

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) of this Section, a payment
10 towards taxes imposed pursuant to subsections (a) and (b) of
11 Section 201 of the Illinois Income Tax Act that may be imposed
12 on the Taxpayer for a taxable year beginning on or after
13 January 1, 1999, if the Taxpayer is awarded a Credit by the
14 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, heavy duty truck manufacturing, or motor
18 vehicle body manufacturing and (ii) meets the following
19 criteria:

20 (A) the Taxpayer (i) had an Illinois net loss or an
21 Illinois net loss deduction under Section 207 of the
22 Illinois Income Tax Act for the taxable year in which
23 the Credit is awarded, (ii) employed a minimum of 1,000
24 full-time employees in this State during the taxable
25 year in which the Credit is awarded, (iii) has an
26 Agreement under this Act on December 14, 2009 (the

1 effective date of Public Act 96-834), and (iv) is in
2 compliance with all provisions of that Agreement;

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, (ii) employed a minimum of 1,000
7 full-time employees in this State during the taxable
8 year in which the Credit is awarded, and (iii) has
9 applied for an Agreement within 365 days after December
10 14, 2009 (the effective date of Public Act 96-834); or

11 (C) the Taxpayer (i) had an Illinois net operating
12 loss carryforward under Section 207 of the Illinois
13 Income Tax Act in a taxable year ending during calendar
14 year 2008, (ii) has applied for an Agreement within 150
15 days after the effective date of this amendatory Act of
16 the 96th General Assembly, (iii) creates at least 400
17 new jobs in Illinois, (iv) retains at least 2,000 jobs
18 in Illinois that would have been at risk of relocation
19 out of Illinois over a 10-year period, and (v) makes a
20 capital investment of at least \$75,000,000.

21 (1.5) The election under this subsection (f) may also
22 be made by a Taxpayer for any Credit awarded pursuant to an
23 agreement that was executed on or after January 1, 2011, if
24 the Taxpayer (i) is primarily engaged in the manufacture of
25 inner tubes or tires, or both, from natural and synthetic
26 rubber, (ii) employs a minimum of 2,400 full-time employees

1 in Illinois at the time of application, (iii) creates at
2 least 350 full-time jobs and retains at least 250 full-time
3 jobs in Illinois that would have been at risk of being
4 created or retained outside of Illinois, and (iv) makes a
5 capital investment of at least \$200,000,000 at the project
6 location.

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

12 (3) The election shall be made in the form and manner
13 required by the Illinois Department of Revenue and, once
14 made, shall be irrevocable.

15 (4) If a Taxpayer who meets the requirements of
16 subparagraph (A) of paragraph (1) of this subsection (f)
17 elects to claim the Credit against its withholdings as
18 provided in this subsection (f), then, on and after the
19 date of the election, the terms of the Agreement between
20 the Taxpayer and the Department may not be further amended
21 during the term of the Agreement.

22 (g) A pass-through entity that has been awarded a credit
23 under this Act, its shareholders, or its partners may treat
24 some or all of the credit awarded pursuant to this Act as a tax
25 payment for purposes of the Illinois Income Tax Act. The term
26 "tax payment" means a payment as described in Article 6 or

1 Article 8 of the Illinois Income Tax Act or a composite payment
2 made by a pass-through entity on behalf of any of its
3 shareholders or partners to satisfy such shareholders' or
4 partners' taxes imposed pursuant to subsections (a) and (b) of
5 Section 201 of the Illinois Income Tax Act. In no event shall
6 the amount of the award credited pursuant to this Act exceed
7 the Illinois income tax liability of the pass-through entity or
8 its shareholders or partners for the taxable year.

9 (Source: P.A. 95-375, eff. 8-23-07; 96-834, eff. 12-14-09;
10 96-836, eff. 12-16-09; 96-905, eff. 6-4-10; 96-1000, eff.
11 7-2-10.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.