



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3574

Introduced 2/16/2018, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45	from Ch. 127, par. 1005-45
30 ILCS 105/5.886 new	
35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 120/5k-1 new	
65 ILCS 5/8-11-2	from Ch. 24, par. 8-11-2
220 ILCS 5/9-221	from Ch. 111 2/3, par. 9-221
220 ILCS 5/9-222	from Ch. 111 2/3, par. 9-222
220 ILCS 5/9-222.1b new	

Creates the Illinois Energy Transition Zone Act. Provides for the certification by the Department of Commerce and Economic Opportunity of municipal ordinances designating an area as an Energy Transition Zone. Provides that green energy enterprises located in Energy Transition Zones shall be eligible to apply for certain tax incentives. Provides that a green energy enterprise is a company that is engaged in the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells. Contains provisions concerning qualifications and applications. Creates the Energy Transition Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity shall make income tax credit awards under the Act to foster job creation and the development of green energy in Energy Transition Zones. Amends the Illinois Income Tax Act, the Retailers' Occupation Tax Act, and the Public Utilities Act to make conforming changes concerning tax incentives. Effective immediately.

LRB100 19829 HLH 35105 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 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this Article
7 to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" has the meaning provided in Section 1-7 of the
12 Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

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

17 "Depressed area" means an area in which pervasive poverty,
18 unemployment, and economic distress exist.

19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.

22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week. A recipient who employs labor or services at a specific

1 site or facility under contract with another may declare one
2 full-time, permanent job for every 1,820 man hours worked per
3 year under that contract. Vacations, paid holidays, and sick
4 time are included in this computation. Overtime is not
5 considered a part of regular hours.

6 "Full-time retained job" means any employee defined as
7 having a full-time or full-time equivalent job preserved at a
8 specific facility or site, the continuance of which is
9 threatened by a specific and demonstrable threat, which shall
10 be specified in the application for development assistance. A
11 recipient who employs labor or services at a specific site or
12 facility under contract with another may declare one retained
13 employee per year for every 1,750 man hours worked per year
14 under that contract, even if different individuals perform
15 on-site labor or services.

16 "Green energy enterprise" means a company that is engaged
17 in the production of solar energy, wind energy, water energy,
18 geothermal energy, bioenergy, or hydrogen fuel and cells.

19 "Green energy project" means a project conducted by a green
20 energy enterprise for the purpose of generating solar energy,
21 wind energy, water energy, geothermal energy, bioenergy, or
22 hydrogen fuel and cells.

23 "Local labor market area" means an economically integrated
24 area within which individuals can reside and find employment
25 within a reasonable distance or can readily change jobs without
26 changing their place of residence.

1 "Rule" has the meaning provided in Section 1-70 of the
2 Illinois Administrative Procedure Act.

3 Section 1-15. Qualifications for Energy Transition Zones.

4 (a) An area is qualified to become an Energy Transition
5 Zone which:

6 (1) is a contiguous area, provided that a Zone area may
7 exclude wholly surrounded territory within its boundaries;

8 (2) comprises a minimum of one-half square mile and not
9 more than 12 square miles, exclusive of lakes and
10 waterways;

11 (3) is entirely within a single municipality;

12 (4) satisfies any additional criteria established by
13 the Department consistent with the purposes of this Act;
14 and

15 (5) meets one or more of the following:

16 (A) the area contains a coal energy plant that was
17 retired from service within 10 years of application for
18 designation;

19 (B) the area contains a coal mine that was closed
20 within 10 years of application for designation; and

21 (C) the area contains a nuclear energy plant that
22 was retired from service within 10 years of application
23 for designation.

24 Section 1-20. Entities eligible to receive tax benefits.

1 Green energy enterprises are eligible to receive certain tax
2 benefits under this Act for green energy projects conducted
3 within an Energy Transition Zone.

4 Section 1-25. Incentives for green energy enterprises
5 located within an Energy Transition Zone.

6 (a) Green energy enterprises located in Energy Transition
7 Zones are eligible to apply for a State income tax credit under
8 the Energy Transition Zone Tax Credit Act.

9 (b) Green energy enterprises located in Energy Transition
10 Zones will be eligible to receive an investment credit subject
11 to the requirements of subsection (f-1) of Section 201 of the
12 Illinois Income Tax Act.

13 (c) Green energy enterprises are eligible to purchase
14 building materials exempt from use and occupation taxes to be
15 incorporated into their green energy projects within the Energy
16 Transition Zone when purchased from a retailer within the
17 Energy Transition Zone pursuant to Section 5k-1 of the
18 Retailers' Occupation Tax Act.

19 (d) Green energy enterprises located in an Energy
20 Transition Zone that meet the qualifications of Section
21 9-222.1B of the Illinois Public Utilities Act are exempt, in
22 part or whole, from State and local taxes on gas and
23 electricity.

24 Section 1-30. Initiation of Energy Transition Zones by

1 municipality or county.

2 (a) No area may be designated as an Energy Transition Zone
3 except pursuant to an initiating ordinance adopted in
4 accordance with this Section.

5 (b) A municipality may by ordinance designate an area
6 within its jurisdiction as an Energy Transition Zone, subject
7 to the certification of the Department in accordance with this
8 Act, if:

9 (1) the area is qualified in accordance with Section
10 1-15; and

11 (2) the municipality has conducted at least one public
12 hearing within the proposed Zone area considering all of
13 the following questions: whether to create the Zone; what
14 local plans, tax incentives and other programs should be
15 established in connection with the Zone; and what the
16 boundaries of the Zone should be; public notice of the
17 hearing shall be published in at least one newspaper of
18 general circulation within the Zone area, not more than 20
19 days nor less than 5 days before the hearing.

20 (c) An ordinance designating an area as an Energy
21 Transition Zone shall set forth:

22 (1) a precise description of the area comprising the
23 Zone, either in the form of a legal description or by
24 reference to roadways, lakes and waterways, and township,
25 county boundaries;

26 (2) a finding that the Zone area meets the

1 qualifications of Section 1-15;

2 (3) provisions for any tax incentives or reimbursement
3 for taxes, which pursuant to State and federal law apply to
4 green energy enterprises within the Zone at the election of
5 the designating municipality, and which are not applicable
6 throughout the municipality;

7 (4) a designation of the area as an Energy Transition
8 Zone, subject to the approval of the Department in
9 accordance with this Act; and

10 (5) the duration or term of the Energy Transition Zone.

11 (d) This Section does not prohibit a municipality from
12 extending additional tax incentives or reimbursement for
13 business enterprises in Energy Transition Zones or throughout
14 their territory by separate ordinance.

15 Section 1-35. Application to Department. A municipality
16 which has adopted an ordinance designating an area as an Energy
17 Transition Zone shall make written application to the
18 Department to have such proposed Energy Transition Zone
19 certified by the Department as an Energy Transition Zone. The
20 application shall include:

21 (1) a certified copy of the ordinance designating the
22 proposed Zone;

23 (2) a map of the proposed Energy Transition Zone,
24 showing existing streets and highways;

25 (3) an analysis, and any appropriate supporting

1 documents and statistics, demonstrating that the proposed
2 Zone area is qualified in accordance with Section 1-15;

3 (4) a statement detailing any tax, grant, and other
4 financial incentives or benefits, and any programs, to be
5 provided by the municipality or county to green energy
6 enterprises within the Zone, other than those provided in
7 the designating ordinance, which are not to be provided
8 throughout the municipality or county;

9 (5) a statement setting forth the economic development
10 and planning objectives for the Zone;

11 (6) an estimate of the economic impact of the Zone,
12 considering all of the tax incentives, financial benefits
13 and programs contemplated, upon the revenues of the
14 municipality or county;

15 (7) a transcript of all public hearings on the Zone;
16 and

17 (8) such additional information as the Department may
18 by rule require.

19 Section 1-40. Department review of Energy Transition Zone
20 applications.

21 (a) All applications which are to be considered and acted
22 upon by the Department during a calendar year must be received
23 by the Department no later than December 31 of the preceding
24 calendar year.

25 Any application received after December 31 of any calendar

1 year shall be held by the Department for consideration and
2 action during the following calendar year. Each Energy
3 Transition Zone application shall include a specific
4 definition of the applicant's local labor market area.

5 (a-5) The Department shall, no later than July 31, 2019,
6 develop an application process for an Energy Transition Zone
7 application. The Department has emergency rulemaking authority
8 for the purpose of application development only until 12 months
9 after the effective date of this Act under subsection (aa) of
10 Section 5-45 of the Illinois Administrative Procedure Act.

11 (b) Upon receipt of an application from a municipality the
12 Department shall review the application to determine whether
13 the designated area qualifies as an Energy Transition Zone
14 under Section 1-15 of this Act.

15 (c) No later than June 30, the Department shall notify all
16 applicant municipalities of the Department's determination of
17 the qualification of their respective designated energy
18 transition Zone areas, along with supporting documentation of
19 the basis for the Department's decision.

20 (d) If any such designated area is found to be qualified to
21 be an Energy Transition Zone by the Department under subsection
22 (c) of this Section, the Department shall, no later than July
23 15, send a letter of notification to each member of the General
24 Assembly whose legislative district or representative district
25 contains all or part of the designated area and publish a
26 notice in at least one newspaper of general circulation within

1 the proposed Zone area to notify the general public of the
2 application and their opportunity to comment. Such notice shall
3 include a description of the area and a brief summary of the
4 application and shall indicate locations where the applicant
5 has provided copies of the application for public inspection.
6 The notice shall also indicate appropriate procedures for the
7 filing of written comments from Zone residents, business, civic
8 and other organizations and property owners to the Department.

9 Section 1-45. Energy Transition Zone Board.

10 (a) An Energy Transition Zone Board is hereby created
11 within the Department.

12 (b) The Board shall consist of the following 5 members:

13 (1) the Director of Commerce and Economic Opportunity,
14 or his or her designee, who shall serve as chairperson;

15 (2) the Director of Revenue, or his or her designee;
16 and

17 (3) 3 members appointed by the Governor, with the
18 advice and consent of the Senate.

19 Board members shall serve without compensation but may be
20 reimbursed for necessary expenses incurred in the performance
21 of their duties from funds appropriated for that purpose.

22 (c) Each member appointed under paragraph (3) of subsection
23 (b) shall have at least 5 years of experience in business,
24 economic development, or site location.

25 (d) Of the initial members appointed under paragraph (3) of

1 subsection (b): one member shall serve for a term of 2 years;
2 one member shall serve for a term of 3 years; and one member
3 shall serve for a term of 4 years. Thereafter, all members
4 appointed under paragraph (3) of subsection (b) shall serve for
5 terms of 4 years. Members appointed under paragraph (3) of
6 subsection (b) may be reappointed. The Governor may remove a
7 member appointed under paragraph (3) of subsection (b) for
8 incompetence, neglect of duty, or malfeasance in office.

9 (e) By September 30, 2019, and September 30 of each year
10 thereafter, all applications filed by December 31 of the
11 preceding calendar year and deemed qualified by the Department
12 shall be approved or denied by the Board. If such application
13 is not approved by September 30, the application shall be
14 considered denied. If an application is denied, the Board shall
15 inform the applicant of the specific reasons for the denial.

16 (f) A majority of the Board shall determine whether an
17 application is approved or denied.

18 Section 1-50. Certification of Energy Transition Zones;
19 effective date.

20 (a) Certification of Board-approved designated Energy
21 Transition Zones shall be made by the Department by
22 certification of the designating ordinance. The Department
23 shall promptly issue a certificate for each Energy Transition
24 Zone upon approval by the Board. The certificate shall be
25 signed by the Director of the Department, shall make specific

1 reference to the designating ordinance, which shall be attached
2 thereto, and shall be filed in the office of the Secretary of
3 State. A certified copy of the Energy Transition Zone
4 Certificate, or a duplicate original thereof, shall be recorded
5 in the office of recorder of deeds of the county in which the
6 Energy Transition Zone lies.

7 (b) An Energy Transition Zone shall be effective on the
8 date of the Department's certification. The Department shall
9 transmit a copy of the certification to the Department of
10 Revenue, and to the designating municipality.

11 (c) Upon certification of an Energy Transition Zone, the
12 terms and provisions of the designating ordinance shall be in
13 effect, and may not be amended or repealed except in accordance
14 with Section 1-55.

15 (d) Energy Transition Zone designation will last for 13
16 years from the effective date of such designation and shall be
17 subject to review by the Board after 13 years for an additional
18 10-year designation beginning on the expiration date of the
19 Energy Transition Zone. During the review process, the Board
20 shall consider the costs incurred by the State and units of
21 local government as a result of tax benefits received by the
22 Energy Transition Zone. Energy Transition Zones shall
23 terminate at midnight of December 31 of the final calendar year
24 of the certified term, except as provided in Section 1-55.

25 (e) Each Energy Transition Zone that reapplies for
26 certification but does not receive a new certification shall

1 expire on its scheduled termination date.

2 Section 1-55. Amendment and decertification of Energy
3 Transition Zones.

4 (a) The terms of a certified Energy Transition Zone
5 designating ordinance may be amended to:

6 (1) alter the boundaries of the Energy Transition Zone,
7 or

8 (2) expand, limit or repeal tax incentives or benefits
9 provided in the ordinance, or

10 (3) alter the termination date of the Zone, or

11 (4) make technical corrections in the Energy
12 Transition Zone designating ordinance; but such amendment
13 shall not be effective unless the Department issues an
14 amended certificate for the Energy Transition Zone
15 approving the amended designating ordinance. Upon the
16 adoption of any ordinance amending or repealing the terms
17 of a certified Energy Transition Zone designating
18 ordinance, the municipality or county shall promptly file
19 with the Department an application for approval thereof,
20 containing substantially the same information as required
21 for an application under Section 1-35 insofar as material
22 to the proposed changes. The municipality or county must
23 hold a public hearing on the proposed changes; or

24 (5) include an area within another municipality or
25 county as part of the designated Energy Transition Zone

1 provided the requirements of Section 1-15 are complied
2 with.

3 (b) The Department shall approve or disapprove a proposed
4 amendment to a certified Energy Transition Zone within 90 days
5 of its receipt of the application from the municipality. The
6 Department may not approve changes in a Zone which are not in
7 conformity with this Act, as now or hereafter amended, or with
8 other applicable laws. If the Department issues an amended
9 certificate for an Energy Transition Zone, the amended
10 certificate, together with the amended Zone designating
11 ordinance, shall be filed, recorded, and transmitted as
12 provided in this Act.

13 (c) An Energy Transition Zone may be decertified by joint
14 action of the Department and the designating municipality in
15 accordance with this Section. The designating municipality
16 shall conduct at least one public hearing within the Zone prior
17 to its adoption of an ordinance of de-designation. The mayor of
18 the designating municipality shall execute a joint
19 decertification agreement with the Department. A
20 decertification of an Energy Transition Zone shall not become
21 effective until at least 6 months after the execution of the
22 decertification agreement, which shall be filed in the office
23 of the Secretary of State.

24 (d) An Energy Transition Zone may be decertified for cause
25 by the Department in accordance with this Section. Prior to
26 decertification: (1) the Department shall notify the chief

1 elected official of the designating municipality in writing of
2 the specific deficiencies which provide cause for
3 decertification; (2) the Department shall place the
4 designating municipality on probationary status for at least 6
5 months during which time corrective action may be achieved in
6 the Energy Transition Zone by the designating municipality; and
7 (3) the Department shall conduct at least one public hearing
8 within the Zone. If such corrective action is not achieved
9 during the probationary period, the Department shall issue an
10 amended certificate signed by the Director of the Department
11 decertifying the Energy Transition Zone, which certificate
12 shall be filed in the office of the Secretary of State. A
13 certified copy of the amended Energy Transition Zone
14 certificate, or a duplicate original thereof, shall be recorded
15 in the office of recorder of the county in which the Energy
16 Transition Zone lies, and shall be provided to the chief
17 elected official of the designating municipality.
18 Decertification of an Energy Transition Zone shall not become
19 effective until 60 days after the date of filing.

20 (e) In the event of a decertification, or an amendment
21 reducing the length of the term or the area of an Energy
22 Transition Zone or the adoption of an ordinance reducing or
23 eliminating tax benefits in an Energy Transition Zone, all
24 benefits previously extended within the Zone pursuant to this
25 Act or pursuant to any other Illinois law providing benefits
26 specifically to or within Energy Transition Zones shall remain

1 in effect for the original stated term of the Energy Transition
2 Zone, with respect to green energy enterprises within the Zone
3 on the effective date of such decertification or amendment.

4 Section 1-60. Powers and duties of Department.

5 (a) The Department shall administer this Act and shall have
6 the following powers and duties:

7 (1) to monitor the implementation of this Act and
8 submit reports evaluating the effectiveness of the program
9 and any suggestions for legislation to the Governor and
10 General Assembly by October 1 of every year preceding a
11 regular Session of the General Assembly and to annually
12 report to the General Assembly initial and current
13 population, employment, per capita income, number of
14 business establishments, dollar value of new construction
15 and improvements, and the aggregate value of each tax
16 incentive, based on information provided by the Department
17 of Revenue for each Energy Transition Zone; and

18 (2) to adopt all necessary rules to carry out the
19 purposes of this Act in accordance with the Illinois
20 Administrative Procedure Act.

21 (b) The Department shall have all of the following specific
22 duties:

23 (1) The Department shall provide information and
24 appropriate assistance to persons desiring to locate and
25 engage in business in an Energy Transition Zone and to

1 persons engaged in green energy in an Energy Transition
2 Zone.

3 (2) The Department shall, in cooperation with
4 appropriate units of local government and State agencies,
5 coordinate and streamline existing State business
6 assistance programs and permit and license application
7 procedures for Energy Transition Zone green energy
8 enterprises.

9 (3) The Department shall publicize existing tax
10 incentives and economic development programs within the
11 Zone and upon request, offer technical assistance in
12 abatement and alternative revenue source development to
13 local units of government which have Energy Transition
14 Zones within their jurisdiction.

15 (4) The Department shall work together with the
16 responsible State and federal agencies to promote the
17 coordination of other relevant programs, including but not
18 limited to housing, community and economic development,
19 small business, banking, financial assistance, and
20 employment training programs which are carried on in an
21 Energy Transition Zone.

22 (5) In order to stimulate employment opportunities for
23 Zone residents, the Department, in cooperation with the
24 Department of Human Services and the Department of
25 Employment Security, is to initiate a test of the following
26 2 programs within the 12 month period following designation

1 and approval by the Department of the first Energy
2 Transition Zones: (i) the use of aid to families with
3 dependent children benefits payable under Article IV of the
4 Illinois Public Aid Code, General Assistance benefits
5 payable under Article VI of the Illinois Public Aid Code,
6 the unemployment insurance benefits payable under the
7 Unemployment Insurance Act as training or employment
8 subsidies leading to unsubsidized employment; and (ii) a
9 program for voucher reimbursement of the cost of training
10 Zone residents eligible under the Targeted Jobs Tax Credit
11 provisions of the Internal Revenue Code for employment in
12 private industry. These programs shall not be designed to
13 subsidize businesses, but are intended to open up job and
14 training opportunities not otherwise available. Nothing in
15 this paragraph (5) shall be deemed to require Zone
16 businesses to utilize these programs. These programs
17 should be designed (i) for those individuals whose
18 opportunities for job-finding are minimal without program
19 participation, (ii) to minimize the period of benefit
20 collection by such individuals, and (iii) to accelerate the
21 transition of those individuals to unsubsidized
22 employment. The Department is to seek agreement with
23 business, organized labor and the appropriate State
24 Department and agencies on the design, operation and
25 evaluation of the test programs.

26 (c) A report with recommendations including representative

1 comments of these groups shall be submitted by the Department
2 to the county or municipality which designated the area as an
3 Energy Transition Zone, the Governor, and the General Assembly
4 not later than 12 months after such test programs have
5 commenced, or not later than 3 months following the termination
6 of such test programs, whichever first occurs.

