

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this Article
7 to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" means a "State agency", as defined in Section 1-7
12 of the Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Depressed area" means an area in which pervasive poverty,
18 unemployment, and economic distress exist.

19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.

22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week for a wage that meets or exceeds the prevailing wage for

1 the locality in which the work is performed, as determined
2 under Section 4 of the Prevailing Wage Act. A recipient who
3 employs labor or services at a specific site or facility under
4 contract with another may declare one full-time, permanent job
5 for every 1,820 man hours worked per year under that contract.
6 Vacations, paid holidays, and sick time are included in this
7 computation. Overtime is not considered a part of regular
8 hours.

9 "Full-time retained job" means any employee defined as
10 having a full-time or full-time equivalent job preserved at a
11 specific facility or site, the continuance of which is
12 threatened by a specific and demonstrable threat, which shall
13 be specified in the application for development assistance. A
14 recipient who employs labor or services at a specific site or
15 facility under contract with another may declare one retained
16 employee per year for every 1,750 man hours worked per year
17 under that contract, even if different individuals perform
18 on-site labor or services.

19 "Green energy enterprise" means a company that is engaged
20 in the production of solar energy, wind energy, water energy,
21 geothermal energy, bioenergy, or hydrogen fuel and cells.

22 "Green energy project" means a project conducted by a green
23 energy enterprise for the purpose of generating solar energy,
24 wind energy, water energy, geothermal energy, bioenergy, or
25 hydrogen fuel and cells.

26 "Local labor market area" means an economically integrated

1 area within which individuals can reside and find employment
2 within a reasonable distance or can readily change jobs without
3 changing their place of residence.

4 "Rule" has the meaning provided in Section 1-70 of the
5 Illinois Administrative Procedure Act.

6 Section 1-15. Qualifications for Energy Transition Zones.
7 An area is qualified to become an Energy Transition Zone which:

8 (1) is a contiguous area, provided that a Zone area may
9 exclude wholly surrounded territory within its boundaries;

10 (2) comprises a minimum of one-half square mile and not
11 more than 12 square miles, exclusive of lakes and
12 waterways;

13 (3) is entirely within a single municipality;

14 (4) satisfies any additional criteria established by
15 the Department consistent with the purposes of this Act;
16 and

17 (5) meets one or more of the following:

18 (A) the area contains a coal energy plant that was
19 retired from service within 10 years of application for
20 designation;

21 (B) the area contains a coal mine that was closed
22 within 10 years of application for designation;

23 (C) the area contains a nuclear energy plant that
24 was retired from service within 10 years of application
25 for designation; or

1 (D) the area contains a nuclear plant that was
2 decommissioned but continued storing nuclear waste
3 prior to the effective date of this Act.

4 Section 1-20. Entities eligible to receive tax benefits.
5 Green energy enterprises are eligible to receive certain tax
6 benefits under this Act for green energy projects conducted
7 within an Energy Transition Zone.

8 Section 1-25. Incentives for green energy enterprises
9 located within an Energy Transition Zone.

10 (a) Green energy enterprises located in Energy Transition
11 Zones are eligible to apply for a State income tax credit under
12 the Energy Transition Zone Tax Credit Act.

13 (b) Green energy enterprises located in Energy Transition
14 Zones will be eligible to receive an investment credit subject
15 to the requirements of subsection (f-1) of Section 201 of the
16 Illinois Income Tax Act.

17 (c) Green energy enterprises are eligible to purchase
18 building materials exempt from use and occupation taxes to be
19 incorporated into their green energy projects within the Energy
20 Transition Zone when purchased from a retailer within the
21 Energy Transition Zone pursuant to Section 5k-1 of the
22 Retailers' Occupation Tax Act.

23 (d) Green energy enterprises located in an Energy
24 Transition Zone that meet the qualifications of Section

1 9-222.1B of the Illinois Public Utilities Act are exempt, in
2 part or whole, from State and local taxes on gas and
3 electricity.

4 Section 1-30. Initiation of Energy Transition Zones by
5 municipality or county.

6 (a) No area may be designated as an Energy Transition Zone
7 except pursuant to an initiating ordinance adopted in
8 accordance with this Section.

9 (b) A municipality may by ordinance designate an area
10 within its jurisdiction as an Energy Transition Zone, subject
11 to the certification of the Department in accordance with this
12 Act, if:

13 (1) the area is qualified in accordance with Section
14 1-15; and

15 (2) the municipality has conducted at least one public
16 hearing within the proposed Zone area considering all of
17 the following questions: whether to create the Zone; what
18 local plans, tax incentives and other programs should be
19 established in connection with the Zone; and what the
20 boundaries of the Zone should be; public notice of the
21 hearing shall be published in at least one newspaper of
22 general circulation within the Zone area, not more than 20
23 days nor less than 5 days before the hearing.

24 (c) An ordinance designating an area as an Energy
25 Transition Zone shall set forth:

1 (1) a precise description of the area comprising the
2 Zone, either in the form of a legal description or by
3 reference to roadways, lakes and waterways, and township,
4 county boundaries;

5 (2) a finding that the Zone area meets the
6 qualifications of Section 1-15;

7 (3) provisions for any tax incentives or reimbursement
8 for taxes, which pursuant to State and federal law apply to
9 green energy enterprises within the Zone at the election of
10 the designating municipality, and which are not applicable
11 throughout the municipality;

12 (4) a designation of the area as an Energy Transition
13 Zone, subject to the approval of the Department in
14 accordance with this Act; and

15 (5) the duration or term of the Energy Transition Zone.

16 (d) This Section does not prohibit a municipality from
17 extending additional tax incentives or reimbursement for
18 business enterprises in Energy Transition Zones or throughout
19 their territory by separate ordinance.

20 Section 1-35. Application to Department. A municipality
21 that has adopted an ordinance designating an area as an Energy
22 Transition Zone shall make written application to the
23 Department to have such proposed Energy Transition Zone
24 certified by the Department as an Energy Transition Zone. The
25 application shall include:

1 (1) a certified copy of the ordinance designating the
2 proposed Zone;

3 (2) a map of the proposed Energy Transition Zone,
4 showing existing streets and highways;

5 (3) an analysis, and any appropriate supporting
6 documents and statistics, demonstrating that the proposed
7 Zone area is qualified in accordance with Section 1-15;

8 (4) a statement detailing any tax, grant, and other
9 financial incentives or benefits, and any programs, to be
10 provided by the municipality or county to green energy
11 enterprises within the Zone, other than those provided in
12 the designating ordinance, which are not to be provided
13 throughout the municipality or county;

14 (5) a statement setting forth the economic development
15 and planning objectives for the Zone;

16 (6) an estimate of the economic impact of the Zone,
17 considering all of the tax incentives, financial benefits
18 and programs contemplated, upon the revenues of the
19 municipality or county;

20 (7) a transcript of all public hearings on the Zone;
21 and

22 (8) such additional information as the Department may
23 by rule require.

24 Section 1-40. Department review of Energy Transition Zone
25 applications.

1 (a) All applications that are to be considered and acted
2 upon by the Department during a calendar year must be received
3 by the Department no later than December 31 of the preceding
4 calendar year.

5 Any application received after December 31 of any calendar
6 year shall be held by the Department for consideration and
7 action during the following calendar year. Each Energy
8 Transition Zone application shall include a specific
9 definition of the applicant's local labor market area.

10 (a-5) The Department shall, no later than July 31, 2019,
11 develop an application process for an Energy Transition Zone
12 application. The Department has emergency rulemaking authority
13 for the purpose of application development only until 12 months
14 after the effective date of this Act under subsection (ee) of
15 Section 5-45 of the Illinois Administrative Procedure Act.

16 (b) Upon receipt of an application from a municipality, the
17 Department shall review the application to determine whether
18 the designated area qualifies as an Energy Transition Zone
19 under Section 1-15 of this Act.

20 (c) No later than June 30, the Department shall notify all
21 applicant municipalities of the Department's determination of
22 the qualification of their respective designated energy
23 transition Zone areas, along with supporting documentation of
24 the basis for the Department's decision.

25 (d) If any such designated area is found to be qualified to
26 be an Energy Transition Zone by the Department under subsection

1 (c) of this Section, the Department shall, no later than July
2 15, send a letter of notification to each member of the General
3 Assembly whose legislative district or representative district
4 contains all or part of the designated area and publish a
5 notice in at least one newspaper of general circulation within
6 the proposed Zone area to notify the general public of the
7 application and their opportunity to comment. Such notice shall
8 include a description of the area and a brief summary of the
9 application and shall indicate locations where the applicant
10 has provided copies of the application for public inspection.
11 The notice shall also indicate appropriate procedures for the
12 filing of written comments from Zone residents, business, civic
13 and other organizations and property owners to the Department.

14 Section 1-45. Energy Transition Zone Board.

15 (a) An Energy Transition Zone Board is hereby created
16 within the Department.

17 (b) The Board shall consist of the following 5 members:

18 (1) the Director of Commerce and Economic Opportunity,
19 or his or her designee, who shall serve as chairperson;

20 (2) the Director of Revenue, or his or her designee;
21 and

22 (3) 3 members appointed by the Governor, with the
23 advice and consent of the Senate.

24 Board members shall serve without compensation but may be
25 reimbursed for necessary expenses incurred in the performance

1 of their duties from funds appropriated for that purpose.

2 (c) Each member appointed under paragraph (3) of subsection
3 (b) shall have at least 5 years of experience in business,
4 economic development, or site location.

5 (d) Of the initial members appointed under paragraph (3) of
6 subsection (b): one member shall serve for a term of 2 years;
7 one member shall serve for a term of 3 years; and one member
8 shall serve for a term of 4 years. Thereafter, all members
9 appointed under paragraph (3) of subsection (b) shall serve for
10 terms of 4 years. Members appointed under paragraph (3) of
11 subsection (b) may be reappointed. The Governor may remove a
12 member appointed under paragraph (3) of subsection (b) for
13 incompetence, neglect of duty, or malfeasance in office.

14 (e) By September 30, 2020, and September 30 of each year
15 thereafter, all applications filed by December 31 of the
16 preceding calendar year and deemed qualified by the Department
17 shall be approved or denied by the Board. If such application
18 is not approved by September 30, the application shall be
19 considered denied. If an application is denied, the Board shall
20 inform the applicant of the specific reasons for the denial.

21 (f) A majority of the Board shall determine whether an
22 application is approved or denied.

23 Section 1-50. Certification of Energy Transition Zones;
24 effective date.

25 (a) Certification of Board-approved designated Energy

1 Transition Zones shall be made by the Department by
2 certification of the designating ordinance. The Department
3 shall promptly issue a certificate for each Energy Transition
4 Zone upon approval by the Board. The certificate shall be
5 signed by the Director of the Department, shall make specific
6 reference to the designating ordinance, which shall be attached
7 thereto, and shall be filed in the office of the Secretary of
8 State. A certified copy of the Energy Transition Zone
9 Certificate, or a duplicate original thereof, shall be recorded
10 in the office of recorder of deeds of the county in which the
11 Energy Transition Zone lies.

12 (b) An Energy Transition Zone shall be effective on the
13 date of the Department's certification. The Department shall
14 transmit a copy of the certification to the Department of
15 Revenue, and to the designating municipality.

16 (c) Upon certification of an Energy Transition Zone, the
17 terms and provisions of the designating ordinance shall be in
18 effect, and may not be amended or repealed except in accordance
19 with Section 1-55.

20 (d) Energy Transition Zone designation will last for 13
21 years from the effective date of such designation and shall be
22 subject to review by the Board after 13 years for an additional
23 10-year designation beginning on the expiration date of the
24 Energy Transition Zone. During the review process, the Board
25 shall consider the costs incurred by the State and units of
26 local government as a result of tax benefits received by the

1 Energy Transition Zone. Energy Transition Zones shall
2 terminate at midnight of December 31 of the final calendar year
3 of the certified term, except as provided in Section 1-55.

4 (e) Each Energy Transition Zone that reapplies for
5 certification but does not receive a new certification shall
6 expire on its scheduled termination date.

7 Section 1-55. Amendment and decertification of Energy
8 Transition Zones.

9 (a) The terms of a certified Energy Transition Zone
10 designating ordinance may be amended to:

- 11 (1) alter the boundaries of the Energy Transition Zone;
- 12 (2) expand, limit, or repeal tax incentives or benefits
13 provided in the ordinance;
- 14 (3) alter the termination date of the Zone;
- 15 (4) make technical corrections in the Energy
16 Transition Zone designating ordinance; but such amendment
17 shall not be effective unless the Department issues an
18 amended certificate for the Energy Transition Zone
19 approving the amended designating ordinance. Upon the
20 adoption of any ordinance amending or repealing the terms
21 of a certified Energy Transition Zone designating
22 ordinance, the municipality or county shall promptly file
23 with the Department an application for approval thereof,
24 containing substantially the same information as required
25 for an application under Section 1-35 insofar as material

1 to the proposed changes. The municipality or county must
2 hold a public hearing on the proposed changes; or

3 (5) include an area within another municipality or
4 county as part of the designated Energy Transition Zone
5 provided the requirements of Section 1-15 are complied
6 with.

7 (b) The Department shall approve or disapprove a proposed
8 amendment to a certified Energy Transition Zone within 90 days
9 of its receipt of the application from the municipality. The
10 Department may not approve changes in a Zone which are not in
11 conformity with this Act, as now or hereafter amended, or with
12 other applicable laws. If the Department issues an amended
13 certificate for an Energy Transition Zone, the amended
14 certificate, together with the amended Zone designating
15 ordinance, shall be filed, recorded, and transmitted as
16 provided in this Act.

17 (c) An Energy Transition Zone may be decertified by joint
18 action of the Department and the designating municipality in
19 accordance with this Section. The designating municipality
20 shall conduct at least one public hearing within the Zone prior
21 to its adoption of an ordinance of de-designation. The mayor of
22 the designating municipality shall execute a joint
23 decertification agreement with the Department. A
24 decertification of an Energy Transition Zone shall not become
25 effective until at least 6 months after the execution of the
26 decertification agreement, which shall be filed in the office

1 of the Secretary of State.

2 (d) An Energy Transition Zone may be decertified for cause
3 by the Department in accordance with this Section. Prior to
4 decertification: (1) the Department shall notify the chief
5 elected official of the designating municipality in writing of
6 the specific deficiencies which provide cause for
7 decertification; (2) the Department shall place the
8 designating municipality on probationary status for at least 6
9 months during which time corrective action may be achieved in
10 the Energy Transition Zone by the designating municipality; and
11 (3) the Department shall conduct at least one public hearing
12 within the Zone. If such corrective action is not achieved
13 during the probationary period, the Department shall issue an
14 amended certificate signed by the Director of the Department
15 decertifying the Energy Transition Zone, which certificate
16 shall be filed in the office of the Secretary of State. A
17 certified copy of the amended Energy Transition Zone
18 certificate, or a duplicate original thereof, shall be recorded
19 in the office of recorder of the county in which the Energy
20 Transition Zone lies, and shall be provided to the chief
21 elected official of the designating municipality.
22 Decertification of an Energy Transition Zone shall not become
23 effective until 60 days after the date of filing.

24 (e) In the event of a decertification, an amendment
25 reducing the length of the term or the area of an Energy
26 Transition Zone, or the adoption of an ordinance reducing or

1 eliminating tax benefits in an Energy Transition Zone, all
2 benefits previously extended within the Zone pursuant to this
3 Act or pursuant to any other Illinois law providing benefits
4 specifically to or within Energy Transition Zones shall remain
5 in effect for the original stated term of the Energy Transition
6 Zone, with respect to green energy enterprises within the Zone
7 on the effective date of such decertification or amendment.

8 Section 1-60. Powers and duties of Department.

9 (a) The Department shall administer this Act and shall have
10 the following powers and duties:

11 (1) to monitor the implementation of this Act and
12 submit reports evaluating the effectiveness of the program
13 and any suggestions for legislation to the Governor and
14 General Assembly by October 1 of every year preceding a
15 regular Session of the General Assembly and to annually
16 report to the General Assembly initial and current
17 population, employment, per capita income, number of
18 business establishments, dollar value of new construction
19 and improvements, and the aggregate value of each tax
20 incentive, based on information provided by the Department
21 of Revenue for each Energy Transition Zone; and

22 (2) to adopt all necessary rules to carry out the
23 purposes of this Act in accordance with the Illinois
24 Administrative Procedure Act.

25 (b) The Department shall have all of the following specific

1 duties:

2 (1) The Department shall provide information and
3 appropriate assistance to persons desiring to locate and
4 engage in business in an Energy Transition Zone and to
5 persons engaged in green energy in an Energy Transition
6 Zone.

7 (2) The Department shall, in cooperation with
8 appropriate units of local government and State agencies,
9 coordinate and streamline existing State business
10 assistance programs and permit and license application
11 procedures for Energy Transition Zone green energy
12 enterprises.

13 (3) The Department shall publicize existing tax
14 incentives and economic development programs within the
15 Zone and upon request, offer technical assistance in
16 abatement and alternative revenue source development to
17 local units of government which have Energy Transition
18 Zones within their jurisdiction.

19 (4) The Department shall work together with the
20 responsible State and federal agencies to promote the
21 coordination of other relevant programs, including but not
22 limited to housing, community and economic development,
23 small business, banking, financial assistance, and
24 employment training programs which are carried on in an
25 Energy Transition Zone.

26 (5) In order to stimulate employment opportunities for

1 Zone residents, the Department, in cooperation with the
2 Department of Human Services and the Department of
3 Employment Security, is to initiate a test of the following
4 2 programs within the 12-month period following
5 designation and approval by the Department of the first
6 Energy Transition Zones: (i) the use of aid to families
7 with dependent children benefits payable under Article IV
8 of the Illinois Public Aid Code, General Assistance
9 benefits payable under Article VI of the Illinois Public
10 Aid Code, the unemployment insurance benefits payable
11 under the Unemployment Insurance Act as training or
12 employment subsidies leading to unsubsidized employment;
13 and (ii) a program for voucher reimbursement of the cost of
14 training Zone residents eligible under the Targeted Jobs
15 Tax Credit provisions of the Internal Revenue Code for
16 employment in private industry. These programs shall not be
17 designed to subsidize businesses, but are intended to open
18 up job and training opportunities not otherwise available.
19 Nothing in this paragraph (5) shall be deemed to require
20 Zone businesses to utilize these programs. These programs
21 should be designed (i) for those individuals whose
22 opportunities for job-finding are minimal without program
23 participation, (ii) to minimize the period of benefit
24 collection by such individuals, and (iii) to accelerate the
25 transition of those individuals to unsubsidized
26 employment. The Department is to seek agreement with

1 business, organized labor, and the appropriate State
2 Departments and agencies on the design, operation, and
3 evaluation of the test programs.

4 (c) A report with recommendations including representative
5 comments of these groups shall be submitted by the Department
6 to the county or municipality that designated the area as an
7 Energy Transition Zone, the Governor, and the General Assembly
8 not later than 12 months after such test programs have
9 commenced, or not later than 3 months following the termination
10 of such test programs, whichever first occurs.

11 Section 1-65. State incentives regarding public services
12 and physical infrastructure.

13 (a) This Act does not restrict tax incentive financing
14 pursuant to the Tax Increment Allocation Redevelopment Act in
15 the Illinois Municipal Code.

16 (b) The State Treasurer is authorized and encouraged to
17 place deposits of State funds with financial institutions doing
18 business in an Energy Transition Zone.

19 Section 1-70. Zone administration. The administration of
20 an Energy Transition Zone shall be under the jurisdiction of
21 the designating municipality. Each designating municipality
22 shall, by ordinance, designate a Zone Administrator for the
23 certified Zones within its jurisdiction. A Zone Administrator
24 must be an officer or employee of the municipality. The Zone

1 Administrator shall be the liaison between the designating
2 municipality, the Department, and any designated Zone
3 organizations within zones under his jurisdiction.

