

SB3067



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3067

Introduced 1/28/2026, by Sen. Christopher Belt

SYNOPSIS AS INTRODUCED:

20 ILCS 663/15
20 ILCS 663/20
20 ILCS 663/25
20 ILCS 663/50

Amends the New Markets Development Program Act. Provides that a credit under the Act may be transferred to an affiliate. Provides that the cap on credits is \$37,000,000 for fiscal years beginning on or after July 1, 2029. Makes changes concerning the allocation schedule. Effective immediately.

LRB104 18262 HLH 31701 b

A BILL FOR

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 New Markets Development Program Act is
5 amended by changing Sections 15, 20, 25, and 50 as follows:

6 (20 ILCS 663/15)

7 Sec. 15. Transferability. No tax credit claimed under this
8 Act shall be refundable or saleable on the open market, except
9 that a tax credit may be transferred to an affiliate. Tax
10 credits earned by a partnership, limited liability company, S
11 corporation, or other "pass-through" entity may be allocated
12 to the partners, members, or shareholders of that entity for
13 their direct use in accordance with the provisions of any
14 agreement among the partners, members, or shareholders. Any
15 amount of tax credit that the taxpayer, or partner, member, or
16 shareholder thereof, is prohibited from claiming in a taxable
17 year may be carried forward to any of the taxpayer's 5
18 subsequent taxable years.

19 (Source: P.A. 95-1024, eff. 12-31-08.)

20 (20 ILCS 663/20)

21 Sec. 20. Annual cap on credits. The Department shall limit
22 the monetary amount of qualified equity investments permitted

1 under this Act to a level necessary to limit tax credit use at
2 no more than (i) \$20,000,000 in tax credits for fiscal years
3 beginning before July 1, 2023, ~~and~~ (ii) \$25,000,000 in tax
4 credits for fiscal years beginning on or after July 1, 2023 and
5 beginning before July 1, 2029, and (iii) \$37,000,000 in tax
6 credits for fiscal years beginning on or after July 1, 2029.

7 This limitation on qualified equity investments shall be based
8 on the anticipated use of credits without regard to the
9 potential for taxpayers to carry forward tax credits to later
10 tax years.

11 (Source: P.A. 103-9, eff. 6-7-23.)

12 (20 ILCS 663/25)

13 Sec. 25. Certification of qualified equity investments.

14 (a) A qualified community development entity that seeks to
15 have an equity investment or long-term debt security
16 designated as a qualified equity investment and eligible for
17 tax credits under this Section shall apply to the Department.
18 The qualified community development entity must submit an
19 application on a form that the Department provides that
20 includes:

21 (1) The name, address, tax identification number of
22 the entity, and evidence of the entity's certification as
23 a qualified community development entity.

24 (2) A copy of the allocation agreement executed by the
25 entity, or its controlling entity, and the Community

1 Development Financial Institutions Fund.

2 (3) A certificate executed by an executive officer of
3 the entity attesting that the allocation agreement remains
4 in effect and has not been revoked or cancelled by the
5 Community Development Financial Institutions Fund.

6 (4) A description of the proposed amount, structure,
7 and purchaser of the equity investment or long-term debt
8 security.

9 (5) The name and tax identification number of any
10 taxpayer eligible to utilize tax credits earned as a
11 result of the issuance of the qualified equity investment.

12 (6) Information regarding the proposed use of proceeds
13 from the issuance of the qualified equity investment.

14 (7) A nonrefundable application fee of \$5,000. This
15 fee shall be paid to the Department and shall be required
16 of each application submitted.

17 (8) With respect to qualified equity investments made
18 on or after January 1, 2017, the amount of qualified
19 equity investment authority the applicant agrees to
20 designate as a federal qualified equity investment under
21 Section 45D of the Internal Revenue Code, including a copy
22 of the screen shot from the Community Development
23 Financial Institutions Fund's Allocation Tracking System
24 of the applicant's remaining federal qualified equity
25 investment authority.