7 Section 1-65. State incentives regarding public services
8 and physical infrastructure.

9 (a) This Act does not restrict tax incentive financing
10 pursuant to the Tax Increment Allocation Redevelopment Act in
11 the Illinois Municipal Code.

12 (b) The State Treasurer is authorized and encouraged to
13 place deposits of State funds with financial institutions doing
14 business in an Energy Transition Zone.

15 Section 1-70. Zone administration. The administration of
16 an Energy Transition Zone shall be under the jurisdiction of
17 the designating municipality. Each designating municipality
18 shall, by ordinance, designate a Zone Administrator for the
19 certified Zones within its jurisdiction. A Zone Administrator
20 must be an officer or employee of the municipality. The Zone
21 Administrator shall be the liaison between the designating
22 municipality, the Department, and any designated Zone
23 organizations within zones under his jurisdiction.

1 Section 1-75. Accounting.

2 (a) Any business receiving tax incentives due to its
3 location within an Energy Transition Zone must annually report
4 to the Department of Revenue information reasonably required by
5 the Department of Revenue to enable the Department to verify
6 and calculate the total Energy Transition Zone tax benefits for
7 property taxes and taxes imposed by the State that are received
8 by the business, broken down by incentive category and Energy
9 Transition Zone, if applicable. Reports are due no later than
10 May 31 of each year and shall cover the previous calendar year.
11 The first report will be for the 2018 calendar year is be due
12 no later than May 31, 2019.

13 (b) Green energy enterprises shall report their job
14 creation, retention, and capital investment numbers within the
15 Zone annually to the Department of Revenue no later than May 31
16 of each calendar year.

17 (c) The Department of Revenue will aggregate and collect
18 the tax, job, and capital investment data by Energy Transition
19 Zone and report this information, formatted to exclude
20 company-specific proprietary information, to the Department
21 and the Board by August 1, 2019, and by August 1 of every
22 calendar year thereafter. The Department will include this
23 information in their required reports under this Act.

24 (d) The Department of Revenue, in its discretion, may
25 require that the reports filed under this Section be submitted
26 electronically.

1 (e) The Department of Revenue shall have the authority to
2 adopt rules as are reasonable and necessary to implement the
3 provisions of this Section.

4 Section 1-80. Zone Administrator.

5 (a) Each Zone Administrator shall post a copy of the
6 boundaries of the Energy Transition Zone on its official
7 Internet website and shall provide an electronic copy to the
8 Department. The Department shall post each copy of the
9 boundaries of an Energy Transition Zone that it receives from a
10 Zone Administrator on its official Internet website.

11 (b) The Zone Administrator shall collect and aggregate the
12 following information:

13 (1) the estimated cost of each building project, broken
14 down into labor and materials; and

15 (2) within 60 days after the end of the project, the
16 estimated cost of each building project, broken down into
17 labor and materials.

18 (c) By April 1 of each year, each Zone Administrator shall
19 file a copy of its fee schedule with the Department, and the
20 Department shall post the fee schedule on its website. Zone
21 Administrators shall charge no more than 0.5% of the cost of
22 building materials of the project associated with the specific
23 Energy Transition Zone, with a maximum fee of no more than
24 \$50,000.

1 Section 1-85. State regulatory exemptions in Energy
2 Transition Zones.

3 (a) The Department shall conduct an ongoing review of such
4 agency rules as may be identified by the Department or
5 representatives of designating municipalities and counties as
6 green energy enterprises and preliminarily appearing to the
7 Department to:

8 (1) affect the conduct of business, industry and
9 commerce;

10 (2) impose excessive costs on either the creation or
11 conduct of such enterprises; and

12 (3) inhibit the development and expansions of
13 enterprises within Energy Transition Zones.

14 The Department shall conduct hearings, pursuant to public
15 notice, to solicit public comment on such identified rules as
16 part of this review process.

17 (b) No later than August 1 of each calendar year, the
18 Department shall publish in the Illinois Register a list of
19 such rules identified pursuant to subsection (a). The
20 Department shall transmit a copy of the list to each agency
21 which has adopted rules on the list.

22 (c) Within 90 days of the publication of the list by the
23 Department, each agency which adopted rules identified therein
24 shall file a written report with the Department detailing for
25 each identified rule:

26 (1) the need or justification;

1 (2) whether the rule is mandated by State or federal
2 law, or is discretionary, and to what extent;

3 (3) a synopsis of the history of the rule, including
4 any internal agency review after its original adoption; and

5 (4) any appropriate explanation of its relationship to
6 other regulatory requirements.

7 The agency that adopted the rules shall also include any
8 available data, analysis and studies concerning the economic
9 impact of the identified rules. The agency responses shall be
10 public records.

11 (d) No later than January 1 of the following calendar year,
12 the Department shall file proposed rules exempting green energy
13 enterprises within Energy Transition Zones from those agency
14 rules contained in the published list, for which the Department
15 finds that the job creation or business development incentives
16 for Energy Transition Zone development engendered by the
17 exemption outweigh the need and justification for the rule. In
18 making its findings, the Department shall consider all
19 information, data, and opinions submitted to it by the public,
20 as well as by adopting agencies, as well as information
21 otherwise available to it.

22 (e) The proposed rules adopted by the Department shall be
23 in the form of amendments to the existing rules to be affected,
24 and shall be subject to the Illinois Administrative Procedure
25 Act.

26 (f) Upon its effective date, any exempting rule of the

1 Department shall supersede the exempted agency rule in
2 accordance with the terms of the exemption. Such exemptions may
3 apply only to green energy enterprises within Energy Transition
4 Zones during the effective term of the respective Zones.
5 Agencies may not adopt emergency rules to circumvent an
6 exemption effected by a Department exemption rule; any such
7 emergency rules shall not be effective within Energy Transition
8 Zones to the extent inconsistent with the terms of such an
9 exemption.

10 Section 1-90. State and local regulatory alternatives.

11 (a) Agencies may provide in their rules for:

12 (1) the exemption of green energy enterprises within
13 Energy Transition Zones; or

14 (2) modifications or alternatives specifically
15 applicable to green energy enterprises within Energy
16 Transition Zones, which impose less stringent standards or
17 alternative standards for compliance (including, but not
18 limited to, performance-based standards as a substitute
19 for specific mandates of methods, procedures or
20 equipment).

21 Such exemptions, modifications, or alternatives shall
22 become effective by rule adopted in accordance with the
23 Illinois Administrative Procedure Act. The Agency adopting
24 such exemptions, modifications or alternatives shall file with
25 its proposed rule its findings that the proposed rule provides

1 economic incentives within Energy Transition Zones which
2 promote the purposes of this Act, and which, to the extent they
3 include any exemptions or reductions in regulatory standards or
4 requirements, outweigh the need or justification for the
5 existing rule.

6 (b) If any agency adopts a rule pursuant to paragraph (a)
7 affecting a rule contained on the list published by the
8 Department, prior to the completion of the rulemaking process
9 for the Department's rules under that Section, the agency shall
10 immediately transmit a copy of its proposed rule to the
11 Department, together with a statement of reasons as to why the
12 Department should defer to the agency's proposed rule. Agency
13 rules adopted under subsection (a) shall, however, be subject
14 to the exemption rules adopted by the Department.

15 (c) Within Energy Transition Zones, the designating
16 municipality may modify all local ordinances and regulations
17 regarding (i) zoning; (ii) licensing; (iii) building codes,
18 excluding however, any regulations treating building defects;
19 (iv) rent control and price controls (except for the minimum
20 wage). Notwithstanding any shorter statute of limitation to the
21 contrary, actions against any contractor or architect who
22 designs, constructs or rehabilitates a building or structure in
23 an Energy Transition Zone in accordance with local standards
24 specifically applicable within Zones which have been relaxed
25 may be commenced within 10 years from the time of beneficial
26 occupancy of the building or use of the structure.

1 Section 1-95. Exemptions from regulatory relaxation.
2 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
3 to:

4 (1) the Environmental Protection Act;

5 (2) the Illinois Historic Preservation Act;

6 (3) the Illinois Human Rights Act;

7 (4) any successor Acts to any of the foregoing; or

8 (5) any other Acts whose purpose is the protection of
9 the environment, the preservation of historic places and
10 landmarks, or the protection of persons against
11 discrimination on the basis of race, color, religion, sex,
12 marital status, national origin or physical or mental
13 disability.

14 (b) No exemption, modification or alternative to any agency
15 rule shall be effective which:

16 (1) presents a significant risk to the health or safety
17 of persons resident in or employed within an Energy
18 Transition Zone;

19 (2) would conflict with federal law such that the
20 State, or any unit of local government or school district,
21 or any area of the State other than Energy Transition
22 Zones, or any business enterprise located outside of an
23 Energy Transition Zone would be disqualified from a federal
24 program or from federal tax or other benefits;

25 (3) would suspend or modify an agency rule mandated by

1 law; or

2 (4) would eliminate or reduce benefits to individuals
3 who are residents of or employed within a Zone.

4 Section 1-100. Business notifications. Any business
5 located within the Energy Transition Zone which has received
6 tax credits or exemptions, regulatory relief or any other
7 benefits under this Act shall notify the Department and the
8 county and municipal officials in which the Energy Transition
9 Zone is located within 60 days of the cessation of any business
10 operations conducted within the Energy Transition Zone. The
11 Department shall adopt rules to carry out this Section.

12 Article 5. Energy Transition Tax Credit Act

13 Section 5-1. Short title. This Article may be cited as the
14 Energy Transition Tax Credit Act. References in this Article to
15 "this Act" mean this Article.

16 Section 5-5. Purpose. The General Assembly finds and
17 declares that the health, safety, and welfare of the people of
18 this State are dependent upon a healthy economy and vibrant
19 communities; that the closure of coal plants, coal mines, and
20 nuclear energy plants across the states are detrimental to
21 maintaining a healthy economy and vibrant communities; that the
22 expansion of green energy creates significant job growth and

1 contributes significantly to the health, safety, and welfare of
2 the people of this State; that the continual encouragement,
3 development, growth and expansion of green energy within the
4 State requires a cooperative and continuous partnership
5 between government and the green energy sector; and that there
6 are certain depressed areas in this State that have lost jobs
7 due to the closure of coal plants, coal mines, and nuclear
8 energy plants and need the particular attention of government,
9 labor and the citizens of Illinois to help attract green energy
10 investment into these areas and directly aid the local
11 community and its residents. Therefore, it is declared to be
12 the purpose of this Act, in conjunction with the Energy
13 Transition Zone Act, to provide green energy enterprises an
14 incentive to stimulate the growth of green energy in the State
15 and to foster job growth in areas depressed by the closure of
16 coal plants, coal mines, and nuclear energy plants.

17 Section 5-10. Definitions. As used in this Act:

18 "Agreement" means the Agreement between a Taxpayer and the
19 Department under the provisions of Section 5-55 of this Act.

20 "Applicant" means a Taxpayer operating a green energy
21 enterprise, as determined by the Energy Transition Zone Act,
22 located within or that the green energy enterprise plans to
23 locate within an Energy Transition Zone. "Applicant" does not
24 include a Taxpayer who closes or substantially reduces an
25 operation at one location in the State and relocates

1 substantially the same operation to a location in an Energy
2 Transition Zone. This does not prohibit a Taxpayer from
3 expanding its operations at a location in an Energy Transition
4 Zone, provided that existing operations of a similar nature
5 located within the State are not closed or substantially
6 reduced. This also does not prohibit a Taxpayer from moving its
7 operations from one location in the State to an Energy
8 Transition Zone for the purpose of expanding the operation
9 provided that the Department determines that expansion cannot
10 reasonably be accommodated within the municipality in which the
11 business is located, or in the case of a business located in an
12 incorporated area of the county, within the county in which the
13 business is located, after conferring with the chief elected
14 official of the municipality or county and taking into
15 consideration any evidence offered by the municipality or
16 county regarding the ability to accommodate expansion within
17 the municipality or county.

18 "Committee" means the Energy Transition Investment
19 Committee created under Section 5-25 of this Act within the
20 Illinois Economic Development Board.

21 "Credit" means the amount agreed to between the Department
22 and the Applicant under this Act, but not to exceed the lesser
23 of: (1) the sum of (i) 50% of the Incremental Income Tax
24 attributable to New Employees at the Applicant's project and
25 (ii) 10% of the training costs of New Employees; or (2) 100% of
26 the Incremental Income Tax attributable to New Employees at the

1 Applicant's project. However, if the project is located in an
2 underserved area, then the amount of the Credit may not exceed
3 the lesser of: (1) the sum of (i) 75% of the Incremental Income
4 Tax attributable to New Employees at the Applicant's project
5 and (ii) 10% of the training costs of New Employees; or (2)
6 100% of the Incremental Income Tax attributable to New
7 Employees at the Applicant's project. If an Applicant agrees to
8 hire the required number of New Employees, then the maximum
9 amount of the Credit for that Applicant may be increased by an
10 amount not to exceed 25% of the Incremental Income Tax
11 attributable to retained employees at the Applicant's project;
12 provided that, in order to receive the increase for retained
13 employees, the Applicant must provide the additional evidence
14 required under paragraph (3) of subsection (b) of Section 5-30.

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

17 "Director" means the Director of the Department of Commerce
18 and Economic Opportunity.

19 "Full-time Employee" means an individual who is employed
20 for consideration for at least 35 hours each week or who
21 renders any other standard of service generally accepted by
22 industry custom or practice as full-time employment. An
23 individual for whom a W-2 is issued by a Professional Employer
24 Organization (PEO) is a full-time employee if employed in the
25 service of the Applicant for consideration for at least 35
26 hours each week or who renders any other standard of service

1 generally accepted by industry custom or practice as full-time
2 employment to Applicant.

3 "Green energy" means solar energy, wind energy, water
4 energy, geothermal energy, bioenergy, or hydrogen fuel and
5 cells.

6 "Green energy production facility" means a facility owned
7 by a green energy enterprise (as defined in the Illinois Energy
8 Transition Zone Act) that is used in the production of solar
9 energy, wind energy, water energy, geothermal energy,
10 bioenergy, or hydrogen fuel and cells."Incremental Income Tax"
11 means the total amount withheld during the taxable year from
12 the compensation of New Employees and, if applicable, retained
13 employees under Article 7 of the Illinois Income Tax Act
14 arising from employment at a project that is the subject of an
15 Agreement.

16 "New Employee" means a full-time employee first employed by
17 a taxpayer in the project that is the subject of an agreement
18 and who is hired after the taxpayer enters into the agreement.
19 The term "New Employee" does not include:

20 (1) an employee of the Taxpayer who performs a job that
21 was previously performed by another employee, if that job
22 existed for at least 6 months before hiring the employee;

23 (2) an employee of the Taxpayer who was previously
24 employed in Illinois by a Related Member of the Taxpayer
25 and whose employment was shifted to the Taxpayer after the
26 Taxpayer entered into the Agreement; or

1 (3) a child, grandchild, parent, or spouse, other than
2 a spouse who is legally separated from the individual, of
3 any individual who has a direct or an indirect ownership
4 interest of at least 5% in the profits, capital, or value
5 of the taxpayer.

6 Notwithstanding any other provisions of this Section, an
7 employee may be considered a New Employee under the Agreement
8 if the employee performs a job that was previously performed by
9 an employee who was:

- 10 (1) treated under the Agreement as a New Employee; and
11 (2) promoted by the Taxpayer to another job.

12 Notwithstanding any other provisions of this Section, the
13 Department may award a Credit to an Applicant with respect to
14 an employee hired prior to the date of the Agreement if:

15 (1) the Applicant is in receipt of a letter from the
16 Department stating an intent to enter into a credit
17 Agreement;

18 (2) the letter described in paragraph (1) is issued by
19 the Department not later than 15 days after the effective
20 date of this Act; and

21 (3) the employee was hired after the date the letter
22 described in paragraph (1) was issued.

23 "Noncompliance Date" means, in the case of a Taxpayer that
24 is not complying with the requirements of the Agreement or the
25 provisions of this Act, the day following the last date upon
26 which the Taxpayer was in compliance with the requirements of

1 the Agreement and the provisions of this Act, as determined by
2 the Director, pursuant to Section 5-75.

3 "Pass Through Entity" means an entity that is exempt from
4 the tax under subsection (b) or (c) of Section 205 of the
5 Illinois Income Tax Act.

6 "Related Member" means a person that, with respect to the
7 Taxpayer during any portion of the taxable year, is any one of
8 the following:

9 (1) An individual stockholder, if the stockholder and
10 the members of the stockholder's family (as defined in
11 Section 318 of the Internal Revenue Code) own directly,
12 indirectly, beneficially, or constructively, in the
13 aggregate, at least 50% of the value of the Taxpayer's
14 outstanding stock.

15 (2) A partnership, estate, or trust and any partner or
16 beneficiary, if the partnership, estate, or trust, and its
17 partners or beneficiaries own directly, indirectly,
18 beneficially, or constructively, in the aggregate, at
19 least 50% of the profits, capital, stock, or value of the
20 Taxpayer.

21 (3) A corporation, and any party related to the
22 corporation in a manner that would require an attribution
23 of stock from the corporation to the party or from the
24 party to the corporation under the attribution rules of
25 Section 318 of the Internal Revenue Code, if the Taxpayer
26 owns directly, indirectly, beneficially, or constructively

1 at least 50% of the value of the corporation's outstanding
2 stock.

3 (4) A corporation and any party related to that
4 corporation in a manner that would require an attribution
5 of stock from the corporation to the party or from the
6 party to the corporation under the attribution rules of
7 Section 318 of the Internal Revenue Code, if the
8 corporation and all such related parties own in the
9 aggregate at least 50% of the profits, capital, stock, or
10 value of the Taxpayer.

11 (5) A person to or from whom there is attribution of
12 stock ownership in accordance with Section 1563(e) of the
13 Internal Revenue Code, except, for purposes of determining
14 whether a person is a Related Member under this paragraph,
15 20% shall be substituted for 5% wherever 5% appears in
16 Section 1563(e) of the Internal Revenue Code.

17 "Taxpayer" means an individual, corporation, partnership,
18 or other entity that has any Illinois income tax liability.

19 "Underserved area" means a geographic area that meets one
20 or more of the following conditions:

21 (1) the area has a poverty rate of at least 20%
22 according to the latest federal decennial census;

23 (2) 75% or more of the children in the area participate
24 in the federal free lunch program according to reported
25 statistics from the State Board of Education;

26 (3) at least 20% of the households in the area receive

1 assistance under the Supplemental Nutrition Assistance
2 Program (SNAP); or

3 (4) the area has an average unemployment rate, as
4 determined by the Illinois Department of Employment
5 Security, that is more than 120% of the national
6 unemployment average, as determined by the U.S. Department
7 of Labor, for a period of at least 2 consecutive calendar
8 years preceding the date of the application.

9 Section 5-15. Powers of the Department. The Department, in
10 addition to those powers granted under the Civil Administrative
11 Code of Illinois, is granted and shall have all the powers
12 necessary or convenient to carry out and effectuate the
13 purposes and provisions of this Act, including, but not limited
14 to, power and authority to:

15 (1) Adopt rules deemed necessary and appropriate for
16 the administration of the programs; establish forms for
17 applications, notifications, contracts, or any other
18 agreements; and accept applications at any time during the
19 year.

20 (2) Provide and assist Taxpayers pursuant to the
21 provisions of this Act, and cooperate with Taxpayers that
22 are parties to Agreements to promote, foster, and support
23 economic development, capital investment, and job creation
24 or retention within the Energy Transition Zone.

25 (c) Enter into agreements and memoranda of

1 understanding for participation of and engage in
2 cooperation with agencies of the federal government, local
3 units of government, universities, research foundations or
4 institutions, regional economic development corporations,
5 or other organizations for the purposes of this Act.

