

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 1. Short title. This Act may be cited as the Invest
5 in Illinois Act.

6 Section 5. Purpose. The General Assembly finds that the
7 State must encourage and promote the retention and expansion
8 of existing businesses and industry within the State and
9 recruit and attract new businesses and industry to the State
10 by providing businesses with ready access to the capital and
11 incentives needed to stimulate economic activity and create
12 new jobs.

13 Section 10. Definitions. As used in this Act:

14 "Agreement" means an agreement between an applicant and
15 the Department under Section 30 of this Act.

16 "Applicant" means a taxpayer that operates or plans to
17 operate an eligible business in the State.

18 "Business" means a sole proprietorship, partnership,
19 corporation, or limited liability company.

20 "Capital improvement" means (i) the purchase, renovation,
21 rehabilitation, or construction, at an approved project site
22 in the State, of land, buildings, structures, equipment, or

1 furnishings and (ii) goods or services that are normally
2 capitalized, including organizational costs and research and
3 development costs incurred in Illinois. "Capital improvement"
4 does not include land, buildings, structures, and equipment
5 that are leased, unless the term of the lease equals or exceeds
6 the term of the agreement. For land, buildings, structures,
7 and equipment that are leased and are considered capital
8 improvements, the cost of the property shall be determined
9 from the present value of the lease payments, using the
10 corporate interest rate prevailing at the time of the
11 application.

12 "Capital investment" means the expenditure of money for
13 capital improvements.

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

16 "Director" means the Director of Commerce and Economic
17 Opportunity.

18 "Eligible business" means a business that is engaged in
19 manufacturing, processing, assembling, warehousing, or
20 distributing products, conducting research and development,
21 providing tourism services, or providing commercial services
22 in office industries or agricultural processing. "Eligible
23 business" does not include a retailer or a provider of health
24 services or professional services.

25 "Full-time employee" means an individual who is employed
26 for consideration for at least 35 hours each week or who

1 renders any other standard of service generally accepted by
2 industry custom or practice as full-time employment. Annually
3 scheduled periods for inventory or repairs, vacations,
4 holidays, and paid time for sick leave, vacation, or other
5 leave shall be included in this computation of full-time
6 employment. An individual for whom a W-2 is issued by a
7 Professional Employer Organization is a full-time employee if
8 employed in the service of the applicant for consideration for
9 at least 35 hours each week.

10 "Project" means for-profit economic development activity
11 or activities at a single site. For-profit economic
12 development activity or activities of one or more taxpayers at
13 multiple sites may be considered a project if the economic
14 activities are vertically integrated and designated by the
15 Department as a project and as the subject of an agreement that
16 includes capital improvement requirements and job creation
17 requirements and, if applicable, job retention requirements
18 for the project location or locations. The employees subject
19 to the agreement must be assigned to a specific project
20 location and work there as their primary location.

21 "Qualified investment" means investment in this State
22 related to a project subject to an agreement under this Act.

23 "Taxpayer" means a business that is subject to any tax or
24 fee collected by the Department of Revenue or that will be
25 subject to any tax or fee collected by the Department of
26 Revenue upon the location of the business in the State.

1 Section 15. Eligibility.

2 (a) The Department may make non-competitive economic
3 incentive awards, including, but not limited to, grants and
4 loans, to assist applicants that pledge to make capital
5 investments and create new jobs in this State or retain jobs in
6 this State.

7 (b) To qualify for economic incentives under this Act, an
8 applicant must:

9 (1) be in good standing under the laws of this State
10 and the laws of all other states where the applicant was
11 formed or is organized; and

12 (2) owe no delinquent taxes to the State.

13 (c) The Department may not award economic incentives to an
14 applicant that (i) closes operations at one location in the
15 State or reduces those operations by more than 50% and (ii)
16 relocates substantially the same operations to another
17 location in the State. This prohibition does not apply if (i)
18 the applicant moves its operations from one location in the
19 State to another location in the State for the purpose of
20 expanding its operations in the State and (ii) the Department
21 determines that expansion could not reasonably be accommodated
22 within the municipality or county where the business was
23 located prior to the relocation. In making its determination,
24 the Department shall confer with the chief executive officer
25 of the municipality or county where the business was located

1 prior to the relocation and take into consideration any
2 evidence offered by the municipality or county regarding its
3 ability to accommodate expansion within the municipality or
4 county.

5 (d) Notwithstanding subsection (c), the Department shall
6 not award economic incentives to a professional sports
7 organization that moves its operations from one location in
8 the State to another location in the State.

9 (e) Nothing in this Act will diminish or remove diversity,
10 equity, inclusion, or jobs goals and commitments in other
11 State Programs related to any development project supported by
12 this Act.

13 Section 20. Application. An applicant seeking an economic
14 incentive under this Act shall submit a detailed application
15 to the Department. The application must, at a minimum, contain
16 the following information:

17 (1) the location of the project;

18 (2) the amount of the capital investment the applicant
19 will make in the project;

20 (3) the number of new jobs that will be created as a
21 result of the project;

22 (4) the number of jobs retained by an existing
23 applicant; and

24 (5) the average salary of the jobs to be created or
25 retained.

1 Section 25. Review of application. The Department shall
2 determine which projects will benefit the State and are
3 eligible to receive an economic incentive under this Act. In
4 making this determination, the Department may consider:

5 (1) the number of jobs to be created by the applicant;

6 (2) the number of jobs to be retained by the
7 applicant;

8 (3) the average salary of jobs created by the
9 applicant;

10 (4) the average salary of jobs retained by the
11 applicant;

12 (5) the total capital investment to be made by the
13 applicant;

14 (6) the likelihood of other businesses locating within
15 the same vicinity or within the State as a result of the
16 business activity to be conducted by the applicant
17 receiving the economic incentive;

18 (7) the impact on the economy of the area or community
19 where the project is located; and

20 (8) any other factors the Department determines to be
21 relevant to accomplish the purposes of this Act.

22 Section 30. Agreement.

23 (a) Upon approval of an application under this Act, the
24 Department shall enter into an agreement with the applicant

1 that shall include, at a minimum, the following:

2 (1) a detailed description of the project that is the
3 subject of the agreement, as well as the performance
4 conditions, including the required amount of capital
5 investment and the number of jobs required to be created
6 or retained;

7 (2) the performance conditions that must be met to
8 obtain the award, including, but not limited to, the
9 number of new jobs created, the average salary, and the
10 total capital investment;

11 (3) the schedule of payments;

12 (4) a requirement that the applicant maintain
13 operations at the project location for a minimum number of
14 years;

15 (5) a specific method for determining the number of
16 new employees and, if applicable, the number of retained
17 employees, to be employed during each taxable year covered
18 by the agreement;

19 (6) a requirement that the taxpayer annually report to
20 the Department the number of new employees and any other
21 information the Department deems necessary and appropriate
22 to perform its duties under this Act;

23 (7) a detailed description of the number of new
24 employees to be hired and the occupation and payroll of
25 full-time jobs to be created or retained because of the
26 project;

1 (8) the minimum capital investment the taxpayer will
2 make, the time period for placing the property in service,
3 and the designated location in Illinois for the capital
4 investment;

5 (9) a requirement that the taxpayer provide written
6 notice to the Director and the Director's designee not
7 more than 30 days after the taxpayer determines that the
8 minimum job creation, job retention, employment payroll,
9 or capital investment is no longer or will no longer be
10 achieved or maintained as required in the agreement and
11 include in that notice the number of layoffs, the date of
12 the layoffs, and the taxpayer's efforts to provide career
13 and training counseling to the impacted workers with
14 industry-related certifications and trainings;

15 (10) a claw-back provision to recapture incentive
16 amounts for failure to meet the provisions contained in
17 the agreement; and

18 (11) a provision that the agreement shall not take
19 effect, nor may any funds be expended or transferred under
20 the agreement, if the Department fails to comply with the
21 notification requirements under Section 32 or if the
22 Speaker of the House of Representatives or the Senate
23 President (or their designees, if applicable) submit a
24 letter of rejection under Section 32.

25 (b) Subject to the provisions of Section 32, the
26 Department may issue the incentive to the applicant within the

1 time period the Department deems appropriate in order to
2 ensure that the applicant achieves the performance conditions
3 set forth in the agreement.

4 Section 32. General Assembly notification. The Department
5 shall notify the President of the Senate, or his or her
6 designee, and the Speaker of the House of Representatives, or
7 his or her designee, when awards for the purposes of this Act
8 are nearing final negotiation with an applicant. The
9 notification shall include the prospective amount of the award
10 and other relevant information related to the application. The
11 President of the Senate and the Speaker of the House, or their
12 designees, if applicable, shall certify that they have been
13 notified of the planned awards and that they do not object. If
14 there is no objection certified from the President of the
15 Senate and the Speaker of the House, the Department may enter
16 into an agreement under this Act for the award amount
17 contained in the notification. If the Department enters into
18 an agreement under this Act for an award in an amount that is
19 different than the amount contained in the notification, it
20 shall deliver a copy of the agreement to both the Speaker of
21 the House of Representatives, or his or her designee, and the
22 Senate President, or his or her designee, within 2 days after
23 the agreement is executed. Notwithstanding any other provision
24 of this Act, an agreement entered into under this Act shall not
25 take effect, nor may any funds be expended or transferred

1 under that agreement, if the Speaker of the House of
2 Representatives and the Senate President, or their designees,
3 if applicable, submit a letter to the Department noting an
4 objection to the agreement in writing within 2 days after the
5 notification is delivered to the Speaker of the House of
6 Representatives and the Senate President, or their designees,
7 if applicable.

8 Section 35. Penalties.

9 (a) If the applicant fails to comply with the performance
10 conditions set forth in an agreement entered into under this
11 Act, then the applicant may be required to repay some or all of
12 the grant, loan, or other economic incentive awarded to the
13 applicant, along with any applicable interest to the State at
14 the agreed upon rate and on the agreed terms set forth in the
15 agreement.

16 (b) The Department may also assess specified penalties for
17 noncompliance against the applicant. Those penalties shall be
18 contained in the Agreement.

19 (c) If the applicant fails to comply with the terms of an
20 agreement, then the State may:

21 (1) obtain a lien or other interest in the capital
22 improvements in proportion to the percentage of the
23 incentive amount used to pay for those capital
24 improvements; and

25 (2) require the recipient of the incentive, if the

1 capital improvements are sold, to:

2 (A) repay to the State the funds used to pay for
3 the capital improvement, with interest at the rate and
4 according to the other terms provided by the
5 agreement; and

6 (B) share with the State a proportionate amount of
7 any profit realized from the sale.

8 Section 40. Powers of the Department. The Department, in
9 addition to those powers granted under the Civil
10 Administrative Code of Illinois, is granted and shall have all
11 the powers necessary or convenient to administer the program
12 established under this Act and to carry out and effectuate the
13 purposes and provisions of this Act, including, but not
14 limited to, the power and authority to:

15 (1) adopt emergency and permanent rules deemed
16 necessary and appropriate for the administration of this
17 Act;

18 (2) establish forms for applications, notifications,
19 contracts, or any other agreements and accept applications
20 at any time during the year;

21 (3) assist applicants pursuant to the provisions of
22 this Act and cooperate with taxpayers that are parties to
23 agreements under this Act to promote, foster, and support
24 economic development, capital investment, and job creation
25 and retention within the State;

1 (4) establish, negotiate, and effectuate agreements
2 and other documents and terms with any person as necessary
3 or appropriate to accomplish the purposes of this Act and
4 to consent, subject to the provisions of an agreement with
5 another party, to the modification or restructuring of any
6 agreement to which the Department is a party;

7 (5) provide for sufficient personnel to permit
8 administration, staffing, operation, and related support
9 required to adequately discharge its duties and
10 responsibilities described in this Act from funds made
11 available through charges to applicants or from funds as
12 may be appropriated by the General Assembly for the
13 administration of this Act;

14 (6) take whatever actions are necessary or appropriate
15 to protect the State's interest in the event of
16 bankruptcy, default, foreclosure, or noncompliance with
17 the terms and conditions of financial assistance or
18 participation required under this Act, including the power
19 to sell, dispose, lease, or rent, upon terms and
20 conditions determined by the Director to be appropriate,
21 real or personal property that the Department may receive
22 as a result of these actions.

23 Section 45. Annual report. On or before July 1 of each
24 year, the Department shall submit to the General Assembly and
25 the Governor a report on the program established under this

1 Act. The report shall include information on the number of
2 agreements that were entered into under this Act during the
3 preceding calendar year, a description of the project that is
4 the subject of each agreement, an update on the status of
5 projects under agreements entered into before the preceding
6 calendar year, and the amount of funds awarded under this Act.

7 The report must include, for each agreement:

8 (1) 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 applicant
12 in meeting the terms of the original agreement;

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

15 (5) a copy of the original agreement or a link to the
16 agreement on the Department's website.

17 Section 50. Statutory exemptions. Awards of economic
18 incentives made pursuant to this Act are exempt from the
19 Corporate Accountability for Tax Expenditures Act, the
20 Illinois Works Jobs Program Act, and Section 45 of the State
21 Finance Act, and any rules adopted under those authorities. In
22 addition, non-competitive awards of economic incentives made
23 pursuant to this Act are exempt from the public notice of
24 funding opportunity (NOFO), merit review, audit, and grant
25 payment method provisions of the Grant Accountability and

1 Transparency Act (GATA) and the corresponding GATA rules
2 associated with NOFOs, merit reviews, audits, and grant
3 payment methods.

4 Section 55. Vendor diversity report. Each applicant shall,
5 no later than April 15 of each taxable year for which an
6 agreement under this Act between the applicant and the
7 Department is in effect, report on the diversity of the
8 vendors used by the applicant. The report shall be published
9 on the Department's website and shall include the following
10 information:

11 (1) a point of contact for potential vendors to
12 register with the applicant's project;

13 (2) certifications that the applicant accepts or
14 recognizes for minority-owned businesses and women-owned
15 businesses as entities;

16 (3) the applicant's goals to contract with diverse
17 vendors, if any, for the next fiscal year for the entire
18 budget of the applicant's project;

19 (4) for the last fiscal year, the actual contractual
20 spending for the entire budget of the project and the
21 actual spending for minority-owned businesses and
22 women-owned businesses, expressed as a percentage of the
23 total budget for actual spending for the project;

24 (5) a narrative explaining the results of the report
25 and the applicant's plan to address the voluntary goals

1 for the next fiscal year; and

2 (6) a copy of the applicant's submission of vendor
3 diversity information to the federal government, including
4 but not limited to vendor diversity goals and actual
5 contractual spending for minority-owned businesses and
6 women-owned businesses, if the applicant is a federal
7 contractor and is required by the federal government to
8 submit that information to the federal government.

9 Section 900. The Illinois Administrative Procedure Act is
10 amended by adding Section 5-45.35 as follows:

11 (5 ILCS 100/5-45.35 new)

12 Sec. 5-45.35. Emergency rulemaking. To provide for the
13 expeditious and timely implementation of the Invest in
14 Illinois Act, emergency rules implementing the Invest in
15 Illinois Act may be adopted in accordance with Section 5-45 by
16 the Department of Commerce and Economic Opportunity. The
17 adoption of emergency rules authorized by Section 5-45 and
18 this Section is deemed to be necessary for the public
19 interest, safety, and welfare.

20 This Section is repealed one year after the effective date
21 of this amendatory Act of the 102nd General Assembly.

22 Section 905. The Illinois Enterprise Zone Act is amended
23 by changing Sections 4, 5.5, and 6 as follows:

1 (20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

2 Sec. 4. Qualifications for enterprise zones.

3 (1) An area is qualified to become an enterprise zone
4 which:

5 (a) is a contiguous area, provided that a zone area
6 may exclude wholly surrounded territory within its
7 boundaries;

8 (b) comprises a minimum of one-half square mile and
9 not more than 14 ~~12~~ square miles, or 20 ~~15~~ square miles if
10 the zone is located within the jurisdiction of 4 or more
11 counties or municipalities, in total area, exclusive of
12 lakes and waterways; however, in such cases where the
13 enterprise zone is a joint effort of three or more units of
14 government, or two or more units of government if situated
15 in a township which is divided by a municipality of
16 1,000,000 or more inhabitants, and where the certification
17 has been in effect at least one year, the total area shall
18 comprise a minimum of one-half square mile and not more
19 than 16 ~~thirteen~~ square miles in total area exclusive of
20 lakes and waterways;

21 (c) (blank);

22 (d) (blank);

23 (e) is (1) entirely within a municipality or (2)
24 entirely within the unincorporated areas of a county,
25 except where reasonable need is established for such zone

1 to cover portions of more than one municipality or county
2 or (3) both comprises (i) all or part of a municipality and
3 (ii) an unincorporated area of a county; and

4 (f) meets 3 or more of the following criteria:

5 (1) all or part of the local labor market area has
6 had an annual average unemployment rate of at least
7 120% of the State's annual average unemployment rate
8 for the most recent calendar year or the most recent
9 fiscal year as reported by the Department of
10 Employment Security;

11 (2) designation will result in the development of
12 substantial employment opportunities by creating or
13 retaining a minimum aggregate of 1,000 full-time
14 equivalent jobs due to an aggregate investment of
15 \$100,000,000 or more, and will help alleviate the
16 effects of poverty and unemployment within the local
17 labor market area;

18 (3) all or part of the local labor market area has
19 a poverty rate of at least 20% according to American
20 Community Survey; 35% or more of families with
21 children in the area are living below 130% of the
22 poverty line, according to the latest American
23 Community Survey; or 20% or more households in the
24 local labor market area receive food stamps or
25 assistance under Supplemental Nutrition Assistance
26 Program ("SNAP") according to the latest American

1 Community Survey;

2 (4) an abandoned coal mine, a brownfield (as
3 defined in Section 58.2 of the Environmental
4 Protection Act), or an inactive nuclear-powered
5 electrical generation facility where spent nuclear
6 fuel is stored on-site is located in the proposed zone
7 area, or all or a portion of the proposed zone was
8 declared a federal disaster area in the 3 years
9 preceding the date of application;

10 (5) the local labor market area contains a
11 presence of large employers that have downsized over
12 the years, the labor market area has experienced plant
13 closures in the 5 years prior to the date of
14 application affecting more than 50 workers, or the
15 local labor market area has experienced State or
16 federal facility closures in the 5 years prior to the
17 date of application affecting more than 50 workers;

18 (6) based on data from Multiple Listing Service
19 information or other suitable sources, the local labor
20 market area contains a high floor vacancy rate of
21 industrial or commercial properties, vacant or
22 demolished commercial and industrial structures are
23 prevalent in the local labor market area, or
24 industrial structures in the local labor market area
25 are not used because of age, deterioration, relocation
26 of the former occupants, or cessation of operation;

1 (7) the applicant demonstrates a substantial plan
2 for using the designation to improve the State and
3 local government tax base, including income, sales,
4 and property taxes, including a plan for disposal of
5 publicly-owned real property by the methods described
6 in Section 10 of this Act;

7 (8) significant public infrastructure is present
8 in the local labor market area in addition to a plan
9 for infrastructure development and improvement;

10 (9) high schools or community colleges located
11 within the local labor market area are engaged in ACT
12 Work Keys, Manufacturing Skills Standard
13 Certification, or other industry-based credentials
14 that prepare students for careers;

15 (10) (blank); or

16 (11) the applicant demonstrates a substantial plan
17 for using the designation to encourage: (i)
18 participation by businesses owned by minorities,
19 women, and persons with disabilities, as those terms
20 are defined in the Business Enterprise for Minorities,
21 Women, and Persons with Disabilities Act; and (ii) the
22 hiring of minorities, women, and persons with
23 disabilities.

24 As provided in Section 10-5.3 of the River Edge
25 Redevelopment Zone Act, upon the expiration of the term of
26 each River Edge Redevelopment Zone in existence on August 7,

1 2012 (the effective date of Public Act 97-905), that River
2 Edge Redevelopment Zone will become available for its previous
3 designee or a new applicant to compete for designation as an
4 enterprise zone. No preference for designation will be given
5 to the previous designee of the zone.

6 (2) Any criteria established by the Department or by law
7 which utilize the rate of unemployment for a particular area
8 shall provide that all persons who are not presently employed
9 and have exhausted all unemployment benefits shall be
10 considered unemployed, whether or not such persons are
11 actively seeking employment.

12 (Source: P.A. 101-81, eff. 7-12-19; 102-108, eff. 1-1-22.)

13 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

14 Sec. 5.5. High Impact Business.

15 (a) In order to respond to unique opportunities to assist
16 in the encouragement, development, growth, and expansion of
17 the private sector through large scale investment and
18 development projects, the Department is authorized to receive
19 and approve applications for the designation of "High Impact
20 Businesses" in Illinois, for an initial term of 20 years with
21 an option for renewal for a term not to exceed 20 years,
22 subject to the following conditions:

23 (1) such applications may be submitted at any time
24 during the year;

25 (2) such business is not located, at the time of

1 designation, in an enterprise zone designated pursuant to
2 this Act;

3 (3) the business intends to do one or more of the
4 following:

5 (A) the business intends to make a minimum
6 investment of \$12,000,000 which will be placed in
7 service in qualified property and intends to create
8 500 full-time equivalent jobs at a designated location
9 in Illinois or intends to make a minimum investment of
10 \$30,000,000 which will be placed in service in
11 qualified property and intends to retain 1,500
12 full-time retained jobs at a designated location in
13 Illinois. ~~The business must certify in writing that~~
14 ~~the investments would not be placed in service in~~
15 ~~qualified property and the job creation or job~~
16 ~~retention would not occur without the tax credits and~~
17 ~~exemptions set forth in subsection (b) of this~~
18 ~~Section.~~ The terms "placed in service" and "qualified
19 property" have the same meanings as described in
20 subsection (h) of Section 201 of the Illinois Income
21 Tax Act; or

22 (B) the business intends to establish a new
23 electric generating facility at a designated location
24 in Illinois. "New electric generating facility", for
25 purposes of this Section, means a newly constructed
26 electric generation plant or a newly constructed

1 generation capacity expansion at an existing electric
2 generation plant, including the transmission lines and
3 associated equipment that transfers electricity from
4 points of supply to points of delivery, and for which
5 such new foundation construction commenced not sooner
6 than July 1, 2001. Such facility shall be designed to
7 provide baseload electric generation and shall operate
8 on a continuous basis throughout the year; and (i)
9 shall have an aggregate rated generating capacity of
10 at least 1,000 megawatts for all new units at one site
11 if it uses natural gas as its primary fuel and
12 foundation construction of the facility is commenced
13 on or before December 31, 2004, or shall have an
14 aggregate rated generating capacity of at least 400
15 megawatts for all new units at one site if it uses coal
16 or gases derived from coal as its primary fuel and
17 shall support the creation of at least 150 new
18 Illinois coal mining jobs, or (ii) shall be funded
19 through a federal Department of Energy grant before
20 December 31, 2010 and shall support the creation of
21 Illinois coal-mining jobs, or (iii) shall use coal
22 gasification or integrated gasification-combined cycle
23 units that generate electricity or chemicals, or both,
24 and shall support the creation of Illinois coal-mining
25 jobs. ~~The business must certify in writing that the~~
26 ~~investments necessary to establish a new electric~~

1 ~~generating facility would not be placed in service and~~
2 ~~the job creation in the case of a coal-fueled plant~~
3 ~~would not occur without the tax credits and exemptions~~
4 ~~set forth in subsection (b-5) of this Section.~~ The
5 term "placed in service" has the same meaning as
6 described in subsection (h) of Section 201 of the
7 Illinois Income Tax Act; or

8 (B-5) the business intends to establish a new
9 gasification facility at a designated location in
10 Illinois. As used in this Section, "new gasification
11 facility" means a newly constructed coal gasification
12 facility that generates chemical feedstocks or
13 transportation fuels derived from coal (which may
14 include, but are not limited to, methane, methanol,
15 and nitrogen fertilizer), that supports the creation
16 or retention of Illinois coal-mining jobs, and that
17 qualifies for financial assistance from the Department
18 before December 31, 2010. A new gasification facility
19 does not include a pilot project located within
20 Jefferson County or within a county adjacent to
21 Jefferson County for synthetic natural gas from coal;
22 or

23 (C) the business intends to establish production
24 operations at a new coal mine, re-establish production
25 operations at a closed coal mine, or expand production
26 at an existing coal mine at a designated location in

1 Illinois not sooner than July 1, 2001; provided that
2 the production operations result in the creation of
3 150 new Illinois coal mining jobs as described in
4 subdivision (a)(3)(B) of this Section, and further
5 provided that the coal extracted from such mine is
6 utilized as the predominant source for a new electric
7 generating facility. ~~The business must certify in
8 writing that the investments necessary to establish a
9 new, expanded, or reopened coal mine would not be
10 placed in service and the job creation would not occur
11 without the tax credits and exemptions set forth in
12 subsection (b-5) of this Section.~~ The term "placed in
13 service" has the same meaning as described in
14 subsection (h) of Section 201 of the Illinois Income
15 Tax Act; or

16 (D) the business intends to construct new
17 transmission facilities or upgrade existing
18 transmission facilities at designated locations in
19 Illinois, for which construction commenced not sooner
20 than July 1, 2001. For the purposes of this Section,
21 "transmission facilities" means transmission lines
22 with a voltage rating of 115 kilovolts or above,
23 including associated equipment, that transfer
24 electricity from points of supply to points of
25 delivery and that transmit a majority of the
26 electricity generated by a new electric generating

1 facility designated as a High Impact Business in
2 accordance with this Section. ~~The business must~~
3 ~~certify in writing that the investments necessary to~~
4 ~~construct new transmission facilities or upgrade~~
5 ~~existing transmission facilities would not be placed~~
6 ~~in service without the tax credits and exemptions set~~
7 ~~forth in subsection (b 5) of this Section.~~ The term
8 "placed in service" has the same meaning as described
9 in subsection (h) of Section 201 of the Illinois
10 Income Tax Act; or

11 (E) the business intends to establish a new wind
12 power facility at a designated location in Illinois.
13 For purposes of this Section, "new wind power
14 facility" means a newly constructed electric
15 generation facility, a newly constructed expansion of
16 an existing electric generation facility, or the
17 replacement of an existing electric generation
18 facility, including the demolition and removal of an
19 electric generation facility irrespective of whether
20 it will be replaced, placed in service or replaced on
21 or after July 1, 2009, that generates electricity
22 using wind energy devices, and such facility shall be
23 deemed to include any permanent structures associated
24 with the electric generation facility and all
25 associated transmission lines, substations, and other
26 equipment related to the generation of electricity

1 from wind energy devices. For purposes of this
2 Section, "wind energy device" means any device, with a
3 nameplate capacity of at least 0.5 megawatts, that is
4 used in the process of converting kinetic energy from
5 the wind to generate electricity; or

6 (E-5) the business intends to establish a new
7 utility-scale solar facility at a designated location
8 in Illinois. For purposes of this Section, "new
9 utility-scale solar power facility" means a newly
10 constructed electric generation facility, or a newly
11 constructed expansion of an existing electric
12 generation facility, placed in service on or after
13 July 1, 2021, that (i) generates electricity using
14 photovoltaic cells and (ii) has a nameplate capacity
15 that is greater than 5,000 kilowatts, and such
16 facility shall be deemed to include all associated
17 transmission lines, substations, energy storage
18 facilities, and other equipment related to the
19 generation and storage of electricity from
20 photovoltaic cells; or

21 (F) the business commits to (i) make a minimum
22 investment of \$500,000,000, which will be placed in
23 service in a qualified property, (ii) create 125
24 full-time equivalent jobs at a designated location in
25 Illinois, (iii) establish a fertilizer plant at a
26 designated location in Illinois that complies with the

1 set-back standards as described in Table 1: Initial
2 Isolation and Protective Action Distances in the 2012
3 Emergency Response Guidebook published by the United
4 States Department of Transportation, (iv) pay a
5 prevailing wage for employees at that location who are
6 engaged in construction activities, and (v) secure an
7 appropriate level of general liability insurance to
8 protect against catastrophic failure of the fertilizer
9 plant or any of its constituent systems; in addition,
10 the business must agree to enter into a construction
11 project labor agreement including provisions
12 establishing wages, benefits, and other compensation
13 for employees performing work under the project labor
14 agreement at that location; for the purposes of this
15 Section, "fertilizer plant" means a newly constructed
16 or upgraded plant utilizing gas used in the production
17 of anhydrous ammonia and downstream nitrogen
18 fertilizer products for resale; for the purposes of
19 this Section, "prevailing wage" means the hourly cash
20 wages plus fringe benefits for training and
21 apprenticeship programs approved by the U.S.
22 Department of Labor, Bureau of Apprenticeship and
23 Training, health and welfare, insurance, vacations and
24 pensions paid generally, in the locality in which the
25 work is being performed, to employees engaged in work
26 of a similar character on public works; this paragraph

1 (F) applies only to businesses that submit an
2 application to the Department within 60 days after
3 July 25, 2013 (the effective date of Public Act
4 98-109); and

5 (4) no later than 90 days after an application is
6 submitted, the Department shall notify the applicant of
7 the Department's determination of the qualification of the
8 proposed High Impact Business under this Section.

