



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB2953

Introduced 2/19/2021, by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1055 new
35 ILCS 5/211
35 ILCS 10/5-45
35 ILCS 10/5-77

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department shall establish and implement a Veterans' Economic Center pilot program for the purposes of assisting veterans in finding employment and addressing the problem of veteran homelessness. Amends the Illinois Income Tax Act and the Economic Development for a Growing Economy Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity may enter into new Agreements under the Act until June 30, 2025 (currently, June 30, 2022). Provides that a taxpayer who receives a credit under the Act for a taxable year ending on or before December 31, 2023 pursuant an Agreement entered into on or after the effective date of the amendatory Act may apply only 98% of that credit amount against his or her State income tax liability in any taxable year. Provides that the remaining 2% of the total credit amount awarded shall be transferred from the General Revenue Fund into the Veterans' Economic Center Fund. Provides that moneys in the Veterans' Economic Center Fund shall be used by the Department of Commerce and Economic Opportunity to administer the Veterans' Economic Center pilot program. Amends the State Finance Act to create the Veterans' Economic Center Fund. Effective immediately.

LRB102 11782 HLH 17117 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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 605-1055 as follows:

7 (20 ILCS 605/605-1055 new)

8 Sec. 605-1055. Veterans' Economic Center Pilot Program.
9 Beginning on January 1, 2022 and continuing through December
10 31, 2025, the Department shall establish and implement a
11 Veterans' Economic Center pilot program for the purposes of
12 assisting veterans in finding employment and addressing the
13 problem of veteran homelessness. In conducting the program,
14 the Department shall partner with local employers in order to
15 better connect veterans with those employers. The Department
16 shall report to the Governor and the General Assembly
17 regarding the effectiveness of the program no later than
18 December 31, 2025.

19 This Section is repealed on January 1, 2027.

20 Section 10. The Illinois Income Tax Act is amended by
21 changing Section 211 as follows:

1 (35 ILCS 5/211)

2 Sec. 211. Economic Development for a Growing Economy Tax
3 Credit. For tax years beginning on or after January 1, 1999, a
4 Taxpayer who has entered into an Agreement (including a New
5 Construction EDGE Agreement) under the Economic Development
6 for a Growing Economy Tax Credit Act is entitled to a credit
7 against the taxes imposed under subsections (a) and (b) of
8 Section 201 of this Act in an amount to be determined in the
9 Agreement. If the Taxpayer is a partnership or Subchapter S
10 corporation, the credit shall be allowed to the partners or
11 shareholders in accordance with the determination of income
12 and distributive share of income under Sections 702 and 704
13 and subchapter S of the Internal Revenue Code. The Department,
14 in cooperation with the Department of Commerce and Economic
15 Opportunity, shall prescribe rules to enforce and administer
16 the provisions of this Section. This Section is exempt from
17 the provisions of Section 250 of this Act.

18 The credit shall be subject to the conditions set forth in
19 the Agreement and the following limitations:

20 (1) The tax credit shall not exceed the Incremental
21 Income Tax (as defined in Section 5-5 of the Economic
22 Development for a Growing Economy Tax Credit Act) with
23 respect to the project; additionally, the New Construction
24 EDGE Credit shall not exceed the New Construction EDGE
25 Incremental Income Tax (as defined in Section 5-5 of the
26 Economic Development for a Growing Economy Tax Credit

1 Act).

2 (2) The amount of the credit allowed during the tax
3 year plus the sum of all amounts allowed in prior years
4 shall not exceed 100% of the aggregate amount expended by
5 the Taxpayer during all prior tax years on approved costs
6 defined by Agreement.

7 (3) The amount of the credit shall be determined on an
8 annual basis. Except as applied in a carryover year
9 pursuant to Section 211(4) of this Act, the credit may not
10 be applied against any State income tax liability in more
11 than 10 taxable years; provided, however, that (i) an
12 eligible business certified by the Department of Commerce
13 and Economic Opportunity under the Corporate Headquarters
14 Relocation Act may not apply the credit against any of its
15 State income tax liability in more than 15 taxable years
16 and (ii) credits allowed to that eligible business are
17 subject to the conditions and requirements set forth in
18 Sections 5-35 and 5-45 of the Economic Development for a
19 Growing Economy Tax Credit Act and Section 5-51 as
20 applicable to New Construction EDGE Credits.