6 (4) Gather information and conduct inquiries, in the
7 manner and by the methods as it deems desirable, including
8 without limitation, gathering information with respect to
9 Applicants for the purpose of making any designations or
10 certifications necessary or desirable or to gather
11 information to assist the Committee with any
12 recommendation or guidance in the furtherance of the
13 purposes of this Act.

14 (5) Establish, negotiate and effectuate any term,
15 agreement or other document with any person, necessary or
16 appropriate to accomplish the purposes of this Act; and to
17 consent, subject to the provisions of any Agreement with
18 another party, to the modification or restructuring of any
19 Agreement to which the Department is a party.

20 (6) Fix, determine, charge, and collect any premiums,
21 fees, charges, costs, and expenses from Applicants,
22 including, without limitation, any application fees,
23 commitment fees, program fees, financing charges, or
24 publication fees as deemed appropriate to pay expenses
25 necessary or incident to the administration, staffing, or
26 operation in connection with the Department's or

1 Committee's activities under this Act, or for preparation,
2 implementation, and enforcement of the terms of the
3 Agreement, or for consultation, advisory and legal fees,
4 and other costs; however, all fees and expenses incident
5 thereto shall be the responsibility of the Applicant.

6 (7) Provide for sufficient personnel to permit
7 administration, staffing, operation, and related support
8 required to adequately discharge its duties and
9 responsibilities described in this Act from funds made
10 available through charges to Applicants or from funds as
11 may be appropriated by the General Assembly for the
12 administration of this Act.

13 (8) Require Applicants, upon written request, to issue
14 any necessary authorization to the appropriate federal,
15 state, or local authority for the release of information
16 concerning a project being considered under the provisions
17 of this Act, with the information requested to include, but
18 not be limited to, financial reports, returns, or records
19 relating to the Taxpayer or its project.

20 (9) Require that a Taxpayer shall at all times keep
21 proper books of record and account in accordance with
22 generally accepted accounting principles consistently
23 applied, with the books, records, or papers related to the
24 Agreement in the custody or control of the Taxpayer open
25 for reasonable Department inspection and audits, and
26 including, without limitation, the making of copies of the

1 books, records, or papers, and the inspection or appraisal
2 of any of the Taxpayer or project assets.

3 (10) Take whatever actions are necessary or
4 appropriate to protect the State's interest in the event of
5 bankruptcy, default, foreclosure, or noncompliance with
6 the terms and conditions of financial assistance or
7 participation required under this Act, including the power
8 to sell, dispose, lease, or rent, upon terms and conditions
9 determined by the Director to be appropriate, real or
10 personal property that the Department may receive as a
11 result of these actions.

12 Section 5-20. Tax credit awards.

13 (a) Subject to the conditions set forth in this Act, a
14 Taxpayer is entitled to a Credit against or, as described in
15 subsection (f) of this Section, a payment towards taxes imposed
16 pursuant to subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act that may be imposed on the Taxpayer for
18 a taxable year beginning on or after January 1, 2019, if the
19 Taxpayer is awarded a Credit by the Department under this Act
20 for that taxable year.

21 The Department shall make Credit awards under this Act to
22 foster job creation and the development of green energy in
23 Energy Transition Zones.

24 (b) A person that proposes a project to create new jobs and
25 to invest in the development of a green energy production

1 facility in an Energy Transition Zone must enter into an
2 Agreement with the Department for the Credit under this Act

3 (c) The Credit shall be claimed for the taxable years
4 specified in the Agreement.

5 (d) The Credit shall not exceed the Incremental Income Tax
6 attributable to the project that is the subject of the
7 Agreement.

8 (e) Nothing herein shall prohibit a Tax Credit Award to an
9 Applicant that uses a PEO if all other award criteria are
10 satisfied.

11 (f) A pass-through entity that has been awarded a credit
12 under this Act, its shareholders, or its partners may treat
13 some or all of the credit awarded pursuant to this Act as a tax
14 payment for purposes of the Illinois Income Tax Act. The term
15 "tax payment" means a payment as described in Article 6 or
16 Article 8 of the Illinois Income Tax Act or a composite payment
17 made by a pass-through entity on behalf of any of its
18 shareholders or partners to satisfy such shareholders' or
19 partners' taxes imposed pursuant to subsections (a) and (b) of
20 Section 201 of the Illinois Income Tax Act. In no event shall
21 the amount of the award credited pursuant to this Act exceed
22 the Illinois income tax liability of the pass-through entity or
23 its shareholders or partners for the taxable year.

24 Section 5-25. Application for a project to create and
25 retain new jobs and to develop green energy.

1 (a) Any green energy enterprise proposing a project to
2 build a green energy production facility located or planned to
3 be located in an Energy Transition Zone may request
4 consideration for designation of its project, by formal written
5 letter of request or by formal application to the Department,
6 in which the Applicant states its intent to make at least a
7 specified level of investment and intends to hire or retain a
8 specified number of full-time employees at a designated
9 location in Illinois. As circumstances require, the Department
10 may require a formal application from an Applicant and a formal
11 letter of request for assistance.

12 (b) In order to qualify for Credits under this Act, an
13 Applicant's project must:

14 (1) be for the purpose of producing green energy;

15 (2) if the Applicant has more than 100 employees,
16 involve an investment of at least \$2,500,000 in capital
17 improvements to be placed in service within an Energy
18 Transition Zone as a direct result of the project; if the
19 Applicant has 100 or fewer employees, then there is no
20 capital investment requirement; and

21 (3) if the Applicant has more than 100 employees,
22 employ a number of new employees in the Energy Transition
23 Zone equal to the lesser of (A) 10% of the number of
24 full-time employees employed by the applicant world-wide
25 on the date the application is filed with the Department or
26 (B) 50 New Employees; and, if the Applicant has 100 or

1 fewer employees, employ a number of new employees in the
2 State equal to the lesser of (A) 5% of the number of
3 full-time employees employed by the applicant world-wide
4 on the date the application is filed with the Department or
5 (B) 50 New Employees;

6 (c) After receipt of an application, the Department may
7 enter into an Agreement with the Applicant if the application
8 is accepted in accordance with Section 5-25.

9 Section 5-30. Review of application.

10 (a) In addition to those duties granted under the Illinois
11 Economic Development Board Act, the Illinois Economic
12 Development Board shall form an Energy Transition Investment
13 Committee for the purpose of making recommendations for
14 applications. At the request of the Board, the Director of
15 Commerce and Economic Opportunity or his or her designee, the
16 Director of the Governor's Office of Management and Budget or
17 his or her designee, the Director of Revenue or his or her
18 designee, the Director of Employment Security or his or her
19 designee, and an elected official of the affected locality,
20 such as the chair of the county board or the mayor, may serve
21 as members of the Committee to assist with its analysis and
22 deliberations.

23 (b) At the Department's request, the Committee shall
24 convene, make inquiries, and conduct studies in the manner and
25 by the methods as it deems desirable, review information with

1 respect to Applicants, and make recommendations for projects to
2 benefit an Energy Transition Zone. In making its recommendation
3 that an Applicant's application for Credit should or should not
4 be accepted, which shall occur within a reasonable time frame
5 as determined by the nature of the application, the Committee
6 shall determine that all the following conditions exist:

7 (1) The Applicant's project intends, as required by
8 subsection (b) of Section 5 to make the required investment
9 in the Energy Transition Zone and intends to hire the
10 required number of New Employees in the Energy Transition
11 Zone as a result of that project.

12 (2) The Applicant's project is economically sound and
13 will benefit the people of the Energy Transition Zone by
14 increasing opportunities for employment and engaging in
15 the development of green energy.

16 (3) That, if not for the Credit, the project would not
17 occur in Illinois, which may be demonstrated by evidence
18 that receipt of the Credit is essential to the Applicant's
19 decision to create new jobs in the State, such as the
20 magnitude of the cost differential between Illinois and a
21 competing State; in addition, if the Applicant is seeking
22 an increase in the maximum amount of the Credit for
23 retained employees, the Applicant must provide evidence
24 the Applicant has multi-state location options and could
25 reasonably and efficiently locate outside of the State or
26 demonstrate that at least one other state is being

1 considered for the project.

2 (4) A cost differential is identified, using best
3 available data, in the projected costs for the Applicant's
4 project compared to the costs in the competing state,
5 including the impact of the competing state's incentive
6 programs. The competing state's incentive programs shall
7 include state, local, private, and federal funds
8 available.

9 (5) The political subdivisions affected by the project
10 have committed local incentives with respect to the
11 project, considering local ability to assist.

12 (6) Awarding the Credit will result in an overall
13 positive fiscal impact to the State, as certified by the
14 Committee using the best available data.

15 (7) The Credit is not prohibited by Section 5-45 of
16 this Act.

17 Section 5-35. Limitation to amount of costs of specified
18 items. The total amount of the Credit allowed during all tax
19 years may not exceed the aggregate amount of costs incurred by
20 the Taxpayer during all prior tax years for the following
21 items, to the extent provided in the Agreement:

22 (1) capital investment, including, but not limited to,
23 equipment, buildings, or land;

24 (2) infrastructure development;

25 (3) debt service, except refinancing of current debt;

- 1 (4) research and development;
- 2 (5) job training and education;
- 3 (6) lease costs; or
- 4 (7) relocation costs.

5 Section 5-40. Relocation of jobs to Energy Transition Zone.
6 A taxpayer is not entitled to claim the credit provided by this
7 Act with respect to any jobs that the taxpayer relocates from
8 one site in Illinois to another site in an Energy Transition
9 Zone. A taxpayer with respect to a qualifying project certified
10 under the Corporate Headquarters Relocation Act, however, is
11 not subject to the requirements of this Section but is
12 nevertheless considered an applicant for purposes of this Act.
13 Moreover, any full-time employee of an eligible green energy
14 enterprise relocated to an Energy Transition Zone in connection
15 with that qualifying project is deemed to be a new employee for
16 purposes of this Act. Determinations under this Section shall
17 be made by the Department.

18 Section 5-45. Determination of amount of the Credit. In
19 determining the amount of the Credit that should be awarded,
20 the Committee shall provide guidance on, and the Department
21 shall take into consideration, all of the following factors:

- 22 (1) The number and location of jobs created and
23 retained in relation to the economy of the Energy
24 Transition Zone where the projected investment is to occur.

1 (2) The potential impact on the economy of the Energy
2 Transition Zone.

3 (3) The advancement of green energy in the Energy
4 Transition Zone.

5 (4) The incremental payroll attributable to the
6 project.

7 (5) The capital investment attributable to the
8 project.

9 (6) The amount of the average wage and benefits paid by
10 the Applicant in relation to the wage and benefits of the
11 Energy Transition Zone.

12 (7) The costs to Illinois and the affected political
13 subdivisions with respect to the project.

14 (8) The financial assistance that is otherwise
15 provided by Illinois and the affected political
16 subdivisions.

17 Section 5-50. Amount and curation of credit.

18 (a) The Department shall determine the amount and duration
19 of the credit awarded under this Act. The duration of the
20 credit may not exceed 10 taxable years. The credit may be
21 stated as a percentage of the Incremental Income Tax
22 attributable to the applicant's project and may include a fixed
23 dollar limitation. An Agreement for the credit must be
24 finalized and signed by all parties while the area in which the
25 project is located is designated an Energy Transition Zone. The

1 credit may last longer than the applicable Energy Transition
2 Zone designation. Agreements entered into prior to the
3 de-designation of an Energy Transition Zone will be honored for
4 the length of the Agreement.

5 (b) Notwithstanding subsection (a), and except as the
6 credit may be applied in a carryover year pursuant to Section
7 211.1 (4) of the Illinois Income Tax Act, the credit may be
8 applied against the State income tax liability in more than 10
9 taxable years but not in more than 15 taxable years for an
10 eligible green energy enterprise that (i) qualifies under this
11 Act and the Corporate Headquarters Relocation Act and has in
12 fact undertaken a qualifying project within the time frame
13 specified by the Department of Commerce and Economic
14 Opportunity under that Act, and (ii) applies against its State
15 income tax liability, during the entire 15-year period, no more
16 than 60% of the maximum credit per year that would otherwise be
17 available under this Act.

18 Section 5-55. Contents of Agreements with Applicants. The
19 Department shall enter into an Agreement with an Applicant that
20 is awarded a Credit under this Act. The Agreement must include
21 all of the following:

22 (1) A detailed description of the project that is the
23 subject of the Agreement, including the location and amount
24 of the investment and jobs created or retained.

25 (2) The duration of the Credit and the first taxable

1 year for which the Credit may be claimed.

2 (3) The Credit amount that will be allowed for each
3 taxable year.

4 (4) A requirement that the Taxpayer shall maintain
5 operations at the project location that shall be stated as
6 a minimum number of years not to exceed 10.

7 (5) A specific method for determining the number of New
8 Employees employed during a taxable year.

9 (6) A requirement that the Taxpayer shall annually
10 report to the Department the number of New Employees, the
11 Incremental Income Tax withheld in connection with the New
12 Employees, and any other information the Director needs to
13 perform the Director's duties under this Act.

14 (7) A requirement that the Director is authorized to
15 verify with the appropriate State agencies the amounts
16 reported under paragraph (6), and after doing so shall
17 issue a certificate to the Taxpayer stating that the
18 amounts have been verified.

19 (8) A requirement that the Taxpayer shall provide
20 written notification to the Director not more than 30 days
21 after the Taxpayer makes or receives a proposal that would
22 transfer the Taxpayer's State tax liability obligations to
23 a successor Taxpayer.

24 (9) A detailed description of the number of New
25 Employees to be hired, and the occupation and payroll of
26 the full-time jobs to be created or retained as a result of

1 the project.

2 (10) The minimum investment the green energy
3 enterprise will make in capital improvements, the time
4 period for placing the property in service, and the
5 designated green energy production of the project.

6 (11) A requirement that the Taxpayer shall provide
7 written notification to the Director and the Committee not
8 more than 30 days after the Taxpayer determines that the
9 minimum job creation or retention, employment payroll, or
10 investment no longer is being or will be achieved or
11 maintained as set forth in the terms and conditions of the
12 Agreement.

13 (12) A provision that, if the total number of New
14 Employees falls below a specified level, the allowance of
15 Credit shall be suspended until the number of New Employees
16 equals or exceeds the Agreement amount.

17 (13) A detailed description of the items for which the
18 costs incurred by the Taxpayer will be included in the
19 limitation on the Credit provided in Section 5-40.

20 (14) A provision that, if the Taxpayer never meets
21 either the investment or job creation and retention
22 requirements specified in the Agreement during the entire
23 5-year period beginning on the first day of the first
24 taxable year in which the Agreement is executed and ending
25 on the last day of the fifth taxable year after the
26 Agreement is executed, then the Agreement is automatically

1 terminated on the last day of the fifth taxable year after
2 the Agreement is executed and the Taxpayer is not entitled
3 to the award of any credits for any of that 5-year period.

4 (15) A provision specifying that, if the Taxpayer
5 ceases principal operations with the intent to shut down
6 the project in the Energy Transition Zone permanently
7 during the term of the Agreement, then the entire credit
8 amount awarded to the Taxpayer prior to the date the
9 Taxpayer ceases principal operations shall be returned to
10 the Department.

11 (16) Any other performance conditions or contract
12 provisions as the Department determines are appropriate.
13 The Department shall post on its website the terms of each
14 Agreement entered into under this Act. Such information
15 shall be posted within 10 days after entering into the
16 Agreement and must include the following:

17 (A) the name of the recipient business;

18 (B) the location of the project;

19 (C) the estimated value of the credit;

20 (C) the number of new jobs and, if applicable,
21 retained jobs pledged as a result of the project; and

22 (E) whether or not the project is located in an
23 underserved area.

24 Section 5-60. Certificate of verification; submission to
25 the Department of Revenue. A Taxpayer claiming a Credit under

1 this Act shall submit to the Department of Revenue a copy of
2 the Director's certificate of verification under this Act for
3 the taxable year. However, failure to submit a copy of the
4 certificate with the Taxpayer's tax return shall not invalidate
5 a claim for a Credit.

6 For a Taxpayer to be eligible for a certificate of
7 verification, the Taxpayer shall provide proof as required by
8 the Department prior to the end of each calendar year,
9 including, but not limited to, attestation by the Taxpayer
10 that:

11 (1) The project has substantially achieved the level of
12 new full-time jobs in the Energy Transition Zone, as
13 specified in its Agreement.

14 (2) The project has substantially achieved the level of
15 annual payroll in the Energy Transition Zone, as specified
16 in its Agreement.

17 (3) The project has substantially achieved the level of
18 capital investment in the Energy Transition Zone, as
19 specified in its Agreement;

20 (4) The project has assisted in the development of
21 green energy production in the Energy Transition Zone, as
22 specified in its Agreement.

23 Section 5-65. Supplier diversity. Each taxpayer claiming a
24 credit under this Act shall, no later than April 15 of each
25 taxable year for which the taxpayer claims a credit under this

1 Act, submit to the Department of Commerce and Economic
2 Opportunity an annual report containing the information
3 described in subsections (b), (c), (d), and (e) of Section
4 5-117 of the Public Utilities Act. Those reports shall be
5 submitted in the form and manner required by the Department of
6 Commerce and Economic Opportunity.

7 Section 5-70. Pass through entity. The shareholders or
8 partners of a Taxpayer that is a Pass Through Entity shall be
9 entitled to the Credit allowed under the Agreement.

10 The Credit provided under subsection (a) is in addition to
11 any Credit to which a shareholder or partner is otherwise
12 entitled under a separate Agreement under this Act. A Pass
13 Through Entity and a shareholder or partner of the Pass Through
14 Entity may not claim more than one Credit under the same
15 Agreement.

16 Section 5-75. Noncompliance; notice; assessment. If the
17 Director determines that a Taxpayer who has received a Credit
18 under this Act is not complying with the requirements of the
19 Agreement or all of the provisions of this Act, the Director
20 shall provide notice to the Taxpayer of the alleged
21 noncompliance, and allow the Taxpayer a hearing under the
22 provisions of the Illinois Administrative Procedure Act. If,
23 after such notice and any hearing, the Director determines that
24 a noncompliance exists, the Director shall issue to the

1 Department of Revenue notice to that effect, stating the
2 Noncompliance Date. If, during the term of an Agreement, the
3 Taxpayer ceases operations at a project location that is the
4 subject of that Agreement with the intent to terminate
5 operations in the Energy Transition Zone, the Department and
6 the Department of Revenue shall recapture from the Taxpayer the
7 entire Credit amount awarded under that Agreement prior to the
8 date the taxpayer ceases operations. The Department shall,
9 subject to appropriation, reallocate the recaptured amounts to
10 the local workforce investment area in which the project was
11 located for the purposes of workforce development, expanded
12 opportunities for unemployed persons, and expanded
13 opportunities for women and minorities in the workforce.

14 Section 5-80. Annual report. On or before July 1 each year,
15 the Committee shall submit a report to the Department on the
16 tax credit program under this Act to the Governor and the
17 General Assembly. The report shall include information on the
18 number of Agreements that were entered into under this Act
19 during the preceding calendar year, a description of the
20 project that is the subject of each Agreement, an update on the
21 status of projects under Agreements entered into before the
22 preceding calendar year, and the sum of the Credits awarded
23 under this Act. A copy of the report shall be delivered to the
24 Governor and to each member of the General Assembly.

25 The report must include, for each Agreement:

1 (1) the original estimates of the value of the Credit
2 and the number of new jobs to be created and, if
3 applicable, the number of retained jobs;

4 (2) any relevant modifications to existing Agreements;

5 (3) a statement of the progress made by each Taxpayer
6 in meeting the terms of the original Agreement;

7 (4) a statement of wages paid to New Employees and, if
8 applicable, retained employees in the State;

9 (5) any information reported under Section 5-65 of this
10 Act; and

11 (6) a copy of the original Agreement.