4 Section 1-75. Accounting.

5 (a) Any business receiving tax incentives due to its
6 location within an Energy Transition Zone must annually report
7 to the Department of Revenue information reasonably required by
8 the Department of Revenue to enable the Department to verify
9 and calculate the total Energy Transition Zone tax benefits for
10 property taxes and taxes imposed by the State that are received
11 by the business, broken down by incentive category and Energy
12 Transition Zone, if applicable. Reports are due no later than
13 May 31 of each year and shall cover the previous calendar year.
14 The first report will be for the 2019 calendar year and is due
15 no later than May 31, 2020.

16 (b) Green energy enterprises shall report their job
17 creation, retention, and capital investment numbers within the
18 Zone annually to the Department of Revenue no later than May 31
19 of each calendar year.

20 (c) The Department of Revenue shall aggregate and collect
21 the tax, job, and capital investment data by Energy Transition
22 Zone and report this information, formatted to exclude
23 company-specific proprietary information, to the Department
24 and the Board by August 1, 2020, and by August 1 of every
25 calendar year thereafter. The Department shall include this

1 information in their required reports under this Act.

2 (d) The Department of Revenue, in its discretion, may
3 require that the reports filed under this Section be submitted
4 electronically.

5 (e) The Department of Revenue shall have the authority to
6 adopt rules as are reasonable and necessary to implement the
7 provisions of this Section.

8 Section 1-80. Zone Administrator.

9 (a) Each Zone Administrator shall post a copy of the
10 boundaries of the Energy Transition Zone on its official
11 Internet website and shall provide an electronic copy to the
12 Department. The Department shall post each copy of the
13 boundaries of an Energy Transition Zone that it receives from a
14 Zone Administrator on its official Internet website.

15 (b) The Zone Administrator shall collect and aggregate the
16 following information:

17 (1) the estimated cost of each building project, broken
18 down into labor and materials; and

19 (2) within 60 days after the end of the project, the
20 estimated cost of each building project, broken down into
21 labor and materials.

22 (c) By April 1 of each year, each Zone Administrator shall
23 file a copy of its fee schedule with the Department, and the
24 Department shall post the fee schedule on its website. Zone
25 Administrators shall charge no more than 0.5% of the cost of

1 building materials of the project associated with the specific
2 Energy Transition Zone, with a maximum fee of no more than
3 \$50,000.

4 Section 1-85. State regulatory exemptions in Energy
5 Transition Zones.

6 (a) The Department shall conduct an ongoing review of such
7 agency rules as may be identified by the Department or
8 representatives of designating municipalities and counties as
9 green energy enterprises and preliminarily appearing to the
10 Department to:

11 (1) affect the conduct of business, industry and
12 commerce;

13 (2) impose excessive costs on either the creation or
14 conduct of such enterprises; and

15 (3) inhibit the development and expansions of
16 enterprises within Energy Transition Zones.

17 The Department shall conduct hearings, pursuant to public
18 notice, to solicit public comment on such identified rules as
19 part of this review process.

20 (b) No later than August 1 of each calendar year, the
21 Department shall publish in the Illinois Register a list of
22 such rules identified pursuant to subsection (a). The
23 Department shall transmit a copy of the list to each agency
24 which has adopted rules on the list.

25 (c) Within 90 days of the publication of the list by the

1 Department, each agency which adopted rules identified therein
2 shall file a written report with the Department detailing for
3 each identified rule:

4 (1) the need or justification;

5 (2) whether the rule is mandated by State or federal
6 law, or is discretionary, and to what extent;

7 (3) a synopsis of the history of the rule, including
8 any internal agency review after its original adoption; and

9 (4) any appropriate explanation of its relationship to
10 other regulatory requirements.

11 The agency that adopted the rules shall also include any
12 available data, analysis and studies concerning the economic
13 impact of the identified rules. The agency responses shall be
14 public records.

15 (d) No later than January 1 of the following calendar year,
16 the Department shall file proposed rules exempting green energy
17 enterprises within Energy Transition Zones from those agency
18 rules contained in the published list, for which the Department
19 finds that the job creation or business development incentives
20 for Energy Transition Zone development engendered by the
21 exemption outweigh the need and justification for the rule. In
22 making its findings, the Department shall consider all
23 information, data, and opinions submitted to it by the public,
24 as well as by adopting agencies, as well as information
25 otherwise available to it.

26 (e) The proposed rules adopted by the Department shall be

1 in the form of amendments to the existing rules to be affected,
2 and shall be subject to the Illinois Administrative Procedure
3 Act.

4 (f) Upon its effective date, any exempting rule of the
5 Department shall supersede the exempted agency rule in
6 accordance with the terms of the exemption. Such exemptions may
7 apply only to green energy enterprises within Energy Transition
8 Zones during the effective term of the respective Zones.
9 Agencies may not adopt emergency rules to circumvent an
10 exemption affected by a Department exemption rule; any such
11 emergency rules shall not be effective within Energy Transition
12 Zones to the extent inconsistent with the terms of such an
13 exemption.

14 Section 1-90. State and local regulatory alternatives.

15 (a) Agencies may provide in their rules for:

16 (1) the exemption of green energy enterprises within
17 Energy Transition Zones; or

18 (2) modifications or alternatives specifically
19 applicable to green energy enterprises within Energy
20 Transition Zones, which impose less stringent standards or
21 alternative standards for compliance (including, but not
22 limited to, performance-based standards as a substitute
23 for specific mandates of methods, procedures or
24 equipment).

25 Such exemptions, modifications, or alternatives shall

1 become effective by rule adopted in accordance with the
2 Illinois Administrative Procedure Act. The Agency adopting
3 such exemptions, modifications or alternatives shall file with
4 its proposed rule its findings that the proposed rule provides
5 economic incentives within Energy Transition Zones which
6 promote the purposes of this Act, and which, to the extent they
7 include any exemptions or reductions in regulatory standards or
8 requirements, outweigh the need or justification for the
9 existing rule.

10 (b) If any agency adopts a rule pursuant to paragraph (a)
11 affecting a rule contained on the list published by the
12 Department, prior to the completion of the rulemaking process
13 for the Department's rules under that Section, the agency shall
14 immediately transmit a copy of its proposed rule to the
15 Department, together with a statement of reasons as to why the
16 Department should defer to the agency's proposed rule. Agency
17 rules adopted under subsection (a) shall, however, be subject
18 to the exemption rules adopted by the Department.

19 (c) Within Energy Transition Zones, the designating
20 municipality may modify all local ordinances and regulations
21 regarding (i) zoning; (ii) licensing; (iii) building codes,
22 excluding however, any regulations treating building defects;
23 or (iv) price controls (except for the minimum wage).
24 Notwithstanding any shorter statute of limitation to the
25 contrary, actions against any contractor or architect who
26 designs, constructs or rehabilitates a building or structure in

1 an Energy Transition Zone in accordance with local standards
2 specifically applicable within Zones which have been relaxed
3 may be commenced within 10 years from the time of beneficial
4 occupancy of the building or use of the structure.

5 Section 1-95. Exemptions from regulatory relaxation.
6 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
7 to:

8 (1) the Environmental Protection Act;

9 (2) the Illinois Historic Preservation Act;

10 (3) the Illinois Human Rights Act;

11 (4) any successor Acts to any of the foregoing; or

12 (5) any other Acts whose purpose is the protection of
13 the environment, the preservation of historic places and
14 landmarks, or the protection of persons against
15 discrimination on the basis of race, color, religion, sex,
16 marital status, national origin, or physical or mental
17 disability.

18 (b) No exemption, modification, or alternative to any
19 agency rule shall be effective which:

20 (1) presents a significant risk to the health or safety
21 of persons resident in or employed within an Energy
22 Transition Zone;

23 (2) would conflict with federal law such that the
24 State, or any unit of local government or school district,
25 or any area of the State other than Energy Transition

1 Zones, or any business enterprise located outside of an
2 Energy Transition Zone would be disqualified from a federal
3 program or from federal tax or other benefits;

4 (3) would suspend or modify an agency rule mandated by
5 law; or

6 (4) would eliminate or reduce benefits to individuals
7 who are residents of or employed within a Zone.

8 Section 1-100. Business notifications. Any business
9 located within the Energy Transition Zone which has received
10 tax credits or exemptions, regulatory relief or any other
11 benefits under this Act shall notify the Department and the
12 county and municipal officials in which the Energy Transition
13 Zone is located within 60 days of the cessation of any business
14 operations conducted within the Energy Transition Zone. The
15 Department shall adopt rules to carry out this Section.

16 Article 5. Energy Transition Tax Credit Act

17 Section 5-1. Short title. This Article may be cited as the
18 Energy Transition Tax Credit Act. References in this Article to
19 "this Act" mean this Article.

20 Section 5-5. Purpose. The General Assembly finds and
21 declares that the health, safety, and welfare of the people of
22 this State are dependent upon a healthy economy and vibrant

1 communities; that the closure of coal plants, coal mines, and
2 nuclear energy plants across the states are detrimental to
3 maintaining a healthy economy and vibrant communities; that the
4 expansion of green energy creates significant job growth and
5 contributes significantly to the health, safety, and welfare of
6 the people of this State; that the continual encouragement,
7 development, growth and expansion of green energy within the
8 State requires a cooperative and continuous partnership
9 between government and the green energy sector; and that there
10 are certain depressed areas in this State that have lost jobs
11 due to the closure of coal plants, coal mines, and nuclear
12 energy plants and need the particular attention of government,
13 labor and the citizens of Illinois to help attract green energy
14 investment into these areas and directly aid the local
15 community and its residents. Therefore, it is declared to be
16 the purpose of this Act, in conjunction with the Energy
17 Transition Zone Act, to provide green energy enterprises an
18 incentive to stimulate the growth of green energy in the State
19 and to foster job growth in areas depressed by the closure of
20 coal plants, coal mines, and nuclear energy plants.

21 Section 5-10. Definitions. As used in this Act:

22 "Agreement" means the Agreement between a Taxpayer and the
23 Department under the provisions of Section 5-55 of this Act.

24 "Applicant" means a Taxpayer operating a green energy
25 enterprise, as determined by the Energy Transition Zone Act,

1 located within or that the green energy enterprise plans to
2 locate within an Energy Transition Zone. "Applicant" does not
3 include a Taxpayer who closes or substantially reduces an
4 operation at one location in the State and relocates
5 substantially the same operation to a location in an Energy
6 Transition Zone. This does not prohibit a Taxpayer from
7 expanding its operations at a location in an Energy Transition
8 Zone, provided that existing operations of a similar nature
9 located within the State are not closed or substantially
10 reduced. This also does not prohibit a Taxpayer from moving its
11 operations from one location in the State to an Energy
12 Transition Zone for the purpose of expanding the operation
13 provided that the Department determines that expansion cannot
14 reasonably be accommodated within the municipality in which the
15 business is located, or in the case of a business located in an
16 incorporated area of the county, within the county in which the
17 business is located, after conferring with the chief elected
18 official of the municipality or county and taking into
19 consideration any evidence offered by the municipality or
20 county regarding the ability to accommodate expansion within
21 the municipality or county.

22 "Committee" means the Energy Transition Investment
23 Committee created under Section 5-25 of this Act within the
24 Illinois Economic Development Board.

25 "Credit" means the amount agreed to between the Department
26 and the Applicant under this Act, but not to exceed the lesser

1 of: (1) the sum of (i) 50% of the Incremental Income Tax
2 attributable to New Employees at the Applicant's project and
3 (ii) 10% of the training costs of New Employees; or (2) 100% of
4 the Incremental Income Tax attributable to New Employees at the
5 Applicant's project. However, if the project is located in an
6 underserved area, then the amount of the Credit may not exceed
7 the lesser of: (1) the sum of (i) 75% of the Incremental Income
8 Tax attributable to New Employees at the Applicant's project
9 and (ii) 10% of the training costs of New Employees; or (2)
10 100% of the Incremental Income Tax attributable to New
11 Employees at the Applicant's project. If an Applicant agrees to
12 hire the required number of New Employees, then the maximum
13 amount of the Credit for that Applicant may be increased by an
14 amount not to exceed 25% of the Incremental Income Tax
15 attributable to retained employees at the Applicant's project;
16 provided that, in order to receive the increase for retained
17 employees, the Applicant must provide the additional evidence
18 required under paragraph (3) of subsection (b) of Section 5-30.

19 "Department" means the Department of Commerce and Economic
20 Opportunity.

21 "Director" means the Director of the Department of Commerce
22 and Economic Opportunity.

23 "Full-time Employee" means an individual who is employed
24 for consideration for at least 35 hours each week or who
25 renders any other standard of service generally accepted by
26 industry custom or practice as full-time employment. An

1 individual for whom a W-2 is issued by a Professional Employer
2 Organization (PEO) is a full-time employee if employed in the
3 service of the Applicant for consideration for at least 35
4 hours each week or who renders any other standard of service
5 generally accepted by industry custom or practice as full-time
6 employment to Applicant.

7 "Green energy" means solar energy, wind energy, water
8 energy, geothermal energy, bioenergy, or hydrogen fuel and
9 cells.

10 "Green energy production facility" means a facility owned
11 by a green energy enterprise (as defined in the Illinois Energy
12 Transition Zone Act) that is used in the production of solar
13 energy, wind energy, water energy, geothermal energy,
14 bioenergy, or hydrogen fuel and cells. "Incremental Income Tax"
15 means the total amount withheld during the taxable year from
16 the compensation of New Employees and, if applicable, retained
17 employees under Article 7 of the Illinois Income Tax Act
18 arising from employment at a project that is the subject of an
19 Agreement.

20 "New Employee" means a full-time employee first employed by
21 a taxpayer in the project that is the subject of an agreement
22 and who is hired after the taxpayer enters into the agreement.
23 The term "New Employee" does not include:

- 24 (1) an employee of the Taxpayer who performs a job that
25 was previously performed by another employee, if that job
26 existed for at least 6 months before hiring the employee;

1 (2) an employee of the Taxpayer who was previously
2 employed in Illinois by a Related Member of the Taxpayer
3 and whose employment was shifted to the Taxpayer after the
4 Taxpayer entered into the Agreement; or

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

10 Notwithstanding any other provisions of this Section, an
11 employee may be considered a New Employee under the Agreement
12 if the employee performs a job that was previously performed by
13 an employee who was:

- 14 (1) treated under the Agreement as a New Employee; and
15 (2) promoted by the Taxpayer to another job.

16 Notwithstanding any other provisions of this Section, the
17 Department may award a Credit to an Applicant with respect to
18 an employee hired prior to the date of the Agreement if:

19 (1) the Applicant is in receipt of a letter from the
20 Department stating an intent to enter into a credit
21 Agreement;

22 (2) the letter described in paragraph (1) is issued by
23 the Department not later than 15 days after the effective
24 date of this Act; and

25 (3) the employee was hired after the date the letter
26 described in paragraph (1) was issued.

1 "Noncompliance Date" means, in the case of a Taxpayer that
2 is not complying with the requirements of the Agreement or the
3 provisions of this Act, the day following the last date upon
4 which the Taxpayer was in compliance with the requirements of
5 the Agreement and the provisions of this Act, as determined by
6 the Director, pursuant to Section 5-75.

7 "Pass through entity" means an entity that is exempt from
8 the tax under subsection (b) or (c) of Section 205 of the
9 Illinois Income Tax Act.

10 "Related Member" means a person that, with respect to the
11 Taxpayer during any portion of the taxable year, is any one of
12 the following:

13 (1) An individual stockholder, if the stockholder and
14 the members of the stockholder's family (as defined in
15 Section 318 of the Internal Revenue Code) own directly,
16 indirectly, beneficially, or constructively, in the
17 aggregate, at least 50% of the value of the Taxpayer's
18 outstanding stock.

19 (2) A partnership, estate, or trust and any partner or
20 beneficiary, if the partnership, estate, or trust, and its
21 partners or beneficiaries own directly, indirectly,
22 beneficially, or constructively, in the aggregate, at
23 least 50% of the profits, capital, stock, or value of the
24 Taxpayer.

25 (3) A corporation, and any party related to the
26 corporation in a manner that would require an attribution

1 of stock from the corporation to the party or from the
2 party to the corporation under the attribution rules of
3 Section 318 of the Internal Revenue Code, if the Taxpayer
4 owns directly, indirectly, beneficially, or constructively
5 at least 50% of the value of the corporation's outstanding
6 stock.

7 (4) A corporation and any party related to that
8 corporation in a manner that would require an attribution
9 of stock from the corporation to the party or from the
10 party to the corporation under the attribution rules of
11 Section 318 of the Internal Revenue Code, if the
12 corporation and all such related parties own in the
13 aggregate at least 50% of the profits, capital, stock, or
14 value of the Taxpayer.

15 (5) A person to or from whom there is attribution of
16 stock ownership in accordance with Section 1563(e) of the
17 Internal Revenue Code, except, for purposes of determining
18 whether a person is a Related Member under this paragraph,
19 20% shall be substituted for 5% wherever 5% appears in
20 Section 1563(e) of the Internal Revenue Code.

21 "Taxpayer" means an individual, corporation, partnership,
22 or other entity that has any Illinois income tax liability.

23 "Underserved area" means a geographic area that meets one
24 or more of the following conditions:

25 (1) the area has a poverty rate of at least 20%
26 according to the latest federal decennial census;

1 (2) 75% or more of the children in the area participate
2 in the federal free lunch program according to reported
3 statistics from the State Board of Education;

4 (3) at least 20% of the households in the area receive
5 assistance under the Supplemental Nutrition Assistance
6 Program (SNAP); or

7 (4) the area has an average unemployment rate, as
8 determined by the Illinois Department of Employment
9 Security, that is more than 120% of the national
10 unemployment average, as determined by the U.S. Department
11 of Labor, for a period of at least 2 consecutive calendar
12 years preceding the date of the application.

13 Section 5-15. Powers of the Department. The Department, in
14 addition to those powers granted under the Civil Administrative
15 Code of Illinois, is granted and shall have all the powers
16 necessary or convenient to carry out and effectuate the
17 purposes and provisions of this Act, including, but not limited
18 to, power and authority to:

19 (1) Adopt rules deemed necessary and appropriate for
20 the administration of the programs; establish forms for
21 applications, notifications, contracts, or any other
22 agreements; and accept applications at any time during the
23 year.

24 (2) Provide and assist Taxpayers pursuant to the
25 provisions of this Act, and cooperate with Taxpayers that

1 are parties to Agreements to promote, foster, and support
2 economic development, capital investment, and job creation
3 or retention within the Energy Transition Zone.

4 (c) Enter into agreements and memoranda of
5 understanding for participation of and engage in
6 cooperation with agencies of the federal government, local
7 units of government, universities, research foundations or
8 institutions, regional economic development corporations,
9 or other organizations for the purposes of this Act.

10 (4) Gather information and conduct inquiries, in the
11 manner and by the methods as it deems desirable, including
12 without limitation, gathering information with respect to
13 Applicants for the purpose of making any designations or
14 certifications necessary or desirable or to gather
15 information to assist the Committee with any
16 recommendation or guidance in the furtherance of the
17 purposes of this Act.

18 (5) Establish, negotiate and effectuate any term,
19 agreement or other document with any person, necessary or
20 appropriate to accomplish the purposes of this Act; and to
21 consent, subject to the provisions of any Agreement with
22 another party, to the modification or restructuring of any
23 Agreement to which the Department is a party.

24 (6) Fix, determine, charge, and collect any premiums,
25 fees, charges, costs, and expenses from Applicants,
26 including, without limitation, any application fees,

1 commitment fees, program fees, financing charges, or
2 publication fees as deemed appropriate to pay expenses
3 necessary or incident to the administration, staffing, or
4 operation in connection with the Department's or
5 Committee's activities under this Act, or for preparation,
6 implementation, and enforcement of the terms of the
7 Agreement, or for consultation, advisory and legal fees,
8 and other costs; however, all fees and expenses incident
9 thereto shall be the responsibility of the Applicant.

10 (7) Provide for sufficient personnel to permit
11 administration, staffing, operation, and related support
12 required to adequately discharge its duties and
13 responsibilities described in this Act from funds made
14 available through charges to Applicants or from funds as
15 may be appropriated by the General Assembly for the
16 administration of this Act.

