

SB2141



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB2141

Introduced 10/26/2005, by Sen. Dale A. Righter

SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-25

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that an Applicant for the tax credit under the Act may demonstrate that the project would not occur in Illinois by presenting evidence that the Applicant, currently located in the State, is in competition for production or for a contract to provide goods or services to a vendee who has the option of awarding the production or contract, instead, to a vendor in another state.

LRB094 14435 BDD 49368 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 5. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by changing Section 5-25 as follows:

6 (35 ILCS 10/5-25)

7 Sec. 5-25. Review of Application.

8 (a) In addition to those duties granted under the Illinois
9 Economic Development Board Act, the Illinois Economic
10 Development Board shall form a Business Investment Committee
11 for the purpose of making recommendations for applications. At
12 the request of the Board, the Director of Commerce and Economic
13 Opportunity ~~Community Affairs~~ or his or her designee, the
14 Director of the Governor's Office of Management and Budget
15 ~~Bureau of the Budget~~ or his or her designee, the Director of
16 Revenue or his or her designee, the Director of Employment
17 Security or his or her designee, and an elected official of the
18 affected locality, such as the chair of the county board or the
19 mayor, may serve as members of the Committee to assist with its
20 analysis and deliberations.

21 (b) At the Department's request, the Committee shall
22 convene, make inquiries, and conduct studies in the manner and
23 by the methods as it deems desirable, review information with
24 respect to Applicants, and make recommendations for projects to
25 benefit the State. In making its recommendation that an
26 Applicant's application for Credit should or should not be
27 accepted, which shall occur within a reasonable time frame as
28 determined by the nature of the application, the Committee
29 shall determine that all the following conditions exist:

30 (1) The Applicant's project intends, as required by
31 subsection (b) of Section 5-20 to make the required
32 investment in the State and intends to hire the required

1 number of New Employees in Illinois as a result of that
2 project.

3 (2) The Applicant's project is economically sound and
4 will benefit the people of the State of Illinois by
5 increasing opportunities for employment and strengthen the
6 economy of Illinois.

7 (3) That, if not for the Credit, the project would not
8 occur in Illinois, which may be demonstrated by any means
9 including, but not limited to:;

10 (A) evidence the Applicant has multi-state
11 location options and could reasonably and efficiently
12 locate outside of the State;; or

13 (B) a demonstration that at least one other state
14 is being considered for the project;; or

15 (C) evidence that the receipt of the Credit is a
16 major factor in the Applicant's decision and that,
17 without the Credit, the Applicant likely would not
18 create new jobs in Illinois;; or

19 (D) evidence that the Applicant, currently located
20 in the State, is in competition for production or for a
21 contract to provide goods or services to a vendee who
22 has the option of awarding the production or contract,
23 instead, to a vendor in another state; or

24 (E) a demonstration that receiving the Credit is
25 essential to the Applicant's decision to create or
26 retain new jobs in the State.

27 (4) A cost differential is identified, using best
28 available data, in the projected costs for the Applicant's
29 project compared to the costs in the competing state,
30 including the impact of the competing state's incentive
31 programs. The competing state's incentive programs shall
32 include state, local, private, and federal funds
33 available.

34 (5) The political subdivisions affected by the project
35 have committed local incentives with respect to the
36 project, considering local ability to assist.

1 (6) Awarding the Credit will result in an overall
2 positive fiscal impact to the State, as certified by the
3 Committee using the best available data.

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

6 (Source: P.A. 91-476, eff. 8-11-99; revised 8-23-03.)