



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 02/05/04, by Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-16 new

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that in lieu of an income tax credit, an applicant may opt to receive economic development incentive payments under the Act. Defines "applicant" as any employer located or that plans to locate in Illinois. Provides that for each new employee, the applicant shall receive an incentive payment equal to or greater than the incremental income tax for that employee, as determined by the Department of Commerce and Community Affairs. Provides that, in addition, the applicant shall receive a supplemental incentive payment, in an amount determined by the Department, if the applicant provides health benefits for the new employees. Provides that agreements for the payments may last up to 10 years and that payments shall be made on a quarterly basis. Requires application for the payments on or before December 31, 2008. Requires the Department to report each January 1 to the Governor and the General Assembly on the progress of the incentive payment program. Effective January 1, 2005.

LRB093 15931 SJM 46411 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning economic development.

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

4 Section 5. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by adding Section 5-16 as follows:

6 (35 ILCS 10/5-16 new)

7 Sec. 5-16. Economic development incentive payments.

8 (a) In lieu of an income tax credit as provided under
9 Section 5-15, an applicant may opt to receive economic
10 development incentive payments under this Act.

11 (b) For purposes of this Section, "applicant" means any
12 employer located or that plans to locate in Illinois.

13 (c) Notwithstanding any provision to the contrary under
14 this Act, an applicant is not required to meet a minimum
15 threshold for the amount invested or the number of new
16 employees hired to be eligible to receive incentive payments
17 under this Section. Incentive payments shall instead be related
18 to the number of new employees. For each new employee, the
19 applicant shall receive an incentive payment equal to or
20 greater than the incremental income tax for that employee, as
21 determined by the Department. In addition, the applicant shall
22 receive a supplemental incentive payment, in an amount
23 determined by the Department, if the applicant provides health
24 benefits for the new employees. The amount of the supplemental
25 incentive payment shall be related to the cost and value of the
26 health benefits provided by the applicant.

27 (d) An agreement to provide economic development incentive
28 payments under this Section shall be entered into in the same
29 manner as agreements for income tax credits under this Act, to
30 the extent possible, and in conformance with the requirements
31 of this Section. Incentive payment agreements under this
32 Section shall be entered into for a period not to exceed 10

1 years, with incentive payments to be made by the Department in
2 quarterly installments throughout the agreement period. To
3 qualify to enter into an agreement for economic development
4 incentive payments an applicant must file an application with
5 the Department on or before December 31, 2008.

6 (e) The Department shall file annual reports with General
7 Assembly and the Governor on or before January 1 each year
8 concerning the progress of the economic development incentive
9 payment program.

10 (f) All provisions of this Act not in conflict with this
11 Section govern the economic development incentive payments.

12 Section 99. Effective date. This Act takes effect January
13 1, 2005.