17 (8) Require Applicants, upon written request, to issue
18 any necessary authorization to the appropriate federal,
19 state, or local authority for the release of information
20 concerning a project being considered under the provisions
21 of this Act, with the information requested to include, but
22 not be limited to, financial reports, returns, or records
23 relating to the Taxpayer or its project.

24 (9) Require that a Taxpayer shall at all times keep
25 proper books of record and account in accordance with
26 generally accepted accounting principles consistently

1 applied, with the books, records, or papers related to the
2 Agreement in the custody or control of the Taxpayer open
3 for reasonable Department inspection and audits, and
4 including, without limitation, the making of copies of the
5 books, records, or papers, and the inspection or appraisal
6 of any of the Taxpayer or project assets.

7 (10) Take whatever actions are necessary or
8 appropriate to protect the State's interest in the event of
9 bankruptcy, default, foreclosure, or noncompliance with
10 the terms and conditions of financial assistance or
11 participation required under this Act, including the power
12 to sell, dispose, lease, or rent, upon terms and conditions
13 determined by the Director to be appropriate, real or
14 personal property that the Department may receive as a
15 result of these actions.

16 Section 5-20. Tax credit awards.

17 (a) Subject to the conditions set forth in this Act, a
18 Taxpayer is entitled to a Credit against or, as described in
19 subsection (f) of this Section, a payment towards taxes imposed
20 pursuant to subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act that may be imposed on the Taxpayer for
22 a taxable year beginning on or after January 1, 2019, if the
23 Taxpayer is awarded a Credit by the Department under this Act
24 for that taxable year.

25 The Department shall make Credit awards under this Act to

1 foster job creation and the development of green energy in
2 Energy Transition Zones.

3 (b) A person that proposes a project to create new jobs and
4 to invest in the development of a green energy production
5 facility in an Energy Transition Zone must enter into an
6 Agreement with the Department for the Credit under this Act

7 (c) The Credit shall be claimed for the taxable years
8 specified in the Agreement.

9 (d) The Credit shall not exceed the Incremental Income Tax
10 attributable to the project that is the subject of the
11 Agreement.

12 (e) Nothing herein shall prohibit a Tax Credit Award to an
13 Applicant that uses a PEO if all other award criteria are
14 satisfied.

15 (f) This Section is exempt from the provisions of Section
16 250 of the Illinois Income Tax Act.

17 Section 5-25. Application for a project to create and
18 retain new jobs and to develop green energy.

19 (a) Any green energy enterprise proposing a project to
20 build a green energy production facility located or planned to
21 be located in an Energy Transition Zone may request
22 consideration for designation of its project, by formal written
23 letter of request or by formal application to the Department,
24 in which the Applicant states its intent to make at least a
25 specified level of investment and intends to hire or retain a

1 specified number of full-time employees at a designated
2 location in Illinois. As circumstances require, the Department
3 may require a formal application from an Applicant and a formal
4 letter of request for assistance.

5 (b) In order to qualify for Credits under this Act, an
6 Applicant's project must:

7 (1) be for the purpose of producing green energy;

8 (2) if the Applicant has more than 100 employees,
9 involve an investment of at least \$2,500,000 in capital
10 improvements to be placed in service within an Energy
11 Transition Zone as a direct result of the project; if the
12 Applicant has 100 or fewer employees, then there is no
13 capital investment requirement; and

14 (3) if the Applicant has more than 100 employees,
15 employ a number of new employees in the Energy Transition
16 Zone equal to the lesser of (A) 10% of the number of
17 full-time employees employed by the applicant world-wide
18 on the date the application is filed with the Department or
19 (B) 50 New Employees; and, if the Applicant has 100 or
20 fewer employees, employ a number of new employees in the
21 State equal to the lesser of (A) 5% of the number of
22 full-time employees employed by the applicant world-wide
23 on the date the application is filed with the Department or
24 (B) 50 New Employees;

25 (c) After receipt of an application, the Department may
26 enter into an Agreement with the Applicant if the application

1 is accepted in accordance with Section 5-25.

2 Section 5-30. Review of application.

3 (a) In addition to those duties granted under the Illinois
4 Economic Development Board Act, the Illinois Economic
5 Development Board shall form an Energy Transition Investment
6 Committee for the purpose of making recommendations for
7 applications. At the request of the Board, the Director of
8 Commerce and Economic Opportunity or his or her designee, the
9 Director of the Governor's Office of Management and Budget or
10 his or her designee, the Director of Revenue or his or her
11 designee, the Director of Employment Security or his or her
12 designee, and an elected official of the affected locality,
13 such as the chair of the county board or the mayor, may serve
14 as members of the Committee to assist with its analysis and
15 deliberations.

16 (b) At the Department's request, the Committee shall
17 convene, make inquiries, and conduct studies in the manner and
18 by the methods as it deems desirable, review information with
19 respect to Applicants, and make recommendations for projects to
20 benefit an Energy Transition Zone. In making its recommendation
21 that an Applicant's application for Credit should or should not
22 be accepted, which shall occur within a reasonable time frame
23 as determined by the nature of the application, the Committee
24 shall determine that all the following conditions exist:

25 (1) The Applicant's project intends, as required by

1 subsection (b) of Section 5 to make the required investment
2 in the Energy Transition Zone and intends to hire the
3 required number of New Employees in the Energy Transition
4 Zone as a result of that project.

5 (2) The Applicant's project is economically sound and
6 will benefit the people of the Energy Transition Zone by
7 increasing opportunities for employment and engaging in
8 the development of green energy.

9 (3) That, if not for the Credit, the project would not
10 occur in Illinois, which may be demonstrated by evidence
11 that receipt of the Credit is essential to the Applicant's
12 decision to create new jobs in the State, such as the
13 magnitude of the cost differential between Illinois and a
14 competing State; in addition, if the Applicant is seeking
15 an increase in the maximum amount of the Credit for
16 retained employees, the Applicant must provide evidence
17 the Applicant has multi-state location options and could
18 reasonably and efficiently locate outside of the State or
19 demonstrate that at least one other state is being
20 considered for the project.

21 (4) A cost differential is identified, using best
22 available data, in the projected costs for the Applicant's
23 project compared to the costs in the competing state,
24 including the impact of the competing state's incentive
25 programs. The competing state's incentive programs shall
26 include state, local, private, and federal funds

1 available.

2 (5) The political subdivisions affected by the project
3 have committed local incentives with respect to the
4 project, considering local ability to assist.

5 (6) Awarding the Credit will result in an overall
6 positive fiscal impact to the State, as certified by the
7 Committee using the best available data.

8 (7) The Credit is not prohibited by Section 5-45 of
9 this Act.

10 Section 5-35. Limitation to amount of costs of specified
11 items. The total amount of the Credit allowed during all tax
12 years may not exceed the aggregate amount of costs incurred by
13 the Taxpayer during all prior tax years for the following
14 items, to the extent provided in the Agreement:

15 (1) capital investment, including, but not limited to,
16 equipment, buildings, or land;

17 (2) infrastructure development;

18 (3) debt service, except refinancing of current debt;

19 (4) research and development;

20 (5) job training and education;

21 (6) lease costs; or

22 (7) relocation costs.

23 Section 5-40. Relocation of jobs to Energy Transition Zone.

24 A taxpayer is not entitled to claim the credit provided by this

1 Act with respect to any jobs that the taxpayer relocates from
2 one site in Illinois to another site in an Energy Transition
3 Zone. A taxpayer with respect to a qualifying project certified
4 under the Corporate Headquarters Relocation Act, however, is
5 not subject to the requirements of this Section but is
6 nevertheless considered an applicant for purposes of this Act.
7 Moreover, any full-time employee of an eligible green energy
8 enterprise relocated to an Energy Transition Zone in connection
9 with that qualifying project is deemed to be a new employee for
10 purposes of this Act. Determinations under this Section shall
11 be made by the Department.

12 Section 5-45. Determination of amount of the Credit. In
13 determining the amount of the Credit that should be awarded,
14 the Committee shall provide guidance on, and the Department
15 shall take into consideration, all of the following factors:

16 (1) The number and location of jobs created and
17 retained in relation to the economy of the Energy
18 Transition Zone where the projected investment is to occur.

19 (2) The potential impact on the economy of the Energy
20 Transition Zone.

21 (3) The advancement of green energy in the Energy
22 Transition Zone.

23 (4) The incremental payroll attributable to the
24 project.

25 (5) The capital investment attributable to the

1 project.

2 (6) The amount of the average wage and benefits paid by
3 the Applicant in relation to the wage and benefits of the
4 Energy Transition Zone.

5 (7) The costs to Illinois and the affected political
6 subdivisions with respect to the project.

7 (8) The financial assistance that is otherwise
8 provided by Illinois and the affected political
9 subdivisions.

10 Section 5-50. Amount and curation of credit.

11 (a) The Department shall determine the amount and duration
12 of the credit awarded under this Act. The duration of the
13 credit may not exceed 10 taxable years. The credit may be
14 stated as a percentage of the Incremental Income Tax
15 attributable to the applicant's project and may include a fixed
16 dollar limitation. An Agreement for the credit must be
17 finalized and signed by all parties while the area in which the
18 project is located is designated an Energy Transition Zone. The
19 credit may last longer than the applicable Energy Transition
20 Zone designation. Agreements entered into prior to the
21 de-designation of an Energy Transition Zone will be honored for
22 the length of the Agreement.

23 (b) Notwithstanding subsection (a), the credit may be
24 applied in more than 10 taxable years but not more than 15
25 taxable years for an eligible green energy enterprise that

1 qualifies under this Act and the Corporate Headquarters
2 Relocation Act and has in fact undertaken a qualifying project
3 within the timeframe specified by the Department of Commerce
4 and Economic Opportunity under that Act. In that case, the
5 Department of Commerce and Economic Opportunity shall extend
6 the tax credit agreement to not more than 15 years and reduce
7 the annual allocation to 60% of the maximum credit that would
8 otherwise be available under this Act.

9 (c) The tax credit may not reduce the taxpayer's liability
10 to less than zero. If the amount of tax credit exceeds the
11 liability for the year, the excess may be carried forward and
12 applied to the tax liability of the 5 taxable years following
13 the excess credit year. The credit must be applied to the
14 earliest year for which there is a tax liability. If there are
15 credits from more than one tax year that are available to
16 offset a liability, then the earlier credit will be applied
17 first.

18 Section 5-55. Contents of Agreements with Applicants. The
19 Department shall enter into an Agreement with an Applicant that
20 is awarded a Credit under this Act. The Agreement must include
21 all of the following:

22 (1) A detailed description of the project that is the
23 subject of the Agreement, including the location and amount
24 of the investment and jobs created or retained.

25 (2) The duration of the Credit and the first taxable

1 year for which the Credit may be claimed.

2 (3) The Credit amount that will be allowed for each
3 taxable year.

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

7 (5) A specific method for determining the number of New
8 Employees employed during a taxable year.

9 (6) A requirement that the Taxpayer shall annually
10 report to the Department the number of New Employees, the
11 Incremental Income Tax withheld in connection with the New
12 Employees, and any other information the Director needs to
13 perform the Director's duties under this Act.

14 (7) A requirement that the Director is authorized to
15 verify with the appropriate State agencies the amounts
16 reported under paragraph (6), and after doing so shall
17 issue a certificate to the Taxpayer stating that the
18 amounts have been verified.

19 (8) A requirement that the Taxpayer shall provide
20 written notification to the Director not more than 30 days
21 after the Taxpayer makes or receives a proposal that would
22 transfer the Taxpayer's State tax liability obligations to
23 a successor Taxpayer.

24 (9) A detailed description of the number of New
25 Employees to be hired, and the occupation and payroll of
26 the full-time jobs to be created or retained as a result of

1 the project.

2 (10) The minimum investment the green energy
3 enterprise will make in capital improvements, the time
4 period for placing the property in service, and the
5 designated green energy production of the project.

6 (11) A requirement that the Taxpayer shall provide
7 written notification to the Director and the Committee not
8 more than 30 days after the Taxpayer determines that the
9 minimum job creation or retention, employment payroll, or
10 investment no longer is being or will be achieved or
11 maintained as set forth in the terms and conditions of the
12 Agreement.

13 (12) A provision that, if the total number of New
14 Employees falls below a specified level, the allowance of
15 Credit shall be suspended until the number of New Employees
16 equals or exceeds the Agreement amount.

17 (13) A detailed description of the items for which the
18 costs incurred by the Taxpayer will be included in the
19 limitation on the Credit provided in Section 5-40.

20 (14) A provision that, if the Taxpayer never meets
21 either the investment or job creation and retention
22 requirements specified in the Agreement during the entire
23 5-year period beginning on the first day of the first
24 taxable year in which the Agreement is executed and ending
25 on the last day of the fifth taxable year after the
26 Agreement is executed, then the Agreement is automatically

1 terminated on the last day of the fifth taxable year after
2 the Agreement is executed and the Taxpayer is not entitled
3 to the award of any credits for any of that 5-year period.

4 (15) A provision specifying that, if the Taxpayer
5 ceases principal operations with the intent to shut down
6 the project in the Energy Transition Zone permanently
7 during the term of the Agreement, then the entire credit
8 amount awarded to the Taxpayer prior to the date the
9 Taxpayer ceases principal operations shall be returned to
10 the Department.

11 (16) Any other performance conditions or contract
12 provisions as the Department determines are appropriate.
13 The Department shall post on its website the terms of each
14 Agreement entered into under this Act. Such information
15 shall be posted within 10 days after entering into the
16 Agreement and must include the following:

17 (A) the name of the recipient business;

18 (B) the location of the project;

19 (C) the estimated value of the credit;

20 (C) the number of new jobs and, if applicable,
21 retained jobs pledged as a result of the project; and

22 (E) whether or not the project is located in an
23 underserved area.

24 Section 5-60. Certificate of verification; submission to
25 the Department of Revenue. A Taxpayer claiming a Credit under

1 this Act shall submit to the Department of Revenue a copy of
2 the Director's certificate of verification under this Act for
3 the taxable year. However, failure to submit a copy of the
4 certificate with the Taxpayer's tax return shall not invalidate
5 a claim for a Credit.

6 For a Taxpayer to be eligible for a certificate of
7 verification, the Taxpayer shall provide proof as required by
8 the Department prior to the end of each calendar year,
9 including, but not limited to, attestation by the Taxpayer
10 that:

11 (1) The project has substantially achieved the level of
12 new full-time jobs in the Energy Transition Zone, as
13 specified in its Agreement.

14 (2) The project has substantially achieved the level of
15 annual payroll in the Energy Transition Zone, as specified
16 in its Agreement.

17 (3) The project has substantially achieved the level of
18 capital investment in the Energy Transition Zone, as
19 specified in its Agreement;

20 (4) The project has assisted in the development of
21 green energy production in the Energy Transition Zone, as
22 specified in its Agreement.

23 Section 5-65. Supplier diversity. Each taxpayer claiming a
24 credit under this Act shall, no later than April 15 of each
25 taxable year for which the taxpayer claims a credit under this

1 Act, submit to the Department of Commerce and Economic
2 Opportunity an annual report containing the information
3 described in subsections (b), (c), (d), and (e) of Section
4 5-117 of the Public Utilities Act. Those reports shall be
5 submitted in the form and manner required by the Department of
6 Commerce and Economic Opportunity.

7 Section 5-70. Pass through entities.

8 (a) For partners, shareholders of Subchapter S
9 corporations, and owners of limited liability companies, if the
10 liability company is treated as a partnership for purposes of
11 federal and State income taxation, there is allowed a credit
12 under this Section to be determined in accordance with the
13 determination of income and distributive share of income under
14 Sections 702 and 704 and Subchapter S of the Internal Revenue
15 Code.

16 (b) The Credit provided under subsection (a) is in addition
17 to any Credit to which a shareholder or partner is otherwise
18 entitled under a separate Agreement under this Act. A pass
19 through entity and a shareholder or partner of the pass through
20 entity may not claim more than one Credit under the same
21 Agreement.

22 Section 5-75. Noncompliance; notice; assessment. If the
23 Director determines that a Taxpayer who has received a Credit
24 under this Act is not complying with the requirements of the

1 Agreement or all of the provisions of this Act, the Director
2 shall provide notice to the Taxpayer of the alleged
3 noncompliance, and allow the Taxpayer a hearing under the
4 provisions of the Illinois Administrative Procedure Act. If,
5 after such notice and any hearing, the Director determines that
6 a noncompliance exists, the Director shall issue to the
7 Department of Revenue notice to that effect, stating the
8 Noncompliance Date. If, during the term of an Agreement, the
9 Taxpayer ceases operations at a project location that is the
10 subject of that Agreement with the intent to terminate
11 operations in the Energy Transition Zone, the Department and
12 the Department of Revenue shall recapture from the Taxpayer the
13 entire Credit amount awarded under that Agreement prior to the
14 date the taxpayer ceases operations. The Department shall,
15 subject to appropriation, reallocate the recaptured amounts to
16 the local workforce investment area in which the project was
17 located for the purposes of workforce development, expanded
18 opportunities for unemployed persons, and expanded
19 opportunities for women and minorities in the workforce.

20 Section 5-80. Annual report. On or before July 1 each year,
21 the Committee shall submit a report to the Department on the
22 tax credit program under this Act to the Governor and the
23 General Assembly. The report shall include information on the
24 number of Agreements that were entered into under this Act
25 during the preceding calendar year, a description of the

1 project that is the subject of each Agreement, an update on the
2 status of projects under Agreements entered into before the
3 preceding calendar year, and the sum of the Credits awarded
4 under this Act. A copy of the report shall be delivered to the
5 Governor and to each member of the General Assembly.

6 The report must include, for each Agreement:

7 (1) the original estimates of the value of the Credit
8 and the number of new jobs to be created and, if
9 applicable, the number of retained jobs;

10 (2) any relevant modifications to existing Agreements;

11 (3) a statement of the progress made by each Taxpayer
12 in meeting the terms of the original Agreement;

13 (4) a statement of wages paid to New Employees and, if
14 applicable, retained employees in the State;

15 (5) any information reported under Section 5-65 of this
16 Act; and

17 (6) a copy of the original Agreement.

18 Section 5-85. Evaluation of tax credit program. On a
19 biennial basis, the Department shall evaluate the tax credit
20 program. The evaluation shall include an assessment of the
21 effectiveness of the program in creating new jobs in Illinois
22 and of the revenue impact of the program, and may include a
23 review of the practices and experiences of other states with
24 similar programs. The Director shall submit a report on the
25 evaluation to the Governor and the General Assembly after June

1 30 and before November 1 in each odd-numbered year.

2 Section 5-90. Adoption of rules. The Department may adopt
3 rules necessary to implement this Act. The rules may provide
4 for recipients of Credits under this Act to be charged fees to
5 cover administrative costs of the tax credit program. Fees
6 collected shall be deposited into the Energy Transition Fund.

7 Section 5-95. The Energy Transition Fund.

8 (a) The Energy Transition Fund is established as a special
9 fund within the State treasury to be used exclusively for the
10 purposes of this Act, including paying for the costs of
11 administering this Act. The Fund shall be administered by the
12 Department.

13 (b) The Fund consists of collected fees, appropriations
14 from the General Assembly, and gifts and grants to the Fund.

15 (c) The State Treasurer shall invest the money in the Fund
16 not currently needed to meet the obligations of the Fund in the
17 same manner as other public funds may be invested. Interest
18 that accrues from these investments shall be deposited into the
19 Fund.

20 (d) The money in the Fund at the end of a State fiscal year
21 remains in the Fund to be used exclusively for the purposes of
22 this Act. Expenditures from the Fund are subject to
23 appropriation by the General Assembly.

1 Section 5-100. Program terms and conditions.

2 (a) Any documentary materials or data made available or
3 received by any member of a Committee or any agent or employee
4 of the Department shall be deemed confidential and shall not be
5 deemed public records to the extent that the materials or data
6 consists of trade secrets, commercial or financial information
7 regarding the operation of the business conducted by the
8 Applicant for or recipient of any tax credit under this Act, or
9 any information regarding the competitive position of a
10 business in a particular field of endeavor.

