with the  
12 United States Department of Labor's Bureau of Apprenticeship  
13 and Training. An applicant is also eligible for a training  
14 credit that shall not exceed 10% of the training costs of  
15 retained employees for the purpose of upskilling to meet the  
16 operational needs of the applicant or the REV Illinois  
17 Project. The percentage of training costs includable in the  
18 calculation shall not exceed a total of 25%. If an applicant  
19 agrees to hire the required number of new employees, then the  
20 maximum amount of the credit for that applicant may be  
21 increased by an amount not to exceed 75% of the incremental  
22 income tax attributable to retained employees at the  
23 applicant's project; provided that, in order to receive the  
24 increase for retained employees, the applicant must, if  
25 applicable, meet or exceed the statewide baseline. For  
26 agreements entered into on or after the effective date of this

1 amendatory Act of the 103rd General Assembly and before June  
2 1, 2024 that qualify under paragraph (5) of subsection (c) of  
3 Section 20, a taxpayer may receive a tax credit not to exceed  
4 75% of the incremental income tax attributable to retained  
5 employees at the applicant's project. If the project is in an  
6 underserved area or an energy transition area and qualifies  
7 under paragraph (5) of subsection (c) of Section 20, then the  
8 maximum amount of the credit attributable to retained  
9 employees for the applicant may be increased to an amount not  
10 to exceed 100% of the incremental income tax attributable to  
11 retained employees at the applicant's project.

12 If the Project is in an underserved area or an energy  
13 transition area, the maximum amount of the credit attributable  
14 to retained employees for the applicant may be increased to an  
15 amount not to exceed 100% of the incremental income tax  
16 attributable to retained employees at the applicant's project;  
17 provided that, in order to receive the increase for retained  
18 employees, the applicant must meet or exceed the statewide  
19 baseline. REV Illinois Credits awarded may include credit  
20 earned for incremental income tax withheld and training costs  
21 incurred by the taxpayer beginning on or after January 1,  
22 2022. Credits so earned and certified by the Department may be  
23 applied against the tax imposed by subsections (a) and (b) of  
24 Section 201 of the Illinois Income Tax Act for taxable years  
25 beginning on or after January 1, 2025.

26 (c) REV Construction Jobs Credit. For construction wages

1 associated with a project that qualified for a REV Illinois  
2 Credit under subsection (b), the taxpayer may receive a tax  
3 credit against the tax imposed under subsections (a) and (b)  
4 of Section 201 of the Illinois Income Tax Act in an amount  
5 equal to 50% of the incremental income tax attributable to  
6 construction wages paid in connection with construction of the  
7 project facilities, as a jobs credit for workers hired to  
8 construct the project.

9 The REV Construction Jobs Credit may not exceed 75% of the  
10 amount of the incremental income tax attributable to  
11 construction wages paid in connection with construction of the  
12 project facilities if the project is in an underserved area or  
13 an energy transition area.

14 (d) The Department shall certify to the Department of  
15 Revenue: (1) the identity of Taxpayers that are eligible for  
16 the REV Illinois Credit and REV Construction Jobs Credit; (2)  
17 the amount of the REV Illinois Credits and REV Construction  
18 Jobs Credits awarded in each calendar year; and (3) the amount  
19 of the REV Illinois Credit and REV Construction Jobs Credit  
20 claimed in each calendar year. REV Illinois Credits awarded  
21 may include credit earned for Incremental Income Tax withheld  
22 and Training Costs incurred by the Taxpayer beginning on or  
23 after January 1, 2022. Credits so earned and certified by the  
24 Department may be applied against the tax imposed by Section  
25 201(a) and (b) of the Illinois Income Tax Act for taxable years  
26 beginning on or after January 1, 2025.

1 (e) Applicants seeking certification for tax credits  
2 related to the construction of the project facilities in the  
3 State shall require the contractor to enter into a project  
4 labor agreement that conforms with the Project Labor  
5 Agreements Act.