12 Section 5-85. Evaluation of tax credit program. On a
13 biennial basis, the Department shall evaluate the tax credit
14 program. The evaluation shall include an assessment of the
15 effectiveness of the program in creating new jobs in Illinois
16 and of the revenue impact of the program, and may include a
17 review of the practices and experiences of other states with
18 similar programs. The Director shall submit a report on the
19 evaluation to the Governor and the General Assembly after June
20 30 and before November 1 in each odd-numbered year.

21 Section 5-90. Adoption of rules. The Department may adopt
22 rules necessary to implement this Act. The rules may provide
23 for recipients of Credits under this Act to be charged fees to
24 cover administrative costs of the tax credit program. Fees

1 collected shall be deposited into the Energy Transition Fund.

2 Section 5-95. The Energy Transition Fund.

3 (a) The Energy Transition Fund is established as a special
4 fund within the State treasury to be used exclusively for the
5 purposes of this Act, including paying for the costs of
6 administering this Act. The Fund shall be administered by the
7 Department.

8 (b) The Fund consists of collected fees, appropriations
9 from the General Assembly, and gifts and grants to the Fund.

10 (c) The State Treasurer shall invest the money in the Fund
11 not currently needed to meet the obligations of the Fund in the
12 same manner as other public funds may be invested. Interest
13 that accrues from these investments shall be deposited into the
14 Fund.

15 (d) The money in the Fund at the end of a State fiscal year
16 remains in the Fund to be used exclusively for the purposes of
17 this Act. Expenditures from the Fund are subject to
18 appropriation by the General Assembly.

19 Section 5-100. Program terms and conditions.

20 (a) Any documentary materials or data made available or
21 received by any member of a Committee or any agent or employee
22 of the Department shall be deemed confidential and shall not be
23 deemed public records to the extent that the materials or data
24 consists of trade secrets, commercial or financial information

1 regarding the operation of the business conducted by the
2 Applicant for or recipient of any tax credit under this Act, or
3 any information regarding the competitive position of a
4 business in a particular field of endeavor.

5 (b) Nothing in this Act shall be construed as creating any
6 rights in any Applicant to enter into an Agreement or in any
7 person to challenge the terms of any Agreement.

8 Article 10. Amendatory Provisions

9 Section 10-5. The Illinois Administrative Procedure Act is
10 amended by changing Section 5-45 as follows:

11 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

12 Sec. 5-45. Emergency rulemaking.

13 (a) "Emergency" means the existence of any situation that
14 any agency finds reasonably constitutes a threat to the public
15 interest, safety, or welfare.

16 (b) If any agency finds that an emergency exists that
17 requires adoption of a rule upon fewer days than is required by
18 Section 5-40 and states in writing its reasons for that
19 finding, the agency may adopt an emergency rule without prior
20 notice or hearing upon filing a notice of emergency rulemaking
21 with the Secretary of State under Section 5-70. The notice
22 shall include the text of the emergency rule and shall be
23 published in the Illinois Register. Consent orders or other

1 court orders adopting settlements negotiated by an agency may
2 be adopted under this Section. Subject to applicable
3 constitutional or statutory provisions, an emergency rule
4 becomes effective immediately upon filing under Section 5-65 or
5 at a stated date less than 10 days thereafter. The agency's
6 finding and a statement of the specific reasons for the finding
7 shall be filed with the rule. The agency shall take reasonable
8 and appropriate measures to make emergency rules known to the
9 persons who may be affected by them.

10 (c) An emergency rule may be effective for a period of not
11 longer than 150 days, but the agency's authority to adopt an
12 identical rule under Section 5-40 is not precluded. No
13 emergency rule may be adopted more than once in any 24-month
14 period, except that this limitation on the number of emergency
15 rules that may be adopted in a 24-month period does not apply
16 to (i) emergency rules that make additions to and deletions
17 from the Drug Manual under Section 5-5.16 of the Illinois
18 Public Aid Code or the generic drug formulary under Section
19 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
20 emergency rules adopted by the Pollution Control Board before
21 July 1, 1997 to implement portions of the Livestock Management
22 Facilities Act, (iii) emergency rules adopted by the Illinois
23 Department of Public Health under subsections (a) through (i)
24 of Section 2 of the Department of Public Health Act when
25 necessary to protect the public's health, (iv) emergency rules
26 adopted pursuant to subsection (n) of this Section, (v)

1 emergency rules adopted pursuant to subsection (o) of this
2 Section, or (vi) emergency rules adopted pursuant to subsection
3 (c-5) of this Section. Two or more emergency rules having
4 substantially the same purpose and effect shall be deemed to be
5 a single rule for purposes of this Section.

6 (c-5) To facilitate the maintenance of the program of group
7 health benefits provided to annuitants, survivors, and retired
8 employees under the State Employees Group Insurance Act of
9 1971, rules to alter the contributions to be paid by the State,
10 annuitants, survivors, retired employees, or any combination
11 of those entities, for that program of group health benefits,
12 shall be adopted as emergency rules. The adoption of those
13 rules shall be considered an emergency and necessary for the
14 public interest, safety, and welfare.

15 (d) In order to provide for the expeditious and timely
16 implementation of the State's fiscal year 1999 budget,
17 emergency rules to implement any provision of Public Act 90-587
18 or 90-588 or any other budget initiative for fiscal year 1999
19 may be adopted in accordance with this Section by the agency
20 charged with administering that provision or initiative,
21 except that the 24-month limitation on the adoption of
22 emergency rules and the provisions of Sections 5-115 and 5-125
23 do not apply to rules adopted under this subsection (d). The
24 adoption of emergency rules authorized by this subsection (d)
25 shall be deemed to be necessary for the public interest,
26 safety, and welfare.

1 (e) In order to provide for the expeditious and timely
2 implementation of the State's fiscal year 2000 budget,
3 emergency rules to implement any provision of Public Act 91-24
4 or any other budget initiative for fiscal year 2000 may be
5 adopted in accordance with this Section by the agency charged
6 with administering that provision or initiative, except that
7 the 24-month limitation on the adoption of emergency rules and
8 the provisions of Sections 5-115 and 5-125 do not apply to
9 rules adopted under this subsection (e). The adoption of
10 emergency rules authorized by this subsection (e) shall be
11 deemed to be necessary for the public interest, safety, and
12 welfare.

13 (f) In order to provide for the expeditious and timely
14 implementation of the State's fiscal year 2001 budget,
15 emergency rules to implement any provision of Public Act 91-712
16 or any other budget initiative for fiscal year 2001 may be
17 adopted in accordance with this Section by the agency charged
18 with administering that provision or initiative, except that
19 the 24-month limitation on the adoption of emergency rules and
20 the provisions of Sections 5-115 and 5-125 do not apply to
21 rules adopted under this subsection (f). The adoption of
22 emergency rules authorized by this subsection (f) shall be
23 deemed to be necessary for the public interest, safety, and
24 welfare.

25 (g) In order to provide for the expeditious and timely
26 implementation of the State's fiscal year 2002 budget,

1 emergency rules to implement any provision of Public Act 92-10
2 or any other budget initiative for fiscal year 2002 may be
3 adopted in accordance with this Section by the agency charged
4 with administering that provision or initiative, except that
5 the 24-month limitation on the adoption of emergency rules and
6 the provisions of Sections 5-115 and 5-125 do not apply to
7 rules adopted under this subsection (g). The adoption of
8 emergency rules authorized by this subsection (g) shall be
9 deemed to be necessary for the public interest, safety, and
10 welfare.

11 (h) In order to provide for the expeditious and timely
12 implementation of the State's fiscal year 2003 budget,
13 emergency rules to implement any provision of Public Act 92-597
14 or any other budget initiative for fiscal year 2003 may be
15 adopted in accordance with this Section by the agency charged
16 with administering that provision or initiative, except that
17 the 24-month limitation on the adoption of emergency rules and
18 the provisions of Sections 5-115 and 5-125 do not apply to
19 rules adopted under this subsection (h). The adoption of
20 emergency rules authorized by this subsection (h) shall be
21 deemed to be necessary for the public interest, safety, and
22 welfare.

23 (i) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 2004 budget,
25 emergency rules to implement any provision of Public Act 93-20
26 or any other budget initiative for fiscal year 2004 may be

1 adopted in accordance with this Section by the agency charged
2 with administering that provision or initiative, except that
3 the 24-month limitation on the adoption of emergency rules and
4 the provisions of Sections 5-115 and 5-125 do not apply to
5 rules adopted under this subsection (i). The adoption of
6 emergency rules authorized by this subsection (i) shall be
7 deemed to be necessary for the public interest, safety, and
8 welfare.

9 (j) In order to provide for the expeditious and timely
10 implementation of the provisions of the State's fiscal year
11 2005 budget as provided under the Fiscal Year 2005 Budget
12 Implementation (Human Services) Act, emergency rules to
13 implement any provision of the Fiscal Year 2005 Budget
14 Implementation (Human Services) Act may be adopted in
15 accordance with this Section by the agency charged with
16 administering that provision, except that the 24-month
17 limitation on the adoption of emergency rules and the
18 provisions of Sections 5-115 and 5-125 do not apply to rules
19 adopted under this subsection (j). The Department of Public Aid
20 may also adopt rules under this subsection (j) necessary to
21 administer the Illinois Public Aid Code and the Children's
22 Health Insurance Program Act. The adoption of emergency rules
23 authorized by this subsection (j) shall be deemed to be
24 necessary for the public interest, safety, and welfare.

25 (k) In order to provide for the expeditious and timely
26 implementation of the provisions of the State's fiscal year

1 2006 budget, emergency rules to implement any provision of
2 Public Act 94-48 or any other budget initiative for fiscal year
3 2006 may be adopted in accordance with this Section by the
4 agency charged with administering that provision or
5 initiative, except that the 24-month limitation on the adoption
6 of emergency rules and the provisions of Sections 5-115 and
7 5-125 do not apply to rules adopted under this subsection (k).
8 The Department of Healthcare and Family Services may also adopt
9 rules under this subsection (k) necessary to administer the
10 Illinois Public Aid Code, the Senior Citizens and Persons with
11 Disabilities Property Tax Relief Act, the Senior Citizens and
12 Disabled Persons Prescription Drug Discount Program Act (now
13 the Illinois Prescription Drug Discount Program Act), and the
14 Children's Health Insurance Program Act. The adoption of
15 emergency rules authorized by this subsection (k) shall be
16 deemed to be necessary for the public interest, safety, and
17 welfare.

18 (1) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2007 budget, the Department of Healthcare and Family Services
21 may adopt emergency rules during fiscal year 2007, including
22 rules effective July 1, 2007, in accordance with this
23 subsection to the extent necessary to administer the
24 Department's responsibilities with respect to amendments to
25 the State plans and Illinois waivers approved by the federal
26 Centers for Medicare and Medicaid Services necessitated by the

1 requirements of Title XIX and Title XXI of the federal Social
2 Security Act. The adoption of emergency rules authorized by
3 this subsection (l) shall be deemed to be necessary for the
4 public interest, safety, and welfare.

5 (m) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2008 budget, the Department of Healthcare and Family Services
8 may adopt emergency rules during fiscal year 2008, including
9 rules effective July 1, 2008, in accordance with this
10 subsection to the extent necessary to administer the
11 Department's responsibilities with respect to amendments to
12 the State plans and Illinois waivers approved by the federal
13 Centers for Medicare and Medicaid Services necessitated by the
14 requirements of Title XIX and Title XXI of the federal Social
15 Security Act. The adoption of emergency rules authorized by
16 this subsection (m) shall be deemed to be necessary for the
17 public interest, safety, and welfare.

18 (n) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2010 budget, emergency rules to implement any provision of
21 Public Act 96-45 or any other budget initiative authorized by
22 the 96th General Assembly for fiscal year 2010 may be adopted
23 in accordance with this Section by the agency charged with
24 administering that provision or initiative. The adoption of
25 emergency rules authorized by this subsection (n) shall be
26 deemed to be necessary for the public interest, safety, and

1 welfare. The rulemaking authority granted in this subsection
2 (n) shall apply only to rules promulgated during Fiscal Year
3 2010.

4 (o) In order to provide for the expeditious and timely
5 implementation of the provisions of the State's fiscal year
6 2011 budget, emergency rules to implement any provision of
7 Public Act 96-958 or any other budget initiative authorized by
8 the 96th General Assembly for fiscal year 2011 may be adopted
9 in accordance with this Section by the agency charged with
10 administering that provision or initiative. The adoption of
11 emergency rules authorized by this subsection (o) is deemed to
12 be necessary for the public interest, safety, and welfare. The
13 rulemaking authority granted in this subsection (o) applies
14 only to rules promulgated on or after July 1, 2010 (the
15 effective date of Public Act 96-958) through June 30, 2011.

16 (p) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 97-689,
18 emergency rules to implement any provision of Public Act 97-689
19 may be adopted in accordance with this subsection (p) by the
20 agency charged with administering that provision or
21 initiative. The 150-day limitation of the effective period of
22 emergency rules does not apply to rules adopted under this
23 subsection (p), and the effective period may continue through
24 June 30, 2013. The 24-month limitation on the adoption of
25 emergency rules does not apply to rules adopted under this
26 subsection (p). The adoption of emergency rules authorized by

1 this subsection (p) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (q) In order to provide for the expeditious and timely
4 implementation of the provisions of Articles 7, 8, 9, 11, and
5 12 of Public Act 98-104, emergency rules to implement any
6 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
7 may be adopted in accordance with this subsection (q) by the
8 agency charged with administering that provision or
9 initiative. The 24-month limitation on the adoption of
10 emergency rules does not apply to rules adopted under this
11 subsection (q). The adoption of emergency rules authorized by
12 this subsection (q) is deemed to be necessary for the public
13 interest, safety, and welfare.

14 (r) In order to provide for the expeditious and timely
15 implementation of the provisions of Public Act 98-651,
16 emergency rules to implement Public Act 98-651 may be adopted
17 in accordance with this subsection (r) by the Department of
18 Healthcare and Family Services. The 24-month limitation on the
19 adoption of emergency rules does not apply to rules adopted
20 under this subsection (r). The adoption of emergency rules
21 authorized by this subsection (r) is deemed to be necessary for
22 the public interest, safety, and welfare.

23 (s) In order to provide for the expeditious and timely
24 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
25 the Illinois Public Aid Code, emergency rules to implement any
26 provision of Section 5-5b.1 or Section 5A-2 of the Illinois

1 Public Aid Code may be adopted in accordance with this
2 subsection (s) by the Department of Healthcare and Family
3 Services. The rulemaking authority granted in this subsection
4 (s) shall apply only to those rules adopted prior to July 1,
5 2015. Notwithstanding any other provision of this Section, any
6 emergency rule adopted under this subsection (s) shall only
7 apply to payments made for State fiscal year 2015. The adoption
8 of emergency rules authorized by this subsection (s) is deemed
9 to be necessary for the public interest, safety, and welfare.

10 (t) In order to provide for the expeditious and timely
11 implementation of the provisions of Article II of Public Act
12 99-6, emergency rules to implement the changes made by Article
13 II of Public Act 99-6 to the Emergency Telephone System Act may
14 be adopted in accordance with this subsection (t) by the
15 Department of State Police. The rulemaking authority granted in
16 this subsection (t) shall apply only to those rules adopted
17 prior to July 1, 2016. The 24-month limitation on the adoption
18 of emergency rules does not apply to rules adopted under this
19 subsection (t). The adoption of emergency rules authorized by
20 this subsection (t) is deemed to be necessary for the public
21 interest, safety, and welfare.

22 (u) In order to provide for the expeditious and timely
23 implementation of the provisions of the Burn Victims Relief
24 Act, emergency rules to implement any provision of the Act may
25 be adopted in accordance with this subsection (u) by the
26 Department of Insurance. The rulemaking authority granted in

1 this subsection (u) shall apply only to those rules adopted
2 prior to December 31, 2015. The adoption of emergency rules
3 authorized by this subsection (u) is deemed to be necessary for
4 the public interest, safety, and welfare.

5 (v) In order to provide for the expeditious and timely
6 implementation of the provisions of Public Act 99-516,
7 emergency rules to implement Public Act 99-516 may be adopted
8 in accordance with this subsection (v) by the Department of
9 Healthcare and Family Services. The 24-month limitation on the
10 adoption of emergency rules does not apply to rules adopted
11 under this subsection (v). The adoption of emergency rules
12 authorized by this subsection (v) is deemed to be necessary for
13 the public interest, safety, and welfare.

14 (w) In order to provide for the expeditious and timely
15 implementation of the provisions of Public Act 99-796,
16 emergency rules to implement the changes made by Public Act
17 99-796 may be adopted in accordance with this subsection (w) by
18 the Adjutant General. The adoption of emergency rules
19 authorized by this subsection (w) is deemed to be necessary for
20 the public interest, safety, and welfare.

21 (x) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 99-906,
23 emergency rules to implement subsection (i) of Section 16-115D,
24 subsection (g) of Section 16-128A, and subsection (a) of
25 Section 16-128B of the Public Utilities Act may be adopted in
26 accordance with this subsection (x) by the Illinois Commerce

1 Commission. The rulemaking authority granted in this
2 subsection (x) shall apply only to those rules adopted within
3 180 days after June 1, 2017 (the effective date of Public Act
4 99-906). The adoption of emergency rules authorized by this
5 subsection (x) is deemed to be necessary for the public
6 interest, safety, and welfare.

7 (y) In order to provide for the expeditious and timely
8 implementation of the provisions of this amendatory Act of the
9 100th General Assembly, emergency rules to implement the
10 changes made by this amendatory Act of the 100th General
11 Assembly to Section 4.02 of the Illinois Act on Aging, Sections
12 5.5.4 and 5-5.4i of the Illinois Public Aid Code, Section 55-30
13 of the Alcoholism and Other Drug Abuse and Dependency Act, and
14 Sections 74 and 75 of the Mental Health and Developmental
15 Disabilities Administrative Act may be adopted in accordance
16 with this subsection (y) by the respective Department. The
17 adoption of emergency rules authorized by this subsection (y)
18 is deemed to be necessary for the public interest, safety, and
19 welfare.

20 (z) In order to provide for the expeditious and timely
21 implementation of the provisions of this amendatory Act of the
22 100th General Assembly, emergency rules to implement the
23 changes made by this amendatory Act of the 100th General
24 Assembly to Section 4.7 of the Lobbyist Registration Act may be
25 adopted in accordance with this subsection (z) by the Secretary
26 of State. The adoption of emergency rules authorized by this

1 subsection (z) is deemed to be necessary for the public
2 interest, safety, and welfare.

3 (aa) In order to provide for the expeditious and timely
4 implementation of the Illinois Energy Transition Zone Act,
5 emergency rules to implement the provisions of subsection (a-5)
6 of Section 1-40 of the Illinois Energy Transition Zone Act may
7 be adopted in accordance with this subsection (aa) by the
8 Department of Commerce and Economic Opportunity for period of
9 12 months after the effective date of the Illinois Energy
10 Transition Zone Act. The adoption of emergency rules authorized
11 by this subsection (aa) is deemed to be necessary for the
12 public interest, safety, and welfare.

13 (Source: P.A. 99-2, eff. 3-26-15; 99-6, eff. 1-1-16; 99-143,
14 eff. 7-27-15; 99-455, eff. 1-1-16; 99-516, eff. 6-30-16;
15 99-642, eff. 7-28-16; 99-796, eff. 1-1-17; 99-906, eff. 6-1-17;
16 100-23, eff. 7-6-17; 100-554, eff. 11-16-17.)