26 (b) Within 30 days after receipt of a completed

1 application containing the information necessary for the
2 Department to certify a potential qualified equity investment,
3 including the payment of the application fee, the Department
4 shall grant or deny the application in full or in part. If the
5 Department denies any part of the application, it shall inform
6 the qualified community development entity of the grounds for
7 the denial. If the qualified community development entity
8 provides any additional information required by the Department
9 or otherwise completes its application within 15 days of the
10 notice of denial, the application shall be considered
11 completed as of the original date of submission. If the
12 qualified community development entity fails to provide the
13 information or complete its application within the 15-day
14 period, the application remains denied and must be resubmitted
15 in full with a new submission date.

16 (c) If the application is deemed complete, the Department
17 shall certify the proposed equity investment or long-term debt
18 security as a qualified equity investment that is eligible for
19 tax credits under this Section, subject to the limitations
20 contained in Section 20. The Department shall provide written
21 notice of the certification to the qualified community
22 development entity. The notice shall include the names of
23 those taxpayers who are eligible to utilize the credits and
24 their respective credit amounts. If the names of the taxpayers
25 who are eligible to utilize the credits change due to a
26 transfer of a qualified equity investment or a change in an

1 allocation pursuant to Section 15, the qualified community
2 development entity shall notify the Department of such change.

3 (d) With respect to applications received before January
4 1, 2017, the Department shall certify qualified equity
5 investments in the order applications are received by the
6 Department. Applications received on the same day shall be
7 deemed to have been received simultaneously. For applications
8 received on the same day and deemed complete, the Department
9 shall certify, consistent with remaining tax credit capacity,
10 qualified equity investments in proportionate percentages
11 based upon the ratio of the amount of qualified equity
12 investment requested in an application to the total amount of
13 qualified equity investments requested in all applications
14 received on the same day.

15 (d-5) With respect to applications received on or after
16 January 1, 2017, the Department shall certify applications by
17 applicants that agree to designate qualified equity
18 investments as federal qualified equity investments in
19 accordance with item (8) of subsection (a) of this Section in
20 proportionate percentages based upon the ratio of the amount
21 of qualified equity investments requested in an application to
22 be designated as federal qualified equity investments to the
23 total amount of qualified equity investments to be designated
24 as federal qualified equity investments requested in all
25 applications received on the same day.

26 (d-10) With respect to applications received on or after

1 January 1, 2017, after complying with subsection (d-5), the
2 Department shall certify the qualified equity investments of
3 all other applicants, including the remaining qualified equity
4 investment authority requested by applicants not designated as
5 federal qualified equity investments in accordance with item
6 (8) of subsection (a) of this Section, in proportionate
7 percentages based upon the ratio of the amount of qualified
8 equity investments requested in the applications to the total
9 amount of qualified equity investments requested in all
10 applications received on the same day.

11 (e) Once the Department has certified qualified equity
12 investments that, on a cumulative basis, are eligible for an
13 amount of credits equal to the annual cap on credits set forth
14 in Section 20, \$20,000,000 in tax credits (for taxable years
15 beginning before July 1, 2023) or \$25,000,000 in tax credits
16 (for taxable years beginning on or after July 1, 2023), the
17 Department may not certify any more qualified equity
18 investments. If a pending request cannot be fully certified,
19 the Department shall certify the portion that may be certified
20 unless the qualified community development entity elects to
21 withdraw its request rather than receive partial credit.