11 (b) Nothing in this Act shall be construed as creating any
12 rights in any Applicant to enter into an Agreement or in any
13 person to challenge the terms of any Agreement.

14 Article 10. Amendatory Provisions

15 Section 10-5. The Illinois Administrative Procedure Act is
16 amended by changing Section 5-45 as follows:

17 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

18 Sec. 5-45. Emergency rulemaking.

19 (a) "Emergency" means the existence of any situation that
20 any agency finds reasonably constitutes a threat to the public
21 interest, safety, or welfare.

22 (b) If any agency finds that an emergency exists that
23 requires adoption of a rule upon fewer days than is required by

1 Section 5-40 and states in writing its reasons for that
2 finding, the agency may adopt an emergency rule without prior
3 notice or hearing upon filing a notice of emergency rulemaking
4 with the Secretary of State under Section 5-70. The notice
5 shall include the text of the emergency rule and shall be
6 published in the Illinois Register. Consent orders or other
7 court orders adopting settlements negotiated by an agency may
8 be adopted under this Section. Subject to applicable
9 constitutional or statutory provisions, an emergency rule
10 becomes effective immediately upon filing under Section 5-65 or
11 at a stated date less than 10 days thereafter. The agency's
12 finding and a statement of the specific reasons for the finding
13 shall be filed with the rule. The agency shall take reasonable
14 and appropriate measures to make emergency rules known to the
15 persons who may be affected by them.

16 (c) An emergency rule may be effective for a period of not
17 longer than 150 days, but the agency's authority to adopt an
18 identical rule under Section 5-40 is not precluded. No
19 emergency rule may be adopted more than once in any 24-month
20 period, except that this limitation on the number of emergency
21 rules that may be adopted in a 24-month period does not apply
22 to (i) emergency rules that make additions to and deletions
23 from the Drug Manual under Section 5-5.16 of the Illinois
24 Public Aid Code or the generic drug formulary under Section
25 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
26 emergency rules adopted by the Pollution Control Board before

1 July 1, 1997 to implement portions of the Livestock Management
2 Facilities Act, (iii) emergency rules adopted by the Illinois
3 Department of Public Health under subsections (a) through (i)
4 of Section 2 of the Department of Public Health Act when
5 necessary to protect the public's health, (iv) emergency rules
6 adopted pursuant to subsection (n) of this Section, (v)
7 emergency rules adopted pursuant to subsection (o) of this
8 Section, or (vi) emergency rules adopted pursuant to subsection
9 (c-5) of this Section. Two or more emergency rules having
10 substantially the same purpose and effect shall be deemed to be
11 a single rule for purposes of this Section.

12 (c-5) To facilitate the maintenance of the program of group
13 health benefits provided to annuitants, survivors, and retired
14 employees under the State Employees Group Insurance Act of
15 1971, rules to alter the contributions to be paid by the State,
16 annuitants, survivors, retired employees, or any combination
17 of those entities, for that program of group health benefits,
18 shall be adopted as emergency rules. The adoption of those
19 rules shall be considered an emergency and necessary for the
20 public interest, safety, and welfare.

21 (d) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 1999 budget,
23 emergency rules to implement any provision of Public Act 90-587
24 or 90-588 or any other budget initiative for fiscal year 1999
25 may be adopted in accordance with this Section by the agency
26 charged with administering that provision or initiative,

1 except that the 24-month limitation on the adoption of
2 emergency rules and the provisions of Sections 5-115 and 5-125
3 do not apply to rules adopted under this subsection (d). The
4 adoption of emergency rules authorized by this subsection (d)
5 shall be deemed to be necessary for the public interest,
6 safety, and welfare.

7 (e) In order to provide for the expeditious and timely
8 implementation of the State's fiscal year 2000 budget,
9 emergency rules to implement any provision of Public Act 91-24
10 or any other budget initiative for fiscal year 2000 may be
11 adopted in accordance with this Section by the agency charged
12 with administering that provision or initiative, except that
13 the 24-month limitation on the adoption of emergency rules and
14 the provisions of Sections 5-115 and 5-125 do not apply to
15 rules adopted under this subsection (e). The adoption of
16 emergency rules authorized by this subsection (e) shall be
17 deemed to be necessary for the public interest, safety, and
18 welfare.

19 (f) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2001 budget,
21 emergency rules to implement any provision of Public Act 91-712
22 or any other budget initiative for fiscal year 2001 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (f). The adoption of
2 emergency rules authorized by this subsection (f) shall be
3 deemed to be necessary for the public interest, safety, and
4 welfare.

5 (g) In order to provide for the expeditious and timely
6 implementation of the State's fiscal year 2002 budget,
7 emergency rules to implement any provision of Public Act 92-10
8 or any other budget initiative for fiscal year 2002 may be
9 adopted in accordance with this Section by the agency charged
10 with administering that provision or initiative, except that
11 the 24-month limitation on the adoption of emergency rules and
12 the provisions of Sections 5-115 and 5-125 do not apply to
13 rules adopted under this subsection (g). The adoption of
14 emergency rules authorized by this subsection (g) shall be
15 deemed to be necessary for the public interest, safety, and
16 welfare.

17 (h) In order to provide for the expeditious and timely
18 implementation of the State's fiscal year 2003 budget,
19 emergency rules to implement any provision of Public Act 92-597
20 or any other budget initiative for fiscal year 2003 may be
21 adopted in accordance with this Section by the agency charged
22 with administering that provision or initiative, except that
23 the 24-month limitation on the adoption of emergency rules and
24 the provisions of Sections 5-115 and 5-125 do not apply to
25 rules adopted under this subsection (h). The adoption of
26 emergency rules authorized by this subsection (h) shall be

1 deemed to be necessary for the public interest, safety, and
2 welfare.

3 (i) In order to provide for the expeditious and timely
4 implementation of the State's fiscal year 2004 budget,
5 emergency rules to implement any provision of Public Act 93-20
6 or any other budget initiative for fiscal year 2004 may be
7 adopted in accordance with this Section by the agency charged
8 with administering that provision or initiative, except that
9 the 24-month limitation on the adoption of emergency rules and
10 the provisions of Sections 5-115 and 5-125 do not apply to
11 rules adopted under this subsection (i). The adoption of
12 emergency rules authorized by this subsection (i) shall be
13 deemed to be necessary for the public interest, safety, and
14 welfare.

15 (j) In order to provide for the expeditious and timely
16 implementation of the provisions of the State's fiscal year
17 2005 budget as provided under the Fiscal Year 2005 Budget
18 Implementation (Human Services) Act, emergency rules to
19 implement any provision of the Fiscal Year 2005 Budget
20 Implementation (Human Services) Act may be adopted in
21 accordance with this Section by the agency charged with
22 administering that provision, except that the 24-month
23 limitation on the adoption of emergency rules and the
24 provisions of Sections 5-115 and 5-125 do not apply to rules
25 adopted under this subsection (j). The Department of Public Aid
26 may also adopt rules under this subsection (j) necessary to

1 administer the Illinois Public Aid Code and the Children's
2 Health Insurance Program Act. The adoption of emergency rules
3 authorized by this subsection (j) shall be deemed to be
4 necessary for the public interest, safety, and welfare.

5 (k) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2006 budget, emergency rules to implement any provision of
8 Public Act 94-48 or any other budget initiative for fiscal year
9 2006 may be adopted in accordance with this Section by the
10 agency charged with administering that provision or
11 initiative, except that the 24-month limitation on the adoption
12 of emergency rules and the provisions of Sections 5-115 and
13 5-125 do not apply to rules adopted under this subsection (k).
14 The Department of Healthcare and Family Services may also adopt
15 rules under this subsection (k) necessary to administer the
16 Illinois Public Aid Code, the Senior Citizens and Persons with
17 Disabilities Property Tax Relief Act, the Senior Citizens and
18 Disabled Persons Prescription Drug Discount Program Act (now
19 the Illinois Prescription Drug Discount Program Act), and the
20 Children's Health Insurance Program Act. The adoption of
21 emergency rules authorized by this subsection (k) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare.

24 (l) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2007 budget, the Department of Healthcare and Family Services

1 may adopt emergency rules during fiscal year 2007, including
2 rules effective July 1, 2007, in accordance with this
3 subsection to the extent necessary to administer the
4 Department's responsibilities with respect to amendments to
5 the State plans and Illinois waivers approved by the federal
6 Centers for Medicare and Medicaid Services necessitated by the
7 requirements of Title XIX and Title XXI of the federal Social
8 Security Act. The adoption of emergency rules authorized by
9 this subsection (l) shall be deemed to be necessary for the
10 public interest, safety, and welfare.

11 (m) In order to provide for the expeditious and timely
12 implementation of the provisions of the State's fiscal year
13 2008 budget, the Department of Healthcare and Family Services
14 may adopt emergency rules during fiscal year 2008, including
15 rules effective July 1, 2008, in accordance with this
16 subsection to the extent necessary to administer the
17 Department's responsibilities with respect to amendments to
18 the State plans and Illinois waivers approved by the federal
19 Centers for Medicare and Medicaid Services necessitated by the
20 requirements of Title XIX and Title XXI of the federal Social
21 Security Act. The adoption of emergency rules authorized by
22 this subsection (m) shall be deemed to be necessary for the
23 public interest, safety, and welfare.

24 (n) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2010 budget, emergency rules to implement any provision of

1 Public Act 96-45 or any other budget initiative authorized by
2 the 96th General Assembly for fiscal year 2010 may be adopted
3 in accordance with this Section by the agency charged with
4 administering that provision or initiative. The adoption of
5 emergency rules authorized by this subsection (n) shall be
6 deemed to be necessary for the public interest, safety, and
7 welfare. The rulemaking authority granted in this subsection
8 (n) shall apply only to rules promulgated during Fiscal Year
9 2010.

10 (o) In order to provide for the expeditious and timely
11 implementation of the provisions of the State's fiscal year
12 2011 budget, emergency rules to implement any provision of
13 Public Act 96-958 or any other budget initiative authorized by
14 the 96th General Assembly for fiscal year 2011 may be adopted
15 in accordance with this Section by the agency charged with
16 administering that provision or initiative. The adoption of
17 emergency rules authorized by this subsection (o) is deemed to
18 be necessary for the public interest, safety, and welfare. The
19 rulemaking authority granted in this subsection (o) applies
20 only to rules promulgated on or after July 1, 2010 (the
21 effective date of Public Act 96-958) through June 30, 2011.

22 (p) In order to provide for the expeditious and timely
23 implementation of the provisions of Public Act 97-689,
24 emergency rules to implement any provision of Public Act 97-689
25 may be adopted in accordance with this subsection (p) by the
26 agency charged with administering that provision or

1 initiative. The 150-day limitation of the effective period of
2 emergency rules does not apply to rules adopted under this
3 subsection (p), and the effective period may continue through
4 June 30, 2013. The 24-month limitation on the adoption of
5 emergency rules does not apply to rules adopted under this
6 subsection (p). The adoption of emergency rules authorized by
7 this subsection (p) is deemed to be necessary for the public
8 interest, safety, and welfare.

9 (q) In order to provide for the expeditious and timely
10 implementation of the provisions of Articles 7, 8, 9, 11, and
11 12 of Public Act 98-104, emergency rules to implement any
12 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
13 may be adopted in accordance with this subsection (q) by the
14 agency charged with administering that provision or
15 initiative. The 24-month limitation on the adoption of
16 emergency rules does not apply to rules adopted under this
17 subsection (q). The adoption of emergency rules authorized by
18 this subsection (q) is deemed to be necessary for the public
19 interest, safety, and welfare.

20 (r) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 98-651,
22 emergency rules to implement Public Act 98-651 may be adopted
23 in accordance with this subsection (r) by the Department of
24 Healthcare and Family Services. The 24-month limitation on the
25 adoption of emergency rules does not apply to rules adopted
26 under this subsection (r). The adoption of emergency rules

1 authorized by this subsection (r) is deemed to be necessary for
2 the public interest, safety, and welfare.

3 (s) In order to provide for the expeditious and timely
4 implementation of the provisions of Sections 5-5b.1 and 5A-2 of
5 the Illinois Public Aid Code, emergency rules to implement any
6 provision of Section 5-5b.1 or Section 5A-2 of the Illinois
7 Public Aid Code may be adopted in accordance with this
8 subsection (s) by the Department of Healthcare and Family
9 Services. The rulemaking authority granted in this subsection
10 (s) shall apply only to those rules adopted prior to July 1,
11 2015. Notwithstanding any other provision of this Section, any
12 emergency rule adopted under this subsection (s) shall only
13 apply to payments made for State fiscal year 2015. The adoption
14 of emergency rules authorized by this subsection (s) is deemed
15 to be necessary for the public interest, safety, and welfare.

16 (t) In order to provide for the expeditious and timely
17 implementation of the provisions of Article II of Public Act
18 99-6, emergency rules to implement the changes made by Article
19 II of Public Act 99-6 to the Emergency Telephone System Act may
20 be adopted in accordance with this subsection (t) by the
21 Department of State Police. The rulemaking authority granted in
22 this subsection (t) shall apply only to those rules adopted
23 prior to July 1, 2016. The 24-month limitation on the adoption
24 of emergency rules does not apply to rules adopted under this
25 subsection (t). The adoption of emergency rules authorized by
26 this subsection (t) is deemed to be necessary for the public

1 interest, safety, and welfare.

2 (u) In order to provide for the expeditious and timely
3 implementation of the provisions of the Burn Victims Relief
4 Act, emergency rules to implement any provision of the Act may
5 be adopted in accordance with this subsection (u) by the
6 Department of Insurance. The rulemaking authority granted in
7 this subsection (u) shall apply only to those rules adopted
8 prior to December 31, 2015. The adoption of emergency rules
9 authorized by this subsection (u) is deemed to be necessary for
10 the public interest, safety, and welfare.

11 (v) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 99-516,
13 emergency rules to implement Public Act 99-516 may be adopted
14 in accordance with this subsection (v) by the Department of
15 Healthcare and Family Services. The 24-month limitation on the
16 adoption of emergency rules does not apply to rules adopted
17 under this subsection (v). The adoption of emergency rules
18 authorized by this subsection (v) is deemed to be necessary for
19 the public interest, safety, and welfare.

20 (w) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 99-796,
22 emergency rules to implement the changes made by Public Act
23 99-796 may be adopted in accordance with this subsection (w) by
24 the Adjutant General. The adoption of emergency rules
25 authorized by this subsection (w) is deemed to be necessary for
26 the public interest, safety, and welfare.

1 (x) In order to provide for the expeditious and timely
2 implementation of the provisions of Public Act 99-906,
3 emergency rules to implement subsection (i) of Section 16-115D,
4 subsection (g) of Section 16-128A, and subsection (a) of
5 Section 16-128B of the Public Utilities Act may be adopted in
6 accordance with this subsection (x) by the Illinois Commerce
7 Commission. The rulemaking authority granted in this
8 subsection (x) shall apply only to those rules adopted within
9 180 days after June 1, 2017 (the effective date of Public Act
10 99-906). The adoption of emergency rules authorized by this
11 subsection (x) is deemed to be necessary for the public
12 interest, safety, and welfare.

13 (y) In order to provide for the expeditious and timely
14 implementation of the provisions of Public Act 100-23 ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~, emergency rules
16 to implement the changes made by Public Act 100-23 ~~this~~
17 ~~amendatory Act of the 100th General Assembly~~ to Section 4.02 of
18 the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the
19 Illinois Public Aid Code, Section 55-30 of the Alcoholism and
20 Other Drug Abuse and Dependency Act, and Sections 74 and 75 of
21 the Mental Health and Developmental Disabilities
22 Administrative Act may be adopted in accordance with this
23 subsection (y) by the respective Department. The adoption of
24 emergency rules authorized by this subsection (y) is deemed to
25 be necessary for the public interest, safety, and welfare.

26 (z) In order to provide for the expeditious and timely

1 implementation of the provisions of Public Act 100-554 ~~this~~
2 ~~amendatory Act of the 100th General Assembly~~, emergency rules
3 to implement the changes made by Public Act 100-554 ~~this~~
4 ~~amendatory Act of the 100th General Assembly~~ to Section 4.7 of
5 the Lobbyist Registration Act may be adopted in accordance with
6 this subsection (z) by the Secretary of State. The adoption of
7 emergency rules authorized by this subsection (z) is deemed to
8 be necessary for the public interest, safety, and welfare.

9 (aa) In order to provide for the expeditious and timely
10 initial implementation of the changes made to Articles 5, 5A,
11 12, and 14 of the Illinois Public Aid Code under the provisions
12 of Public Act 100-581 ~~this amendatory Act of the 100th General~~
13 ~~Assembly~~, the Department of Healthcare and Family Services may
14 adopt emergency rules in accordance with this subsection (aa).
15 The 24-month limitation on the adoption of emergency rules does
16 not apply to rules to initially implement the changes made to
17 Articles 5, 5A, 12, and 14 of the Illinois Public Aid Code
18 adopted under this subsection (aa). The adoption of emergency
19 rules authorized by this subsection (aa) is deemed to be
20 necessary for the public interest, safety, and welfare.

21 (bb) In order to provide for the expeditious and timely
22 implementation of the provisions of Public Act 100-587 ~~this~~
23 ~~amendatory Act of the 100th General Assembly~~, emergency rules
24 to implement the changes made by Public Act 100-587 ~~this~~
25 ~~amendatory Act of the 100th General Assembly~~ to Section 4.02 of
26 the Illinois Act on the Aging, Sections 5.5.4 and 5-5.4i of the

1 Illinois Public Aid Code, subsection (b) of Section 55-30 of
2 the Alcoholism and Other Drug Abuse and Dependency Act, Section
3 5-104 of the Specialized Mental Health Rehabilitation Act of
4 2013, and Section 75 and subsection (b) of Section 74 of the
5 Mental Health and Developmental Disabilities Administrative
6 Act may be adopted in accordance with this subsection (bb) by
7 the respective Department. The adoption of emergency rules
8 authorized by this subsection (bb) is deemed to be necessary
9 for the public interest, safety, and welfare.

10 (cc) ~~(bb)~~ In order to provide for the expeditious and
11 timely implementation of the provisions of Public Act 100-587
12 ~~this amendatory Act of the 100th General Assembly~~, emergency
13 rules may be adopted in accordance with this subsection (cc)
14 ~~(bb)~~ to implement the changes made by Public Act 100-587 ~~this~~
15 ~~amendatory Act of the 100th General Assembly~~ to: Sections
16 14-147.5 and 14-147.6 of the Illinois Pension Code by the Board
17 created under Article 14 of the Code; Sections 15-185.5 and
18 15-185.6 of the Illinois Pension Code by the Board created
19 under Article 15 of the Code; and Sections 16-190.5 and
20 16-190.6 of the Illinois Pension Code by the Board created
21 under Article 16 of the Code. The adoption of emergency rules
22 authorized by this subsection (cc) ~~(bb)~~ is deemed to be
23 necessary for the public interest, safety, and welfare.

24 (dd) ~~(aa)~~ In order to provide for the expeditious and
25 timely implementation of the provisions of Public Act 100-864
26 ~~this amendatory Act of the 100th General Assembly~~, emergency

1 rules to implement the changes made by Public Act 100-864 ~~this~~
2 ~~amendatory Act of the 100th General Assembly~~ to Section 3.35 of
3 the Newborn Metabolic Screening Act may be adopted in
4 accordance with this subsection (dd) ~~(aa)~~ by the Secretary of
5 State. The adoption of emergency rules authorized by this
6 subsection (dd) ~~(aa)~~ is deemed to be necessary for the public
7 interest, safety, and welfare.

