

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 1. Short title. This Act may be cited as the Health
5 Care Enterprise Zone Act.

6 Section 5. Legislative intent and policy. The General
7 Assembly finds that citizens around the State are increasingly
8 faced with problems in accessing necessary health care. The
9 closure of hospitals, the inability of these areas to attract
10 new physicians, the elimination of existing physicians, and the
11 lack of systems of emergency medical care contribute to the
12 access problems experienced by residents in medically
13 underserved areas. While Illinois is not unique in experiencing
14 these problems, the need to maintain or enhance the economies
15 of these areas of the State requires that new and innovative
16 strategies be identified and implemented to respond to the
17 health care needs of residents of these areas. It is therefore
18 the intent of this General Assembly to create a program to
19 respond to this problem.

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

21 "Advanced practice nurse" has the meaning set forth in
22 Section 15-5 of the Nursing and Advanced Practice Nursing Act.

23 "Dentist" has the meaning set forth in Section 4 of the
24 Illinois Dental Practice Act.

25 "Department" means the Department of Public Health.

26 "General practitioner" means any physician who is not a
27 specialist.

28 "Good standing" means that the individual has a good
29 disciplinary record and has no more than 3 medical malpractice
30 judgments or settlements in the preceding 4 years.

31 "Health care professional" means a physician, advanced

1 practice nurse, physician assistant, dentist, optometrist, or
2 pharmacist.

3 "Optometrist" means a person licensed to practice
4 optometry under the Illinois Optometric Practice Act of 1987.

5 "Pharmacist" has the meaning set forth in Section 3 of the
6 Pharmacy Practice Act of 1987.

7 "Physician" means a person licensed to practice medicine in
8 all its branches under the Medical Practice Act of 1987.

9 "Physician assistant" has the meaning set forth in Section
10 4 of the Physician Assistant Practice Act of 1987.

11 "Practice" means the actual time spent each year by an
12 individual in an office located within a shortage area. Such
13 time may only apply to an individual, not the practice,
14 hospital, or clinic in which they are involved.

15 "Specialist" means a physician who has a certification to
16 practice a medical specialty.

17 Section 15. Certification of health care enterprise zones;
18 certification of needed specialty shortage zones.

19 (a) If an area in the State is a medically underserved area
20 or is a "health manpower shortage area", as defined by the U.S.
21 Department of Health and Human Services, then the Department
22 may certify that area as a health care enterprise zone. Once an
23 area has been declared to be a health care enterprise zone, it
24 shall retain that certification for 10 years, which may be
25 renewed.

26 (b) If an area has not been certified as a health care
27 enterprise zone, but the Department determines that there is a
28 shortage of specialists practicing in a needed specialty in
29 that area, then the Department may certify that area as a
30 specialty shortage zone with respect to the needed specialty.

31 (c) The Department must annually review the provision of
32 health care services in the State to determine whether to
33 certify areas in the State as health care enterprise zones or
34 specialty shortage zones.

1 Section 20. Income tax credit.

2 (a) For the taxable years ending on or after December 31,
3 2006, a health care professional who practices at least 50% of
4 the year in an area of Illinois that has been certified as a
5 health care enterprise zone or as a specialty shortage zone may
6 apply to the Department requesting a certification of an income
7 tax credit. The application must provide affirmative evidence
8 of the applicant's practice in a health care enterprise zone or
9 as a specialty shortage zone and must provide any other
10 information reasonably required by the Department.

11 (b) The amount of the income tax credit under this Section
12 is:

13 (i) \$10,000 per taxable year for a specialist
14 practicing in a specialty shortage zone;

15 (ii) \$7,500 per taxable year for a general practitioner
16 or for a specialist practicing in a health care enterprise
17 zone; and

18 (iii) \$5,000 for an advanced practice nurse, a
19 physician assistant, a dentist, an optometrist, or a
20 pharmacist practicing in a health care enterprise zone.

