

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Film Production Services Tax Credit Act is amended by changing Sections 10, 40, 45, and 90 as follows:

(35 ILCS 15/10)

(Section scheduled to be repealed on January 1, 2007)

Sec. 10. Definitions. As used in this Act:

"Accredited production" means: (i) for productions commencing before May 1, 2006, a film, video, or television production that has been certified by the Department in which the aggregate Illinois labor expenditures included in the cost of the production, in the period that ends 12 months after the time principal filming or taping of the production began, exceed \$100,000 for productions of 30 minutes or longer, or \$50,000 for productions of less than 30 minutes; and (ii) for productions commencing on or after May 1, 2006, a film, video, or television production that has been certified by the Department in which the Illinois production spending included in the cost of production in the period that ends 12 months after the time principal filming or taping of the production began exceeds \$100,000 for productions of 30 minutes or longer or exceeds \$50,000 for productions of less than 30 minutes.

"Accredited production" ~~but~~ does not include a production that:

- (1) is news, current events, or public programming, or a program that includes weather or market reports;
- (2) is a talk show;
- (3) is a production in respect of a game, questionnaire, or contest;
- (4) is a sports event or activity;
- (5) is a gala presentation or awards show;
- (6) is a finished production that solicits funds;

(7) is a production produced by a film production company if records, as required by 18 U.S.C. 2257, are to be maintained by that film production company with respect to any performer portrayed in that single media or multimedia program; or

(8) is a production produced primarily for industrial, corporate, or institutional purposes.

"Accredited production certificate" means a certificate issued by the Department certifying that the production is an accredited production that meets the guidelines of this Act.

"Applicant" means a taxpayer that is a film production company that is operating or has operated an accredited production located within the State of Illinois and that (i) owns the copyright in the accredited production throughout the Illinois production period or (ii) has contracted directly with the owner of the copyright in the accredited production or a person acting on behalf of the owner to provide services for the production, where the owner of the copyright is not an eligible production corporation.

"Credit" means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department, in an accredited production commencing before May 1, 2006 and approved by the Department after January 1, 2005, the applicant shall receive an enhanced credit of 10% in addition to the 25% credit; ~~and~~

(2) for an accredited production commencing on or after May 1, 2006, the amount equal to:

(i) 20% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Illinois labor expenditure" means salary or wages paid to employees of the applicant for services on the accredited production;

To qualify as an Illinois labor expenditure, the expenditure must be:

- (1) Reasonable in the circumstances.
- (2) Included in the federal income tax basis of the property.
- (3) Incurred by the applicant for services on or after January 1, 2004.
- (4) Incurred for the production stages of the accredited production, from the final script stage to the end of the post-production stage.
- (5) Limited to the first \$25,000 of wages paid or incurred to each employee of a the production commencing before May 1, 2006 and the first \$100,000 of wages paid or incurred to each employee of a production commencing on or after May 1, 2006.
- (6) For a production commencing before May 1, 2006, exclusive ~~Exclusive~~ of the salary or wages paid to or incurred for the 2 highest paid employees of the production.
- (7) Directly attributable to the accredited production.
- (8) Paid in the tax year for which the applicant is claiming the credit or no later than 60 days after the end

of the tax year.

(9) Paid to persons resident in Illinois at the time the payments were made.

(10) Paid for services rendered in Illinois.

"Illinois production spending" means the expenses incurred by the applicant for an accredited production, including, without limitation, all of the following:

(1) expenses to purchase, from vendors within Illinois, tangible personal property that is used in the accredited production;

(2) expenses to acquire services, from vendors in Illinois, for film production, editing, or processing; and

(3) the compensation, not to exceed \$100,000 for any one employee, for contractual or salaried employees who are Illinois residents performing services with respect to the accredited production.

"Qualified production facility" means stage facilities in the State in which television shows and films are or are intended to be regularly produced and that contain at least one sound stage of at least 15,000 square feet.

(Source: P.A. 93-543, eff. 1-1-04; 94-171, eff. 7-11-05.)

(35 ILCS 15/40)

(Section scheduled to be repealed on January 1, 2007)

Sec. 40. Amount and duration of the credit. The amount of the credit awarded under this Act is based on the amount of the Illinois labor expenditure and Illinois production spending approved by the Department for the production as set forth under Section 10. The duration of the credit may not exceed one taxable year.