8 (ee) In order to provide for the expeditious and timely
9 implementation of the Illinois Energy Transition Zone Act,
10 emergency rules to implement the provisions of subsection (a-5)
11 of Section 1-40 of the Illinois Energy Transition Zone Act may
12 be adopted in accordance with this subsection (aa) by the
13 Department of Commerce and Economic Opportunity for period of
14 12 months after the effective date of the Illinois Energy
15 Transition Zone Act. The adoption of emergency rules authorized
16 by this subsection (aa) is deemed to be necessary for the
17 public interest, safety, and welfare.

18 (Source: P.A. 99-2, eff. 3-26-15; 99-6, eff. 1-1-16; 99-143,
19 eff. 7-27-15; 99-455, eff. 1-1-16; 99-516, eff. 6-30-16;
20 99-642, eff. 7-28-16; 99-796, eff. 1-1-17; 99-906, eff. 6-1-17;
21 100-23, eff. 7-6-17; 100-554, eff. 11-16-17; 100-581, eff.
22 3-12-18; 100-587, Article 95, Section 95-5, eff. 6-4-18;
23 100-587, Article 110, Section 110-5, eff. 6-4-18; 100-864, eff.
24 8-14-18; revised 10-18-18.)

25 Section 10-10. The State Finance Act is amended by adding

1 Section 5.891 as follows:

2 (30 ILCS 105/5.891 new)

3 Sec. 5.891. The Energy Transition Fund.

4 Section 10-15. The State Mandates Act is amended by adding
5 Section 8.43 as follows:

6 (30 ILCS 805/8.43 new)

7 Sec. 8.43. Exempt mandate. Notwithstanding Sections 6 and 8
8 of this Act, no reimbursement by the State is required for the
9 implementation of any mandate created by this amendatory Act of
10 the 101st General Assembly.

11 Section 10-20. The Illinois Income Tax Act is amended by
12 changing Section 201 as follows:

13 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

14 Sec. 201. Tax imposed.

15 (a) In general. A tax measured by net income is hereby
16 imposed on every individual, corporation, trust and estate for
17 each taxable year ending after July 31, 1969 on the privilege
18 of earning or receiving income in or as a resident of this
19 State. Such tax shall be in addition to all other occupation or
20 privilege taxes imposed by this State or by any municipal
21 corporation or political subdivision thereof.

1 (b) Rates. The tax imposed by subsection (a) of this
2 Section shall be determined as follows, except as adjusted by
3 subsection (d-1):

4 (1) In the case of an individual, trust or estate, for
5 taxable years ending prior to July 1, 1989, an amount equal
6 to 2 1/2% of the taxpayer's net income for the taxable
7 year.

8 (2) In the case of an individual, trust or estate, for
9 taxable years beginning prior to July 1, 1989 and ending
10 after June 30, 1989, an amount equal to the sum of (i) 2
11 1/2% of the taxpayer's net income for the period prior to
12 July 1, 1989, as calculated under Section 202.3, and (ii)
13 3% of the taxpayer's net income for the period after June
14 30, 1989, as calculated under Section 202.3.

15 (3) In the case of an individual, trust or estate, for
16 taxable years beginning after June 30, 1989, and ending
17 prior to January 1, 2011, an amount equal to 3% of the
18 taxpayer's net income for the taxable year.

19 (4) In the case of an individual, trust, or estate, for
20 taxable years beginning prior to January 1, 2011, and
21 ending after December 31, 2010, an amount equal to the sum
22 of (i) 3% of the taxpayer's net income for the period prior
23 to January 1, 2011, as calculated under Section 202.5, and
24 (ii) 5% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (5) In the case of an individual, trust, or estate, for

1 taxable years beginning on or after January 1, 2011, and
2 ending prior to January 1, 2015, an amount equal to 5% of
3 the taxpayer's net income for the taxable year.

4 (5.1) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to January 1, 2015, and
6 ending after December 31, 2014, an amount equal to the sum
7 of (i) 5% of the taxpayer's net income for the period prior
8 to January 1, 2015, as calculated under Section 202.5, and
9 (ii) 3.75% of the taxpayer's net income for the period
10 after December 31, 2014, as calculated under Section 202.5.

11 (5.2) In the case of an individual, trust, or estate,
12 for taxable years beginning on or after January 1, 2015,
13 and ending prior to July 1, 2017, an amount equal to 3.75%
14 of the taxpayer's net income for the taxable year.

15 (5.3) In the case of an individual, trust, or estate,
16 for taxable years beginning prior to July 1, 2017, and
17 ending after June 30, 2017, an amount equal to the sum of
18 (i) 3.75% of the taxpayer's net income for the period prior
19 to July 1, 2017, as calculated under Section 202.5, and
20 (ii) 4.95% of the taxpayer's net income for the period
21 after June 30, 2017, as calculated under Section 202.5.

22 (5.4) In the case of an individual, trust, or estate,
23 for taxable years beginning on or after July 1, 2017, an
24 amount equal to 4.95% of the taxpayer's net income for the
25 taxable year.

26 (6) In the case of a corporation, for taxable years

1 ending prior to July 1, 1989, an amount equal to 4% of the
2 taxpayer's net income for the taxable year.

3 (7) In the case of a corporation, for taxable years
4 beginning prior to July 1, 1989 and ending after June 30,
5 1989, an amount equal to the sum of (i) 4% of the
6 taxpayer's net income for the period prior to July 1, 1989,
7 as calculated under Section 202.3, and (ii) 4.8% of the
8 taxpayer's net income for the period after June 30, 1989,
9 as calculated under Section 202.3.

10 (8) In the case of a corporation, for taxable years
11 beginning after June 30, 1989, and ending prior to January
12 1, 2011, an amount equal to 4.8% of the taxpayer's net
13 income for the taxable year.

14 (9) In the case of a corporation, for taxable years
15 beginning prior to January 1, 2011, and ending after
16 December 31, 2010, an amount equal to the sum of (i) 4.8%
17 of the taxpayer's net income for the period prior to
18 January 1, 2011, as calculated under Section 202.5, and
19 (ii) 7% of the taxpayer's net income for the period after
20 December 31, 2010, as calculated under Section 202.5.

21 (10) In the case of a corporation, for taxable years
22 beginning on or after January 1, 2011, and ending prior to
23 January 1, 2015, an amount equal to 7% of the taxpayer's
24 net income for the taxable year.

25 (11) In the case of a corporation, for taxable years
26 beginning prior to January 1, 2015, and ending after

1 December 31, 2014, an amount equal to the sum of (i) 7% of
2 the taxpayer's net income for the period prior to January
3 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
4 of the taxpayer's net income for the period after December
5 31, 2014, as calculated under Section 202.5.

6 (12) In the case of a corporation, for taxable years
7 beginning on or after January 1, 2015, and ending prior to
8 July 1, 2017, an amount equal to 5.25% of the taxpayer's
9 net income for the taxable year.

10 (13) In the case of a corporation, for taxable years
11 beginning prior to July 1, 2017, and ending after June 30,
12 2017, an amount equal to the sum of (i) 5.25% of the
13 taxpayer's net income for the period prior to July 1, 2017,
14 as calculated under Section 202.5, and (ii) 7% of the
15 taxpayer's net income for the period after June 30, 2017,
16 as calculated under Section 202.5.

17 (14) In the case of a corporation, for taxable years
18 beginning on or after July 1, 2017, an amount equal to 7%
19 of the taxpayer's net income for the taxable year.

20 The rates under this subsection (b) are subject to the
21 provisions of Section 201.5.

22 (c) Personal Property Tax Replacement Income Tax.
23 Beginning on July 1, 1979 and thereafter, in addition to such
24 income tax, there is also hereby imposed the Personal Property
25 Tax Replacement Income Tax measured by net income on every
26 corporation (including Subchapter S corporations), partnership

1 and trust, for each taxable year ending after June 30, 1979.
2 Such taxes are imposed on the privilege of earning or receiving
3 income in or as a resident of this State. The Personal Property
4 Tax Replacement Income Tax shall be in addition to the income
5 tax imposed by subsections (a) and (b) of this Section and in
6 addition to all other occupation or privilege taxes imposed by
7 this State or by any municipal corporation or political
8 subdivision thereof.

9 (d) Additional Personal Property Tax Replacement Income
10 Tax Rates. The personal property tax replacement income tax
11 imposed by this subsection and subsection (c) of this Section
12 in the case of a corporation, other than a Subchapter S
13 corporation and except as adjusted by subsection (d-1), shall
14 be an additional amount equal to 2.85% of such taxpayer's net
15 income for the taxable year, except that beginning on January
16 1, 1981, and thereafter, the rate of 2.85% specified in this
17 subsection shall be reduced to 2.5%, and in the case of a
18 partnership, trust or a Subchapter S corporation shall be an
19 additional amount equal to 1.5% of such taxpayer's net income
20 for the taxable year.

21 (d-1) Rate reduction for certain foreign insurers. In the
22 case of a foreign insurer, as defined by Section 35A-5 of the
23 Illinois Insurance Code, whose state or country of domicile
24 imposes on insurers domiciled in Illinois a retaliatory tax
25 (excluding any insurer whose premiums from reinsurance assumed
26 are 50% or more of its total insurance premiums as determined

1 under paragraph (2) of subsection (b) of Section 304, except
2 that for purposes of this determination premiums from
3 reinsurance do not include premiums from inter-affiliate
4 reinsurance arrangements), beginning with taxable years ending
5 on or after December 31, 1999, the sum of the rates of tax
6 imposed by subsections (b) and (d) shall be reduced (but not
7 increased) to the rate at which the total amount of tax imposed
8 under this Act, net of all credits allowed under this Act,
9 shall equal (i) the total amount of tax that would be imposed
10 on the foreign insurer's net income allocable to Illinois for
11 the taxable year by such foreign insurer's state or country of
12 domicile if that net income were subject to all income taxes
13 and taxes measured by net income imposed by such foreign
14 insurer's state or country of domicile, net of all credits
15 allowed or (ii) a rate of zero if no such tax is imposed on such
16 income by the foreign insurer's state of domicile. For the
17 purposes of this subsection (d-1), an inter-affiliate includes
18 a mutual insurer under common management.

19 (1) For the purposes of subsection (d-1), in no event
20 shall the sum of the rates of tax imposed by subsections
21 (b) and (d) be reduced below the rate at which the sum of:

22 (A) the total amount of tax imposed on such foreign
23 insurer under this Act for a taxable year, net of all
24 credits allowed under this Act, plus

25 (B) the privilege tax imposed by Section 409 of the
26 Illinois Insurance Code, the fire insurance company

1 tax imposed by Section 12 of the Fire Investigation
2 Act, and the fire department taxes imposed under
3 Section 11-10-1 of the Illinois Municipal Code,
4 equals 1.25% for taxable years ending prior to December 31,
5 2003, or 1.75% for taxable years ending on or after
6 December 31, 2003, of the net taxable premiums written for
7 the taxable year, as described by subsection (1) of Section
8 409 of the Illinois Insurance Code. This paragraph will in
9 no event increase the rates imposed under subsections (b)
10 and (d).

11 (2) Any reduction in the rates of tax imposed by this
12 subsection shall be applied first against the rates imposed
13 by subsection (b) and only after the tax imposed by
14 subsection (a) net of all credits allowed under this
15 Section other than the credit allowed under subsection (i)
16 has been reduced to zero, against the rates imposed by
17 subsection (d).

18 This subsection (d-1) is exempt from the provisions of
19 Section 250.

20 (e) Investment credit. A taxpayer shall be allowed a credit
21 against the Personal Property Tax Replacement Income Tax for
22 investment in qualified property.

23 (1) A taxpayer shall be allowed a credit equal to .5%
24 of the basis of qualified property placed in service during
25 the taxable year, provided such property is placed in
26 service on or after July 1, 1984. There shall be allowed an

1 additional credit equal to .5% of the basis of qualified
2 property placed in service during the taxable year,
3 provided such property is placed in service on or after
4 July 1, 1986, and the taxpayer's base employment within
5 Illinois has increased by 1% or more over the preceding
6 year as determined by the taxpayer's employment records
7 filed with the Illinois Department of Employment Security.
8 Taxpayers who are new to Illinois shall be deemed to have
9 met the 1% growth in base employment for the first year in
10 which they file employment records with the Illinois
11 Department of Employment Security. The provisions added to
12 this Section by Public Act 85-1200 (and restored by Public
13 Act 87-895) shall be construed as declaratory of existing
14 law and not as a new enactment. If, in any year, the
15 increase in base employment within Illinois over the
16 preceding year is less than 1%, the additional credit shall
17 be limited to that percentage times a fraction, the
18 numerator of which is .5% and the denominator of which is
19 1%, but shall not exceed .5%. The investment credit shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability in any tax year below zero, nor may
22 any credit for qualified property be allowed for any year
23 other than the year in which the property was placed in
24 service in Illinois. For tax years ending on or after
25 December 31, 1987, and on or before December 31, 1988, the
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the
2 credit exceeds the tax liability for that year, whether it
3 exceeds the original liability or the liability as later
4 amended, such excess may be carried forward and applied to
5 the tax liability of the 5 taxable years following the
6 excess credit years if the taxpayer (i) makes investments
7 which cause the creation of a minimum of 2,000 full-time
8 equivalent jobs in Illinois, (ii) is located in an
9 enterprise zone established pursuant to the Illinois
10 Enterprise Zone Act and (iii) is certified by the
11 Department of Commerce and Community Affairs (now
12 Department of Commerce and Economic Opportunity) as
13 complying with the requirements specified in clause (i) and
14 (ii) by July 1, 1986. The Department of Commerce and
15 Community Affairs (now Department of Commerce and Economic
16 Opportunity) shall notify the Department of Revenue of all
17 such certifications immediately. For tax years ending
18 after December 31, 1988, the credit shall be allowed for
19 the tax year in which the property is placed in service,
20 or, if the amount of the credit exceeds the tax liability
21 for that year, whether it exceeds the original liability or
22 the liability as later amended, such excess may be carried
23 forward and applied to the tax liability of the 5 taxable
24 years following the excess credit years. The credit shall
25 be applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, earlier credit
2 shall be applied first.

3 (2) The term "qualified property" means property
4 which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings and
7 signs that are real property, but not including land or
8 improvements to real property that are not a structural
9 component of a building such as landscaping, sewer
10 lines, local access roads, fencing, parking lots, and
11 other appurtenances;

12 (B) is depreciable pursuant to Section 167 of the
13 Internal Revenue Code, except that "3-year property"
14 as defined in Section 168(c)(2)(A) of that Code is not
15 eligible for the credit provided by this subsection
16 (e);

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is
20 primarily engaged in manufacturing, or in mining coal
21 or fluorite, or in retailing, or was placed in service
22 on or after July 1, 2006 in a River Edge Redevelopment
23 Zone established pursuant to the River Edge
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (e) or
2 subsection (f).

3 (3) For purposes of this subsection (e),
4 "manufacturing" means the material staging and production
5 of tangible personal property by procedures commonly
6 regarded as manufacturing, processing, fabrication, or
7 assembling which changes some existing material into new
8 shapes, new qualities, or new combinations. For purposes of
9 this subsection (e) the term "mining" shall have the same
10 meaning as the term "mining" in Section 613(c) of the
11 Internal Revenue Code. For purposes of this subsection (e),
12 the term "retailing" means the sale of tangible personal
13 property for use or consumption and not for resale, or
14 services rendered in conjunction with the sale of tangible
15 personal property for use or consumption and not for
16 resale. For purposes of this subsection (e), "tangible
17 personal property" has the same meaning as when that term
18 is used in the Retailers' Occupation Tax Act, and, for
19 taxable years ending after December 31, 2008, does not
20 include the generation, transmission, or distribution of
21 electricity.

22 (4) The basis of qualified property shall be the basis
23 used to compute the depreciation deduction for federal
24 income tax purposes.

25 (5) If the basis of the property for federal income tax
26 depreciation purposes is increased after it has been placed

1 in service in Illinois by the taxpayer, the amount of such
2 increase shall be deemed property placed in service on the
3 date of such increase in basis.

4 (6) The term "placed in service" shall have the same
5 meaning as under Section 46 of the Internal Revenue Code.

6 (7) If during any taxable year, any property ceases to
7 be qualified property in the hands of the taxpayer within
8 48 months after being placed in service, or the situs of
9 any qualified property is moved outside Illinois within 48
10 months after being placed in service, the Personal Property
11 Tax Replacement Income Tax for such taxable year shall be
12 increased. Such increase shall be determined by (i)
13 recomputing the investment credit which would have been
14 allowed for the year in which credit for such property was
15 originally allowed by eliminating such property from such
16 computation and, (ii) subtracting such recomputed credit
17 from the amount of credit previously allowed. For the
18 purposes of this paragraph (7), a reduction of the basis of
19 qualified property resulting from a redetermination of the
20 purchase price shall be deemed a disposition of qualified
21 property to the extent of such reduction.

22 (8) Unless the investment credit is extended by law,
23 the basis of qualified property shall not include costs
24 incurred after December 31, 2018, except for costs incurred
25 pursuant to a binding contract entered into on or before
26 December 31, 2018.

1 (9) Each taxable year ending before December 31, 2000,
2 a partnership may elect to pass through to its partners the
3 credits to which the partnership is entitled under this
4 subsection (e) for the taxable year. A partner may use the
5 credit allocated to him or her under this paragraph only
6 against the tax imposed in subsections (c) and (d) of this
7 Section. If the partnership makes that election, those
8 credits shall be allocated among the partners in the
9 partnership in accordance with the rules set forth in
10 Section 704(b) of the Internal Revenue Code, and the rules
11 promulgated under that Section, and the allocated amount of
12 the credits shall be allowed to the partners for that
13 taxable year. The partnership shall make this election on
14 its Personal Property Tax Replacement Income Tax return for
15 that taxable year. The election to pass through the credits
16 shall be irrevocable.

17 For taxable years ending on or after December 31, 2000,
18 a partner that qualifies its partnership for a subtraction
19 under subparagraph (I) of paragraph (2) of subsection (d)
20 of Section 203 or a shareholder that qualifies a Subchapter
21 S corporation for a subtraction under subparagraph (S) of
22 paragraph (2) of subsection (b) of Section 203 shall be
23 allowed a credit under this subsection (e) equal to its
24 share of the credit earned under this subsection (e) during
25 the taxable year by the partnership or Subchapter S
26 corporation, determined in accordance with the

1 determination of income and distributive share of income
2 under Sections 702 and 704 and Subchapter S of the Internal
3 Revenue Code. This paragraph is exempt from the provisions
4 of Section 250.

5 (f) Investment credit; Enterprise Zone; River Edge
6 Redevelopment Zone.

7 (1) A taxpayer shall be allowed a credit against the
8 tax imposed by subsections (a) and (b) of this Section for
9 investment in qualified property which is placed in service
10 in an Enterprise Zone created pursuant to the Illinois
11 Enterprise Zone Act or, for property placed in service on
12 or after July 1, 2006, a River Edge Redevelopment Zone
13 established pursuant to the River Edge Redevelopment Zone
14 Act. For partners, shareholders of Subchapter S
15 corporations, and owners of limited liability companies,
16 if the liability company is treated as a partnership for
17 purposes of federal and State income taxation, there shall
18 be allowed a credit under this subsection (f) to be
19 determined in accordance with the determination of income
20 and distributive share of income under Sections 702 and 704
21 and Subchapter S of the Internal Revenue Code. The credit
22 shall be .5% of the basis for such property. The credit
23 shall be available only in the taxable year in which the
24 property is placed in service in the Enterprise Zone or
25 River Edge Redevelopment Zone and shall not be allowed to
26 the extent that it would reduce a taxpayer's liability for

1 the tax imposed by subsections (a) and (b) of this Section
2 to below zero. For tax years ending on or after December
3 31, 1985, the credit shall be allowed for the tax year in
4 which the property is placed in service, or, if the amount
5 of the credit exceeds the tax liability for that year,
6 whether it exceeds the original liability or the liability
7 as later amended, such excess may be carried forward and
8 applied to the tax liability of the 5 taxable years
9 following the excess credit year. The credit shall be
10 applied to the earliest year for which there is a
11 liability. If there is credit from more than one tax year
12 that is available to offset a liability, the credit
13 accruing first in time shall be applied first.

