



Sen. Jeffrey M. Schoenberg

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09600HB4599sam003

LRB096 13427 HLH 44810 a

1 AMENDMENT TO HOUSE BILL 4599

2 AMENDMENT NO. _____. Amend House Bill 4599, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Small Business Job Creation Tax Credit Act
6 is amended by changing Sections 10, 25, and 35 as follows:

7 (35 ILCS 25/10)

8 Sec. 10. Definitions. In this Act:

9 "Applicant" means a person that is operating a business
10 located within the State of Illinois that is engaged in
11 interstate or intrastate commerce and either:

12 (1) has no more than 50 full-time employees, without
13 regard to the location of employment of such employees at
14 the beginning of the incentive period; or -

15 (2) hired within the incentive period an employee who
16 had participated as worker-trainee in the Put Illinois to

1 Work Program during 2010.

2 In the case of any person that is a member of a unitary
3 business group within the meaning of subdivision (a)(27) of
4 Section 1501 of the Illinois Income Tax Act, "applicant" refers
5 to the unitary business group.

6 "Certificate" means the tax credit certificate issued by
7 the Department under Section 35 of this Act.

8 "Certificate of eligibility" means the certificate issued
9 by the Department under Section 20 of this Act.

10 "Credit" means the amount awarded by the Department to an
11 applicant by issuance of a certificate under Section 35 of this
12 Act for each new full-time equivalent employee hired or job
13 created.

14 "Department" means the Department of Commerce and Economic
15 Opportunity.

16 "Director" means the Director of the Department.

17 "Full-time employee" means an individual who is employed
18 for a basic wage for at least 35 hours each week or who renders
19 any other standard of service generally accepted by industry
20 custom or practice as full-time employment.

21 "Incentive period" means the period beginning July 1, 2010
22 and ending on June 30, 2011.

23 "Basic wage" means compensation for employment that is no
24 less than \$10 ~~\$13.75~~ per hour or the equivalent salary for a
25 new employee.

26 "New employee" means a full-time employee.

1 (1) who first became employed by an applicant with less
2 than 50 full-time employees within the incentive period
3 whose hire results in a net increase in the applicant's
4 full-time Illinois employees and who is receiving a basic
5 wage as compensation; or -

6 (2) who participated as a worker-trainee in the Put
7 Illinois to Work Program during 2010 and who is
8 subsequently hired during the incentive period by an
9 applicant and who is receiving a basic wage as
10 compensation.

11 The term "new employee" does not include:

12 (1) a person who was previously employed in Illinois by
13 the applicant or a related member prior to the onset of the
14 incentive period; or

15 (2) any individual who has a direct or indirect
16 ownership interest of at least 5% in the profits, capital,
17 or value of the applicant or a related member.

18 "Noncompliance date" means, in the case of an applicant
19 that is not complying with the requirements of the provisions
20 of this Act, the day following the last date upon which the
21 taxpayer was in compliance with the requirements of the
22 provisions of this Act, as determined by the Director, pursuant
23 to Section 45 of this Act.

24 "Put Illinois to Work Program" means a worker training and
25 employment program that was established by the State of
26 Illinois with funding from the United States Department of

1 Health and Human Services of Emergency Temporary Assistance to
2 Needy Families funds authorized by the American Recovery and
3 Reinvestment Act of 2009 (ARRA TANF Funds). These ARRA TANF
4 funds were in turn used by the State of Illinois to fund the
5 Put Illinois to Work Program.

6 "Related member" means a person that, with respect to the
7 applicant during any portion of the incentive period, is any
8 one of the following,

9 (1) An individual, if the individual and the members of
10 the individual's family (as defined in Section 318 of the
11 Internal Revenue Code) own directly, indirectly,
12 beneficially, or constructively, in the aggregate, at
13 least 50% of the value of the outstanding profits, capital,
14 stock, or other ownership interest in the applicant.

15 (2) A partnership, estate, or trust and any partner or
16 beneficiary, if the partnership, estate, or trust and its
17 partners or beneficiaries own directly, indirectly,
18 beneficially, or constructively, in the aggregate, at
19 least 50% of the profits, capital, stock, or other
20 ownership interest in the applicant.

21 (3) A corporation, and any party related to the
22 corporation in a manner that would require an attribution
23 of stock from the corporation under the attribution rules
24 of Section 318 of the Internal Revenue Code, if the
25 applicant and any other related member own, in the
26 aggregate, directly, indirectly, beneficially, or

1 constructively, at least 50% of the value of the
2 corporation's outstanding stock.

3 (4) A corporation and any party related to that
4 corporation in a manner that would require an attribution
5 of stock from the corporation to the party or from the
6 party to the corporation under the attribution rules of
7 Section 318 of the Internal Revenue Code, if the
8 corporation and all such related parties own, in the
9 aggregate, at least 50% of the profits, capital, stock, or
10 other ownership interest in the applicant.

11 (5) A person to or from whom there is attribution of
12 stock ownership in accordance with Section 1563(e) of the
13 Internal Revenue Code, except that for purposes of
14 determining whether a person is a related member under this
15 paragraph, "20%" shall be substituted for "5%" whenever
16 "5%" appears in Section 1563(e) of the Internal Revenue
17 Code.