9 (b) Businesses designated as High Impact Businesses
10 pursuant to subdivision (a)(3)(A) of this Section shall
11 qualify for the credits and exemptions described in the
12 following Acts: Section 9-222 and Section 9-222.1A of the
13 Public Utilities Act, subsection (h) of Section 201 of the
14 Illinois Income Tax Act, and Section 1d of the Retailers'
15 Occupation Tax Act; provided that these credits and exemptions
16 described in these Acts shall not be authorized until the
17 minimum investments set forth in subdivision (a)(3)(A) of this
18 Section have been placed in service in qualified properties
19 and, in the case of the exemptions described in the Public
20 Utilities Act and Section 1d of the Retailers' Occupation Tax
21 Act, the minimum full-time equivalent jobs or full-time
22 retained jobs set forth in subdivision (a)(3)(A) of this
23 Section have been created or retained. Businesses designated
24 as High Impact Businesses under this Section shall also
25 qualify for the exemption described in Section 51 of the
26 Retailers' Occupation Tax Act. The credit provided in

1 subsection (h) of Section 201 of the Illinois Income Tax Act
2 shall be applicable to investments in qualified property as
3 set forth in subdivision (a) (3) (A) of this Section.

4 (b-5) Businesses designated as High Impact Businesses
5 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
6 and (a) (3) (D) of this Section shall qualify for the credits
7 and exemptions described in the following Acts: Section 51 of
8 the Retailers' Occupation Tax Act, Section 9-222 and Section
9 9-222.1A of the Public Utilities Act, and subsection (h) of
10 Section 201 of the Illinois Income Tax Act; however, the
11 credits and exemptions authorized under Section 9-222 and
12 Section 9-222.1A of the Public Utilities Act, and subsection
13 (h) of Section 201 of the Illinois Income Tax Act shall not be
14 authorized until the new electric generating facility, the new
15 gasification facility, the new transmission facility, or the
16 new, expanded, or reopened coal mine is operational, except
17 that a new electric generating facility whose primary fuel
18 source is natural gas is eligible only for the exemption under
19 Section 51 of the Retailers' Occupation Tax Act.

20 (b-6) Businesses designated as High Impact Businesses
21 pursuant to subdivision (a) (3) (E) or (a) (3) (E-5) of this
22 Section shall qualify for the exemptions described in Section
23 51 of the Retailers' Occupation Tax Act; any business so
24 designated as a High Impact Business being, for purposes of
25 this Section, a "Wind Energy Business".

26 (b-7) Beginning on January 1, 2021, businesses designated

1 as High Impact Businesses by the Department shall qualify for
2 the High Impact Business construction jobs credit under
3 subsection (h-5) of Section 201 of the Illinois Income Tax Act
4 if the business meets the criteria set forth in subsection (i)
5 of this Section. The total aggregate amount of credits awarded
6 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
7 shall not exceed \$20,000,000 in any State fiscal year.

8 (c) High Impact Businesses located in federally designated
9 foreign trade zones or sub-zones are also eligible for
10 additional credits, exemptions and deductions as described in
11 the following Acts: Section 9-221 and Section 9-222.1 of the
12 Public Utilities Act; and subsection (g) of Section 201, and
13 Section 203 of the Illinois Income Tax Act.

14 (d) Except for businesses contemplated under subdivision
15 (a) (3) (E) or (a) (3) (E-5) of this Section, existing Illinois
16 businesses which apply for designation as a High Impact
17 Business must provide the Department with the prospective plan
18 for which 1,500 full-time retained jobs would be eliminated in
19 the event that the business is not designated.

20 (e) Except for new wind power facilities contemplated
21 under subdivision (a) (3) (E) of this Section, new proposed
22 facilities which apply for designation as High Impact Business
23 must provide the Department with proof of alternative
24 non-Illinois sites which would receive the proposed investment
25 and job creation in the event that the business is not
26 designated as a High Impact Business.

1 (f) Except for businesses contemplated under subdivision
2 (a) (3) (E) of this Section, in the event that a business is
3 designated a High Impact Business and it is later determined
4 after reasonable notice and an opportunity for a hearing as
5 provided under the Illinois Administrative Procedure Act, that
6 the business would have placed in service in qualified
7 property the investments and created or retained the requisite
8 number of jobs without the benefits of the High Impact
9 Business designation, the Department shall be required to
10 immediately revoke the designation and notify the Director of
11 the Department of Revenue who shall begin proceedings to
12 recover all wrongfully exempted State taxes with interest. The
13 business shall also be ineligible for all State funded
14 Department programs for a period of 10 years.

15 (g) The Department shall revoke a High Impact Business
16 designation if the participating business fails to comply with
17 the terms and conditions of the designation.

18 (h) Prior to designating a business, the Department shall
19 provide the members of the General Assembly and Commission on
20 Government Forecasting and Accountability with a report
21 setting forth the terms and conditions of the designation and
22 guarantees that have been received by the Department in
23 relation to the proposed business being designated.

24 (i) High Impact Business construction jobs credit.
25 Beginning on January 1, 2021, a High Impact Business may
26 receive a tax credit against the tax imposed under subsections

1 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
2 amount equal to 50% of the amount of the incremental income tax
3 attributable to High Impact Business construction jobs credit
4 employees employed in the course of completing a High Impact
5 Business construction jobs project. However, the High Impact
6 Business construction jobs credit may equal 75% of the amount
7 of the incremental income tax attributable to High Impact
8 Business construction jobs credit employees if the High Impact
9 Business construction jobs credit project is located in an
10 underserved area.

11 The Department shall certify to the Department of Revenue:
12 (1) the identity of taxpayers that are eligible for the High
13 Impact Business construction jobs credit; and (2) the amount
14 of High Impact Business construction jobs credits that are
15 claimed pursuant to subsection (h-5) of Section 201 of the
16 Illinois Income Tax Act in each taxable year. Any business
17 entity that receives a High Impact Business construction jobs
18 credit shall maintain a certified payroll pursuant to
19 subsection (j) of this Section.

20 As used in this subsection (i):

21 "High Impact Business construction jobs credit" means an
22 amount equal to 50% (or 75% if the High Impact Business
23 construction project is located in an underserved area) of the
24 incremental income tax attributable to High Impact Business
25 construction job employees. The total aggregate amount of
26 credits awarded under the Blue Collar Jobs Act (Article 20 of

1 Public Act 101-9) shall not exceed \$20,000,000 in any State
2 fiscal year

3 "High Impact Business construction job employee" means a
4 laborer or worker who is employed by an Illinois contractor or
5 subcontractor in the actual construction work on the site of a
6 High Impact Business construction job project.

7 "High Impact Business construction jobs project" means
8 building a structure or building or making improvements of any
9 kind to real property, undertaken and commissioned by a
10 business that was designated as a High Impact Business by the
11 Department. The term "High Impact Business construction jobs
12 project" does not include the routine operation, routine
13 repair, or routine maintenance of existing structures,
14 buildings, or real property.

15 "Incremental income tax" means the total amount withheld
16 during the taxable year from the compensation of High Impact
17 Business construction job employees.

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

20 (1) the area has a poverty rate of at least 20%
21 according to the latest American Community Survey;

22 (2) 35% or more of the families with children in the
23 area are living below 130% of the poverty line, according
24 to the latest American Community Survey;

25 (3) at least 20% of the households in the area receive
26 assistance under the Supplemental Nutrition Assistance

1 Program (SNAP); or

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

8 (j) Each contractor and subcontractor who is engaged in
9 and executing a High Impact Business Construction jobs
10 project, as defined under subsection (i) of this Section, for
11 a business that is entitled to a credit pursuant to subsection
12 (i) of this Section shall:

13 (1) make and keep, for a period of 5 years from the
14 date of the last payment made on or after June 5, 2019 (the
15 effective date of Public Act 101-9) on a contract or
16 subcontract for a High Impact Business Construction Jobs
17 Project, records for all laborers and other workers
18 employed by the contractor or subcontractor on the
19 project; the records shall include:

20 (A) the worker's name;

21 (B) the worker's address;

22 (C) the worker's telephone number, if available;

23 (D) the worker's social security number;

24 (E) the worker's classification or
25 classifications;

26 (F) the worker's gross and net wages paid in each

1 pay period;

2 (G) the worker's number of hours worked each day;

3 (H) the worker's starting and ending times of work
4 each day;

5 (I) the worker's hourly wage rate;

6 (J) the worker's hourly overtime wage rate;

7 (K) the worker's race and ethnicity; and

8 (L) the worker's gender;

9 (2) no later than the 15th day of each calendar month,
10 provide a certified payroll for the immediately preceding
11 month to the taxpayer in charge of the High Impact
12 Business construction jobs project; within 5 business days
13 after receiving the certified payroll, the taxpayer shall
14 file the certified payroll with the Department of Labor
15 and the Department of Commerce and Economic Opportunity; a
16 certified payroll must be filed for only those calendar
17 months during which construction on a High Impact Business
18 construction jobs project has occurred; the certified
19 payroll shall consist of a complete copy of the records
20 identified in paragraph (1) of this subsection (j), but
21 may exclude the starting and ending times of work each
22 day; the certified payroll shall be accompanied by a
23 statement signed by the contractor or subcontractor or an
24 officer, employee, or agent of the contractor or
25 subcontractor which avers that:

26 (A) he or she has examined the certified payroll

1 records required to be submitted by the Act and such
2 records are true and accurate; and

3 (B) the contractor or subcontractor is aware that
4 filing a certified payroll that he or she knows to be
5 false is a Class A misdemeanor.

6 A general contractor is not prohibited from relying on a
7 certified payroll of a lower-tier subcontractor, provided the
8 general contractor does not knowingly rely upon a
9 subcontractor's false certification.

10 Any contractor or subcontractor subject to this
11 subsection, and any officer, employee, or agent of such
12 contractor or subcontractor whose duty as an officer,
13 employee, or agent it is to file a certified payroll under this
14 subsection, who willfully fails to file such a certified
15 payroll on or before the date such certified payroll is
16 required by this paragraph to be filed and any person who
17 willfully files a false certified payroll that is false as to
18 any material fact is in violation of this Act and guilty of a
19 Class A misdemeanor.

20 The taxpayer in charge of the project shall keep the
21 records submitted in accordance with this subsection on or
22 after June 5, 2019 (the effective date of Public Act 101-9) for
23 a period of 5 years from the date of the last payment for work
24 on a contract or subcontract for the High Impact Business
25 construction jobs project.

26 The records submitted in accordance with this subsection

1 shall be considered public records, except an employee's
2 address, telephone number, and social security number, and
3 made available in accordance with the Freedom of Information
4 Act. The Department of Labor shall share the information with
5 the Department in order to comply with the awarding of a High
6 Impact Business construction jobs credit. A contractor,
7 subcontractor, or public body may retain records required
8 under this Section in paper or electronic format.

9 (k) Upon 7 business days' notice, each contractor and
10 subcontractor shall make available for inspection and copying
11 at a location within this State during reasonable hours, the
12 records identified in this subsection (j) to the taxpayer in
13 charge of the High Impact Business construction jobs project,
14 its officers and agents, the Director of the Department of
15 Labor and his or her deputies and agents, and to federal,
16 State, or local law enforcement agencies and prosecutors.

17 (l) The changes made to this Section by this amendatory
18 Act of the 102nd General Assembly, other than the changes in
19 subsection (a), apply to high impact businesses that submit
20 applications on or after the effective date of this amendatory
21 Act of the 102nd General Assembly.

22 (Source: P.A. 101-9, eff. 6-5-19; 102-108, eff. 1-1-22;
23 102-558, eff. 8-20-21; 102-605, eff. 8-27-21; 102-662, eff.
24 9-15-21; 102-673, eff. 11-30-21; 102-813, eff. 5-13-22.)

25 (20 ILCS 655/6) (from Ch. 67 1/2, par. 610)

1 Sec. 6. Powers and Duties of Department.

2 (A) General Powers. The Department shall administer this
3 Act and shall have the following powers and duties:

4 (1) To monitor the implementation of this Act and
5 submit reports evaluating the effectiveness of the program
6 and any suggestions for legislation to the Governor and
7 General Assembly by October 1 of every year preceding a
8 regular Session of the General Assembly and to annually
9 report to the General Assembly initial and current
10 population, employment, per capita income, number of
11 business establishments, dollar value of new construction
12 and improvements, and the aggregate value of each tax
13 incentive, based on information provided by the Department
14 of Revenue, for each Enterprise Zone.

15 (2) To promulgate all necessary rules and regulations
16 to carry out the purposes of this Act in accordance with
17 The Illinois Administrative Procedure Act.

18 (3) To assist municipalities and counties in obtaining
19 Federal status as an Enterprise Zone.

20 (4) To determine the conditions and processes for
21 renewal of high impact business designations, and any
22 incentives associated with that designation, awarded under
23 this Act in accordance with Section 5.5 of this Act.

24 (B) Specific Duties:

25 (1) The Department shall provide information and
26 appropriate assistance to persons desiring to locate and

1 engage in business in an enterprise zone, to persons
2 engaged in business in an enterprise zone and to
3 designated zone organizations operating there.

4 (2) The Department shall, in cooperation with
5 appropriate units of local government and State agencies,
6 coordinate and streamline existing State business
7 assistance programs and permit and license application
8 procedures for Enterprise Zone businesses.

9 (3) The Department shall publicize existing tax
10 incentives and economic development programs within the
11 Zone and upon request, offer technical assistance in
12 abatement and alternative revenue source development to
13 local units of government which have enterprise Zones
14 within their jurisdiction.

15 (4) The Department shall work together with the
16 responsible State and Federal agencies to promote the
17 coordination of other relevant programs, including but not
18 limited to housing, community and economic development,
19 small business, banking, financial assistance, and
20 employment training programs which are carried on in an
21 Enterprise Zone.

22 (5) In order to stimulate employment opportunities for
23 Zone residents, the Department, in cooperation with the
24 Department of Human Services and the Department of
25 Employment Security, is to initiate a test of the
26 following 2 programs within the 12 month period following

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

1 comments of these groups shall be submitted by the Department
2 to the county or municipality which designated the area as an
3 Enterprise Zone, Governor and General Assembly not later than
4 12 months after such test programs have commenced, or not
5 later than 3 months following the termination of such test
6 programs, whichever first occurs.

7 (Source: P.A. 97-905, eff. 8-7-12.)

8 Section 910. The Reimagining Electric Vehicles in Illinois
9 Act is amended by changing Sections 1, 5, 10, 20, 30, 40, and
10 45 as follows:

11 (20 ILCS 686/1)

12 Sec. 1. Short title. This Act may be cited as the
13 Reimagining Energy and Electric Vehicles in Illinois Act.

14 (Source: P.A. 102-669, eff. 11-16-21.)

15 (20 ILCS 686/5)

16 Sec. 5. Purpose. It is the intent of the General Assembly
17 that Illinois should lead the nation in the production of
18 electric vehicles and other products essential to the growth
19 of the renewable energy sector. The General Assembly finds
20 that, through investments in electric vehicle manufacturing
21 and renewable energy manufacturing, Illinois will be on the
22 forefront of emerging technologies that are currently
23 transforming those industries ~~the auto manufacturing industry~~.

1 This Act will reduce carbon emissions, create good paying
2 jobs, and generate long-term economic investment in the
3 Illinois business economy. Illinois must aggressively adopt
4 new business development investment tools so that Illinois is
5 more competitive in site location decision-making for
6 manufacturing facilities directly related to the electric
7 vehicle and renewable energy industry. Illinois' long-term
8 development benefits from rational, strategic use of State
9 resources in support of development and growth in the electric
10 vehicle and renewable energy industry.

11 The General Assembly finds that workers are essential to
12 the prosperity of our State's economy and play a critical role
13 in Illinois becoming leader in manufacturing. The General
14 Assembly further finds that, for the prosperity of our State,
15 workers in this industry must be afforded high quality jobs
16 that honor the dignity of work. Therefore, the General
17 Assembly finds that it is in the best interest of Illinois to
18 protect the work conditions, worker safety, and worker rights
19 in the manufacturing industry and further finds that employer
20 workplace policies shall be interpreted broadly to protect
21 employees.

22 (Source: P.A. 102-669, eff. 11-16-21.)

23 (20 ILCS 686/10)

24 Sec. 10. Definitions. As used in this Act:

25 "Advanced battery" means a battery that consists of a

1 battery cell that can be integrated into a module, pack, or
2 system to be used in energy storage applications, including a
3 battery used in an electric vehicle or the electric grid.

4 "Advanced battery component" means a component of an
5 advanced battery, including materials, enhancements,
6 enclosures, anodes, cathodes, electrolytes, cells, and other
7 associated technologies that comprise an advanced battery.

8 "Agreement" means the agreement between a taxpayer and the
9 Department under the provisions of Section 45 of this Act.

10 "Applicant" means a taxpayer that (i) operates a business
11 in Illinois or is planning to locate a business within the
12 State of Illinois and (ii) is engaged in interstate or
13 intrastate commerce as an ~~for the purpose of manufacturing~~
14 electric vehicle manufacturer ~~vehicles,~~ an electric vehicle
15 component parts manufacturer, or an electric vehicle power
16 supply equipment manufacturer. For applications for credits
17 under this Act that are submitted on or after the effective
18 date of this amendatory Act of the 102nd General Assembly,
19 "applicant" also includes a taxpayer that (i) operates a
20 business in Illinois or is planning to locate a business
21 within the State of Illinois and (ii) is engaged in interstate
22 or intrastate commerce as a renewable energy manufacturer.

23 "Applicant" does not include a taxpayer who closes or
24 substantially reduces by more than 50% operations at one
25 location in the State and relocates substantially the same
26 operation to another location in the State. This does not

1 prohibit a Taxpayer from expanding its operations at another
2 location in the State. This also does not prohibit a Taxpayer
3 from moving its operations from one location in the State to
4 another location in the State for the purpose of expanding the
5 operation, provided that the Department determines that
6 expansion cannot reasonably be accommodated within the
7 municipality or county in which the business is located, or,
8 in the case of a business located in an incorporated area of
9 the county, within the county in which the business is
10 located, after conferring with the chief elected official of
11 the municipality or county and taking into consideration any
12 evidence offered by the municipality or county regarding the
13 ability to accommodate expansion within the municipality or
14 county.

15 "Battery raw materials" means the raw and processed form
16 of a mineral, metal, chemical, or other material used in an
17 advanced battery component.

18 "Battery raw materials refining service provider" means a
19 business that operates a facility that filters, sifts, and
20 treats battery raw materials for use in an advanced battery.

21 "Battery recycling and reuse manufacturer" means a
22 manufacturer that is primarily engaged in the recovery,
23 retrieval, processing, recycling, or recirculating of battery
24 raw materials for new use in electric vehicle batteries.

25 "Capital improvements" means the purchase, renovation,
26 rehabilitation, or construction of permanent tangible land,

1 buildings, structures, equipment, and furnishings in an
2 approved project sited in Illinois and expenditures for goods
3 or services that are normally capitalized, including
4 organizational costs and research and development costs
5 incurred in Illinois. For land, buildings, structures, and
6 equipment that are leased, the lease must equal or exceed the
7 term of the agreement, and the cost of the property shall be
8 determined from the present value, using the corporate
9 interest rate prevailing at the time of the application, of
10 the lease payments.

11 "Credit" means either a "REV Illinois Credit" or a "REV
12 Construction Jobs Credit" agreed to between the Department and
13 applicant under this Act.

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

16 "Director" means the Director of Commerce and Economic
17 Opportunity.

18 "Electric vehicle" means a vehicle that is exclusively
19 powered by and refueled by electricity, including electricity
20 generated through a hydrogen fuel cells or solar technology.

21 "Electric vehicle" does not include hybrid electric vehicles,
22 electric bicycles, or extended-range electric vehicles that
23 are also equipped with conventional fueled propulsion or
24 auxiliary engines.

25 "Electric vehicle manufacturer" means a new or existing
26 manufacturer that is primarily focused on reequipping,

1 expanding, or establishing a manufacturing facility in
2 Illinois that produces electric vehicles as defined in this
3 Section.

4 "Electric vehicle component parts manufacturer" means a
5 new or existing manufacturer that is focused on reequipping,
6 expanding, or establishing a manufacturing facility in
7 Illinois that produces parts or accessories used in electric
8 vehicles, as defined by this Section, including advanced
9 battery component parts. The changes to this definition of
10 "electric vehicle component parts manufacturer" apply to
11 agreements under this Act that are entered into on or after the
12 effective date of this amendatory Act of the 102nd General
13 Assembly.

14 "Electric vehicle power supply equipment" means the
15 equipment used specifically for the purpose of delivering
16 electricity to an electric vehicle, including hydrogen fuel
17 cells or solar refueling infrastructure.

18 "Electric vehicle power supply manufacturer" means a new
19 or existing manufacturer that is focused on reequipping,
20 expanding, or establishing a manufacturing facility in
21 Illinois that produces electric vehicle power supply equipment
22 used for the purpose of delivering electricity to an electric
23 vehicle, including hydrogen fuel cell or solar refueling
24 infrastructure.

25 "Energy Transition Area" means a county with less than
26 100,000 people or a municipality that contains one or more of

1 the following:

2 (1) a fossil fuel plant that was retired from service
3 or has significant reduced service within 6 years before
4 the time of the application or will be retired or have
5 service significantly reduced within 6 years following the
6 time of the application; or

7 (2) a coal mine that was closed or had operations
8 significantly reduced within 6 years before the time of
9 the application or is anticipated to be closed or have
10 operations significantly reduced within 6 years following
11 the time of the application.

12 "Full-time employee" means an individual who is employed
13 for consideration for at least 35 hours each week or who
14 renders any other standard of service generally accepted by
15 industry custom or practice as full-time employment. An
16 individual for whom a W-2 is issued by a Professional Employer
17 Organization (PEO) is a full-time employee if employed in the
18 service of the applicant for consideration for at least 35
19 hours each week.