14 (2) The term qualified property means property which:

15 (A) is tangible, whether new or used, including
16 buildings and structural components of buildings;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c)(2)(A) of that Code is not
20 eligible for the credit provided by this subsection
21 (f);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code;

24 (D) is used in the Enterprise Zone or River Edge
25 Redevelopment Zone by the taxpayer; and

26 (E) has not been previously used in Illinois in

1 such a manner and by such a person as would qualify for
2 the credit provided by this subsection (f) or
3 subsection (e).

4 (3) The basis of qualified property shall be the basis
5 used to compute the depreciation deduction for federal
6 income tax purposes.

7 (4) If the basis of the property for federal income tax
8 depreciation purposes is increased after it has been placed
9 in service in the Enterprise Zone or River Edge
10 Redevelopment Zone by the taxpayer, the amount of such
11 increase shall be deemed property placed in service on the
12 date of such increase in basis.

13 (5) The term "placed in service" shall have the same
14 meaning as under Section 46 of the Internal Revenue Code.

15 (6) If during any taxable year, any property ceases to
16 be qualified property in the hands of the taxpayer within
17 48 months after being placed in service, or the situs of
18 any qualified property is moved outside the Enterprise Zone
19 or River Edge Redevelopment Zone within 48 months after
20 being placed in service, the tax imposed under subsections
21 (a) and (b) of this Section for such taxable year shall be
22 increased. Such increase shall be determined by (i)
23 recomputing the investment credit which would have been
24 allowed for the year in which credit for such property was
25 originally allowed by eliminating such property from such
26 computation, and (ii) subtracting such recomputed credit

1 from the amount of credit previously allowed. For the
2 purposes of this paragraph (6), a reduction of the basis of
3 qualified property resulting from a redetermination of the
4 purchase price shall be deemed a disposition of qualified
5 property to the extent of such reduction.

6 (7) There shall be allowed an additional credit equal
7 to 0.5% of the basis of qualified property placed in
8 service during the taxable year in a River Edge
9 Redevelopment Zone, provided such property is placed in
10 service on or after July 1, 2006, and the taxpayer's base
11 employment within Illinois has increased by 1% or more over
12 the preceding year as determined by the taxpayer's
13 employment records filed with the Illinois Department of
14 Employment Security. Taxpayers who are new to Illinois
15 shall be deemed to have met the 1% growth in base
16 employment for the first year in which they file employment
17 records with the Illinois Department of Employment
18 Security. If, in any year, the increase in base employment
19 within Illinois over the preceding year is less than 1%,
20 the additional credit shall be limited to that percentage
21 times a fraction, the numerator of which is 0.5% and the
22 denominator of which is 1%, but shall not exceed 0.5%.

23 (f-1) Investment credit; Energy Transition Zone.

24 (1) For tax years beginning on or after January 1,
25 2020, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) of this Section for

1 investment in qualified property which is placed in service
2 for the use of the production of green energy by a green
3 energy enterprise in an Energy Transition Zone created
4 pursuant to the Illinois Energy Transition Zone Act. For
5 partners, shareholders of Subchapter S corporations, and
6 owners of limited liability companies, if the liability
7 company is treated as a partnership for purposes of federal
8 and State income taxation, there shall be allowed a credit
9 under this subsection (f-1) to be determined in accordance
10 with the determination of income and distributive share of
11 income under Sections 702 and 704 and Subchapter S of the
12 Internal Revenue Code. The credit shall be 0.5% of the
13 basis for such property. The credit shall be available only
14 in the taxable year in which the property is placed in
15 service in the Energy Transition Zone and shall not be
16 allowed to the extent that it would reduce a taxpayer's
17 liability for the tax imposed by subsections (a) and (b) of
18 this Section to below zero. The credit shall be allowed for
19 the tax year in which the property is placed in service,
20 or, if the amount of the credit exceeds the tax liability
21 for that year, whether it exceeds the original liability or
22 the liability as later amended, such excess may be carried
23 forward and applied to the tax liability of the 5 taxable
24 years following the excess credit year. The credit shall be
25 applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, the credit
2 accruing first in time shall be applied first.

3 (2) The term qualified property means property which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings;

6 (B) is depreciable pursuant to Section 167 of the
7 Internal Revenue Code, except that "3-year property"
8 as defined in Section 168(c)(2)(A) of that Code is not
9 eligible for the credit provided by this subsection
10 (f-1);

11 (C) is acquired by purchase as defined in Section
12 179(d) of the Internal Revenue Code;

13 (D) is used in the Energy Transition Zone by the
14 taxpayer in relation to producing green energy; and

15 (E) has not been previously used in Illinois in
16 such a manner and by such a person as would qualify for
17 the credit provided by this subsection (f-1).

18 (3) The basis of qualified property shall be the basis
19 used to compute the depreciation deduction for federal
20 income tax purposes.

21 (4) If the basis of the property for federal income tax
22 depreciation purposes is increased after it has been placed
23 in service in the Energy Transition Zone by the taxpayer,
24 the amount of such increase shall be deemed property placed
25 in service on the date of such increase in basis.

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year, any property ceases to
3 be qualified property in the hands of the taxpayer within
4 48 months after being placed in service, or the situs of
5 any qualified property is moved outside the Energy
6 Transition Zone within 48 months after being placed in
7 service, the tax imposed under subsections (a) and (b) of
8 this Section for such taxable year shall be increased. Such
9 increase shall be determined by (i) recomputing the
10 investment credit which would have been allowed for the
11 year in which credit for such property was originally
12 allowed by eliminating such property from such
13 computation, and (ii) subtracting such recomputed credit
14 from the amount of credit previously allowed. For the
15 purposes of this paragraph (6), a reduction of the basis of
16 qualified property resulting from a redetermination of the
17 purchase price shall be deemed a disposition of qualified
18 property to the extent of such reduction.

19 (g) (Blank).

20 (h) Investment credit; High Impact Business.

21 (1) Subject to subsections (b) and (b-5) of Section 5.5
22 of the Illinois Enterprise Zone Act, a taxpayer shall be
23 allowed a credit against the tax imposed by subsections (a)
24 and (b) of this Section for investment in qualified
25 property which is placed in service by a Department of
26 Commerce and Economic Opportunity designated High Impact

1 Business. The credit shall be .5% of the basis for such
2 property. The credit shall not be available (i) until the
3 minimum investments in qualified property set forth in
4 subdivision (a)(3)(A) of Section 5.5 of the Illinois
5 Enterprise Zone Act have been satisfied or (ii) until the
6 time authorized in subsection (b-5) of the Illinois
7 Enterprise Zone Act for entities designated as High Impact
8 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
9 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
10 Act, and shall not be allowed to the extent that it would
11 reduce a taxpayer's liability for the tax imposed by
12 subsections (a) and (b) of this Section to below zero. The
13 credit applicable to such investments shall be taken in the
14 taxable year in which such investments have been completed.
15 The credit for additional investments beyond the minimum
16 investment by a designated high impact business authorized
17 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
18 Enterprise Zone Act shall be available only in the taxable
19 year in which the property is placed in service and shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability for the tax imposed by subsections (a)
22 and (b) of this Section to below zero. For tax years ending
23 on or after December 31, 1987, the credit shall be allowed
24 for the tax year in which the property is placed in
25 service, or, if the amount of the credit exceeds the tax
26 liability for that year, whether it exceeds the original

1 liability or the liability as later amended, such excess
2 may be carried forward and applied to the tax liability of
3 the 5 taxable years following the excess credit year. The
4 credit shall be applied to the earliest year for which
5 there is a liability. If there is credit from more than one
6 tax year that is available to offset a liability, the
7 credit accruing first in time shall be applied first.

8 Changes made in this subdivision (h) (1) by Public Act
9 88-670 restore changes made by Public Act 85-1182 and
10 reflect existing law.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c) (2) (A) of that Code is not
17 eligible for the credit provided by this subsection
18 (h);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code; and

21 (D) is not eligible for the Enterprise Zone
22 Investment Credit provided by subsection (f) of this
23 Section.

24 (3) The basis of qualified property shall be the basis
25 used to compute the depreciation deduction for federal
26 income tax purposes.

1 (4) If the basis of the property for federal income tax
2 depreciation purposes is increased after it has been placed
3 in service in a federally designated Foreign Trade Zone or
4 Sub-Zone located in Illinois by the taxpayer, the amount of
5 such increase shall be deemed property placed in service on
6 the date of such increase in basis.

7 (5) The term "placed in service" shall have the same
8 meaning as under Section 46 of the Internal Revenue Code.

9 (6) If during any taxable year ending on or before
10 December 31, 1996, any property ceases to be qualified
11 property in the hands of the taxpayer within 48 months
12 after being placed in service, or the situs of any
13 qualified property is moved outside Illinois within 48
14 months after being placed in service, the tax imposed under
15 subsections (a) and (b) of this Section for such taxable
16 year shall be increased. Such increase shall be determined
17 by (i) recomputing the investment credit which would have
18 been allowed for the year in which credit for such property
19 was originally allowed by eliminating such property from
20 such computation, and (ii) subtracting such recomputed
21 credit from the amount of credit previously allowed. For
22 the purposes of this paragraph (6), a reduction of the
23 basis of qualified property resulting from a
24 redetermination of the purchase price shall be deemed a
25 disposition of qualified property to the extent of such
26 reduction.

1 (7) Beginning with tax years ending after December 31,
2 1996, if a taxpayer qualifies for the credit under this
3 subsection (h) and thereby is granted a tax abatement and
4 the taxpayer relocates its entire facility in violation of
5 the explicit terms and length of the contract under Section
6 18-183 of the Property Tax Code, the tax imposed under
7 subsections (a) and (b) of this Section shall be increased
8 for the taxable year in which the taxpayer relocated its
9 facility by an amount equal to the amount of credit
10 received by the taxpayer under this subsection (h).

11 (i) Credit for Personal Property Tax Replacement Income
12 Tax. For tax years ending prior to December 31, 2003, a credit
13 shall be allowed against the tax imposed by subsections (a) and
14 (b) of this Section for the tax imposed by subsections (c) and
15 (d) of this Section. This credit shall be computed by
16 multiplying the tax imposed by subsections (c) and (d) of this
17 Section by a fraction, the numerator of which is base income
18 allocable to Illinois and the denominator of which is Illinois
19 base income, and further multiplying the product by the tax
20 rate imposed by subsections (a) and (b) of this Section.

21 Any credit earned on or after December 31, 1986 under this
22 subsection which is unused in the year the credit is computed
23 because it exceeds the tax liability imposed by subsections (a)
24 and (b) for that year (whether it exceeds the original
25 liability or the liability as later amended) may be carried
26 forward and applied to the tax liability imposed by subsections

1 (a) and (b) of the 5 taxable years following the excess credit
2 year, provided that no credit may be carried forward to any
3 year ending on or after December 31, 2003. This credit shall be
4 applied first to the earliest year for which there is a
5 liability. If there is a credit under this subsection from more
6 than one tax year that is available to offset a liability the
7 earliest credit arising under this subsection shall be applied
8 first.

9 If, during any taxable year ending on or after December 31,
10 1986, the tax imposed by subsections (c) and (d) of this
11 Section for which a taxpayer has claimed a credit under this
12 subsection (i) is reduced, the amount of credit for such tax
13 shall also be reduced. Such reduction shall be determined by
14 recomputing the credit to take into account the reduced tax
15 imposed by subsections (c) and (d). If any portion of the
16 reduced amount of credit has been carried to a different
17 taxable year, an amended return shall be filed for such taxable
18 year to reduce the amount of credit claimed.

19 (j) Training expense credit. Beginning with tax years
20 ending on or after December 31, 1986 and prior to December 31,
21 2003, a taxpayer shall be allowed a credit against the tax
22 imposed by subsections (a) and (b) under this Section for all
23 amounts paid or accrued, on behalf of all persons employed by
24 the taxpayer in Illinois or Illinois residents employed outside
25 of Illinois by a taxpayer, for educational or vocational
26 training in semi-technical or technical fields or semi-skilled

1 or skilled fields, which were deducted from gross income in the
2 computation of taxable income. The credit against the tax
3 imposed by subsections (a) and (b) shall be 1.6% of such
4 training expenses. For partners, shareholders of subchapter S
5 corporations, and owners of limited liability companies, if the
6 liability company is treated as a partnership for purposes of
7 federal and State income taxation, there shall be allowed a
8 credit under this subsection (j) to be determined in accordance
9 with the determination of income and distributive share of
10 income under Sections 702 and 704 and subchapter S of the
11 Internal Revenue Code.

12 Any credit allowed under this subsection which is unused in
13 the year the credit is earned may be carried forward to each of
14 the 5 taxable years following the year for which the credit is
15 first computed until it is used. This credit shall be applied
16 first to the earliest year for which there is a liability. If
17 there is a credit under this subsection from more than one tax
18 year that is available to offset a liability the earliest
19 credit arising under this subsection shall be applied first. No
20 carryforward credit may be claimed in any tax year ending on or
21 after December 31, 2003.

22 (k) Research and development credit. For tax years ending
23 after July 1, 1990 and prior to December 31, 2003, and
24 beginning again for tax years ending on or after December 31,
25 2004, and ending prior to January 1, 2022, a taxpayer shall be
26 allowed a credit against the tax imposed by subsections (a) and

1 (b) of this Section for increasing research activities in this
2 State. The credit allowed against the tax imposed by
3 subsections (a) and (b) shall be equal to 6 1/2% of the
4 qualifying expenditures for increasing research activities in
5 this State. For partners, shareholders of subchapter S
6 corporations, and owners of limited liability companies, if the
7 liability company is treated as a partnership for purposes of
8 federal and State income taxation, there shall be allowed a
9 credit under this subsection to be determined in accordance
10 with the determination of income and distributive share of
11 income under Sections 702 and 704 and subchapter S of the
12 Internal Revenue Code.

13 For purposes of this subsection, "qualifying expenditures"
14 means the qualifying expenditures as defined for the federal
15 credit for increasing research activities which would be
16 allowable under Section 41 of the Internal Revenue Code and
17 which are conducted in this State, "qualifying expenditures for
18 increasing research activities in this State" means the excess
19 of qualifying expenditures for the taxable year in which
20 incurred over qualifying expenditures for the base period,
21 "qualifying expenditures for the base period" means the average
22 of the qualifying expenditures for each year in the base
23 period, and "base period" means the 3 taxable years immediately
24 preceding the taxable year for which the determination is being
25 made.

26 Any credit in excess of the tax liability for the taxable

1 year may be carried forward. A taxpayer may elect to have the
2 unused credit shown on its final completed return carried over
3 as a credit against the tax liability for the following 5
4 taxable years or until it has been fully used, whichever occurs
5 first; provided that no credit earned in a tax year ending
6 prior to December 31, 2003 may be carried forward to any year
7 ending on or after December 31, 2003.

8 If an unused credit is carried forward to a given year from
9 2 or more earlier years, that credit arising in the earliest
10 year will be applied first against the tax liability for the
11 given year. If a tax liability for the given year still
12 remains, the credit from the next earliest year will then be
13 applied, and so on, until all credits have been used or no tax
14 liability for the given year remains. Any remaining unused
15 credit or credits then will be carried forward to the next
16 following year in which a tax liability is incurred, except
17 that no credit can be carried forward to a year which is more
18 than 5 years after the year in which the expense for which the
19 credit is given was incurred.

20 No inference shall be drawn from this amendatory Act of the
21 91st General Assembly in construing this Section for taxable
22 years beginning before January 1, 1999.

23 It is the intent of the General Assembly that the research
24 and development credit under this subsection (k) shall apply
25 continuously for all tax years ending on or after December 31,
26 2004 and ending prior to January 1, 2022, including, but not

1 limited to, the period beginning on January 1, 2016 and ending
2 on the effective date of this amendatory Act of the 100th
3 General Assembly. All actions taken in reliance on the
4 continuation of the credit under this subsection (k) by any
5 taxpayer are hereby validated.

6 (l) Environmental Remediation Tax Credit.

7 (i) For tax years ending after December 31, 1997 and on
8 or before December 31, 2001, a taxpayer shall be allowed a
9 credit against the tax imposed by subsections (a) and (b)
10 of this Section for certain amounts paid for unreimbursed
11 eligible remediation costs, as specified in this
12 subsection. For purposes of this Section, "unreimbursed
13 eligible remediation costs" means costs approved by the
14 Illinois Environmental Protection Agency ("Agency") under
15 Section 58.14 of the Environmental Protection Act that were
16 paid in performing environmental remediation at a site for
17 which a No Further Remediation Letter was issued by the
18 Agency and recorded under Section 58.10 of the
19 Environmental Protection Act. The credit must be claimed
20 for the taxable year in which Agency approval of the
21 eligible remediation costs is granted. The credit is not
22 available to any taxpayer if the taxpayer or any related
23 party caused or contributed to, in any material respect, a
24 release of regulated substances on, in, or under the site
25 that was identified and addressed by the remedial action
26 pursuant to the Site Remediation Program of the

1 Environmental Protection Act. After the Pollution Control
2 Board rules are adopted pursuant to the Illinois
3 Administrative Procedure Act for the administration and
4 enforcement of Section 58.9 of the Environmental
5 Protection Act, determinations as to credit availability
6 for purposes of this Section shall be made consistent with
7 those rules. For purposes of this Section, "taxpayer"
8 includes a person whose tax attributes the taxpayer has
9 succeeded to under Section 381 of the Internal Revenue Code
10 and "related party" includes the persons disallowed a
11 deduction for losses by paragraphs (b), (c), and (f) (1) of
12 Section 267 of the Internal Revenue Code by virtue of being
13 a related taxpayer, as well as any of its partners. The
14 credit allowed against the tax imposed by subsections (a)
15 and (b) shall be equal to 25% of the unreimbursed eligible
16 remediation costs in excess of \$100,000 per site, except
17 that the \$100,000 threshold shall not apply to any site
18 contained in an enterprise zone as determined by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity). The
21 total credit allowed shall not exceed \$40,000 per year with
22 a maximum total of \$150,000 per site. For partners and
23 shareholders of subchapter S corporations, there shall be
24 allowed a credit under this subsection to be determined in
25 accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and

1 subchapter S of the Internal Revenue Code.

2 (ii) A credit allowed under this subsection that is
3 unused in the year the credit is earned may be carried
4 forward to each of the 5 taxable years following the year
5 for which the credit is first earned until it is used. The
6 term "unused credit" does not include any amounts of
7 unreimbursed eligible remediation costs in excess of the
8 maximum credit per site authorized under paragraph (i).
9 This credit shall be applied first to the earliest year for
10 which there is a liability. If there is a credit under this
11 subsection from more than one tax year that is available to
12 offset a liability, the earliest credit arising under this
13 subsection shall be applied first. A credit allowed under
14 this subsection may be sold to a buyer as part of a sale of
15 all or part of the remediation site for which the credit
16 was granted. The purchaser of a remediation site and the
17 tax credit shall succeed to the unused credit and remaining
18 carry-forward period of the seller. To perfect the
19 transfer, the assignor shall record the transfer in the
20 chain of title for the site and provide written notice to
21 the Director of the Illinois Department of Revenue of the
22 assignor's intent to sell the remediation site and the
23 amount of the tax credit to be transferred as a portion of
24 the sale. In no event may a credit be transferred to any
25 taxpayer if the taxpayer or a related party would not be
26 eligible under the provisions of subsection (i).

1 (iii) For purposes of this Section, the term "site"
2 shall have the same meaning as under Section 58.2 of the
3 Environmental Protection Act.

