



Rep. Jehan A. Gordon

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LRB097 09058 HLH 56589 a

1 AMENDMENT TO SENATE BILL 2168

2 AMENDMENT NO. _____. Amend Senate Bill 2168 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by adding
5 Section 5.786 as follows:

6 (30 ILCS 105/5.786 new)

7 Sec. 5.786. The Historic Property Administrative Fund.

8 Section 10. The Illinois Income Tax Act is amended by
9 adding Section 221 as follows:

10 (35 ILCS 5/221 new)

11 Sec. 221. Rehabilitation costs; qualified historic
12 properties; River Edge Redevelopment Zone.

13 (a) For taxable years beginning on or after January 1, 2012
14 and ending prior to January 1, 2017, there shall be allowed a

1 tax credit against the tax imposed by subsections (a) and (b)
2 of Section 201 in an amount equal to 25% of qualified
3 expenditures incurred by a qualified taxpayer during the
4 taxable year in the restoration and preservation of a qualified
5 historic structure located in a River Edge Redevelopment Zone
6 pursuant to a qualified rehabilitation plan, provided that the
7 total amount of such expenditures (i) must equal \$5,000 or more
8 and (ii) must exceed 50% of the purchase price of the property.

9 (b) To obtain a tax credit pursuant to this Section, the
10 taxpayer must apply with the Department of Commerce and
11 Economic Opportunity. The Department of Commerce and Economic
12 Opportunity, in consultation with the Historic Preservation
13 Agency, shall determine the amount of eligible rehabilitation
14 costs and expenses. The Historic Preservation Agency shall
15 determine whether the rehabilitation is consistent with the
16 standards of the Secretary of the United States Department of
17 the Interior for rehabilitation. Upon completion and review of
18 the project, the Department of Commerce and Economic
19 Opportunity shall issue a certificate in the amount of the
20 eligible credits. At the time the certificate is issued, an
21 issuance fee up to the maximum amount of 2% of the amount of
22 the credits issued by the certificate may be collected from the
23 applicant to administer the provisions of this Section. If
24 collected, this issuance fee shall be deposited into the
25 Historic Property Administrative Fund, a special fund created
26 in the State treasury. Subject to appropriation, moneys in the

1 Historic Property Administrative Fund shall be evenly divided
2 between the Department of Commerce and Economic Opportunity and
3 the Historic Preservation Agency to reimburse the Department of
4 Commerce and Economic Opportunity and the Historic
5 Preservation Agency for the costs associated with
6 administering this Section. The taxpayer must attach the
7 certificate to the tax return on which the credits are to be
8 claimed. The Department of Commerce and Economic Opportunity
9 may adopt rules to implement this Section.

10 (c) The tax credit under this Section may not reduce the
11 taxpayer's liability to less than zero.

12 (d) As used in this Section, the following terms have the
13 following meanings.

14 "Qualified expenditure" means all the costs and expenses
15 defined as qualified rehabilitation expenditures under Section
16 47 of the federal Internal Revenue Code that were incurred in
17 connection with a qualified historic structure.

18 "Qualified historic structure" means a certified historic
19 structure as defined under Section 47 (c) (3) of the federal
20 Internal Revenue Code.

21 "Qualified rehabilitation plan" means a project that is
22 approved by the Historic Preservation Agency as being
23 consistent with the standards in effect on the effective date
24 of this amendatory Act of the 97th General Assembly for
25 rehabilitation as adopted by the federal Secretary of the
26 Interior.

1 "Qualified taxpayer" means the owner of the qualified
2 historic structure or any other person who qualifies for the
3 federal rehabilitation credit allowed by Section 47 of the
4 federal Internal Revenue Code with respect to that qualified
5 historic structure. Partners, shareholders of subchapter S
6 corporations, and owners of limited liability companies (if the
7 limited liability company is treated as a partnership for
8 purposes of federal and State income taxation) are entitled to
9 a credit under this Section to be determined in accordance with
10 the determination of income and distributive share of income
11 under Sections 702 and 703 and subchapter S of the Internal
12 Revenue Code, provided that credits granted to a partnership, a
13 limited liability company taxed as a partnership, or other
14 multiple owners of property shall be passed through to the
15 partners, members, or owners respectively on a pro rata basis
16 or pursuant to an executed agreement among the partners,
17 members, or owners documenting any alternate distribution
18 method.

