**Section 120.70 Tax Credit Award**

Subject to the conditions set forth in the Act, a taxpayer is entitled to a credit against the tax imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act [35 ILCS 5/201] *for a* taxable *year beginning on or after January 1, 2025 if the taxpayer is awarded a credit by the Department in accordance with an agreement under* the Act*. The Department has authority to award credits under* the Act *on and after January 1, 2023.* [35 ILCS 45/110-30]

a) MICRO Illinois Credit

1. *A taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, not to exceed the sum of:*

A) *75% of the incremental income tax attributable to new employees at the applicant's project; and*

B) *10% of training costs of the new employees.*

2) *If the project is in an underserved area or an energy transition area, then the amount of the credit may not exceed the sum of:*

A) *100% of the incremental income tax attributable to new employees at the applicant's project; and*

B) *10% of the training costs of the new employees.*

3) *The percentage of training costs includable in the calculation may be increased by an additional 15% for training costs associated with new employees that are recent (2 years or less) graduates, certificate holders, or credential recipients from* any of the following*:*

A) *an institution of higher education in Illinois;*

B) *Clean Jobs Workforce Network Program; or*

C) *apprenticeship and training program located in Illinois and approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training.*

4) *An applicant is also eligible for a training credit that shall not exceed 10% of the training costs of retained employees for the purpose of upskilling to meet the operational needs of the applicant or the project.*

5) *The percentage of training costs includable in the calculation shall not exceed a total of 25%.*

6) *If an applicant agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 75% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must, if applicable, meet or exceed the statewide baseline* that is specified in the agreement*. If the project is an underserved area or an energy transition area, the maximum amount of the credit attributable to retained employees for the applicant may be increased to an amount not to exceed 100% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must meet or exceed the statewide baseline* that is specified in the agreement*.*

7) *Credits awarded may include credit earned for incremental income tax withheld and training costs incurred by the taxpayer beginning on or after January 1, 2023. Credits so earned and certified by the Department may be applied against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.* [35 ILCS 45/110-30(b)]

b) MICRO Construction Jobs Credit:

1. *For construction wages associated with a project that qualified for a credit under subsection (b)* of Section 110-30 of the Act*, the taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities, as a jobs credit for workers hired to construct the project.*
2. *The MICRO Construction Jobs Credit may not exceed 75% of the amount of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities if the project is in an underserved area or an energy transition area.* [35 ILCS 45/110-30(c)]
3. The applicant seeking certification for a MICRO construction jobs credit *shall require the contractor to enter into a project labor agreement that conforms with the Project Labor Agreements Act.* [35 ILCS 45/110-30(e)]

c) Tax Credit Certification to the Department of Revenue. *The Department shall certify to the Department of Revenue* the following information regarding the tax credit award for each taxpayer outlined in subsections (a) and (b) of Section 120.70:

1) *The identity of taxpayers that are eligible for the MICRO Illinois credit and MICRO construction jobs credit;*

2) *The amount of the MICRO Illinois credit and MICRO construction jobs credit awarded in each calendar year; and*

3) *The amount of the MICRO Illinois credit and MICRO construction jobs credit claimed in each calendar year* as detailed in Section 30(d) of the Act). [35 ILCS 45/110-30(d)]