

# HB3672



## 100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB3672

by Rep. Avery Bourne

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to \$4 multiplied by the tons of qualified coal refuse used to generate electricity at an eligible facility in this State in the previous taxable year.

LRB100 10832 HLH 21066 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. Coal Refuse Energy and Reclamation Tax Credit.

8 (a) For taxable years beginning on or after January 1,  
9 2017, a qualified taxpayer shall receive a credit against the  
10 tax imposed by subsections (a) and (b) of Section 201 in an  
11 amount equal to \$4 multiplied by the tons of qualified coal  
12 refuse used to generate electricity at an eligible facility in  
13 this State in the previous taxable year. The qualified taxpayer  
14 may apply to the Department of Commerce and Economic  
15 Opportunity for a credit award under this Section. The  
16 application shall be in the form and manner required by the  
17 Department of Commerce and Economic Opportunity by rule. In the  
18 review of applications for tax credits, the Department of  
19 Commerce and Economic Opportunity shall consult with the  
20 Illinois Environmental Protection Agency with respect to  
21 whether a facility qualifies as an eligible facility and to  
22 review the eligible facility's calculation of the amount of  
23 qualified coal refuse used to generate electricity.

1       (b) In no event shall a credit under this Section reduce  
2 the taxpayer's liability to less than zero. If the amount of  
3 the credit exceeds the tax liability for the year, the excess  
4 may be carried forward and applied to the tax liability of the  
5 5 taxable years following the excess credit year. The tax  
6 credit shall be applied to the earliest year for which there is  
7 a tax liability. If there are credits for more than one year  
8 that are available to offset a liability, the earlier credit  
9 shall be applied first.

10       (c) As used in this Section:

11       "Affiliate" means a person that directly or indirectly  
12 through one or more intermediaries controls, is controlled by,  
13 or is under common control with a qualified taxpayer.

14       "Eligible facility" means an electric generating facility  
15 placed in service before the effective date of this amendatory  
16 Act of the 100th General Assembly consisting of one or more  
17 units placed in service before the effective date of this  
18 amendatory Act of the 100th General Assembly that generates  
19 electricity located on the same property and that:

20           (1) combusts qualified coal refuse or fuel composed of  
21 at least 75% qualified coal refuse by BTU energy value in  
22 the prior calendar year;

23           (2) utilizes at a minimum a circulating fluidized bed  
24 combustion unit or pressurized fluidized bed combustion  
25 unit equipped with a limestone injection system for control  
26 of acid gases and a fabric filter particulate emission

1 control system; and

2 (3) beneficially uses ash produced by the facility in  
3 the prior calendar year to reclaim mining-affected sites in  
4 amounts equal to at least 50% of the ash produced by the  
5 facility in the prior calendar year.

6 "Qualified coal refuse" means any waste coal, rock, shale,  
7 slurry, slate, clay and related materials associated with or  
8 near a coal seam that are either brought above ground or  
9 otherwise removed from a coal mine in the process of mining  
10 coal or that are separated from coal during the cleaning or  
11 preparation operations. The term includes underground  
12 development wastes, coal processing wastes, and excess spoil,  
13 but does not include overburden from surface mining activities.

14 "Qualified taxpayer" means a person who owns an eligible  
15 facility in this State or is a transferor, purchaser,  
16 affiliate, or assignee of a person to whom a tax credit  
17 certificate is issued under this Section.

18 (c) This Section is exempt from the provisions of Section  
19 250.