6 (f) Any applicant issued a certificate for a tax credit or  
7 tax exemption under this Act must annually report to the  
8 Department the total project tax benefits received. Reports  
9 are due no later than May 31 of each year and shall cover the  
10 previous calendar year. The first report is for the 2022  
11 calendar year and is due no later than May 31, 2023. Failure to  
12 report data may result in ineligibility to receive incentives.  
13 The Department, in consultation with the Department of  
14 Revenue, is authorized to adopt rules governing ineligibility  
15 to receive exemptions, including the length of ineligibility.  
16 Factors to be considered in determining whether a business is  
17 ineligible shall include, but are not limited to, prior  
18 compliance with the reporting requirements, cooperation in  
19 discontinuing and correcting violations, the extent of the  
20 violation, and whether the violation was willful or  
21 inadvertent.

22 For applicants issued a certificate of exemption under  
23 Section 105 of this Act, the report shall be the same as  
24 required for a High Impact Business under subsection (a-5) of  
25 Section 8.1 of the Illinois Enterprise Zone Act. Failure to  
26 report data may result in revocation of the building materials

1 exemption certificate issued to a taxpayer. The Department of  
2 Revenue is authorized to adopt rules governing revocation  
3 determinations, including the length of revocation. Factors to  
4 be considered in revocations shall include, but are not  
5 limited to, prior compliance with the reporting requirements,  
6 cooperation in discontinuing and correcting violations, and  
7 whether the certificate was used unlawfully during the  
8 preceding year.

9 Each person required to file a return under the Gas  
10 Revenue Tax Act, the Electricity Excise Tax Law, or the  
11 Telecommunications Excise Tax Act shall file a report  
12 containing information about customers that are issued an  
13 exemption certificate under Section 95 of this Act in the same  
14 manner and form as they are required to report under  
15 subsection (b) of Section 8.1 of the Illinois Enterprise Zone  
16 Act.

17 (g) Nothing in this Act shall prohibit an award of credit  
18 to an applicant that uses a PEO if all other award criteria are  
19 satisfied.

20 (h) With respect to any portion of a REV Illinois Credit  
21 that is based on the incremental income tax attributable to  
22 new employees or retained employees, in lieu of the Credit  
23 allowed under this Act against the taxes imposed pursuant to  
24 subsections (a) and (b) of Section 201 of the Illinois Income  
25 Tax Act, a taxpayer that otherwise meets the criteria set  
26 forth in this Section, the taxpayer may elect to claim the

1 credit, on or after January 1, 2025, against its obligation to  
2 pay over withholding under Section 704A of the Illinois Income  
3 Tax Act. The election shall be made in the manner prescribed by  
4 the Department of Revenue and once made shall be irrevocable.

5 (i) The Department of Revenue, in its discretion, may  
6 require that the reports filed under this Section be submitted  
7 electronically.

8 (j) The Department of Revenue shall have the authority to  
9 adopt rules as are reasonable and necessary to implement the  
10 provisions of this Section.

11 (Source: P.A. 102-669, eff. 11-16-21; 102-1112, eff. 12-21-22;  
12 102-1125, eff. 2-3-23; 103-9, eff. 6-7-23.)

13 Section 10. The Manufacturing Illinois Chips for Real  
14 Opportunity (MICRO) Act is amended by changing Section 110-30  
15 as follows:

16 (35 ILCS 45/110-30)

17 Sec. 110-30. Tax credit awards.

18 (a) Subject to the conditions set forth in this Act, a  
19 taxpayer is entitled to a credit against the tax imposed  
20 pursuant to subsections (a) and (b) of Section 201 of the  
21 Illinois Income Tax Act for a taxable year beginning on or  
22 after January 1, 2025 if the taxpayer is awarded a credit by  
23 the Department in accordance with an agreement under this Act.  
24 The Department has authority to award credits under this Act



1 on and after January 1, 2023.

