



Rep. Lawrence Walsh, Jr.

Filed: 3/22/2021

10200HB3437ham001

LRB102 14622 CPF 23760 a

1 AMENDMENT TO HOUSE BILL 3437

2 AMENDMENT NO. _____. Amend House Bill 3437 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 1. INVESTING IN ILLINOIS WORKS TAX CREDIT ACT

5 Section 1-1. Short title. This Act may be cited as the
6 Investing in Illinois Works Tax Credit Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-3. Legislative findings. The General Assembly
9 finds that:

10 Economic research indicates that registered apprenticeship
11 programs have positive economic impacts, and countries with
12 more widespread usage of apprenticeship programs have shown to
13 be more successful at transitioning young workers into stable
14 jobs, resulting in lower youth unemployment rates.

15 The demographics of registered apprenticeship programs in

1 our State do not mirror the diversity of Illinoisans.
2 According to data from the U.S. Department of Labor's Office
3 of Apprenticeship, from 2000 through 2016, only 8.8% of all
4 construction apprentices were African-American, 17.6% were
5 Hispanic or Latino/Latina, while 69.6% were white.

6 In order to work toward a level playing field for all who
7 seek the training and economic stability apprenticeships
8 provide, Illinois created the Illinois Works Preapprenticeship
9 Program, which funds preapprenticeship skills training through
10 community-based organizations serving populations that have,
11 historically, been met with barriers to entry or advancement
12 in the workforce.

13 By targeting historically underutilized communities whose
14 members seek to access the upward mobility and career
15 advancement apprenticeships bring, the Illinois
16 Preapprenticeship Program is one part of many State
17 initiatives to increase diversity in apprenticeship programs
18 and careers in the construction and building trades.

19 The Investing in Illinois Works Tax Credit expands the
20 goals of the Illinois Preapprenticeship Program to private
21 construction projects and highly skilled training programs by
22 incentivizing contractors to utilize graduates of the Illinois
23 Works Preapprenticeship Program or graduates of the U.S.
24 Department of Labor's Office of Apprenticeship as part of
25 their skilled and trained workforces on projects at
26 high-hazard facilities.

1 Section 1-5. Definitions. As used in this Act:

2 "Department" means the Department of Revenue.

3 "Illinois Works Preapprenticeship Program" means a network
4 of community-based, nonprofit organizations throughout
5 Illinois that receive grant funding from the Illinois
6 Department of Commerce and Economic Opportunity to recruit,
7 pre-screen, and provide preapprenticeship skill training to
8 create a qualified, diverse pipeline of workers who are
9 prepared for careers in the construction and building trades
10 as prescribed in Section 20-15 Illinois Works Jobs Program
11 Act.

12 "Owner or operator" has the meaning provided in Section 5
13 of the Illinois Hazardous Materials Workforce Training Act.

14 "Skilled and trained workforce" has the meaning provided
15 in Section 5 of the Illinois Hazardous Materials Workforce
16 Training Act.

17 "Qualified wages" means the wages paid or incurred by the
18 employer during the taxable year to a qualifying graduate.

19 "Qualifying graduate" means an individual from an
20 underrepresented population who has successfully completed a
21 preapprenticeship program through the Illinois Works
22 Preapprenticeship Program in compliance with the requirements
23 of Section 20-15 of the Illinois Works Jobs Programs Act and
24 who is a registered apprentice as defined under Section 10-5
25 of the Illinois Hazardous Materials Workforce Training Act or

1 has successfully completed an apprenticeship program approved
2 by and registered with the United States Department of Labor's
3 Office of Apprenticeship.

4 "Underrepresented population" has the meaning provided in
5 Section 20-10 of the Illinois Works Job Program Act.

6 Section 1-10. Tax credit. An owner or operator may apply
7 for a certificate of eligibility to receive a credit against
8 the payment of taxes withheld under Section 704A of the
9 Illinois Income Tax Act up to an amount equal to 45% of
10 qualified wages paid to each member of its skilled and trained
11 workforce who is also a qualifying graduate performing work in
12 his or her prevailing wage classification for the duration of
13 his or her employment in the calendar year for which the credit
14 will be applied.

15 The Department shall award credits under this Act to
16 further career advancement of underrepresented populations and
17 diversity in private sector skilled construction trades.

18 Section 1-15. Application process. The Department shall
19 establish an application process for owners and operators to
20 certify their eligibility for the credit, in coordination with
21 the Department of Labor and the Department of Commerce and
22 Economic Opportunity as necessary for implementation.