4 (m) Education expense credit. Beginning with tax years
5 ending after December 31, 1999, a taxpayer who is the custodian
6 of one or more qualifying pupils shall be allowed a credit
7 against the tax imposed by subsections (a) and (b) of this
8 Section for qualified education expenses incurred on behalf of
9 the qualifying pupils. The credit shall be equal to 25% of
10 qualified education expenses, but in no event may the total
11 credit under this subsection claimed by a family that is the
12 custodian of qualifying pupils exceed (i) \$500 for tax years
13 ending prior to December 31, 2017, and (ii) \$750 for tax years
14 ending on or after December 31, 2017. In no event shall a
15 credit under this subsection reduce the taxpayer's liability
16 under this Act to less than zero. Notwithstanding any other
17 provision of law, for taxable years beginning on or after
18 January 1, 2017, no taxpayer may claim a credit under this
19 subsection (m) if the taxpayer's adjusted gross income for the
20 taxable year exceeds (i) \$500,000, in the case of spouses
21 filing a joint federal tax return or (ii) \$250,000, in the case
22 of all other taxpayers. This subsection is exempt from the
23 provisions of Section 250 of this Act.

24 For purposes of this subsection:

25 "Qualifying pupils" means individuals who (i) are
26 residents of the State of Illinois, (ii) are under the age of

1 21 at the close of the school year for which a credit is
2 sought, and (iii) during the school year for which a credit is
3 sought were full-time pupils enrolled in a kindergarten through
4 twelfth grade education program at any school, as defined in
5 this subsection.

6 "Qualified education expense" means the amount incurred on
7 behalf of a qualifying pupil in excess of \$250 for tuition,
8 book fees, and lab fees at the school in which the pupil is
9 enrolled during the regular school year.

10 "School" means any public or nonpublic elementary or
11 secondary school in Illinois that is in compliance with Title
12 VI of the Civil Rights Act of 1964 and attendance at which
13 satisfies the requirements of Section 26-1 of the School Code,
14 except that nothing shall be construed to require a child to
15 attend any particular public or nonpublic school to qualify for
16 the credit under this Section.

17 "Custodian" means, with respect to qualifying pupils, an
18 Illinois resident who is a parent, the parents, a legal
19 guardian, or the legal guardians of the qualifying pupils.

20 (n) River Edge Redevelopment Zone site remediation tax
21 credit.

22 (i) For tax years ending on or after December 31, 2006,
23 a taxpayer shall be allowed a credit against the tax
24 imposed by subsections (a) and (b) of this Section for
25 certain amounts paid for unreimbursed eligible remediation
26 costs, as specified in this subsection. For purposes of

1 this Section, "unreimbursed eligible remediation costs"
2 means costs approved by the Illinois Environmental
3 Protection Agency ("Agency") under Section 58.14a of the
4 Environmental Protection Act that were paid in performing
5 environmental remediation at a site within a River Edge
6 Redevelopment Zone for which a No Further Remediation
7 Letter was issued by the Agency and recorded under Section
8 58.10 of the Environmental Protection Act. The credit must
9 be claimed for the taxable year in which Agency approval of
10 the eligible remediation costs is granted. The credit is
11 not available to any taxpayer if the taxpayer or any
12 related party caused or contributed to, in any material
13 respect, a release of regulated substances on, in, or under
14 the site that was identified and addressed by the remedial
15 action pursuant to the Site Remediation Program of the
16 Environmental Protection Act. Determinations as to credit
17 availability for purposes of this Section shall be made
18 consistent with rules adopted by the Pollution Control
19 Board pursuant to the Illinois Administrative Procedure
20 Act for the administration and enforcement of Section 58.9
21 of the Environmental Protection Act. For purposes of this
22 Section, "taxpayer" includes a person whose tax attributes
23 the taxpayer has succeeded to under Section 381 of the
24 Internal Revenue Code and "related party" includes the
25 persons disallowed a deduction for losses by paragraphs
26 (b), (c), and (f) (1) of Section 267 of the Internal Revenue

1 Code by virtue of being a related taxpayer, as well as any
2 of its partners. The credit allowed against the tax imposed
3 by subsections (a) and (b) shall be equal to 25% of the
4 unreimbursed eligible remediation costs in excess of
5 \$100,000 per site.

6 (ii) A credit allowed under this subsection that is
7 unused in the year the credit is earned may be carried
8 forward to each of the 5 taxable years following the year
9 for which the credit is first earned until it is used. This
10 credit shall be applied first to the earliest year for
11 which there is a liability. If there is a credit under this
12 subsection from more than one tax year that is available to
13 offset a liability, the earliest credit arising under this
14 subsection shall be applied first. A credit allowed under
15 this subsection may be sold to a buyer as part of a sale of
16 all or part of the remediation site for which the credit
17 was granted. The purchaser of a remediation site and the
18 tax credit shall succeed to the unused credit and remaining
19 carry-forward period of the seller. To perfect the
20 transfer, the assignor shall record the transfer in the
21 chain of title for the site and provide written notice to
22 the Director of the Illinois Department of Revenue of the
23 assignor's intent to sell the remediation site and the
24 amount of the tax credit to be transferred as a portion of
25 the sale. In no event may a credit be transferred to any
26 taxpayer if the taxpayer or a related party would not be

1 eligible under the provisions of subsection (i).

2 (iii) For purposes of this Section, the term "site"
3 shall have the same meaning as under Section 58.2 of the
4 Environmental Protection Act.

5 (o) For each of taxable years during the Compassionate Use
6 of Medical Cannabis Pilot Program, a surcharge is imposed on
7 all taxpayers on income arising from the sale or exchange of
8 capital assets, depreciable business property, real property
9 used in the trade or business, and Section 197 intangibles of
10 an organization registrant under the Compassionate Use of
11 Medical Cannabis Pilot Program Act. The amount of the surcharge
12 is equal to the amount of federal income tax liability for the
13 taxable year attributable to those sales and exchanges. The
14 surcharge imposed does not apply if:

15 (1) the medical cannabis cultivation center
16 registration, medical cannabis dispensary registration, or
17 the property of a registration is transferred as a result
18 of any of the following:

19 (A) bankruptcy, a receivership, or a debt
20 adjustment initiated by or against the initial
21 registration or the substantial owners of the initial
22 registration;

23 (B) cancellation, revocation, or termination of
24 any registration by the Illinois Department of Public
25 Health;

26 (C) a determination by the Illinois Department of

1 Public Health that transfer of the registration is in
2 the best interests of Illinois qualifying patients as
3 defined by the Compassionate Use of Medical Cannabis
4 Pilot Program Act;

5 (D) the death of an owner of the equity interest in
6 a registrant;

7 (E) the acquisition of a controlling interest in
8 the stock or substantially all of the assets of a
9 publicly traded company;

10 (F) a transfer by a parent company to a wholly
11 owned subsidiary; or

12 (G) the transfer or sale to or by one person to
13 another person where both persons were initial owners
14 of the registration when the registration was issued;
15 or

16 (2) the cannabis cultivation center registration,
17 medical cannabis dispensary registration, or the
18 controlling interest in a registrant's property is
19 transferred in a transaction to lineal descendants in which
20 no gain or loss is recognized or as a result of a
21 transaction in accordance with Section 351 of the Internal
22 Revenue Code in which no gain or loss is recognized.

23 (Source: P.A. 100-22, eff. 7-6-17.)

24 Section 10-25. The Retailers' Occupation Tax Act is amended
25 by adding Section 5k-1 as follows:

1 (35 ILCS 120/5k-1 new)

2 Sec. 5k-1. Building materials exemption; Energy Transition
3 Zone.

4 (a) Each retailer who makes a qualified sale of building
5 materials to be incorporated into a green energy project, as
6 defined in the Energy Transition Zone Act, being built by a
7 green energy enterprise in an Energy Transition Zone
8 established by or municipality under the Illinois Energy
9 Transition Zone Act by remodeling, rehabilitation or new
10 construction, may deduct receipts from such sales when
11 calculating the tax imposed by this Act. For purposes of this
12 Section, "qualified sale" means a sale of building materials
13 that will be incorporated into real estate as part of a
14 building project for which an Energy Transition Zone Building
15 Materials Exemption Certificate has been issued to the
16 purchaser by the Department. A construction contractor or other
17 entity shall not make tax-free purchases unless it has an
18 active Energy Transition Zone Building Materials Exemption
19 Certificate issued by the Department at the time of the
20 purchase.

21 (b) To document the exemption allowed under this Section,
22 the retailer must obtain from the purchaser the certification
23 required under subsection (c), which must contain the Energy
24 Transition Zone Building Materials Exemption Certificate
25 number issued to the purchaser by the Department. Upon request

1 from the Energy Transition Zone Administrator, the Department
2 shall issue an Energy Transition Zone Building Materials
3 Exemption Certificate for each construction contractor or
4 other entity identified by the Energy Transition Zone
5 Administrator. The Department shall make the Energy Transition
6 Zone Building Materials Exemption Certificates available
7 directly to each Energy Transition Zone Administrator,
8 construction contractor, or other entity. The request for
9 Energy Transition Zone Building Materials Exemption
10 Certificates from the Energy Transition Zone Administrator to
11 the Department must include the following information:

12 (1) the name and address of the construction contractor
13 or other entity;

14 (2) the name and number of the Energy Transition Zone;

15 (3) the name and location or address of the green
16 energy enterprise;

17 (4) the estimated amount of the exemption for each
18 construction contractor or other entity for which a request
19 for Energy Transition Zone Building Materials Exemption
20 Certificate is made, based on a stated estimated average
21 tax rate and the percentage of the contract that consists
22 of materials;

23 (5) the period of time over which supplies for the
24 project are expected to be purchased; and

25 (6) other reasonable information as the Department may
26 require, including, but not limited to FEIN numbers, to

1 determine if the contractor or other entity, or any
2 partner, or a corporate officer, and in the case of a
3 limited liability company, any manager or member, of the
4 construction contractor or other entity, is or has been the
5 owner, a partner, a corporate officer, and in the case of a
6 limited liability company, a manager or member, of a person
7 that is in default for moneys due to the Department under
8 this Act or any other tax or fee Act administered by the
9 Department.

10 The Department shall issue the Energy Transition Zone
11 Building Materials Exemption Certificates within 3 business
12 days after receipt of request from the Zone Administrator. This
13 requirement does not apply in circumstances where the
14 Department, for reasonable cause, is unable to issue the Energy
15 Transition Zone Building Materials Exemption Certificate
16 within 3 business days. The Department may refuse to issue an
17 Energy Transition Zone Building Materials Exemption
18 Certificate if the owner, any partner, or a corporate officer,
19 and in the case of a limited liability company, any manager or
20 member, of the construction contractor or other entity is or
21 has been the owner, a partner, a corporate officer, and in the
22 case of a limited liability company, a manager or member, of a
23 person that is in default for moneys due to the Department
24 under this Act or any other tax or fee Act administered by the
25 Department. The Energy Transition Zone Building Materials
26 Exemption Certificate shall contain language stating that if

1 the construction contractor or other entity who is issued the
2 Energy Transition Zone Building Materials Exemption
3 Certificate makes a tax-exempt purchase, as described in this
4 Section, that is not eligible for exemption under this Section
5 or allows another person to make a tax-exempt purchase, as
6 described in this Section, that is not eligible for exemption
7 under this Section, then, in addition to any tax or other
8 penalty imposed, the construction contractor or other entity is
9 subject to a penalty equal to the tax that would have been paid
10 by the retailer under this Act as well as any applicable local
11 retailers' occupation tax on the purchase that is not eligible
12 for the exemption.

13 The Department, in its discretion, may require that the
14 request for Energy Transition Zone Building Materials
15 Exemption Certificates be submitted electronically. The
16 Department may, in its discretion, issue the Energy Transition
17 Zone Building Materials Exemption Certificates electronically.
18 The Energy Transition Zone Building Materials Exemption
19 Certificate number shall be designed in such a way that the
20 Department can identify from the unique number on the Energy
21 Transition Zone Building Materials Exemption Certificate
22 issued to a given construction contractor or other entity, the
23 name of the Energy Transition Zone, the project for which the
24 Energy Transition Zone Building Materials Exemption
25 Certificate is issued, and the construction contractor or other
26 entity to whom the Energy Transition Zone Building Materials

1 Exemption Certificate is issued. The Energy Transition Zone
2 Building Materials Exemption Certificate shall contain an
3 expiration date, which shall be no more than 2 years after the
4 date of issuance. At the request of the Zone Administrator, the
5 Department may renew an Energy Transition Zone Building
6 Materials Exemption Certificate. After the Department issues
7 Energy Transition Zone Building Materials Exemption
8 Certificates for a given Energy Transition Zone project, the
9 Energy Transition Zone Administrator may notify the Department
10 of additional construction contractors or other entities
11 eligible for an Energy Transition Zone Building Materials
12 Exemption Certificate. Upon notification by the Energy
13 Transition Zone Administrator and subject to the other
14 provisions of this subsection (b), the Department shall issue
15 an Energy Transition Zone Building Materials Exemption
16 Certificate to each additional construction contractor or
17 other entity identified by the Energy Transition Zone
18 Administrator. An Energy Transition Zone Administrator may
19 notify the Department to rescind an Energy Transition Zone
20 Building Materials Exemption Certificate previously issued by
21 the Department but that has not yet expired. Upon notification
22 by the Energy Transition Zone Administrator and subject to the
23 other provisions of this subsection (b), the Department shall
24 issue the rescission of the Energy Transition Zone Building
25 Materials Exemption Certificate to the construction contractor
26 or other entity identified by the Energy Transition Zone

1 Administrator and provide a copy to the Energy Transition Zone
2 Administrator.

3 If the Department of Revenue determines that a construction
4 contractor or other entity that was issued an Energy Transition
5 Zone Building Materials Exemption Certificate under this
6 subsection (b) made a tax-exempt purchase, as described in this
7 Section, that was not eligible for exemption under this Section
8 or allowed another person to make a tax-exempt purchase, as
9 described in this Section, that was not eligible for exemption
10 under this Section, then, in addition to any tax or other
11 penalty imposed, the construction contractor or other entity is
12 subject to a penalty equal to the tax that would have been paid
13 by the retailer under this Act as well as any applicable local
14 retailers' occupation tax on the purchase that was not eligible
15 for the exemption.

16 (c) In addition, the retailer must obtain certification
17 from the purchaser that contains:

18 (1) a statement that the building materials are being
19 purchased for incorporation into a green energy project
20 located in an Illinois Energy Transition Zone;

21 (2) the location or address of the real estate into
22 which the building materials will be incorporated;

23 (3) the name of the Energy Transition Zone in which
24 that real estate is located;

25 (4) a description of the building materials being
26 purchased;

1 (5) the purchaser's Energy Transition Zone Building
2 Materials Exemption Certificate number issued by the
3 Department; and

4 (6) the purchaser's signature and date of purchase.

5 (d) The deduction allowed by this Section for the sale of
6 building materials may be limited, to the extent authorized by
7 ordinance by the municipality or county that created the Energy
8 Transition Zone into which the building materials will be
9 incorporated. The ordinance, however, may neither require nor
10 prohibit the purchase of building materials from any retailer
11 or class of retailers in order to qualify for the exemption
12 allowed under this Section. The provisions of this Section are
13 exempt from Section 2-70.

14 Section 10-30. The Illinois Municipal Code is amended by
15 changing Section 8-11-2 as follows:

16 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)

17 Sec. 8-11-2. The corporate authorities of any municipality
18 may tax any or all of the following occupations or privileges:

19 1. (Blank).

20 2. Persons engaged in the business of distributing,
21 supplying, furnishing, or selling gas for use or
22 consumption within the corporate limits of a municipality
23 of 500,000 or fewer population, and not for resale, at a
24 rate not to exceed 5% of the gross receipts therefrom.

1 2a. Persons engaged in the business of distributing,
2 supplying, furnishing, or selling gas for use or
3 consumption within the corporate limits of a municipality
4 of over 500,000 population, and not for resale, at a rate
5 not to exceed 8% of the gross receipts therefrom. If
6 imposed, this tax shall be paid in monthly payments.

7 3. The privilege of using or consuming electricity
8 acquired in a purchase at retail and used or consumed
9 within the corporate limits of the municipality at rates
10 not to exceed the following maximum rates, calculated on a
11 monthly basis for each purchaser:

12 (i) For the first 2,000 kilowatt-hours used or
13 consumed in a month; 0.61 cents per kilowatt-hour;

14 (ii) For the next 48,000 kilowatt-hours used or
15 consumed in a month; 0.40 cents per kilowatt-hour;

16 (iii) For the next 50,000 kilowatt-hours used or
17 consumed in a month; 0.36 cents per kilowatt-hour;

18 (iv) For the next 400,000 kilowatt-hours used or
19 consumed in a month; 0.35 cents per kilowatt-hour;

20 (v) For the next 500,000 kilowatt-hours used or
21 consumed in a month; 0.34 cents per kilowatt-hour;

22 (vi) For the next 2,000,000 kilowatt-hours used or
23 consumed in a month; 0.32 cents per kilowatt-hour;

24 (vii) For the next 2,000,000 kilowatt-hours used
25 or consumed in a month; 0.315 cents per kilowatt-hour;

26 (viii) For the next 5,000,000 kilowatt-hours used

1 or consumed in a month; 0.31 cents per kilowatt-hour;

2 (ix) For the next 10,000,000 kilowatt-hours used

3 or consumed in a month; 0.305 cents per kilowatt-hour;

4 and

5 (x) For all electricity used or consumed in excess

6 of 20,000,000 kilowatt-hours in a month, 0.30 cents per

7 kilowatt-hour.

8 If a municipality imposes a tax at rates lower than
9 either the maximum rates specified in this Section or the
10 alternative maximum rates promulgated by the Illinois
11 Commerce Commission, as provided below, the tax rates shall
12 be imposed upon the kilowatt-hour categories set forth
13 above with the same proportional relationship as that which
14 exists among such maximum rates. Notwithstanding the
15 foregoing, until December 31, 2008, no municipality shall
16 establish rates that are in excess of rates reasonably
17 calculated to produce revenues that equal the maximum total
18 revenues such municipality could have received under the
19 tax authorized by this subparagraph in the last full
20 calendar year prior to August 1, 1998 (the effective date
21 of Section 65 of Public Act 90-561); provided that this
22 shall not be a limitation on the amount of tax revenues
23 actually collected by such municipality.

24 Upon the request of the corporate authorities of a
25 municipality, the Illinois Commerce Commission shall,
26 within 90 days after receipt of such request, promulgate

1 alternative rates for each of these kilowatt-hour
2 categories that will reflect, as closely as reasonably
3 practical for that municipality, the distribution of the
4 tax among classes of purchasers as if the tax were based on
5 a uniform percentage of the purchase price of electricity.
6 A municipality that has adopted an ordinance imposing a tax
7 pursuant to subparagraph 3 as it existed prior to August 1,
8 1998 (the effective date of Section 65 of Public Act
9 90-561) may, rather than imposing the tax permitted by
10 Public Act 90-561, continue to impose the tax pursuant to
11 that ordinance with respect to gross receipts received from
12 residential customers through July 31, 1999, and with
13 respect to gross receipts from any non-residential
14 customer until the first bill issued to such customer for
15 delivery services in accordance with Section 16-104 of the
16 Public Utilities Act but in no case later than the last
17 bill issued to such customer before December 31, 2000. No
18 ordinance imposing the tax permitted by Public Act 90-561
19 shall be applicable to any non-residential customer until
20 the first bill issued to such customer for delivery
21 services in accordance with Section 16-104 of the Public
22 Utilities Act but in no case later than the last bill
23 issued to such non-residential customer before December
24 31, 2000.

25 4. Persons engaged in the business of distributing,
26 supplying, furnishing, or selling water for use or

1 consumption within the corporate limits of the
2 municipality, and not for resale, at a rate not to exceed
3 5% of the gross receipts therefrom.

4 None of the taxes authorized by this Section may be imposed
5 with respect to any transaction in interstate commerce or
6 otherwise to the extent to which the business or privilege may
7 not, under the constitution and statutes of the United States,
8 be made the subject of taxation by this State or any political
9 sub-division thereof; nor shall any persons engaged in the
10 business of distributing, supplying, furnishing, selling or
11 transmitting gas, water, or electricity, or using or consuming
12 electricity acquired in a purchase at retail, be subject to
13 taxation under the provisions of this Section for those
14 transactions that are or may become subject to taxation under
15 the provisions of the Municipal Retailers' Occupation Tax Act
16 authorized by Section 8-11-1; nor shall any tax authorized by
17 this Section be imposed upon any person engaged in a business
18 or on any privilege unless the tax is imposed in like manner
19 and at the same rate upon all persons engaged in businesses of
20 the same class in the municipality, whether privately or
21 municipally owned or operated, or exercising the same privilege
22 within the municipality.

