**Section 580.20 Definitions**

The following definitions are applicable to this Part.

"Act" means the Reimagining Energy and Vehicles in Illinois Act. [20 ILCS 686]

*“Advanced battery” means a battery that consists of a battery cell that can be integrated into a module, pack or system to be used in energy storage applications, including a battery used in an electric vehicle or the electric grid.*

*“Advanced battery component” means a component of an advanced battery, including materials, enhancements, enclosures, anodes, cathodes, electrolytes, cells, and other associated technologies that comprise an advanced battery.*

*"Agreement" means the agreement between a taxpayer and the Department under the provisions of Section 45 of this Act.*

*"Applicant" means a* *taxpayer that:*

*operates a business in Illinois or is planning to locate a business within the State of Illinois and*

*is engaged in interstate or intrastate commerce* as an *electric* vehicle manufacturer, an *electric vehicle component parts* manufacturer*,* an *electric vehicle power supply equipment* manufacturer, or a renewable energy manufacturer*.*

*"Applicant"* *does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State.* *This does not prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within municipality or county.*

*"Battery raw materials" means the raw and processed form of a mineral, metal, chemical, or other material used in an advanced battery component.*

*"Battery raw materials refining service provider" means a business that operates a facility that filters, sifts, and treats battery raw materials for use in an advanced battery.*

*"Battery recycling and reuse manufacturer" means a manufacturer that is primarily engaged in the recovery, retrieval, processing, recycling, or recirculating of battery raw materials for new use in electric vehicle batteries.*

*"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments.*

"Compensation" means compensation as defined in Section 1501(a)(3) of the Income Tax Act*.* [35 ILCS 5/1501(a)(3)]

*"Credit" means either a "REV Illinois Credit" or a "REV Construction Jobs Credit" agreed to between the Department and applicant under this Act.*

*"Department" means the Department of Commerce and Economic Opportunity.*

*"Director" means the Director of Commerce and Economic Opportunity.*

*"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, including electricity generated through a hydrogen fuel cells or solar technology. "Electric vehicle" does not include hybrid electric vehicles, electric bicycles, or extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.*

*"Electric vehicle manufacturer" means a new or existing manufacturer that is* primarily *focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicles as defined in this Section.*

*"Electric vehicle component parts manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces* *parts or accessories used in electric vehicles, as defined in this Section, including advanced battery component parts.*

*"Electric vehicle power supply equipment" means the equipment used specifically for the purpose of delivering electricity to an electric vehicle* including hydrogen fuel cells or solar refueling infrastructure*.*

*"Electric vehicle power supply manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicle power supply equipment used for the purpose of delivering electricity to an electric vehicle*, including hydrogen fuel cells or solar refueling infrastructure*.*

*"Energy Transition Area" means a county with less* *than 100,000 people or a municipality that contains one or more of the following:*

*a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or*

*a coal mine that was closed or had operations significantly reduced within 6 years before the time of the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.*

*"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment.* Annually scheduled periods for inventory or repairs, vacations, holidays and paid time for sick leave, vacation or other leave shall be included in this computation of full-time employment. *An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.*

*"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an agreement.*

*"Institution of higher education" or "institution" means any accredited public or private university, college, community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.*

"Local workforce investment area" means a single county or multiple counties designated by the Governor, which allows for the receipt of an allotment of funds under Sections 127(b) or 132(b) of the Workforce Innovation and Opportunity Act, (PL 113 through 128 (2014)) (WIOA), with considerations consisting of the extent to which the areas:

are consistent with labor market areas in the State;

are consistent with regional economic development areas in the State; and

have available the federal and non-federal resources necessary to effectively administer activities under subtitle B and other applicable provisions of WIOA,

including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools.

*"Minority person" means a minority person as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act* [30 ILCS 575]*.*

*"New employee" means a newly-hired full-time employee employed to work at the project site and whose work is directly related to the project.*

The term "New Employee" does not include:

an employee of the taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

an employee of the taxpayer who was previously employed in Illinois by a related member of the taxpayer and whose employment was shifted to the taxpayer after the taxpayer entered into the tax credit agreement;

any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer.

*"Noncompliance date" means, in the case of a taxpayer that is not complying with the requirements of the agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the agreement and the provisions of this Act, as determined by the Director, pursuant to Section 70.*

*"Pass-through entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act* [35 ILCS 5].

*"Placed in service" means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.*

*"Professional employer organization" or "PEO" means an employee leasing company* that is an individual or entity contracting with a client to supply or assume responsibility for personnel management of one or more workers to perform services for the client on an on-going basis rather than under a temporary help arrangement, *as defined in Section 206.1 of the Illinois Unemployment Insurance Act* [820 ILCS 405].

*"Program" means the Reimagining Energy and Vehicles in Illinois Program (the REV Illinois Program) established in this Act.*

*"Project" or "REV Illinois Project" means a for-profit economic development activity for the manufacture of electric vehicles, electric vehicle component parts, electric vehicle power supply equipment* or renewable energy products *which is designated by the Department as a REV Illinois Project and is the subject of an agreement.*

"Project costs" includes cost of the project incurred or to be incurred by the taxpayer including: capital investment, including, but not limited to, equipment, buildings, or land; infrastructure development; debt service, except refinancing of current debt; research and development; job training and education; lease costs or relocation costs, but excludes the value of State incentives, including discretionary tax credits, discretionary job training grants, or the interest savings of below market rate loans.

*"Recycling facility" means a location at which the taxpayer disposes of batteries and other component parts in manufacturing of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment.*

*"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of the following:*

*an individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.*

*a partnership, estate, trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the taxpayer.*

*a corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.*

*a corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.*

*a person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.*

*"Renewable energy" means energy produced using the materials and sources of energy through which renewable energy resources are generated.*

*"Renewable energy manufacturer" means a manufacturer whose primary function is to manufacture or assemble:*

*equipment, systems, or products used to produce renewable or nuclear energy;*

*products used for energy conservation, storage, or grid efficiency purposes; or*

*component parts for that equipment or those systems or products.*

*"Renewable energy resources" has the meaning ascribed to that term in Section 1-10 of the Illinois Power Agency Act.*

*"Retained employee" means a full-time employee employed by the taxpayer prior to the term of the Agreement who continues to be employed during the term of the agreement whose job duties are directly related to the project. The term "retained employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer.*

*"REV Illinois credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for such employees at the applicant's project.*

*"REV construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities.*

*"Statewide baseline" means the total number of full-time employees of the applicant and any related member employed by such entities at the time of application for incentives under this Act.*

*"Taxpayer" means an individual, corporation, partnership, or other entity that has a legal obligation to pay Illinois income taxes and file an Illinois income tax return.*

*"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs. "Training costs" do not include costs associated with travel outside the United States (unless the taxpayer receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, administrative cost related to full-time employees of the taxpayer,* or costs which an applicant received a tax credit or payment for the same training costs for the subject employees under another State program. (Section 10 of the Act)

"Underserved area" means any geographic areas as defined in Section 55 of the Economic Development for a Growing Economy Tax Credit Act.