2 (b) A taxpayer may receive a tax credit against the tax  
3 imposed under subsections (a) and (b) of Section 201 of the  
4 Illinois Income Tax Act, not to exceed the sum of (i) 75% of  
5 the incremental income tax attributable to new employees at  
6 the applicant's project and (ii) 10% of the training costs of  
7 the new employees. If the project is located in an underserved  
8 area or an energy transition area, then the amount of the  
9 credit may not exceed the sum of (i) 100% of the incremental  
10 income tax attributable to new employees at the applicant's  
11 project; and (ii) 10% of the training costs of the new  
12 employees. The percentage of training costs includable in the  
13 calculation may be increased by an additional 15% for training  
14 costs associated with new employees that are recent (2 years  
15 or less) graduates, certificate holders, or credential  
16 recipients from an institution of higher education in  
17 Illinois, or, if the training is provided by an institution of  
18 higher education in Illinois, the Clean Jobs Workforce Network  
19 Program, or an apprenticeship and training program located in  
20 Illinois and approved by and registered with the United States  
21 Department of Labor's Bureau of Apprenticeship and Training.  
22 An applicant is also eligible for a training credit that shall  
23 not exceed 10% of the training costs of retained employees for  
24 the purpose of upskilling to meet the operational needs of the  
25 applicant or the project. The percentage of training costs  
26 includable in the calculation shall not exceed a total of 25%.

1 If an applicant agrees to hire the required number of new  
2 employees, then the maximum amount of the credit for that  
3 applicant may be increased by an amount not to exceed 75% of  
4 the incremental income tax attributable to retained employees  
5 at the applicant's project; provided that, in order to receive  
6 the increase for retained employees, the applicant must, if  
7 applicable, meet or exceed the statewide baseline. If the  
8 Project is in an underserved area or an energy transition  
9 area, the maximum amount of the credit attributable to  
10 retained employees for the applicant may be increased to an  
11 amount not to exceed 100% of the incremental income tax  
12 attributable to retained employees at the applicant's project;  
13 provided that, in order to receive the increase for retained  
14 employees, the applicant must meet or exceed the statewide  
15 baseline. Credits awarded may include credit earned for  
16 incremental income tax withheld and training costs incurred by  
17 the taxpayer beginning on or after January 1, 2023. Credits so  
18 earned and certified by the Department may be applied against  
19 the tax imposed by subsections (a) and (b) of Section 201 of  
20 the Illinois Income Tax Act for taxable years beginning on or  
21 after January 1, 2025.

22 (c) MICRO Construction Jobs Credit. For construction wages  
23 associated with a project that qualified for a credit under  
24 subsection (b), the taxpayer may receive a tax credit against  
25 the tax imposed under subsections (a) and (b) of Section 201 of  
26 the Illinois Income Tax Act in an amount equal to 50% of the

1 incremental income tax attributable to construction wages paid  
2 in connection with construction of the project facilities, as  
3 a jobs credit for workers hired to construct the project.

4 The MICRO Construction Jobs Credit may not exceed 75% of  
5 the amount of the incremental income tax attributable to  
6 construction wages paid in connection with construction of the  
7 project facilities if the project is in an underserved area or  
8 an energy transition area.

9 (d) The Department shall certify to the Department of  
10 Revenue: (1) the identity of taxpayers that are eligible for  
11 the MICRO Credit and MICRO Construction Jobs Credit; (2) the  
12 amount of the MICRO Credits and MICRO Construction Jobs  
13 Credits awarded in each calendar year; and (3) the amount of  
14 the MICRO Credit and MICRO Construction Jobs Credit claimed in  
15 each calendar year. MICRO Credits awarded may include credit  
16 earned for incremental income tax withheld and training costs  
17 incurred by the taxpayer beginning on or after January 1,  
18 2023. Credits so earned and certified by the Department may be  
19 applied against the tax imposed by Section 201(a) and (b) of  
20 the Illinois Income Tax Act for taxable years beginning on or  
21 after January 1, 2025.

22 (e) Applicants seeking certification for ~~a~~ tax credits  
23 related to the construction of the project facilities in the  
24 State shall require the contractor to enter into a project  
25 labor agreement that conforms with the Project Labor  
26 Agreements Act.

1 (f) Any applicant issued a certificate for a tax credit or  
2 tax exemption under this Act must annually report to the  
3 Department the total project tax benefits received. Reports  
4 are due no later than May 31 of each year and shall cover the  
5 previous calendar year. The first report is for the 2023  
6 calendar year and is due no later than May 31, 2023. Failure to  
7 report data may result in ineligibility to receive incentives.  
8 The Department, in consultation with the Department of  
9 Revenue, is authorized to adopt rules governing ineligibility  
10 to receive exemptions, including the length of ineligibility.  
11 Factors to be considered in determining whether a business is  
12 ineligible shall include, but are not limited to, prior  
13 compliance with the reporting requirements, cooperation in  
14 discontinuing and correcting violations, the extent of the  
15 violation, and whether the violation was willful or  
16 inadvertent.