(Source: P.A. 93-543, eff. 1-1-04.)

(35 ILCS 15/45)

(Section scheduled to be repealed on January 1, 2007)

Sec. 45. Evaluation of tax credit program; reports to the General Assembly.

(a) The Department shall evaluate the tax credit program. The evaluation must include an assessment of the effectiveness of the program in creating and retaining new jobs in Illinois and of the revenue impact of the program, and may include a review of the practices and experiences of other states or nations with similar programs. Upon completion of this evaluation, the Department shall determine the overall success of the program, and may make a recommendation to extend, modify, or not extend the program based on this evaluation.

(b) At the end of each fiscal quarter, the Department must submit to the General Assembly a report that includes, without limitation, the following information:

(1) the economic impact of the tax credit program, including the number of jobs created and retained, including whether the job positions are entry level, management, talent-related, vendor-related, or production-related;

(2) the amount of film production spending brought to Illinois, including the amount of spending and type of Illinois vendors hired in connection with an accredited production; and

(3) an overall picture of whether the human infrastructure of the motion picture industry in Illinois reflects the geographical, racial and ethnic, gender, and income-level diversity of the State of Illinois.

(c) At the end of each fiscal year, the Department must submit to the General Assembly a report that includes, without limitation, the following information:

(1) an identification of each vendor that provided goods or services that were included in an accredited production's Illinois production spending;

(2) the amount paid to each identified vendor by the accredited production;

(3) for each identified vendor, a statement as to whether the vendor is a minority owned business or a female owned business, as defined under Section 2 of the Business

Enterprise for Minorities, Females, and Persons with Disabilities Act; and

(4) a description of any steps taken by the Department to encourage accredited productions to use vendors who are a minority owned business or a female owned business.

(Source: P.A. 93-543, eff. 1-1-04; 94-171, eff. 7-11-05.)

(35 ILCS 15/90)

(Section scheduled to be repealed on January 1, 2007)

Sec. 90. Repeal. This Act is repealed on January 1, 2008 2007.

(Source: P.A. 93-543, eff. 1-1-04; 93-840, eff. 7-30-04; 94-171, eff. 7-11-05.)

Section 10. The Energy Assistance Act is amended by changing Section 13 and by adding Section 17 as follows:

(305 ILCS 20/13)

Sec. 13. Supplemental Low-Income Energy Assistance Fund.

(a) The Supplemental Low-Income Energy Assistance Fund is hereby created as a special fund in the State Treasury. The Supplemental Low-Income Energy Assistance Fund is authorized to receive moneys from voluntary donations from individuals, foundations, corporations, and other sources, moneys received pursuant to Section 17, and, by statutory deposit, the moneys collected pursuant to this Section. Subject to appropriation, the Department shall use moneys from the Supplemental Low-Income Energy Assistance Fund for payments to electric or gas public utilities, municipal electric or gas utilities, and electric cooperatives on behalf of their customers who are participants in the program authorized by Section 4 of this Act, for the provision of weatherization services and for administration of the Supplemental Low-Income Energy Assistance Fund. The yearly expenditures for weatherization may not exceed 10% of the amount collected during the year pursuant to this Section. The yearly administrative expenses of

the Supplemental Low-Income Energy Assistance Fund may not exceed 10% of the amount collected during that year pursuant to this Section.

(b) Notwithstanding the provisions of Section 16-111 of the Public Utilities Act but subject to subsection (k) of this Section, each public utility, electric cooperative, as defined in Section 3.4 of the Electric Supplier Act, and municipal utility, as referenced in Section 3-105 of the Public Utilities Act, that is engaged in the delivery of electricity or the distribution of natural gas within the State of Illinois shall, effective January 1, 1998, assess each of its customer accounts a monthly Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund. The delivering public utility, municipal electric or gas utility, or electric or gas cooperative for a self-assessing purchaser remains subject to the collection of the fee imposed by this Section. The monthly charge shall be as follows:

(1) \$0.40 per month on each account for residential electric service;

(2) \$0.40 per month on each account for residential gas service;

(3) \$4 per month on each account for non-residential electric service which had less than 10 megawatts of peak demand during the previous calendar year;

(4) \$4 per month on each account for non-residential gas service which had distributed to it less than 4,000,000 therms of gas during the previous calendar year;

(5) \$300 per month on each account for non-residential electric service which had 10 megawatts or greater of peak demand during the previous calendar year; and

(6) \$300 per month on each account for non-residential gas service which had 4,000,000 or more therms of gas distributed to it during the previous calendar year.

