**Section 527.100 Noncompliance with the Agreement**

a) *If the Department determines that a Taxpayer who has received a Credit under the Act is not complying with the requirements of the Agreement or all of the provisions of the Act, the Director shall provide notice to the Taxpayer of the alleged noncompliance, and allow the Taxpayer a hearing under the provisions of the Illinois Administrative Procedure Act* [5 ILCS 100]. *If, after notice and any hearing, the Director determines that a noncompliance exists, the Director shall issue to the Department of Revenue notice to that effect, stating the Noncompliance Date.* [35 ILCS 10/5-65] Alleged noncompliance shall include:

1) a demonstration that the Taxpayer would have placed in service the capital investment and created or retained the requisite number of New Employee jobs without the benefits of certification. Proof of this shall include, but is not limited to, correspondence, financial plans and prospectuses, internal memoranda and other written documentation demonstrating the Taxpayer would have taken the actions without the designation;

2) a demonstration that the Taxpayer failed materially to comply with the terms and conditions of the Agreement;

3) a determination upon investigation that the Taxpayer or any of its agents or representative provided false or misleading information to the Department;

4) a failure to submit the annual report required by Section 5-57 of the Act; or

5) a failure to submit an annual progress report pursuant to an employee housing and transportation plan or a determination by the Department that adequate progress is not being made by the Taxpayer to implement the plan, which will result in the revocation of the increased tax credits, extension of the term of the Credit and/or other adjustments awarded pursuant to the Business Location Efficiency Incentive Act.

b) The Department shall notify a Taxpayer in writing that it is subject to revocation. Such notice shall include the reason for revocation and the date and location of a hearing to be held pursuant to 56 Ill. Adm. Code 2605 (Administrative Hearing Rules).

c) Following revocation the Department will contact the Director of the Illinois Department of Revenue who shall begin proceedings to recover wrongfully exempted State taxes.

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