



Rep. Ryan Spain

Filed: 4/2/2024

10300HB4565ham001

LRB103 35519 HLH 70063 a

1 AMENDMENT TO HOUSE BILL 4565

2 AMENDMENT NO. _____. Amend House Bill 4565 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 adding Section 241 as follows:

6 (35 ILCS 5/241 new)

7 Sec. 241. Biobased products credit.

8 (a) For taxable years beginning on or after January 1,
9 2025, each taxpayer who incurs eligible costs during the
10 taxable year in connection with the production of a biobased
11 product may apply to the Department of Commerce and Economic
12 Opportunity for a credit against the taxes imposed by
13 subsections (a) and (b) of Section 201. The credit may not
14 exceed 25% of those eligible costs. Upon satisfactory review,
15 the Department of Commerce and Economic Opportunity shall
16 issue a tax credit certificate to the applicant stating the

1 amount of the tax credit to which the applicant is entitled.
2 The total aggregate amount of credits awarded under this
3 Section shall not exceed \$20,000,000 in any State fiscal year.

4 To be eligible for the credit under this Section, the
5 biobased product must be produced in Illinois; however, the
6 raw materials are not required to be sourced from Illinois.

7 (b) A credit under this Section that is awarded to a
8 partner of a partnership or a shareholder of a subchapter S
9 corporation shall be awarded as provided in Section 251.

10 (c) If the amount of the credit exceeds the tax liability
11 for the year, the excess may be carried forward or carried back
12 and may be applied to the tax liability of the 5 taxable years
13 preceding or following the excess credit year. If the credit
14 is carried forward, the credit shall be applied to the
15 earliest year for which there is a tax liability. If there are
16 credits from more than one tax year that are available to
17 offset a liability, the earlier credit shall be applied first.
18 In no event shall a credit under this Section reduce the
19 taxpayer's liability to less than zero.

20 (c-5) A credit awarded under this Section may, within one
21 year after the credit is awarded, be transferred, in
22 accordance with rules adopted by the Department of Commerce
23 and Economic Opportunity in consultation with the Department
24 of Revenue, by the taxpayer earning the credit.

25 (d) As used in this Section:

26 "Biobased product" means a commercial or industrial

1 product (other than food, fuel, or animal feed) that is
2 derived from raw materials, such as plants and other renewable
3 agricultural, marine, or forestry materials, and that meets
4 either of the following criteria:

5 (1) the product is primarily (at least 50% by weight)
6 composed of biological products verified using ASTM D6866
7 or equivalent radioisotope testing, including renewable
8 domestic agricultural materials, renewable chemicals, or
9 forestry materials; or

10 (2) the product is an intermediate ingredient or
11 feedstock and 100% of the carbon in the product is from
12 renewable, biological sources verified using ASTM D6866 or
13 equivalent radioisotope testing.

14 "Eligible costs" means:

15 (1) costs associated with studies, surveys, the
16 development of plans and specifications, implementation,
17 and program administration, including, but not limited to,
18 professional services costs, architectural costs,
19 engineering costs, legal costs, financial services costs,
20 and planning and administrative costs;

21 (2) research and development costs;

22 (3) marketing costs;

23 (4) property assembly costs, including, but not
24 limited to, costs associated with the acquisition of land
25 and other real or personal property or rights or interests
26 in property, demolition of buildings, and site

1 preparation;

2 (5) costs of rehabilitation, reconstruction, repair,
3 or remodeling of existing buildings;

4 (6) costs of construction of new buildings;

5 (7) costs of construction of public works or
6 improvements related to business development, including,
7 but not limited to, streets, sidewalks, water service, and
8 sanitary and storm sewer service;

9 (8) costs of eliminating or removing contaminants and
10 other impediments; including, but not limited to, site
11 improvements, the installation of parking lots and other
12 concrete or asphalt barriers, and the clearing or grading
13 of land;

14 (9) costs associated with job training and retraining;

15 (10) up to 30% of the financing costs; and

16 (11) costs of capital equipment purchases.

17 (e) The Department of Commerce and Economic Opportunity
18 shall adopt rules to implement this Section.

19 (f) This Section is exempt from the provisions of Section
20 250.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law."