20 "Incremental income tax" means the total amount withheld
21 during the taxable year from the compensation of new employees
22 and, if applicable, retained employees under Article 7 of the
23 Illinois Income Tax Act arising from employment at a project
24 that is the subject of an agreement.

25 "Institution of higher education" or "institution" means
26 any accredited public or private university, college,

1 community college, business, technical, or vocational school,
2 or other accredited educational institution offering degrees
3 and instruction beyond the secondary school level.

4 "Minority person" means a minority person as defined in
5 the Business Enterprise for Minorities, Women, and Persons
6 with Disabilities Act.

7 "New employee" means a newly-hired full-time employee
8 employed to work at the project site and whose work is directly
9 related to the project.

10 "Noncompliance date" means, in the case of a taxpayer that
11 is not complying with the requirements of the agreement or the
12 provisions of this Act, the day following the last date upon
13 which the taxpayer was in compliance with the requirements of
14 the agreement and the provisions of this Act, as determined by
15 the Director, pursuant to Section 70.

16 "Pass-through entity" means an entity that is exempt from
17 the tax under subsection (b) or (c) of Section 205 of the
18 Illinois Income Tax Act.

19 "Placed in service" means the state or condition of
20 readiness, availability for a specifically assigned function,
21 and the facility is constructed and ready to conduct its
22 facility operations to manufacture goods.

23 "Professional employer organization" (PEO) means an
24 employee leasing company, as defined in Section 206.1 of the
25 Illinois Unemployment Insurance Act.

26 "Program" means the Reimagining Energy and Electric

1 Vehicles in Illinois Program (the REV Illinois Program)
2 established in this Act.

3 "Project" or "REV Illinois Project" means a for-profit
4 economic development activity for the manufacture of electric
5 vehicles, electric vehicle component parts, ~~or~~ electric
6 vehicle power supply equipment, or renewable energy products,
7 which is designated by the Department as a REV Illinois
8 Project and is the subject of an agreement.

9 "Recycling facility" means a location at which the
10 taxpayer disposes of batteries and other component parts in
11 manufacturing of electric vehicles, electric vehicle component
12 parts, or electric vehicle power supply equipment.

13 "Related member" means a person that, with respect to the
14 taxpayer during any portion of the taxable year, is any one of
15 the following:

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

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

1 taxpayer.

2 (3) A corporation, and any party related to the
3 corporation in a manner that would require an attribution
4 of stock from the corporation under the attribution rules
5 of Section 318 of the Internal Revenue Code, if the
6 Taxpayer owns directly, indirectly, beneficially, or
7 constructively at least 50% of the value of the
8 corporation's outstanding stock.

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

17 (5) A person to or from whom there is an attribution of
18 stock ownership in accordance with Section 1563(e) of the
19 Internal Revenue Code, except, for purposes of determining
20 whether a person is a related member under this paragraph,
21 20% shall be substituted for 5% wherever 5% appears in
22 Section 1563(e) of the Internal Revenue Code.

23 "Renewable energy" means energy produced using the
24 materials and sources of energy through which renewable energy
25 resources are generated.

26 "Renewable energy manufacturer" means a manufacturer whose

1 primary function is to manufacture or assemble: (i) equipment,
2 systems, or products used to produce renewable or nuclear
3 energy; (ii) products used for energy conservation, storage,
4 or grid efficiency purposes; or (iii) component parts for that
5 equipment or those systems or products.

6 "Renewable energy resources" has the meaning ascribed to
7 that term in Section 1-10 of the Illinois Power Agency Act.

8 "Retained employee" means a full-time employee employed by
9 the taxpayer prior to the term of the Agreement who continues
10 to be employed during the term of the agreement whose job
11 duties are directly related to the project. The term "retained
12 employee" does not include any individual who has a direct or
13 an indirect ownership interest of at least 5% in the profits,
14 equity, capital, or value of the taxpayer or a child,
15 grandchild, parent, or spouse, other than a spouse who is
16 legally separated from the individual, of any individual who
17 has a direct or indirect ownership of at least 5% in the
18 profits, equity, capital, or value of the taxpayer. The
19 changes to this definition of "retained employee" apply to
20 agreements for credits under this Act that are entered into on
21 or after the effective date of this amendatory Act of the 102nd
22 General Assembly.

23 "REV Illinois credit" means a credit agreed to between the
24 Department and the applicant under this Act that is based on
25 the incremental income tax attributable to new employees and,
26 if applicable, retained employees, and on training costs for

1 such employees at the applicant's project.

2 "REV construction jobs credit" means a credit agreed to
3 between the Department and the applicant under this Act that
4 is based on the incremental income tax attributable to
5 construction wages paid in connection with construction of the
6 project facilities.

7 "Statewide baseline" means the total number of full-time
8 employees of the applicant and any related member employed by
9 such entities at the time of application for incentives under
10 this Act.

11 "Taxpayer" means an individual, corporation, partnership,
12 or other entity that has a legal obligation to pay Illinois
13 income taxes and file an Illinois income tax return.

14 "Training costs" means costs incurred to upgrade the
15 technological skills of full-time employees in Illinois and
16 includes: curriculum development; training materials
17 (including scrap product costs); trainee domestic travel
18 expenses; instructor costs (including wages, fringe benefits,
19 tuition and domestic travel expenses); rent, purchase or lease
20 of training equipment; and other usual and customary training
21 costs. "Training costs" do not include costs associated with
22 travel outside the United States (unless the Taxpayer receives
23 prior written approval for the travel by the Director based on
24 a showing of substantial need or other proof the training is
25 not reasonably available within the United States), wages and
26 fringe benefits of employees during periods of training, or

1 administrative cost related to full-time employees of the
2 taxpayer.

3 "Underserved area" means any geographic areas as defined
4 in Section 5-5 of the Economic Development for a Growing
5 Economy Tax Credit Act.

6 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
7 102-1112, eff. 12-21-22.)

8 (20 ILCS 686/20)

9 Sec. 20. REV Illinois Program; project applications.

10 (a) The Reimagining Energy and Electric Vehicles in
11 Illinois (REV Illinois) Program is hereby established and
12 shall be administered by the Department. The Program will
13 provide financial incentives to any one or more of the
14 following: (1) eligible manufacturers of electric vehicles,
15 electric vehicle component parts, and electric vehicle power
16 supply equipment; (2) battery recycling and reuse
17 manufacturers; ~~or~~ (3) battery raw materials refining service
18 providers; or (4) renewable energy manufacturers.

19 (b) Any taxpayer planning a project to be located in
20 Illinois may request consideration for designation of its
21 project as a REV Illinois Project, by formal written letter of
22 request or by formal application to the Department, in which
23 the applicant states its intent to make at least a specified
24 level of investment and intends to hire a specified number of
25 full-time employees at a designated location in Illinois. As

1 circumstances require, the Department shall require a formal
2 application from an applicant and a formal letter of request
3 for assistance.

4 (c) In order to qualify for credits under the REV Illinois
5 Program, an applicant must:

6 (1) if the applicant is ~~for~~ an electric vehicle
7 manufacturer:

8 (A) make an investment of at least \$1,500,000,000
9 in capital improvements at the project site;

10 (B) to be placed in service within the State
11 within a 60-month period after approval of the
12 application; and

13 (C) create at least 500 new full-time employee
14 jobs; or

15 (2) if the applicant is ~~for~~ an electric vehicle
16 component parts manufacturer or a renewable energy
17 manufacturer:

18 (A) make an investment of at least \$300,000,000 in
19 capital improvements at the project site;

20 (B) manufacture one or more parts that are
21 primarily used for electric vehicle manufacturing;

22 (C) to be placed in service within the State
23 within a 60-month period after approval of the
24 application; and

25 (D) create at least 150 new full-time employee
26 jobs; or

1 (3) if the agreement is entered into before the
2 effective date of this amendatory Act of the 102nd General
3 Assembly and the applicant is ~~for~~ an electric vehicle
4 manufacturer, an electric vehicle power supply equipment
5 manufacturer, an electric vehicle component part
6 manufacturer that does not qualify under paragraph (2)
7 above, a battery recycling and reuse manufacturer, or a
8 battery raw materials refining service provider:

9 (A) make an investment of at least \$20,000,000 in
10 capital improvements at the project site;

11 (B) for electric vehicle component part
12 manufacturers, manufacture one or more parts that are
13 primarily used for electric vehicle manufacturing;

14 (C) to be placed in service within the State
15 within a 48-month period after approval of the
16 application; and

17 (D) create at least 50 new full-time employee
18 jobs; or

19 (3.1) if the agreement is entered into on or after the
20 effective date of this amendatory Act of the 102nd General
21 Assembly and the applicant is an electric vehicle
22 manufacturer, an electric vehicle power supply equipment
23 manufacturer, an electric vehicle component part
24 manufacturer that does not qualify under paragraph (2)
25 above, a renewable energy manufacturer that does not
26 qualify under paragraph (2) above, a battery recycling and

1 reuse manufacturer, or a battery raw materials refining
2 service provider:

3 (A) make an investment of at least \$2,500,000 in
4 capital improvements at the project site;

5 (B) in the case of electric vehicle component part
6 manufacturers, manufacture one or more parts that are
7 used for electric vehicle manufacturing;

8 (C) to be placed in service within the State
9 within a 48-month period after approval of the
10 application; and

11 (D) create the lesser of 50 new full-time employee
12 jobs or new full-time employee jobs equivalent to 10%
13 of the Statewide baseline applicable to the taxpayer
14 and any related member at the time of application; or

15 (4) if the agreement is entered into before the
16 effective date of this amendatory Act of the 102nd General
17 Assembly and the applicant is ~~for~~ an electric vehicle
18 manufacturer or electric vehicle component parts
19 manufacturer with existing operations within Illinois that
20 intends to convert or expand, in whole or in part, the
21 existing facility from traditional manufacturing to
22 primarily electric vehicle manufacturing, electric vehicle
23 component parts manufacturing, or electric vehicle power
24 supply equipment manufacturing:

25 (A) make an investment of at least \$100,000,000 in
26 capital improvements at the project site;

1 (B) to be placed in service within the State
2 within a 60-month period after approval of the
3 application; and

4 (C) create the lesser of 75 new full-time employee
5 jobs or new full-time employee jobs equivalent to 10%
6 of the Statewide baseline applicable to the taxpayer
7 and any related member at the time of application; or ~~or~~
8 (4.1) if the agreement is entered into on or after the
9 effective date of this amendatory Act of the 102nd General
10 Assembly and the applicant (i) is an electric vehicle
11 manufacturer, an electric vehicle component parts
12 manufacturer, or a renewable energy manufacturer and (ii)
13 has existing operations within Illinois that the applicant
14 intends to convert or expand, in whole or in part, from
15 traditional manufacturing to electric vehicle
16 manufacturing, electric vehicle component parts
17 manufacturing, renewable energy manufacturing, or electric
18 vehicle power supply equipment manufacturing:

19 (A) make an investment of at least \$100,000,000 in
20 capital improvements at the project site;

21 (B) to be placed in service within the State
22 within a 60-month period after approval of the
23 application; and

24 (C) create the lesser of 50 new full-time employee
25 jobs or new full-time employee jobs equivalent to 10%
26 of the Statewide baseline applicable to the taxpayer

1 and any related member at the time of application.

2 (d) For agreements entered into prior to April 19, 2022
3 (the effective date of Public Act 102-700), for any applicant
4 creating the full-time employee jobs noted in subsection (c),
5 those jobs must have a total compensation equal to or greater
6 than 120% of the average wage paid to full-time employees in
7 the county where the project is located, as determined by the
8 U.S. Bureau of Labor Statistics. For agreements entered into
9 on or after April 19, 2022 (the effective date of Public Act
10 102-700), for any applicant creating the full-time employee
11 jobs noted in subsection (c), those jobs must have a
12 compensation equal to or greater than 120% of the average wage
13 paid to full-time employees in a similar position within an
14 occupational group in the county where the project is located,
15 as determined by the Department.

16 (e) For any applicant, within 24 months after being placed
17 in service, it must certify to the Department that it is carbon
18 neutral or has attained certification under one of more of the
19 following green building standards:

- 20 (1) BREEAM for New Construction or BREEAM In-Use;
21 (2) ENERGY STAR;
22 (3) Envision;
23 (4) ISO 50001 - energy management;
24 (5) LEED for Building Design and Construction or LEED
25 for Building Operations and Maintenance;
26 (6) Green Globes for New Construction or Green Globes

1 for Existing Buildings; or

2 (7) UL 3223.

3 (f) Each applicant must outline its hiring plan and
4 commitment to recruit and hire full-time employee positions at
5 the project site. The hiring plan may include a partnership
6 with an institution of higher education to provide
7 internships, including, but not limited to, internships
8 supported by the Clean Jobs Workforce Network Program, or
9 full-time permanent employment for students at the project
10 site. Additionally, the applicant may create or utilize
11 participants from apprenticeship programs that are approved by
12 and registered with the United States Department of Labor's
13 Bureau of Apprenticeship and Training. The applicant may apply
14 for apprenticeship education expense credits in accordance
15 with the provisions set forth in 14 Ill. Adm. Code 522. Each
16 applicant is required to report annually, on or before April
17 15, on the diversity of its workforce in accordance with
18 Section 50 of this Act. For existing facilities of applicants
19 under paragraph (3) of subsection (b) above, if the taxpayer
20 expects a reduction in force due to its transition to
21 manufacturing electric vehicle, electric vehicle component
22 parts, or electric vehicle power supply equipment, the plan
23 submitted under this Section must outline the taxpayer's plan
24 to assist with retraining its workforce aligned with the
25 taxpayer's adoption of new technologies and anticipated
26 efforts to retrain employees through employment opportunities

1 within the taxpayer's workforce.

2 (g) Each applicant must demonstrate a contractual or other
3 relationship with a recycling facility, or demonstrate its own
4 recycling capabilities, at the time of application and report
5 annually a continuing contractual or other relationship with a
6 recycling facility and the percentage of batteries used in
7 electric vehicles recycled throughout the term of the
8 agreement.

9 (h) A taxpayer may not enter into more than one agreement
10 under this Act with respect to a single address or location for
11 the same period of time. Also, a taxpayer may not enter into an
12 agreement under this Act with respect to a single address or
13 location for the same period of time for which the taxpayer
14 currently holds an active agreement under the Economic
15 Development for a Growing Economy Tax Credit Act. This
16 provision does not preclude the applicant from entering into
17 an additional agreement after the expiration or voluntary
18 termination of an earlier agreement under this Act or under
19 the Economic Development for a Growing Economy Tax Credit Act
20 to the extent that the taxpayer's application otherwise
21 satisfies the terms and conditions of this Act and is approved
22 by the Department. An applicant with an existing agreement
23 under the Economic Development for a Growing Economy Tax
24 Credit Act may submit an application for an agreement under
25 this Act after it terminates any existing agreement under the
26 Economic Development for a Growing Economy Tax Credit Act with

1 respect to the same address or location. If a project that is
2 subject to an existing agreement under the Economic
3 Development for a Growing Economy Tax Credit Act meets the
4 requirements to be designated as a REV Illinois project under
5 this Act, including for actions undertaken prior to the
6 effective date of this Act, the taxpayer that is subject to
7 that existing agreement under the Economic Development for a
8 Growing Economy Tax Credit Act may apply to the Department to
9 amend the agreement to allow the project to become a
10 designated REV Illinois project. Following the amendment, time
11 accrued during which the project was eligible for credits
12 under the existing agreement under the Economic Development
13 for a Growing Economy Tax Credit Act shall count toward the
14 duration of the credit subject to limitations described in
15 Section 40 of this Act.

16 (i) If, at any time following the designation of a project
17 as a REV Illinois Project by the Department and prior to the
18 termination or expiration of an agreement under this Act, the
19 project ceases to qualify as a REV Illinois project because
20 the taxpayer is no longer an electric vehicle manufacturer, an
21 electric vehicle component manufacturer, an electric vehicle
22 power supply equipment manufacturer, a battery recycling and
23 reuse manufacturer, or a battery raw materials refining
24 service provider, that project may receive tax credit awards
25 as described in Section 5-15 and Section 5-51 of the Economic
26 Development for a Growing Economy Tax Credit Act, as long as

1 the project continues to meet requirements to obtain those
2 credits as described in the Economic Development for a Growing
3 Economy Tax Credit Act and remains compliant with terms
4 contained in the Agreement under this Act not related to their
5 status as an electric vehicle manufacturer, an electric
6 vehicle component manufacturer, an electric vehicle power
7 supply equipment manufacturer, a battery recycling and reuse
8 manufacturer, or a battery raw materials refining service
9 provider. Time accrued during which the project was eligible
10 for credits under an agreement under this Act shall count
11 toward the duration of the credit subject to limitations
12 described in Section 5-45 of the Economic Development for a
13 Growing Economy Tax Credit Act.

14 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
15 102-1112, eff. 12-21-22.)

16 (20 ILCS 686/30)

17 Sec. 30. Tax credit awards.

18 (a) Subject to the conditions set forth in this Act, a
19 taxpayer is entitled to a credit against the tax imposed
20 pursuant to subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act for a taxable year beginning on or
22 after January 1, 2025 if the taxpayer is awarded a credit by
23 the Department in accordance with an agreement under this Act.
24 The Department has authority to award credits under this Act
25 on and after January 1, 2022.

1 (b) REV Illinois Credits. A taxpayer may receive a tax
2 credit against the tax imposed under subsections (a) and (b)
3 of Section 201 of the Illinois Income Tax Act, not to exceed
4 the sum of (i) 75% of the incremental income tax attributable
5 to new employees at the applicant's project and (ii) 10% of the
6 training costs of the new employees. If the project is located
7 in an underserved area or an energy transition area, then the
8 amount of the credit may not exceed the sum of (i) 100% of the
9 incremental income tax attributable to new employees at the
10 applicant's project; and (ii) 10% of the training costs of the
11 new employees. The percentage of training costs includable in
12 the calculation may be increased by an additional 15% for
13 training costs associated with new employees that are recent
14 (2 years or less) graduates, certificate holders, or
15 credential recipients from an institution of higher education
16 in Illinois, or, if the training is provided by an institution
17 of higher education in Illinois, the Clean Jobs Workforce
18 Network Program, or an apprenticeship and training program
19 located in Illinois and approved by and registered with the
20 United States Department of Labor's Bureau of Apprenticeship
21 and Training. An applicant is also eligible for a training
22 credit that shall not exceed 10% of the training costs of
23 retained employees for the purpose of upskilling to meet the
24 operational needs of the applicant or the REV Illinois
25 Project. The percentage of training costs includable in the
26 calculation shall not exceed a total of 25%. If an applicant

1 agrees to hire the required number of new employees, then the
2 maximum amount of the credit for that applicant may be
3 increased by an amount not to exceed 75% of the incremental
4 income tax attributable to retained employees at the
5 applicant's project; provided that, in order to receive the
6 increase for retained employees, the applicant must, if
7 applicable, meet or exceed the statewide baseline. If the
8 Project is in an underserved area or an energy transition
9 area, the maximum amount of the credit attributable to
10 retained employees for the applicant may be increased to an
11 amount not to exceed 100% of the incremental income tax
12 attributable to retained employees at the applicant's project;
13 provided that, in order to receive the increase for retained
14 employees, the applicant must meet or exceed the statewide
15 baseline. REV Illinois Credits awarded may include credit
16 earned for incremental income tax withheld and training costs
17 incurred by the taxpayer beginning on or after January 1,
18 2022. Credits so earned and certified by the Department may be
19 applied against the tax imposed by subsections (a) and (b) of
20 Section 201 of the Illinois Income Tax Act for taxable years
21 beginning on or after January 1, 2025.

22 (c) REV Construction Jobs Credit. For construction wages
23 associated with a project that qualified for a REV Illinois
24 Credit under subsection (b), the taxpayer may receive a tax
25 credit against the tax imposed under subsections (a) and (b)
26 of Section 201 of the Illinois Income Tax Act in an amount

1 equal to 50% of the incremental income tax attributable to
2 construction wages paid in connection with construction of the
3 project facilities, as a jobs credit for workers hired to
4 construct the project.

5 The REV Construction Jobs Credit may not exceed 75% of the
6 amount of the incremental income tax attributable to
7 construction wages paid in connection with construction of the
8 project facilities if the project is in an underserved area or
9 an energy transition area.

10 (d) The Department shall certify to the Department of
11 Revenue: (1) the identity of Taxpayers that are eligible for
12 the REV Illinois Credit and REV Construction Jobs Credit; (2)
13 the amount of the REV Illinois Credits and REV Construction
14 Jobs Credits awarded in each calendar year; and (3) the amount
15 of the REV Illinois Credit and REV Construction Jobs Credit
16 claimed in each calendar year. REV Illinois Credits awarded
17 may include credit earned for Incremental Income Tax withheld
18 and Training Costs incurred by the Taxpayer beginning on or
19 after January 1, 2022. Credits so earned and certified by the
20 Department may be applied against the tax imposed by Section
21 201(a) and (b) of the Illinois Income Tax Act for taxable years
22 beginning on or after January 1, 2025.

23 (e) Applicants seeking certification for a tax credits
24 related to the construction of the project facilities in the
25 State shall require the contractor to enter into a project
26 labor agreement that conforms with the Project Labor

1 Agreements Act.

2 (f) Any applicant issued a certificate for a tax credit or
3 tax exemption under this Act must annually report to the
4 Department the total project tax benefits received. Reports
5 are due no later than May 31 of each year and shall cover the
6 previous calendar year. The first report is for the 2022
7 calendar year and is due no later than May 31, 2023. For
8 applicants issued a certificate of exemption under Section 105
9 of this Act, the report shall be the same as required for a
10 High Impact Business under subsection (a-5) of Section 8.1 of
11 the Illinois Enterprise Zone Act. Each person required to file
12 a return under the Gas Revenue Tax Act, the Electricity Excise
13 Tax Law, or the Telecommunications Excise Tax Act shall file a
14 report containing information about customers that are issued
15 an exemption certificate under Section 95 of this Act in the
16 same manner and form as they are required to report under
17 subsection (b) of Section 8.1 of the Illinois Enterprise Zone
18 Act.

19 (g) Nothing in this Act shall prohibit an award of credit
20 to an applicant that uses a PEO if all other award criteria are
21 satisfied.

22 (h) With respect to any portion of a REV Illinois Credit
23 that is based on the incremental income tax attributable to
24 new employees or retained employees, in lieu of the Credit
25 allowed under this Act against the taxes imposed pursuant to
26 subsections (a) and (b) of Section 201 of the Illinois Income

1 Tax Act, a taxpayer that otherwise meets the criteria set
2 forth in this Section, the taxpayer may elect to claim the
3 credit, on or after January 1, 2025, against its obligation to
4 pay over withholding under Section 704A of the Illinois Income
5 Tax Act. The election shall be made in the manner prescribed by
6 the Department of Revenue and once made shall be irrevocable.

7 (Source: P.A. 102-669, eff. 11-16-21; 102-1112, eff.
8 12-21-22.)

9 (20 ILCS 686/40)

10 Sec. 40. Amount and duration of the credits; limitation to
11 amount of costs of specified items. The Department shall
12 determine the amount and duration of the REV Illinois Credit
13 awarded under this Act, subject to the limitations set forth
14 in this Act. For a project that qualified under paragraph (1),
15 (2), ~~or~~ (4), or (4.1) of subsection (c) of Section 20, the
16 duration of the credit may not exceed 15 taxable years, with an
17 option to renew the agreement for no more than one term not to
18 exceed an additional 15 taxable years. For project that
19 qualified under paragraph (3) or (3.1) of subsection (c) of
20 Section 20, the duration of the credit may not exceed 10
21 taxable years, with an option to renew the agreement for no
22 more than one term not to exceed an additional 10 taxable
23 years. The credit may be stated as a percentage of the
24 incremental income tax and training costs attributable to the
25 applicant's project and may include a fixed dollar limitation.

1 Nothing in this Section shall prevent the Department, in
2 consultation with the Department of Revenue, from adopting
3 rules to extend the sunset of any earned, existing, and unused
4 tax credit or credits a taxpayer may be in possession of, as
5 provided for in Section 605-1055 of the Department of Commerce
6 and Economic Opportunity Law of the Civil Administrative Code
7 of Illinois, notwithstanding the carry-forward provisions
8 pursuant to paragraph (4) of Section 211 of the Illinois
9 Income Tax Act.

10 (Source: P.A. 102-669, eff. 11-16-21; 102-1112, eff.
11 12-21-22.)

12 (20 ILCS 686/45)

13 Sec. 45. Contents of agreements with applicants.

14 (a) The Department shall enter into an agreement with an
15 applicant that is awarded a credit under this Act. The
16 agreement shall include all of the following:

17 (1) A detailed description of the project that is the
18 subject of the agreement, including the location and
19 amount of the investment and jobs created or retained.

20 (2) The duration of the credit, the first taxable year
21 for which the credit may be awarded, and the first taxable
22 year in which the credit may be used by the taxpayer.

23 (3) The credit amount that will be allowed for each
24 taxable year.

25 (4) For a project qualified under paragraphs (1), (2),

1 or (4) of subsection (c) of Section 20, a requirement that
2 the taxpayer shall maintain operations at the project
3 location a minimum number of years not to exceed 15. For
4 project qualified under paragraph (3) of subsection (c) of
5 Section 20, a requirement that the taxpayer shall maintain
6 operations at the project location a minimum number of
7 years not to exceed 10.