17 Section 10-10. The State Finance Act is amended by adding
18 Section 5.886 as follows:

19 (30 ILCS 105/5.886 new)

20 Sec. 5.886. The Energy Transition Fund.

21 Section 10-15. The Illinois Income Tax Act is amended by
22 changing Section 201 as follows:

1 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

2 Sec. 201. Tax imposed.

3 (a) In general. A tax measured by net income is hereby
4 imposed on every individual, corporation, trust and estate for
5 each taxable year ending after July 31, 1969 on the privilege
6 of earning or receiving income in or as a resident of this
7 State. Such tax shall be in addition to all other occupation or
8 privilege taxes imposed by this State or by any municipal
9 corporation or political subdivision thereof.

10 (b) Rates. The tax imposed by subsection (a) of this
11 Section shall be determined as follows, except as adjusted by
12 subsection (d-1):

13 (1) In the case of an individual, trust or estate, for
14 taxable years ending prior to July 1, 1989, an amount equal
15 to 2 1/2% of the taxpayer's net income for the taxable
16 year.

17 (2) In the case of an individual, trust or estate, for
18 taxable years beginning prior to July 1, 1989 and ending
19 after June 30, 1989, an amount equal to the sum of (i) 2
20 1/2% of the taxpayer's net income for the period prior to
21 July 1, 1989, as calculated under Section 202.3, and (ii)
22 3% of the taxpayer's net income for the period after June
23 30, 1989, as calculated under Section 202.3.

24 (3) In the case of an individual, trust or estate, for
25 taxable years beginning after June 30, 1989, and ending
26 prior to January 1, 2011, an amount equal to 3% of the

1 taxpayer's net income for the taxable year.

2 (4) In the case of an individual, trust, or estate, for
3 taxable years beginning prior to January 1, 2011, and
4 ending after December 31, 2010, an amount equal to the sum
5 of (i) 3% of the taxpayer's net income for the period prior
6 to January 1, 2011, as calculated under Section 202.5, and
7 (ii) 5% of the taxpayer's net income for the period after
8 December 31, 2010, as calculated under Section 202.5.

9 (5) In the case of an individual, trust, or estate, for
10 taxable years beginning on or after January 1, 2011, and
11 ending prior to January 1, 2015, an amount equal to 5% of
12 the taxpayer's net income for the taxable year.

13 (5.1) In the case of an individual, trust, or estate,
14 for taxable years beginning prior to January 1, 2015, and
15 ending after December 31, 2014, an amount equal to the sum
16 of (i) 5% of the taxpayer's net income for the period prior
17 to January 1, 2015, as calculated under Section 202.5, and
18 (ii) 3.75% of the taxpayer's net income for the period
19 after December 31, 2014, as calculated under Section 202.5.

20 (5.2) In the case of an individual, trust, or estate,
21 for taxable years beginning on or after January 1, 2015,
22 and ending prior to July 1, 2017, an amount equal to 3.75%
23 of the taxpayer's net income for the taxable year.

24 (5.3) In the case of an individual, trust, or estate,
25 for taxable years beginning prior to July 1, 2017, and
26 ending after June 30, 2017, an amount equal to the sum of

1 (i) 3.75% of the taxpayer's net income for the period prior
2 to July 1, 2017, as calculated under Section 202.5, and
3 (ii) 4.95% of the taxpayer's net income for the period
4 after June 30, 2017, as calculated under Section 202.5.

5 (5.4) In the case of an individual, trust, or estate,
6 for taxable years beginning on or after July 1, 2017, an
7 amount equal to 4.95% of the taxpayer's net income for the
8 taxable year.

9 (6) In the case of a corporation, for taxable years
10 ending prior to July 1, 1989, an amount equal to 4% of the
11 taxpayer's net income for the taxable year.

12 (7) In the case of a corporation, for taxable years
13 beginning prior to July 1, 1989 and ending after June 30,
14 1989, an amount equal to the sum of (i) 4% of the
15 taxpayer's net income for the period prior to July 1, 1989,
16 as calculated under Section 202.3, and (ii) 4.8% of the
17 taxpayer's net income for the period after June 30, 1989,
18 as calculated under Section 202.3.

19 (8) In the case of a corporation, for taxable years
20 beginning after June 30, 1989, and ending prior to January
21 1, 2011, an amount equal to 4.8% of the taxpayer's net
22 income for the taxable year.

23 (9) In the case of a corporation, for taxable years
24 beginning prior to January 1, 2011, and ending after
25 December 31, 2010, an amount equal to the sum of (i) 4.8%
26 of the taxpayer's net income for the period prior to

1 January 1, 2011, as calculated under Section 202.5, and
2 (ii) 7% of the taxpayer's net income for the period after
3 December 31, 2010, as calculated under Section 202.5.

4 (10) In the case of a corporation, for taxable years
5 beginning on or after January 1, 2011, and ending prior to
6 January 1, 2015, an amount equal to 7% of the taxpayer's
7 net income for the taxable year.

8 (11) In the case of a corporation, for taxable years
9 beginning prior to January 1, 2015, and ending after
10 December 31, 2014, an amount equal to the sum of (i) 7% of
11 the taxpayer's net income for the period prior to January
12 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
13 of the taxpayer's net income for the period after December
14 31, 2014, as calculated under Section 202.5.

15 (12) In the case of a corporation, for taxable years
16 beginning on or after January 1, 2015, and ending prior to
17 July 1, 2017, an amount equal to 5.25% of the taxpayer's
18 net income for the taxable year.

19 (13) In the case of a corporation, for taxable years
20 beginning prior to July 1, 2017, and ending after June 30,
21 2017, an amount equal to the sum of (i) 5.25% of the
22 taxpayer's net income for the period prior to July 1, 2017,
23 as calculated under Section 202.5, and (ii) 7% of the
24 taxpayer's net income for the period after June 30, 2017,
25 as calculated under Section 202.5.

26 (14) In the case of a corporation, for taxable years

1 beginning on or after July 1, 2017, an amount equal to 7%
2 of the taxpayer's net income for the taxable year.

3 The rates under this subsection (b) are subject to the
4 provisions of Section 201.5.

5 (c) Personal Property Tax Replacement Income Tax.
6 Beginning on July 1, 1979 and thereafter, in addition to such
7 income tax, there is also hereby imposed the Personal Property
8 Tax Replacement Income Tax measured by net income on every
9 corporation (including Subchapter S corporations), partnership
10 and trust, for each taxable year ending after June 30, 1979.
11 Such taxes are imposed on the privilege of earning or receiving
12 income in or as a resident of this State. The Personal Property
13 Tax Replacement Income Tax shall be in addition to the income
14 tax imposed by subsections (a) and (b) of this Section and in
15 addition to all other occupation or privilege taxes imposed by
16 this State or by any municipal corporation or political
17 subdivision thereof.

18 (d) Additional Personal Property Tax Replacement Income
19 Tax Rates. The personal property tax replacement income tax
20 imposed by this subsection and subsection (c) of this Section
21 in the case of a corporation, other than a Subchapter S
22 corporation and except as adjusted by subsection (d-1), shall
23 be an additional amount equal to 2.85% of such taxpayer's net
24 income for the taxable year, except that beginning on January
25 1, 1981, and thereafter, the rate of 2.85% specified in this
26 subsection shall be reduced to 2.5%, and in the case of a

1 partnership, trust or a Subchapter S corporation shall be an
2 additional amount equal to 1.5% of such taxpayer's net income
3 for the taxable year.

4 (d-1) Rate reduction for certain foreign insurers. In the
5 case of a foreign insurer, as defined by Section 35A-5 of the
6 Illinois Insurance Code, whose state or country of domicile
7 imposes on insurers domiciled in Illinois a retaliatory tax
8 (excluding any insurer whose premiums from reinsurance assumed
9 are 50% or more of its total insurance premiums as determined
10 under paragraph (2) of subsection (b) of Section 304, except
11 that for purposes of this determination premiums from
12 reinsurance do not include premiums from inter-affiliate
13 reinsurance arrangements), beginning with taxable years ending
14 on or after December 31, 1999, the sum of the rates of tax
15 imposed by subsections (b) and (d) shall be reduced (but not
16 increased) to the rate at which the total amount of tax imposed
17 under this Act, net of all credits allowed under this Act,
18 shall equal (i) the total amount of tax that would be imposed
19 on the foreign insurer's net income allocable to Illinois for
20 the taxable year by such foreign insurer's state or country of
21 domicile if that net income were subject to all income taxes
22 and taxes measured by net income imposed by such foreign
23 insurer's state or country of domicile, net of all credits
24 allowed or (ii) a rate of zero if no such tax is imposed on such
25 income by the foreign insurer's state of domicile. For the
26 purposes of this subsection (d-1), an inter-affiliate includes

1 a mutual insurer under common management.

2 (1) For the purposes of subsection (d-1), in no event
3 shall the sum of the rates of tax imposed by subsections
4 (b) and (d) be reduced below the rate at which the sum of:

5 (A) the total amount of tax imposed on such foreign
6 insurer under this Act for a taxable year, net of all
7 credits allowed under this Act, plus

8 (B) the privilege tax imposed by Section 409 of the
9 Illinois Insurance Code, the fire insurance company
10 tax imposed by Section 12 of the Fire Investigation
11 Act, and the fire department taxes imposed under
12 Section 11-10-1 of the Illinois Municipal Code,
13 equals 1.25% for taxable years ending prior to December 31,
14 2003, or 1.75% for taxable years ending on or after
15 December 31, 2003, of the net taxable premiums written for
16 the taxable year, as described by subsection (1) of Section
17 409 of the Illinois Insurance Code. This paragraph will in
18 no event increase the rates imposed under subsections (b)
19 and (d).

20 (2) Any reduction in the rates of tax imposed by this
21 subsection shall be applied first against the rates imposed
22 by subsection (b) and only after the tax imposed by
23 subsection (a) net of all credits allowed under this
24 Section other than the credit allowed under subsection (i)
25 has been reduced to zero, against the rates imposed by
26 subsection (d).

1 This subsection (d-1) is exempt from the provisions of
2 Section 250.

3 (e) Investment credit. A taxpayer shall be allowed a credit
4 against the Personal Property Tax Replacement Income Tax for
5 investment in qualified property.

6 (1) A taxpayer shall be allowed a credit equal to .5%
7 of the basis of qualified property placed in service during
8 the taxable year, provided such property is placed in
9 service on or after July 1, 1984. There shall be allowed an
10 additional credit equal to .5% of the basis of qualified
11 property placed in service during the taxable year,
12 provided such property is placed in service on or after
13 July 1, 1986, and the taxpayer's base employment within
14 Illinois has increased by 1% or more over the preceding
15 year as determined by the taxpayer's employment records
16 filed with the Illinois Department of Employment Security.
17 Taxpayers who are new to Illinois shall be deemed to have
18 met the 1% growth in base employment for the first year in
19 which they file employment records with the Illinois
20 Department of Employment Security. The provisions added to
21 this Section by Public Act 85-1200 (and restored by Public
22 Act 87-895) shall be construed as declaratory of existing
23 law and not as a new enactment. If, in any year, the
24 increase in base employment within Illinois over the
25 preceding year is less than 1%, the additional credit shall
26 be limited to that percentage times a fraction, the

1 numerator of which is .5% and the denominator of which is
2 1%, but shall not exceed .5%. The investment credit shall
3 not be allowed to the extent that it would reduce a
4 taxpayer's liability in any tax year below zero, nor may
5 any credit for qualified property be allowed for any year
6 other than the year in which the property was placed in
7 service in Illinois. For tax years ending on or after
8 December 31, 1987, and on or before December 31, 1988, the
9 credit shall be allowed for the tax year in which the
10 property is placed in service, or, if the amount of the
11 credit exceeds the tax liability for that year, whether it
12 exceeds the original liability or the liability as later
13 amended, such excess may be carried forward and applied to
14 the tax liability of the 5 taxable years following the
15 excess credit years if the taxpayer (i) makes investments
16 which cause the creation of a minimum of 2,000 full-time
17 equivalent jobs in Illinois, (ii) is located in an
18 enterprise zone established pursuant to the Illinois
19 Enterprise Zone Act and (iii) is certified by the
20 Department of Commerce and Community Affairs (now
21 Department of Commerce and Economic Opportunity) as
22 complying with the requirements specified in clause (i) and
23 (ii) by July 1, 1986. The Department of Commerce and
24 Community Affairs (now Department of Commerce and Economic
25 Opportunity) shall notify the Department of Revenue of all
26 such certifications immediately. For tax years ending

1 after December 31, 1988, the credit shall be allowed for
2 the tax year in which the property is placed in service,
3 or, if the amount of the credit exceeds the tax liability
4 for that year, whether it exceeds the original liability or
5 the liability as later amended, such excess may be carried
6 forward and applied to the tax liability of the 5 taxable
7 years following the excess credit years. The credit shall
8 be applied to the earliest year for which there is a
9 liability. If there is credit from more than one tax year
10 that is available to offset a liability, earlier credit
11 shall be applied first.

12 (2) The term "qualified property" means property
13 which:

14 (A) is tangible, whether new or used, including
15 buildings and structural components of buildings and
16 signs that are real property, but not including land or
17 improvements to real property that are not a structural
18 component of a building such as landscaping, sewer
19 lines, local access roads, fencing, parking lots, and
20 other appurtenances;

21 (B) is depreciable pursuant to Section 167 of the
22 Internal Revenue Code, except that "3-year property"
23 as defined in Section 168(c)(2)(A) of that Code is not
24 eligible for the credit provided by this subsection
25 (e);

26 (C) is acquired by purchase as defined in Section

1 179(d) of the Internal Revenue Code;

2 (D) is used in Illinois by a taxpayer who is
3 primarily engaged in manufacturing, or in mining coal
4 or fluorite, or in retailing, or was placed in service
5 on or after July 1, 2006 in a River Edge Redevelopment
6 Zone established pursuant to the River Edge
7 Redevelopment Zone Act; and

8 (E) has not previously been used in Illinois in
9 such a manner and by such a person as would qualify for
10 the credit provided by this subsection (e) or
11 subsection (f).

12 (3) For purposes of this subsection (e),
13 "manufacturing" means the material staging and production
14 of tangible personal property by procedures commonly
15 regarded as manufacturing, processing, fabrication, or
16 assembling which changes some existing material into new
17 shapes, new qualities, or new combinations. For purposes of
18 this subsection (e) the term "mining" shall have the same
19 meaning as the term "mining" in Section 613(c) of the
20 Internal Revenue Code. For purposes of this subsection (e),
21 the term "retailing" means the sale of tangible personal
22 property for use or consumption and not for resale, or
23 services rendered in conjunction with the sale of tangible
24 personal property for use or consumption and not for
25 resale. For purposes of this subsection (e), "tangible
26 personal property" has the same meaning as when that term

1 is used in the Retailers' Occupation Tax Act, and, for
2 taxable years ending after December 31, 2008, does not
3 include the generation, transmission, or distribution of
4 electricity.

5 (4) The basis of qualified property shall be the basis
6 used to compute the depreciation deduction for federal
7 income tax purposes.

8 (5) If the basis of the property for federal income tax
9 depreciation purposes is increased after it has been placed
10 in service in Illinois by the taxpayer, the amount of such
11 increase shall be deemed property placed in service on the
12 date of such increase in basis.

13 (6) The term "placed in service" shall have the same
14 meaning as under Section 46 of the Internal Revenue Code.

15 (7) If during any taxable year, any property ceases to
16 be qualified property in the hands of the taxpayer within
17 48 months after being placed in service, or the situs of
18 any qualified property is moved outside Illinois within 48
19 months after being placed in service, the Personal Property
20 Tax Replacement Income Tax for such taxable year shall be
21 increased. Such increase shall be determined by (i)
22 recomputing the investment credit which would have been
23 allowed for the year in which credit for such property was
24 originally allowed by eliminating such property from such
25 computation and, (ii) subtracting such recomputed credit
26 from the amount of credit previously allowed. For the

1 purposes of this paragraph (7), a reduction of the basis of
2 qualified property resulting from a redetermination of the
3 purchase price shall be deemed a disposition of qualified
4 property to the extent of such reduction.

5 (8) Unless the investment credit is extended by law,
6 the basis of qualified property shall not include costs
7 incurred after December 31, 2018, except for costs incurred
8 pursuant to a binding contract entered into on or before
9 December 31, 2018.

10 (9) Each taxable year ending before December 31, 2000,
11 a partnership may elect to pass through to its partners the
12 credits to which the partnership is entitled under this
13 subsection (e) for the taxable year. A partner may use the
14 credit allocated to him or her under this paragraph only
15 against the tax imposed in subsections (c) and (d) of this
16 Section. If the partnership makes that election, those
17 credits shall be allocated among the partners in the
18 partnership in accordance with the rules set forth in
19 Section 704(b) of the Internal Revenue Code, and the rules
20 promulgated under that Section, and the allocated amount of
21 the credits shall be allowed to the partners for that
22 taxable year. The partnership shall make this election on
23 its Personal Property Tax Replacement Income Tax return for
24 that taxable year. The election to pass through the credits
25 shall be irrevocable.

26 For taxable years ending on or after December 31, 2000,

1 a partner that qualifies its partnership for a subtraction
2 under subparagraph (I) of paragraph (2) of subsection (d)
3 of Section 203 or a shareholder that qualifies a Subchapter
4 S corporation for a subtraction under subparagraph (S) of
5 paragraph (2) of subsection (b) of Section 203 shall be
6 allowed a credit under this subsection (e) equal to its
7 share of the credit earned under this subsection (e) during
8 the taxable year by the partnership or Subchapter S
9 corporation, determined in accordance with the
10 determination of income and distributive share of income
11 under Sections 702 and 704 and Subchapter S of the Internal
12 Revenue Code. This paragraph is exempt from the provisions
13 of Section 250.

14 (f) Investment credit; Enterprise Zone; River Edge
15 Redevelopment Zone.

16 (1) A taxpayer shall be allowed a credit against the
17 tax imposed by subsections (a) and (b) of this Section for
18 investment in qualified property which is placed in service
19 in an Enterprise Zone created pursuant to the Illinois
20 Enterprise Zone Act or, for property placed in service on
21 or after July 1, 2006, a River Edge Redevelopment Zone
22 established pursuant to the River Edge Redevelopment Zone
23 Act. For partners, shareholders of Subchapter S
24 corporations, and owners of limited liability companies,
25 if the liability company is treated as a partnership for
26 purposes of federal and State income taxation, there shall

1 be allowed a credit under this subsection (f) to be
2 determined in accordance with the determination of income
3 and distributive share of income under Sections 702 and 704
4 and Subchapter S of the Internal Revenue Code. The credit
5 shall be .5% of the basis for such property. The credit
6 shall be available only in the taxable year in which the
7 property is placed in service in the Enterprise Zone or
8 River Edge Redevelopment Zone and shall not be allowed to
9 the extent that it would reduce a taxpayer's liability for
10 the tax imposed by subsections (a) and (b) of this Section
11 to below zero. For tax years ending on or after December
12 31, 1985, the credit shall be allowed for the tax year in
13 which the property is placed in service, or, if the amount
14 of the credit exceeds the tax liability for that year,
15 whether it exceeds the original liability or the liability
16 as later amended, such excess may be carried forward and
17 applied to the tax liability of the 5 taxable years
18 following the excess credit year. The credit shall be
19 applied to the earliest year for which there is a
20 liability. If there is credit from more than one tax year
21 that is available to offset a liability, the credit
22 accruing first in time shall be applied first.

23 (2) The term qualified property means property which:

24 (A) is tangible, whether new or used, including
25 buildings and structural components of buildings;

26 (B) is depreciable pursuant to Section 167 of the

1 Internal Revenue Code, except that "3-year property"
2 as defined in Section 168(c)(2)(A) of that Code is not
3 eligible for the credit provided by this subsection
4 (f);

5 (C) is acquired by purchase as defined in Section
6 179(d) of the Internal Revenue Code;

7 (D) is used in the Enterprise Zone or River Edge
8 Redevelopment Zone by the taxpayer; and

9 (E) has not been previously used in Illinois in
10 such a manner and by such a person as would qualify for
11 the credit provided by this subsection (f) or
12 subsection (e).

