



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB2819

Introduced 2/16/2023, by Rep. Camille Y. Lilly

#### SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1056 new  
30 ILCS 105/5.990 new  
35 ILCS 5/211  
35 ILCS 10/5-45

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department shall establish and implement a Veterans' Economic Center pilot program for the purposes of assisting veterans in finding employment and addressing the problem of veteran homelessness. Amends the Illinois Income Tax Act and the Economic Development for a Growing Economy Tax Credit Act. Provides that a taxpayer who receives a credit under the Act for a taxable year ending on or before December 31, 2025 pursuant an Agreement entered into on or after the effective date of the amendatory Act may apply only 98% of that credit amount against his or her State income tax liability in any taxable year. Provides that the remaining 2% of the total credit amount awarded shall be transferred from the General Revenue Fund into the Veterans' Economic Center Fund. Provides that moneys in the Veterans' Economic Center Fund shall be used by the Department of Commerce and Economic Opportunity to administer the Veterans' Economic Center pilot program. Amends the State Finance Act to create the Veterans' Economic Center Fund. Effective immediately.

LRB103 29472 HLH 55867 b

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois  
6 is amended by adding Section 605-1056 as follows:

7 (20 ILCS 605/605-1056 new)

8 Sec. 605-1056. Veterans' Economic Center Pilot Program.  
9 Beginning on January 1, 2024 and continuing through December  
10 31, 2027, the Department shall establish and implement a  
11 Veterans' Economic Center pilot program for the purposes of  
12 assisting veterans in finding employment and addressing the  
13 problem of veteran homelessness. In conducting the program,  
14 the Department shall partner with local employers in order to  
15 better connect veterans with those employers. The Department  
16 shall report to the Governor and the General Assembly  
17 regarding the effectiveness of the program no later than  
18 December 31, 2027.

19 This Section is repealed on January 1, 2029.

20 Section 7. The State Finance Act is amended by adding  
21 Section 5.990 as follows:

1 (30 ILCS 105/5.990 new)

2 Sec. 5.990. The Veterans' Economic Center Fund.

3 Section 10. The Illinois Income Tax Act is amended by  
4 changing Section 211 as follows:

5 (35 ILCS 5/211)

6 Sec. 211. Economic Development for a Growing Economy Tax  
7 Credit. For tax years beginning on or after January 1, 1999, a  
8 Taxpayer who has entered into an Agreement (including a New  
9 Construction EDGE Agreement) under the Economic Development  
10 for a Growing Economy Tax Credit Act is entitled to a credit  
11 against the taxes imposed under subsections (a) and (b) of  
12 Section 201 of this Act in an amount to be determined in the  
13 Agreement. If the Taxpayer is a partnership or Subchapter S  
14 corporation, the credit shall be allowed to the partners or  
15 shareholders in accordance with the determination of income  
16 and distributive share of income under Sections 702 and 704  
17 and subchapter S of the Internal Revenue Code. The Department,  
18 in cooperation with the Department of Commerce and Economic  
19 Opportunity, shall prescribe rules to enforce and administer  
20 the provisions of this Section. This Section is exempt from  
21 the provisions of Section 250 of this Act.

22 The credit shall be subject to the conditions set forth in  
23 the Agreement and the following limitations:

24 (1) The tax credit shall not exceed the Incremental

1           Income Tax (as defined in Section 5-5 of the Economic  
2           Development for a Growing Economy Tax Credit Act) with  
3           respect to the project; additionally, the New Construction  
4           EDGE Credit shall not exceed the New Construction EDGE  
5           Incremental Income Tax (as defined in Section 5-5 of the  
6           Economic Development for a Growing Economy Tax Credit  
7           Act).

8           (2) The amount of the credit allowed during the tax  
9           year plus the sum of all amounts allowed in prior years  
10          shall not exceed 100% of the aggregate amount expended by  
11          the Taxpayer during all prior tax years on approved costs  
12          defined by Agreement.

13          (3) The amount of the credit shall be determined on an  
14          annual basis. Except as applied in a carryover year  
15          pursuant to Section 211(4) of this Act, the credit may not  
16          be applied against any State income tax liability in more  
17          than 10 taxable years; provided, however, that (i) an  
18          eligible business certified by the Department of Commerce  
19          and Economic Opportunity under the Corporate Headquarters  
20          Relocation Act may not apply the credit against any of its  
21          State income tax liability in more than 15 taxable years  
22          and (ii) credits allowed to that eligible business are  
23          subject to the conditions and requirements set forth in  
24          Sections 5-35 and 5-45 of the Economic Development for a  
25          Growing Economy Tax Credit Act and Section 5-51 as  
26          applicable to New Construction EDGE Credits.

1           (4) The credit may not exceed the amount of taxes  
2 imposed pursuant to subsections (a) and (b) of Section 201  
3 of this Act. Any credit that is unused in the year the  
4 credit is computed may be carried forward and applied to  
5 the tax liability of the 5 taxable years following the  
6 excess credit year, except as otherwise provided under  
7 paragraph (4.5) of this Section. The credit shall be  
8 applied to the earliest year for which there is a tax  
9 liability. If there are credits from more than one tax  
10 year that are available to offset a liability, the earlier  
11 credit shall be applied first.

