

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 5-15 as follows:

6 (35 ILCS 10/5-15)

7 Sec. 5-15. Tax Credit Awards. Subject to the conditions set
8 forth in this Act, a Taxpayer is entitled to a Credit against
9 or, as described in subsection (g) ~~(f)~~ of this Section, a
10 payment towards taxes imposed pursuant to subsections (a) and
11 (b) of Section 201 of the Illinois Income Tax Act that may be
12 imposed on the Taxpayer for a taxable year beginning on or
13 after January 1, 1999, if the Taxpayer is awarded a Credit by
14 the Department under this Act for that taxable year.

15 (a) The Department shall make Credit awards under this Act
16 to foster job creation and retention in Illinois.

17 (b) A person that proposes a project to create new jobs in
18 Illinois must enter into an Agreement with the Department for
19 the Credit under this Act.

20 (c) The Credit shall be claimed for the taxable years
21 specified in the Agreement.

22 (d) The Credit shall not exceed the Incremental Income Tax
23 attributable to the project that is the subject of the

1 Agreement.

2 (e) Nothing herein shall prohibit a Tax Credit Award to an
3 Applicant that uses a PEO if all other award criteria are
4 satisfied.

5 (f) In lieu of the Credit allowed under this Act against
6 the taxes imposed pursuant to subsections (a) and (b) of
7 Section 201 of the Illinois Income Tax Act for any taxable year
8 ending on or after December 31, 2009, the Taxpayer may elect to
9 claim the Credit against its obligation to pay over withholding
10 under Section 704A of the Illinois Income Tax Act.

11 (1) The election under this subsection (f) may be made
12 only by a Taxpayer that ~~(i) is primarily engaged in one of~~
13 ~~the following business activities: motor vehicle metal~~
14 ~~stamping, automobile manufacturing, automobile and light~~
15 ~~duty motor vehicle manufacturing, motor vehicle~~
16 ~~manufacturing, light truck and utility vehicle~~
17 ~~manufacturing, or motor vehicle body manufacturing and~~
18 ~~(ii) meets the following criteria:~~

19 (A) the Taxpayer (i) had an Illinois net loss or an
20 Illinois net loss deduction under Section 207 of the
21 Illinois Income Tax Act for the taxable year in which
22 the Credit is awarded, (ii) ~~employed a minimum of 1,000~~
23 ~~full-time employees in this State during the taxable~~
24 ~~year in which the Credit is awarded, (iii) has an~~
25 Agreement under this Act on the effective date of this
26 amendatory Act of the 96th General Assembly, and (iii)

1 ~~(iv)~~ is in compliance with all provisions of that
2 Agreement; or

3 (B) the Taxpayer (i) had an Illinois net loss or an
4 Illinois net loss deduction under Section 207 of the
5 Illinois Income Tax Act for the taxable year in which
6 the Credit is awarded and (ii) ~~, (ii) employed a~~
7 ~~minimum of 1,000 full time employees in this State~~
8 ~~during the taxable year in which the Credit is awarded,~~
9 ~~and (iii)~~ has applied for an Agreement by July 1, 2010
10 or within 30 days after the effective date of this
11 amendatory Act of the 96th General Assembly, whichever
12 is later ~~within 180 days after the effective date of~~
13 ~~this amendatory Act of the 96th General Assembly.~~

14 (2) An election under this subsection shall allow the
15 credit to be taken against payments otherwise due under
16 Section 704A of the Illinois Income Tax Act during the
17 first calendar year beginning after the end of the taxable
18 year in which the credit is awarded under this Act.

19 (3) The election shall be made in the form and manner
20 required by the Illinois Department of Revenue and, once
21 made, shall be irrevocable.

22 (4) If a Taxpayer who meets the requirements of
23 subparagraph (A) of paragraph (1) of this subsection (f)
24 elects to claim the Credit against its withholdings as
25 provided in this subsection (f), then, on and after the
26 date of the election, the terms of the Agreement between

1 the Taxpayer and the Department may not be further amended
2 during the term of the Agreement.

3 (g) ~~(f)~~ A pass-through entity that has been awarded a
4 credit under this Act, its shareholders, or its partners may
5 treat some or all of the credit awarded pursuant to this Act as
6 a tax payment for purposes of the Illinois Income Tax Act. The
7 term "tax payment" means a payment as described in Article 6 or
8 Article 8 of the Illinois Income Tax Act or a composite payment
9 made by a pass-through entity on behalf of any of its
10 shareholders or partners to satisfy such shareholders' or
11 partners' taxes imposed pursuant to subsections (a) and (b) of
12 Section 201 of the Illinois Income Tax Act. In no event shall
13 the amount of the award credited pursuant to this Act exceed
14 the Illinois income tax liability of the pass-through entity or
15 its shareholders or partners for the taxable year.

16 (Source: P.A. 95-375, eff. 8-23-07; 96-834, eff. 12-14-09;
17 96-836, eff. 12-16-09; revised 12-21-09.)

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