13 (3) The basis of qualified property shall be the basis
14 used to compute the depreciation deduction for federal
15 income tax purposes.

16 (4) If the basis of the property for federal income tax
17 depreciation purposes is increased after it has been placed
18 in service in the Enterprise Zone or River Edge
19 Redevelopment Zone by the taxpayer, the amount of such
20 increase shall be deemed property placed in service on the
21 date of such increase in basis.

22 (5) The term "placed in service" shall have the same
23 meaning as under Section 46 of the Internal Revenue Code.

24 (6) If during any taxable year, any property ceases to
25 be qualified property in the hands of the taxpayer within
26 48 months after being placed in service, or the situs of

1 any qualified property is moved outside the Enterprise Zone
2 or River Edge Redevelopment Zone within 48 months after
3 being placed in service, the tax imposed under subsections
4 (a) and (b) of this Section for such taxable year shall be
5 increased. Such increase shall be determined by (i)
6 recomputing the investment credit which would have been
7 allowed for the year in which credit for such property was
8 originally allowed by eliminating such property from such
9 computation, and (ii) subtracting such recomputed credit
10 from the amount of credit previously allowed. For the
11 purposes of this paragraph (6), a reduction of the basis of
12 qualified property resulting from a redetermination of the
13 purchase price shall be deemed a disposition of qualified
14 property to the extent of such reduction.

15 (7) There shall be allowed an additional credit equal
16 to 0.5% of the basis of qualified property placed in
17 service during the taxable year in a River Edge
18 Redevelopment Zone, provided such property is placed in
19 service on or after July 1, 2006, and the taxpayer's base
20 employment within Illinois has increased by 1% or more over
21 the preceding year as determined by the taxpayer's
22 employment records filed with the Illinois Department of
23 Employment Security. Taxpayers who are new to Illinois
24 shall be deemed to have met the 1% growth in base
25 employment for the first year in which they file employment
26 records with the Illinois Department of Employment

1 Security. If, in any year, the increase in base employment
2 within Illinois over the preceding year is less than 1%,
3 the additional credit shall be limited to that percentage
4 times a fraction, the numerator of which is 0.5% and the
5 denominator of which is 1%, but shall not exceed 0.5%.

6 (f-1) Investment credit; Energy Transition Zone.

7 (1) A taxpayer shall be allowed a credit against the
8 tax imposed by subsections (a) and (b) of this Section for
9 investment in qualified property which is placed in service
10 for the use of the production of green energy by a green
11 energy enterprise in an Energy Transition Zone created
12 pursuant to the Illinois Energy Transition Zone Act. For
13 partners, shareholders of Subchapter S corporations, and
14 owners of limited liability companies, if the liability
15 company is treated as a partnership for purposes of federal
16 and State income taxation, there shall be allowed a credit
17 under this subsection (f-1) to be determined in accordance
18 with the determination of income and distributive share of
19 income under Sections 702 and 704 and Subchapter S of the
20 Internal Revenue Code. The credit shall be 0.5% of the
21 basis for such property. The credit shall be available only
22 in the taxable year in which the property is placed in
23 service in the Energy Transition Zone and shall not be
24 allowed to the extent that it would reduce a taxpayer's
25 liability for the tax imposed by subsections (a) and (b) of
26 this Section to below zero. The credit shall be allowed for

1 the tax year in which the property is placed in service,
2 or, if the amount of the credit exceeds the tax liability
3 for that year, whether it exceeds the original liability or
4 the liability as later amended, such excess may be carried
5 forward and applied to the tax liability of the 5 taxable
6 years following the excess credit year. The credit shall be
7 applied to the earliest year for which there is a
8 liability. If there is credit from more than one tax year
9 that is available to offset a liability, the credit
10 accruing first in time shall be applied first.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c)(2)(A) of that Code is not
17 eligible for the credit provided by this subsection
18 (f-1);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

21 (D) is used in the Energy Transition Zone by the
22 taxpayer in relation to producing green energy; and

23 (E) has not been previously used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (f-1).

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income tax
4 depreciation purposes is increased after it has been placed
5 in service in the Energy Transition Zone by the taxpayer,
6 the amount of such increase shall be deemed property placed
7 in service on the date of such increase in basis.

8 (5) The term "placed in service" shall have the same
9 meaning as under Section 46 of the Internal Revenue Code.

10 (6) If during any taxable year, any property ceases to
11 be qualified property in the hands of the taxpayer within
12 48 months after being placed in service, or the situs of
13 any qualified property is moved outside the Energy
14 Transition Zone within 48 months after being placed in
15 service, the tax imposed under subsections (a) and (b) of
16 this Section for such taxable year shall be increased. Such
17 increase shall be determined by (i) recomputing the
18 investment credit which would have been allowed for the
19 year in which credit for such property was originally
20 allowed by eliminating such property from such
21 computation, and (ii) subtracting such recomputed credit
22 from the amount of credit previously allowed. For the
23 purposes of this paragraph (6), a reduction of the basis of
24 qualified property resulting from a redetermination of the
25 purchase price shall be deemed a disposition of qualified
26 property to the extent of such reduction.

1 (g) (Blank).

2 (h) Investment credit; High Impact Business.

3 (1) Subject to subsections (b) and (b-5) of Section 5.5
4 of the Illinois Enterprise Zone Act, a taxpayer shall be
5 allowed a credit against the tax imposed by subsections (a)
6 and (b) of this Section for investment in qualified
7 property which is placed in service by a Department of
8 Commerce and Economic Opportunity designated High Impact
9 Business. The credit shall be .5% of the basis for such
10 property. The credit shall not be available (i) until the
11 minimum investments in qualified property set forth in
12 subdivision (a)(3)(A) of Section 5.5 of the Illinois
13 Enterprise Zone Act have been satisfied or (ii) until the
14 time authorized in subsection (b-5) of the Illinois
15 Enterprise Zone Act for entities designated as High Impact
16 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
17 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
18 Act, and shall not be allowed to the extent that it would
19 reduce a taxpayer's liability for the tax imposed by
20 subsections (a) and (b) of this Section to below zero. The
21 credit applicable to such investments shall be taken in the
22 taxable year in which such investments have been completed.
23 The credit for additional investments beyond the minimum
24 investment by a designated high impact business authorized
25 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
26 Enterprise Zone Act shall be available only in the taxable

1 year in which the property is placed in service and shall
2 not be allowed to the extent that it would reduce a
3 taxpayer's liability for the tax imposed by subsections (a)
4 and (b) of this Section to below zero. For tax years ending
5 on or after December 31, 1987, the credit shall be allowed
6 for the tax year in which the property is placed in
7 service, or, if the amount of the credit exceeds the tax
8 liability for that year, whether it exceeds the original
9 liability or the liability as later amended, such excess
10 may be carried forward and applied to the tax liability of
11 the 5 taxable years following the excess credit year. The
12 credit shall be applied to the earliest year for which
13 there is a liability. If there is credit from more than one
14 tax year that is available to offset a liability, the
15 credit accruing first in time shall be applied first.

16 Changes made in this subdivision (h) (1) by Public Act
17 88-670 restore changes made by Public Act 85-1182 and
18 reflect existing law.

19 (2) The term qualified property means property which:

20 (A) is tangible, whether new or used, including
21 buildings and structural components of buildings;

22 (B) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property"
24 as defined in Section 168(c) (2) (A) of that Code is not
25 eligible for the credit provided by this subsection

26 (h);

1 (C) is acquired by purchase as defined in Section
2 179(d) of the Internal Revenue Code; and

3 (D) is not eligible for the Enterprise Zone
4 Investment Credit provided by subsection (f) of this
5 Section.

6 (3) The basis of qualified property shall be the basis
7 used to compute the depreciation deduction for federal
8 income tax purposes.

9 (4) If the basis of the property for federal income tax
10 depreciation purposes is increased after it has been placed
11 in service in a federally designated Foreign Trade Zone or
12 Sub-Zone located in Illinois by the taxpayer, the amount of
13 such increase shall be deemed property placed in service on
14 the date of such increase in basis.

15 (5) The term "placed in service" shall have the same
16 meaning as under Section 46 of the Internal Revenue Code.

17 (6) If during any taxable year ending on or before
18 December 31, 1996, any property ceases to be qualified
19 property in the hands of the taxpayer within 48 months
20 after being placed in service, or the situs of any
21 qualified property is moved outside Illinois within 48
22 months after being placed in service, the tax imposed under
23 subsections (a) and (b) of this Section for such taxable
24 year shall be increased. Such increase shall be determined
25 by (i) recomputing the investment credit which would have
26 been allowed for the year in which credit for such property

1 was originally allowed by eliminating such property from
2 such computation, and (ii) subtracting such recomputed
3 credit from the amount of credit previously allowed. For
4 the purposes of this paragraph (6), a reduction of the
5 basis of qualified property resulting from a
6 redetermination of the purchase price shall be deemed a
7 disposition of qualified property to the extent of such
8 reduction.

9 (7) Beginning with tax years ending after December 31,
10 1996, if a taxpayer qualifies for the credit under this
11 subsection (h) and thereby is granted a tax abatement and
12 the taxpayer relocates its entire facility in violation of
13 the explicit terms and length of the contract under Section
14 18-183 of the Property Tax Code, the tax imposed under
15 subsections (a) and (b) of this Section shall be increased
16 for the taxable year in which the taxpayer relocated its
17 facility by an amount equal to the amount of credit
18 received by the taxpayer under this subsection (h).

19 (i) Credit for Personal Property Tax Replacement Income
20 Tax. For tax years ending prior to December 31, 2003, a credit
21 shall be allowed against the tax imposed by subsections (a) and
22 (b) of this Section for the tax imposed by subsections (c) and
23 (d) of this Section. This credit shall be computed by
24 multiplying the tax imposed by subsections (c) and (d) of this
25 Section by a fraction, the numerator of which is base income
26 allocable to Illinois and the denominator of which is Illinois

1 base income, and further multiplying the product by the tax
2 rate imposed by subsections (a) and (b) of this Section.

3 Any credit earned on or after December 31, 1986 under this
4 subsection which is unused in the year the credit is computed
5 because it exceeds the tax liability imposed by subsections (a)
6 and (b) for that year (whether it exceeds the original
7 liability or the liability as later amended) may be carried
8 forward and applied to the tax liability imposed by subsections
9 (a) and (b) of the 5 taxable years following the excess credit
10 year, provided that no credit may be carried forward to any
11 year ending on or after December 31, 2003. This credit shall be
12 applied first to the earliest year for which there is a
13 liability. If there is a credit under this subsection from more
14 than one tax year that is available to offset a liability the
15 earliest credit arising under this subsection shall be applied
16 first.

17 If, during any taxable year ending on or after December 31,
18 1986, the tax imposed by subsections (c) and (d) of this
19 Section for which a taxpayer has claimed a credit under this
20 subsection (i) is reduced, the amount of credit for such tax
21 shall also be reduced. Such reduction shall be determined by
22 recomputing the credit to take into account the reduced tax
23 imposed by subsections (c) and (d). If any portion of the
24 reduced amount of credit has been carried to a different
25 taxable year, an amended return shall be filed for such taxable
26 year to reduce the amount of credit claimed.

1 (j) Training expense credit. Beginning with tax years
2 ending on or after December 31, 1986 and prior to December 31,
3 2003, a taxpayer shall be allowed a credit against the tax
4 imposed by subsections (a) and (b) under this Section for all
5 amounts paid or accrued, on behalf of all persons employed by
6 the taxpayer in Illinois or Illinois residents employed outside
7 of Illinois by a taxpayer, for educational or vocational
8 training in semi-technical or technical fields or semi-skilled
9 or skilled fields, which were deducted from gross income in the
10 computation of taxable income. The credit against the tax
11 imposed by subsections (a) and (b) shall be 1.6% of such
12 training expenses. For partners, shareholders of subchapter S
13 corporations, and owners of limited liability companies, if the
14 liability company is treated as a partnership for purposes of
15 federal and State income taxation, there shall be allowed a
16 credit under this subsection (j) to be determined in accordance
17 with the determination of income and distributive share of
18 income under Sections 702 and 704 and subchapter S of the
19 Internal Revenue Code.

20 Any credit allowed under this subsection which is unused in
21 the year the credit is earned may be carried forward to each of
22 the 5 taxable years following the year for which the credit is
23 first computed until it is used. This credit shall be applied
24 first to the earliest year for which there is a liability. If
25 there is a credit under this subsection from more than one tax
26 year that is available to offset a liability the earliest

1 credit arising under this subsection shall be applied first. No
2 carryforward credit may be claimed in any tax year ending on or
3 after December 31, 2003.

4 (k) Research and development credit. For tax years ending
5 after July 1, 1990 and prior to December 31, 2003, and
6 beginning again for tax years ending on or after December 31,
7 2004, and ending prior to January 1, 2022, a taxpayer shall be
8 allowed a credit against the tax imposed by subsections (a) and
9 (b) of this Section for increasing research activities in this
10 State. The credit allowed against the tax imposed by
11 subsections (a) and (b) shall be equal to 6 1/2% of the
12 qualifying expenditures for increasing research activities in
13 this State. For partners, shareholders of subchapter S
14 corporations, and owners of limited liability companies, if the
15 liability company is treated as a partnership for purposes of
16 federal and State income taxation, there shall be allowed a
17 credit under this subsection to be determined in accordance
18 with the determination of income and distributive share of
19 income under Sections 702 and 704 and subchapter S of the
20 Internal Revenue Code.

21 For purposes of this subsection, "qualifying expenditures"
22 means the qualifying expenditures as defined for the federal
23 credit for increasing research activities which would be
24 allowable under Section 41 of the Internal Revenue Code and
25 which are conducted in this State, "qualifying expenditures for
26 increasing research activities in this State" means the excess

1 of qualifying expenditures for the taxable year in which
2 incurred over qualifying expenditures for the base period,
3 "qualifying expenditures for the base period" means the average
4 of the qualifying expenditures for each year in the base
5 period, and "base period" means the 3 taxable years immediately
6 preceding the taxable year for which the determination is being
7 made.

8 Any credit in excess of the tax liability for the taxable
9 year may be carried forward. A taxpayer may elect to have the
10 unused credit shown on its final completed return carried over
11 as a credit against the tax liability for the following 5
12 taxable years or until it has been fully used, whichever occurs
13 first; provided that no credit earned in a tax year ending
14 prior to December 31, 2003 may be carried forward to any year
15 ending on or after December 31, 2003.

16 If an unused credit is carried forward to a given year from
17 2 or more earlier years, that credit arising in the earliest
18 year will be applied first against the tax liability for the
19 given year. If a tax liability for the given year still
20 remains, the credit from the next earliest year will then be
21 applied, and so on, until all credits have been used or no tax
22 liability for the given year remains. Any remaining unused
23 credit or credits then will be carried forward to the next
24 following year in which a tax liability is incurred, except
25 that no credit can be carried forward to a year which is more
26 than 5 years after the year in which the expense for which the

1 credit is given was incurred.

2 No inference shall be drawn from this amendatory Act of the
3 91st General Assembly in construing this Section for taxable
4 years beginning before January 1, 1999.

5 It is the intent of the General Assembly that the research
6 and development credit under this subsection (k) shall apply
7 continuously for all tax years ending on or after December 31,
8 2004 and ending prior to January 1, 2022, including, but not
9 limited to, the period beginning on January 1, 2016 and ending
10 on the effective date of this amendatory Act of the 100th
11 General Assembly. All actions taken in reliance on the
12 continuation of the credit under this subsection (k) by any
13 taxpayer are hereby validated.

14 (1) Environmental Remediation Tax Credit.

15 (i) For tax years ending after December 31, 1997 and on
16 or before December 31, 2001, a taxpayer shall be allowed a
17 credit against the tax imposed by subsections (a) and (b)
18 of this Section for certain amounts paid for unreimbursed
19 eligible remediation costs, as specified in this
20 subsection. For purposes of this Section, "unreimbursed
21 eligible remediation costs" means costs approved by the
22 Illinois Environmental Protection Agency ("Agency") under
23 Section 58.14 of the Environmental Protection Act that were
24 paid in performing environmental remediation at a site for
25 which a No Further Remediation Letter was issued by the
26 Agency and recorded under Section 58.10 of the

1 Environmental Protection Act. The credit must be claimed
2 for the taxable year in which Agency approval of the
3 eligible remediation costs is granted. The credit is not
4 available to any taxpayer if the taxpayer or any related
5 party caused or contributed to, in any material respect, a
6 release of regulated substances on, in, or under the site
7 that was identified and addressed by the remedial action
8 pursuant to the Site Remediation Program of the
9 Environmental Protection Act. After the Pollution Control
10 Board rules are adopted pursuant to the Illinois
11 Administrative Procedure Act for the administration and
12 enforcement of Section 58.9 of the Environmental
13 Protection Act, determinations as to credit availability
14 for purposes of this Section shall be made consistent with
15 those rules. For purposes of this Section, "taxpayer"
16 includes a person whose tax attributes the taxpayer has
17 succeeded to under Section 381 of the Internal Revenue Code
18 and "related party" includes the persons disallowed a
19 deduction for losses by paragraphs (b), (c), and (f)(1) of
20 Section 267 of the Internal Revenue Code by virtue of being
21 a related taxpayer, as well as any of its partners. The
22 credit allowed against the tax imposed by subsections (a)
23 and (b) shall be equal to 25% of the unreimbursed eligible
24 remediation costs in excess of \$100,000 per site, except
25 that the \$100,000 threshold shall not apply to any site
26 contained in an enterprise zone as determined by the

1 Department of Commerce and Community Affairs (now
2 Department of Commerce and Economic Opportunity). The
3 total credit allowed shall not exceed \$40,000 per year with
4 a maximum total of \$150,000 per site. For partners and
5 shareholders of subchapter S corporations, there shall be
6 allowed a credit under this subsection to be determined in
7 accordance with the determination of income and
8 distributive share of income under Sections 702 and 704 and
9 subchapter S of the Internal Revenue Code.

10 (ii) A credit allowed under this subsection that is
11 unused in the year the credit is earned may be carried
12 forward to each of the 5 taxable years following the year
13 for which the credit is first earned until it is used. The
14 term "unused credit" does not include any amounts of
15 unreimbursed eligible remediation costs in excess of the
16 maximum credit per site authorized under paragraph (i).
17 This credit shall be applied first to the earliest year for
18 which there is a liability. If there is a credit under this
19 subsection from more than one tax year that is available to
20 offset a liability, the earliest credit arising under this
21 subsection shall be applied first. A credit allowed under
22 this subsection may be sold to a buyer as part of a sale of
23 all or part of the remediation site for which the credit
24 was granted. The purchaser of a remediation site and the
25 tax credit shall succeed to the unused credit and remaining
26 carry-forward period of the seller. To perfect the

1 transfer, the assignor shall record the transfer in the
2 chain of title for the site and provide written notice to
3 the Director of the Illinois Department of Revenue of the
4 assignor's intent to sell the remediation site and the
5 amount of the tax credit to be transferred as a portion of
6 the sale. In no event may a credit be transferred to any
7 taxpayer if the taxpayer or a related party would not be
8 eligible under the provisions of subsection (i).

9 (iii) For purposes of this Section, the term "site"
10 shall have the same meaning as under Section 58.2 of the
11 Environmental Protection Act.