18 (Source: P.A. 96-888, eff. 4-13-10.)

19 (35 ILCS 25/25)

20 Sec. 25. Tax credit.

21 (a) Subject to the conditions set forth in this Act, an
22 applicant is entitled to a credit against payment of taxes
23 withheld under Section 704A of the Illinois Income Tax Act:

24 (1) for new employees who participated as
25 worker-trainees in the Put Illinois to Work Program during

1 2010:

2 (A) in the first calendar year ending on or after
3 the date that is 6 months after December 31, 2010, or
4 the date of hire, whichever is later. Under this
5 subparagraph, the applicant is entitled to one-half of
6 the credit allowable for each new employee who is
7 employed for at least 6 months after the date of hire;
8 and

9 (B) in the first calendar year ending on or after
10 the date that is 12 months after December 31, 2010, or
11 the date of hire, whichever is later. Under this
12 subparagraph, the applicant is entitled to one-half of
13 the credit allowable for each new employee who is
14 employed for at least 12 months after the date of hire;

15 (2) for all other new employees, in the first calendar
16 year ~~years~~ ending on or after the date that is 12 months
17 after the date of hire of a new employee. The credit shall
18 be allowed as a credit to an applicant for each full-time
19 employee hired during the incentive period that results in
20 a net increase in full-time Illinois employees, where the
21 net increase in the employer's full-time Illinois
22 employees is maintained for at least 12 months.

23 (b) The Department shall make credit awards under this Act
24 to further job creation.

25 (c) The credit shall be claimed for the first calendar year
26 ending on or after the date on which the certificate is issued

1 by the Department.

2 (d) The credit shall not exceed \$2,500 per new employee
3 hired.

4 (e) The net increase in full-time Illinois employees,
5 measured on an annual full-time equivalent basis, shall be the
6 total number of full-time Illinois employees of the applicant
7 on June 30, 2011, minus the number of full-time Illinois
8 employees employed by the employer on July 1, 2010. For
9 purposes of the calculation, an employer that begins doing
10 business in this State during the incentive period, as
11 determined by the Director, shall be treated as having zero
12 Illinois employees on July 1, 2010.

13 (f) The net increase in the number of full-time Illinois
14 employees of the applicant under subsection (e) must be
15 sustained continuously for at least 12 months, starting with
16 the date of hire of a new employee during the incentive period.
17 Eligibility for the credit does not depend on the continuous
18 employment of any particular individual. For purposes of this
19 subsection (f), if a new employee ceases to be employed before
20 the completion of the 12-month period for any reason, the net
21 increase in the number of full-time Illinois employees shall be
22 treated as continuous if a different new employee is hired as a
23 replacement within a reasonable time for the same position.

24 (Source: P.A. 96-888, eff. 4-13-10.)

1 Sec. 35. Application for award of tax credit; tax credit
2 certificate.

3 (a) On or after the conclusion of the 12-month period (or
4 6-month period, for purposes of subparagraph (A) of item (1) of
5 subsection (a) of Section 25) after a new employee has been
6 hired, an applicant shall file with the Department an
7 application for award of a credit. The application shall
8 include the following:

9 (1) The names, Social Security numbers, job
10 descriptions, salary or wage rates, and dates of hire of
11 the new employees with respect to whom the credit is being
12 requested, and an indication of whether each new employee
13 listed participated as a worker-trainee in the Put Illinois
14 to Work Program.

15 (2) A certification that each new employee listed has
16 been retained on the job for one year (or 6 months, for
17 purposes of subparagraph (A) of item (1) of subsection (a)
18 of Section 25) from the date of hire.

19 (3) The number of new employees hired by the applicant
20 during the incentive period.

21 (4) The net increase in the number of full-time
22 Illinois employees of the applicant (including the new
23 employees listed in the request) between the beginning of
24 the incentive period and the dates on which the new
25 employees listed in the request were hired. This
26 requirement does not apply for tax credits the applicant is

1 seeking because the new employee had participated as a
2 worker-trainee in the Put Illinois to Work Program.

3 (5) An agreement that the Director is authorized to
4 verify with the appropriate State agencies the information
5 contained in the request before issuing a certificate to
6 the applicant.

7 (6) Any other information the Department determines to
8 be appropriate.

9 (b) Although an application may be filed at any time after
10 the conclusion of the 12-month period (or 6-month period, for
11 purposes of subparagraph (A) of item (1) of subsection (a) of
12 Section 25) after a new employee was hired, an application
13 filed more than 90 days after the earliest date on which it
14 could have been filed shall not be awarded any credit if, prior
15 to the date it is filed, the Department has received
16 applications under this Section for credits totaling more than
17 \$50,000,000.

18 (c) The Department shall issue a certificate to each
19 applicant awarded a credit under this Act. The certificate
20 shall include the following:

21 (1) The name and taxpayer identification number of the
22 applicant.

23 (2) The date on which the certificate is issued.

24 (3) The credit amount that will be allowed.

25 (4) Any other information the Department determines to
26 be appropriate.

1 (Source: P.A. 96-888, eff. 4-13-10.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.".