



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB2203

Introduced 1/11/2006, by Sen. Frank C. Watson - Dale A. Righter

#### SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-25

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that, if an applicant for a credit under the Act (i) is an Illinois-based company that is competing with an out-of-state company to supply parts or components to another Illinois manufacturer and (ii) signs an affidavit attesting that, without the credit, the applicant will likely lose the parts or components work to the out-of-state competitor, then the application need not demonstrate that the applicant has multi-state location options and need not identify a cost differential in the projected costs for the applicant's project compared to the costs in the competing state. Effective immediately.

LRB094 15298 BDD 52306 b

FISCAL NOTE ACT  
MAY APPLY

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 Economic Development for a Growing Economy  
5 Tax Credit Act is amended by changing Section 5-25 as follows:

6 (35 ILCS 10/5-25)

7 Sec. 5-25. Review of Application.

8 (a) In addition to those duties granted under the Illinois  
9 Economic Development Board Act, the Illinois Economic  
10 Development Board shall form a Business Investment Committee  
11 for the purpose of making recommendations for applications. At  
12 the request of the Board, the Director of Commerce and Economic  
13 Opportunity ~~Community Affairs~~ or his or her designee, the  
14 Director of the Governor's Office of Management and Budget  
15 ~~Bureau of the Budget~~ or his or her designee, the Director of  
16 Revenue or his or her designee, the Director of Employment  
17 Security or his or her designee, and an elected official of the  
18 affected locality, such as the chair of the county board or the  
19 mayor, may serve as members of the Committee to assist with its  
20 analysis and deliberations.

21 (b) At the Department's request, the Committee shall  
22 convene, make inquiries, and conduct studies in the manner and  
23 by the methods as it deems desirable, review information with  
24 respect to Applicants, and make recommendations for projects to  
25 benefit the State. In making its recommendation that an  
26 Applicant's application for Credit should or should not be  
27 accepted, which shall occur within a reasonable time frame as  
28 determined by the nature of the application, the Committee  
29 shall determine that all the following conditions exist:

30 (1) The Applicant's project intends, as required by  
31 subsection (b) of Section 5-20 to make the required  
32 investment in the State and intends to hire the required

1 number of New Employees in Illinois as a result of that  
2 project.

3 (2) The Applicant's project is economically sound and  
4 will benefit the people of the State of Illinois by  
5 increasing opportunities for employment and strengthen the  
6 economy of Illinois.

7 (3) That, if not for the Credit, the project would not  
8 occur in Illinois, which may be demonstrated by any means  
9 including, but not limited to, evidence the Applicant has  
10 multi-state location options and could reasonably and  
11 efficiently locate outside of the State, or demonstration  
12 that at least one other state is being considered for the  
13 project, or evidence the receipt of the Credit is a major  
14 factor in the Applicant's decision and that without the  
15 Credit, the Applicant likely would not create new jobs in  
16 Illinois, or demonstration that receiving the Credit is  
17 essential to the Applicant's decision to create or retain  
18 new jobs in the State. If the Applicant is an  
19 Illinois-based company that is competing with an  
20 out-of-state company to supply parts or components to  
21 another Illinois manufacturer, then no multi-state  
22 location option under this item (3) or cost differential  
23 under item (4) is required if the Applicant signs an  
24 affidavit attesting that, without the Credit, the  
25 Applicant will likely lose the parts or components work to  
26 the out-of-state competitor.

27 (4) A cost differential is identified, using best  
28 available data, in the projected costs for the Applicant's  
29 project compared to the costs in the competing state,  
30 including the impact of the competing state's incentive  
31 programs. The competing state's incentive programs shall  
32 include state, local, private, and federal funds  
33 available. If the Applicant is an Illinois-based company  
34 that is competing with an out-of-state company to supply  
35 parts or components to another Illinois manufacturer, then  
36 no multi-state location option under item (3) or cost

1       differential under this item (4) is required if the  
2       Applicant signs an affidavit attesting that, without the  
3       Credit, the Applicant will likely lose the parts or  
4       components work to the out-of-state competitor.

5           (5) The political subdivisions affected by the project  
6       have committed local incentives with respect to the  
7       project, considering local ability to assist.

8           (6) Awarding the Credit will result in an overall  
9       positive fiscal impact to the State, as certified by the  
10      Committee using the best available data.

11          (7) The Credit is not prohibited by Section 5-35 of  
12      this Act.

13      (Source: P.A. 91-476, eff. 8-11-99; revised 8-23-03.)

14          Section 99. Effective date. This Act takes effect upon  
15      becoming law.