12 (m) Education expense credit. Beginning with tax years
13 ending after December 31, 1999, a taxpayer who is the custodian
14 of one or more qualifying pupils shall be allowed a credit
15 against the tax imposed by subsections (a) and (b) of this
16 Section for qualified education expenses incurred on behalf of
17 the qualifying pupils. The credit shall be equal to 25% of
18 qualified education expenses, but in no event may the total
19 credit under this subsection claimed by a family that is the
20 custodian of qualifying pupils exceed (i) \$500 for tax years
21 ending prior to December 31, 2017, and (ii) \$750 for tax years
22 ending on or after December 31, 2017. In no event shall a
23 credit under this subsection reduce the taxpayer's liability
24 under this Act to less than zero. Notwithstanding any other
25 provision of law, for taxable years beginning on or after
26 January 1, 2017, no taxpayer may claim a credit under this

1 subsection (m) if the taxpayer's adjusted gross income for the
2 taxable year exceeds (i) \$500,000, in the case of spouses
3 filing a joint federal tax return or (ii) \$250,000, in the case
4 of all other taxpayers. This subsection is exempt from the
5 provisions of Section 250 of this Act.

6 For purposes of this subsection:

7 "Qualifying pupils" means individuals who (i) are
8 residents of the State of Illinois, (ii) are under the age of
9 21 at the close of the school year for which a credit is
10 sought, and (iii) during the school year for which a credit is
11 sought were full-time pupils enrolled in a kindergarten through
12 twelfth grade education program at any school, as defined in
13 this subsection.

14 "Qualified education expense" means the amount incurred on
15 behalf of a qualifying pupil in excess of \$250 for tuition,
16 book fees, and lab fees at the school in which the pupil is
17 enrolled during the regular school year.

18 "School" means any public or nonpublic elementary or
19 secondary school in Illinois that is in compliance with Title
20 VI of the Civil Rights Act of 1964 and attendance at which
21 satisfies the requirements of Section 26-1 of the School Code,
22 except that nothing shall be construed to require a child to
23 attend any particular public or nonpublic school to qualify for
24 the credit under this Section.

25 "Custodian" means, with respect to qualifying pupils, an
26 Illinois resident who is a parent, the parents, a legal

1 guardian, or the legal guardians of the qualifying pupils.

2 (n) River Edge Redevelopment Zone site remediation tax
3 credit.

4 (i) For tax years ending on or after December 31, 2006,
5 a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) of this Section for
7 certain amounts paid for unreimbursed eligible remediation
8 costs, as specified in this subsection. For purposes of
9 this Section, "unreimbursed eligible remediation costs"
10 means costs approved by the Illinois Environmental
11 Protection Agency ("Agency") under Section 58.14a of the
12 Environmental Protection Act that were paid in performing
13 environmental remediation at a site within a River Edge
14 Redevelopment Zone for which a No Further Remediation
15 Letter was issued by the Agency and recorded under Section
16 58.10 of the Environmental Protection Act. The credit must
17 be claimed for the taxable year in which Agency approval of
18 the eligible remediation costs is granted. The credit is
19 not available to any taxpayer if the taxpayer or any
20 related party caused or contributed to, in any material
21 respect, a release of regulated substances on, in, or under
22 the site that was identified and addressed by the remedial
23 action pursuant to the Site Remediation Program of the
24 Environmental Protection Act. Determinations as to credit
25 availability for purposes of this Section shall be made
26 consistent with rules adopted by the Pollution Control

1 Board pursuant to the Illinois Administrative Procedure
2 Act for the administration and enforcement of Section 58.9
3 of the Environmental Protection Act. For purposes of this
4 Section, "taxpayer" includes a person whose tax attributes
5 the taxpayer has succeeded to under Section 381 of the
6 Internal Revenue Code and "related party" includes the
7 persons disallowed a deduction for losses by paragraphs
8 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
9 Code by virtue of being a related taxpayer, as well as any
10 of its partners. The credit allowed against the tax imposed
11 by subsections (a) and (b) shall be equal to 25% of the
12 unreimbursed eligible remediation costs in excess of
13 \$100,000 per site.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. This
18 credit shall be applied first to the earliest year for
19 which there is a liability. If there is a credit under this
20 subsection from more than one tax year that is available to
21 offset a liability, the earliest credit arising under this
22 subsection shall be applied first. A credit allowed under
23 this subsection may be sold to a buyer as part of a sale of
24 all or part of the remediation site for which the credit
25 was granted. The purchaser of a remediation site and the
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the
2 transfer, the assignor shall record the transfer in the
3 chain of title for the site and provide written notice to
4 the Director of the Illinois Department of Revenue of the
5 assignor's intent to sell the remediation site and the
6 amount of the tax credit to be transferred as a portion of
7 the sale. In no event may a credit be transferred to any
8 taxpayer if the taxpayer or a related party would not be
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"
11 shall have the same meaning as under Section 58.2 of the
12 Environmental Protection Act.

13 (o) For each of taxable years during the Compassionate Use
14 of Medical Cannabis Pilot Program, a surcharge is imposed on
15 all taxpayers on income arising from the sale or exchange of
16 capital assets, depreciable business property, real property
17 used in the trade or business, and Section 197 intangibles of
18 an organization registrant under the Compassionate Use of
19 Medical Cannabis Pilot Program Act. The amount of the surcharge
20 is equal to the amount of federal income tax liability for the
21 taxable year attributable to those sales and exchanges. The
22 surcharge imposed does not apply if:

23 (1) the medical cannabis cultivation center
24 registration, medical cannabis dispensary registration, or
25 the property of a registration is transferred as a result
26 of any of the following:

1 (A) bankruptcy, a receivership, or a debt
2 adjustment initiated by or against the initial
3 registration or the substantial owners of the initial
4 registration;

5 (B) cancellation, revocation, or termination of
6 any registration by the Illinois Department of Public
7 Health;

8 (C) a determination by the Illinois Department of
9 Public Health that transfer of the registration is in
10 the best interests of Illinois qualifying patients as
11 defined by the Compassionate Use of Medical Cannabis
12 Pilot Program Act;

13 (D) the death of an owner of the equity interest in
14 a registrant;

15 (E) the acquisition of a controlling interest in
16 the stock or substantially all of the assets of a
17 publicly traded company;

18 (F) a transfer by a parent company to a wholly
19 owned subsidiary; or

20 (G) the transfer or sale to or by one person to
21 another person where both persons were initial owners
22 of the registration when the registration was issued;
23 or

24 (2) the cannabis cultivation center registration,
25 medical cannabis dispensary registration, or the
26 controlling interest in a registrant's property is

1 transferred in a transaction to lineal descendants in which
2 no gain or loss is recognized or as a result of a
3 transaction in accordance with Section 351 of the Internal
4 Revenue Code in which no gain or loss is recognized.

5 (Source: P.A. 100-22, eff. 7-6-17.)

6 Section 10-20. The Retailers' Occupation Tax Act is amended
7 by adding Section 5k-1 as follows:

8 (35 ILCS 120/5k-1 new)

9 Sec. 5k-1. Building materials exemption; Energy Transition
10 Zone.

11 (a) Each retailer who makes a qualified sale of building
12 materials to be incorporated into a green energy project, as
13 defined in the Energy Transition Zone Act, being built by a
14 green energy enterprise in an Energy Transition Zone
15 established by or municipality under the Illinois Energy
16 Transition Zone Act by remodeling, rehabilitation or new
17 construction, may deduct receipts from such sales when
18 calculating the tax imposed by this Act. For purposes of this
19 Section, "qualified sale" means a sale of building materials
20 that will be incorporated into real estate as part of a
21 building project for which an Energy Transition Zone Building
22 Materials Exemption Certificate has been issued to the
23 purchaser by the Department. A construction contractor or other
24 entity shall not make tax-free purchases unless it has an

1 active Energy Transition Zone Building Materials Exemption
2 Certificate issued by the Department at the time of the
3 purchase.

4 (b) To document the exemption allowed under this Section,
5 the retailer must obtain from the purchaser the certification
6 required under subsection (c), which must contain the Energy
7 Transition Zone Building Materials Exemption Certificate
8 number issued to the purchaser by the Department. Upon request
9 from the Energy Transition Zone Administrator, the Department
10 shall issue an Energy Transition Zone Building Materials
11 Exemption Certificate for each construction contractor or
12 other entity identified by the Energy Transition Zone
13 Administrator. The Department shall make the Energy Transition
14 Zone Building Materials Exemption Certificates available
15 directly to each Energy Transition Zone Administrator,
16 construction contractor, or other entity. The request for
17 Energy Transition Zone Building Materials Exemption
18 Certificates from the Energy Transition Zone Administrator to
19 the Department must include the following information:

20 (1) the name and address of the construction contractor
21 or other entity;

22 (2) the name and number of the Energy Transition Zone;

23 (3) the name and location or address of the green
24 energy

25 (4) the estimated amount of the exemption for each
26 construction contractor or other entity for which a request

1 for Energy Transition Zone Building Materials Exemption
2 Certificate is made, based on a stated estimated average
3 tax rate and the percentage of the contract that consists
4 of materials;

5 (5) the period of time over which supplies for the
6 project are expected to be purchased; and

7 (6) other reasonable information as the Department may
8 require, including, but not limited to FEIN numbers, to
9 determine if the contractor or other entity, or any
10 partner, or a corporate officer, and in the case of a
11 limited liability company, any manager or member, of the
12 construction contractor or other entity, is or has been the
13 owner, a partner, a corporate officer, and in the case of a
14 limited liability company, a manager or member, of a person
15 that is in default for moneys due to the Department under
16 this Act or any other tax or fee Act administered by the
17 Department

18 The Department shall issue the Energy Transition Zone
19 Building Materials Exemption Certificates within 3 business
20 days after receipt of request from the Zone Administrator. This
21 requirement does not apply in circumstances where the
22 Department, for reasonable cause, is unable to issue the Energy
23 Transition Zone Building Materials Exemption Certificate
24 within 3 business days. The Department may refuse to issue an
25 Energy Transition Zone Building Materials Exemption
26 Certificate if the owner, any partner, or a corporate officer,

1 and in the case of a limited liability company, any manager or
2 member, of the construction contractor or other entity is or
3 has been the owner, a partner, a corporate officer, and in the
4 case of a limited liability company, a manager or member, of a
5 person that is in default for moneys due to the Department
6 under this Act or any other tax or fee Act administered by the
7 Department. The Energy Transition Zone Building Materials
8 Exemption Certificate shall contain language stating that if
9 the construction contractor or other entity who is issued the
10 Energy Transition Zone Building Materials Exemption
11 Certificate makes a tax-exempt purchase, as described in this
12 Section, that is not eligible for exemption under this Section
13 or allows another person to make a tax-exempt purchase, as
14 described in this Section, that is not eligible for exemption
15 under this Section, then, in addition to any tax or other
16 penalty imposed, the construction contractor or other entity is
17 subject to a penalty equal to the tax that would have been paid
18 by the retailer under this Act as well as any applicable local
19 retailers' occupation tax on the purchase that is not eligible
20 for the exemption.

21 The Department, in its discretion, may require that the
22 request for Energy Transition Zone Building Materials
23 Exemption Certificates be submitted electronically. The
24 Department may, in its discretion, issue the Energy Transition
25 Zone Building Materials Exemption Certificates electronically.
26 The Energy Transition Zone Building Materials Exemption

1 Certificate number shall be designed in such a way that the
2 Department can identify from the unique number on the Energy
3 Transition Zone Building Materials Exemption Certificate
4 issued to a given construction contractor or other entity, the
5 name of the Energy Transition Zone, the project for which the
6 Energy Transition Zone Building Materials Exemption
7 Certificate is issued, and the construction contractor or other
8 entity to whom the Energy Transition Zone Building Materials
9 Exemption Certificate is issued. The Energy Transition Zone
10 Building Materials Exemption Certificate shall contain an
11 expiration date, which shall be no more than 2 years after the
12 date of issuance. At the request of the Zone Administrator, the
13 Department may renew an Energy Transition Zone Building
14 Materials Exemption Certificate. After the Department issues
15 Energy Transition Zone Building Materials Exemption
16 Certificates for a given Energy Transition Zone project, the
17 Energy Transition Zone Administrator may notify the Department
18 of additional construction contractors or other entities
19 eligible for an Energy Transition Zone Building Materials
20 Exemption Certificate. Upon notification by the Energy
21 Transition Zone Administrator and subject to the other
22 provisions of this subsection (b), the Department shall issue
23 an Energy Transition Zone Building Materials Exemption
24 Certificate to each additional construction contractor or
25 other entity identified by the Energy Transition Zone
26 Administrator. An Energy Transition Zone Administrator may

1 notify the Department to rescind an Energy Transition Zone
2 Building Materials Exemption Certificate previously issued by
3 the Department but that has not yet expired. Upon notification
4 by the Energy Transition Zone Administrator and subject to the
5 other provisions of this subsection (b), the Department shall
6 issue the rescission of the Energy Transition Zone Building
7 Materials Exemption Certificate to the construction contractor
8 or other entity identified by the Energy Transition Zone
9 Administrator and provide a copy to the Energy Transition Zone
10 Administrator.

11 If the Department of Revenue determines that a construction
12 contractor or other entity that was issued an Energy Transition
13 Zone Building Materials Exemption Certificate under this
14 subsection (b) made a tax-exempt purchase, as described in this
15 Section, that was not eligible for exemption under this Section
16 or allowed another person to make a tax-exempt purchase, as
17 described in this Section, that was not eligible for exemption
18 under this Section, then, in addition to any tax or other
19 penalty imposed, the construction contractor or other entity is
20 subject to a penalty equal to the tax that would have been paid
21 by the retailer under this Act as well as any applicable local
22 retailers' occupation tax on the purchase that was not eligible
23 for the exemption.

24 (c) In addition, the retailer must obtain certification
25 from the purchaser that contains:

26 (1) a statement that the building materials are being

1 purchased for incorporation into a green energy project
2 located in an Illinois Energy Transition Zone;

3 (2) the location or address of the real estate into
4 which the building materials will be incorporated;

5 (3) the name of the Energy Transition Zone in which
6 that real estate is located;

7 (4) a description of the building materials being
8 purchased;

9 (5) the purchaser's Energy Transition Zone Building
10 Materials Exemption Certificate number issued by the
11 Department; and

12 (6) the purchaser's signature and date of purchase.

13 (d) The deduction allowed by this Section for the sale of
14 building materials may be limited, to the extent authorized by
15 ordinance by the municipality or county that created the Energy
16 Transition Zone into which the building materials will be
17 incorporated. The ordinance, however, may neither require nor
18 prohibit the purchase of building materials from any retailer
19 or class of retailers in order to qualify for the exemption
20 allowed under this Section. The provisions of this Section are
21 exempt from Section 2-70.

22 Section 10-25. The Illinois Municipal Code is amended by
23 changing Section 8-11-2 as follows:

24 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)

1 Sec. 8-11-2. The corporate authorities of any municipality
2 may tax any or all of the following occupations or privileges:

3 1. (Blank).

4 2. Persons engaged in the business of distributing,
5 supplying, furnishing, or selling gas for use or
6 consumption within the corporate limits of a municipality
7 of 500,000 or fewer population, and not for resale, at a
8 rate not to exceed 5% of the gross receipts therefrom.

9 2a. Persons engaged in the business of distributing,
10 supplying, furnishing, or selling gas for use or
11 consumption within the corporate limits of a municipality
12 of over 500,000 population, and not for resale, at a rate
13 not to exceed 8% of the gross receipts therefrom. If
14 imposed, this tax shall be paid in monthly payments.

15 3. The privilege of using or consuming electricity
16 acquired in a purchase at retail and used or consumed
17 within the corporate limits of the municipality at rates
18 not to exceed the following maximum rates, calculated on a
19 monthly basis for each purchaser:

20 (i) For the first 2,000 kilowatt-hours used or
21 consumed in a month; 0.61 cents per kilowatt-hour;

22 (ii) For the next 48,000 kilowatt-hours used or
23 consumed in a month; 0.40 cents per kilowatt-hour;

24 (iii) For the next 50,000 kilowatt-hours used or
25 consumed in a month; 0.36 cents per kilowatt-hour;

26 (iv) For the next 400,000 kilowatt-hours used or

1 consumed in a month; 0.35 cents per kilowatt-hour;

2 (v) For the next 500,000 kilowatt-hours used or
3 consumed in a month; 0.34 cents per kilowatt-hour;

4 (vi) For the next 2,000,000 kilowatt-hours used or
5 consumed in a month; 0.32 cents per kilowatt-hour;

6 (vii) For the next 2,000,000 kilowatt-hours used
7 or consumed in a month; 0.315 cents per kilowatt-hour;

8 (viii) For the next 5,000,000 kilowatt-hours used
9 or consumed in a month; 0.31 cents per kilowatt-hour;

10 (ix) For the next 10,000,000 kilowatt-hours used
11 or consumed in a month; 0.305 cents per kilowatt-hour;

12 and

13 (x) For all electricity used or consumed in excess
14 of 20,000,000 kilowatt-hours in a month, 0.30 cents per
15 kilowatt-hour.

16 If a municipality imposes a tax at rates lower than
17 either the maximum rates specified in this Section or the
18 alternative maximum rates promulgated by the Illinois
19 Commerce Commission, as provided below, the tax rates shall
20 be imposed upon the kilowatt hour categories set forth
21 above with the same proportional relationship as that which
22 exists among such maximum rates. Notwithstanding the
23 foregoing, until December 31, 2008, no municipality shall
24 establish rates that are in excess of rates reasonably
25 calculated to produce revenues that equal the maximum total
26 revenues such municipality could have received under the

1 tax authorized by this subparagraph in the last full
2 calendar year prior to August 1, 1998 (the effective date
3 of Section 65 of Public Act 90-561); provided that this
4 shall not be a limitation on the amount of tax revenues
5 actually collected by such municipality.

6 Upon the request of the corporate authorities of a
7 municipality, the Illinois Commerce Commission shall,
8 within 90 days after receipt of such request, promulgate
9 alternative rates for each of these kilowatt-hour
10 categories that will reflect, as closely as reasonably
11 practical for that municipality, the distribution of the
12 tax among classes of purchasers as if the tax were based on
13 a uniform percentage of the purchase price of electricity.
14 A municipality that has adopted an ordinance imposing a tax
15 pursuant to subparagraph 3 as it existed prior to August 1,
16 1998 (the effective date of Section 65 of Public Act
17 90-561) may, rather than imposing the tax permitted by
18 Public Act 90-561, continue to impose the tax pursuant to
19 that ordinance with respect to gross receipts received from
20 residential customers through July 31, 1999, and with
21 respect to gross receipts from any non-residential
22 customer until the first bill issued to such customer for
23 delivery services in accordance with Section 16-104 of the
24 Public Utilities Act but in no case later than the last
25 bill issued to such customer before December 31, 2000. No
26 ordinance imposing the tax permitted by Public Act 90-561

1 shall be applicable to any non-residential customer until
2 the first bill issued to such customer for delivery
3 services in accordance with Section 16-104 of the Public
4 Utilities Act but in no case later than the last bill
5 issued to such non-residential customer before December
6 31, 2000.

7 4. Persons engaged in the business of distributing,
8 supplying, furnishing, or selling water for use or
9 consumption within the corporate limits of the
10 municipality, and not for resale, at a rate not to exceed
11 5% of the gross receipts therefrom.

12 None of the taxes authorized by this Section may be imposed
13 with respect to any transaction in interstate commerce or
14 otherwise to the extent to which the business or privilege may
15 not, under the constitution and statutes of the United States,
16 be made the subject of taxation by this State or any political
17 sub-division thereof; nor shall any persons engaged in the
18 business of distributing, supplying, furnishing, selling or
19 transmitting gas, water, or electricity, or using or consuming
20 electricity acquired in a purchase at retail, be subject to
21 taxation under the provisions of this Section for those
22 transactions that are or may become subject to taxation under
23 the provisions of the Municipal Retailers' Occupation Tax Act
24 authorized by Section 8-11-1; nor shall any tax authorized by
25 this Section be imposed upon any person engaged in a business
26 or on any privilege unless the tax is imposed in like manner

1 and at the same rate upon all persons engaged in businesses of
2 the same class in the municipality, whether privately or
3 municipally owned or operated, or exercising the same privilege
4 within the municipality.