21 (c) Upon satisfactory review of the application, the
22 Department shall issue an Income Tax Credit Certificate stating
23 the amount of the tax credit to which the applicant is
24 entitled.

25 Section 25. Revocation of benefits. All benefits granted to
26 individuals by this Act are subject to revocation if:

27 (i) the individual practices less than 50% of his or
28 her time in the health care enterprise zone or the
29 specialty shortage zone;

30 (ii) the individual ceases to practice medicine;

31 (iii) the individual is no longer in good standing; or

32 (iv) the area is no longer designated a health care
33 enterprise zone or the specialty shortage zone.

34 Section 40. Rules. The Department, in consultation with the

1 Department of Revenue, must adopt any rules necessary to
2 implement and administer the provisions of this Act.

3 Section 900. The Illinois Income Tax Act is amended by
4 adding Section 216 as follows:

5 (35 ILCS 5/216 new)

6 Sec. 216. Health care enterprise zone credit. For tax years
7 ending on or after December 31, 2006, a taxpayer who has been
8 awarded an income tax credit under the Health Care Enterprise
9 Zone Act is entitled to a credit against the taxes imposed
10 under subsections (a) and (b) of Section 201 of this Act in an
11 amount determined by the Department of Public Health under
12 Section 20 of the Health Care Enterprise Zone Act.

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

18 The Department, in cooperation with the Department of
19 Public Health, must adopt rules to enforce and administer the
20 provisions of this Section.

21 The credit may not be carried forward or back. In no event
22 shall a credit under this Section reduce the taxpayer's
23 liability to less than zero.

24 This Section is exempt from the provisions of Section 250
25 of this Act.

26 Section 905. The Property Tax Code is amended by changing
27 Section 18-165 as follows:

28 (35 ILCS 200/18-165)

29 Sec. 18-165. Abatement of taxes.

30 (a) Any taxing district, upon a majority vote of its
31 governing authority, may, after the determination of the
32 assessed valuation of its property, order the clerk of that

1 county to abate any portion of its taxes on the following types
2 of property:

3 (1) Commercial and industrial.

4 (A) The property of any commercial or industrial
5 firm, including but not limited to the property of (i)
6 any firm that is used for collecting, separating,
7 storing, or processing recyclable materials, locating
8 within the taxing district during the immediately
9 preceding year from another state, territory, or
10 country, or having been newly created within this State
11 during the immediately preceding year, or expanding an
12 existing facility, or (ii) any firm that is used for
13 the generation and transmission of electricity
14 locating within the taxing district during the
15 immediately preceding year or expanding its presence
16 within the taxing district during the immediately
17 preceding year by construction of a new electric
18 generating facility that uses natural gas as its fuel,
19 or any firm that is used for production operations at a
20 new, expanded, or reopened coal mine within the taxing
21 district, that has been certified as a High Impact
22 Business by the Illinois Department of Commerce and
23 Economic Opportunity ~~Community Affairs~~. The property
24 of any firm used for the generation and transmission of
25 electricity shall include all property of the firm used
26 for transmission facilities as defined in Section 5.5
27 of the Illinois Enterprise Zone Act. The abatement
28 shall not exceed a period of 10 years and the aggregate
29 amount of abated taxes for all taxing districts
30 combined shall not exceed \$4,000,000.

31 (A-5) Any property in the taxing district of a new
32 electric generating facility, as defined in Section
33 605-332 of the Department of Commerce and Economic
34 Opportunity ~~Community Affairs~~ Law of the Civil
35 Administrative Code of Illinois. The abatement shall
36 not exceed a period of 10 years. The abatement shall be

1 subject to the following limitations:

2 (i) if the equalized assessed valuation of the
3 new electric generating facility is equal to or
4 greater than \$25,000,000 but less than
5 \$50,000,000, then the abatement may not exceed (i)
6 over the entire term of the abatement, 5% of the
7 taxing district's aggregate taxes from the new
8 electric generating facility and (ii) in any one
9 year of abatement, 20% of the taxing district's
10 taxes from the new electric generating facility;