23 The owner or operator must provide:

24 (1) the name, year, and community-based organization

1 or union through which each qualifying graduate completed
2 his or her preapprenticeship program, apprenticeship
3 program, or applicable apprenticeship and training program
4 approved by and registered with the United States
5 Department of Labor's Office of Apprenticeship;

6 (2) the certificate of completion from the Department
7 of Labor that the qualifying graduate has completed the
8 minimum approved safety training required by the Illinois
9 Hazardous Materials Workforce Training Act;

10 (3) the hours worked by the qualifying graduate that
11 go to meeting his or her apprenticeship requirements at
12 the time of the application;

13 (4) a signed affidavit from the principal attesting
14 that: (i) the qualifying graduate will perform work in his
15 or her prevailing wage classification for the duration of
16 his or her employment in the calendar year in which the
17 credit will be applied; (ii) the documents provided in the
18 application are true; and (iii) the owner or operator will
19 comply with all applicable laws; and

20 (5) any other material required by the Department.

21 Section 1-20. Credit awards.

22 (a) The credit shall be claimed for the first calendar
23 year ending on or after the date on which the certificate is
24 issued by the Department. The credit shall not exceed \$2,500
25 per qualifying graduate annually, increased annually by the

1 inflation adjustment, nor shall the credit exceed the actual
2 taxes withheld under Section 704A of the Illinois Income Tax
3 Act. The Department shall limit the monetary amount of credits
4 awarded under this Act to no more than \$20,000,000, increased
5 annually by the inflation adjustment. If applications for a
6 greater amount are received, credits shall be allowed on a
7 first-come-first-served basis, based on the date on which each
8 properly complete application for a certification of
9 eligibility is received by the Department. If more than one
10 certificate of eligibility is received on the same day, the
11 credits shall be awarded based on the time of submission for
12 that particular day.

13 (b) In the case of a taxable year beginning on or after
14 January 1, 2021, the \$2,500 amount and the \$20,000,000 amount
15 in subsection (a) shall be increased each year by the
16 inflation adjustment. For the purposes of this Section, the
17 inflation adjustment for any calendar year is the percentage
18 (if any) by which the Consumer Price Index for All Urban
19 Consumers, as issued by the United States Department of Labor,
20 for the preceding calendar year exceeds the Consumer Price
21 Index for All Urban Consumers for calendar year 2020.

22 Section 1-25. Penalties. False or fraudulent claims for
23 credits under this Section may be subject to penalties as
24 provided under Section 3-5 or 3-6 of the Uniform Penalty and
25 Interest Act, as applicable.

1 If the Department determines that an owner or operator who
2 has received a credit under this Section is not complying with
3 its requirements or the certifications the owner or operator
4 made in its application, the Department shall recapture from
5 the taxpayer the entire credit amount awarded under its
6 certification.

7 Section 1-35. Rulemaking. The Department, in coordination
8 with the Department of Labor and the Department of Commerce
9 and Economic Opportunity, shall adopt rules for the
10 implementation and administration of this Act. In order to
11 provide for the expeditious and timely implementation of this
12 Act, the Department may adopt emergency rules, in consultation
13 with the Department of Labor and the Department of Commerce
14 and Economic Opportunity. The adoption of emergency rules
15 authorized by this Section is deemed to be necessary for the
16 public interest, safety, and welfare.

17 ARTICLE 5. ACCESS TO APPRENTICESHIP ACT

18 Section 5-1. Short title. This Act may be cited as the
19 Access to Apprenticeship Act. References in this Article to
20 "this Act" mean this Article.

21 Section 5-5. Restrictions on application requirements.
22 Notwithstanding any law to the contrary, in order to ensure

1 fair and equal access to apprenticeship programs, no
2 application for a preapprenticeship or apprenticeship program,
3 whether run by the State, a community-based organization, a
4 community college, a public university, a private employer, a
5 union, or joint labor-management program, may require a
6 recommendation from a union member or any other person as a
7 condition of acceptance to the preapprenticeship or
8 apprenticeship program. An intent to hire letter from a
9 signatory contractor shall not be considered a recommendation
10 for purposes of this Act.

11 Section 5-97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 ARTICLE 10. ILLINOIS HAZARDOUS MATERIALS WORKFORCE TRAINING
14 ACT

15 Section 10-1. Short title. This Act may be cited as the
16 Illinois Hazardous Materials Workforce Training Act.
17 References in this Article to "this Act" mean this Article.

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

19 "Apprenticeable occupation" means an occupation in the
20 building and construction trades for which training and
21 apprenticeship programs have been approved by and registered
22 with the U.S. Department of Labor's Office of Apprenticeship.

