

**HB1424**



**104TH GENERAL ASSEMBLY**

**State of Illinois**

**2025 and 2026**

**HB1424**

Introduced 1/28/2025, by Rep. Janet Yang Rohr

**SYNOPSIS AS INTRODUCED:**

35 ILCS 16/10

Amends the Film Production Services Tax Credit Act of 2008. Provides that the credit under the Act shall include an additional amount equal to 30% of the Illinois labor expenditures generated as a result of work performed in Illinois by an actor who portrays, in the production, a woman working in a STEM-related field.

LRB104 05872 HLH 15903 b

**A BILL FOR**

1           AN ACT concerning revenue.

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

4           Section 5. The Film Production Services Tax Credit Act of  
5           2008 is amended by changing Section 10 as follows:

6           (35 ILCS 16/10)

7           Sec. 10. Definitions. As used in this Act:

8           "Accredited production" means: (i) for productions  
9           commencing before May 1, 2006, a film, video, or television  
10          production that has been certified by the Department in which  
11          the aggregate Illinois labor expenditures included in the cost  
12          of the production, in the period that ends 12 months after the  
13          time principal filming or taping of the production began,  
14          exceed \$100,000 for productions of 30 minutes or longer, or  
15          \$50,000 for productions of less than 30 minutes; and (ii) for  
16          productions commencing on or after May 1, 2006, a film, video,  
17          or television production that has been certified by the  
18          Department in which the Illinois production spending included  
19          in the cost of production in the period that ends 12 months  
20          after the time principal filming or taping of the production  
21          began exceeds \$100,000 for productions of 30 minutes or longer  
22          or exceeds \$50,000 for productions of less than 30 minutes.

23           "Accredited production" does not include a production that:

(1) is news, current events, or public programming, or a program that includes weather or market reports;

(2) is a talk show produced for local or regional markets;

(3) (blank);

(4) is a sports event or activity;

(5) is a gala presentation or awards show;

(6) is a finished production that solicits funds;

(7) is a production produced by a film production company if records, as required by 18 U.S.C. 2257, are to be maintained by that film production company with respect to any performer portrayed in that single media or multimedia program; or

(8) is a production produced primarily for industrial, corporate, or institutional purposes.

"Accredited animated production" means an accredited production in which movement and characters' performances are created using a frame-by-frame technique and a significant number of major characters are animated. Motion capture by itself is not an animation technique.

"Accredited production certificate" means a certificate issued by the Department certifying that the production is an accredited production that meets the guidelines of this Act.

"Applicant" means a taxpayer that is a film production company that is operating or has operated an accredited production located within the State of Illinois and that (i)

1       owns the copyright in the accredited production throughout the  
2       Illinois production period or (ii) has contracted directly  
3       with the owner of the copyright in the accredited production  
4       or a person acting on behalf of the owner to provide services  
5       for the production, where the owner of the copyright is not an  
6       eligible production corporation.

7       "Credit" means:

8               (1) for an accredited production approved by the  
9       Department on or before January 1, 2005 and commencing  
10      before May 1, 2006, the amount equal to 25% of the Illinois  
11      labor expenditure approved by the Department. The  
12      applicant is deemed to have paid, on its balance due day  
13      for the year, an amount equal to 25% of its qualified  
14      Illinois labor expenditure for the tax year. For Illinois  
15      labor expenditures generated by the employment of  
16      residents of geographic areas of high poverty or high  
17      unemployment, as determined by the Department, in an  
18      accredited production commencing before May 1, 2006 and  
19      approved by the Department after January 1, 2005, the  
20      applicant shall receive an enhanced credit of 10% in  
21      addition to the 25% credit; and

22               (2) for an accredited production commencing on or  
23      after May 1, 2006 and before January 1, 2009, the amount  
24      equal to:

25                       (i) 20% of the Illinois production spending for  
26      the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; and

(3) for an accredited production commencing on or after January 1, 2009 and before January 1, 2026, the amount equal to:

(i) 30% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; and -

(4) for an accredited production commencing on or  
after January 1, 2026, the amount equal to:

(i) 30% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; plus

(iii) 30% of the Illinois labor expenditures generated as a result of work performed in Illinois by an actor who portrays, in the production, a woman working in a STEM-related field.

For the purposes of calculating the additional credit

1                   under subparagraph (iii) of this paragraph (4):

2                   (A) if the total production spending for the  
3                   production is \$25,000,000 or less, then the wages of  
4                   each resident Illinois resident actor described in  
5                   that subparagraph (iii) and up to 2 eligible  
6                   non-resident actors described in that subparagraph  
7                   (iii) may be used to calculate the additional credit  
8                   under that subparagraph (iii); and

9                   (B) if the total production spending for the  
10                   production is more than \$25,000,000, then the wages of  
11                   each resident Illinois resident actor described in  
12                   that subparagraph (iii) and up to 4 eligible  
13                   non-resident actors described in that subparagraph  
14                   (iii) may be used to calculate the additional credit  
15                   under that subparagraph (iii).

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

18                   "Director" means the Director of Commerce and Economic  
19                   Opportunity.

20                   "Illinois labor expenditure" means salary or wages paid to  
21                   employees of the applicant for services on the accredited  
22                   production.

23                   To qualify as an Illinois labor expenditure, the  
24                   expenditure must be:

25                   (1) Reasonable in the circumstances.

26                   (2) Included in the federal income tax basis of the

1 property.

2 (3) Incurred by the applicant for services on or after  
3 January 1, 2004.