(c) For purposes of this Section:

(1) "residential electric service" means electric utility service for household purposes delivered to a

dwelling of 2 or fewer units which is billed under a residential rate, or electric utility service for household purposes delivered to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(2) "residential gas service" means gas utility service for household purposes distributed to a dwelling of 2 or fewer units which is billed under a residential rate, or gas utility service for household purposes distributed to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(3) "non-residential electric service" means electric utility service which is not residential electric service; and

(4) "non-residential gas service" means gas utility service which is not residential gas service.

(d) At least 45 days prior to the date on which it must begin assessing Energy Assistance Charges, each public utility engaged in the delivery of electricity or the distribution of natural gas shall file with the Illinois Commerce Commission tariffs incorporating the Energy Assistance Charge in other charges stated in such tariffs.

(e) The Energy Assistance Charge assessed by electric and gas public utilities shall be considered a charge for public utility service.

(f) By the 20th day of the month following the month in which the charges imposed by the Section were collected, each public utility, municipal utility, and electric cooperative shall remit to the Department of Revenue all moneys received as payment of the Energy Assistance Charge on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require. If a customer makes a partial payment, a public utility, municipal utility, or electric cooperative may elect either: (i) to apply such partial payments first to amounts



owed to the utility or cooperative for its services and then to payment for the Energy Assistance Charge or (ii) to apply such partial payments on a pro-rata basis between amounts owed to the utility or cooperative for its services and to payment for the Energy Assistance Charge.

(g) The Department of Revenue shall deposit into the Supplemental Low-Income Energy Assistance Fund all moneys remitted to it in accordance with subsection (f) of this Section.

(h) (Blank).

On or before December 31, 2002, the Department shall prepare a report for the General Assembly on the expenditure of funds appropriated from the Low-Income Energy Assistance Block Grant Fund for the program authorized under Section 4 of this Act.

(i) The Department of Revenue may establish such rules as it deems necessary to implement this Section.

(j) The Department of Commerce and Economic Opportunity ~~Community Affairs~~ may establish such rules as it deems necessary to implement this Section.

(k) The charges imposed by this Section shall only apply to customers of municipal electric or gas utilities and electric or gas cooperatives if the municipal electric or gas utility or electric or gas cooperative makes an affirmative decision to impose the charge. If a municipal electric or gas utility or an electric cooperative makes an affirmative decision to impose the charge provided by this Section, the municipal electric or gas utility or electric cooperative shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a municipal electric or gas utility or electric or gas cooperative does not assess this charge, the Department may not use funds from the Supplemental Low-Income Energy Assistance Fund to provide benefits to its customers under the program authorized by Section 4 of this Act.

In its use of federal funds under this Act, the Department may not cause a disproportionate share of those federal funds

to benefit customers of systems which do not assess the charge provided by this Section.

This Section is repealed effective December 31, 2007 unless renewed by action of the General Assembly. The General Assembly shall consider the results of the evaluations described in Section 8 in its deliberations.

(Source: P.A. 92-690, eff. 7-18-02; revised 12-6-03.)

(305 ILCS 20/17 new)

Sec. 17. Transfer into Supplemental Low-Income Energy Assistance Fund. Immediately upon the effective date of this amendatory Act of the 94th General Assembly, but no later than 5 business days after that effective date, the State Comptroller shall direct and the Treasurer shall transfer into the Supplemental Low-Income Energy Assistance Fund \$5,201,055, which is equivalent to 50% of the average amount of Gas Revenue Tax paid per residential gas utility customer in State fiscal year 2005 multiplied by the number of residential gas utility customers that received assistance from the Low Income Home Energy Assistance Program during the State fiscal year 2005 winter heating season.

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