1 "Apprenticeship program" means an applicable training and
2 apprenticeship program approved by and registered with the
3 U.S. Department of Labor's Office of Apprenticeship.

4 "Building and construction trades council" means any labor
5 organization that represents multiple construction trades and
6 monitors or is attentive to compliance with public or workers'
7 safety laws, wage and hour requirements, or other statutory
8 requirements and negotiates and maintains collective
9 bargaining agreements.

10 "Construction" means all work at a stationary source
11 involving laborers, workers, or mechanics, including any
12 maintenance, repair, assembly, or disassembly work performed
13 on equipment whether owned, leased, or rented.

14 "Department" means the Department of Labor.

15 "Director" means the Director of Labor.

16 "Labor agreement" means a form of prehire collective
17 bargaining agreement covering all terms and conditions of
18 employment.

19 "Labor organization" means an organization that is the
20 exclusive representative of an employer's employees recognized
21 or certified under the federal National Labor Relations Act of
22 1935.

23 "Minimum approved safety training for workers at high
24 hazard facilities" means a minimum 30-hour OSHA Outreach
25 Training Program for the Construction class consisting of a
26 curriculum of OSHA-designated training topics with training

1 performed by an authorized OSHA Outreach Training Program
2 Trainer and that is intended to provide workers with
3 information about their rights, employer responsibilities,
4 safety and health hazards a worker may encounter on a work
5 site, as well as how to identify, abate, avoid, and prevent
6 job-related hazards by emphasizing hazard identification,
7 avoidance, control, and prevention.

8 "OSHA" means the United States Department of Labor's
9 Occupational Safety and Health Administration.

10 "Owner or operator" means an owner or operator of a
11 stationary source that is engaged in activities described in
12 Code 324110, 325110, 325193, or 325199 of the 2017 North
13 American Industry Classification System (NAICS), and has one
14 or more covered processes that are required to prepare and
15 submit a Risk Management Plan. "Owner or operator" does not
16 include oil and gas extraction operations.

17 "Prevailing hourly wage rate" has the same meaning as
18 "general prevailing rate of hourly wages" as defined in
19 Section 2 of the Prevailing Wage Act.

20 "Registered apprentice" means an apprentice registered in
21 an applicable apprenticeship program for an apprenticeable
22 occupation approved by and registered with the U.S. Department
23 of Labor's Office of Apprenticeship.

24 "Shift" means a set standard period of time an employer
25 requires its employees to perform his or her work-related
26 duties on a daily basis. For purposes of this definition,

1 there may be multiple shifts per day.

2 "Skilled journeyperson" means a worker who meets all of
3 the following criteria:

4 (1) the worker either graduated from an approved
5 apprenticeship and training program approved by and
6 registered with the U.S. Department of Labor's Office of
7 Apprenticeship for the applicable occupation, or has at
8 least as many hours of on-the-job experience in the
9 applicable occupation that would be required to graduate
10 from an apprenticeship program approved by and registered
11 with the U.S. Department of Labor's Office of
12 Apprenticeship for the applicable occupation;

13 (2) the worker is being paid at least a rate
14 equivalent to the prevailing hourly wage rate for a
15 journeyperson in the applicable occupation and locality;
16 and

17 (3) beginning on or after July 1, 2024, the worker has
18 completed, within the prior 3 calendar years, minimum
19 approved safety training for workers at high hazard
20 facilities and has filed a certificate of completion with
21 the Department.

22 "Skilled and trained workforce" means a workforce that
23 meets all of the following criteria:

24 (1) all the workers are either registered apprentices
25 or skilled journeypersons;

26 (2) beginning on July 1, 2022, at least 45% of the

1 skilled journeypersons are graduates of an apprenticeship
2 program for the applicable occupation;

3 (3) beginning on July 1, 2023, at least 60% of the
4 skilled journeypersons are graduates of an apprenticeship
5 program for the applicable occupation; and

6 (4) beginning on July 1, 2024, at least 80% of the
7 skilled journeypersons are graduates of an apprenticeship
8 program for the applicable occupation.

9 "Stationary source" means that term as it is defined under
10 Section 39.5 of the Environmental Protection Act.

11 Section 10-10. Minimum approved safety training.

12 (a) A person who has completed minimum approved safety
13 training for workers at high hazard facilities shall file his
14 or her certificate of completion with the Department in a
15 manner prescribed by the Department.

16 (b) The owner or operator, when contracting for the
17 performance of construction work at the stationary source,
18 shall require that its contractors and any subcontractors use
19 a skilled and trained workforce to perform all onsite work
20 within an apprenticeable occupation in the building and
21 construction trades.