4 (4) Incurred for the production stages of the  
5 accredited production, from the final script stage to the  
6 end of the post-production stage.

7 (5) Limited to the first \$25,000 of wages paid or  
8 incurred to each employee of a production commencing  
9 before May 1, 2006 and the first \$100,000 of wages paid or  
10 incurred to each employee of a production commencing on or  
11 after May 1, 2006 and prior to July 1, 2022. For  
12 productions commencing on or after July 1, 2022, limited  
13 to the first \$500,000 of wages paid or incurred to each  
14 eligible nonresident or resident employee of a production  
15 company or loan out company that provides in-State  
16 services to a production, whether those wages are paid or  
17 incurred by the production company, loan out company, or  
18 both, subject to withholding payments provided for in  
19 Article 7 of the Illinois Income Tax Act. For purposes of  
20 calculating Illinois labor expenditures for a television  
21 series, the eligible nonresident wage limitations provided  
22 under this subparagraph are applied to the entire season.  
23 For the purpose of this paragraph (5), an eligible  
24 nonresident is a nonresident whose wages qualify as an  
25 Illinois labor expenditure under the provisions of  
26 paragraph (9) that apply to that production.

(6) For a production commencing before May 1, 2006, exclusive of the salary or wages paid to or incurred for the 2 highest paid employees of the production.

(7) Directly attributable to the accredited production.

(8) (Blank) .

(9) Prior to July 1, 2022, paid to persons resident in Illinois at the time the payments were made. For a production commencing on or after July 1, 2022, paid to persons resident in Illinois and nonresidents at the time the payments were made.

For purposes of this subparagraph, if the production is accredited by the Department before the effective date of this amendatory Act of the 102nd General Assembly, only wages paid to nonresidents working in the following positions shall be considered Illinois labor expenditures: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, and Actor, subject to the limitations set forth under this subparagraph. For an accredited Illinois production spending of \$25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as an Illinois labor expenditure. For an accredited production with Illinois production spending of more than \$25,000,000, no more than 4 nonresident actor's wages shall qualify as Illinois labor expenditures.

1           For purposes of this subparagraph, if the production  
2        is accredited by the Department on or after the effective  
3        date of this amendatory Act of the 102nd General Assembly,  
4        wages paid to nonresidents shall qualify as Illinois labor  
5        expenditures only under the following conditions:

6           (A) the nonresident must be employed in a  
7        qualified position;

8           (B) for each of those accredited productions, the  
9        wages of not more than 9 nonresidents who are employed  
10       in a qualified position other than Actor shall qualify  
11       as Illinois labor expenditures;

12           (C) for an accredited production with Illinois  
13        production spending of \$25,000,000 or less, no more  
14       than 2 nonresident actors' wages shall qualify as  
15       Illinois labor expenditures; and

16           (D) for an accredited production with Illinois  
17        production spending of more than \$25,000,000, no more  
18       than 4 nonresident actors' wages shall qualify as  
19       Illinois labor expenditures.

20           As used in this paragraph (9), "qualified position"  
21       means: Writer, Director, Director of Photography,  
22       Production Designer, Costume Designer, Production  
23       Accountant, VFX Supervisor, Editor, Composer, or Actor.

24           (10) Paid for services rendered in Illinois.

25        "Illinois production spending" means the expenses incurred  
26       by the applicant for an accredited production, but does not

1 include any monetary prize or the cost of any non-monetary  
2 prize awarded pursuant to a production in respect of a game,  
3 questionnaire, or contest. "Illinois production spending"  
4 includes, without limitation, all of the following:

5 (1) expenses to purchase, from vendors within  
6 Illinois, tangible personal property that is used in the  
7 accredited production;

8 (2) expenses to acquire services, from vendors in  
9 Illinois, for film production, editing, or processing; and

10 (3) for a production commencing before July 1, 2022,  
11 the compensation, not to exceed \$100,000 for any one  
12 employee, for contractual or salaried employees who are  
13 Illinois residents performing services with respect to the  
14 accredited production. For a production commencing on or  
15 after July 1, 2022, the compensation, not to exceed  
16 \$500,000 for any one employee, for contractual or salaried  
17 employees who are Illinois residents or nonresident  
18 employees, subject to the limitations set forth under  
19 Section 10 of this Act.

20 "Loan out company" means a personal service corporation or  
21 other entity that is under contract with the taxpayer to  
22 provide specified individual personnel, such as artists, crew,  
23 actors, producers, or directors for the performance of  
24 services used directly in a production. "Loan out company"  
25 does not include entities contracted with by the taxpayer to  
26 provide goods or ancillary contractor services such as

1       catering,       construction,       trailers,       equipment,       or  
2       transportation.

3       "Qualified production facility" means stage facilities in  
4       the State in which television shows and films are or are  
5       intended to be regularly produced and that contain at least  
6       one sound stage of at least 15,000 square feet.

7       "STEM-related field" means a profession or occupation that  
8       requires skill or training in science, technology,  
9       engineering, mathematics, or any combination of those  
10      disciplines.

11      Rulemaking authority to implement Public Act 95-1006, if  
12      any, is conditioned on the rules being adopted in accordance  
13      with all provisions of the Illinois Administrative Procedure  
14      Act and all rules and procedures of the Joint Committee on  
15      Administrative Rules; any purported rule not so adopted, for  
16      whatever reason, is unauthorized.

17      (Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22;  
18      102-1125, eff. 2-3-23; 103-595, eff. 6-26-24.)