



Sen. Mark L. Walker

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10400SB2290sam001

LRB104 05890 HLH 23411 a

1 AMENDMENT TO SENATE BILL 2290

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2290 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois  
6 is amended by changing Section 605-1025 by adding Section  
7 605-1118 as follows:

8 (20 ILCS 605/605-1025)

9 Sec. 605-1025. Data center investment.

10 (a) The Department shall issue certificates of exemption  
11 from the Retailers' Occupation Tax Act, the Use Tax Act, the  
12 Service Use Tax Act, and the Service Occupation Tax Act, all  
13 locally-imposed retailers' occupation taxes administered and  
14 collected by the Department, the Chicago non-titled Use Tax,  
15 and a credit certification against the taxes imposed under  
16 subsections (a) and (b) of Section 201 of the Illinois Income

1 Tax Act to qualifying Illinois data centers.

2 (b) For taxable years beginning on or after January 1,  
3 2019, the Department shall award credits against the taxes  
4 imposed under subsections (a) and (b) of Section 201 of the  
5 Illinois Income Tax Act as provided in Section 229 of the  
6 Illinois Income Tax Act.

7 (c) For purposes of this Section:

8 "Data center" means a facility: (1) whose primary  
9 services are the storage, management, and processing of  
10 digital data; and (2) that is used to house (i) computer  
11 and network systems, including associated components such  
12 as servers, network equipment and appliances,  
13 telecommunications, and data storage systems, (ii) systems  
14 for monitoring and managing infrastructure performance,  
15 (iii) Internet-related equipment and services, (iv) data  
16 communications connections, (v) environmental controls,  
17 (vi) fire protection systems, and (vii) security systems  
18 and services. On and after January 1, 2026, "data center"  
19 also includes a quantum research facility.

20 "Qualifying Illinois data center" means a new or  
21 existing data center that:

22 (1) is located in the State of Illinois;

23 (2) in the case of an existing data center, made a  
24 capital investment of at least \$250,000,000  
25 collectively by the data center operator and the  
26 tenants of the data center over the 60-month period

1 immediately prior to January 1, 2020 or committed to  
2 make a capital investment of at least \$250,000,000  
3 over a 60-month period commencing before January 1,  
4 2020 and ending after January 1, 2020; or

5 (3) in the case of a new data center, or an  
6 existing data center making an upgrade, makes a  
7 capital investment of at least \$250,000,000 over a  
8 60-month period beginning on or after January 1, 2020;  
9 and

10 (4) in the case of both existing and new data  
11 centers, results in the creation of at least 20  
12 full-time or full-time equivalent new jobs over a  
13 period of 60 months by the data center operator and the  
14 tenants of the data center, collectively, associated  
15 with the operation or maintenance of the data center;  
16 those jobs must have a total compensation equal to or  
17 greater than 120% of the average wage paid to  
18 full-time employees in the county where the data  
19 center is located, as determined by the U.S. Bureau of  
20 Labor Statistics; and

21 (5) within 2 years after being placed in service,  
22 certifies to the Department that it is carbon neutral  
23 or has attained certification under one or more of the  
24 following green building standards:

25 (A) BREEAM for New Construction or BREEAM  
26 In-Use;

1 (B) ENERGY STAR;

2 (C) Envision;

3 (D) ISO 50001-energy management;

4 (E) LEED for Building Design and Construction  
5 or LEED for Operations and Maintenance;

6 (F) Green Globes for New Construction or Green  
7 Globes for Existing Buildings;

8 (G) UL 3223; or

9 (H) an equivalent program approved by the  
10 Department of Commerce and Economic Opportunity.

11 "Full-time equivalent job" means a job in which the  
12 new employee works for the owner, operator, contractor, or  
13 tenant of a data center or for a corporation under  
14 contract with the owner, operator or tenant of a data  
15 center at a rate of at least 35 hours per week. An owner,  
16 operator or tenant who employs labor or services at a  
17 specific site or facility under contract with another may  
18 declare one full-time, permanent job for every 1,820 man  
19 hours worked per year under that contract. Vacations, paid  
20 holidays, and sick time are included in this computation.  
21 Overtime is not considered a part of regular hours.