22 (c) The requirements of this Section shall not immediately
23 apply to contracts awarded before July 1, 2022, unless the
24 contract is extended or renewed after that date. Contracts
25 awarded before July 1, 2022 shall meet the requirements of

1 this Section no later than July 1, 2023.

2 (d) The requirements of this Section shall only apply to
3 the skilled and trained workforce, contracted with an owner or
4 operator to perform construction work at the stationary source
5 site.

6 (e) The skilled and trained workforce requirements under
7 this Section shall not apply to:

8 (1) Contractors that have requested qualified workers
9 from the local hiring halls that dispatch workers in the
10 apprenticeable occupation and, due to workforce shortages,
11 the contractor is unable to obtain sufficient qualified
12 workers within 48 hours of the request, Saturdays,
13 Sundays, and holidays excepted. This Act shall not prevent
14 contractors from obtaining workers from any source.

15 (2) An emergency where compliance is impracticable;
16 namely, an emergency requires immediate action to prevent
17 imminent harm to public health or safety or to the
18 environment. Within 14 days of an emergency, the Attorney
19 General's Workers Rights Bureau, in conjunction with the
20 Illinois Department of Labor, must certify that the
21 emergency warranted noncompliance with this Act. The
22 employer must provide necessary documentation of the
23 emergency to the Attorney General's Workers Rights Bureau
24 and the Illinois Department of Labor.

25 Section 10-15. Enforcement. Any interested party may file

1 a complaint with the Department of Labor against an owner,
2 operator, or construction contractor covered under this Act if
3 there is reasonable belief that the owner, operator, or
4 construction contractor is in violation of this Act. Upon
5 receiving the complaint, the Department of Labor shall request
6 a copy of any contract at issue that was entered into between
7 the owner, operator, or construction contractor to ensure that
8 training requirements under this Act were included in the
9 contract's terms. The Department of Labor shall request from
10 the construction contractor a copy of the construction
11 contractor's payroll, broken down by any registered apprentice
12 and skilled journeyman on the job site. If the Department
13 of Labor finds that an owner, operator, or construction
14 contractor has not complied with this Act, the Department
15 shall refer the matter to the Attorney General for
16 enforcement.

17 Section 10-20. Exemptions. This Act does not apply to any
18 owner or operator that has an executed national or local labor
19 agreement in effect pertaining to the performance of
20 construction work at a given facility or site under the terms
21 of the agreement. The labor agreement must be negotiated with
22 and approved by a local building and construction trades
23 council that has geographic jurisdiction over the stationary
24 source.

1 Section 10-21. Reporting.

2 (a) Any applicable apprenticeship and training program
3 approved by and registered with the U.S. Department of Labor's
4 Office of Apprenticeship providing minimum approved safety
5 training for workers in high hazard facilities and any
6 contractor who employs workers operating at high hazard
7 facilities shall file an annual report with the Department and
8 the Illinois Works Review Panel, in the form and manner
9 required by the Department, within 6 months after the
10 effective date of this Act and on January 31 of each year
11 thereafter. The report shall contain the following
12 information:

13 (1) A description of the applicable apprenticeship and
14 training program, approved by and registered with the U.S.
15 Department of Labor's Office of Apprenticeship, or the
16 contractor's recruitment efforts, screening efforts, and a
17 general description of training efforts.

18 (2) The applicable apprenticeship and training
19 program, approved by and registered with the U.S.
20 Department of Labor's Office of Apprenticeship, shall
21 provide the number of individuals who apply to,
22 participate in, and complete the minimum approved safety
23 training for workers at high hazard facilities, broken
24 down by race, gender, jurisdiction, age, and veteran
25 status. A contractor under this paragraph shall provide
26 the number of workers who the contractor employs to work

1 at high hazard facilities, within the last calendar year,
2 broken down by race, gender, jurisdiction, age, and
3 veteran status.

4 (3) The demographic data of the jurisdiction.

5 (4) For the applicable apprenticeship and training
6 program, approved by and registered with the U.S.
7 Department of Labor's Office of Apprenticeship, a
8 statement of the minimum diversity goal that participation
9 in the minimum approved safety training for workers in
10 high hazard facilities is representative of the
11 demographics of its jurisdiction. For a contractor under
12 this paragraph, a statement of the minimum diversity goal
13 that the workers employed by the contractor to work at
14 high hazard facilities is representative of the
15 demographics of the contractor's jurisdiction.

16 (5) An action plan to increase diversity and meet or
17 exceed the stated minimum diversity goal, inclusive of,
18 but not limited to, the following actions if the diversity
19 goal is not met:

20 (A) Providing information on this Act for all high
21 schools and field offices of the Department of
22 Employment Security in the jurisdiction.