8 (5) A specific method for determining the number of
9 new employees and if applicable, retained employees,
10 employed during a taxable year.

11 (6) A requirement that the taxpayer shall annually
12 report to the Department the number of new employees, the
13 incremental income tax withheld in connection with the new
14 employees, and any other information the Department deems
15 necessary and appropriate to perform its duties under this
16 Act.

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

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

1 (9) A detailed description of the number of new
2 employees to be hired, and the occupation and payroll of
3 full-time jobs to be created or retained because of the
4 project.

5 (10) The minimum investment the taxpayer will make in
6 capital improvements, the time period for placing the
7 property in service, and the designated location in
8 Illinois for the investment.

9 (11) A requirement that the taxpayer shall provide
10 written notification to the Director and the Director's
11 designee not more than 30 days after the taxpayer
12 determines that the minimum job creation or retention,
13 employment payroll, or investment no longer is or will be
14 achieved or maintained as set forth in the terms and
15 conditions of the agreement. Additionally, the
16 notification should outline to the Department the number
17 of layoffs, date of the layoffs, and detail taxpayer's
18 efforts to provide career and training counseling for the
19 impacted workers with industry-related certifications and
20 trainings.

21 (12) A provision that, if the total number of new
22 employees falls below a specified level, the allowance of
23 credit shall be suspended until the number of new
24 employees equals or exceeds the agreement amount.

25 (13) If applicable, a provision that specifies the
26 statewide baseline at the time of application for retained

1 employees. Additionally, the agreement must have a
2 provision addressing if the total number retained
3 employees falls below the statewide baseline, the
4 allowance of the credit shall be suspended until the
5 number of retained employees equals or exceeds the
6 agreement amount.

7 (14) A detailed description of the items for which the
8 costs incurred by the Taxpayer will be included in the
9 limitation on the Credit provided in Section 40.

10 (15) A provision stating that if the taxpayer fails to
11 meet either the investment or job creation and retention
12 requirements specified in the agreement during the entire
13 5-year period beginning on the first day of the first
14 taxable year in which the agreement is executed and ending
15 on the last day of the fifth taxable year after the
16 agreement is executed, then the agreement is automatically
17 terminated on the last day of the fifth taxable year after
18 the agreement is executed, and the taxpayer is not
19 entitled to the award of any credits for any of that 5-year
20 period.

21 (16) A provision stating that if the taxpayer ceases
22 principal operations with the intent to permanently shut
23 down the project in the State during the term of the
24 Agreement, then the entire credit amount awarded to the
25 taxpayer prior to the date the taxpayer ceases principal
26 operations shall be returned to the Department and shall

1 be reallocated to the local workforce investment area in
2 which the project was located.

3 (17) A provision stating that the Taxpayer must
4 provide the reports outlined in Sections 50 and 55 on or
5 before April 15 each year.

6 (18) A provision requiring the taxpayer to report
7 annually its contractual obligations or otherwise with a
8 recycling facility for its operations.

9 (19) Any other performance conditions or contract
10 provisions the Department determines are necessary or
11 appropriate.

12 (20) Each taxpayer under paragraph (1) of subsection
13 (c) of Section 20 above shall maintain labor neutrality
14 toward any union organizing campaign for any employees of
15 the taxpayer assigned to work on the premises of the REV
16 Illinois Project Site. This paragraph shall not apply to
17 an electric vehicle manufacturer, electric vehicle
18 component part manufacturer, electric vehicle power supply
19 manufacturer, or renewable energy manufacturer, or any
20 joint venture including an electric vehicle manufacturer,
21 electric vehicle component part manufacturer, ~~and~~ electric
22 vehicle power supply manufacturer, or renewable energy
23 manufacturer, who is subject to collective bargaining
24 agreement entered into prior to the taxpayer filing an
25 application pursuant to this Act.

26 (b) The Department shall post on its website the terms of

1 each agreement entered into under this Act. Such information
2 shall be posted within 10 days after entering into the
3 agreement and must include the following:

4 (1) the name of the taxpayer;

5 (2) the location of the project;

6 (3) the estimated value of the credit;

7 (4) the number of new employee jobs and, if
8 applicable, number of retained employee jobs at the
9 project; and

10 (5) whether or not the project is in an underserved
11 area or energy transition area.

12 (Source: P.A. 102-669, eff. 11-16-21.)

13 Section 915. The Build Illinois Act is amended by changing
14 Section 10-6 as follows:

15 (30 ILCS 750/10-6) (from Ch. 127, par. 2710-6)

16 Sec. 10-6. Large Business Attraction Fund.

17 (a) There is created the Large Business Attraction Fund to
18 be held as part of the State Treasury. The Department is
19 authorized to make loans from the Fund for the purposes
20 established under this Article. The State Treasurer shall have
21 custody of the Fund and may invest in securities constituting
22 direct obligations of the United States Government, in
23 obligations the principal of and interest on which are
24 guaranteed by the United States Government, or in certificates

1 of deposit of any State or national bank that are fully secured
2 by obligations guaranteed as to principal and interest by the
3 United States Government. The purpose of the Fund is to offer
4 loans to finance large firms considering the location of a
5 proposed plant in the State and to provide financing to carry
6 out the purposes and provisions of paragraph (h) of Section
7 10-3. Financing shall be in the form of a loan, mortgage, or
8 other debt instrument. All loans shall be conditioned on the
9 project receiving financing from participating lenders or
10 other sources. Loan proceeds shall be available for project
11 costs associated with an expansion of business capacity and
12 employment, except for debt refinancing. Targeted companies
13 for the program shall primarily consist of established
14 industrial and service companies with proven records of
15 earnings that will sell their product to markets beyond
16 Illinois and have proven multistate location options. New
17 ventures shall be considered only if the entity is protected
18 with adequate security with regard to its financing and
19 operation. The limitations and conditions with respect to the
20 use of this Fund shall not apply in carrying out the purposes
21 and provisions of paragraph (h) of Section 10-3.

22 (b) Deposits into the Fund shall include, but are not
23 limited to:

24 (1) Any appropriations, grants, or gifts made to the
25 Fund.

26 (2) Any income received from interest on investments

1 of amounts from the Fund not currently needed to meet the
2 obligations of the Fund.

3 (c) The State Comptroller and the State Treasurer shall
4 from time to time, upon the written direction of the Governor,
5 transfer from the Fund to the General Revenue Fund those
6 amounts that the Governor determines are in excess of the
7 amounts required to meet the obligations of the Fund.

8 (d) Notwithstanding subsection (a) of this Section, the
9 Large Business Attraction Fund may be used for the purposes
10 established under the Invest in Illinois Act, including for
11 awards, grants, loans, contracts, and administrative expenses.
12 (Source: P.A. 90-372, eff. 7-1-98.)

13 Section 920. The Illinois Income Tax Act is amended by
14 changing Sections 236, 237, and 704A as follows:

15 (35 ILCS 5/236)

16 Sec. 236. Reimagining Energy and Electric Vehicles in
17 Illinois Tax credits.

18 (a) For tax years beginning on or after January 1, 2025, a
19 taxpayer who has entered into an agreement under the
20 Reimagining Energy and Electric Vehicles in Illinois Act is
21 entitled to a credit against the taxes imposed under
22 subsections (a) and (b) of Section 201 of this Act in an amount
23 to be determined in the Agreement. The taxpayer may elect to
24 claim the credit, on or after January 1, 2025, against its

1 obligation to pay over withholding under Section 704A of this
2 Act as provided in paragraph (6) of subsection (b). If the
3 taxpayer is a partnership or Subchapter S corporation, the
4 credit shall be allowed to the partners or shareholders in
5 accordance with the determination of income and distributive
6 share of income under Sections 702 and 704 and subchapter S of
7 the Internal Revenue Code. The Department, in cooperation with
8 the Department of Commerce and Economic Opportunity, shall
9 adopt rules to enforce and administer the provisions of this
10 Section. This Section is exempt from the provisions of Section
11 250 of this Act.

12 (b) The credit is subject to the conditions set forth in
13 the agreement and the following limitations:

14 (1) The tax credit may be in the form of either or both
15 the REV Illinois Credit or the REV Construction Jobs
16 Credit (as defined in the Reimagining Energy and Electric
17 Vehicles in Illinois Act) and shall not exceed the
18 percentage of incremental income tax and percentage of
19 training costs permitted in that Act and in the agreement
20 with respect to the project.

21 (2) The amount of the credit allowed during a tax year
22 plus the sum of all amounts allowed in prior tax years
23 shall not exceed the maximum amount of credit established
24 in the agreement.

25 (3) The amount of the credit shall be determined on an
26 annual basis. Except as applied in a carryover year

1 pursuant to paragraph (4), the credit may not be applied
2 against any State income tax liability in more than 15
3 taxable years.

4 (4) The credit may not exceed the amount of taxes
5 imposed pursuant to subsections (a) and (b) of Section 201
6 of this Act. Any credit that is unused in the year the
7 credit is computed may be carried forward and applied to
8 the tax liability of the 5 taxable years following the
9 excess credit year. The credit shall be applied to the
10 earliest year for which there is a tax liability. If there
11 are credits from more than one tax year that are available
12 to offset a liability, the earlier credit shall be applied
13 first.

14 (5) No credit shall be allowed with respect to any
15 agreement for any taxable year ending after the
16 noncompliance date. Upon receiving notification by the
17 Department of Commerce and Economic Opportunity of the
18 noncompliance of a taxpayer with an agreement, the
19 Department shall notify the taxpayer that no credit is
20 allowed with respect to that agreement for any taxable
21 year ending after the noncompliance date, as stated in
22 such notification. If any credit has been allowed with
23 respect to an agreement for a taxable year ending after
24 the noncompliance date for that agreement, any refund paid
25 to the taxpayer for that taxable year shall, to the extent
26 of that credit allowed, be an erroneous refund within the

1 meaning of Section 912 of this Act.

2 If, during any taxable year, a taxpayer ceases
3 operations at a project location that is the subject of
4 that agreement with the intent to terminate operations in
5 the State, the tax imposed under subsections (a) and (b)
6 of Section 201 of this Act for such taxable year shall be
7 increased by the amount of any credit allowed under the
8 Agreement for that Project location prior to the date the
9 Taxpayer ceases operations.

10 (6) Instead of claiming the credit against the taxes
11 imposed under subsections (a) and (b) of Section 201 of
12 this Act, with respect to the portion of a REV Illinois
13 Credit that is calculated based on the Incremental Income
14 Tax attributable to new employees and retained employees,
15 the taxpayer may elect, in accordance with the Reimagining
16 Energy and Electric Vehicles in Illinois Act, to claim the
17 credit, on or after January 1, 2025, against its
18 obligation to pay over withholding under Section 704A of
19 the Illinois Income Tax Act. Any credit for which a
20 Taxpayer makes such an election shall not be claimed
21 against the taxes imposed under subsections (a) and (b) of
22 Section 201 of this Act.

23 (Source: P.A. 102-669, eff. 11-16-21.)

24 (35 ILCS 5/237)

25 Sec. 237. REV Illinois Investment Tax credits.

1 (a) For tax years beginning on or after the effective date
2 of this amendatory Act of the 102nd General Assembly, a
3 taxpayer shall be allowed a credit against the tax imposed by
4 subsections (a) and (b) of Section 201 for investment in
5 qualified property which is placed in service at the site of a
6 REV Illinois Project subject to an agreement between the
7 taxpayer and the Department of Commerce and Economic
8 Opportunity pursuant to the Reimagining Energy and Electric
9 Vehicles in Illinois Act. For partners, shareholders of
10 Subchapter S corporations, and owners of limited liability
11 companies, if the liability company is treated as a
12 partnership for purposes of federal and State income taxation,
13 there shall be allowed a credit under this Section to be
14 determined in accordance with the determination of income and
15 distributive share of income under Sections 702 and 704 and
16 Subchapter S of the Internal Revenue Code. The credit shall be
17 0.5% of the basis for such property. The credit shall be
18 available only in the taxable year in which the property is
19 placed in service and shall not be allowed to the extent that
20 it would reduce a taxpayer's liability for the tax imposed by
21 subsections (a) and (b) of Section 201 to below zero. The
22 credit shall be allowed for the tax year in which the property
23 is placed in service, or, if the amount of the credit exceeds
24 the tax liability for that year, whether it exceeds the
25 original liability or the liability as later amended, such
26 excess may be carried forward and applied to the tax liability

1 of the 5 taxable years following the excess credit year. The
2 credit shall be applied to the earliest year for which there is
3 a liability. If there is credit from more than one tax year
4 that is available to offset a liability, the credit accruing
5 first in time shall be applied first.

6 (b) The term qualified property means property which:

7 (1) is tangible, whether new or used, including
8 buildings and structural components of buildings;

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

13 (3) is acquired by purchase as defined in Section
14 179(d) of the Internal Revenue Code;

15 (4) is used at the site of the REV Illinois Project by
16 the taxpayer; and

17 (5) has not been previously used in Illinois in such a
18 manner and by such a person as would qualify for the credit
19 provided by this Section.

20 (c) The basis of qualified property shall be the basis
21 used to compute the depreciation deduction for federal income
22 tax purposes.

23 (d) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed in
25 service at the site of the REV Illinois Project by the
26 taxpayer, the amount of such increase shall be deemed property

1 placed in service on the date of such increase in basis.

2 (e) The term "placed in service" shall have the same
3 meaning as under Section 46 of the Internal Revenue Code.

4 (f) If during any taxable year, any property ceases to be
5 qualified property in the hands of the taxpayer within 48
6 months after being placed in service, or the situs of any
7 qualified property is moved from the REV Illinois Project site
8 within 48 months after being placed in service, the tax
9 imposed under subsections (a) and (b) of Section 201 for such
10 taxable year shall be increased. Such increase shall be
11 determined by (i) recomputing the investment credit which
12 would have been allowed for the year in which credit for such
13 property was originally allowed by eliminating such property
14 from such computation, and (ii) subtracting such recomputed
15 credit from the amount of credit previously allowed. For the
16 purposes of this subsection (f), a reduction of the basis of
17 qualified property resulting from a redetermination of the
18 purchase price shall be deemed a disposition of qualified
19 property to the extent of such reduction.

20 (Source: P.A. 102-669, eff. 11-16-21.)

21 (35 ILCS 5/704A)

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

23 (a) In general, every employer who deducts and withholds
24 or is required to deduct and withhold tax under this Act on or
25 after January 1, 2008 shall make those payments and returns as

1 provided in this Section.

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

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

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

15 (A) on or before each Friday of the calendar year,
16 for taxes withheld or required to be withheld on the
17 immediately preceding Saturday, Sunday, Monday, or
18 Tuesday;

19 (B) on or before each Wednesday of the calendar
20 year, for taxes withheld or required to be withheld on
21 the immediately preceding Wednesday, Thursday, or
22 Friday.

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

26 (2) Semi-weekly payments. Any employer who withholds

1 or is required to withhold more than \$12,000 in any
2 quarter of a calendar year is required to make payments on
3 the dates set forth under item (1) of this subsection (c)
4 for each remaining quarter of that calendar year and for
5 the subsequent calendar year.

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

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

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

17 (1) Permit employers, in lieu of the requirements of
18 subsections (b) and (c), to file annual returns due on or
19 before January 31 of the year for taxes withheld or
20 required to be withheld during the previous calendar year
21 and, if the aggregate amounts required to be withheld by
22 the employer under this Article 7 (other than amounts
23 required to be withheld under Section 709.5) do not exceed
24 \$1,000 for the previous calendar year, to pay the taxes
25 required to be shown on each such return no later than the
26 due date for such return.

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

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

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

13 (e) Annual return and payment. Every employer who deducts
14 and withholds or is required to deduct and withhold tax from a
15 person engaged in domestic service employment, as that term is
16 defined in Section 3510 of the Internal Revenue Code, may
17 comply with the requirements of this Section with respect to
18 such employees by filing an annual return and paying the taxes
19 required to be deducted and withheld on or before the 15th day
20 of the fourth month following the close of the employer's
21 taxable year. The Department may allow the employer's return
22 to be submitted with the employer's individual income tax
23 return or to be submitted with a return due from the employer
24 under Section 1400.2 of the Unemployment Insurance Act.

25 (f) Magnetic media and electronic filing. With respect to
26 taxes withheld in calendar years prior to 2017, any W-2 Form

1 that, under the Internal Revenue Code and regulations
2 promulgated thereunder, is required to be submitted to the
3 Internal Revenue Service on magnetic media or electronically
4 must also be submitted to the Department on magnetic media or
5 electronically for Illinois purposes, if required by the
6 Department.

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

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

14 (g) For amounts deducted or withheld after December 31,
15 2009, a taxpayer who makes an election under subsection (f) of
16 Section 5-15 of the Economic Development for a Growing Economy
17 Tax Credit Act for a taxable year shall be allowed a credit
18 against payments due under this Section for amounts withheld
19 during the first calendar year beginning after the end of that
20 taxable year equal to the amount of the credit for the
21 incremental income tax attributable to full-time employees of
22 the taxpayer awarded to the taxpayer by the Department of
23 Commerce and Economic Opportunity under the Economic
24 Development for a Growing Economy Tax Credit Act for the
25 taxable year and credits not previously claimed and allowed to
26 be carried forward under Section 211(4) of this Act as

1 provided in subsection (f) of Section 5-15 of the Economic
2 Development for a Growing Economy Tax Credit Act. The credit
3 or credits may not reduce the taxpayer's obligation for any
4 payment due under this Section to less than zero. If the amount
5 of the credit or credits exceeds the total payments due under
6 this Section with respect to amounts withheld during the
7 calendar year, the excess may be carried forward and applied
8 against the taxpayer's liability under this Section in the
9 succeeding calendar years as allowed to be carried forward
10 under paragraph (4) of Section 211 of this Act. The credit or
11 credits shall be applied to the earliest year for which there
12 is a tax liability. If there are credits from more than one
13 taxable year that are available to offset a liability, the
14 earlier credit shall be applied first. Each employer who
15 deducts and withholds or is required to deduct and withhold
16 tax under this Act and who retains income tax withholdings
17 under subsection (f) of Section 5-15 of the Economic
18 Development for a Growing Economy Tax Credit Act must make a
19 return with respect to such taxes and retained amounts in the
20 form and manner that the Department, by rule, requires and pay
21 to the Department or to a depository designated by the
22 Department those withheld taxes not retained by the taxpayer.
23 For purposes of this subsection (g), the term taxpayer shall
24 include taxpayer and members of the taxpayer's unitary
25 business group as defined under paragraph (27) of subsection
26 (a) of Section 1501 of this Act. This Section is exempt from

1 the provisions of Section 250 of this Act. No credit awarded
2 under the Economic Development for a Growing Economy Tax
3 Credit Act for agreements entered into on or after January 1,
4 2015 may be credited against payments due under this Section.

5 (g-1) For amounts deducted or withheld after December 31,
6 2024, a taxpayer who makes an election under the Reimagining
7 Energy and Electric Vehicles in Illinois Act shall be allowed
8 a credit against payments due under this Section for amounts
9 withheld during the first quarterly reporting period beginning
10 after the certificate is issued equal to the portion of the REV
11 Illinois Credit attributable to the incremental income tax
12 attributable to new employees and retained employees as
13 certified by the Department of Commerce and Economic
14 Opportunity pursuant to an agreement with the taxpayer under
15 the Reimagining Energy and Electric Vehicles in Illinois Act
16 for the taxable year. The credit or credits may not reduce the
17 taxpayer's obligation for any payment due under this Section
18 to less than zero. If the amount of the credit or credits
19 exceeds the total payments due under this Section with respect
20 to amounts withheld during the quarterly reporting period, the
21 excess may be carried forward and applied against the
22 taxpayer's liability under this Section in the succeeding
23 quarterly reporting period as allowed to be carried forward
24 under paragraph (4) of Section 211 of this Act. The credit or
25 credits shall be applied to the earliest quarterly reporting
26 period for which there is a tax liability. If there are credits

1 from more than one quarterly reporting period that are
2 available to offset a liability, the earlier credit shall be
3 applied first. Each employer who deducts and withholds or is
4 required to deduct and withhold tax under this Act and who
5 retains income tax withholdings this subsection must make a
6 return with respect to such taxes and retained amounts in the
7 form and manner that the Department, by rule, requires and pay
8 to the Department or to a depository designated by the
9 Department those withheld taxes not retained by the taxpayer.
10 For purposes of this subsection (g-1), the term taxpayer shall
11 include taxpayer and members of the taxpayer's unitary
12 business group as defined under paragraph (27) of subsection
13 (a) of Section 1501 of this Act. This Section is exempt from
14 the provisions of Section 250 of this Act.

15 (g-2) For amounts deducted or withheld after December 31,
16 2024, a taxpayer who makes an election under the Manufacturing
17 Illinois Chips for Real Opportunity (MICRO) Act shall be
18 allowed a credit against payments due under this Section for
19 amounts withheld during the first quarterly reporting period
20 beginning after the certificate is issued equal to the portion
21 of the MICRO Illinois Credit attributable to the incremental
22 income tax attributable to new employees and retained
23 employees as certified by the Department of Commerce and
24 Economic Opportunity pursuant to an agreement with the
25 taxpayer under the Manufacturing Illinois Chips for Real
26 Opportunity (MICRO) Act for the taxable year. The credit or

1 credits may not reduce the taxpayer's obligation for any
2 payment due under this Section to less than zero. If the amount
3 of the credit or credits exceeds the total payments due under
4 this Section with respect to amounts withheld during the
5 quarterly reporting period, the excess may be carried forward
6 and applied against the taxpayer's liability under this
7 Section in the succeeding quarterly reporting period as
8 allowed to be carried forward under paragraph (4) of Section
9 211 of this Act. The credit or credits shall be applied to the
10 earliest quarterly reporting period for which there is a tax
11 liability. If there are credits from more than one quarterly
12 reporting period that are available to offset a liability, the
13 earlier credit shall be applied first. Each employer who
14 deducts and withholds or is required to deduct and withhold
15 tax under this Act and who retains income tax withholdings
16 this subsection must make a return with respect to such taxes
17 and retained amounts in the form and manner that the
18 Department, by rule, requires and pay to the Department or to a
19 depository designated by the Department those withheld taxes
20 not retained by the taxpayer. For purposes of this subsection,
21 the term taxpayer shall include taxpayer and members of the
22 taxpayer's unitary business group as defined under paragraph
23 (27) of subsection (a) of Section 1501 of this Act. This
24 Section is exempt from the provisions of Section 250 of this
25 Act.

26 (h) An employer may claim a credit against payments due

1 under this Section for amounts withheld during the first
2 calendar year ending after the date on which a tax credit
3 certificate was issued under Section 35 of the Small Business
4 Job Creation Tax Credit Act. The credit shall be equal to the
5 amount shown on the certificate, but may not reduce the
6 taxpayer's obligation for any payment due under this Section
7 to less than zero. If the amount of the credit exceeds the
8 total payments due under this Section with respect to amounts
9 withheld during the calendar year, the excess may be carried
10 forward and applied against the taxpayer's liability under
11 this Section in the 5 succeeding calendar years. The credit
12 shall be applied to the earliest year for which there is a tax
13 liability. If there are credits from more than one calendar
14 year that are available to offset a liability, the earlier
15 credit shall be applied first. This Section is exempt from the
16 provisions of Section 250 of this Act.

17 (i) Each employer with 50 or fewer full-time equivalent
18 employees during the reporting period may claim a credit
19 against the payments due under this Section for each qualified
20 employee in an amount equal to the maximum credit allowable.
21 The credit may be taken against payments due for reporting
22 periods that begin on or after January 1, 2020, and end on or
23 before December 31, 2027. An employer may not claim a credit
24 for an employee who has worked fewer than 90 consecutive days
25 immediately preceding the reporting period; however, such
26 credits may accrue during that 90-day period and be claimed

1 against payments under this Section for future reporting
2 periods after the employee has worked for the employer at
3 least 90 consecutive days. In no event may the credit exceed
4 the employer's liability for the reporting period. Each
5 employer who deducts and withholds or is required to deduct
6 and withhold tax under this Act and who retains income tax
7 withholdings under this subsection must make a return with
8 respect to such taxes and retained amounts in the form and
9 manner that the Department, by rule, requires and pay to the
10 Department or to a depository designated by the Department
11 those withheld taxes not retained by the employer.

12 For each reporting period, the employer may not claim a
13 credit or credits for more employees than the number of
14 employees making less than the minimum or reduced wage for the
15 current calendar year during the last reporting period of the
16 preceding calendar year. Notwithstanding any other provision
17 of this subsection, an employer shall not be eligible for
18 credits for a reporting period unless the average wage paid by
19 the employer per employee for all employees making less than
20 \$55,000 during the reporting period is greater than the
21 average wage paid by the employer per employee for all
22 employees making less than \$55,000 during the same reporting
23 period of the prior calendar year.

24 For purposes of this subsection (i):

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

1 "Employer" and "employee" have the meaning ascribed to
2 those terms in the Minimum Wage Law, except that "employee"
3 also includes employees who work for an employer with fewer
4 than 4 employees. Employers that operate more than one
5 establishment pursuant to a franchise agreement or that
6 constitute members of a unitary business group shall aggregate
7 their employees for purposes of determining eligibility for
8 the credit.

9 "Full-time equivalent employees" means the ratio of the
10 number of paid hours during the reporting period and the
11 number of working hours in that period.