22 "Qualified tangible personal property" means:  
23 electrical systems and equipment; climate control and  
24 chilling equipment and systems; mechanical systems and  
25 equipment; monitoring and secure systems; emergency  
26 generators; hardware; computers; servers; data storage

1 devices; network connectivity equipment; racks; cabinets;  
2 telecommunications cabling infrastructure; raised floor  
3 systems; peripheral components or systems; software;  
4 mechanical, electrical, or plumbing systems; battery  
5 systems; cooling systems and towers; temperature control  
6 systems; other cabling; and other data center  
7 infrastructure equipment and systems necessary to operate  
8 qualified tangible personal property, including fixtures;  
9 and component parts of any of the foregoing, including  
10 installation, maintenance, repair, refurbishment, and  
11 replacement of qualified tangible personal property to  
12 generate, transform, transmit, distribute, or manage  
13 electricity necessary to operate qualified tangible  
14 personal property; and all other tangible personal  
15 property that is essential to the operations of a computer  
16 data center. "Qualified tangible personal property" also  
17 includes building materials physically incorporated in to  
18 the qualifying data center.

19 "Quantum research facility" means (i) a structure or  
20 building used specifically for quantum research or  
21 advanced computing or defense, (ii) the qualified  
22 equipment that is placed in the structure or building, or  
23 (iii) one or more quantum-capable fiber networks along  
24 with any structures and personal property contained on the  
25 land that are required to operate a quantum-capable fiber  
26 network either at a single location or at multiple

1       distributed locations that are specifically used for  
2       quantum research, advanced computing, or the defense  
3       infrastructure.

4       To document the exemption allowed under this Section, the  
5       retailer must obtain from the purchaser a copy of the  
6       certificate of eligibility issued by the Department.

7       (d) New and existing data centers seeking a certificate of  
8       exemption for new or existing facilities shall apply to the  
9       Department in the manner specified by the Department. The  
10      Department shall determine the duration of the certificate of  
11      exemption awarded under this Act. The duration of the  
12      certificate of exemption may not exceed 20 calendar years. The  
13      Department and any data center seeking the exemption,  
14      including a data center operator on behalf of itself and its  
15      tenants, must enter into a memorandum of understanding that at  
16      a minimum provides:

17           (1) the details for determining the amount of capital  
18           investment to be made;

19           (2) the number of new jobs created;

20           (3) the timeline for achieving the capital investment  
21           and new job goals;

22           (4) the repayment obligation should those goals not be  
23           achieved and any conditions under which repayment by the  
24           qualifying data center or data center tenant claiming the  
25           exemption will be required;

26           (5) the duration of the exemption; and

1           (6) other provisions as deemed necessary by the  
2           Department.

3           (e) Beginning July 1, 2021, and each year thereafter, the  
4           Department shall annually report to the Governor and the  
5           General Assembly on the outcomes and effectiveness of Public  
6           Act 101-31 that shall include the following:

7                 (1) the name of each recipient business;

8                 (2) the location of the project;

9                 (3) the estimated value of the credit;

10                (4) the number of new jobs and, if applicable,  
11           retained jobs pledged as a result of the project; and

12                (5) whether or not the project is located in an  
13           underserved area.

14           (f) New and existing data centers seeking a certificate of  
15           exemption related to the rehabilitation or construction of  
16           data centers in the State shall require the contractor and all  
17           subcontractors to comply with the requirements of Section  
18           30-22 of the Illinois Procurement Code as they apply to  
19           responsible bidders and to present satisfactory evidence of  
20           that compliance to the Department.

21           (g) New and existing data centers seeking a certificate of  
22           exemption for the rehabilitation or construction of data  
23           centers in the State shall require the contractor to enter  
24           into a project labor agreement approved by the Department.

25           (h) Any qualifying data center issued a certificate of  
26           exemption under this Section must annually report to the

1 Department the total data center tax benefits that are  
2 received by the business. Reports are due no later than May 31  
3 of each year and shall cover the previous calendar year. The  
4 first report is for the 2019 calendar year and is due no later  
5 than May 31, 2020.

6 To the extent that a business issued a certificate of  
7 exemption under this Section has obtained an Enterprise Zone  
8 Building Materials Exemption Certificate or a High Impact  
9 Business Building Materials Exemption Certificate, no  
10 additional reporting for those building materials exemption  
11 benefits is required under this Section.

12 Failure to file a report under this subsection (h) may  
13 result in suspension or revocation of the certificate of  
14 exemption. Factors to be considered in determining whether a  
15 data center certificate of exemption shall be suspended or  
16 revoked include, but are not limited to, prior compliance with  
17 the reporting requirements, cooperation in discontinuing and  
18 correcting violations, the extent of the violation, and  
19 whether the violation was willful or inadvertent.

