



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB3770

Introduced 2/25/2009, by Rep. Fred Crespo

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.719 new

Creates the Clean Energy Technology Business Promotion Act. Provides that the incremental income tax attributable to a employees of an individual, partnership, corporation, or other entity that (i) derives at least 75% of its business activity during the taxable year directly from clean energy technology, and (ii) employs between 10 and 99 full-time employees shall be deposited into the Intermodal Facilities Promotion Fund. Provides that moneys in the Fund shall be used by the Department of Commerce and Economic Opportunity to make grants to the eligible employers. Sets limits on the grant amounts. Effective immediately.

LRB096 09496 HLH 19653 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Clean
5 Energy Technology Business Promotion Act.

6 Section 5. Purpose. The General Assembly has determined
7 that it is in the interest of the State of Illinois to promote
8 development that will produce clean energy technology.

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

10 "Agreement" means the agreement between an eligible
11 employer and the Department under the provisions of Section 30
12 of this Act.

13 "Clean energy technology" means the development,
14 manufacture, or application of scientific advances that
15 produce or contribute to the production of clean energy using
16 energy produced by wind, solar energy, landfill gas, geothermal
17 resources, ocean thermal energy conversion, quantifiable
18 energy conservation measures, tidal energy, wave energy,
19 biomass, biofuels, or hydrogen fuels derived from renewable
20 sources. "Clean energy technology" does not include: the
21 installation of clean energy technologies; any fossil fuel
22 based energy production, including, but not limited to, clean

1 coal, clean diesel, natural gas, and hydrogen from natural gas;
2 any nuclear based energy production; waste to energy via
3 combustion or incineration; or other technologies that are
4 detrimental to human health.

5 "Department" means the Department of Commerce and Economic
6 Opportunity.

7 "Director" means the Director of Commerce and Economic
8 Opportunity.

9 "Eligible employer" means an individual, partnership,
10 corporation, or other entity that (i) derives at least 75% of
11 its business activity during the taxable year directly from
12 clean energy technology, and (ii) employs between 10 and 99
13 full-time employees.

14 "Full-time employee" means an individual who is employed
15 for consideration for at least 35 hours each week or who
16 renders any other standard of service generally accepted by
17 industry custom or practice as full-time employment.

18 "Incremental income tax" means the total amount withheld
19 from the compensation of employees under Article 7 of the
20 Illinois Income Tax Act arising from employment by an eligible
21 employer.

22 "Related member" means a person or entity that, with
23 respect to the eligible employer during any portion of the
24 taxable year, is any one of the following:

25 (1) an individual stockholder, if the stockholder and
26 the members of the stockholder's family (as defined in

1 Section 318 of the Internal Revenue Code) own directly,
2 indirectly, beneficially, or constructively, in the
3 aggregate, at least 50% of the value of the eligible
4 employer's outstanding stock;

5 (2) a partnership, estate, or trust and any partner or
6 beneficiary, if the partnership, estate, or trust, and its
7 partners or beneficiaries own directly, indirectly, or
8 beneficially, or constructively, in the aggregate, at
9 least 50% of the profits, capital, stock, or value of the
10 eligible employer;

11 (3) a corporation, and any party related to the
12 corporation in a manner that would require an attribution
13 of stock from the corporation to the party or from the
14 party to the corporation under the attribution rules of
15 Section 318 of the Internal Revenue Code, if the taxpayer
16 owns directly, indirectly, beneficially, or constructively
17 at least 50% of the value of the corporation's outstanding
18 stock;

19 (4) a corporation and any party related to that
20 corporation in a manner that would require an attribution
21 of stock from the corporation to the party or from the
22 party to the corporation under the attribution rules of
23 Section 318 of the Internal Revenue Code, if the
24 corporation and all such related parties own in the
25 aggregate at least 50% of the profits, capital, stock, or
26 value of the eligible employer; or

1 (5) a person to or from whom there is attribution of
2 stock ownership in accordance with Section 1563(e) of the
3 Internal Revenue Code, except, for purposes of determining
4 whether a person is a related member under this definition,
5 20% shall be substituted for 5% wherever 5% appears in
6 Section 1563(e) of the Internal Revenue Code.

7 Section 15. Clean Energy Technology Promotion Fund. The
8 Clean Energy Technology Promotion Fund is created as a special
9 fund in the State treasury. As soon as possible after the first
10 day of each month, upon certification of the Department of
11 Revenue, the Comptroller shall order transferred and the
12 Treasurer shall transfer from the General Revenue Fund to the
13 Clean Energy Technology Promotion Fund an amount equal to the
14 incremental income tax for the previous month attributable to a
15 project that is the subject of an agreement.

16 Section 20. Grants from the Clean Energy Technology
17 Promotion Fund. All moneys in the Clean Energy Technology
18 Promotion Fund, held solely for the benefit of eligible
19 employers, shall be appropriated to the Department to make
20 grants to eligible employers pursuant to agreements.

21 Section 25. Limitation on grant amounts. The total amount
22 of a grant to an eligible employer shall not exceed the
23 incremental income tax for that employer with respect to an

1 eligible project.

2 Section 30. Agreements with applicants. The Department
3 shall enter into agreements with an eligible employers who are
4 entitled to grants under this Act. The agreement must include a
5 detailed description of the project that is the subject of the
6 agreement, including the location of the project, the number of
7 jobs created by the project, and project costs. For purposes of
8 this subsection, "project costs" includes the cost of the
9 project incurred or to be incurred by the eligible developer,
10 including infrastructure costs, but excludes the value of State
11 or local incentives, including tax increment financing and
12 deductions, credits, or exemptions afforded to an employer
13 located in an enterprise zone.

14 Section 90. The State Finance Act is amended by adding
15 Section 5.719 as follows:

16 (30 ILCS 105/5.719 new)

17 Sec. 5.719. The Clean Energy Technology Promotion Fund.

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