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JB Pritzker  
Governor

David Harris  
Director

STATE OF ILLINOIS  
**DEPARTMENT OF REVENUE**

**MEMORANDUM**

**To:** The Honorable Don Harmon  
President of the Senate  
  
The Honorable Emanuel "Chris" Welch  
Speaker of the House  
  
The Honorable John Curran  
Senate Republican Leader  
  
The Honorable Tony McCombie  
House Republican Leader

**From:** David Harris  
Director 

**Date:** September 29, 2023

**Subject:** Unified Economic Development Budget

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Pursuant to the Corporate Accountability for Tax Expenditures Act, the Department of Revenue is submitting the annual Unified Economic Development Budget (UEDB), as found in 20 ILCS 715/10.

Public Act 100-0721 revised the reporting requirements for tax incentives under 20 ILCS 715/10. These changes allow the Department of Revenue more time to collect and process tax returns before publishing this report, which will result in a more accurate and complete accounting of uncollected or diverted state tax revenues. Therefore, UEDBs published under these new requirements are not strictly comparable to reports published prior to 2018. Tax incentive amounts reported in this year's UEDB are derived from tax returns for tax year 2020, while state development assistance amounts pertain to fiscal year 2023.

The following information is provided to aid in the interpretation of this revised report:

- 1) To the extent possible, tax credit amounts reflect actual reductions in state tax revenues.
- 2) Subtractions reduce income that is subject to tax rather than tax liability. The amounts reported reflect Illinois-apportioned reductions in income, not reductions in tax liability. Subtractions are presented in this manner because pass-through entities have no direct income tax liability.
- 3) The appropriated spending costs for the Department of Commerce and Economic Opportunity (DCEO) and Department of Transportation (DOT) incentives were provided by DCEO and DOT, respectively, and represent actual amounts obligated during fiscal year 2023. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during fiscal year 2023.

# Tax Incentives and State Development Assistance

## Tax Incentives for Tax Year 2020

### CREDITS APPLIED AGAINST INCOME TAX LIABILITY

<b><i>Form IL-1120, Corporation Income and Replacement Tax Return</i></b>	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	41	\$ 90,192,862
Enterprise Zone Investment Credit	733	\$ 11,023,109
High Impact Business Investment Credit	18	\$ 403,323
EDGE Credit	433	\$ 63,206,610
Research and Development Expense Credit	2,001	\$ 46,205,353
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	17	\$ 8,715,977
Data Center Construction Employment	0	\$ -

<b><i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i></b>	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	12	\$ 120,964
Enterprise Zone Investment Credit	376	\$ 261,423
High Impact Business Investment Credit	55	\$ 17,325
EDGE Credit	446	\$ 11,491,507
Research and Development Expense Credit	535	\$ 567,135
Angel Investment Credit	58	\$ 160,251
River Edge Historic Preservation Credit	*	*
Data Center Construction Employment	0	\$ -

<b><i>Form IL-990-T, Exempt Organization Income and Replacement Tax Return</i></b>	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	0	\$ -
Enterprise Zone Investment Credit	*	*
High Impact Business Investment Credit	0	\$ -
EDGE Credit	0	\$ -
Research and Development Expense Credit	0	\$-
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	0	\$ -
Data Center Construction Employment	0	\$ -

<b><i>Form IL-1040, Individual Income Tax Return</i></b>	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
TECH-PREP Youth Vocational Credit	16	\$ 8,030
Film Production Services Credit	67	\$ 6,278,926
High Impact Business Investment Credit	*	*
Enterprise Zone Investment Credit	1,082	\$ 727,539
EDGE Tax Credit <sup>1</sup>	1,166	\$ 27,207,555
Research and Development Expense Credit	3,339	\$ 31,423,918
Angel Investment Credit	590	\$ 6,557,857
River Edge Historic Preservation Credit	15	\$ 1,901,379
Data Center Construction Employment	0	\$ -

	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
<b><i>Total Credits Excluded from Above to Protect Taxpayer Privacy</i></b>	<b>18</b>	<b>\$ 157,627</b>

\* Pursuant to the Illinois Income Tax Act, information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

<sup>1</sup> EDGE Credit "Amounts" include amounts from form IL-941 applied against withholding liability.

## SUBTRACTIONS<sup>2</sup>

### ***Form IL-1120, Corporation Income and Replacement Tax Return***

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	\$ -
River Edge Redevelopment Zone Interest Subtraction	0	\$ -
High Impact Business Dividend Subtraction	20	\$ 867,772
High Impact Business Interest Subtraction	0	\$ -
Contribution Subtraction	*	*

### ***Form IL-1041, Fiduciary Income and Replacement Tax Return***

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	\$ -
High Impact Business Dividend Subtraction	2,960	\$ 11,867,575

### ***Form IL-1040, Individual Income Tax Return***

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	240	\$ 2,678,117
High Impact Business Dividend Subtraction	2,311	\$ 61,443,369

### ***Form IL-1065, Partnership Replacement Tax Return***

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	\$ -
High Impact Business Dividend Subtraction	242	\$ 6,994,050

### ***Form IL-1120-ST, Small Business Corporation Replacement Tax Return***

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	*	*
River Edge Redevelopment Zone Interest Subtraction	0	\$ -
Contribution Subtraction	*	*
High Impact Business Dividend Subtraction	61	\$ 571,708
High Impact Business Interest Subtraction	0	\$ -

	<u>Taxpayers</u>	<u>Amounts</u>
<b><i>Total Subtractions Excluded from Above to Protect Taxpayer Privacy</i></b>	<b>11</b>	<b>\$ 32,963</b>

\* Pursuant to the Illinois Income Tax Act, information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

<sup>2</sup> The figures in the "Amounts" column for SUBTRACTIONS reflect reductions in income after apportionment, not reductions in tax liability.

# State Development Assistance for Fiscal Year 2023

## APPROPRIATED SPENDING<sup>3</sup>

	<u>Amounts</u>
<b><u>Department of Commerce and Economic Opportunity</u></b>	
<b>Program Type</b>	
Business Development Public Infrastructure Grants	\$ -
Illinois ETIP/IP Incentive Grants	\$ 4,966,300
Large Business Development Grants	\$ -
 <b><u>Department of Transportation</u></b>	
<b>Program Type</b>	
Economic Development Program	\$ 13,355,330

## LOANS<sup>3</sup>

<b><u>Illinois Treasurer</u></b>	
<b>Program Type</b>	
Ag Invest 1-Year Operating Line of Credit	\$ 495,813,578
Ag Invest 2-Year Operating Line of Credit	\$ 32,753,200
Ag Invest Long Term	\$ 23,692,654
COVID-19 Relief Program	\$ 10,000,000
Business Invest	\$ 16,480,000
Community Invest	\$ 119,750,000

<sup>3</sup> This information is provided by the respective agencies.

“Development assistance” means (1) tax credits and tax exemptions (other than given under tax increment financing) given as an incentive to a recipient business organization pursuant to an initial certification or an initial designation made by the Department under the Economic Development for a Growing Economy Tax Credit Act, River Edge Redevelopment Zone Act, and the Illinois Enterprise Zone Act, including the High Impact Business program, (2) grants or loans given to a recipient as an incentive to a business organization pursuant to the River Edge Redevelopment Zone Act, Large Business Development Program, the Business Development Public Infrastructure Program, or the Industrial Training Program, (3) the State Treasurer’s Economic Program Loans, (4) the Illinois Department of Transportation Economic Development Program, and (5) all successor and subsequent programs and tax credits designed to promote large business relocations and expansions. [20 ILCS 715/5]