12 "Maximum credit" means the percentage listed below of the
13 difference between the amount of compensation paid in Illinois
14 to employees who are paid not more than the required minimum
15 wage reduced by the amount of compensation paid in Illinois to
16 employees who were paid less than the current required minimum
17 wage during the reporting period prior to each increase in the
18 required minimum wage on January 1. If an employer pays an
19 employee more than the required minimum wage and that employee
20 previously earned less than the required minimum wage, the
21 employer may include the portion that does not exceed the
22 required minimum wage as compensation paid in Illinois to
23 employees who are paid not more than the required minimum
24 wage.

25 (1) 25% for reporting periods beginning on or after
26 January 1, 2020 and ending on or before December 31, 2020;

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

3 (3) 17% for reporting periods beginning on or after
4 January 1, 2022 and ending on or before December 31, 2022;

5 (4) 13% for reporting periods beginning on or after
6 January 1, 2023 and ending on or before December 31, 2023;

7 (5) 9% for reporting periods beginning on or after
8 January 1, 2024 and ending on or before December 31, 2024;

9 (6) 5% for reporting periods beginning on or after
10 January 1, 2025 and ending on or before December 31, 2025.

11 The amount computed under this subsection may continue to
12 be claimed for reporting periods beginning on or after January
13 1, 2026 and:

14 (A) ending on or before December 31, 2026 for
15 employers with more than 5 employees; or

16 (B) ending on or before December 31, 2027 for
17 employers with no more than 5 employees.

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

26 "Reporting period" means the quarter for which a return is

1 required to be filed under subsection (b) of this Section.

2 (j) For reporting periods beginning on or after January 1,
3 2023, if a private employer grants all of its employees the
4 option of taking a paid leave of absence of at least 30 days
5 for the purpose of serving as an organ donor or bone marrow
6 donor, then the private employer may take a credit against the
7 payments due under this Section in an amount equal to the
8 amount withheld under this Section with respect to wages paid
9 while the employee is on organ donation leave, not to exceed
10 \$1,000 in withholdings for each employee who takes organ
11 donation leave. To be eligible for the credit, such a leave of
12 absence must be taken without loss of pay, vacation time,
13 compensatory time, personal days, or sick time for at least
14 the first 30 days of the leave of absence. The private employer
15 shall adopt rules governing organ donation leave, including
16 rules that (i) establish conditions and procedures for
17 requesting and approving leave and (ii) require medical
18 documentation of the proposed organ or bone marrow donation
19 before leave is approved by the private employer. A private
20 employer must provide, in the manner required by the
21 Department, documentation from the employee's medical
22 provider, which the private employer receives from the
23 employee, that verifies the employee's organ donation. The
24 private employer must also provide, in the manner required by
25 the Department, documentation that shows that a qualifying
26 organ donor leave policy was in place and offered to all

1 qualifying employees at the time the leave was taken. For the
2 private employer to receive the tax credit, the employee
3 taking organ donor leave must allow for the applicable medical
4 records to be disclosed to the Department. If the private
5 employer cannot provide the required documentation to the
6 Department, then the private employer is ineligible for the
7 credit under this Section. A private employer must also
8 provide, in the form required by the Department, any
9 additional documentation or information required by the
10 Department to administer the credit under this Section. The
11 credit under this subsection (j) shall be taken within one
12 year after the date upon which the organ donation leave
13 begins. If the leave taken spans into a second tax year, the
14 employer qualifies for the allowable credit in the later of
15 the 2 years. If the amount of credit exceeds the tax liability
16 for the year, the excess may be carried and applied to the tax
17 liability for the 3 taxable years following the excess credit
18 year. The tax credit shall be applied to the earliest year for
19 which there is a tax liability. If there are credits for more
20 than one year that are available to offset liability, the
21 earlier credit shall be applied first.

22 Nothing in this subsection (j) prohibits a private
23 employer from providing an unpaid leave of absence to its
24 employees for the purpose of serving as an organ donor or bone
25 marrow donor; however, if the employer's policy provides for
26 fewer than 30 days of paid leave for organ or bone marrow

1 donation, then the employer shall not be eligible for the
2 credit under this Section.

3 As used in this subsection (j):

4 "Organ" means any biological tissue of the human body that
5 may be donated by a living donor, including, but not limited
6 to, the kidney, liver, lung, pancreas, intestine, bone, skin,
7 or any subpart of those organs.

8 "Organ donor" means a person from whose body an organ is
9 taken to be transferred to the body of another person.

10 "Private employer" means a sole proprietorship,
11 corporation, partnership, limited liability company, or other
12 entity with one or more employees. "Private employer" does not
13 include a municipality, county, State agency, or other public
14 employer.

15 This subsection (j) is exempt from the provisions of
16 Section 250 of this Act.

17 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21;
18 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700,
19 Article 110, Section 110-905, eff. 4-19-22; revised 6-1-22.)

20 Section 925. The Economic Development for a Growing
21 Economy Tax Credit Act is amended by changing Sections 5-5,
22 5-25, and 5-50 as follows:

23 (35 ILCS 10/5-5)

24 Sec. 5-5. Definitions. As used in this Act:

1 "Agreement" means the Agreement between a Taxpayer and the
2 Department under the provisions of Section 5-50 of this Act.

3 "Applicant" means a Taxpayer that is operating a business
4 located or that the Taxpayer plans to locate within the State
5 of Illinois and that is engaged in interstate or intrastate
6 commerce for the purpose of manufacturing, processing,
7 assembling, warehousing, or distributing products, conducting
8 research and development, providing tourism services, or
9 providing services in interstate commerce, office industries,
10 or agricultural processing, but excluding retail, retail food,
11 health, or professional services. "Applicant" does not include
12 a Taxpayer who closes or substantially reduces an operation at
13 one location in the State and relocates substantially the same
14 operation to another location in the State. This does not
15 prohibit a Taxpayer from expanding its operations at another
16 location in the State, provided that existing operations of a
17 similar nature located within the State are not closed or
18 substantially reduced. This also does not prohibit a Taxpayer
19 from moving its operations from one location in the State to
20 another location in the State for the purpose of expanding the
21 operation provided that the Department determines that
22 expansion cannot reasonably be accommodated within the
23 municipality in which the business is located, or in the case
24 of a business located in an incorporated area of the county,
25 within the county in which the business is located, after
26 conferring with the chief elected official of the municipality

1 or county and taking into consideration any evidence offered
2 by the municipality or county regarding the ability to
3 accommodate expansion within the municipality or county.

4 "Credit" means the amount agreed to between the Department
5 and Applicant under this Act, but not to exceed the lesser of:

6 (1) the sum of (i) 50% of the Incremental Income Tax
7 attributable to New Employees at the Applicant's project and

8 (ii) 10% of the training costs of New Employees; or (2) 100% of
9 the Incremental Income Tax attributable to New Employees at

10 the Applicant's project. However, if the project is located in
11 an underserved area, then the amount of the Credit may not

12 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
13 Income Tax attributable to New Employees at the Applicant's

14 project and (ii) 10% of the training costs of New Employees; or
15 (2) 100% of the Incremental Income Tax attributable to New

16 Employees at the Applicant's project. If the project is not
17 located in an underserved area and the ~~an~~ Applicant agrees to

18 hire the required number of New Employees, then the maximum
19 amount of the Credit for that Applicant may be increased by an

20 amount not to exceed 25% of the Incremental Income Tax
21 attributable to retained employees at the Applicant's project,

22 ~~provided that, in order to receive the increase for retained~~
23 ~~employees, the Applicant must provide the additional evidence~~

24 ~~required under paragraph (3) of subsection (b) of Section~~
25 ~~5-25. If the project is located in an underserved area and the~~

26 Applicant agrees to hire the required number of New Employees,

1 then the maximum amount of the credit for that Applicant may be
2 increased by an amount not to exceed 50% of the Incremental
3 Income Tax attributable to retained employees at the
4 Applicant's project.

5 "Department" means the Department of Commerce and Economic
6 Opportunity.

7 "Director" means the Director of Commerce and Economic
8 Opportunity.

9 "Full-time Employee" means an individual who is employed
10 for consideration for at least 35 hours each week or who
11 renders any other standard of service generally accepted by
12 industry custom or practice as full-time employment. An
13 individual for whom a W-2 is issued by a Professional Employer
14 Organization (PEO) is a full-time employee if employed in the
15 service of the Applicant for consideration for at least 35
16 hours each week or who renders any other standard of service
17 generally accepted by industry custom or practice as full-time
18 employment to Applicant.

19 "Incremental Income Tax" means the total amount withheld
20 during the taxable year from the compensation of New Employees
21 and, if applicable, retained employees under Article 7 of the
22 Illinois Income Tax Act arising from employment at a project
23 that is the subject of an Agreement.

24 "New Construction EDGE Agreement" means the Agreement
25 between a Taxpayer and the Department under the provisions of
26 Section 5-51 of this Act.

1 "New Construction EDGE Credit" means an amount agreed to
2 between the Department and the Applicant under this Act as
3 part of a New Construction EDGE Agreement that does not exceed
4 50% of the Incremental Income Tax attributable to New
5 Construction EDGE Employees at the Applicant's project;
6 however, if the New Construction EDGE Project is located in an
7 underserved area, then the amount of the New Construction EDGE
8 Credit may not exceed 75% of the Incremental Income Tax
9 attributable to New Construction EDGE Employees at the
10 Applicant's New Construction EDGE Project.

11 "New Construction EDGE Employee" means a laborer or worker
12 who is employed by an Illinois contractor or subcontractor in
13 the actual construction work on the site of a New Construction
14 EDGE Project, pursuant to a New Construction EDGE Agreement.

15 "New Construction EDGE Incremental Income Tax" means the
16 total amount withheld during the taxable year from the
17 compensation of New Construction EDGE Employees.

18 "New Construction EDGE Project" means the building of a
19 Taxpayer's structure or building, or making improvements of
20 any kind to real property. "New Construction EDGE Project"
21 does not include the routine operation, routine repair, or
22 routine maintenance of existing structures, buildings, or real
23 property.

24 "New Employee" means:

25 (a) A Full-time Employee first employed by a Taxpayer
26 in the project that is the subject of an Agreement and who

1 is hired after the Taxpayer enters into the tax credit
2 Agreement.

3 (b) The term "New Employee" does not include:

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

8 (2) an employee of the Taxpayer who was previously
9 employed in Illinois by a Related Member of the
10 Taxpayer and whose employment was shifted to the
11 Taxpayer after the Taxpayer entered into the tax
12 credit Agreement; or

13 (3) a child, grandchild, parent, or spouse, other
14 than a spouse who is legally separated from the
15 individual, of any individual who has a direct or an
16 indirect ownership interest of at least 5% in the
17 profits, capital, or value of the Taxpayer.

18 (c) Notwithstanding paragraph (1) of subsection (b),
19 an employee may be considered a New Employee under the
20 Agreement if the employee performs a job that was
21 previously performed by an employee who was:

22 (1) treated under the Agreement as a New Employee;

23 and

24 (2) promoted by the Taxpayer to another job.

25 (d) Notwithstanding subsection (a), the Department may
26 award Credit to an Applicant with respect to an employee

1 hired prior to the date of the Agreement if:

2 (1) the Applicant is in receipt of a letter from
3 the Department stating an intent to enter into a
4 credit Agreement;

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

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

10 "Noncompliance Date" means, in the case of a Taxpayer that
11 is not complying with the requirements of the Agreement or the
12 provisions of this Act, the day following the last date upon
13 which the Taxpayer was in compliance with the requirements of
14 the Agreement and the provisions of this Act, as determined by
15 the Director, pursuant to Section 5-65.

16 "Pass Through Entity" means an entity that is exempt from
17 the tax under subsection (b) or (c) of Section 205 of the
18 Illinois Income Tax Act.

19 "Professional Employer Organization" (PEO) means an
20 employee leasing company, as defined in Section 206.1(A)(2) of
21 the Illinois Unemployment Insurance Act.

22 "Related Member" means a person that, with respect to the
23 Taxpayer during any portion of the taxable year, is any one of
24 the following:

25 (1) An individual stockholder, if the stockholder and
26 the members of the stockholder's family (as defined in

1 Section 318 of the Internal Revenue Code) own directly,
2 indirectly, beneficially, or constructively, in the
3 aggregate, at least 50% of the value of the Taxpayer's
4 outstanding stock.

5 (2) A partnership, estate, or trust and any partner or
6 beneficiary, if the partnership, estate, or trust, and its
7 partners or beneficiaries own directly, indirectly,
8 beneficially, or constructively, in the aggregate, at
9 least 50% of the profits, capital, stock, or value of the
10 Taxpayer.

11 (3) A corporation, and any party related to the
12 corporation in a manner that would require an attribution
13 of stock from the corporation to the party or from the
14 party to the corporation under the attribution rules of
15 Section 318 of the Internal Revenue Code, if the Taxpayer
16 owns directly, indirectly, beneficially, or constructively
17 at least 50% of the value of the corporation's outstanding
18 stock.

19 (4) A corporation and any party related to that
20 corporation in a manner that would require an attribution
21 of stock from the corporation to the party or from the
22 party to the corporation under the attribution rules of
23 Section 318 of the Internal Revenue Code, if the
24 corporation and all such related parties own in the
25 aggregate at least 50% of the profits, capital, stock, or
26 value of the Taxpayer.

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

7 "Startup taxpayer" means a corporation, partnership, or
8 other entity incorporated or organized no more than 5 years
9 before the filing of an application for an Agreement that has
10 never had any Illinois income tax liability, excluding any
11 Illinois income tax liability of a Related Member which shall
12 not be attributed to the startup taxpayer.

13 "Taxpayer" means an individual, corporation, partnership,
14 or other entity that has any Illinois Income Tax liability.

15 Until July 1, 2022, "underserved area" means a geographic
16 area that meets one or more of the following conditions:

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

19 (2) 75% or more of the children in the area
20 participate in the federal free lunch program according to
21 reported statistics from the State Board of Education;

22 (3) at least 20% of the households in the area receive
23 assistance under the Supplemental Nutrition Assistance
24 Program (SNAP); or

25 (4) the area has an average unemployment rate, as
26 determined by the Illinois Department of Employment

1 Security, that is more than 120% of the national
2 unemployment average, as determined by the U.S. Department
3 of Labor, for a period of at least 2 consecutive calendar
4 years preceding the date of the application.

5 On and after July 1, 2022, "underserved area" means a
6 geographic area that meets one or more of the following
7 conditions:

8 (1) the area has a poverty rate of at least 20%
9 according to the latest American Community Survey;

10 (2) 35% or more of the families with children in the
11 area are living below 130% of the poverty line, according
12 to the latest American Community Survey;

13 (3) at least 20% of the households in the area receive
14 assistance under the Supplemental Nutrition Assistance
15 Program (SNAP); or

16 (4) the area has an average unemployment rate, as
17 determined by the Illinois Department of Employment
18 Security, that is more than 120% of the national
19 unemployment average, as determined by the U.S. Department
20 of Labor, for a period of at least 2 consecutive calendar
21 years preceding the date of the application.

22 (Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22;
23 102-700, eff. 4-19-22.)

24 (35 ILCS 10/5-25)

25 Sec. 5-25. Review of Application.

1 (a) (Blank).

2 (b) The Department shall determine which projects will
3 benefit the State. In making its recommendation that an
4 Applicant's application for Credit should or should not be
5 accepted, which shall occur within a reasonable time frame as
6 determined by the nature of the application, the Department
7 shall determine that all the following conditions exist:

8 (1) The Applicant's project intends, as required by
9 subsection (b) of Section 5-20 to make the required
10 investment in the State and intends to hire the required
11 number of New Employees in Illinois as a result of that
12 project.

13 (2) The Applicant's project is economically sound and
14 will benefit the people of the State of Illinois by
15 increasing opportunities for employment and strengthen the
16 economy of Illinois.

17 (3) The Applicant has certified that ~~That~~, if not for
18 the Credit, the project would not occur in Illinois, ~~which~~
19 ~~may be demonstrated by evidence that receipt of the Credit~~
20 ~~is essential to the Applicant's decision to create new~~
21 ~~jobs in the State, such as the magnitude of the cost~~
22 ~~differential between Illinois and a competing State; in~~
23 ~~addition, if the Applicant is seeking an increase in the~~
24 ~~maximum amount of the Credit for retained employees, the~~
25 ~~Applicant must provide evidence the Applicant has~~
26 ~~multi state location options and could reasonably and~~

1 ~~efficiently locate outside of the State or demonstrate~~
2 ~~that at least one other state is being considered for the~~
3 ~~project.~~

4 (4) A cost differential is identified, using best
5 available data, in the projected costs for the Applicant's
6 project compared to the costs in the competing state,
7 including the impact of the competing state's incentive
8 programs. The competing state's incentive programs shall
9 include state, local, private, and federal funds
10 available. This paragraph (4) applies only to agreements
11 entered into before the effective date of this amendatory
12 Act of the 102nd General Assembly.

13 (5) The political subdivisions affected by the project
14 have committed local incentives with respect to the
15 project, considering local ability to assist.

16 (6) Awarding the Credit will result in an overall
17 positive fiscal impact to the State, as certified by the
18 Department using the best available data.

19 (7) The Credit is not prohibited by Section 5-35 of
20 this Act.

21 (Source: P.A. 102-330, eff. 1-1-22.)

22 (35 ILCS 10/5-50)

23 Sec. 5-50. Contents of Agreements with Applicants. The
24 Department shall enter into an Agreement with an Applicant
25 that is awarded a Credit under this Act. The Agreement must

1 include all of the following:

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

5 (2) The duration of the Credit and the first taxable
6 year for which the Credit may be claimed.

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

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

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

14 (6) A requirement that the Taxpayer shall annually
15 report to the Department the number of New Employees, the
16 Incremental Income Tax withheld in connection with the New
17 Employees, and any other information the Director needs to
18 perform the Director's duties under this Act.

19 (7) A requirement that the Director is authorized to
20 verify with the appropriate State agencies the amounts
21 reported under paragraph (6), and after doing so shall
22 issue a certificate to the Taxpayer stating that the
23 amounts have been verified.

24 (8) A requirement that the Taxpayer shall provide
25 written notification to the Director not more than 30 days
26 after the Taxpayer makes or receives a proposal that would

1 transfer the Taxpayer's State tax liability obligations to
2 a successor Taxpayer.

3 (9) A detailed description of the number of New
4 Employees to be hired, and the occupation and payroll of
5 the full-time jobs to be created or retained as a result of
6 the project.

7 (10) The minimum investment the business enterprise
8 will make in capital improvements, the time period for
9 placing the property in service, and the designated
10 location in Illinois for the investment.

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

18 (12) A provision that, if the total number of New
19 Employees falls below a specified level, the allowance of
20 Credit shall be suspended until the number of New
21 Employees equals or exceeds the Agreement amount.

22 (13) A detailed description of the items for which the
23 costs incurred by the Taxpayer will be included in the
24 limitation on the Credit provided in Section 5-30.

25 (13.5) A provision that, if the Taxpayer never meets
26 either the investment or job creation and retention

1 requirements specified in the Agreement during the entire
2 5-year period beginning on the effective date of first day
3 ~~of the first taxable year in which the Agreement is~~
4 ~~executed~~ and ending 5 years after the effective date of
5 the Agreement ~~on the last day of the fifth taxable year~~
6 ~~after the Agreement is executed~~, then the Agreement is
7 automatically terminated on the last day of the fifth
8 taxable year after the Agreement is executed and the
9 Taxpayer is not entitled to the award of any credits for
10 any of that 5-year period.

11 (13.7) A provision specifying that, if the Taxpayer
12 ceases principal operations with the intent to shut down
13 the project in the State permanently during the term of
14 the Agreement, then the entire credit amount awarded to
15 the Taxpayer prior to the date the Taxpayer ceases
16 principal operations shall be returned to the Department
17 and shall be reallocated to the local workforce investment
18 area in which the project was located.

19 (14) Any other performance conditions or contract
20 provisions as the Department determines are appropriate.

21 The Department shall post on its website the terms of each
22 Agreement entered into under this Act on or after the
23 effective date of this amendatory Act of the 97th General
24 Assembly. Such information shall be posted within 10 days
25 after entering into the Agreement and must include the
26 following:

- 1 (1) the name of the recipient business;
- 2 (2) the location of the project;
- 3 (3) the estimated value of the credit;
- 4 (4) the number of new jobs and, if applicable,
- 5 retained jobs pledged as a result of the project; and
- 6 (5) whether or not the project is located in an
- 7 underserved area.

8 (Source: P.A. 100-511, eff. 9-18-17.)

9 Section 930. The Film Production Services Tax Credit Act
10 of 2008 is amended by changing Sections 10 and 42 as follows:

11 (35 ILCS 16/10)

12 Sec. 10. Definitions. As used in this Act:

13 "Accredited production" means: (i) for productions
14 commencing before May 1, 2006, a film, video, or television
15 production that has been certified by the Department in which
16 the aggregate Illinois labor expenditures included in the cost
17 of the production, in the period that ends 12 months after the
18 time principal filming or taping of the production began,
19 exceed \$100,000 for productions of 30 minutes or longer, or
20 \$50,000 for productions of less than 30 minutes; and (ii) for
21 productions commencing on or after May 1, 2006, a film, video,
22 or television production that has been certified by the
23 Department in which the Illinois production spending included
24 in the cost of production in the period that ends 12 months

1 after the time principal filming or taping of the production
2 began exceeds \$100,000 for productions of 30 minutes or longer
3 or exceeds \$50,000 for productions of less than 30 minutes.

4 "Accredited production" does not include a production that:

5 (1) is news, current events, or public programming, or
6 a program that includes weather or market reports;

7 (2) is a talk show;

8 (3) is a production in respect of a game,
9 questionnaire, or contest;

10 (4) is a sports event or activity;

11 (5) is a gala presentation or awards show;

12 (6) is a finished production that solicits funds;

13 (7) is a production produced by a film production
14 company if records, as required by 18 U.S.C. 2257, are to
15 be maintained by that film production company with respect
16 to any performer portrayed in that single media or
17 multimedia program; or

18 (8) is a production produced primarily for industrial,
19 corporate, or institutional purposes.

20 "Accredited animated production" means an accredited
21 production in which movement and characters' performances are
22 created using a frame-by-frame technique and a significant
23 number of major characters are animated. Motion capture by
24 itself is not an animation technique.

25 "Accredited production certificate" means a certificate
26 issued by the Department certifying that the production is an

1 accredited production that meets the guidelines of this Act.

2 "Applicant" means a taxpayer that is a film production
3 company that is operating or has operated an accredited
4 production located within the State of Illinois and that (i)
5 owns the copyright in the accredited production throughout the
6 Illinois production period or (ii) has contracted directly
7 with the owner of the copyright in the accredited production
8 or a person acting on behalf of the owner to provide services
9 for the production, where the owner of the copyright is not an
10 eligible production corporation.

11 "Credit" means:

12 (1) for an accredited production approved by the
13 Department on or before January 1, 2005 and commencing
14 before May 1, 2006, the amount equal to 25% of the Illinois
15 labor expenditure approved by the Department. The
16 applicant is deemed to have paid, on its balance due day
17 for the year, an amount equal to 25% of its qualified
18 Illinois labor expenditure for the tax year. For Illinois
19 labor expenditures generated by the employment of
20 residents of geographic areas of high poverty or high
21 unemployment, as determined by the Department, in an
22 accredited production commencing before May 1, 2006 and
23 approved by the Department after January 1, 2005, the
24 applicant shall receive an enhanced credit of 10% in
25 addition to the 25% credit; and

26 (2) for an accredited production commencing on or

1 after May 1, 2006 and before January 1, 2009, the amount
2 equal to:

3 (i) 20% of the Illinois production spending for
4 the taxable year; plus

5 (ii) 15% of the Illinois labor expenditures
6 generated by the employment of residents of geographic
7 areas of high poverty or high unemployment, as
8 determined by the Department; and

9 (3) for an accredited production commencing on or
10 after January 1, 2009, the amount equal to:

11 (i) 30% of the Illinois production spending for
12 the taxable year; plus

13 (ii) 15% of the Illinois labor expenditures
14 generated by the employment of residents of geographic
15 areas of high poverty or high unemployment, as
16 determined by the Department.

17 "Department" means the Department of Commerce and Economic
18 Opportunity.

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

21 "Illinois labor expenditure" means salary or wages paid to
22 employees of the applicant for services on the accredited
23 production.

24 To qualify as an Illinois labor expenditure, the
25 expenditure must be:

26 (1) Reasonable in the circumstances.

1 (2) Included in the federal income tax basis of the
2 property.

3 (3) Incurred by the applicant for services on or after
4 January 1, 2004.

5 (4) Incurred for the production stages of the
6 accredited production, from the final script stage to the
7 end of the post-production stage.

8 (5) Limited to the first \$25,000 of wages paid or
9 incurred to each employee of a production commencing
10 before May 1, 2006 and the first \$100,000 of wages paid or
11 incurred to each employee of a production commencing on or
12 after May 1, 2006 and prior to July 1, 2022. For
13 productions commencing on or after July 1, 2022, limited
14 to the first \$500,000 of wages paid or incurred to each
15 eligible nonresident or resident employee of a production
16 company or loan out company that provides in-State
17 services to a production, whether those wages are paid or
18 incurred by the production company, loan out company, or
19 both, subject to withholding payments provided for in
20 Article 7 of the Illinois Income Tax Act. For purposes of
21 calculating Illinois labor expenditures for a television
22 series, the eligible nonresident wage limitations provided
23 under this subparagraph are applied to the entire season.
24 For the purpose of this paragraph (5), an eligible
25 nonresident is a nonresident whose wages qualify as an
26 Illinois labor expenditure under the provisions of

1 paragraph (9) that apply to that production.