21 (4) The credit may not exceed the amount of taxes
22 imposed pursuant to subsections (a) and (b) of Section 201
23 of this Act. Any credit that is unused in the year the
24 credit is computed may be carried forward and applied to
25 the tax liability of the 5 taxable years following the
26 excess credit year. The credit shall be applied to the

1 earliest year for which there is a tax liability. If there
2 are credits from more than one tax year that are available
3 to offset a liability, the earlier credit shall be applied
4 first.

5 (5) No credit shall be allowed with respect to any
6 Agreement for any taxable year ending after the
7 Noncompliance Date. Upon receiving notification by the
8 Department of Commerce and Economic Opportunity of the
9 noncompliance of a Taxpayer with an Agreement, the
10 Department shall notify the Taxpayer that no credit is
11 allowed with respect to that Agreement for any taxable
12 year ending after the Noncompliance Date, as stated in
13 such notification. If any credit has been allowed with
14 respect to an Agreement for a taxable year ending after
15 the Noncompliance Date for that Agreement, any refund paid
16 to the Taxpayer for that taxable year shall, to the extent
17 of that credit allowed, be an erroneous refund within the
18 meaning of Section 912 of this Act.

19 (6) For purposes of this Section, the terms
20 "Agreement", "Incremental Income Tax", "New Construction
21 EDGE Agreement", "New Construction EDGE Credit", "New
22 Construction EDGE Incremental Income Tax", and
23 "Noncompliance Date" have the same meaning as when used in
24 the Economic Development for a Growing Economy Tax Credit
25 Act.

26 (7) Agreements entered into on or after the effective

1 date of this amendatory Act of the 102nd General Assembly
2 are subject to the limitations set forth in subsection (c)
3 of Section 5-45 of the Economic Development for a Growing
4 Economy Tax Credit Act.

5 (Source: P.A. 101-9, eff. 6-5-19.)

6 Section 15. The Economic Development for a Growing Economy
7 Tax Credit Act is amended by changing Sections 5-45 and 5-77 as
8 follows:

9 (35 ILCS 10/5-45)

10 Sec. 5-45. Amount and duration of the 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
16 fixed dollar limitation.

17 (b) Notwithstanding subsection (a), and except as the
18 credit may be applied in a carryover year pursuant to Section
19 211(4) of the Illinois Income Tax Act, the credit may be
20 applied against the State income tax liability in more than 10
21 taxable years but not in more than 15 taxable years for an
22 eligible business that (i) qualifies under this Act and the
23 Corporate Headquarters Relocation Act and has in fact
24 undertaken a qualifying project within the time frame

1 specified by the Department of Commerce and Economic
2 Opportunity under that Act, and (ii) applies against its State
3 income tax liability, during the entire 15-year period, no
4 more than 60% of the maximum credit per year that would
5 otherwise be available under this Act.

6 (c) Notwithstanding any other provision of law, a taxpayer
7 who receives a credit under this Act for a taxable year ending
8 on or before December 31, 2023 pursuant an Agreement entered
9 into on or after the effective date of this amendatory Act of
10 the 102nd General Assembly may apply only 98% of that credit
11 amount against his or her State income tax liability in any
12 taxable year. By July 1, 2021, and by July 1 of each calendar
13 year thereafter through calendar year 2024, the Department
14 shall certify to the Comptroller an amount equal to 2% of the
15 total credits awarded under this Section pursuant to an
16 Agreement entered into on or after the effective date of this
17 amendatory Act of the 102nd General Assembly for a taxable
18 year ending during the previous calendar year. Immediately
19 upon receipt of the certification, the State Comptroller shall
20 direct and the State Treasurer shall transfer the certified
21 amount from the General Revenue Fund into the Veterans'
22 Economic Center Fund, a special fund created in the State
23 treasury. Moneys in the Veterans' Economic Center Fund shall
24 be used by the Department of Commerce and Economic Opportunity
25 to administer the Veterans' Economic Center pilot program
26 established under Section 605-1055 of the Department of

1 Commerce and Economic Opportunity Law of the Civil
2 Administrative Code of Illinois.

3 (Source: P.A. 94-793, eff. 5-19-06.)

4 (35 ILCS 10/5-77)

5 Sec. 5-77. Sunset of new Agreements. The Department shall
6 not enter into any new Agreements under the provisions of
7 Section 5-50 of this Act after June 30, 2025 ~~June 30, 2022~~.

8 (Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.