17 For applicants issued a certificate of exemption under  
18 Section 110-105 of this Act, the report shall be the same as  
19 required for a High Impact Business under subsection (a-5) of  
20 Section 8.1 of the Illinois Enterprise Zone Act. Failure to  
21 report data may result in revocation of the building materials  
22 exemption certificate issued to a taxpayer. The Department of  
23 Revenue is authorized to adopt rules governing revocation  
24 determinations, including the length of revocation. Factors to  
25 be considered in revocations shall include, but are not  
26 limited to, prior compliance with the reporting requirements,

1 cooperation in discontinuing and correcting violations, and  
2 whether the certificate was used unlawfully during the  
3 preceding year.

4 Each person required to file a return under the Gas  
5 Revenue Tax Act, the Electricity Excise Tax Act, or the  
6 Telecommunications Excise Tax Act shall file a report on  
7 customers issued an exemption certificate under Section 110-95  
8 of this Act in the same manner and form as they are required to  
9 report under subsection (b) of Section 8.1 of the Illinois  
10 Enterprise Zone Act.

11 (g) Nothing in this Act shall prohibit an award of credit  
12 to an applicant that uses a PEO if all other award criteria are  
13 satisfied.

14 (h) With respect to any portion of a credit that is based  
15 on the incremental income tax attributable to new employees or  
16 retained employees, in lieu of the credit allowed under this  
17 Act against the taxes imposed pursuant to subsections (a) and  
18 (b) of Section 201 of the Illinois Income Tax Act, a taxpayer  
19 that otherwise meets the criteria set forth in this Section,  
20 the taxpayer may elect to claim the credit, on or after January  
21 1, 2025, against its obligation to pay over withholding under  
22 Section 704A of the Illinois Income Tax Act. The election  
23 shall be made in the manner prescribed by the Department of  
24 Revenue and once made shall be irrevocable.

25 (i) The Department of Revenue, in its discretion, may  
26 require that the reports filed under this Section be submitted

1 electronically.

2 (j) The Department of Revenue shall have the authority to  
3 adopt rules as are reasonable and necessary to implement the  
4 provisions of this Section.

5 (Source: P.A. 102-700, eff. 4-19-22; 102-1125, eff. 2-3-23;  
6 revised 4-5-23.)

7 Section 15. The Retailers' Occupation Tax Act is amended  
8 by changing Sections 5m and 5n as follows:

9 (35 ILCS 120/5m)

10 Sec. 5m. Building materials exemption; REV Illinois  
11 projects. Each retailer who makes a sale of building materials  
12 that will be incorporated into a REV Illinois Project for  
13 which a certificate of exemption has been issued by the  
14 Department of Commerce and Economic Opportunity under Section  
15 105 of the Reimagining Energy and Vehicles in Illinois Act may  
16 deduct receipts from those sales when calculating any State or  
17 local use and occupation taxes. No retailer who is eligible  
18 for the deduction or credit under Section 5k of this Act  
19 related to enterprise zones or Section 5l of this Act related  
20 to High Impact Businesses for a given sale shall be eligible  
21 for the deduction or credit authorized under this Section for  
22 that same sale.

23 ~~To In addition to any other requirements to~~ document the  
24 exemption allowed under this Section, the retailer must obtain

1 from the purchaser the purchaser's REV Illinois Building  
2 Materials Exemption certificate number issued by the  
3 Department and a certification that contains:-

4 (1) a statement that the building materials are being  
5 purchased for incorporation into a REV Illinois Project;

6 (2) the location or address of the real estate into  
7 which the building materials will be incorporated;

8 (3) the name and address of the construction  
9 contractor or other entity;

10 (4) a description of the building materials being  
11 purchased;

12 (5) the purchaser's REV Illinois Building Materials  
13 Exemption Certificate number issued by the Department of  
14 Revenue; and

15 (6) the purchaser's signature and date of purchase.

16 A construction contractor or other entity shall not make  
17 tax-free purchases under this Section unless it has an active  
18 REV Illinois Building Materials Exemption Certificate issued  
19 by the Department at the time of purchase.