23 (B) Entering into a joint agreement with the
24 Department of Employment Security for outreach and
25 employment.

26 (C) Entering into a joint agreement with

1 educational institutions or approved Illinois Works
2 Preapprenticeship Programs established under
3 subsection (a) of Section 20-15 of the Illinois Works
4 Jobs Program Act in the jurisdiction to enhance
5 recruitment efforts.

6 (D) Eliminating experience requirements, when
7 feasible, to permit increased participation by
8 minorities.

9 (b) If the Department and the Illinois Works Review Panel
10 conclude that the report submitted under this Section does not
11 meet or is unlikely to meet the minimum diversity goal under
12 paragraph (4) of subsection (a) within 12 months after filing
13 its report, or that the action plan was not followed, the
14 Department and the Illinois Works Review Panel shall recommend
15 that the action plan be revised to provide additional steps
16 and opportunities for minority participation.

17 (c) An applicable apprenticeship and training program,
18 approved by and registered with the U.S. Department of Labor's
19 Office of Apprenticeship, providing workers in a high hazard
20 facility or a contractor operating at high hazard facility
21 shall be deemed unfit to provide workers or operate at high
22 hazard facilities and may be subject to a penalty of up to one
23 year's prohibition from providing workers or operating at high
24 hazard facilities. If the Department and the Illinois Works
25 Review Panel conclude that the applicable apprenticeship and
26 training program, approved by and registered with the U.S.

1 Department of Labor's Office of Apprenticeship, providing
2 workers in a high hazard facility or the contractor operating
3 at a high hazard facility failed to follow its action plan
4 under paragraph (5) of subsection (a) or the recommendations
5 to its action plan provided by the Department and the Illinois
6 Works Review Panel under subsection (b) within 12 months after
7 filing the entity's report, then the applicable apprenticeship
8 and training program or contractor shall be deemed unfit to
9 provide workers or operate at high hazard facilities and may
10 be subject to a penalty of up to one year's prohibition from
11 providing workers or operating at high hazard facilities.

12 (d) For reporting purposes, the jurisdiction is the
13 Illinois county where the applicable apprenticeship and
14 training program, approved by and registered with the U.S.
15 Department of Labor's Office of Apprenticeship, is located.
16 For a contractor, the jurisdiction is where the contractor's
17 workers perform the majority of work in a high hazard facility
18 within the last calendar year.

19 Section 10-25. Penalties; noncompliant reporting;
20 reinstatement.

21 (a) Except as provided in subsection (b), an owner or
22 operator who violates the requirements of this Act shall be
23 subject to a minimum civil penalty of \$10,000 for each
24 violation. Each shift a violation of this Act occurs shall be
25 considered a separate violation. The penalty may be recovered

1 in a civil action brought by the Director in any circuit court.
2 In the civil action, the Director shall be represented by the
3 Attorney General. All moneys received by the Department as
4 fees and civil penalties under this Act shall be deposited
5 into the Illinois Works Fund to be used to recruit, prescreen,
6 and provide preapprenticeship skills training for which
7 participants may attend free of charge and receive a stipend
8 to create a qualified, diverse pipeline of workers who are
9 prepared to work in high hazard facilities.

10 (b) Notwithstanding subsection (a), if the Department and
11 the Illinois Works Review Panel determine that there is a
12 violation of Section 10-21, the Department and the Illinois
13 Works Review Panel shall provide reasonable notice of
14 noncompliance to the violator within 90 days after the
15 violation and inform the violator that the violator has 45
16 days to comply with Section 10-21 without penalty. If the
17 noncompliance is not remedied, the violator may be deemed
18 unfit to provide workers or operate at high hazard facilities
19 for a period of up to one year. If the Department and the
20 Illinois Works Review Panel determine that the violator has
21 remedied the violation and is in compliance with Section
22 10-21, the Department shall have 45 days to reinstate the
23 authorization for the violator to provide workers or operate
24 at high hazard facilities. The Department and the Illinois
25 Works Review Panel may not unreasonably withhold reinstatement
26 under this subsection when the applicable apprenticeship and

1 training program, approved by and registered with the U.S.
2 Department of Labor's Office of Apprenticeship, providing
3 workers in high hazard facilities or the contractor operating
4 at high hazard facilities is found to be in compliance with
5 Section 10-21.