19 Section 15. The River Edge Redevelopment Zone Act is
20 amended by changing Sections 10-2 and 10-5.3 as follows:

21 (65 ILCS 115/10-2)

22 Sec. 10-2. Findings. The General Assembly finds and
23 declares that those municipalities adjacent to or surrounding
24 river areas often lack critical tools to safely revive and

1 redevelop environmentally-challenged properties that will
2 stimulate economic revitalization and create jobs in Illinois.
3 Environmentally-challenged properties adjacent to or
4 surrounding Illinois rivers are a threat to the health, safety,
5 and welfare of the people of this State. Many of these
6 environmentally-challenged properties adjacent to or
7 surrounding rivers were former industrial areas that now,
8 subject to appropriate environmental clean-up and remediation,
9 would be ideal for office, residential, retail, hospitality,
10 commercial, recreational, warehouse and distribution, and
11 other economically productive uses. The cost of the cleaning
12 and remediation of these environmentally-challenged properties
13 is often the primary obstacle to returning these properties to
14 a safe and economically productive use.

15 Cooperative and continuous partnership among the State,
16 through the Department of Commerce and Economic Opportunity and
17 the Environmental Protection Agency, municipalities adjacent
18 to or surrounding rivers, and the private sector is necessary
19 to appropriately encourage the cost-effective cleaning and
20 remediation of these environmentally-challenged properties in
21 order to bring about a safe and economically productive use of
22 the properties.

23 Therefore, it is declared to be the purpose of this Act to
24 identify and initiate 3 pilot River Edge Redevelopment Zones to
25 stimulate the safe and cost-effective re-use of
26 environmentally-challenged properties adjacent to or

1 surrounding rivers by means of tax incentives or grants. On or
2 after the effective date of this amendatory Act of the 97th
3 General Assembly, the Department may certify an additional
4 pilot River Edge Redevelopment Zone in the City of Peoria.

5 (Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

6 (65 ILCS 115/10-5.3)

7 Sec. 10-5.3. Certification of River Edge Redevelopment
8 Zones.

9 (a) Approval of designated River Edge Redevelopment Zones
10 shall be made by the Department by certification of the
11 designating ordinance. The Department shall promptly issue a
12 certificate for each zone upon its approval. The certificate
13 shall be signed by the Director of the Department, shall make
14 specific reference to the designating ordinance, which shall be
15 attached thereto, and shall be filed in the office of the
16 Secretary of State. A certified copy of the River Edge
17 Redevelopment Zone Certificate, or a duplicate original
18 thereof, shall be recorded in the office of the recorder of
19 deeds of the county in which the River Edge Redevelopment Zone
20 lies.

21 (b) A River Edge Redevelopment Zone shall be effective upon
22 its certification. The Department shall transmit a copy of the
23 certification to the Department of Revenue, and to the
24 designating municipality. Upon certification of a River Edge
25 Redevelopment Zone, the terms and provisions of the designating

1 ordinance shall be in effect, and may not be amended or
2 repealed except in accordance with Section 10-5.4.

3 (c) A River Edge Redevelopment Zone shall be in effect for
4 the period stated in the certificate, which shall in no event
5 exceed 30 calendar years. Zones shall terminate at midnight of
6 December 31 of the final calendar year of the certified term,
7 except as provided in Section 10-5.4.

8 (d) In calendar years 2006 and 2007, the Department may
9 certify one pilot River Edge Redevelopment Zone in the City of
10 East St. Louis, one pilot River Edge Redevelopment Zone in the
11 City of Rockford, and one pilot River Edge Redevelopment Zone
12 in the City of Aurora.

13 In calendar year 2009, the Department may certify one pilot
14 River Edge Redevelopment Zone in the City of Elgin.

15 On or after the effective date of this amendatory Act of
16 the 97th General Assembly, the Department may certify one
17 additional pilot River Edge Redevelopment Zone in the City of
18 Peoria.

19 Thereafter the Department may not certify any additional
20 River Edge Redevelopment Zones, but may amend and rescind
21 certifications of existing River Edge Redevelopment Zones in
22 accordance with Section 10-5.4.

23 (e) A municipality in which a River Edge Redevelopment Zone
24 has been certified must submit to the Department, within 60
25 days after the certification, a plan for encouraging the
26 participation by minority persons, females, persons with

1 disabilities, and veterans in the zone. The Department may
2 assist the municipality in developing and implementing the
3 plan. The terms "minority person", "female", and "person with a
4 disability" have the meanings set forth under Section 2 of the
5 Business Enterprise for Minorities, Females, and Persons with
6 Disabilities Act. "Veteran" means an Illinois resident who is a
7 veteran as defined in subsection (h) of Section 1491 of Title
8 10 of the United States Code.

9 (Source: P.A. 96-37, eff. 7-13-09.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."