20 Upon request from the certified manufacturer, the  
21 Department shall issue a REV Illinois Building Materials  
22 Exemption Certificate for each construction contractor or  
23 other entity identified by the certified manufacturer. The  
24 Department shall make the REV Illinois Building Materials  
25 Exemption Certificates available to each construction  
26 contractor or other entity identified by the certified

1 manufacturer and to the certified manufacturer. The request  
2 for REV Illinois Building Materials Exemption Certificates  
3 under this Section must include the following information:

4 (1) the name and address of the construction  
5 contractor or other entity;

6 (2) the name and location or address of the building  
7 project site;

8 (3) the estimated amount of the exemption for each  
9 construction contractor or other entity for which a  
10 request for a REV Illinois Building Materials Exemption  
11 Certificate is made, based on a stated estimated average  
12 tax rate and the percentage of the contract that consists  
13 of materials;

14 (4) the period of time over which supplies for the  
15 project are expected to be purchased; and

16 (5) other reasonable information as the Department may  
17 require, including but not limited to FEIN numbers, to  
18 determine if the contractor or other entity, or any  
19 partner, or a corporate officer, and in the case of a  
20 limited liability company, any manager or member, of the  
21 construction contractor or other entity, is or has been  
22 the owner, a partner, a corporate officer, and in the case  
23 of a limited liability company, a manager or member, of a  
24 person that is in default for moneys due to the Department  
25 under this Act or any other tax or fee Act administered by  
26 the Department.



1           The Department shall issue the REV Illinois Building  
2 Materials Exemption Certificates within 3 business days after  
3 receipt of the request from the certified manufacturer. This  
4 requirement does not apply in circumstances where the  
5 Department, for reasonable cause, is unable to issue the  
6 Exemption Certificate within 3 business days. The Department  
7 may refuse to issue a REV Illinois Building Materials  
8 Exemption Certificate if the owner, any partner, or a  
9 corporate officer, and in the case of a limited liability  
10 company, any manager or member, of the construction contractor  
11 or other entity is or has been the owner, a partner, a  
12 corporate officer, and in the case of a limited liability  
13 company, a manager or member, of a person that is in default  
14 for moneys due to the Department under this Act or any other  
15 tax or fee Act administered by the Department.

16           The REV Illinois Building Materials Exemption Certificate  
17 shall contain language stating that if the construction  
18 contractor or other entity who is issued the Exemption  
19 Certificate makes a tax-exempt purchase, as described in this  
20 Section, that is not eligible for exemption under this Section  
21 or allows another person to make a tax-exempt purchase, as  
22 described in this Section, that is not eligible for exemption  
23 under this Section, then, in addition to any tax or other  
24 penalty imposed, the construction contractor or other entity  
25 is subject to a penalty equal to the tax that would have been  
26 paid by the retailer under this Act as well as any applicable

1 local retailers' occupation tax on the purchase that is not  
2 eligible for the exemption.

3 The Department, in its discretion, may require that the  
4 request for REV Illinois Building Materials Exemption  
5 Certificates be submitted electronically. The Department may,  
6 in its discretion, issue the Exemption Certificates  
7 electronically. The REV Illinois Building Materials Exemption  
8 Certificate number shall be designed in such a way that the  
9 Department can identify from the unique number on the  
10 Exemption Certificate issued to a given construction  
11 contractor or other entity, the name of the REV Illinois  
12 project site and the construction contractor or other entity  
13 to whom the Exemption Certificate is issued. The REV Illinois  
14 Building Materials Exemption Certificate shall contain an  
15 expiration date, which shall be no more than 5 years after the  
16 date of issuance. At the request of the certified  
17 manufacturer, the Department may renew a REV Illinois Building  
18 Materials Exemption Certificate. After the Department issues  
19 Exemption Certificates for a given REV Illinois project site,  
20 the certified manufacturer may notify the Department of  
21 additional construction contractors or other entities that are  
22 eligible for a REV Illinois Building Materials Exemption  
23 Certificate. Upon receiving such a notification and subject to  
24 the other provisions of this Section, the Department shall  
25 issue a REV Illinois Building Materials Exemption Certificate  
26 to each additional construction contractor or other entity so

