



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5802

by Rep. Bill Mitchell

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a credit for qualifying taxpayers who own and operate a business in an area with low long-term manufacturing job projections in the amount of \$3,500 for each employee hired by the taxpayer on or after January 1, 2017 to work at job location in an area with low long-term manufacturing job projections and retained by the taxpayer at that job location for 2 years. Provides that the credit is exempt from the Act's automatic sunset provisions. Effective immediately.

LRB099 19403 HLH 43795 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 5. The Illinois Income Tax Act is amended by adding
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Manufacturing job creation credit.

8 (a) For taxable years beginning on or after January 1,
9 2017, each qualifying taxpayer who owns and operates a business
10 in an area with low long-term manufacturing job projections
11 shall be allowed a credit against the tax imposed by
12 subsections (a) and (b) of Section 201 of this Act in the
13 amount of \$3,500 for each employee hired by the taxpayer on or
14 after January 1, 2017 to work at job location in an area with
15 low long-term manufacturing job projections and retained by the
16 taxpayer at that job location for 2 years. Of the \$3,500
17 amount: (1) an amount equal to \$2,000 is allowed as a credit
18 for the taxable year in which the employee is hired if the
19 employee remains employed by the employer at that job location
20 on the last day of that taxable year; (2) an amount equal to
21 \$1,000 is allowed as a credit for the following taxable year if
22 the employee remains employed by the employer at that job
23 location on the last day of that taxable year; and (3) an

1 amount equal to \$500 is allowed for the second taxable year
2 after the employee is hired if the employee remains employed by
3 the employer at that job location on the second anniversary of
4 the date he or she was hired to work at that job location.

5 (b) For the purposes of this Section, an "area with low
6 long-term manufacturing job projections" means a Local
7 Workforce Investment Area, as defined by the North American
8 Industrial Classification System, that is projected to
9 experience an annual compound growth rate between 0 and 0.1
10 between the base year 2012 and projected year 2022 with regard
11 to total manufacturing employment, as reported by the
12 Department of Employment Security.

13 (c) A credit under this Section may not exceed the
14 taxpayer's Illinois income tax liability for the taxable year.
15 If the amount of the credit exceeds the tax liability for the
16 year, the excess may be carried forward and applied to the tax
17 liability of the 5 taxable years following the excess credit
18 year. The credit shall be applied to the earliest year for
19 which there is a tax liability. If there are credits from more
20 than one taxable year that are available to offset a liability,
21 the earlier credit shall be applied first. In the case of a
22 partnership or Subchapter S Corporation, the credit is allowed
23 to the partners or shareholders in accordance with the
24 determination of income and distributive share of income under
25 Section 702 and 704 and Subchapter S of the Internal Revenue
26 Code.

1 (d) This Section is exempt from the provisions of Section
2 250 of this Act.

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