12           (4.5) The Department of Commerce and Economic  
13 Opportunity, in consultation with the Department of  
14 Revenue, shall adopt rules to extend the sunset of any  
15 earned, existing, or unused credit as provided for in  
16 Section 605-1055 of the Department of Commerce and  
17 Economic Opportunity Law of the Civil Administrative Code  
18 of Illinois.

19           (5) No credit shall be allowed with respect to any  
20 Agreement for any taxable year ending after the  
21 Noncompliance Date. Upon receiving notification by the  
22 Department of Commerce and Economic Opportunity of the  
23 noncompliance of a Taxpayer with an Agreement, the  
24 Department shall notify the Taxpayer that no credit is  
25 allowed with respect to that Agreement for any taxable  
26 year ending after the Noncompliance Date, as stated in

1 such notification. If any credit has been allowed with  
2 respect to an Agreement for a taxable year ending after  
3 the Noncompliance Date for that Agreement, any refund paid  
4 to the Taxpayer for that taxable year shall, to the extent  
5 of that credit allowed, be an erroneous refund within the  
6 meaning of Section 912 of this Act.

7 If, during any taxable year, a taxpayer ceases  
8 operations at a project location that is the subject of  
9 that Agreement with the intent to terminate operations in  
10 the State, the tax imposed under subsections (a) and (b)  
11 of Section 201 of this Act for such taxable year shall be  
12 increased by the amount of any credit allowed under the  
13 Agreement for that project location prior to the date the  
14 taxpayer ceases operations.

15 (6) For purposes of this Section, the terms  
16 "Agreement", "Incremental Income Tax", "New Construction  
17 EDGE Agreement", "New Construction EDGE Credit", "New  
18 Construction EDGE Incremental Income Tax", and  
19 "Noncompliance Date" have the same meaning as when used in  
20 the Economic Development for a Growing Economy Tax Credit  
21 Act.

22 (7) Agreements entered into on or after the effective  
23 date of this amendatory Act of the 103rd General Assembly  
24 are subject to the limitations set forth in subsection (c)  
25 of Section 5-45 of the Economic Development for a Growing  
26 Economy Tax Credit Act.

1 (Source: P.A. 101-9, eff. 6-5-19; 102-16, eff. 6-17-21;  
2 102-40, eff. 6-25-21; 102-687, eff. 12-17-21.)

3 Section 15. The Economic Development for a Growing Economy  
4 Tax Credit Act is amended by changing Section 5-45 as follows:

5 (35 ILCS 10/5-45)

6 Sec. 5-45. Amount and duration of the credit.

7 (a) The Department shall determine the amount and duration  
8 of the credit awarded under this Act. The duration of the  
9 credit may not exceed 10 taxable years. The credit may be  
10 stated as a percentage of the Incremental Income Tax  
11 attributable to the applicant's project and may include a  
12 fixed dollar limitation.

13 (b) Notwithstanding subsection (a), and except as the  
14 credit may be applied in a carryover year pursuant to Section  
15 211(4) of the Illinois Income Tax Act, the credit may be  
16 applied against the State income tax liability in more than 10  
17 taxable years but not in more than 15 taxable years for an  
18 eligible business that (i) qualifies under this Act and the  
19 Corporate Headquarters Relocation Act and has in fact  
20 undertaken a qualifying project within the time frame  
21 specified by the Department of Commerce and Economic  
22 Opportunity under that Act, and (ii) applies against its State  
23 income tax liability, during the entire 15-year period, no  
24 more than 60% of the maximum credit per year that would

1 otherwise be available under this Act.

2 (c) Nothing in this Section shall prevent the Department,  
3 in consultation with the Department of Revenue, from adopting  
4 rules to extend the sunset of any earned, existing, and unused  
5 tax credit or credits a taxpayer may be in possession of, as  
6 provided for in Section 605-1070 of the Department of Commerce  
7 and Economic Opportunity Law of the Civil Administrative Code  
8 of Illinois, notwithstanding the carry-forward provisions  
9 pursuant to paragraph (4) of Section 211 of the Illinois  
10 Income Tax Act.

11 (d) Notwithstanding any other provision of law, a taxpayer  
12 who receives a credit under this Act for a taxable year ending  
13 on or before December 31, 2025 pursuant an Agreement entered  
14 into on or after the effective date of this amendatory Act of  
15 the 103rd General Assembly may apply only 98% of that credit  
16 amount against his or her State income tax liability in any  
17 taxable year. By July 1, 2023, and by July 1 of each calendar  
18 year thereafter through calendar year 2026, the Department  
19 shall certify to the Comptroller an amount equal to 2% of the  
20 total credits awarded under this Section pursuant to an  
21 Agreement entered into on or after the effective date of this  
22 amendatory Act of the 103rd General Assembly for a taxable  
23 year ending during the previous calendar year. Immediately  
24 upon receipt of the certification, the State Comptroller shall  
25 direct and the State Treasurer shall transfer the certified  
26 amount from the General Revenue Fund into the Veterans'



1 Economic Center Fund, a special fund created in the State  
2 treasury. Moneys in the Veterans' Economic Center Fund shall  
3 be used by the Department of Commerce and Economic Opportunity  
4 to administer the Veterans' Economic Center pilot program  
5 established under Section 605-1056 of the Department of  
6 Commerce and Economic Opportunity Law of the Civil  
7 Administrative Code of Illinois.

8 (Source: P.A. 102-16, eff. 6-17-21; 102-813, eff. 5-13-22.)

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