



Rep. Michael J. Zalewski

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LRB096 05059 HLH 44186 a

1 AMENDMENT TO HOUSE BILL 1525

2 AMENDMENT NO. _____. Amend House Bill 1525 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by changing Section 5-15 as follows:

6 (35 ILCS 10/5-15)

7 Sec. 5-15. Tax Credit Awards. Subject to the conditions set
8 forth in this Act, a Taxpayer is entitled to a Credit against
9 or, as described in subsection (g) of this Section, a payment
10 towards taxes imposed pursuant to subsections (a) and (b) of
11 Section 201 of the Illinois Income Tax Act that may be imposed
12 on the Taxpayer for a taxable year beginning on or after
13 January 1, 1999, if the Taxpayer is awarded a Credit by the
14 Department under this Act for that taxable year.

15 (a) The Department shall make Credit awards under this Act
16 to foster job creation and retention in Illinois.

1 (b) A person that proposes a project to create new jobs in
2 Illinois must enter into an Agreement with the Department for
3 the Credit under this Act.

4 (c) The Credit shall be claimed for the taxable years
5 specified in the Agreement.

6 (d) The Credit shall not exceed the Incremental Income Tax
7 attributable to the project that is the subject of the
8 Agreement.

9 (e) Nothing herein shall prohibit a Tax Credit Award to an
10 Applicant that uses a PEO if all other award criteria are
11 satisfied.

12 (f) In lieu of the Credit allowed under this Act against
13 the taxes imposed pursuant to subsections (a) and (b) of
14 Section 201 of the Illinois Income Tax Act for any taxable year
15 ending on or after December 31, 2009, the Taxpayer may elect to
16 claim the Credit against its obligation to pay over withholding
17 under Section 704A of the Illinois Income Tax Act.

18 (1) The election under this subsection (f) may be made
19 only by a Taxpayer that (i) is primarily engaged in one of
20 the following business activities: water purification and
21 treatment, motor vehicle metal stamping, automobile
22 manufacturing, automobile and light duty motor vehicle
23 manufacturing, motor vehicle manufacturing, light truck
24 and utility vehicle manufacturing, heavy duty truck
25 manufacturing, or motor vehicle body manufacturing and
26 (ii) meets the following criteria:

1 (A) the Taxpayer (i) had an Illinois net loss or an
2 Illinois net loss deduction under Section 207 of the
3 Illinois Income Tax Act for the taxable year in which
4 the Credit is awarded, (ii) employed a minimum of 1,000
5 full-time employees in this State during the taxable
6 year in which the Credit is awarded, (iii) has an
7 Agreement under this Act on December 14, 2009 (the
8 effective date of Public Act 96-834), and (iv) is in
9 compliance with all provisions of that Agreement;

10 (B) the Taxpayer (i) had an Illinois net loss or an
11 Illinois net loss deduction under Section 207 of the
12 Illinois Income Tax Act for the taxable year in which
13 the Credit is awarded, (ii) employed a minimum of 1,000
14 full-time employees in this State during the taxable
15 year in which the Credit is awarded, and (iii) has
16 applied for an Agreement within 365 days after December
17 14, 2009 (the effective date of Public Act 96-834); ~~or~~

18 (C) the Taxpayer (i) had an Illinois net operating
19 loss carryforward under Section 207 of the Illinois
20 Income Tax Act in a taxable year ending during calendar
21 year 2008, (ii) has applied for an Agreement within 150
22 days after the effective date of this amendatory Act of
23 the 96th General Assembly, (iii) creates at least 400
24 new jobs in Illinois, (iv) retains at least 2,000 jobs
25 in Illinois that would have been at risk of relocation
26 out of Illinois over a 10-year period, and (v) makes a

1 capital investment of at least \$75,000,000; or -

2 (D) the Taxpayer (ii) had an Illinois net operating
3 loss carryforward under Section 207 of the Illinois
4 Income Tax Act in a taxable year ending during calendar
5 year 2009, (ii) has applied for an Agreement within 150
6 days after the effective date of this amendatory Act of
7 the 96th General Assembly, (iii) creates at least 150
8 new jobs, (iv) retains at least 1,000 jobs in Illinois
9 that would have been at risk of relocation out of
10 Illinois over a 10-year period, and (v) makes a capital
11 investment of at least \$57,000,000.

12 (2) An election under this subsection shall allow the
13 credit to be taken against payments otherwise due under
14 Section 704A of the Illinois Income Tax Act during the
15 first calendar year beginning after the end of the taxable
16 year in which the credit is awarded under this Act.

17 (3) The election shall be made in the form and manner
18 required by the Illinois Department of Revenue and, once
19 made, shall be irrevocable.

20 (4) If a Taxpayer who meets the requirements of
21 subparagraph (A) of paragraph (1) of this subsection (f)
22 elects to claim the Credit against its withholdings as
23 provided in this subsection (f), then, on and after the
24 date of the election, the terms of the Agreement between
25 the Taxpayer and the Department may not be further amended
26 during the term of the Agreement.

1 (g) A pass-through entity that has been awarded a credit
2 under this Act, its shareholders, or its partners may treat
3 some or all of the credit awarded pursuant to this Act as a tax
4 payment for purposes of the Illinois Income Tax Act. The term
5 "tax payment" means a payment as described in Article 6 or
6 Article 8 of the Illinois Income Tax Act or a composite payment
7 made by a pass-through entity on behalf of any of its
8 shareholders or partners to satisfy such shareholders' or
9 partners' taxes imposed pursuant to subsections (a) and (b) of
10 Section 201 of the Illinois Income Tax Act. In no event shall
11 the amount of the award credited pursuant to this Act exceed
12 the Illinois income tax liability of the pass-through entity or
13 its shareholders or partners for the taxable year.

14 (Source: P.A. 95-375, eff. 8-23-07; 96-834, eff. 12-14-09;
15 96-836, eff. 12-16-09; 96-905, eff. 6-4-10; 96-1000, eff.
16 7-2-10.)

17 Section 99. Effective date. This Act takes effect upon
18 becoming law."