**Section 740.730 Ineligible Costs**

Costs ineligible for the environmental remediation tax credit under Section 201(l) of the Illinois Income Tax Act [35 ILCS 5/201(l)] include, but are not limited to, the following:

a) Costs not incurred by the RA;

b) Costs incurred for activities, materials, labor or services relative to remediation at a site other than the site for which the No Further Remediation Letter was issued;

c) Costs for remediating a release or substantial threat of a release of regulated substances or pesticides that was caused or contributed to in any material respect by the RA, any related party (as described in Section 201(l) of the Illinois Income Tax Act [35 ILCS 5/201(l)]) or any person whose tax attributes the RA has succeeded to under Section 381 of the Internal Revenue Code;

d) Costs incurred before January 1, 1998, or more than 12 months before enrollment of the site in the Site Remediation Program, or after the date of issuance of a No Further Remediation Letter issued pursuant to Section 58.10 of the Act and Subpart F of this Part;

e) Costs associated with material improvements to the extent that such improvements are not necessary to achieve remediation objectives pursuant to an approved Remedial Action Plan in accordance with Section 740.450 of this Part;

f) Costs or losses resulting from business interruption;

g) Costs incurred as a result of vandalism, theft, negligence or fraudulent activity by the RA or the agent of the RA;

h) Costs incurred as a result of negligence in the practice of professional engineering as defined in Section 4 of the Professional Engineering Practice Act of 1989 [225 ILCS 325/4];

i) Costs incurred as a result of negligence by any contractor, subcontractor, or other person providing remediation services at the site;

j) Costs associated with replacement of above-grade structures destroyed or damaged during remediation activities to the extent such destruction or damage and such replacement is not necessary to achieve remediation objectives pursuant to an approved Remedial Action Plan in accordance with Section 740.450 of this Part;

k) Attorney fees;

l) Purchase costs of non-consumable materials, supplies, equipment or tools, except that a reasonable rate may be charged for the usage of such materials, supplies, equipment or tools;

m) Costs for repairs or replacement of equipment or tools due to neglect, improper or inadequate maintenance, improper use, loss or theft;

n) Costs associated with activities that violate any provision of the Act or Board, Agency or Illinois Department of Transportation regulations;

o) Costs associated with improperly installed or maintained groundwater monitoring wells;

p) Costs associated with unnecessary, irrelevant or improperly conducted activities, including, but not limited to, data collection, testing, measurement, reporting, analysis, modeling, risk assessment or sample collection, transportation, measurement, analysis or testing;

q) Stand-by or demurrage costs;

r) Interest or finance costs charged as direct costs;

s) Insurance costs charged as direct costs;

t) Indirect costs for personnel, labor, materials, services or equipment charged as direct costs;

u) Costs associated with landscaping, vegetative cover, trees, shrubs and aesthetic considerations;

v) Costs associated with activities, materials, labor, equipment, structures or services to the extent they are not necessary for compliance with this Part 740, 35 Ill. Adm. Code 742 and the approved Remedial Action Plan;

w) Costs determined to be incorrect as a result of a mathematical, billing or accounting error;

x) Costs that are not adequately documented;

y) Costs that are determined to be unreasonable.

(Source: Added at 22 Ill. Reg. 19580, effective October 26, 1998)