1 identified. A certified manufacturer may ask the Department to  
2 rescind a REV Illinois Building Materials Exemption  
3 Certificate previously issued by the Department to a  
4 construction contractor or other entity working at that  
5 certified manufacturer's REV Illinois project site if that REV  
6 Illinois Building Materials Exemption Certificate has not yet  
7 expired. Upon receiving such a request and subject to the  
8 other provisions of this Section, the Department shall issue  
9 the rescission of the REV Illinois Building Materials  
10 Exemption Certificate to the construction contractor or other  
11 entity identified by the certified manufacturer and provide a  
12 copy of the rescission to the construction contractor or other  
13 entity and to the certified manufacturer.

14 If the Department of Revenue determines that a  
15 construction contractor or other entity that was issued an  
16 Exemption Certificate under this Section made a tax-exempt  
17 purchase, as described in this Section, that was not eligible  
18 for exemption under this Section or allowed another person to  
19 make a tax-exempt purchase, as described in this Section, that  
20 was not eligible for exemption under this Section, then, in  
21 addition to any tax or other penalty imposed, the construction  
22 contractor or other entity is subject to a penalty equal to the  
23 tax that would have been paid by the retailer under this Act as  
24 well as any applicable local retailers' occupation tax on the  
25 purchase that was not eligible for the exemption.

26 This Section is exempt from the provisions of Section

1 2-70.

2 As used in this Section, "certified manufacturer" means a  
3 person certified by the Department of Commerce and Economic  
4 Opportunity under Section 105 of the Reimagining Energy and  
5 Vehicles in Illinois Act.

6 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23.)

7 (35 ILCS 120/5n)

8 Sec. 5n. Building materials exemption; microchip and  
9 semiconductor manufacturing. Each retailer who makes a sale of  
10 building materials that will be incorporated into real estate  
11 in a qualified facility for which a certificate of exemption  
12 has been issued by the Department of Commerce and Economic  
13 Opportunity under Section 110-105 of the Manufacturing  
14 Illinois Chips for Real Opportunity (MICRO) Act, may deduct  
15 receipts from such sales when calculating any State or local  
16 use and occupation taxes. No retailer who is eligible for the  
17 deduction or credit under Section 5k of this Act related to  
18 enterprise zones or Section 5l of this Act related to High  
19 Impact Businesses for a given sale shall be eligible for the  
20 deduction or credit authorized under this Section for that  
21 same sale.

22 ~~To In addition to any other requirements to~~ document the  
23 exemption allowed under this Section, the retailer must obtain  
24 from the purchaser the purchaser's exemption certificate  
25 number issued by the Department and a certification that

1 contains: -

2 (1) a statement that the building materials are being  
3 purchased for incorporation into real estate in a  
4 qualified facility;

5 (2) the location or address of the real estate into  
6 which the building materials will be incorporated;

7 (3) the name and address of the construction  
8 contractor or other entity;

9 (4) a description of the building materials being  
10 purchased;

11 (5) the purchaser's MICRO Illinois Building Materials  
12 Exemption Certificate number issued by the Department of  
13 Revenue; and

14 (6) the purchaser's signature and date of purchase.

15 A construction contractor or other entity shall not make  
16 tax-free purchases unless it has an active exemption  
17 certificate issued by the Department at the time of purchase.

18 Upon request from a person that has been certified by the  
19 Department of Commerce and Economic Opportunity under the  
20 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,  
21 the Department shall issue a MICRO Illinois Building Materials  
22 Exemption Certificate for each construction contractor or  
23 other entity identified by the person so certified. The  
24 Department shall make the MICRO Illinois Building Materials  
25 Exemption Certificates available to each construction  
26 contractor or other entity as well as the person certified

1 under the Manufacturing Illinois Chips for Real Opportunity  
2 (MICRO) Act. The request for MICRO Illinois Building Materials  
3 Exemption Certificates must include the following information:

4 (1) the name and address of the construction  
5 contractor or other entity;

6 (2) the name and location or address of the building  
7 project site;

8 (3) the estimated amount of the exemption for each  
9 construction contractor or other entity for which a  
10 request for an exemption certificate is made, based on a  
11 stated estimated average tax rate and the percentage of  
12 the contract that consists of materials;