11 (ii) if the equalized assessed valuation of
12 the new electric generating facility is equal to or
13 greater than \$50,000,000 but less than
14 \$75,000,000, then the abatement may not exceed (i)
15 over the entire term of the abatement, 10% of the
16 taxing district's aggregate taxes from the new
17 electric generating facility and (ii) in any one
18 year of abatement, 35% of the taxing district's
19 taxes from the new electric generating facility;

20 (iii) if the equalized assessed valuation of
21 the new electric generating facility is equal to or
22 greater than \$75,000,000 but less than
23 \$100,000,000, then the abatement may not exceed
24 (i) over the entire term of the abatement, 20% of
25 the taxing district's aggregate taxes from the new
26 electric generating facility and (ii) in any one
27 year of abatement, 50% of the taxing district's
28 taxes from the new electric generating facility;

29 (iv) if the equalized assessed valuation of
30 the new electric generating facility is equal to or
31 greater than \$100,000,000 but less than
32 \$125,000,000, then the abatement may not exceed
33 (i) over the entire term of the abatement, 30% of
34 the taxing district's aggregate taxes from the new
35 electric generating facility and (ii) in any one
36 year of abatement, 60% of the taxing district's

1 taxes from the new electric generating facility;

2 (v) if the equalized assessed valuation of the
3 new electric generating facility is equal to or
4 greater than \$125,000,000 but less than
5 \$150,000,000, then the abatement may not exceed
6 (i) over the entire term of the abatement, 40% of
7 the taxing district's aggregate taxes from the new
8 electric generating facility and (ii) in any one
9 year of abatement, 60% of the taxing district's
10 taxes from the new electric generating facility;

11 (vi) if the equalized assessed valuation of
12 the new electric generating facility is equal to or
13 greater than \$150,000,000, then the abatement may
14 not exceed (i) over the entire term of the
15 abatement, 50% of the taxing district's aggregate
16 taxes from the new electric generating facility
17 and (ii) in any one year of abatement, 60% of the
18 taxing district's taxes from the new electric
19 generating facility.

20 The abatement is not effective unless the owner of
21 the new electric generating facility agrees to repay to
22 the taxing district all amounts previously abated,
23 together with interest computed at the rate and in the
24 manner provided for delinquent taxes, in the event that
25 the owner of the new electric generating facility
26 closes the new electric generating facility before the
27 expiration of the entire term of the abatement.

28 The authorization of taxing districts to abate
29 taxes under this subdivision (a) (1) (A-5) expires on
30 January 1, 2010.

31 (B) The property of any commercial or industrial
32 development of at least 500 acres having been created
33 within the taxing district. The abatement shall not
34 exceed a period of 20 years and the aggregate amount of
35 abated taxes for all taxing districts combined shall
36 not exceed \$12,000,000.

1 (C) The property of any commercial or industrial
2 firm currently located in the taxing district that
3 expands a facility or its number of employees. The
4 abatement shall not exceed a period of 10 years and the
5 aggregate amount of abated taxes for all taxing
6 districts combined shall not exceed \$4,000,000. The
7 abatement period may be renewed at the option of the
8 taxing districts.

9 (2) Horse racing. Any property in the taxing district
10 which is used for the racing of horses and upon which
11 capital improvements consisting of expansion, improvement
12 or replacement of existing facilities have been made since
13 July 1, 1987. The combined abatements for such property
14 from all taxing districts in any county shall not exceed
15 \$5,000,000 annually and shall not exceed a period of 10
16 years.

17 (3) Auto racing. Any property designed exclusively for
18 the racing of motor vehicles. Such abatement shall not
19 exceed a period of 10 years.