2 (6) For a production commencing before May 1, 2006,
3 exclusive of the salary or wages paid to or incurred for
4 the 2 highest paid employees of the production.

5 (7) Directly attributable to the accredited
6 production.

7 (8) (Blank).

8 (9) Prior to July 1, 2022, paid to persons resident in
9 Illinois at the time the payments were made. For a
10 production commencing on or after July 1, 2022, paid to
11 persons resident in Illinois and nonresidents at the time
12 the payments were made.

13 For purposes of this subparagraph, if the production
14 is accredited by the Department before the effective date
15 of this amendatory Act of the 102nd General Assembly, only
16 wages paid to nonresidents working in the following
17 positions shall be considered Illinois labor expenditures:
18 Writer, Director, Director of Photography, Production
19 Designer, Costume Designer, Production Accountant, VFX
20 Supervisor, Editor, Composer, and Actor, subject to the
21 limitations set forth under this subparagraph. For an
22 accredited Illinois production spending of \$25,000,000 or
23 less, no more than 2 nonresident actors' wages shall
24 qualify as an Illinois labor expenditure. For an
25 accredited production with Illinois production spending of
26 more than \$25,000,000, no more than 4 nonresident actor's

1 wages shall qualify as Illinois labor expenditures.

2 For purposes of this subparagraph, if the production
3 is accredited by the Department on or after the effective
4 date of this amendatory Act of the 102nd General Assembly,
5 wages paid to nonresidents shall qualify as Illinois labor
6 expenditures only under the following conditions:

7 (A) the nonresident must be employed in a
8 qualified position;

9 (B) for each of those accredited productions, the
10 wages of not more than 9 nonresidents who are employed
11 in a qualified position other than Actor shall qualify
12 as Illinois labor expenditures;

13 (C) for an accredited production with Illinois
14 production spending of \$25,000,000 or less, no more
15 than 2 nonresident actors' wages shall qualify as
16 Illinois labor expenditures; and

17 (D) for an accredited production with Illinois
18 production spending of more than \$25,000,000, no more
19 than 4 nonresident actors' wages shall qualify as
20 Illinois labor expenditures.

21 As used in this paragraph (9), "qualified position"
22 means: Writer, Director, Director of Photography,
23 Production Designer, Costume Designer, Production
24 Accountant, VFX Supervisor, Editor, Composer, or Actor.

25 (10) Paid for services rendered in Illinois.

26 "Illinois production spending" means the expenses incurred

1 by the applicant for an accredited production, including,
2 without limitation, all of the following:

3 (1) expenses to purchase, from vendors within
4 Illinois, tangible personal property that is used in the
5 accredited production;

6 (2) expenses to acquire services, from vendors in
7 Illinois, for film production, editing, or processing; and

8 (3) for a production commencing before July 1, 2022,
9 the compensation, not to exceed \$100,000 for any one
10 employee, for contractual or salaried employees who are
11 Illinois residents performing services with respect to the
12 accredited production. For a production commencing on or
13 after July 1, 2022, the compensation, not to exceed
14 \$500,000 for any one employee, for contractual or salaried
15 employees who are Illinois residents or nonresident
16 employees, subject to the limitations set forth under
17 Section 10 of this Act.

18 "Loan out company" means a personal service corporation or
19 other entity that is under contract with the taxpayer to
20 provide specified individual personnel, such as artists, crew,
21 actors, producers, or directors for the performance of
22 services used directly in a production. "Loan out company"
23 does not include entities contracted with by the taxpayer to
24 provide goods or ancillary contractor services such as
25 catering, construction, trailers, equipment, or
26 transportation.

1 "Qualified production facility" means stage facilities in
2 the State in which television shows and films are or are
3 intended to be regularly produced and that contain at least
4 one sound stage of at least 15,000 square feet.

5 Rulemaking authority to implement Public Act 95-1006, if
6 any, is conditioned on the rules being adopted in accordance
7 with all provisions of the Illinois Administrative Procedure
8 Act and all rules and procedures of the Joint Committee on
9 Administrative Rules; any purported rule not so adopted, for
10 whatever reason, is unauthorized.

11 (Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22.)

12 (35 ILCS 16/42)

13 Sec. 42. Sunset of credits. The application of credits
14 awarded pursuant to this Act shall be limited by a reasonable
15 and appropriate sunset date. A taxpayer shall not be awarded
16 any new credits pursuant to this Act for tax years beginning on
17 or after January 1, 2033 ~~January 1, 2027~~.

18 (Source: P.A. 101-178, eff. 8-1-19; 102-700, eff. 4-19-22.)

19 Section 935. The Manufacturing Illinois Chips for Real
20 Opportunity (MICRO) Act is amended by changing Sections
21 110-15, 110-20, 110-30, and 110-40 as follows:

22 (35 ILCS 45/110-15)

23 Sec. 110-15. Powers of the Department. The Department, in

1 addition to those powers granted under the Civil
2 Administrative Code of Illinois, is granted and shall have all
3 the powers necessary or convenient to administer the program
4 under this Act and to carry out and effectuate the purposes and
5 provisions of this Act, including, but not limited to, the
6 power and authority to:

7 (1) adopt rules deemed necessary and appropriate for
8 the administration of the program, the designation of
9 projects, and the awarding of credits;

10 (2) establish forms for applications, notifications,
11 contracts, or any other agreements and accept applications
12 at any time during the year;

13 (3) assist taxpayers pursuant to the provisions of
14 this Act and cooperate with taxpayers that are parties to
15 agreements under this Act to promote, foster, and support
16 economic development, capital investment, and job creation
17 or retention within the State;

18 (4) enter into agreements and memoranda of
19 understanding for participation of, and engage in
20 cooperation with, agencies of the federal government,
21 units of local government, universities, research
22 foundations or institutions, regional economic development
23 corporations, or other organizations to implement the
24 requirements and purposes of this Act;

25 (5) gather information and conduct inquiries, in the
26 manner and by the methods it deems desirable, including

1 without limitation, gathering information with respect to
2 applicants for the purpose of making any designations or
3 certifications necessary or desirable or to gather
4 information to assist the Department with any
5 recommendation or guidance in the furtherance of the
6 purposes of this Act;

7 (6) establish, negotiate and effectuate agreements and
8 any term, agreement, or other document with any person,
9 necessary or appropriate to accomplish the purposes of
10 this Act; and to consent, subject to the provisions of any
11 agreement with another party, to the modification or
12 restructuring of any agreement to which the Department is
13 a party;

14 (7) fix, determine, charge, and collect any premiums,
15 fees, charges, costs, and expenses from applicants,
16 including, without limitation, any application fees,
17 commitment fees, program fees, financing charges, or
18 publication fees as deemed appropriate to pay expenses
19 necessary or incident to the administration, staffing, or
20 operation in connection with the Department's activities
21 under this Act, or for preparation, implementation, and
22 enforcement of the terms of the agreement, or for
23 consultation, advisory and legal fees, and other costs;
24 however, all fees and expenses incident thereto shall be
25 the responsibility of the applicant;

26 (8) provide for sufficient personnel to permit

1 administration, staffing, operation, and related support
2 required to adequately discharge its duties and
3 responsibilities described in this Act from funds made
4 available through charges to applicants or from funds as
5 may be appropriated by the General Assembly for the
6 administration of this Act;

7 (9) require applicants, upon written request, to issue
8 any necessary authorization to the appropriate federal,
9 State, or local authority for the release of information
10 concerning a project being considered under the provisions
11 of this Act, with the information requested to include,
12 but not be limited to, financial reports, returns, or
13 records relating to the taxpayer or its project;

14 (10) require that a taxpayer shall at all times keep
15 proper books of record and account in accordance with
16 generally accepted accounting principles consistently
17 applied, with the books, records, or papers related to the
18 agreement in the custody or control of the taxpayer open
19 for reasonable Department inspection and audits, and
20 including, without limitation, the making of copies of the
21 books, records, or papers, and the inspection or appraisal
22 of any of the taxpayer or project assets;

23 (11) take whatever actions are necessary or
24 appropriate to protect the State's interest in the event
25 of bankruptcy, default, foreclosure, or noncompliance with
26 the terms and conditions of financial assistance or

1 participation required under this Act, including the power
2 to sell, dispose, lease, or rent, upon terms and
3 conditions determined by the Director to be appropriate,
4 real or personal property that the Department may receive
5 as a result of these actions; and-

6 (12) determine the conditions and process for renewal
7 of the Manufacturing Illinois Chips for Real Opportunity
8 incentives awarded under this Act in accordance with
9 Section 110-40 of this Act.

10 (Source: P.A. 102-700, eff. 4-19-22.)

11 (35 ILCS 45/110-20)

12 Sec. 110-20. Manufacturing Illinois Chips for Real
13 Opportunity (MICRO) Program; project applications.

14 (a) The Manufacturing Illinois Chips for Real Opportunity
15 (MICRO) Program is hereby established and shall be
16 administered by the Department. The Program will provide
17 financial incentives to eligible semiconductor manufacturers
18 and microchip manufacturers.

19 (b) Any taxpayer planning a project to be located in
20 Illinois may request consideration for designation of its
21 project as a MICRO project, by formal written letter of
22 request or by formal application to the Department, in which
23 the applicant states its intent to make at least a specified
24 level of investment and intends to hire a specified number of
25 full-time employees at a designated location in Illinois. As

1 circumstances require, the Department shall require a formal
2 application from an applicant and a formal letter of request
3 for assistance.

4 (c) In order to qualify for credits under the program, an
5 applicant must:

6 (1) for a semiconductor manufacturer or microchip
7 manufacturer:

8 (A) make an investment of at least \$1,500,000,000
9 in capital improvements at the project site;

10 (B) to be placed in service within the State
11 within a 60-month period after approval of the
12 application; and

13 (C) create at least 500 new full-time employee
14 jobs; or

15 (2) for a semiconductor or microchip component parts
16 manufacturer:

17 (A) make an investment of at least \$300,000,000 in
18 capital improvements at the project site;

19 (B) manufacture one or more parts that are
20 primarily used for the manufacture of semiconductors
21 or microchips;

22 (C) to be placed in service within the State
23 within a 60-month period after approval of the
24 application; and

25 (D) create at least 150 new full-time employee
26 jobs; or

1 (3) for a semiconductor manufacturer or microchip
2 manufacturer or a semiconductor or microchip component
3 parts manufacturer that does not qualify under paragraph
4 (2) above:

5 (A) make an investment of at least \$20,000,000 in
6 capital improvements at the project site;

7 (B) to be placed in service within the State
8 within a 48-month period after approval of the
9 application; and

10 (C) create at least 50 new full-time employee
11 jobs; or

12 (4) for a semiconductor manufacturer or microchip
13 manufacturer or a semiconductor or microchip component
14 parts manufacturer with existing operations in Illinois
15 that intends to convert or expand, in whole or in part, the
16 existing facility from traditional manufacturing to
17 semiconductor manufacturing or microchip manufacturing or
18 semiconductor or microchip component parts manufacturing:

19 (A) make an investment of at least \$100,000,000 in
20 capital improvements at the project site;

21 (B) to be placed in service within the State
22 within a 60-month period after approval of the
23 application; and

24 (C) create the lesser of 75 new full-time employee
25 jobs or new full-time employee jobs equivalent to 10%
26 of the Statewide baseline applicable to the taxpayer

1 and any related member at the time of application.

2 (d) For any applicant creating the full-time employee jobs
3 noted in subsection (c), those jobs must have a total
4 compensation equal to or greater than 120% of the average wage
5 paid to full-time employees in the county where the project is
6 located, as determined by the Department ~~U.S. Bureau of Labor~~
7 ~~Statistics~~.

8 (e) Each applicant must outline its hiring plan and
9 commitment to recruit and hire full-time employee positions at
10 the project site. The hiring plan may include a partnership
11 with an institution of higher education to provide
12 internships, including, but not limited to, internships
13 supported by the Clean Jobs Workforce Network Program, or
14 full-time permanent employment for students at the project
15 site. Additionally, the applicant may create or utilize
16 participants from apprenticeship programs that are approved by
17 and registered with the United States Department of Labor's
18 Bureau of Apprenticeship and Training. The Applicant may apply
19 for apprenticeship education expense credits in accordance
20 with the provisions set forth in 14 Ill. Admin. Code 522. Each
21 applicant is required to report annually, on or before April
22 15, on the diversity of its workforce in accordance with
23 Section 110-50 of this Act. For existing facilities of
24 applicants under paragraph (3) of subsection (b) above, if the
25 taxpayer expects a reduction in force due to its transition to
26 manufacturing semiconductors, microchips, or semiconductor or

1 microchip component parts, the plan submitted under this
2 Section must outline the taxpayer's plan to assist with
3 retraining its workforce aligned with the taxpayer's adoption
4 of new technologies and anticipated efforts to retrain
5 employees through employment opportunities within the
6 taxpayer's workforce.

7 (f) A taxpayer may not enter into more than one agreement
8 under this Act with respect to a single address or location for
9 the same period of time. Also, a taxpayer may not enter into an
10 agreement under this Act with respect to a single address or
11 location for the same period of time for which the taxpayer
12 currently holds an active agreement under the Economic
13 Development for a Growing Economy Tax Credit Act. This
14 provision does not preclude the applicant from entering into
15 an additional agreement after the expiration or voluntary
16 termination of an earlier agreement under this Act or under
17 the Economic Development for a Growing Economy Tax Credit Act
18 to the extent that the taxpayer's application otherwise
19 satisfies the terms and conditions of this Act and is approved
20 by the Department. An applicant with an existing agreement
21 under the Economic Development for a Growing Economy Tax
22 Credit Act may submit an application for an agreement under
23 this Act after it terminates any existing agreement under the
24 Economic Development for a Growing Economy Tax Credit Act with
25 respect to the same address or location.

26 (Source: P.A. 102-700, eff. 4-19-22.)

1 (35 ILCS 45/110-30)

2 Sec. 110-30. Tax credit awards.

3 (a) Subject to the conditions set forth in this Act, a
4 taxpayer is entitled to a credit against the tax imposed
5 pursuant to subsections (a) and (b) of Section 201 of the
6 Illinois Income Tax Act for a taxable year beginning on or
7 after January 1, 2025 if the taxpayer is awarded a credit by
8 the Department in accordance with an agreement under this Act.
9 The Department has authority to award credits under this Act
10 on and after January 1, 2023.

11 (b) A taxpayer may receive a tax credit against the tax
12 imposed under subsections (a) and (b) of Section 201 of the
13 Illinois Income Tax Act, not to exceed the sum of (i) 75% of
14 the incremental income tax attributable to new employees at
15 the applicant's project and (ii) 10% of the training costs of
16 the new employees. If the project is located in an underserved
17 area or an energy transition area, then the amount of the
18 credit may not exceed the sum of (i) 100% of the incremental
19 income tax attributable to new employees at the applicant's
20 project; and (ii) 10% of the training costs of the new
21 employees. The percentage of training costs includable in the
22 calculation may be increased by an additional 15% for training
23 costs associated with new employees that are recent (2 years
24 or less) graduates, certificate holders, or credential
25 recipients from an institution of higher education in

1 Illinois, or, if the training is provided by an institution of
2 higher education in Illinois, the Clean Jobs Workforce Network
3 Program, or an apprenticeship and training program located in
4 Illinois and approved by and registered with the United States
5 Department of Labor's Bureau of Apprenticeship and Training.
6 An applicant is also eligible for a training credit that shall
7 not exceed 10% of the training costs of retained employees for
8 the purpose of upskilling to meet the operational needs of the
9 applicant or the project. The percentage of training costs
10 includable in the calculation shall not exceed a total of 25%.
11 If an applicant agrees to hire the required number of new
12 employees, then the maximum amount of the credit for that
13 applicant may be increased by an amount not to exceed 75% ~~25%~~
14 of the incremental income tax attributable to retained
15 employees at the applicant's project; provided that, in order
16 to receive the increase for retained employees, the applicant
17 must, if applicable, meet or exceed the statewide baseline. If
18 the Project is in an underserved area or an energy transition
19 area, the maximum amount of the credit attributable to
20 retained employees for the applicant may be increased to an
21 amount not to exceed 100% ~~50%~~ of the incremental income tax
22 attributable to retained employees at the applicant's project;
23 provided that, in order to receive the increase for retained
24 employees, the applicant must meet or exceed the statewide
25 baseline. Credits awarded may include credit earned for
26 incremental income tax withheld and training costs incurred by

1 the taxpayer beginning on or after January 1, 2023. Credits so
2 earned and certified by the Department may be applied against
3 the tax imposed by subsections (a) and (b) of Section 201 of
4 the Illinois Income Tax Act for taxable years beginning on or
5 after January 1, 2025.

6 (c) MICRO Construction Jobs Credit. For construction wages
7 associated with a project that qualified for a credit under
8 subsection (b), the taxpayer may receive a tax credit against
9 the tax imposed under subsections (a) and (b) of Section 201 of
10 the Illinois Income Tax Act in an amount equal to 50% of the
11 incremental income tax attributable to construction wages paid
12 in connection with construction of the project facilities, as
13 a jobs credit for workers hired to construct the project.

14 The MICRO Construction Jobs Credit may not exceed 75% of
15 the amount of the incremental income tax attributable to
16 construction wages paid in connection with construction of the
17 project facilities if the project is in an underserved area or
18 an energy transition area.

19 (d) The Department shall certify to the Department of
20 Revenue: (1) the identity of taxpayers that are eligible for
21 the MICRO Credit and MICRO Construction Jobs Credit; (2) the
22 amount of the MICRO Credits and MICRO Construction Jobs
23 Credits awarded in each calendar year; and (3) the amount of
24 the MICRO Credit and MICRO Construction Jobs Credit claimed in
25 each calendar year. MICRO Credits awarded may include credit
26 earned for incremental income tax withheld and training costs

1 incurred by the taxpayer beginning on or after January 1,
2 2023. Credits so earned and certified by the Department may be
3 applied against the tax imposed by Section 201(a) and (b) of
4 the Illinois Income Tax Act for taxable years beginning on or
5 after January 1, 2025.

6 (e) Applicants seeking certification for a tax credits
7 related to the construction of the project facilities in the
8 State shall require the contractor to enter into a project
9 labor agreement that conforms with the Project Labor
10 Agreements Act.

11 (f) Any applicant issued a certificate for a tax credit or
12 tax exemption under this Act must annually report to the
13 Department the total project tax benefits received. Reports
14 are due no later than May 31 of each year and shall cover the
15 previous calendar year. The first report is for the 2023
16 calendar year and is due no later than May 31, 2023. For
17 applicants issued a certificate of exemption under Section
18 110-105 of this Act, the report shall be the same as required
19 for a High Impact Business under subsection (a-5) of Section
20 8.1 of the Illinois Enterprise Zone Act. Each person required
21 to file a return under the Gas Revenue Tax Act, the Electricity
22 Excise Tax Act, or the Telecommunications Excise Tax Act shall
23 file a report on customers issued an exemption certificate
24 under Section 110-95 of this Act in the same manner and form as
25 they are required to report under subsection (b) of Section
26 8.1 of the Illinois Enterprise Zone Act.

1 (g) Nothing in this Act shall prohibit an award of credit
2 to an applicant that uses a PEO if all other award criteria are
3 satisfied.

4 (h) With respect to any portion of a credit that is based
5 on the incremental income tax attributable to new employees or
6 retained employees, in lieu of the credit allowed under this
7 Act against the taxes imposed pursuant to subsections (a) and
8 (b) of Section 201 of the Illinois Income Tax Act, a taxpayer
9 that otherwise meets the criteria set forth in this Section,
10 the taxpayer may elect to claim the credit, on or after January
11 1, 2025, against its obligation to pay over withholding under
12 Section 704A of the Illinois Income Tax Act. The election
13 shall be made in the manner prescribed by the Department of
14 Revenue and once made shall be irrevocable.

15 (Source: P.A. 102-700, eff. 4-19-22.)

16 (35 ILCS 45/110-40)

17 Sec. 110-40. Amount and duration of the credits;
18 limitation to amount of costs of specified items. The
19 Department shall determine the amount and duration of the
20 credit awarded under this Act, subject to the limitations set
21 forth in this Act. For a project that qualified under
22 paragraph (1), (2), or (4) of subsection (c) of Section
23 110-20, the duration of the credit may not exceed 15 taxable
24 years, with an option to renew the agreement for no more than
25 one term not to exceed an additional 15 taxable years. For

1 project that qualified under paragraph (3) of subsection (c)
2 of Section 110-20, the duration of the credit may not exceed 10
3 taxable years, with an option to renew the agreement for no
4 more than one term not to exceed an additional 10 taxable
5 years. The credit may be stated as a percentage of the
6 incremental income tax and training costs attributable to the
7 applicant's project and may include a fixed dollar limitation.

8 Nothing in this Section shall prevent the Department, in
9 consultation with the Department of Revenue, from adopting
10 rules to extend the sunset of any earned, existing, and unused
11 tax credit or credits a taxpayer may be in possession of.

12 (Source: P.A. 102-700, eff. 4-19-22.)

13 Section 940. The Use Tax Act is amended by adding Section
14 3-87 as follows:

15 (35 ILCS 105/3-87 new)

16 Sec. 3-87. Sustainable Aviation Fuel Purchase Credit.

17 (a) From June 1, 2023 through January 1, 2033, sustainable
18 aviation fuel sold to or used by an air carrier, certified by
19 the carrier to the Department to be used in Illinois, earns a
20 credit in the amount of \$1.50 per gallon of sustainable
21 aviation fuel purchased. The credit earned shall be referred
22 to as the Sustainable Aviation Fuel Credit.

23 The purchaser of sustainable aviation fuel shall certify
24 to the seller of the aviation fuel that the purchaser is

1 satisfying all or part of its liability under the Use Tax Act
2 or the Service Use Tax Act that is due on the purchase of
3 aviation fuel by use of the sustainable aviation fuel purchase
4 credit.

5 The Sustainable Aviation Fuel Purchase Credit
6 certification must be dated and shall include the name and
7 address of the purchaser, the purchaser's registration number,
8 if registered, the credit being applied, and a statement that
9 the State use tax or service use tax liability is being
10 satisfied with the air carrier's accumulated sustainable
11 aviation fuel purchase credit.

12 Until July 1, 2033, on an annual basis, no credit may be
13 earned by an air carrier for soybean oil-derived sustainable
14 aviation fuel once air carriers in this State have
15 collectively purchased sustainable aviation fuel containing
16 10,000,000 gallons of soybean oil feedstock.

17 A Sustainable Aviation Fuel Purchase Credit certification
18 provided by the air carrier may be used to satisfy the
19 retailer's or serviceman's liability on aviation fuel under
20 the Retailers' Occupation Tax Act or Service Occupation Tax
21 Act for the credit claimed.

22 (b) As used in this Section, "sustainable aviation fuel"
23 means liquid fuel that meets the criteria set forth in
24 subsections (d) and (e) of Section 40B of the federal Internal
25 Revenue Code of 1986 or:

26 (1) consists of synthesized hydrocarbons and meets the

1 requirements of:

2 (A) the American Society for Testing and Materials
3 International Standard D7566; or

4 (B) the Fischer-Tropsch provisions of American
5 Society for Testing and Materials International
6 Standard D1655, Annex A1;

7 (2) prior to June 1, 2028, is derived from biomass
8 resources, waste streams, renewable energy sources, or
9 gaseous carbon oxides, and beginning on June 1, 2028 is
10 derived from domestic biomass resources;

11 (3) is not derived from any palm derivatives; and

12 (4) achieves at least a 50% lifecycle greenhouse gas
13 emissions reduction in comparison with petroleum-based jet
14 fuel, as determined by a test that shows:

15 (A) that the fuel production pathway achieves at
16 least a 50% reduction of the aggregate attributional
17 core lifecycle emissions and the positive induced land
18 use change values under the lifecycle methodology for
19 sustainable aviation fuels adopted by the
20 International Civil Aviation Organization with the
21 agreement of the United States; or

22 (B) that the fuel production pathway achieves at
23 least a 50% reduction of the aggregate attributional
24 core lifecycle greenhouse gas emissions values
25 utilizing the most recent version of Argonne National
26 Laboratory's GREET model, inclusive of agricultural

1 practices and carbon capture and sequestration.

2 Section 950. The Service Use Tax Act is amended by adding
3 Section 3-72 as follows:

4 (35 ILCS 110/3-72 new)

5 Sec. 3-72. Sustainable Aviation Fuel Purchase Credit.

6 (a) From June 1, 2023 through January 1, 2033, sustainable
7 aviation fuel sold to or used by an air carrier, certified by
8 the carrier to the Department to be used in Illinois, earns a
9 credit in the amount of \$1.50 per gallon of sustainable
10 aviation fuel purchased. The credit earned shall be referred
11 to as the Sustainable Aviation Fuel Credit.

12 The purchaser of sustainable aviation fuel shall certify
13 to the seller of the aviation fuel that the purchaser is
14 satisfying all or part of its liability under the Use Tax Act
15 or the Service Use Tax Act that is due on the purchase of
16 aviation fuel by use of the sustainable aviation fuel purchase
17 credit.

18 The Sustainable Aviation Fuel Purchase Credit
19 certification must be dated and shall include the name and
20 address of the purchaser, the purchaser's registration number,
21 if registered, the credit being applied, and a statement that
22 the State use tax or service use tax liability is being
23 satisfied with the air carrier's accumulated sustainable
24 aviation fuel purchase credit.

