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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 Dan McConchie
Senate Republican Leader

The Honorable Jim Durkin
House Republican Leader

From: David Harris, Director

Date: September 30, 2022

RE: Unified Economic Development Budget

Pursuant to the Corporate Accountability for Tax Expenditures Act, the Department of Revenue is submitting the annual Unified Economic Development Budget (UEDB), as required 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 2019, while state development assistance amounts pertain to fiscal year 2022.

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.

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 2022. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during fiscal year 2022.

Tax Incentives and State Development Assistance

Tax Incentives for Tax Year 2019

CREDITS APPLIED AGAINST INCOME TAX LIABILITY

<i>Form IL-1120, Corporation Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	51	\$ 78,932,574
Enterprise Zone Investment Credit	1,610	\$ 11,647,757
High Impact Business Investment Credit	0	\$ -
EDGE Credit	434	\$ 69,513,542
Research and Development Expense Credit	1,739	\$ 39,113,120
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	11	\$ 16,459,829
Data Center Construction Employment	0	\$ -
<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	13	\$ 331,086
Enterprise Zone Investment Credit	314	\$ 134,521
High Impact Business Investment Credit	31	\$ 7,925
EDGE Credit	360	\$ 6,205,116
Research and Development Expense Credit	492	\$ 451,934
Angel Investment Credit	82	\$ 163,522
River Edge Historic Preservation Credit	0	\$ -
Data Center Construction Employment	0	\$ -
<i>Form IL-990-T, Exempt Organization Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	\$ -
Film Production Services Credit	0	\$ -
Enterprise Zone Investment Credit	0	\$ -
High Impact Business Investment Credit	0	\$ -
EDGE Credit	0	\$ -
Research and Development Expense Credit	*	*
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	0	\$ -
Data Center Construction Employment	0	\$ -
<i>Form IL-1040, Individual Income Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	85	\$ 13,209,991
High Impact Business Investment Credit	16	\$ 4,101
Enterprise Zone Investment Credit	1,088	\$ 1,029,285
EDGE Tax Credit ¹	1,285	\$ 29,087,949
Research and Development Expense Credit	4,095	\$ 26,878,959
Angel Investment Credit	607	\$ 7,899,650
River Edge Historic Preservation Credit	*	*
Data Center Construction Employment	0	\$ -
	<u>Taxpayers</u>	<u>Amounts</u>
Total Credits Excluded from Above to Protect Taxpayer Privacy	25	\$ 1,426,042

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

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

SUBTRACTIONS²

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	22	\$ 4,635,984
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	2,807	\$ 8,622,393

Form IL-1040, Individual Income Tax Return

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	3,019	\$ 36,108,331
High Impact Business Dividend Subtraction	26,654	\$ 239,027,400

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	238	\$ 6,725,626

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	*	*
Contribution Subtraction	*	*
High Impact Business Dividend Subtraction	50	\$ 597,961
High Impact Business Interest Subtraction	*	*

	<u>Taxpayers</u>	<u>Amounts</u>
Total Subtractions Excluded from Above to Protect Taxpayer Privacy	22	\$ 31,829

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

² 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 2022

APPROPRIATED SPENDING³

Amounts

Department of Commerce and Economic Opportunity

Program Type

Business Development Public Infrastructure Grants	\$	-
Illinois ETIP/IP Incentive Grants	\$	4,466,300
Large Business Development Grants	\$	-

Department of Transportation

Program Type

Economic Development Program	\$	1,968,213
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LOANS³

Illinois Treasurer

Program Type

Annual Agriculture Investment Program	\$	28,642,000
Long Term Agriculture Investment Program	\$	1,175,216
COVID-19 Relief Fund	\$	70,000,000

³ 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]