6 Section 10-97. Severability. The provisions of this Act
7 are severable under Section 1.31 of the Statute on Statutes.

8 ARTICLE 15. AMENDATORY PROVISIONS

9 Section 15-5. The Illinois Administrative Procedure Act is
10 amended by adding Section 5-45.8 as follows:

11 (5 ILCS 100/5-45.8 new)

12 Sec. 5-45.8. Emergency rulemaking. To provide for the
13 expeditious and timely implementation of the Investing in
14 Illinois Works Tax Credit Act, emergency rules implementing
15 the Investing in Illinois Works Tax Credit Act may be adopted
16 in accordance with Section 5-45 by the Department of Revenue,
17 in coordination with the Department of Labor and the
18 Department of Commerce and Economic Opportunity. The adoption
19 of emergency rules authorized by Section 5-45 and this Section
20 is deemed to be necessary for the public interest, safety, and
21 welfare.

22 This Section is repealed on January 1, 2026.

1 Section 15-10. The Illinois Income Tax Act is amended by
2 changing Section 704A as follows:

3 (35 ILCS 5/704A)

4 Sec. 704A. Employer's return and payment of tax withheld.

5 (a) In general, every employer who deducts and withholds
6 or is required to deduct and withhold tax under this Act on or
7 after January 1, 2008 shall make those payments and returns as
8 provided in this Section.

9 (b) Returns. Every employer shall, in the form and manner
10 required by the Department, make returns with respect to taxes
11 withheld or required to be withheld under this Article 7 for
12 each quarter beginning on or after January 1, 2008, on or
13 before the last day of the first month following the close of
14 that quarter.

15 (c) Payments. With respect to amounts withheld or required
16 to be withheld on or after January 1, 2008:

17 (1) Semi-weekly payments. For each calendar year, each
18 employer who withheld or was required to withhold more
19 than \$12,000 during the one-year period ending on June 30
20 of the immediately preceding calendar year, payment must
21 be made:

22 (A) on or before each Friday of the calendar year,
23 for taxes withheld or required to be withheld on the
24 immediately preceding Saturday, Sunday, Monday, or

1 Tuesday;

2 (B) on or before each Wednesday of the calendar
3 year, for taxes withheld or required to be withheld on
4 the immediately preceding Wednesday, Thursday, or
5 Friday.

6 Beginning with calendar year 2011, payments made under
7 this paragraph (1) of subsection (c) must be made by
8 electronic funds transfer.

9 (2) Semi-weekly payments. Any employer who withholds
10 or is required to withhold more than \$12,000 in any
11 quarter of a calendar year is required to make payments on
12 the dates set forth under item (1) of this subsection (c)
13 for each remaining quarter of that calendar year and for
14 the subsequent calendar year.

15 (3) Monthly payments. Each employer, other than an
16 employer described in items (1) or (2) of this subsection,
17 shall pay to the Department, on or before the 15th day of
18 each month the taxes withheld or required to be withheld
19 during the immediately preceding month.

20 (4) Payments with returns. Each employer shall pay to
21 the Department, on or before the due date for each return
22 required to be filed under this Section, any tax withheld
23 or required to be withheld during the period for which the
24 return is due and not previously paid to the Department.

25 (d) Regulatory authority. The Department may, by rule:

26 (1) Permit employers, in lieu of the requirements of

1 subsections (b) and (c), to file annual returns due on or
2 before January 31 of the year for taxes withheld or
3 required to be withheld during the previous calendar year
4 and, if the aggregate amounts required to be withheld by
5 the employer under this Article 7 (other than amounts
6 required to be withheld under Section 709.5) do not exceed
7 \$1,000 for the previous calendar year, to pay the taxes
8 required to be shown on each such return no later than the
9 due date for such return.

10 (2) Provide that any payment required to be made under
11 subsection (c)(1) or (c)(2) is deemed to be timely to the
12 extent paid by electronic funds transfer on or before the
13 due date for deposit of federal income taxes withheld
14 from, or federal employment taxes due with respect to, the
15 wages from which the Illinois taxes were withheld.

16 (3) Designate one or more depositories to which
17 payment of taxes required to be withheld under this
18 Article 7 must be paid by some or all employers.

19 (4) Increase the threshold dollar amounts at which
20 employers are required to make semi-weekly payments under
21 subsection (c)(1) or (c)(2).

22 (e) Annual return and payment. Every employer who deducts
23 and withholds or is required to deduct and withhold tax from a
24 person engaged in domestic service employment, as that term is
25 defined in Section 3510 of the Internal Revenue Code, may
26 comply with the requirements of this Section with respect to

1 such employees by filing an annual return and paying the taxes
2 required to be deducted and withheld on or before the 15th day
3 of the fourth month following the close of the employer's
4 taxable year. The Department may allow the employer's return
5 to be submitted with the employer's individual income tax
6 return or to be submitted with a return due from the employer
7 under Section 1400.2 of the Unemployment Insurance Act.

