



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2498

Introduced 2/19/2021, by Rep. Martin J. Moylan

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1048 new
35 ILCS 5/232 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity shall issue income tax credits, with certification, to qualified professional design firms in Illinois that hire qualified employees. Provides that the tax credit amount shall be (i) 10% of the qualified compensation paid to each qualified employee who graduated from an accredited institution of higher learning in the State and (ii) 5% of the qualified compensation paid to each qualified employee who graduated from an accredited institution of higher learning outside of the State. Provides that "qualified employee" means an employee working in the State for a qualified professional design firm as an architect, an architectural associate, a structural engineer, a structural engineer intern, a design professional, or an engineer intern who graduated from an accredited institution of higher learning with a Bachelor's degree within the 2 years immediately preceding the year in which the credit is taken. Amends the Illinois Income Tax Act to make conforming changes. Effective immediately.

LRB102 10659 HLH 15988 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1048 as follows:

7 (20 ILCS 605/605-1048 new)

8 Sec. 605-1048. Retaining Illinois Students of Engineering
9 (RISE) income tax credit.

10 (a) The Department shall issue a credit certification
11 against the taxes imposed under subsections (a) and (b) of
12 Section 201 of the Illinois Income Tax Act to qualified
13 professional design firms in Illinois. The credits shall be
14 awarded as provided in subsection (b) of this Section.

15 (b) For taxable years beginning on or after January 1,
16 2021, the Department shall award credits in the amount of (i)
17 10% of the qualified compensation paid to each qualified
18 employee who graduated from an accredited institution of
19 higher learning in the State and (ii) 5% of the qualified
20 compensation paid to each qualified employee who graduated
21 from an accredited institution of higher learning outside of
22 the State. The credit shall be taken against the taxes imposed
23 under subsections (a) and (b) of Section 201 of the Illinois

1 Income Tax Act as provided in Section 232 of the Illinois
2 Income Tax Act. The credit for each taxable year may not exceed
3 \$50,000 per qualified professional design firm.

4 (c) Qualified professional design firms seeking a
5 certificate of exemption under this Section shall apply to the
6 Department in the manner specified by the Department. The
7 Department shall determine the duration of the certificate of
8 exemption awarded under this Section. The Department and any
9 qualified professional design firm seeking the credit must
10 enter into a memorandum of understanding that at a minimum
11 provides: (1) the number of new jobs created; (2) the salary
12 for qualifying employees; and (3) the accredited institution
13 from which qualifying employees graduated.

14 (d) For partners, shareholders of Subchapter S
15 corporations, and members of limited liability companies, if
16 the limited liability company is treated as a partnership for
17 purposes of federal and State income taxation, there shall be
18 allowed a credit under this subsection to be determined in
19 accordance with the determination of income and distributive
20 share of income under Sections 702 and 704 and Subchapter S of
21 the Internal Revenue Code.

22 (e) Beginning July 1, 2023, and each year thereafter, the
23 Department shall annually report to the Governor and the
24 General Assembly on the outcomes and effectiveness of the
25 credit awarded under this Section that shall include the
26 following:

1 (1) the city and county in which each recipient
2 business is located;

3 (2) the estimated value of the credit; and

4 (3) the number of new jobs.

5 (f) For the purposes of this Section:

6 "Qualified compensation" means compensation paid by a
7 qualified professional design firm to a qualified employee in
8 the State.

9 "Qualified employee" means an employee who (i) works in
10 the State for a qualified professional design firm as an
11 architect, an architectural associate, a structural engineer,
12 a structural engineer intern, a design professional, or an
13 engineer intern and (ii) graduated from an accredited
14 institution of higher learning with a Bachelor's degree within
15 the 2 years immediately preceding the year in which the credit
16 is taken.

17 "Qualified professional design firm" means a design firm
18 registered under the Illinois Architecture Practice Act of
19 1989, the Illinois Professional Land Surveyor Act of 1989, the
20 Professional Engineering Practice Act of 1989, or the
21 Structural Engineering Practice Act that:

22 (1) is located in the State of Illinois;

23 (2) has hired a qualifying employee in the taxable
24 year in which the credit is claimed or the taxable year
25 prior to the taxable year in which the credit is claimed;
26 and

1 (3) has paid the qualifying employee compensation in
2 the State during that taxable year.

3 (g) This Section is exempt from the provisions of Section
4 250.

5 Section 10. The Illinois Income Tax Act is amended by
6 adding Section 232 as follows:

7 (35 ILCS 5/232 new)

8 Sec. 232. RISE credit. A taxpayer that has been awarded a
9 credit under Section 605-1045 of the Department of Commerce
10 and Economic Opportunity Law of the Civil Administrative Code
11 of Illinois is entitled to a credit against the tax imposed
12 under subsections (a) and (b) of Section 201 as provided in
13 Section 605-1045 of the Department of Commerce and Economic
14 Opportunity Law of the Civil Administrative Code of Illinois.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.