13 (4) the period of time over which supplies for the  
14 project are expected to be purchased; and

15 (5) other reasonable information as the Department may  
16 require, including but not limited to FEIN numbers, to  
17 determine if the contractor or other entity, or any  
18 partner, or a corporate officer, and in the case of a  
19 limited liability company, any manager or member, of the  
20 construction contractor or other entity, is or has been  
21 the owner, a partner, a corporate officer, and in the case  
22 of a limited liability company, a manager or member, of a  
23 person that is in default for moneys due to the Department  
24 under this Act or any other tax or fee Act administered by  
25 the Department.

26 The Department shall issue the exemption certificate

1 within 3 business days after receipt of request. This  
2 requirement does not apply in circumstances where the  
3 Department, for reasonable cause, is unable to issue the  
4 exemption certificate within 3 business days. The Department  
5 may refuse to issue an exemption certificate under this  
6 Section if the owner, any partner, or a corporate officer, and  
7 in the case of a limited liability company, any manager or  
8 member, of the construction contractor or other entity is or  
9 has been the owner, a partner, a corporate officer, and in the  
10 case of a limited liability company, a manager or member, of a  
11 person that is in default for moneys due to the Department  
12 under this Act or any other tax or fee Act administered by the  
13 Department.

14 The MICRO Illinois Building Materials Exemption  
15 Certificate shall contain language stating that, if the  
16 construction contractor or other entity who is issued the  
17 exemption certificate makes a tax-exempt purchase, as  
18 described in this Section, that is not eligible for exemption  
19 under this Section or allows another person to make a  
20 tax-exempt purchase, as described in this Section, that is not  
21 eligible for exemption under this Section, then, in addition  
22 to any tax or other penalty imposed, the construction  
23 contractor or other entity is subject to a penalty equal to the  
24 tax that would have been paid by the retailer under this Act as  
25 well as any applicable local retailers' occupation tax on the  
26 purchase that is not eligible for the exemption.

1           The Department, in its discretion, may require that the  
2 request for a MICRO Illinois Exemption Certificate be  
3 submitted electronically. The Department may, in its  
4 discretion, issue the exemption certificates electronically.  
5 The MICRO Illinois Building Materials Exemption Certificate  
6 number shall be designed in such a way that the Department can  
7 identify from the unique number on the exemption certificate  
8 issued to a given construction contractor or other entity, the  
9 name of the entity to whom the exemption certificate is  
10 issued. The MICRO Illinois Building Materials Exemption  
11 Certificate shall contain an expiration date, which shall be  
12 no more than 5 years after the date of issuance. At the request  
13 of the entity to whom the exemption certificate is issued, the  
14 Department may renew an exemption certificate issued under  
15 this Section. After the Department issues exemption  
16 certificates under this Section, the certified entity may  
17 notify the Department of additional construction contractors  
18 or other entities eligible for an exemption certificate under  
19 this Section. Upon such a notification and subject to the  
20 other provisions of this Section, the Department shall issue  
21 an exemption certificate to each additional qualified  
22 construction contractor or other entity so identified. A  
23 certified entity may notify the Department to rescind an  
24 exemption certificate previously issued by the Department that  
25 has not yet expired. Upon such a notification and subject to  
26 the other provisions of this Section, the Department shall



1 rescind the exemption certificate.

2       If the Department of Revenue determines that a  
3 construction contractor or other entity that was issued an  
4 exemption certificate under this Section made a tax-exempt  
5 purchase, as described in this Section, that was not eligible  
6 for exemption under this Section or allowed another person to  
7 make a tax-exempt purchase, as described in this Section, that  
8 was not eligible for exemption under this Section, then, in  
9 addition to any tax or other penalty imposed, the construction  
10 contractor or other entity is subject to a penalty equal to the  
11 tax that would have been paid by the retailer under this Act as  
12 well as any applicable local retailers' occupation tax on the  
13 purchase that was not eligible for the exemption.

14       This Section is exempt from the provisions of Section  
15 2-70.

16       (Source: P.A. 102-700, eff. 4-19-22.)

17       Section 99. Effective date. This Act takes effect upon  
18 becoming law.