8 (f) Magnetic media and electronic filing. With respect to
9 taxes withheld in calendar years prior to 2017, any W-2 Form
10 that, under the Internal Revenue Code and regulations
11 promulgated thereunder, is required to be submitted to the
12 Internal Revenue Service on magnetic media or electronically
13 must also be submitted to the Department on magnetic media or
14 electronically for Illinois purposes, if required by the
15 Department.

16 With respect to taxes withheld in 2017 and subsequent
17 calendar years, the Department may, by rule, require that any
18 return (including any amended return) under this Section and
19 any W-2 Form that is required to be submitted to the Department
20 must be submitted on magnetic media or electronically.

21 The due date for submitting W-2 Forms shall be as
22 prescribed by the Department by rule.

23 (g) For amounts deducted or withheld after December 31,
24 2009, a taxpayer who makes an election under subsection (f) of
25 Section 5-15 of the Economic Development for a Growing Economy
26 Tax Credit Act for a taxable year shall be allowed a credit

1 against payments due under this Section for amounts withheld
2 during the first calendar year beginning after the end of that
3 taxable year equal to the amount of the credit for the
4 incremental income tax attributable to full-time employees of
5 the taxpayer awarded to the taxpayer by the Department of
6 Commerce and Economic Opportunity under the Economic
7 Development for a Growing Economy Tax Credit Act for the
8 taxable year and credits not previously claimed and allowed to
9 be carried forward under Section 211(4) of this Act as
10 provided in subsection (f) of Section 5-15 of the Economic
11 Development for a Growing Economy Tax Credit Act. The credit
12 or credits may not reduce the taxpayer's obligation for any
13 payment due under this Section to less than zero. If the amount
14 of the credit or credits exceeds the total payments due under
15 this Section with respect to amounts withheld during the
16 calendar year, the excess may be carried forward and applied
17 against the taxpayer's liability under this Section in the
18 succeeding calendar years as allowed to be carried forward
19 under paragraph (4) of Section 211 of this Act. The credit or
20 credits shall be applied to the earliest year for which there
21 is a tax liability. If there are credits from more than one
22 taxable year that are available to offset a liability, the
23 earlier credit shall be applied first. Each employer who
24 deducts and withholds or is required to deduct and withhold
25 tax under this Act and who retains income tax withholdings
26 under subsection (f) of Section 5-15 of the Economic

1 Development for a Growing Economy Tax Credit Act must make a
2 return with respect to such taxes and retained amounts in the
3 form and manner that the Department, by rule, requires and pay
4 to the Department or to a depository designated by the
5 Department those withheld taxes not retained by the taxpayer.
6 For purposes of this subsection (g), the term taxpayer shall
7 include taxpayer and members of the taxpayer's unitary
8 business group as defined under paragraph (27) of subsection
9 (a) of Section 1501 of this Act. This Section is exempt from
10 the provisions of Section 250 of this Act. No credit awarded
11 under the Economic Development for a Growing Economy Tax
12 Credit Act for agreements entered into on or after January 1,
13 2015 may be credited against payments due under this Section.

14 (h) An employer may claim a credit against payments due
15 under this Section for amounts withheld during the first
16 calendar year ending after the date on which a tax credit
17 certificate was issued under Section 35 of the Small Business
18 Job Creation Tax Credit Act. The credit shall be equal to the
19 amount shown on the certificate, but may not reduce the
20 taxpayer's obligation for any payment due under this Section
21 to less than zero. If the amount of the credit exceeds the
22 total payments due under this Section with respect to amounts
23 withheld during the calendar year, the excess may be carried
24 forward and applied against the taxpayer's liability under
25 this Section in the 5 succeeding calendar years. The credit
26 shall be applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one calendar
2 year that are available to offset a liability, the earlier
3 credit shall be applied first. This Section is exempt from the
4 provisions of Section 250 of this Act.

5 (i) Each employer with 50 or fewer full-time equivalent
6 employees during the reporting period may claim a credit
7 against the payments due under this Section for each qualified
8 employee in an amount equal to the maximum credit allowable.
9 The credit may be taken against payments due for reporting
10 periods that begin on or after January 1, 2020, and end on or
11 before December 31, 2027. An employer may not claim a credit
12 for an employee who has worked fewer than 90 consecutive days
13 immediately preceding the reporting period; however, such
14 credits may accrue during that 90-day period and be claimed
15 against payments under this Section for future reporting
16 periods after the employee has worked for the employer at
17 least 90 consecutive days. In no event may the credit exceed
18 the employer's liability for the reporting period. Each
19 employer who deducts and withholds or is required to deduct
20 and withhold tax under this Act and who retains income tax
21 withholdings under this subsection must make a return with
22 respect to such taxes and retained amounts in the form and
23 manner that the Department, by rule, requires and pay to the
24 Department or to a depository designated by the Department
25 those withheld taxes not retained by the employer.

