



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5948

by Rep. Ruth Munson - Brent Hassert - Sidney H. Mathias

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, 2011. 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, 2009.

LRB095 17078 BDD 43131 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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

1 benefits for the new employees. The amount of the supplemental
2 incentive payment shall be related to the cost and value of the
3 health benefits provided by the applicant.

4 (d) An agreement to provide economic development incentive
5 payments under this Section shall be entered into in the same
6 manner as agreements for income tax credits under this Act, to
7 the extent possible, and in conformance with the requirements
8 of this Section. Incentive payment agreements under this
9 Section shall be entered into for a period not to exceed 10
10 years, with incentive payments to be made by the Department in
11 quarterly installments throughout the agreement period. To
12 qualify to enter into an agreement for economic development
13 incentive payments an applicant must file an application with
14 the Department on or before December 31, 2011.

15 (e) The Department shall file annual reports with General
16 Assembly and the Governor on or before January 1 each year
17 concerning the progress of the economic development incentive
18 payment program.

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

21 Section 99. Effective date. This Act takes effect January
22 1, 2009.