**Section 120.120 Recapture and Reallocation of Recaptured Amounts**

a) *If, during the term of an agreement, the taxpayer ceases* principal *operations at a project location that is the subject of that agreement with the intent to terminate operations in the State, the Department and the Department of Revenue shall recapture from the taxpayer the entire credit amount awarded under the agreement prior to the date the taxpayer ceases operations.* [35 ILCS 45/110-70]

1) If the Department determines that a *taxpayer ceases* principal *operations at a project location that is the subject of that agreement with the intent to terminate operations in the State,* the Director shall provide notice to the taxpayer of that determination and allow the taxpayer a hearing under the Illinois Administrative Procedure Act [5 ILCS 100]. Example of activities that evidence a cessation of operation at a project location with an intent to terminate operations in the State include, but are not limited to, WARN (Worker Adjustment and Retraining Notification) notices reflecting layoffs in excess of 65% of the full-time employees located at the project site, and public announcements or other media reflecting an intent to relocate operations outside the State.

2) The Department shall notify a taxpayer in writing that the MICRO construction jobs credit and/or the MICRO credit is subject to recapture. The notice shall include the reason for revocation of the certification of verification and the date and location of a hearing to be held pursuant to 56 Ill. Adm. Code 2605 (Administrative Hearing Rules).

3) Following a determination that credits received pursuant to an agreement are subject to recapture, the Department will contact the Director of the Illinois Department of Revenue requesting proceedings begin to determine the amounts to be reallocated by the Department pursuant to Section 110-70 of the Act.

b) *The Department shall, subject to appropriation, reallocate the recaptured amount within 6 months to the local workforce investment area,* through competitive grants opportunities in accordance with the Grant Accountability and Transparency Act, *in which the project was located for the purposes of workforce development, expanded opportunities for unemployed persons, and expanded opportunities for women and minorities in the workforce.* Grant funds shall be distributed in accordance with GATA. [35 ILCS 45/110-70]