20 (i) The Department shall not issue any new certificates of  
21 exemption under the provisions of this Section after July 1,  
22 2029. This sunset shall not affect any existing certificates  
23 of exemption in effect on July 1, 2029.

24 (j) The Department shall adopt rules to implement and  
25 administer this Section.

26 (Source: P.A. 101-31, eff. 6-28-19; 101-604, eff. 12-13-19;



1 102-427, eff. 8-20-21; 102-558, eff. 8-20-21.)

2 (20 ILCS 605/605-1118 new)

3 Sec. 605-1118. Quantum information science research and  
4 development.

5 (a) In order to advance and increase quantum information  
6 science investment and research in the State of Illinois, and  
7 to make the State of Illinois a leader in the area of quantum  
8 information science, quantum computing, and other applications  
9 of quantum science in technology, there is hereby created the  
10 Quantum Information Science Research and Development Tax  
11 Credit Program.

12 (b) For taxable years ending on or after December 31,  
13 2026, the Department shall issue a tax credit certificate  
14 against the taxes imposed under subsections (a) and (b) of  
15 Section 201 of the Illinois Income Tax Act in an amount equal  
16 to 13% of the qualifying quantum information science  
17 expenditures made by the taxpayer during the taxable year.

18 (c) Taxpayers seeking a credit certificate for qualifying  
19 quantum information science expenditures shall apply to the  
20 Department in the form and manner specified by the Department.

21 (d) The total aggregate amount of the credits awarded  
22 under this Section shall not exceed \$25,000,000 in any  
23 calendar year.

24 (e) The Department, in consultation with the Department of  
25 Revenue, shall adopt rules to implement and administer this

1 Section.

2 (f) This Section is exempt from the provisions of Section  
3 250 of the Illinois Income Tax Act.

4 (g) As used in this Section:

5 "Qualifying quantum information science expenditures"  
6 means expenditures specifically related to advancing quantum  
7 information science research and development in the State of  
8 Illinois that would otherwise be qualifying expenditures as  
9 defined for the federal credit for increasing research  
10 activities that are allowable under Section 41 of the Internal  
11 Revenue Code and that are conducted in this State.

12 "Quantum information science" has the meaning given to  
13 that term in Section 2 of the federal National Quantum  
14 Initiative Act.

15 Section 10. The Illinois Income Tax Act is amended by  
16 adding Section 246 as follows:

17 (35 ILCS 5/246 new)

18 Sec. 246. Quantum information science research and  
19 development tax credit.

20 (a) For tax years ending on or after December 31, 2026, a  
21 taxpayer who qualifies for a quantum information science  
22 research and development tax credit pursuant to Section  
23 605-1115 of the Department of Commerce and Economic  
24 Opportunity Law of the Civil Administrative Code of Illinois,

1 is entitled to a credit against the tax imposed by subsections  
2 (a) and (b) of Section 201 of this Act as provided in that  
3 Section.

4 (b) For partners and shareholders of subchapter S  
5 corporations, the credit under this Section shall be  
6 determined in accordance with Section 251.

7 (c) In no event shall a taxpayer be allowed both a credit  
8 under this Section for qualifying quantum information science  
9 expenditures and the research and development credit provided  
10 under subsection (k) of Section 201 for the same expenditures.

11 (d) Any credit awarded under this Section in excess of the  
12 taxpayer's tax liability for the taxable year may be carried  
13 forward. A taxpayer may elect to have the unused credit shown  
14 on its final completed return carried over as a credit against  
15 the tax liability for the following 5 taxable years or until  
16 the credit has been fully used, whichever occurs first. If a  
17 tax liability for the given year still remains, the credit  
18 from the next earliest year will then be applied, and so on,  
19 until all credits have been used or no tax liability for the  
20 given year remains. Any remaining unused credit or credits  
21 then will be carried forward to the next following year in  
22 which a tax liability is incurred, except that no credit can be  
23 carried forward to a year which is more than 5 years after the  
24 year in which the expense for which the credit is given was  
25 incurred.

26 (e) This Section is exempt from the provisions of Section

1     250 of this Act.

2             Section 99. Effective date. This Act takes effect upon  
3     becoming law.".