



Rep. Michael Halpin

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LRB100 18048 HLH 38249 a

1 AMENDMENT TO HOUSE BILL 5730

2 AMENDMENT NO. _____. Amend House Bill 5730 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Bicentennial Mississippi River Region Redevelopment Historic
6 Tax Credit Act.

7 Section 5. Definitions. As used in this Act, unless the
8 context clearly indicates otherwise:

9 "Department" means the Department of Commerce and Economic
10 Opportunity.

11 "Division" means the Historic Preservation Division within
12 the Department of Natural Resources.

13 "Prevailing wage" means the hourly cash wages plus fringe
14 benefits for training and apprenticeship programs approved by
15 the U.S. Department of Labor, Bureau of Apprenticeship and
16 Training, health and welfare, insurance, vacations and

1 pensions paid generally, in the locality in which the work is
2 being performed, to employees engaged in work of a similar
3 character on public works.

4 "Qualified county" means Adams, Alexander, Bond, Brown,
5 Calhoun, Carroll, Clinton, Greene, Hancock, Henderson, Henry,
6 Jackson, Jersey, Jo Daviess, Johnson, Knox, Macoupin, Madison,
7 McDonough, Mercer, Monroe, Perry, Pike, Pulaski, Randolph,
8 Rock Island, Schuyler, St. Clair, Stephenson, Union, Warren,
9 Washington, Whiteside, and Williamson Counties.

10 "Qualified expenditures" means all the costs and expenses
11 defined as qualified rehabilitation expenditures under Section
12 47 of the federal Internal Revenue Code which were incurred in
13 connection with a qualified historic structure.

14 "Qualified historic structure" means any structure that is
15 located in a qualified county and that is defined as a
16 certified historic structure under Section 47(c)(3) of the
17 federal Internal Revenue Code.

18 "Qualified rehabilitation plan" means a project that is
19 approved by the Division as being consistent with the standards
20 in effect on the effective date of this Act for rehabilitation
21 as adopted by the federal Secretary of the Interior.

22 "Qualified taxpayer" means the owner of the qualified
23 historic structure or any other person who may qualify for the
24 federal rehabilitation credit allowed by Section 47 of the
25 federal Internal Revenue Code. If the taxpayer is (i) a
26 corporation having an election in effect under Subchapter S of

1 the federal Internal Revenue Code, (ii) a partnership, or (iii)
2 a limited liability company, the credit provided under this Act
3 may be claimed by the shareholders of the corporation, the
4 partners of the partnership, or the members of the limited
5 liability company in the same manner as those shareholders,
6 partners, or members account for their proportionate shares of
7 the income or losses of the corporation, partnership, or
8 limited liability company, or as provided in the by-laws or
9 other executed agreement of the corporation, partnership, or
10 limited liability company. Credits granted to a partnership, a
11 limited liability company taxed as a partnership, or other
12 multiple owners of property shall be passed through to the
13 partners, members, or owners respectively on a pro rata basis
14 or pursuant to an executed agreement among the partners,
15 members, or owners documenting any alternate distribution
16 method.

17 Section 10. Allowable credit. To the extent authorized by
18 this Act, for qualified historic structures placed in service
19 during a taxable year beginning on or after January 1, 2019 and
20 ending on or before December 31, 2029, there shall be allowed a
21 tax credit against the tax imposed by subsections (a) and (b)
22 of Section 201 of the Illinois Income Tax Act in an amount
23 equal to 25% of qualified expenditures incurred by a qualified
24 taxpayer during the taxable year in the restoration and
25 preservation of a qualified historic structure pursuant to a

1 qualified rehabilitation plan, provided that the total amount
2 of such expenditures (i) must equal \$5,000 or more, and (ii)
3 must exceed 50% of the purchase price of the property. The
4 qualified taxpayer must pay a prevailing wage to employees who
5 are engaged in construction, as defined in the Prevailing Wage
6 Act, pursuant to a qualified rehabilitation plan. If the amount
7 of any tax credit awarded under this Act exceeds the qualified
8 taxpayer's income tax liability for the year in which the
9 qualified rehabilitation plan was placed in service, the excess
10 amount may be carried forward for deduction from the taxpayer's
11 income tax liability in the next succeeding year or years until
12 the total amount of the credit has been used, except that a
13 credit may not be carried forward for deduction after the tenth
14 taxable year after the taxable year in which the qualified
15 rehabilitation plan was placed in service. To obtain a tax
16 credit pursuant to this Act, an application must be made to the
17 Department no later than 6 months after the effective date of
18 this Act. The Department, in consultation with the Division,
19 shall determine the amount of eligible rehabilitation costs and
20 expenses. The Division shall determine whether the
21 rehabilitation is consistent with the standards of the
22 Secretary of the United States Department of the Interior for
23 rehabilitation. Upon completion and review of the project, the
24 Department shall issue a certificate in the amount of the
25 eligible credits. At the time the certificate is issued, an
26 issuance fee up to the maximum amount of 2% of the amount of

1 the credits issued by the certificate may be collected from the
2 applicant to administer the Act. If collected, this issuance
3 fee shall be evenly divided between the Department and the
4 Division. The taxpayer must attach the certificate to the tax
5 return on which the credits are to be claimed.