20 (4) Academic or research institute. The property of any
21 academic or research institute in the taxing district that
22 (i) is an exempt organization under paragraph (3) of
23 Section 501(c) of the Internal Revenue Code, (ii) operates
24 for the benefit of the public by actually and exclusively
25 performing scientific research and making the results of
26 the research available to the interested public on a
27 non-discriminatory basis, and (iii) employs more than 100
28 employees. An abatement granted under this paragraph shall
29 be for at least 15 years and the aggregate amount of abated
30 taxes for all taxing districts combined shall not exceed
31 \$5,000,000.

32 (5) Housing for older persons. Any property in the
33 taxing district that is devoted exclusively to affordable
34 housing for older households. For purposes of this
35 paragraph, "older households" means those households (i)
36 living in housing provided under any State or federal

1 program that the Department of Human Rights determines is
2 specifically designed and operated to assist elderly
3 persons and is solely occupied by persons 55 years of age
4 or older and (ii) whose annual income does not exceed 80%
5 of the area gross median income, adjusted for family size,
6 as such gross income and median income are determined from
7 time to time by the United States Department of Housing and
8 Urban Development. The abatement shall not exceed a period
9 of 15 years, and the aggregate amount of abated taxes for
10 all taxing districts shall not exceed \$3,000,000.

11 (6) Historical society. For assessment years 1998
12 through 2008, the property of an historical society
13 qualifying as an exempt organization under Section
14 501(c)(3) of the federal Internal Revenue Code.

15 (7) Recreational facilities. Any property in the
16 taxing district (i) that is used for a municipal airport,
17 (ii) that is subject to a leasehold assessment under
18 Section 9-195 of this Code and (iii) which is sublet from a
19 park district that is leasing the property from a
20 municipality, but only if the property is used exclusively
21 for recreational facilities or for parking lots used
22 exclusively for those facilities. The abatement shall not
23 exceed a period of 10 years.

24 (8) Relocated corporate headquarters. If approval
25 occurs within 5 years after the effective date of this
26 amendatory Act of the 92nd General Assembly, any property
27 or a portion of any property in a taxing district that is
28 used by an eligible business for a corporate headquarters
29 as defined in the Corporate Headquarters Relocation Act.
30 Instead of an abatement under this paragraph (8), a taxing
31 district may enter into an agreement with an eligible
32 business to make annual payments to that eligible business
33 in an amount not to exceed the property taxes paid directly
34 or indirectly by that eligible business to the taxing
35 district and any other taxing districts for premises
36 occupied pursuant to a written lease and may make those

1 payments without the need for an annual appropriation. No
2 school district, however, may enter into an agreement with,
3 or abate taxes for, an eligible business unless the
4 municipality in which the corporate headquarters is
5 located agrees to provide funding to the school district in
6 an amount equal to the amount abated or paid by the school
7 district as provided in this paragraph (8). Any abatement
8 ordered or agreement entered into under this paragraph (8)
9 may be effective for the entire term specified by the
10 taxing district, except the term of the abatement or annual
11 payments may not exceed 20 years.

12 (9) Health care facilities. The property of any
13 facility operated by a health care professional, as defined
14 by the Health Care Enterprise Zone Act, as part of his or
15 her practice, including, but not limited to, clinics,
16 medical offices, pharmacies, and treatment facilities, in
17 a health care enterprise zone or specialty shortage zone
18 certified under the Health Care Enterprise Zone Act. The
19 abatement shall continue until a revocation of benefits
20 occurs under Section 25 of the Health Care Enterprise Zone
21 Act. The aggregate amount of abated taxes for all taxing
22 districts in any county may not exceed \$5,000,000 per year.

23 (b) Upon a majority vote of its governing authority, any
24 municipality may, after the determination of the assessed
25 valuation of its property, order the county clerk to abate any
26 portion of its taxes on any property that is located within the
27 corporate limits of the municipality in accordance with Section
28 8-3-18 of the Illinois Municipal Code.

29 (Source: P.A. 92-12, eff. 7-1-01; 92-207, eff. 8-1-01; 92-247,
30 eff. 8-3-01; 92-651, eff. 7-11-02; 93-270, eff. 7-22-03;
31 revised 12-6-03.)