1 Until July 1, 2033, on an annual basis, no credit may be
2 earned by an air carrier for soybean oil-derived sustainable
3 aviation fuel once air carriers in this State have
4 collectively purchased sustainable aviation fuel containing
5 10,000,000 gallons of soybean oil feedstock.

6 A Sustainable Aviation Fuel Purchase Credit certification
7 provided by the air carrier may be used to satisfy the
8 retailer's or serviceman's liability on aviation fuel under
9 the Retailers' Occupation Tax Act or Service Occupation Tax
10 Act for the credit claimed.

11 (b) As used in this Section, "sustainable aviation fuel"
12 means liquid fuel that meets the criteria set forth in
13 subsections (d) and (e) of Section 40B of the federal Internal
14 Revenue Code of 1986 or:

15 (1) consists of synthesized hydrocarbons and meets the
16 requirements of:

17 (A) the American Society for Testing and Materials
18 International Standard D7566; or

19 (B) the Fischer-Tropsch provisions of American
20 Society for Testing and Materials International
21 Standard D1655, Annex A1;

22 (2) prior to June 1, 2028, is derived from biomass
23 resources, waste streams, renewable energy sources, or
24 gaseous carbon oxides, and beginning on June 1, 2028 is
25 derived from domestic biomass resources;

26 (3) is not derived from any palm derivatives; and

1 (4) achieves at least a 50% lifecycle greenhouse gas
2 emissions reduction in comparison with petroleum-based jet
3 fuel, as determined by a test that shows:

4 (A) that the fuel production pathway achieves at
5 least a 50% reduction of the aggregate attributional
6 core lifecycle emissions and the positive induced land
7 use change values under the lifecycle methodology for
8 sustainable aviation fuels adopted by the
9 International Civil Aviation Organization with the
10 agreement of the United States; or

11 (B) that the fuel production pathway achieves at
12 least a 50% reduction of the aggregate attributional
13 core lifecycle greenhouse gas emissions values
14 utilizing the most recent version of Argonne National
15 Laboratory's GREET model, inclusive of agricultural
16 practices and carbon capture and sequestration.

17 Section 965. The Retailers' Occupation Tax Act is amended
18 by changing Section 5m as follows:

19 (35 ILCS 120/5m)

20 Sec. 5m. Building materials exemption; REV Illinois
21 projects ~~electric vehicle manufacturer, electric vehicle~~
22 ~~component parts manufacturer, and electric vehicle power~~
23 ~~supply manufacturer.~~ Each retailer who makes a sale of
24 building materials that will be incorporated into a real

1 ~~estate in an electric vehicle manufacturing facility, an~~
2 ~~electric vehicle component parts manufacturing facility, or an~~
3 ~~electric vehicle power supply manufacturing facility~~ REV
4 Illinois Project ~~which meets the qualifications under~~
5 ~~paragraphs (1), (2), or (4) of subsection (c) of Section 20 of~~
6 ~~the Reimagining Electric Vehicles in Illinois Act~~ for which a
7 certificate of exemption has been issued by the Department of
8 Commerce and Economic Opportunity under Section 105 of the
9 Reimagining Energy and Electric Vehicles in Illinois Act, may
10 deduct receipts from those ~~such~~ sales when calculating any
11 State or local use and occupation taxes. No retailer who is
12 eligible for the deduction or credit under Section 5k of this
13 Act related to enterprise zones or Section 5l of this Act
14 related to High Impact Businesses for a given sale shall be
15 eligible for the deduction or credit authorized under this
16 Section for that same sale.

17 In addition to any other requirements to document the
18 exemption allowed under this Section, the retailer must obtain
19 ~~from~~ the purchaser's REV Illinois Building Materials Exemption
20 certificate number issued by the Department. A construction
21 contractor or other entity shall not make tax-free purchases
22 under this Section unless it has an active REV Illinois
23 Building Materials Exemption Certificate issued by the
24 Department at the time of purchase.

25 Upon request from the certified manufacturer ~~electric~~
26 ~~vehicle manufacturer, electric vehicle component parts~~

1 ~~manufacturer, or electric vehicle power supply manufacturer~~
2 ~~certified by the Department of Commerce and Economic~~
3 ~~Opportunity under REV Illinois Act, the Department shall issue~~
4 a REV Illinois Building Materials Exemption Certificate for
5 each construction contractor or other entity identified by the
6 certified manufacturer ~~electric vehicle manufacturer, electric~~
7 ~~vehicle component parts manufacturer, or electric vehicle~~
8 ~~power supply manufacturer.~~ The Department shall make the REV
9 Illinois Building Materials Exemption Certificates available
10 to each construction contractor or other entity identified by
11 the certified manufacturer and to the certified ~~electric~~
12 ~~vehicle manufacturer, electric vehicle component parts~~
13 ~~manufacturer, or electric vehicle power supply manufacturer.~~
14 The request for REV Illinois Building Materials Exemption
15 Certificates under this Section ~~from the certified electric~~
16 ~~vehicle manufacturer, electric vehicle component parts~~
17 ~~manufacturer, or electric vehicle power supply manufacturer to~~
18 ~~the Department~~ must include the following information:

19 (1) the name and address of the construction
20 contractor or other entity;

21 (2) the name and location or address of the building
22 project site;

23 (3) the estimated amount of the exemption for each
24 construction contractor or other entity for which a
25 request for a REV Illinois Building Materials Exemption
26 Certificate is made, based on a stated estimated average

1 tax rate and the percentage of the contract that consists
2 of materials;

3 (4) the period of time over which supplies for the
4 project are expected to be purchased; and

5 (5) other reasonable information as the Department may
6 require, including but not limited to FEIN numbers, to
7 determine if the contractor or other entity, or any
8 partner, or a corporate officer, and in the case of a
9 limited liability company, any manager or member, of the
10 construction contractor or other entity, is or has been
11 the owner, a partner, a corporate officer, and in the case
12 of a limited liability company, a manager or member, of a
13 person that is in default for moneys due to the Department
14 under this Act or any other tax or fee Act administered by
15 the Department.

16 The Department shall issue the REV Illinois Building
17 Materials Exemption Certificates within 3 business days after
18 receipt of the request from the certified ~~electric vehicle~~
19 ~~manufacturer, electric vehicle component parts manufacturer,~~
20 ~~or electric vehicle power supply manufacturer.~~ This
21 requirement does not apply in circumstances where the
22 Department, for reasonable cause, is unable to issue the
23 Exemption Certificate within 3 business days. The Department
24 may refuse to issue a REV Illinois Building Materials
25 Exemption Certificate if the owner, any partner, or a
26 corporate officer, and in the case of a limited liability

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

7 The REV Illinois Building Materials Exemption Certificate
8 shall contain language stating that if the construction
9 contractor or other entity who is issued the Exemption
10 Certificate makes a tax-exempt purchase, as described in this
11 Section, that is not eligible for exemption under this Section
12 or allows another person to make a tax-exempt purchase, as
13 described in this Section, that is not eligible for exemption
14 under this Section, then, in addition to any tax or other
15 penalty imposed, the construction contractor or other entity
16 is subject to a penalty equal to the tax that would have been
17 paid by the retailer under this Act as well as any applicable
18 local retailers' occupation tax on the purchase that is not
19 eligible for the exemption.

20 The Department, in its discretion, may require that the
21 request for REV Illinois Building Materials Exemption
22 Certificates be submitted electronically. The Department may,
23 in its discretion, issue the Exemption Certificates
24 electronically. The REV Illinois Building Materials Exemption
25 Certificate number shall be designed in such a way that the
26 Department can identify from the unique number on the

1 Exemption Certificate issued to a given construction
2 contractor or other entity, the name of the REV Illinois
3 project ~~designated electric vehicle manufacturing, electric~~
4 ~~vehicle component parts manufacturing, or electric vehicle~~
5 ~~power supply manufacturing~~ site and the construction
6 contractor or other entity to whom the Exemption Certificate
7 is issued. The REV Illinois Building Materials Exemption
8 Certificate shall contain an expiration date, which shall be
9 no more than 5 years after the date of issuance. At the request
10 of the ~~designated~~ certified ~~electric vehicle~~ manufacturer,
11 ~~electric vehicle component parts manufacturer, or electric~~
12 ~~vehicle power supply manufacturer,~~ the Department may renew a
13 REV Illinois Building Materials Exemption Certificate. After
14 the Department issues Exemption Certificates for a given REV
15 Illinois project ~~designated electric vehicle manufacturing,~~
16 ~~electric vehicle component parts manufacturing, or electric~~
17 ~~vehicle power supply manufacturing~~ site, the certified
18 ~~electric vehicle~~ manufacturer, ~~electric vehicle component~~
19 ~~parts manufacturer, or electric vehicle power supply~~
20 ~~manufacturer~~ may notify the Department of additional
21 construction contractors or other entities that are eligible
22 for a REV Illinois Building Materials Exemption Certificate.
23 Upon receiving such a notification ~~by the certified electric~~
24 ~~vehicle manufacturer, electric vehicle component parts~~
25 ~~manufacturer, or electric vehicle power supply manufacturer~~
26 and subject to the other provisions of this Section, the

1 Department shall issue a REV Illinois Building Materials
2 Exemption Certificate to each additional construction
3 contractor or other entity so identified ~~by the certified~~
4 ~~electric vehicle manufacturer, electric vehicle component~~
5 ~~parts manufacturer, or electric vehicle power supply~~
6 ~~manufacturer~~. A certified ~~electric vehicle~~ manufacturer,
7 ~~electric vehicle component parts manufacturer, or electric~~
8 ~~vehicle power supply manufacturer~~ may ask ~~notify~~ the
9 Department to rescind a REV Illinois Building Materials
10 Exemption Certificate previously issued by the Department to a
11 construction contractor or other entity working at that
12 certified manufacturer's REV Illinois project site if that REV
13 Illinois Building Materials Exemption Certificate ~~but that~~ has
14 not yet expired. Upon receiving such a request ~~notification by~~
15 ~~the certified electric vehicle manufacturer, electric vehicle~~
16 ~~component parts manufacturer, or electric vehicle power supply~~
17 ~~manufacturer~~ and subject to the other provisions of this
18 Section, the Department shall issue the rescission of the REV
19 Illinois Building Materials Exemption Certificate to the
20 construction contractor or other entity identified by the
21 certified manufacturer ~~electric vehicle manufacturer, electric~~
22 ~~vehicle component parts manufacturer, or electric vehicle~~
23 ~~power supply manufacturer~~ and provide a copy of the rescission
24 to the construction contractor or other entity and to the
25 certified ~~electric vehicle manufacturer, electric vehicle~~
26 ~~component parts manufacturer, or electric vehicle power supply~~

1 manufacturer.

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

14 This Section is exempt from the provisions of Section
15 2-70.

16 As used in this Section, "certified manufacturer" means a
17 person certified by the Department of Commerce and Economic
18 Opportunity under Section 105 of the Reimagining Energy and
19 Vehicles in Illinois Act.

20 (Source: P.A. 102-669, eff. 11-16-21.)

21 Section 975. The Property Tax Code is amended by changing
22 Section 18-184.15 as follows:

23 (35 ILCS 200/18-184.15)

24 Sec. 18-184.15. REV Illinois project facilities for

1 electric vehicles, electric vehicle component parts, or
2 electric vehicle power supply equipment; abatement. Any taxing
3 district, upon a majority vote of its governing body, may,
4 after determination of the assessed value as set forth in this
5 Code, order the clerk of the appropriate municipality or
6 county to abate any portion of real property taxes otherwise
7 levied or extended by the taxing district on a REV Illinois
8 Project facility owned by an electric vehicle manufacturer,
9 electric vehicle component parts manufacturer, or an electric
10 vehicle power supply manufacturer that is subject to an
11 agreement with the Department of Commerce and Economic
12 Opportunity under Section 45 of the Reimagining Energy and
13 ~~Electric~~ Vehicles in Illinois Act, during the period of time
14 such agreement is in effect as specified by the Department of
15 Commerce and Economic Opportunity.

16 (Source: P.A. 102-669, eff. 11-16-21.)

17 Section 980. The Telecommunications Excise Tax Act is
18 amended by changing Section 2 as follows:

19 (35 ILCS 630/2) (from Ch. 120, par. 2002)

20 Sec. 2. As used in this Article, unless the context
21 clearly requires otherwise:

22 (a) "Gross charge" means the amount paid for the act or
23 privilege of originating or receiving telecommunications in
24 this State and for all services and equipment provided in

1 connection therewith by a retailer, valued in money whether
2 paid in money or otherwise, including cash, credits, services
3 and property of every kind or nature, and shall be determined
4 without any deduction on account of the cost of such
5 telecommunications, the cost of materials used, labor or
6 service costs or any other expense whatsoever. In case credit
7 is extended, the amount thereof shall be included only as and
8 when paid. "Gross charges" for private line service shall
9 include charges imposed at each channel termination point
10 within this State, charges for the channel mileage between
11 each channel termination point within this State, and charges
12 for that portion of the interstate inter-office channel
13 provided within Illinois. Charges for that portion of the
14 interstate inter-office channel provided in Illinois shall be
15 determined by the retailer as follows: (i) for interstate
16 inter-office channels having 2 channel termination points,
17 only one of which is in Illinois, 50% of the total charge
18 imposed; or (ii) for interstate inter-office channels having
19 more than 2 channel termination points, one or more of which
20 are in Illinois, an amount equal to the total charge
21 multiplied by a fraction, the numerator of which is the number
22 of channel termination points within Illinois and the
23 denominator of which is the total number of channel
24 termination points. Prior to January 1, 2004, any method
25 consistent with this paragraph or other method that reasonably
26 apportions the total charges for interstate inter-office

1 channels among the states in which channel terminations points
2 are located shall be accepted as a reasonable method to
3 determine the charges for that portion of the interstate
4 inter-office channel provided within Illinois for that period.
5 However, "gross charges" shall not include any of the
6 following:

7 (1) Any amounts added to a purchaser's bill because of
8 a charge made pursuant to (i) the tax imposed by this
9 Article; (ii) charges added to customers' bills pursuant
10 to the provisions of Sections 9-221 or 9-222 of the Public
11 Utilities Act, as amended, or any similar charges added to
12 customers' bills by retailers who are not subject to rate
13 regulation by the Illinois Commerce Commission for the
14 purpose of recovering any of the tax liabilities or other
15 amounts specified in such provisions of such Act; (iii)
16 the tax imposed by Section 4251 of the Internal Revenue
17 Code; (iv) 911 surcharges; or (v) the tax imposed by the
18 Simplified Municipal Telecommunications Tax Act.

19 (2) Charges for a sent collect telecommunication
20 received outside of the State.

21 (3) Charges for leased time on equipment or charges
22 for the storage of data or information for subsequent
23 retrieval or the processing of data or information
24 intended to change its form or content. Such equipment
25 includes, but is not limited to, the use of calculators,
26 computers, data processing equipment, tabulating equipment

1 or accounting equipment and also includes the usage of
2 computers under a time-sharing agreement.

3 (4) Charges for customer equipment, including such
4 equipment that is leased or rented by the customer from
5 any source, wherein such charges are disaggregated and
6 separately identified from other charges.

7 (5) Charges to business enterprises certified under
8 Section 9-222.1 of the Public Utilities Act, as amended,
9 ~~or to electric vehicle manufacturers, electric vehicle~~
10 ~~component parts manufacturers, or electric vehicle power~~
11 ~~supply manufacturers at REV Illinois Project sites for~~
12 ~~which a certificate of exemption has been issued by the~~
13 ~~Department of Commerce and Economic Opportunity~~ under
14 Section 95 of the Reimagining Energy and Electric Vehicles
15 in Illinois Act, to the extent of such exemption and
16 during the period of time specified by the Department of
17 Commerce and Economic Opportunity.

18 (5.1) Charges to business enterprises certified under
19 the Manufacturing Illinois Chips for Real Opportunity
20 (MICRO) Act, to the extent of the exemption and during the
21 period of time specified by the Department of Commerce and
22 Economic Opportunity.

23 (6) Charges for telecommunications and all services
24 and equipment provided in connection therewith between a
25 parent corporation and its wholly owned subsidiaries or
26 between wholly owned subsidiaries when the tax imposed

1 under this Article has already been paid to a retailer and
2 only to the extent that the charges between the parent
3 corporation and wholly owned subsidiaries or between
4 wholly owned subsidiaries represent expense allocation
5 between the corporations and not the generation of profit
6 for the corporation rendering such service.

7 (7) Bad debts. Bad debt means any portion of a debt
8 that is related to a sale at retail for which gross charges
9 are not otherwise deductible or excludable that has become
10 worthless or uncollectable, as determined under applicable
11 federal income tax standards. If the portion of the debt
12 deemed to be bad is subsequently paid, the retailer shall
13 report and pay the tax on that portion during the
14 reporting period in which the payment is made.

15 (8) Charges paid by inserting coins in coin-operated
16 telecommunication devices.

17 (9) Amounts paid by telecommunications retailers under
18 the Telecommunications Municipal Infrastructure
19 Maintenance Fee Act.

20 (10) Charges for nontaxable services or
21 telecommunications if (i) those charges are aggregated
22 with other charges for telecommunications that are
23 taxable, (ii) those charges are not separately stated on
24 the customer bill or invoice, and (iii) the retailer can
25 reasonably identify the nontaxable charges on the
26 retailer's books and records kept in the regular course of

1 business. If the nontaxable charges cannot reasonably be
2 identified, the gross charge from the sale of both taxable
3 and nontaxable services or telecommunications billed on a
4 combined basis shall be attributed to the taxable services
5 or telecommunications. The burden of proving nontaxable
6 charges shall be on the retailer of the
7 telecommunications.

8 (b) "Amount paid" means the amount charged to the
9 taxpayer's service address in this State regardless of where
10 such amount is billed or paid.

11 (c) "Telecommunications", in addition to the meaning
12 ordinarily and popularly ascribed to it, includes, without
13 limitation, messages or information transmitted through use of
14 local, toll and wide area telephone service; private line
15 services; channel services; telegraph services;
16 teletypewriter; computer exchange services; cellular mobile
17 telecommunications service; specialized mobile radio;
18 stationary two way radio; paging service; or any other form of
19 mobile and portable one-way or two-way communications; or any
20 other transmission of messages or information by electronic or
21 similar means, between or among points by wire, cable,
22 fiber-optics, laser, microwave, radio, satellite or similar
23 facilities. As used in this Act, "private line" means a
24 dedicated non-traffic sensitive service for a single customer,
25 that entitles the customer to exclusive or priority use of a
26 communications channel or group of channels, from one or more

1 specified locations to one or more other specified locations.
2 The definition of "telecommunications" shall not include value
3 added services in which computer processing applications are
4 used to act on the form, content, code and protocol of the
5 information for purposes other than transmission.
6 "Telecommunications" shall not include purchases of
7 telecommunications by a telecommunications service provider
8 for use as a component part of the service provided by him to
9 the ultimate retail consumer who originates or terminates the
10 taxable end-to-end communications. Carrier access charges,
11 right of access charges, charges for use of inter-company
12 facilities, and all telecommunications resold in the
13 subsequent provision of, used as a component of, or integrated
14 into end-to-end telecommunications service shall be
15 non-taxable as sales for resale.

16 (d) "Interstate telecommunications" means all
17 telecommunications that either originate or terminate outside
18 this State.

19 (e) "Intrastate telecommunications" means all
20 telecommunications that originate and terminate within this
21 State.

22 (f) "Department" means the Department of Revenue of the
23 State of Illinois.

24 (g) "Director" means the Director of Revenue for the
25 Department of Revenue of the State of Illinois.

26 (h) "Taxpayer" means a person who individually or through

1 his agents, employees or permittees engages in the act or
2 privilege of originating or receiving telecommunications in
3 this State and who incurs a tax liability under this Article.

4 (i) "Person" means any natural individual, firm, trust,
5 estate, partnership, association, joint stock company, joint
6 venture, corporation, limited liability company, or a
7 receiver, trustee, guardian or other representative appointed
8 by order of any court, the Federal and State governments,
9 including State universities created by statute or any city,
10 town, county or other political subdivision of this State.

11 (j) "Purchase at retail" means the acquisition,
12 consumption or use of telecommunication through a sale at
13 retail.

14 (k) "Sale at retail" means the transmitting, supplying or
15 furnishing of telecommunications and all services and
16 equipment provided in connection therewith for a consideration
17 to persons other than the Federal and State governments, and
18 State universities created by statute and other than between a
19 parent corporation and its wholly owned subsidiaries or
20 between wholly owned subsidiaries for their use or consumption
21 and not for resale.

22 (l) "Retailer" means and includes every person engaged in
23 the business of making sales at retail as defined in this
24 Article. The Department may, in its discretion, upon
25 application, authorize the collection of the tax hereby
26 imposed by any retailer not maintaining a place of business

1 within this State, who, to the satisfaction of the Department,
2 furnishes adequate security to insure collection and payment
3 of the tax. Such retailer shall be issued, without charge, a
4 permit to collect such tax. When so authorized, it shall be the
5 duty of such retailer to collect the tax upon all of the gross
6 charges for telecommunications in this State in the same
7 manner and subject to the same requirements as a retailer
8 maintaining a place of business within this State. The permit
9 may be revoked by the Department at its discretion.

10 (m) "Retailer maintaining a place of business in this
11 State", or any like term, means and includes any retailer
12 having or maintaining within this State, directly or by a
13 subsidiary, an office, distribution facilities, transmission
14 facilities, sales office, warehouse or other place of
15 business, or any agent or other representative operating
16 within this State under the authority of the retailer or its
17 subsidiary, irrespective of whether such place of business or
18 agent or other representative is located here permanently or
19 temporarily, or whether such retailer or subsidiary is
20 licensed to do business in this State.

21 (n) "Service address" means the location of
22 telecommunications equipment from which the telecommunications
23 services are originated or at which telecommunications
24 services are received by a taxpayer. In the event this may not
25 be a defined location, as in the case of mobile phones, paging
26 systems, maritime systems, service address means the

1 customer's place of primary use as defined in the Mobile
2 Telecommunications Sourcing Conformity Act. For air-to-ground
3 systems and the like, service address shall mean the location
4 of a taxpayer's primary use of the telecommunications
5 equipment as defined by telephone number, authorization code,
6 or location in Illinois where bills are sent.

7 (o) "Prepaid telephone calling arrangements" mean the
8 right to exclusively purchase telephone or telecommunications
9 services that must be paid for in advance and enable the
10 origination of one or more intrastate, interstate, or
11 international telephone calls or other telecommunications
12 using an access number, an authorization code, or both,
13 whether manually or electronically dialed, for which payment
14 to a retailer must be made in advance, provided that, unless
15 recharged, no further service is provided once that prepaid
16 amount of service has been consumed. Prepaid telephone calling
17 arrangements include the recharge of a prepaid calling
18 arrangement. For purposes of this subsection, "recharge" means
19 the purchase of additional prepaid telephone or
20 telecommunications services whether or not the purchaser
21 acquires a different access number or authorization code.
22 "Prepaid telephone calling arrangement" does not include an
23 arrangement whereby a customer purchases a payment card and
24 pursuant to which the service provider reflects the amount of
25 such purchase as a credit on an invoice issued to that customer
26 under an existing subscription plan.

1 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

2 Section 985. The Telecommunications Infrastructure
3 Maintenance Fee Act is amended by changing Section 10 as
4 follows:

5 (35 ILCS 635/10)

6 Sec. 10. Definitions.

7 (a) "Gross charges" means the amount paid to a
8 telecommunications retailer for the act or privilege of
9 originating or receiving telecommunications in this State and
10 for all services rendered in connection therewith, valued in
11 money whether paid in money or otherwise, including cash,
12 credits, services, and property of every kind or nature, and
13 shall be determined without any deduction on account of the
14 cost of such telecommunications, the cost of the materials
15 used, labor or service costs, or any other expense whatsoever.
16 In case credit is extended, the amount thereof shall be
17 included only as and when paid. "Gross charges" for private
18 line service shall include charges imposed at each channel
19 termination point within this State, charges for the channel
20 mileage between each channel termination point within this
21 State, and charges for that portion of the interstate
22 inter-office channel provided within Illinois. Charges for
23 that portion of the interstate inter-office channel provided
24 in Illinois shall be determined by the retailer as follows:

1 (i) for interstate inter-office channels having 2 channel
2 termination points, only one of which is in Illinois, 50% of
3 the total charge imposed; or (ii) for interstate inter-office
4 channels having more than 2 channel termination points, one or
5 more of which are in Illinois, an amount equal to the total
6 charge multiplied by a fraction, the numerator of which is the
7 number of channel termination points within Illinois and the
8 denominator of which is the total number of channel
9 termination points. Prior to January 1, 2004, any method
10 consistent with this paragraph or other method that reasonably
11 apportions the total charges for interstate inter-office
12 channels among the states in which channel terminations points
13 are located shall be accepted as a reasonable method to
14 determine the charges for that portion of the interstate
15 inter-office channel provided within Illinois for that period.
16 However, "gross charges" shall not include any of the
17 following:

18 (1) Any amounts added to a purchaser's bill because of
19 a charge made under: (i) the fee imposed by this Section,
20 (ii) additional charges added to a purchaser's bill under
21 Section 9-221 or 9-222 of the Public Utilities Act, (iii)
22 the tax imposed by the Telecommunications Excise Tax Act,
23 (iv) 911 surcharges, (v) the tax imposed by Section 4251
24 of the Internal Revenue Code, or (vi) the tax imposed by
25 the Simplified Municipal Telecommunications Tax Act.

26 (2) Charges for a sent collect telecommunication

1 received outside of this State.