26 For each reporting period, the employer may not claim a

1 credit or credits for more employees than the number of
2 employees making less than the minimum or reduced wage for the
3 current calendar year during the last reporting period of the
4 preceding calendar year. Notwithstanding any other provision
5 of this subsection, an employer shall not be eligible for
6 credits for a reporting period unless the average wage paid by
7 the employer per employee for all employees making less than
8 \$55,000 during the reporting period is greater than the
9 average wage paid by the employer per employee for all
10 employees making less than \$55,000 during the same reporting
11 period of the prior calendar year.

12 For purposes of this subsection (i):

13 "Compensation paid in Illinois" has the meaning ascribed
14 to that term under Section 304(a)(2)(B) of this Act.

15 "Employer" and "employee" have the meaning ascribed to
16 those terms in the Minimum Wage Law, except that "employee"
17 also includes employees who work for an employer with fewer
18 than 4 employees. Employers that operate more than one
19 establishment pursuant to a franchise agreement or that
20 constitute members of a unitary business group shall aggregate
21 their employees for purposes of determining eligibility for
22 the credit.

23 "Full-time equivalent employees" means the ratio of the
24 number of paid hours during the reporting period and the
25 number of working hours in that period.

26 "Maximum credit" means the percentage listed below of the

1 difference between the amount of compensation paid in Illinois
2 to employees who are paid not more than the required minimum
3 wage reduced by the amount of compensation paid in Illinois to
4 employees who were paid less than the current required minimum
5 wage during the reporting period prior to each increase in the
6 required minimum wage on January 1. If an employer pays an
7 employee more than the required minimum wage and that employee
8 previously earned less than the required minimum wage, the
9 employer may include the portion that does not exceed the
10 required minimum wage as compensation paid in Illinois to
11 employees who are paid not more than the required minimum
12 wage.

13 (1) 25% for reporting periods beginning on or after
14 January 1, 2022 ~~2020~~ and ending on or before December 31,
15 2022 ~~2020~~;

16 (2) 21% for reporting periods beginning on or after
17 January 1, 2023 ~~2021~~ and ending on or before December 31,
18 2023 ~~2021~~;

19 (3) 17% for reporting periods beginning on or after
20 January 1, 2024 ~~2022~~ and ending on or before December 31,
21 2024 ~~2022~~;

22 (4) 13% for reporting periods beginning on or after
23 January 1, 2025 ~~2023~~ and ending on or before December 31,
24 2025 ~~2023~~;

25 (5) 9% for reporting periods beginning on or after
26 January 1, 2026 ~~2024~~ and ending on or before December 31,

1 2026 ~~2024~~;

2 (6) 5% for reporting periods beginning on or after
3 January 1, 2027 ~~2025~~ and ending on or before December 31,
4 2027 ~~2025~~.

5 The amount computed under this subsection may continue to
6 be claimed for reporting periods beginning on or after January
7 1, 2028 ~~2026~~ and:

8 (A) ending on or before December 31, 2028 ~~2026~~ for
9 employers with more than 5 employees; or

10 (B) ending on or before December 31, 2029 ~~2027~~ for
11 employers with no more than 5 employees.

12 "Qualified employee" means an employee who is paid not
13 more than the required minimum wage and has an average wage
14 paid per hour by the employer during the reporting period
15 equal to or greater than his or her average wage paid per hour
16 by the employer during each reporting period for the
17 immediately preceding 12 months. A new qualified employee is
18 deemed to have earned the required minimum wage in the
19 preceding reporting period.

20 "Reporting period" means the quarter for which a return is
21 required to be filed under subsection (b) of this Section.

22 (j) Each owner or operator, as defined in the Illinois
23 Hazardous Materials Workforce Training Act, who receives a tax
24 credit under the Investing in Illinois Works Tax Credit Act is
25 entitled to a credit against payments due under this Section
26 as provided in the Investing in Illinois Works Tax Credit Act.

1 (Source: P.A. 100-303, eff. 8-24-17; 100-511, eff. 9-18-17;
2 100-863, eff. 8-14-18; 101-1, eff. 2-19-19.)

3 ARTICLE 99. EFFECTIVE DATE

4 Section 99-99. Effective date. This Act takes effect
5 January 1, 2022.".