6 Section 15. Transfer of credits. Any qualified taxpayer,
7 referred to in this Section as the assignor, may sell, assign,
8 convey, or otherwise transfer tax credits allowed and earned
9 under this Act. The taxpayer acquiring the credits, referred to
10 in this Section as the assignee, may use the amount of the
11 acquired credits to offset up to 100% of its income tax
12 liability for either the taxable year in which the qualified
13 rehabilitation plan was first placed into service or the
14 taxable year in which such acquisition was made. Unused credit
15 amounts claimed by the assignee may be carried forward for up
16 to 10 years or carried back for up to 3 years, except that all
17 credits must be claimed within 10 years after the tax year in
18 which the qualified rehabilitation plan was first placed into
19 service and may not be carried back to a tax year prior to the
20 tax year in which the credit was issued. The assignor shall
21 enter into a written agreement with the assignee establishing
22 the terms and conditions of the agreement and shall perfect the
23 transfer by notifying the Department in writing within 90
24 calendar days after the effective date of the transfer and
25 shall provide any information as may be required by the

1 Department to administer and carry out the provisions of this
2 Section. If credits that have been transferred are subsequently
3 reduced, adjusted, or recaptured, in whole or in part, by the
4 Department, the Department of Revenue, or any other applicable
5 government agency, only the original qualified taxpayer that
6 was awarded the credits, and not any subsequent assignee of the
7 credits, shall be held liable to repay any amount of such
8 reduction, adjustment, or recapture of the credits.

9 Section 25. Pilot program; report. The Department may award
10 no more than an aggregate of (i) \$30,000,000 in total tax
11 credits for qualified rehabilitation plans located in Madison,
12 Rock Island, or Jo Daviess County and (ii) \$15,000,000 in total
13 tax credits for qualified rehabilitation plans located in any
14 other qualified county. On or before December 31, 2019 and on
15 or before December 31 of each year thereafter through 2029, the
16 Department must submit a report to the General Assembly
17 evaluating the effectiveness of this Act in stimulating
18 economic revitalization in the pilot program area.

19 Section 30. Powers. The Department and the Division shall
20 adopt rules for the administration of this Act.

21 Section 45. The Illinois Income Tax Act is amended by
22 adding Section 227 as follows:

1 (35 ILCS 5/227 new)

2 Sec. 227. Bicentennial Mississippi River Region
3 Redevelopment Historic Tax Credit Act. For tax years beginning
4 on or after January 1, 2019 and ending on or before December
5 31, 2029, a taxpayer who qualifies for a credit under the
6 Bicentennial Mississippi River Region Redevelopment Historic
7 Tax Credit Act is entitled to a credit against the taxes
8 imposed under subsections (a) and (b) of Section 201 of this
9 Act as provided in that Act. If the taxpayer is a partnership
10 or Subchapter S corporation, the credit shall be allowed to the
11 partners or shareholders in accordance with the determination
12 of income and distributive share of income under Sections 702
13 and 704 and Subchapter S of the Internal Revenue Code.

14 If the amount of any tax credit awarded under this Section
15 exceeds the qualified taxpayer's income tax liability for the
16 year in which the qualified rehabilitation plan was placed in
17 service, the excess amount may be carried forward or back as
18 provided in the Bicentennial Mississippi River Region
19 Redevelopment Historic Tax Credit Act.

20 Section 95. The Prevailing Wage Act is amended by changing
21 Section 2 as follows:

22 (820 ILCS 130/2) (from Ch. 48, par. 39s-2)

23 Sec. 2. This Act applies to the wages of laborers,
24 mechanics and other workers employed in any public works, as

1 hereinafter defined, by any public body and to anyone under
2 contracts for public works. This includes any maintenance,
3 repair, assembly, or disassembly work performed on equipment
4 whether owned, leased, or rented.

