**Section 527.80 Tax Credit Agreement**

The Department and each Taxpayer whom the Department determines qualifies for a Credit under the Act shall enter into an Agreement that specifies terms and conditions regarding the provision of the Credit and defines the rights and responsibilities of the Taxpayer and the Department. Provisions that the Taxpayer will be contractually bound to comply with include, but are not limited to, the following:

a) *A detailed description of the project that is the subject of the Agreement, including the location and amount of the investment and jobs created or retained.*

b) *The duration of the Credit and the first taxable year for which the Credit may be claimed.*

c) *The Credit amount that will be allowed for each taxable year.*

d) *A requirement that the Taxpayer shall maintain operations at the project location that shall be stated as a minimum number of years* not to exceed 10.

e) *A specific method for determining the number of New Employees* and Retained Employees *employed during a taxable year.*

f) *A requirement that the Taxpayer shall annually report to the Department the number of New Employees* and Retained Employees*, the Incremental* *Income Tax* *withheld in connection with the New Employees* and Retained Employees*, and any other information the* Department requires to ensure compliance with the Act, the Agreement, or other applicable law.

g) *A requirement that the* Director or Department *is authorized to verify with the appropriate State agencies* information required to be reported by the Taxpayer.

h) *A requirement that the Taxpayer shall provide written notification to the* Department *not more than 30 days after the Taxpayer makes or receives a proposal that would transfer the Taxpayer's State tax liability obligations to a successor Taxpayer.*

i) *A detailed description of the number of New Employees to be hired* and Retained Employees to be maintained*, and the occupation and payroll of the full-time jobs to be created or retained as a result of the Project.*

j) The Agreement shall include the total number of Full-time Employees employed by the Applicant and any Related Member, subsidiary, parent, sister, and any other related or associated company in the State of Illinois at the time of the Application (the "baseline"), and a provision that allowance of the Credit shall be suspended if the number of Full-time Employees employed by the Taxpayer in Illinois falls below that baseline until the number of Full-time Employees equals or exceeds the baseline amount identified in the Agreement.

k) *The minimum investment the business enterprise will make in capital improvements*, if applicable*, the time period for placing the property in service, and the designated location in Illinois for the investment*.

l) *A requirement that the Taxpayer shall provide written notification to the* Department *not more than 30 days after the Taxpayer determines that the minimum job creation or retention, employment payroll, or investment no longer is being or will be achieved or maintained as set forth in the terms and conditions of the Agreement.*

m) *A provision that, if the total number of New Employees* and Retained Employees *falls below a specified level, the allowance of Credit shall be suspended until the number of New Employees* and Retained Employees *equals or exceeds the Agreement amount.*

n) *A detailed description of the items for which the costs incurred by the Taxpayer will be included in the limitation on the Credit provided in Section 5-*30.

o) *A provision that, if the Taxpayer never meets either investment or job creation and retention requirements specified in the Agreement during the entire 5-year period beginning on the first day of the first taxable year in which the Agreement is executed and ending on the last day of the fifth taxable year after the Agreement is executed, then the Agreement is automatically terminated on the last day of the fifth taxable year after the Agreement is executed and the Taxpayer is not entitled to the award of any credits for any of that 5-year period*.

p) *A provision specifying that, if the Taxpayer ceases principal operations with the intent to shut down the Project in the State permanently during the term of the Agreement, then the entire Credit amount awarded to the Taxpayer prior to the date the Taxpayer ceases principal operations shall be returned to the Department and shall be reallocated to the Local Workforce Investment Area in which the Project is located.*

q) Any other performance conditions or contract provisions the Department determines are necessary to comply with the Act and other applicable State laws and administrative rules. [35 ILCS 10/5-50]

(Source: Amended at 42 Ill. Reg. 6320, effective March 20, 2018)