22 (f) Within 30 days after receiving notice of
23 certification, the qualified community development entity
24 shall (i) issue the qualified equity investment and receive
25 cash in the amount of the certified amount and (ii) with
26 respect to qualified equity investments made on or after

1 January 1, 2017, if applicable, designate the required amount
2 of qualified equity investment authority as a federal
3 qualified equity investment. The qualified community
4 development entity must provide the Department with evidence
5 of the receipt of the cash investment within 10 business days
6 after receipt and, with respect to qualified equity
7 investments made on or after January 1, 2017, if applicable,
8 provide evidence that the required amount of qualified equity
9 investment authority was designated as a federal qualified
10 equity investment. If the qualified community development
11 entity does not receive the cash investment and issue the
12 qualified equity investment within 30 days following receipt
13 of the certification notice, the certification shall lapse and
14 the entity may not issue the qualified equity investment
15 without reapplying to the Department for certification. A
16 certification that lapses reverts back to the Department and
17 may be reissued only in accordance with the application
18 process outline in this Section 25.

19 (g) Allocation rounds enabled by this Act shall be applied
20 for according to the following schedule:

21 (1) on January 2, 2019, \$125,000,000 of qualified
22 equity investments;

23 (2) not less than 45 days after but not more than 90
24 days after the Community Development Financial
25 Institutions Fund of the United States Department of the
26 Treasury announces allocation awards under a Notice of

1 Funding Availability that is published in the Federal
2 Register after September 6, 2019, \$125,000,000 of
3 qualified equity investments; ~~and~~

4 (3) on or after January 1, 2024, but not more than 120
5 days after the Community Development Financial
6 Institutions Fund of the United States Department of the
7 Treasury announces allocation awards under a Notice of
8 Funding Availability that was published in the Federal
9 Register on November 22, 2022, \$312,500,000 of qualified
10 equity investments; ~~-~~

11 (4) on or after January 1, 2027, but not later than 120
12 days after the Community Development Financial
13 Institutions Fund of the United States Department of the
14 Treasury, or any successor office with primary
15 responsibility for administering Section 45D of the
16 Internal Revenue Code, announces allocation awards for the
17 most recent federal application round conducted under a
18 Notice of Funding Available published in the Federal
19 Register, \$150,000,000 of qualified equity investments;

20 (5) on or after January 1, 2029, but not later than 120
21 days after the Community Development Financial
22 Institutions Fund of the United States Department of the
23 Treasury, or any successor office with primary
24 responsibility for administering Section 45D of the
25 Internal Revenue Code, announces allocation awards for the
26 most recent federal application round conducted under a

1 Notice of Funding Available published in the Federal
2 Register, \$150,000,000 of qualified equity investments;
3 and

4 (6) on or after January 1, 2031, but not later than 120
5 days after the Community Development Financial
6 Institutions Fund of the United States Department of the
7 Treasury, or any successor office with primary
8 responsibility for administering Section 45D of the
9 Internal Revenue Code, announces allocation awards for the
10 most recent federal application round conducted under a
11 Notice of Funding Available published in the Federal
12 Register, \$150,000,000 of qualified equity investments.

13 Certifications shall be subject to the annual limitations
14 on tax credits set forth in Section 20.

15 (Source: P.A. 103-9, eff. 6-7-23.)

16 (20 ILCS 663/50)

17 Sec. 50. Sunset. For fiscal years following fiscal year
18 2037 ~~2031~~, qualified equity investments shall not be made
19 under this Act unless reauthorization is made pursuant to this
20 Section. For all fiscal years following fiscal year 2031,
21 unless the General Assembly adopts a joint resolution granting
22 authority to the Department to approve qualified equity
23 investments for the Illinois new markets development program
24 and clearly describing the amount of tax credits available for
25 the next fiscal year, or otherwise complies with the

1 provisions of this Section, no qualified equity investments
2 may be permitted to be made under this Act. The amount of
3 available tax credits contained in such a resolution shall not
4 exceed the limitation provided under Section 20. Nothing in
5 this Section precludes a taxpayer who makes a qualified equity
6 investment prior to the expiration of authority to make
7 qualified equity investments from claiming tax credits
8 relating to that qualified equity investment for each
9 applicable credit allowance date.

10 (Source: P.A. 102-16, eff. 6-17-21; 103-9, eff. 6-7-23.)

11 Section 99. Effective date. This Act takes effect upon
12 becoming law.