5 As used in this Act, unless the context indicates
6 otherwise:

7 "Public works" means all fixed works constructed or
8 demolished by any public body, or paid for wholly or in part
9 out of public funds. "Public works" as defined herein includes
10 all projects financed in whole or in part with bonds, grants,
11 loans, or other funds made available by or through the State or
12 any of its political subdivisions, including but not limited
13 to: bonds issued under the Industrial Project Revenue Bond Act
14 (Article 11, Division 74 of the Illinois Municipal Code), the
15 Industrial Building Revenue Bond Act, the Illinois Finance
16 Authority Act, the Illinois Sports Facilities Authority Act, or
17 the Build Illinois Bond Act; loans or other funds made
18 available pursuant to the Build Illinois Act; loans or other
19 funds made available pursuant to the Riverfront Development
20 Fund under Section 10-15 of the River Edge Redevelopment Zone
21 Act; or funds from the Fund for Illinois' Future under Section
22 6z-47 of the State Finance Act, funds for school construction
23 under Section 5 of the General Obligation Bond Act, funds
24 authorized under Section 3 of the School Construction Bond Act,
25 funds for school infrastructure under Section 6z-45 of the
26 State Finance Act, and funds for transportation purposes under

1 Section 4 of the General Obligation Bond Act. "Public works"
2 also includes (i) all projects financed in whole or in part
3 with funds from the Department of Commerce and Economic
4 Opportunity under the Illinois Renewable Fuels Development
5 Program Act for which there is no project labor agreement; (ii)
6 all work performed pursuant to a public private agreement under
7 the Public Private Agreements for the Illiana Expressway Act or
8 the Public-Private Agreements for the South Suburban Airport
9 Act; and (iii) all projects undertaken under a public-private
10 agreement under the Public-Private Partnerships for
11 Transportation Act. "Public works" also includes all projects
12 at leased facility property used for airport purposes under
13 Section 35 of the Local Government Facility Lease Act. "Public
14 works" also includes the construction of a new wind power
15 facility by a business designated as a High Impact Business
16 under Section 5.5(a) (3) (E) of the Illinois Enterprise Zone Act.
17 "Public works" also includes projects for which a tax credit
18 has been granted under the Bicentennial Mississippi River
19 Region Redevelopment Historic Tax Credit Act. "Public works"
20 does not include work done directly by any public utility
21 company, whether or not done under public supervision or
22 direction, or paid for wholly or in part out of public funds.
23 "Public works" also includes any corrective action performed
24 pursuant to Title XVI of the Environmental Protection Act for
25 which payment from the Underground Storage Tank Fund is
26 requested. "Public works" does not include projects undertaken

1 by the owner at an owner-occupied single-family residence or at
2 an owner-occupied unit of a multi-family residence. "Public
3 works" does not include work performed for soil and water
4 conservation purposes on agricultural lands, whether or not
5 done under public supervision or paid for wholly or in part out
6 of public funds, done directly by an owner or person who has
7 legal control of those lands.

8 "Construction" means all work on public works involving
9 laborers, workers or mechanics. This includes any maintenance,
10 repair, assembly, or disassembly work performed on equipment
11 whether owned, leased, or rented.

12 "Locality" means the county where the physical work upon
13 public works is performed, except (1) that if there is not
14 available in the county a sufficient number of competent
15 skilled laborers, workers and mechanics to construct the public
16 works efficiently and properly, "locality" includes any other
17 county nearest the one in which the work or construction is to
18 be performed and from which such persons may be obtained in
19 sufficient numbers to perform the work and (2) that, with
20 respect to contracts for highway work with the Department of
21 Transportation of this State, "locality" may at the discretion
22 of the Secretary of the Department of Transportation be
23 construed to include two or more adjacent counties from which
24 workers may be accessible for work on such construction.

25 "Public body" means the State or any officer, board or
26 commission of the State or any political subdivision or

1 department thereof, or any institution supported in whole or in
2 part by public funds, and includes every county, city, town,
3 village, township, school district, irrigation, utility,
4 reclamation improvement or other district and every other
5 political subdivision, district or municipality of the state
6 whether such political subdivision, municipality or district
7 operates under a special charter or not.

8 The terms "general prevailing rate of hourly wages",
9 "general prevailing rate of wages" or "prevailing rate of
10 wages" when used in this Act mean the hourly cash wages plus
11 annualized fringe benefits for training and apprenticeship
12 programs approved by the U.S. Department of Labor, Bureau of
13 Apprenticeship and Training, health and welfare, insurance,
14 vacations and pensions paid generally, in the locality in which
15 the work is being performed, to employees engaged in work of a
16 similar character on public works.

17 (Source: P.A. 97-502, eff. 8-23-11; 98-109, eff. 7-25-13;
18 98-482, eff. 1-1-14; 98-740, eff. 7-16-14; 98-756, eff.
19 7-16-14.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."