23 Any of the taxes enumerated in this Section may be in
24 addition to the payment of money, or value of products or
25 services furnished to the municipality by the taxpayer as
26 compensation for the use of its streets, alleys, or other

1 public places, or installation and maintenance therein,
2 thereon or thereunder of poles, wires, pipes, or other
3 equipment used in the operation of the taxpayer's business.

4 (a) If the corporate authorities of any home rule
5 municipality have adopted an ordinance that imposed a tax on
6 public utility customers, between July 1, 1971, and October 1,
7 1981, on the good faith belief that they were exercising
8 authority pursuant to Section 6 of Article VII of the 1970
9 Illinois Constitution, that action of the corporate
10 authorities shall be declared legal and valid, notwithstanding
11 a later decision of a judicial tribunal declaring the ordinance
12 invalid. No municipality shall be required to rebate, refund,
13 or issue credits for any taxes described in this paragraph, and
14 those taxes shall be deemed to have been levied and collected
15 in accordance with the Constitution and laws of this State.

16 (b) In any case in which (i) prior to October 19, 1979, the
17 corporate authorities of any municipality have adopted an
18 ordinance imposing a tax authorized by this Section (or by the
19 predecessor provision of the Revised Cities and Villages Act)
20 and have explicitly or in practice interpreted gross receipts
21 to include either charges added to customers' bills pursuant to
22 the provision of paragraph (a) of Section 36 of the Public
23 Utilities Act or charges added to customers' bills by taxpayers
24 who are not subject to rate regulation by the Illinois Commerce
25 Commission for the purpose of recovering any of the tax
26 liabilities or other amounts specified in such paragraph (a) of

1 Section 36 of that Act, and (ii) on or after October 19, 1979,
2 a judicial tribunal has construed gross receipts to exclude all
3 or part of those charges, then neither that municipality nor
4 any taxpayer who paid the tax shall be required to rebate,
5 refund, or issue credits for any tax imposed or charge
6 collected from customers pursuant to the municipality's
7 interpretation prior to October 19, 1979. This paragraph
8 reflects a legislative finding that it would be contrary to the
9 public interest to require a municipality or its taxpayers to
10 refund taxes or charges attributable to the municipality's more
11 inclusive interpretation of gross receipts prior to October 19,
12 1979, and is not intended to prescribe or limit judicial
13 construction of this Section. The legislative finding set forth
14 in this subsection does not apply to taxes imposed after
15 January 1, 1996 (the effective date of Public Act 89-325).

16 (c) The tax authorized by subparagraph 3 shall be collected
17 from the purchaser by the person maintaining a place of
18 business in this State who delivers the electricity to the
19 purchaser. This tax shall constitute a debt of the purchaser to
20 the person who delivers the electricity to the purchaser and if
21 unpaid, is recoverable in the same manner as the original
22 charge for delivering the electricity. Any tax required to be
23 collected pursuant to an ordinance authorized by subparagraph 3
24 and any such tax collected by a person delivering electricity
25 shall constitute a debt owed to the municipality by such person
26 delivering the electricity, provided, that the person

1 delivering electricity shall be allowed credit for such tax
2 related to deliveries of electricity the charges for which are
3 written off as uncollectible, and provided further, that if
4 such charges are thereafter collected, the delivering supplier
5 shall be obligated to remit such tax. For purposes of this
6 subsection (c), any partial payment not specifically
7 identified by the purchaser shall be deemed to be for the
8 delivery of electricity. Persons delivering electricity shall
9 collect the tax from the purchaser by adding such tax to the
10 gross charge for delivering the electricity, in the manner
11 prescribed by the municipality. Persons delivering electricity
12 shall also be authorized to add to such gross charge an amount
13 equal to 3% of the tax to reimburse the person delivering
14 electricity for the expenses incurred in keeping records,
15 billing customers, preparing and filing returns, remitting the
16 tax and supplying data to the municipality upon request. If the
17 person delivering electricity fails to collect the tax from the
18 purchaser, then the purchaser shall be required to pay the tax
19 directly to the municipality in the manner prescribed by the
20 municipality. Persons delivering electricity who file returns
21 pursuant to this paragraph (c) shall, at the time of filing
22 such return, pay the municipality the amount of the tax
23 collected pursuant to subparagraph 3.

24 (d) For the purpose of the taxes enumerated in this
25 Section:

26 "Gross receipts" means the consideration received for

1 distributing, supplying, furnishing or selling gas for use or
2 consumption and not for resale, and the consideration received
3 for distributing, supplying, furnishing or selling water for
4 use or consumption and not for resale, and for all services
5 rendered in connection therewith valued in money, whether
6 received in money or otherwise, including cash, credit,
7 services and property of every kind and material and for all
8 services rendered therewith, and shall be determined without
9 any deduction on account of the cost of the service, product or
10 commodity supplied, the cost of materials used, labor or
11 service cost, or any other expenses whatsoever. "Gross
12 receipts" shall not include that portion of the consideration
13 received for distributing, supplying, furnishing, or selling
14 gas or water to business enterprises or green energy
15 enterprises described in paragraph (e) of this Section to the
16 extent and during the period in which the exemption authorized
17 by paragraph (e) is in effect or for school districts or units
18 of local government described in paragraph (f) during the
19 period in which the exemption authorized in paragraph (f) is in
20 effect.

21 For utility bills issued on or after May 1, 1996, but
22 before May 1, 1997, and for receipts from those utility bills,
23 "gross receipts" does not include one-third of (i) amounts
24 added to customers' bills under Section 9-222 of the Public
25 Utilities Act, or (ii) amounts added to customers' bills by
26 taxpayers who are not subject to rate regulation by the

1 Illinois Commerce Commission for the purpose of recovering any
2 of the tax liabilities described in Section 9-222 of the Public
3 Utilities Act. For utility bills issued on or after May 1,
4 1997, but before May 1, 1998, and for receipts from those
5 utility bills, "gross receipts" does not include two-thirds of
6 (i) amounts added to customers' bills under Section 9-222 of
7 the Public Utilities Act, or (ii) amount added to customers'
8 bills by taxpayers who are not subject to rate regulation by
9 the Illinois Commerce Commission for the purpose of recovering
10 any of the tax liabilities described in Section 9-222 of the
11 Public Utilities Act. For utility bills issued on or after May
12 1, 1998, and for receipts from those utility bills, "gross
13 receipts" does not include (i) amounts added to customers'
14 bills under Section 9-222 of the Public Utilities Act, or (ii)
15 amounts added to customers' bills by taxpayers who are not
16 subject to rate regulation by the Illinois Commerce Commission
17 for the purpose of recovering any of the tax liabilities
18 described in Section 9-222 of the Public Utilities Act.

19 For purposes of this Section "gross receipts" shall not
20 include amounts added to customers' bills under Section 9-221
21 of the Public Utilities Act. This paragraph is not intended to
22 nor does it make any change in the meaning of "gross receipts"
23 for the purposes of this Section, but is intended to remove
24 possible ambiguities, thereby confirming the existing meaning
25 of "gross receipts" prior to January 1, 1996 (the effective
26 date of Public Act 89-325).

1 "Person" as used in this Section means any natural
2 individual, firm, trust, estate, partnership, association,
3 joint stock company, joint adventure, corporation, limited
4 liability company, municipal corporation, the State or any of
5 its political subdivisions, any State university created by
6 statute, or a receiver, trustee, guardian or other
7 representative appointed by order of any court.

8 "Person maintaining a place of business in this State"
9 shall mean any person having or maintaining within this State,
10 directly or by a subsidiary or other affiliate, an office,
11 generation facility, distribution facility, transmission
12 facility, sales office or other place of business, or any
13 employee, agent, or other representative operating within this
14 State under the authority of the person or its subsidiary or
15 other affiliate, irrespective of whether such place of business
16 or agent or other representative is located in this State
17 permanently or temporarily, or whether such person, subsidiary
18 or other affiliate is licensed or qualified to do business in
19 this State.

20 "Public utility" shall have the meaning ascribed to it in
21 Section 3-105 of the Public Utilities Act and shall include
22 alternative retail electric suppliers as defined in Section
23 16-102 of that Act.

24 "Purchase at retail" shall mean any acquisition of
25 electricity by a purchaser for purposes of use or consumption,
26 and not for resale, but shall not include the use of

1 electricity by a public utility directly in the generation,
2 production, transmission, delivery or sale of electricity.

3 "Purchaser" shall mean any person who uses or consumes,
4 within the corporate limits of the municipality, electricity
5 acquired in a purchase at retail.

6 (e) Any municipality that imposes taxes upon public
7 utilities or upon the privilege of using or consuming
8 electricity pursuant to this Section whose territory includes
9 any part of an enterprise zone, Energy Transition Zone, or
10 federally designated Foreign Trade Zone or Sub-Zone may, by a
11 majority vote of its corporate authorities, exempt from those
12 taxes for a period not exceeding 20 years any specified
13 percentage of gross receipts of public utilities received from,
14 or electricity used or consumed by, business enterprises or
15 green energy enterprises that:

16 (1) either (i) make investments that cause the creation
17 of a minimum of 200 full-time equivalent jobs in Illinois,
18 (ii) make investments of at least \$175,000,000 that cause
19 the creation of a minimum of 150 full-time equivalent jobs
20 in Illinois, or (iii) make investments that cause the
21 retention of a minimum of 1,000 full-time jobs in Illinois;
22 and

23 (2) are either (i) located in an Enterprise Zone
24 established pursuant to the Illinois Enterprise Zone Act or
25 (ii) Department of Commerce and Economic Opportunity
26 designated High Impact Businesses located in a federally

1 designated Foreign Trade Zone or Sub-Zone; or (iii) located
2 in an Energy Transition Zone established pursuant to the
3 Illinois Energy Transition Zone Act; and

4 (3) are certified by the Department of Commerce and
5 Economic Opportunity as complying with the requirements
6 specified in clauses (1) and (2) of this paragraph (e).

7 Upon adoption of the ordinance authorizing the exemption,
8 the municipal clerk shall transmit a copy of that ordinance to
9 the Department of Commerce and Economic Opportunity. The
10 Department of Commerce and Economic Opportunity shall
11 determine whether the business enterprises or green energy
12 enterprises located in the municipality meet the criteria
13 prescribed in this paragraph. If the Department of Commerce and
14 Economic Opportunity determines that the business enterprises
15 or green energy enterprises meet the criteria, it shall grant
16 certification. The Department of Commerce and Economic
17 Opportunity shall act upon certification requests within 30
18 days after receipt of the ordinance.

19 Upon certification of the business enterprise or green
20 energy enterprises by the Department of Commerce and Economic
21 Opportunity, the Department of Commerce and Economic
22 Opportunity shall notify the Department of Revenue of the
23 certification. The Department of Revenue shall notify the
24 public utilities of the exemption status of the gross receipts
25 received from, and the electricity used or consumed by, the
26 certified business enterprises and certified green energy

1 enterprises. Such exemption status shall be effective within 3
2 months after certification.

3 (f) A municipality that imposes taxes upon public utilities
4 or upon the privilege of using or consuming electricity under
5 this Section and whose territory includes part of another unit
6 of local government or a school district may by ordinance
7 exempt the other unit of local government or school district
8 from those taxes.

9 (g) The amendment of this Section by Public Act 84-127
10 shall take precedence over any other amendment of this Section
11 by any other amendatory Act passed by the 84th General Assembly
12 before August 1, 1985 (the effective date of Public Act
13 84-127).

14 (h) In any case in which, before July 1, 1992, a person
15 engaged in the business of transmitting messages through the
16 use of mobile equipment, such as cellular phones and paging
17 systems, has determined the municipality within which the gross
18 receipts from the business originated by reference to the
19 location of its transmitting or switching equipment, then (i)
20 neither the municipality to which tax was paid on that basis
21 nor the taxpayer that paid tax on that basis shall be required
22 to rebate, refund, or issue credits for any such tax or charge
23 collected from customers to reimburse the taxpayer for the tax
24 and (ii) no municipality to which tax would have been paid with
25 respect to those gross receipts if the provisions of Public Act
26 87-773 had been in effect before July 1, 1992, shall have any

1 claim against the taxpayer for any amount of the tax.

2 (Source: P.A. 100-201, eff. 8-18-17.)

3 Section 10-35. The Public Utilities Act is amended by
4 changing Sections 9-221 and 9-222 and by adding Section
5 9-222.1b as follows:

6 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)

7 Sec. 9-221. Whenever a municipality pursuant to Section
8 8-11-2 of the Illinois Municipal Code, as heretofore and
9 hereafter amended, imposes a tax on any public utility, such
10 utility may charge its customers, other than customers who are
11 certified business enterprises or certified green energy
12 enterprises under paragraph (e) of Section 8-11-2 of the
13 Illinois Municipal Code or are exempted from those taxes under
14 paragraph (f) of that Section, to the extent of such exemption
15 and during the period in which such exemption is in effect, in
16 addition to any rate authorized by this Act, an additional
17 charge equal to the sum of (1) an amount equal to such
18 municipal tax, or any part thereof (2) 3% of such tax, or any
19 part thereof, as the case may be, to cover costs of accounting,
20 and (3) an amount equal to the increase in taxes and other
21 payments to governmental bodies resulting from the amount of
22 such additional charge. Such utility shall file with the
23 Commission a true and correct copy of the municipal ordinance
24 imposing such tax; and also shall file with the Commission a

1 supplemental schedule applicable to such municipality which
2 shall specify such additional charge and which shall become
3 effective upon filing without further notice. Such additional
4 charge shall be shown separately on the utility bill to each
5 customer. The Commission shall have power to investigate
6 whether or not such supplemental schedule correctly specifies
7 such additional charge, but shall have no power to suspend such
8 supplemental schedule. If the Commission finds, after a
9 hearing, that such supplemental schedule does not correctly
10 specify such additional charge, it shall by order require a
11 refund to the appropriate customers of the excess, if any, with
12 interest, in such manner as it shall deem just and reasonable,
13 and in and by such order shall require the utility to file an
14 amended supplemental schedule corresponding to the finding and
15 order of the Commission.

16 (Source: P.A. 87-895; 88-132.)

17 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

18 Sec. 9-222. Whenever a tax is imposed upon a public utility
19 engaged in the business of distributing, supplying,
20 furnishing, or selling gas for use or consumption pursuant to
21 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
22 required to be collected by a delivering supplier pursuant to
23 Section 2-7 of the Electricity Excise Tax Act, or whenever a
24 tax is imposed upon a public utility pursuant to Section 2-202
25 of this Act, such utility may charge its customers, other than

1 customers who are high impact businesses under Section 5.5 of
2 the Illinois Enterprise Zone Act, or certified business
3 enterprises under Section 9-222.1 of this Act, or certified
4 green energy enterprises under Section 9-221.B, to the extent
5 of such exemption and during the period in which such exemption
6 is in effect, in addition to any rate authorized by this Act,
7 an additional charge equal to the total amount of such taxes.
8 The exemption of this Section relating to high impact
9 businesses shall be subject to the provisions of subsections
10 (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise
11 Zone Act. This requirement shall not apply to taxes on invested
12 capital imposed pursuant to the Messages Tax Act, the Gas
13 Revenue Tax Act and the Public Utilities Revenue Act. Such
14 utility shall file with the Commission a supplemental schedule
15 which shall specify such additional charge and which shall
16 become effective upon filing without further notice. Such
17 additional charge shall be shown separately on the utility bill
18 to each customer. The Commission shall have the power to
19 investigate whether or not such supplemental schedule
20 correctly specifies such additional charge, but shall have no
21 power to suspend such supplemental schedule. If the Commission
22 finds, after a hearing, that such supplemental schedule does
23 not correctly specify such additional charge, it shall by order
24 require a refund to the appropriate customers of the excess, if
25 any, with interest, in such manner as it shall deem just and
26 reasonable, and in and by such order shall require the utility

1 to file an amended supplemental schedule corresponding to the
2 finding and order of the Commission. Except with respect to
3 taxes imposed on invested capital, such tax liabilities shall
4 be recovered from customers solely by means of the additional
5 charges authorized by this Section.

6 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

7 (220 ILCS 5/9-222.1b new)

8 Sec. 9-222.1b. Green energy enterprises. A green energy
9 enterprise as defined in the Illinois Energy Transition Zone
10 Act, which is located within an area designated by a county or
11 municipality as an Energy Transition Zone pursuant to the
12 Illinois Energy Transition Zone Act shall be exempt from the
13 additional charges added to the green energy enterprise's
14 utility bills as a pass-on of municipal and State utility taxes
15 under Sections 9-221 and 9-222 of this Act, to the extent such
16 charges are exempted by ordinance adopted in accordance with
17 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code
18 in the case of municipal utility taxes, and to the extent such
19 charges are exempted by the percentage specified by the
20 Department of Commerce and Economic Opportunity in the case of
21 State utility taxes, provided such green energy enterprise
22 meets the following criteria:

23 (1) it (i) makes investments which cause the creation
24 of a minimum of 200 full-time equivalent jobs in an Energy
25 Transition Zone; (ii) makes investments of at least

1 \$175,000,000 which cause the creation of a minimum of 150
2 full-time equivalent jobs in an Energy Transition Zone; or
3 (iii) makes investments which cause the retention of a
4 minimum of 1,000 full-time jobs in an Energy Transition
5 Zone; and

6 (2) it is located in an Energy Transition Zone
7 established pursuant to the Illinois Energy Transition
8 Zone Act; and

9 (3) it is certified by the Department of Commerce and
10 Economic Opportunity as complying with the requirements
11 specified in clauses (1) and (2) of this Section.

12 The Department of Commerce and Economic Opportunity shall
13 determine the period during which such exemption from the
14 charges imposed under Section 9-222 is in effect which shall
15 not exceed 30 years or the certified term of the energy
16 transition Zone, whichever period is shorter.

17 The Department of Commerce and Economic Opportunity shall
18 have the power to adopt rules to carry out the provisions of
19 this Section including procedures for complying with the
20 requirements specified in clauses (1) and (2) of this Section
21 and procedures for applying for the exemptions authorized under
22 this Section; to define the amounts and types of eligible
23 investments which green energy enterprises must make in order
24 to receive State utility tax exemptions pursuant to Sections
25 9-222 and 9-222.1B of this Act; to approve such utility tax
26 exemptions for green energy enterprises whose investments are

1 not yet placed in service; and to require that green energy
2 enterprises granted tax exemptions repay the exempted tax
3 should the green energy enterprise fail to comply with the
4 terms and conditions of the certification. However, no green
5 energy enterprise shall be required, as a condition for
6 certification under clause (3) of this Section, to attest that
7 its decision to invest under clause (1) of this Section and to
8 locate under clause (2) of this Section is predicated upon the
9 availability of the exemptions authorized by this Section.

10 A green energy enterprise shall be exempt, in whole or in
11 part, from the pass-on charges of municipal utility taxes
12 imposed under Section 9-221, only if it meets the criteria
13 specified in clauses (1) through (3) of this Section and the
14 municipality has adopted an ordinance authorizing the
15 exemption under paragraph (e) of Section 8-11-2 of the Illinois
16 Municipal Code. Upon certification of the green energy
17 enterprises by the Department of Commerce and Economic
18 Opportunity, the Department of Commerce and Economic
19 Opportunity shall notify the Department of Revenue of such
20 certification. The Department of Revenue shall notify the
21 public utilities of the exemption status of green energy
22 enterprises from the pass-on charges of State and municipal
23 utility taxes. Such exemption status shall be effective within
24 3 months after certification of the green energy enterprise.

1 Section 99-99. Effective date. This Act takes effect upon
2 becoming law.