2 (3) Charges for leased time on equipment or charges
3 for the storage of data or information or subsequent
4 retrieval or the processing of data or information
5 intended to change its form or content. Such equipment
6 includes, but is not limited to, the use of calculators,
7 computers, data processing equipment, tabulating
8 equipment, or accounting equipment and also includes the
9 usage of computers under a time-sharing agreement.

10 (4) Charges for customer equipment, including such
11 equipment that is leased or rented by the customer from
12 any source, wherein such charges are disaggregated and
13 separately identified from other charges.

14 (5) Charges to business enterprises certified under
15 Section 9-222.1 of the Public Utilities Act to the extent
16 of such exemption and during the period of time specified
17 by the Department of Commerce and Economic Opportunity.

18 (5.1) Charges to business enterprises certified under
19 Section 95 of the Reimagining Energy and Vehicles in
20 Illinois Act, to the extent of the exemption and during
21 the period of time specified by the Department of Commerce
22 and Economic Opportunity.

23 (5.2) Charges to business enterprises certified under
24 Section 110-95 of the Manufacturing Illinois Chips for
25 Real Opportunity (MICRO) Act, to the extent of the
26 exemption and during the period of time specified by the

1 Department of Commerce and Economic Opportunity.

2 (6) Charges for telecommunications and all services
3 and equipment provided in connection therewith between a
4 parent corporation and its wholly owned subsidiaries or
5 between wholly owned subsidiaries, and only to the extent
6 that the charges between the parent corporation and wholly
7 owned subsidiaries or between wholly owned subsidiaries
8 represent expense allocation between the corporations and
9 not the generation of profit other than a regulatory
10 required profit for the corporation rendering such
11 services.

12 (7) Bad debts ("bad debt" means any portion of a debt
13 that is related to a sale at retail for which gross charges
14 are not otherwise deductible or excludable that has become
15 worthless or uncollectible, as determined under applicable
16 federal income tax standards; if the portion of the debt
17 deemed to be bad is subsequently paid, the retailer shall
18 report and pay the tax on that portion during the
19 reporting period in which the payment is made).

20 (8) Charges paid by inserting coins in coin-operated
21 telecommunication devices.

22 (9) Charges for nontaxable services or
23 telecommunications if (i) those charges are aggregated
24 with other charges for telecommunications that are
25 taxable, (ii) those charges are not separately stated on
26 the customer bill or invoice, and (iii) the retailer can

1 reasonably identify the nontaxable charges on the
2 retailer's books and records kept in the regular course of
3 business. If the nontaxable charges cannot reasonably be
4 identified, the gross charge from the sale of both taxable
5 and nontaxable services or telecommunications billed on a
6 combined basis shall be attributed to the taxable services
7 or telecommunications. The burden of proving nontaxable
8 charges shall be on the retailer of the
9 telecommunications.

10 (a-5) "Department" means the Illinois Department of
11 Revenue.

12 (b) "Telecommunications" includes, but is not limited to,
13 messages or information transmitted through use of local,
14 toll, and wide area telephone service, channel services,
15 telegraph services, teletypewriter service, computer exchange
16 services, private line services, specialized mobile radio
17 services, or any other transmission of messages or information
18 by electronic or similar means, between or among points by
19 wire, cable, fiber optics, laser, microwave, radio, satellite,
20 or similar facilities. Unless the context clearly requires
21 otherwise, "telecommunications" shall also include wireless
22 telecommunications as hereinafter defined.
23 "Telecommunications" shall not include value added services in
24 which computer processing applications are used to act on the
25 form, content, code, and protocol of the information for
26 purposes other than transmission. "Telecommunications" shall

1 not include purchase of telecommunications by a
2 telecommunications service provider for use as a component
3 part of the service provided by him or her to the ultimate
4 retail consumer who originates or terminates the end-to-end
5 communications. Retailer access charges, right of access
6 charges, charges for use of intercompany facilities, and all
7 telecommunications resold in the subsequent provision and used
8 as a component of, or integrated into, end-to-end
9 telecommunications service shall not be included in gross
10 charges as sales for resale. "Telecommunications" shall not
11 include the provision of cable services through a cable system
12 as defined in the Cable Communications Act of 1984 (47 U.S.C.
13 Sections 521 and following) as now or hereafter amended or
14 through an open video system as defined in the Rules of the
15 Federal Communications Commission (47 C.D.F. 76.1550 and
16 following) as now or hereafter amended. Beginning January 1,
17 2001, prepaid telephone calling arrangements shall not be
18 considered "telecommunications" subject to the tax imposed
19 under this Act. For purposes of this Section, "prepaid
20 telephone calling arrangements" means that term as defined in
21 Section 2-27 of the Retailers' Occupation Tax Act.

22 (c) "Wireless telecommunications" includes cellular mobile
23 telephone services, personal wireless services as defined in
24 Section 704(C) of the Telecommunications Act of 1996 (Public
25 Law No. 104-104) as now or hereafter amended, including all
26 commercial mobile radio services, and paging services.

1 (d) "Telecommunications retailer" or "retailer" or
2 "carrier" means and includes every person engaged in the
3 business of making sales of telecommunications at retail as
4 defined in this Section. The Department may, in its
5 discretion, upon applications, authorize the collection of the
6 fee hereby imposed by any retailer not maintaining a place of
7 business within this State, who, to the satisfaction of the
8 Department, furnishes adequate security to insure collection
9 and payment of the fee. When so authorized, it shall be the
10 duty of such retailer to pay the fee upon all of the gross
11 charges for telecommunications in the same manner and subject
12 to the same requirements as a retailer maintaining a place of
13 business within this State.

14 (e) "Retailer maintaining a place of business in this
15 State", or any like term, means and includes any retailer
16 having or maintaining within this State, directly or by a
17 subsidiary, an office, distribution facilities, transmission
18 facilities, sales office, warehouse, or other place of
19 business, or any agent or other representative operating
20 within this State under the authority of the retailer or its
21 subsidiary, irrespective of whether such place of business or
22 agent or other representative is located here permanently or
23 temporarily, or whether such retailer or subsidiary is
24 licensed to do business in this State.

25 (f) "Sale of telecommunications at retail" means the
26 transmitting, supplying, or furnishing of telecommunications

1 and all services rendered in connection therewith for a
2 consideration, other than between a parent corporation and its
3 wholly owned subsidiaries or between wholly owned
4 subsidiaries, when the gross charge made by one such
5 corporation to another such corporation is not greater than
6 the gross charge paid to the retailer for their use or
7 consumption and not for sale.

8 (g) "Service address" means the location of
9 telecommunications equipment from which telecommunications
10 services are originated or at which telecommunications
11 services are received. If this is not a defined location, as in
12 the case of wireless telecommunications, paging systems,
13 maritime systems, service address means the customer's place
14 of primary use as defined in the Mobile Telecommunications
15 Sourcing Conformity Act. For air-to-ground systems, and the
16 like, "service address" shall mean the location of the
17 customer's primary use of the telecommunications equipment as
18 defined by the location in Illinois where bills are sent.

19 (Source: P.A. 93-286, eff. 1-1-04; 94-793, eff. 5-19-06.)

20 Section 990. The Simplified Municipal Telecommunications
21 Tax Act is amended by changing Section 5-7 as follows:

22 (35 ILCS 636/5-7)

23 Sec. 5-7. Definitions. For purposes of the taxes
24 authorized by this Act:

1 "Amount paid" means the amount charged to the taxpayer's
2 service address in such municipality regardless of where such
3 amount is billed or paid.

4 "Department" means the Illinois Department of Revenue.

5 "Gross charge" means the amount paid for the act or
6 privilege of originating or receiving telecommunications in
7 such municipality and for all services and equipment provided
8 in connection therewith by a retailer, valued in money whether
9 paid in money or otherwise, including cash, credits, services
10 and property of every kind or nature, and shall be determined
11 without any deduction on account of the cost of such
12 telecommunications, the cost of the materials used, labor or
13 service costs or any other expense whatsoever. In case credit
14 is extended, the amount thereof shall be included only as and
15 when paid. "Gross charges" for private line service shall
16 include charges imposed at each channel termination point
17 within a municipality that has imposed a tax under this
18 Section and charges for the portion of the inter-office
19 channels provided within that municipality. Charges for that
20 portion of the inter-office channel connecting 2 or more
21 channel termination points, one or more of which is located
22 within the jurisdictional boundary of such municipality, shall
23 be determined by the retailer by multiplying an amount equal
24 to the total charge for the inter-office channel by a
25 fraction, the numerator of which is the number of channel
26 termination points that are located within the jurisdictional

1 boundary of the municipality and the denominator of which is
2 the total number of channel termination points connected by
3 the inter-office channel. Prior to January 1, 2004, any method
4 consistent with this paragraph or other method that reasonably
5 apportions the total charges for inter-office channels among
6 the municipalities in which channel termination points are
7 located shall be accepted as a reasonable method to determine
8 the taxable portion of an inter-office channel provided within
9 a municipality for that period. However, "gross charge" shall
10 not include any of the following:

11 (1) Any amounts added to a purchaser's bill because of
12 a charge made pursuant to: (i) the tax imposed by this Act,
13 (ii) the tax imposed by the Telecommunications Excise Tax
14 Act, (iii) the tax imposed by Section 4251 of the Internal
15 Revenue Code, (iv) 911 surcharges, or (v) charges added to
16 customers' bills pursuant to the provisions of Section
17 9-221 or 9-222 of the Public Utilities Act, as amended, or
18 any similar charges added to customers' bills by retailers
19 who are not subject to rate regulation by the Illinois
20 Commerce Commission for the purpose of recovering any of
21 the tax liabilities or other amounts specified in those
22 provisions of the Public Utilities Act.

23 (2) Charges for a sent collect telecommunication
24 received outside of such municipality.

25 (3) Charges for leased time on equipment or charges
26 for the storage of data or information for subsequent

1 retrieval or the processing of data or information
2 intended to change its form or content. Such equipment
3 includes, but is not limited to, the use of calculators,
4 computers, data processing equipment, tabulating equipment
5 or accounting equipment and also includes the usage of
6 computers under a time-sharing agreement.

7 (4) Charges for customer equipment, including such
8 equipment that is leased or rented by the customer from
9 any source, wherein such charges are disaggregated and
10 separately identified from other charges.

11 (5) Charges to business enterprises certified as
12 exempt under Section 9-222.1 of the Public Utilities Act
13 to the extent of such exemption and during the period of
14 time specified by the Department of Commerce and Economic
15 Opportunity.

16 (5.1) Charges to business enterprises certified under
17 Section 95 of the Reimagining Energy and Vehicles in
18 Illinois Act, to the extent of the exemption and during
19 the period of time specified by the Department of Commerce
20 and Economic Opportunity.

21 (5.2) Charges to business enterprises certified under
22 Section 110-95 of the Manufacturing Illinois Chips for
23 Real Opportunity (MICRO) Act, to the extent of the
24 exemption and during the period of time specified by the
25 Department of Commerce and Economic Opportunity.

26 (6) Charges for telecommunications and all services

1 and equipment provided in connection therewith between a
2 parent corporation and its wholly owned subsidiaries or
3 between wholly owned subsidiaries when the tax imposed
4 under this Act has already been paid to a retailer and only
5 to the extent that the charges between the parent
6 corporation and wholly owned subsidiaries or between
7 wholly owned subsidiaries represent expense allocation
8 between the corporations and not the generation of profit
9 for the corporation rendering such service.

10 (7) Bad debts ("bad debt" means any portion of a debt
11 that is related to a sale at retail for which gross charges
12 are not otherwise deductible or excludable that has become
13 worthless or uncollectible, as determined under applicable
14 federal income tax standards; if the portion of the debt
15 deemed to be bad is subsequently paid, the retailer shall
16 report and pay the tax on that portion during the
17 reporting period in which the payment is made).

18 (8) Charges paid by inserting coins in coin-operated
19 telecommunication devices.

20 (9) Amounts paid by telecommunications retailers under
21 the Telecommunications Infrastructure Maintenance Fee Act.

22 (10) Charges for nontaxable services or
23 telecommunications if (i) those charges are aggregated
24 with other charges for telecommunications that are
25 taxable, (ii) those charges are not separately stated on
26 the customer bill or invoice, and (iii) the retailer can

1 reasonably identify the nontaxable charges on the
2 retailer's books and records kept in the regular course of
3 business. If the nontaxable charges cannot reasonably be
4 identified, the gross charge from the sale of both taxable
5 and nontaxable services or telecommunications billed on a
6 combined basis shall be attributed to the taxable services
7 or telecommunications. The burden of proving nontaxable
8 charges shall be on the retailer of the
9 telecommunications.

10 "Interstate telecommunications" means all
11 telecommunications that either originate or terminate outside
12 this State.

13 "Intrastate telecommunications" means all
14 telecommunications that originate and terminate within this
15 State.

16 "Person" means any natural individual, firm, trust,
17 estate, partnership, association, joint stock company, joint
18 venture, corporation, limited liability company, or a
19 receiver, trustee, guardian, or other representative appointed
20 by order of any court, the Federal and State governments,
21 including State universities created by statute, or any city,
22 town, county, or other political subdivision of this State.

23 "Purchase at retail" means the acquisition, consumption or
24 use of telecommunications through a sale at retail.

25 "Retailer" means and includes every person engaged in the
26 business of making sales at retail as defined in this Section.

1 The Department may, in its discretion, upon application,
2 authorize the collection of the tax hereby imposed by any
3 retailer not maintaining a place of business within this
4 State, who, to the satisfaction of the Department, furnishes
5 adequate security to insure collection and payment of the tax.
6 Such retailer shall be issued, without charge, a permit to
7 collect such tax. When so authorized, it shall be the duty of
8 such retailer to collect the tax upon all of the gross charges
9 for telecommunications in this State in the same manner and
10 subject to the same requirements as a retailer maintaining a
11 place of business within this State. The permit may be revoked
12 by the Department at its discretion.

13 "Retailer maintaining a place of business in this State",
14 or any like term, means and includes any retailer having or
15 maintaining within this State, directly or by a subsidiary, an
16 office, distribution facilities, transmission facilities,
17 sales office, warehouse or other place of business, or any
18 agent or other representative operating within this State
19 under the authority of the retailer or its subsidiary,
20 irrespective of whether such place of business or agent or
21 other representative is located here permanently or
22 temporarily, or whether such retailer or subsidiary is
23 licensed to do business in this State.

24 "Sale at retail" means the transmitting, supplying or
25 furnishing of telecommunications and all services and
26 equipment provided in connection therewith for a

1 consideration, to persons other than the Federal and State
2 governments, and State universities created by statute and
3 other than between a parent corporation and its wholly owned
4 subsidiaries or between wholly owned subsidiaries for their
5 use or consumption and not for resale.

6 "Service address" means the location of telecommunications
7 equipment from which telecommunications services are
8 originated or at which telecommunications services are
9 received by a taxpayer. In the event this may not be a defined
10 location, as in the case of mobile phones, paging systems, and
11 maritime systems, service address means the customer's place
12 of primary use as defined in the Mobile Telecommunications
13 Sourcing Conformity Act. For air-to-ground systems and the
14 like, "service address" shall mean the location of a
15 taxpayer's primary use of the telecommunications equipment as
16 defined by telephone number, authorization code, or location
17 in Illinois where bills are sent.

18 "Taxpayer" means a person who individually or through his
19 or her agents, employees, or permittees engages in the act or
20 privilege of originating or receiving telecommunications in a
21 municipality and who incurs a tax liability as authorized by
22 this Act.

23 "Telecommunications", in addition to the meaning
24 ordinarily and popularly ascribed to it, includes, without
25 limitation, messages or information transmitted through use of
26 local, toll, and wide area telephone service, private line

1 services, channel services, telegraph services,
2 teletypewriter, computer exchange services, cellular mobile
3 telecommunications service, specialized mobile radio,
4 stationary two-way radio, paging service, or any other form of
5 mobile and portable one-way or two-way communications, or any
6 other transmission of messages or information by electronic or
7 similar means, between or among points by wire, cable, fiber
8 optics, laser, microwave, radio, satellite, or similar
9 facilities. As used in this Act, "private line" means a
10 dedicated non-traffic sensitive service for a single customer,
11 that entitles the customer to exclusive or priority use of a
12 communications channel or group of channels, from one or more
13 specified locations to one or more other specified locations.
14 The definition of "telecommunications" shall not include value
15 added services in which computer processing applications are
16 used to act on the form, content, code, and protocol of the
17 information for purposes other than transmission.
18 "Telecommunications" shall not include purchases of
19 telecommunications by a telecommunications service provider
20 for use as a component part of the service provided by such
21 provider to the ultimate retail consumer who originates or
22 terminates the taxable end-to-end communications. Carrier
23 access charges, right of access charges, charges for use of
24 inter-company facilities, and all telecommunications resold in
25 the subsequent provision of, used as a component of, or
26 integrated into, end-to-end telecommunications service shall

1 be non-taxable as sales for resale. Prepaid telephone calling
2 arrangements shall not be considered "telecommunications"
3 subject to the tax imposed under this Act. For purposes of this
4 Section, "prepaid telephone calling arrangements" means that
5 term as defined in Section 2-27 of the Retailers' Occupation
6 Tax Act.

7 (Source: P.A. 93-286, eff. 1-1-04; 94-793, eff. 5-19-06.)

8 Section 995. The Electricity Excise Tax Law is amended by
9 changing Section 2-4 as follows:

10 (35 ILCS 640/2-4)

11 Sec. 2-4. Tax imposed.

12 (a) Except as provided in subsection (b), a tax is imposed
13 on the privilege of using in this State electricity purchased
14 for use or consumption and not for resale, other than by
15 municipal corporations owning and operating a local
16 transportation system for public service, at the following
17 rates per kilowatt-hour delivered to the purchaser:

18 (i) For the first 2000 kilowatt-hours used or consumed
19 in a month: 0.330 cents per kilowatt-hour;

20 (ii) For the next 48,000 kilowatt-hours used or
21 consumed in a month: 0.319 cents per kilowatt-hour;

22 (iii) For the next 50,000 kilowatt-hours used or
23 consumed in a month: 0.303 cents per kilowatt-hour;

24 (iv) For the next 400,000 kilowatt-hours used or

1 consumed in a month: 0.297 cents per kilowatt-hour;

2 (v) For the next 500,000 kilowatt-hours used or
3 consumed in a month: 0.286 cents per kilowatt-hour;

4 (vi) For the next 2,000,000 kilowatt-hours used or
5 consumed in a month: 0.270 cents per kilowatt-hour;

6 (vii) For the next 2,000,000 kilowatt-hours used or
7 consumed in a month: 0.254 cents per kilowatt-hour;

8 (viii) For the next 5,000,000 kilowatt-hours used or
9 consumed in a month: 0.233 cents per kilowatt-hour;

10 (ix) For the next 10,000,000 kilowatt-hours used or
11 consumed in a month: 0.207 cents per kilowatt-hour;

12 (x) For all electricity in excess of 20,000,000
13 kilowatt-hours used or consumed in a month: 0.202 cents
14 per kilowatt-hour.

15 Provided, that in lieu of the foregoing rates, the tax is
16 imposed on a self-assessing purchaser at the rate of 5.1% of
17 the self-assessing purchaser's purchase price for all
18 electricity distributed, supplied, furnished, sold,
19 transmitted and delivered to the self-assessing purchaser in a
20 month.

21 (b) A tax is imposed on the privilege of using in this
22 State electricity purchased from a municipal system or
23 electric cooperative, as defined in Article XVII of the Public
24 Utilities Act, which has not made an election as permitted by
25 either Section 17-200 or Section 17-300 of such Act, at the
26 lesser of 0.32 cents per kilowatt hour of all electricity

1 distributed, supplied, furnished, sold, transmitted, and
2 delivered by such municipal system or electric cooperative to
3 the purchaser or 5% of each such purchaser's purchase price
4 for all electricity distributed, supplied, furnished, sold,
5 transmitted, and delivered by such municipal system or
6 electric cooperative to the purchaser, whichever is the lower
7 rate as applied to each purchaser in each billing period.

8 (c) The tax imposed by this Section 2-4 is not imposed with
9 respect to any use of electricity by business enterprises
10 certified under Section 9-222.1 or 9-222.1A of the Public
11 Utilities Act, as amended, to the extent of such exemption and
12 during the time specified by the Department of Commerce and
13 Economic Opportunity; or with respect to any transaction in
14 interstate commerce, or otherwise, to the extent to which such
15 transaction may not, under the Constitution and statutes of
16 the United States, be made the subject of taxation by this
17 State.

18 (d) The tax imposed by this Section 2-4 is not imposed with
19 respect to any use of electricity at a REV Illinois Project
20 site that has received a certification for tax exemption from
21 the Department of Commerce and Economic Opportunity pursuant
22 to Section 95 of the Reimagining Energy and Electric Vehicles
23 in Illinois Act, to the extent of such exemption, which shall
24 be no more than 10 years.

25 (e) The tax imposed by this Section 2-4 is not imposed with
26 respect to any use of electricity at a project site that has

1 received a certification for tax exemption from the Department
2 of Commerce and Economic Opportunity pursuant to the
3 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,
4 to the extent of such exemption, which shall be no more than 10
5 years.

6 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

7 Section 1000. The Public Utilities Act is amended by
8 changing Sections 9-222 and 9-222.1A as follows:

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

10 Sec. 9-222. Whenever a tax is imposed upon a public
11 utility engaged in the business of distributing, supplying,
12 furnishing, or selling gas for use or consumption pursuant to
13 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
14 required to be collected by a delivering supplier pursuant to
15 Section 2-7 of the Electricity Excise Tax Act, or whenever a
16 tax is imposed upon a public utility pursuant to Section 2-202
17 of this Act, such utility may charge its customers, other than
18 customers who are high impact businesses under Section 5.5 of
19 the Illinois Enterprise Zone Act, customers who are electric
20 ~~vehicle manufacturers, electric vehicle component parts~~
21 ~~manufacturers, or electric vehicle power supply equipment~~
22 ~~manufacturers at REV Illinois Project sites as certified under~~
23 Section 95 of the Reimagining Energy and Electric Vehicles in
24 Illinois Act, manufacturers under the Manufacturing Illinois

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

1 respect to taxes imposed on invested capital, such tax
2 liabilities shall be recovered from customers solely by means
3 of the additional charges authorized by this Section.

4 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

5 (220 ILCS 5/9-222.1A)

6 Sec. 9-222.1A. High impact business. Beginning on August
7 1, 1998 and thereafter, a business enterprise that is
8 certified as a High Impact Business by the Department of
9 Commerce and Economic Opportunity (formerly Department of
10 Commerce and Community Affairs) is exempt from the tax imposed
11 by Section 2-4 of the Electricity Excise Tax Law, if the High
12 Impact Business is registered to self-assess that tax, and is
13 exempt from any additional charges added to the business
14 enterprise's utility bills as a pass-on of State utility taxes
15 under Section 9-222 of this Act, to the extent the tax or
16 charges are exempted by the percentage specified by the
17 Department of Commerce and Economic Opportunity for State
18 utility taxes, provided the business enterprise meets the
19 following criteria:

20 (1) (A) it intends either (i) to make a minimum
21 eligible investment of \$12,000,000 that will be placed
22 in service in qualified property in Illinois and is
23 intended to create at least 500 full-time equivalent
24 jobs at a designated location in Illinois; or (ii) to
25 make a minimum eligible investment of \$30,000,000 that

1 will be placed in service in qualified property in
2 Illinois and is intended to retain at least 1,500
3 full-time equivalent jobs at a designated location in
4 Illinois; or

5 (B) it meets the criteria of subdivision
6 (a) (3) (B), (a) (3) (C), (a) (3) (D), or (a) (3) (F) of
7 Section 5.5 of the Illinois Enterprise Zone Act;

8 (2) it is designated as a High Impact Business by the
9 Department of Commerce and Economic Opportunity; and

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

13 The Department of Commerce and Economic Opportunity shall
14 determine the period during which the exemption from the
15 Electricity Excise Tax Law and the charges imposed under
16 Section 9-222 are in effect, ~~which shall not exceed 20 years~~
17 ~~from the date of initial certification,~~ and shall specify the
18 percentage of the exemption from those taxes or additional
19 charges.

20 The Department of Commerce and Economic Opportunity is
21 authorized to promulgate rules and regulations to carry out
22 the provisions of this Section, including procedures for
23 complying with the requirements specified in clauses (1) and
24 (2) of this Section and procedures for applying for the
25 exemptions authorized under this Section; to define the
26 amounts and types of eligible investments that business

1 enterprises must make in order to receive State utility tax
2 exemptions or exemptions from the additional charges imposed
3 under Section 9-222 and this Section; to approve such utility
4 tax exemptions for business enterprises whose investments are
5 not yet placed in service; and to require that business
6 enterprises granted tax exemptions or exemptions from
7 additional charges under Section 9-222 repay the exempted
8 amount if the business enterprise fails to comply with the
9 terms and conditions of the certification.

10 Upon certification of the business enterprises by the
11 Department of Commerce and Economic Opportunity, the
12 Department of Commerce and Economic Opportunity shall notify
13 the Department of Revenue of the certification. The Department
14 of Revenue shall notify the public utilities of the exemption
15 status of business enterprises from the tax or pass-on charges
16 of State utility taxes. The exemption status shall take effect
17 within 3 months after certification of the business
18 enterprise.

19 (Source: P.A. 98-109, eff. 7-25-13.)

20 Section 9999. Effective date. This Act takes effect upon
21 becoming law.