5 Any of the taxes enumerated in this Section may be in
6 addition to the payment of money, or value of products or
7 services furnished to the municipality by the taxpayer as
8 compensation for the use of its streets, alleys, or other
9 public places, or installation and maintenance therein,
10 thereon or thereunder of poles, wires, pipes, or other
11 equipment used in the operation of the taxpayer's business.

12 (a) If the corporate authorities of any home rule
13 municipality have adopted an ordinance that imposed a tax on
14 public utility customers, between July 1, 1971, and October 1,
15 1981, on the good faith belief that they were exercising
16 authority pursuant to Section 6 of Article VII of the 1970
17 Illinois Constitution, that action of the corporate
18 authorities shall be declared legal and valid, notwithstanding
19 a later decision of a judicial tribunal declaring the ordinance
20 invalid. No municipality shall be required to rebate, refund,
21 or issue credits for any taxes described in this paragraph, and
22 those taxes shall be deemed to have been levied and collected
23 in accordance with the Constitution and laws of this State.

24 (b) In any case in which (i) prior to October 19, 1979, the
25 corporate authorities of any municipality have adopted an
26 ordinance imposing a tax authorized by this Section (or by the

1 predecessor provision of the Revised Cities and Villages Act)
2 and have explicitly or in practice interpreted gross receipts
3 to include either charges added to customers' bills pursuant to
4 the provision of paragraph (a) of Section 36 of the Public
5 Utilities Act or charges added to customers' bills by taxpayers
6 who are not subject to rate regulation by the Illinois Commerce
7 Commission for the purpose of recovering any of the tax
8 liabilities or other amounts specified in such paragraph (a) of
9 Section 36 of that Act, and (ii) on or after October 19, 1979,
10 a judicial tribunal has construed gross receipts to exclude all
11 or part of those charges, then neither that municipality nor
12 any taxpayer who paid the tax shall be required to rebate,
13 refund, or issue credits for any tax imposed or charge
14 collected from customers pursuant to the municipality's
15 interpretation prior to October 19, 1979. This paragraph
16 reflects a legislative finding that it would be contrary to the
17 public interest to require a municipality or its taxpayers to
18 refund taxes or charges attributable to the municipality's more
19 inclusive interpretation of gross receipts prior to October 19,
20 1979, and is not intended to prescribe or limit judicial
21 construction of this Section. The legislative finding set forth
22 in this subsection does not apply to taxes imposed after
23 January 1, 1996 (the effective date of Public Act 89-325).

24 (c) The tax authorized by subparagraph 3 shall be collected
25 from the purchaser by the person maintaining a place of
26 business in this State who delivers the electricity to the

1 purchaser. This tax shall constitute a debt of the purchaser to
2 the person who delivers the electricity to the purchaser and if
3 unpaid, is recoverable in the same manner as the original
4 charge for delivering the electricity. Any tax required to be
5 collected pursuant to an ordinance authorized by subparagraph 3
6 and any such tax collected by a person delivering electricity
7 shall constitute a debt owed to the municipality by such person
8 delivering the electricity, provided, that the person
9 delivering electricity shall be allowed credit for such tax
10 related to deliveries of electricity the charges for which are
11 written off as uncollectible, and provided further, that if
12 such charges are thereafter collected, the delivering supplier
13 shall be obligated to remit such tax. For purposes of this
14 subsection (c), any partial payment not specifically
15 identified by the purchaser shall be deemed to be for the
16 delivery of electricity. Persons delivering electricity shall
17 collect the tax from the purchaser by adding such tax to the
18 gross charge for delivering the electricity, in the manner
19 prescribed by the municipality. Persons delivering electricity
20 shall also be authorized to add to such gross charge an amount
21 equal to 3% of the tax to reimburse the person delivering
22 electricity for the expenses incurred in keeping records,
23 billing customers, preparing and filing returns, remitting the
24 tax and supplying data to the municipality upon request. If the
25 person delivering electricity fails to collect the tax from the
26 purchaser, then the purchaser shall be required to pay the tax

1 directly to the municipality in the manner prescribed by the
2 municipality. Persons delivering electricity who file returns
3 pursuant to this paragraph (c) shall, at the time of filing
4 such return, pay the municipality the amount of the tax
5 collected pursuant to subparagraph 3.

6 (d) For the purpose of the taxes enumerated in this
7 Section:

8 "Gross receipts" means the consideration received for
9 distributing, supplying, furnishing or selling gas for use or
10 consumption and not for resale, and the consideration received
11 for distributing, supplying, furnishing or selling water for
12 use or consumption and not for resale, and for all services
13 rendered in connection therewith valued in money, whether
14 received in money or otherwise, including cash, credit,
15 services and property of every kind and material and for all
16 services rendered therewith, and shall be determined without
17 any deduction on account of the cost of the service, product or
18 commodity supplied, the cost of materials used, labor or
19 service cost, or any other expenses whatsoever. "Gross
20 receipts" shall not include that portion of the consideration
21 received for distributing, supplying, furnishing, or selling
22 gas or water to business enterprises or green energy
23 enterprises described in paragraph (e) of this Section to the
24 extent and during the period in which the exemption authorized
25 by paragraph (e) is in effect or for school districts or units
26 of local government described in paragraph (f) during the

1 period in which the exemption authorized in paragraph (f) is in
2 effect.

3 For utility bills issued on or after May 1, 1996, but
4 before May 1, 1997, and for receipts from those utility bills,
5 "gross receipts" does not include one-third of (i) amounts
6 added to customers' bills under Section 9-222 of the Public
7 Utilities Act, or (ii) amounts added to customers' bills by
8 taxpayers who are not subject to rate regulation by the
9 Illinois Commerce Commission for the purpose of recovering any
10 of the tax liabilities described in Section 9-222 of the Public
11 Utilities Act. For utility bills issued on or after May 1,
12 1997, but before May 1, 1998, and for receipts from those
13 utility bills, "gross receipts" does not include two-thirds of
14 (i) amounts added to customers' bills under Section 9-222 of
15 the Public Utilities Act, or (ii) amount added to customers'
16 bills by taxpayers who are not subject to rate regulation by
17 the Illinois Commerce Commission for the purpose of recovering
18 any of the tax liabilities described in Section 9-222 of the
19 Public Utilities Act. For utility bills issued on or after May
20 1, 1998, and for receipts from those utility bills, "gross
21 receipts" does not include (i) amounts added to customers'
22 bills under Section 9-222 of the Public Utilities Act, or (ii)
23 amounts added to customers' bills by taxpayers who are not
24 subject to rate regulation by the Illinois Commerce Commission
25 for the purpose of recovering any of the tax liabilities
26 described in Section 9-222 of the Public Utilities Act.

1 For purposes of this Section "gross receipts" shall not
2 include amounts added to customers' bills under Section 9-221
3 of the Public Utilities Act. This paragraph is not intended to
4 nor does it make any change in the meaning of "gross receipts"
5 for the purposes of this Section, but is intended to remove
6 possible ambiguities, thereby confirming the existing meaning
7 of "gross receipts" prior to January 1, 1996 (the effective
8 date of Public Act 89-325).

9 "Person" as used in this Section means any natural
10 individual, firm, trust, estate, partnership, association,
11 joint stock company, joint adventure, corporation, limited
12 liability company, municipal corporation, the State or any of
13 its political subdivisions, any State university created by
14 statute, or a receiver, trustee, guardian or other
15 representative appointed by order of any court.

16 "Person maintaining a place of business in this State"
17 shall mean any person having or maintaining within this State,
18 directly or by a subsidiary or other affiliate, an office,
19 generation facility, distribution facility, transmission
20 facility, sales office or other place of business, or any
21 employee, agent, or other representative operating within this
22 State under the authority of the person or its subsidiary or
23 other affiliate, irrespective of whether such place of business
24 or agent or other representative is located in this State
25 permanently or temporarily, or whether such person, subsidiary
26 or other affiliate is licensed or qualified to do business in

1 this State.

2 "Public utility" shall have the meaning ascribed to it in
3 Section 3-105 of the Public Utilities Act and shall include
4 alternative retail electric suppliers as defined in Section
5 16-102 of that Act.

6 "Purchase at retail" shall mean any acquisition of
7 electricity by a purchaser for purposes of use or consumption,
8 and not for resale, but shall not include the use of
9 electricity by a public utility directly in the generation,
10 production, transmission, delivery or sale of electricity.

11 "Purchaser" shall mean any person who uses or consumes,
12 within the corporate limits of the municipality, electricity
13 acquired in a purchase at retail.

14 (e) Any municipality that imposes taxes upon public
15 utilities or upon the privilege of using or consuming
16 electricity pursuant to this Section whose territory includes
17 any part of an enterprise zone, Energy Transition Zone, or
18 federally designated Foreign Trade Zone or Sub-Zone may, by a
19 majority vote of its corporate authorities, exempt from those
20 taxes for a period not exceeding 20 years any specified
21 percentage of gross receipts of public utilities received from,
22 or electricity used or consumed by, business enterprises or
23 green energy enterprises that:

24 (1) either (i) make investments that cause the creation
25 of a minimum of 200 full-time equivalent jobs in Illinois,
26 (ii) make investments of at least \$175,000,000 that cause

1 the creation of a minimum of 150 full-time equivalent jobs
2 in Illinois, or (iii) make investments that cause the
3 retention of a minimum of 1,000 full-time jobs in Illinois;
4 and

5 (2) are either (i) located in an Enterprise Zone
6 established pursuant to the Illinois Enterprise Zone Act or
7 (ii) Department of Commerce and Economic Opportunity
8 designated High Impact Businesses located in a federally
9 designated Foreign Trade Zone or Sub-Zone; or (iii) located
10 in an Energy Transition Zone established pursuant to the
11 Illinois Energy Transition Zone Act; and

12 (3) are certified by the Department of Commerce and
13 Economic Opportunity as complying with the requirements
14 specified in clauses (1) and (2) of this paragraph (e).

15 Upon adoption of the ordinance authorizing the exemption,
16 the municipal clerk shall transmit a copy of that ordinance to
17 the Department of Commerce and Economic Opportunity. The
18 Department of Commerce and Economic Opportunity shall
19 determine whether the business enterprises or green energy
20 enterprises located in the municipality meet the criteria
21 prescribed in this paragraph. If the Department of Commerce and
22 Economic Opportunity determines that the business enterprises
23 or green energy enterprises meet the criteria, it shall grant
24 certification. The Department of Commerce and Economic
25 Opportunity shall act upon certification requests within 30
26 days after receipt of the ordinance.

1 Upon certification of the business enterprise or green
2 energy enterprises by the Department of Commerce and Economic
3 Opportunity, the Department of Commerce and Economic
4 Opportunity shall notify the Department of Revenue of the
5 certification. The Department of Revenue shall notify the
6 public utilities of the exemption status of the gross receipts
7 received from, and the electricity used or consumed by, the
8 certified business enterprises and certified green energy
9 enterprises. Such exemption status shall be effective within 3
10 months after certification.

11 (f) A municipality that imposes taxes upon public utilities
12 or upon the privilege of using or consuming electricity under
13 this Section and whose territory includes part of another unit
14 of local government or a school district may by ordinance
15 exempt the other unit of local government or school district
16 from those taxes.

17 (g) The amendment of this Section by Public Act 84-127
18 shall take precedence over any other amendment of this Section
19 by any other amendatory Act passed by the 84th General Assembly
20 before August 1, 1985 (the effective date of Public Act
21 84-127).

22 (h) In any case in which, before July 1, 1992, a person
23 engaged in the business of transmitting messages through the
24 use of mobile equipment, such as cellular phones and paging
25 systems, has determined the municipality within which the gross
26 receipts from the business originated by reference to the

1 location of its transmitting or switching equipment, then (i)
2 neither the municipality to which tax was paid on that basis
3 nor the taxpayer that paid tax on that basis shall be required
4 to rebate, refund, or issue credits for any such tax or charge
5 collected from customers to reimburse the taxpayer for the tax
6 and (ii) no municipality to which tax would have been paid with
7 respect to those gross receipts if the provisions of Public Act
8 87-773 had been in effect before July 1, 1992, shall have any
9 claim against the taxpayer for any amount of the tax.

10 (Source: P.A. 100-201, eff. 8-18-17.)

11 Section 10-30. The Public Utilities Act is amended by
12 changing Sections 9-221 and 9-222 and by adding Section
13 9-222.1b as follows:

14 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)

15 Sec. 9-221. Whenever a municipality pursuant to Section
16 8-11-2 of the Illinois Municipal Code, as heretofore and
17 hereafter amended, imposes a tax on any public utility, such
18 utility may charge its customers, other than customers who are
19 certified business enterprises or certified green energy
20 enterprises under paragraph (e) of Section 8-11-2 of the
21 Illinois Municipal Code or are exempted from those taxes under
22 paragraph (f) of that Section, to the extent of such exemption
23 and during the period in which such exemption is in effect, in
24 addition to any rate authorized by this Act, an additional

1 charge equal to the sum of (1) an amount equal to such
2 municipal tax, or any part thereof (2) 3% of such tax, or any
3 part thereof, as the case may be, to cover costs of accounting,
4 and (3) an amount equal to the increase in taxes and other
5 payments to governmental bodies resulting from the amount of
6 such additional charge. Such utility shall file with the
7 Commission a true and correct copy of the municipal ordinance
8 imposing such tax; and also shall file with the Commission a
9 supplemental schedule applicable to such municipality which
10 shall specify such additional charge and which shall become
11 effective upon filing without further notice. Such additional
12 charge shall be shown separately on the utility bill to each
13 customer. The Commission shall have power to investigate
14 whether or not such supplemental schedule correctly specifies
15 such additional charge, but shall have no power to suspend such
16 supplemental schedule. If the Commission finds, after a
17 hearing, that such supplemental schedule does not correctly
18 specify such additional charge, it shall by order require a
19 refund to the appropriate customers of the excess, if any, with
20 interest, in such manner as it shall deem just and reasonable,
21 and in and by such order shall require the utility to file an
22 amended supplemental schedule corresponding to the finding and
23 order of the Commission.

24 (Source: P.A. 87-895; 88-132.)

25 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

1 Sec. 9-222. Whenever a tax is imposed upon a public utility
2 engaged in the business of distributing, supplying,
3 furnishing, or selling gas for use or consumption pursuant to
4 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
5 required to be collected by a delivering supplier pursuant to
6 Section 2-7 of the Electricity Excise Tax Act, or whenever a
7 tax is imposed upon a public utility pursuant to Section 2-202
8 of this Act, such utility may charge its customers, other than
9 customers who are high impact businesses under Section 5.5 of
10 the Illinois Enterprise Zone Act, or certified business
11 enterprises under Section 9-222.1 of this Act, or certified
12 green energy enterprises under Section 9-221.B, to the extent
13 of such exemption and during the period in which such exemption
14 is in effect, in addition to any rate authorized by this Act,
15 an additional charge equal to the total amount of such taxes.
16 The exemption of this Section relating to high impact
17 businesses shall be subject to the provisions of subsections
18 (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise
19 Zone Act. This requirement shall not apply to taxes on invested
20 capital imposed pursuant to the Messages Tax Act, the Gas
21 Revenue Tax Act and the Public Utilities Revenue Act. Such
22 utility shall file with the Commission a supplemental schedule
23 which shall specify such additional charge and which shall
24 become effective upon filing without further notice. Such
25 additional charge shall be shown separately on the utility bill
26 to each customer. The Commission shall have the power to

1 investigate whether or not such supplemental schedule
2 correctly specifies such additional charge, but shall have no
3 power to suspend such supplemental schedule. If the Commission
4 finds, after a hearing, that such supplemental schedule does
5 not correctly specify such additional charge, it shall by order
6 require a refund to the appropriate customers of the excess, if
7 any, with interest, in such manner as it shall deem just and
8 reasonable, and in and by such order shall require the utility
9 to file an amended supplemental schedule corresponding to the
10 finding and order of the Commission. Except with respect to
11 taxes imposed on invested capital, such tax liabilities shall
12 be recovered from customers solely by means of the additional
13 charges authorized by this Section.

14 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

15 (220 ILCS 5/9-222.1b new)

16 Sec. 9-222.1b. Green energy enterprises. A green energy
17 enterprise as defined in the Illinois Energy Transition Zone
18 Act, which is located within an area designated by a county or
19 municipality as an Energy Transition Zone pursuant to the
20 Illinois Energy Transition Zone Act shall be exempt from the
21 additional charges added to the green energy enterprise's
22 utility bills as a pass-on of municipal and State utility taxes
23 under Sections 9-221 and 9-222 of this Act, to the extent such
24 charges are exempted by ordinance adopted in accordance with
25 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code

1 in the case of municipal utility taxes, and to the extent such
2 charges are exempted by the percentage specified by the
3 Department of Commerce and Economic Opportunity in the case of
4 State utility taxes, provided such green energy enterprise
5 meets the following criteria:

6 (1) it (i) makes investments which cause the creation
7 of a minimum of 200 full-time equivalent jobs in an Energy
8 Transition Zone; (ii) makes investments of at least
9 \$175,000,000 which cause the creation of a minimum of 150
10 full-time equivalent jobs in an Energy Transition Zone; or
11 (iii) makes investments which cause the retention of a
12 minimum of 1,000 full-time jobs in an Energy Transition
13 Zone; and

14 (2) it is located in an Energy Transition Zone
15 established pursuant to the Illinois Energy Transition
16 Zone Act; and

17 (3) it is certified by the Department of Commerce and
18 Economic Opportunity as complying with the requirements
19 specified in clauses (1) and (2) of this Section.

20 The Department of Commerce and Economic Opportunity shall
21 determine the period during which such exemption from the
22 charges imposed under Section 9-222 is in effect which shall
23 not exceed 30 years or the certified term of the energy
24 transition Zone, whichever period is shorter.

25 The Department of Commerce and Economic Opportunity shall
26 have the power to adopt rules to carry out the provisions of

1 this Section including procedures for complying with the
2 requirements specified in clauses (1) and (2) of this Section
3 and procedures for applying for the exemptions authorized under
4 this Section; to define the amounts and types of eligible
5 investments which green energy enterprises must make in order
6 to receive State utility tax exemptions pursuant to Sections
7 9-222 and 9-222.1B of this Act; to approve such utility tax
8 exemptions for green energy enterprises whose investments are
9 not yet placed in service; and to require that green energy
10 enterprises granted tax exemptions repay the exempted tax
11 should the green energy enterprise fail to comply with the
12 terms and conditions of the certification. However, no green
13 energy enterprise shall be required, as a condition for
14 certification under clause (3) of this Section, to attest that
15 its decision to invest under clause (1) of this Section and to
16 locate under clause (2) of this Section is predicated upon the
17 availability of the exemptions authorized by this Section.

18 A green energy enterprise shall be exempt, in whole or in
19 part, from the pass-on charges of municipal utility taxes
20 imposed under Section 9-221, only if it meets the criteria
21 specified in clauses (1) through (3) of this Section and the
22 municipality has adopted an ordinance authorizing the
23 exemption under paragraph (e) of Section 8-11-2 of the Illinois
24 Municipal Code. Upon certification of the green energy
25 enterprises by the Department of Commerce and Economic
26 Opportunity, the Department of Commerce and Economic

1 Opportunity shall notify the Department of Revenue of such
2 certification. The Department of Revenue shall notify the
3 public utilities of the exemption status of green energy
4 enterprises from the pass-on charges of State and municipal
5 utility taxes. Such exemption status shall be effective within
6 3 months after certification of the green energy enterprise.

7 Article 99. Effective date

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