



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB1342

Introduced 2/10/2009, by Sen. A. J. Wilhelmi

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.719 new

Creates the Intermodal Facilities Promotion Act. Provides that the incremental income tax attributable to a new employee of an individual, partnership, corporation, or other entity that owns and operates an intermodal terminal facility in the City of Joliet shall be deposited into the Intermodal Facilities Promotion Fund. Provides that moneys in the Fund shall be used by the Department of Commerce and Economic Opportunity to make grants to the eligible developer for infrastructure improvements. Sets limits on the grants. Amends the State Finance Act to create the fund as a special fund. Effective immediately.

LRB096 10420 RLJ 20592 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning intermodal facilities.

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

4 Section 1. Short title. This Act may be cited as the
5 Intermodal Facilities Promotion Act.

6 Section 5. Purpose. The General Assembly has determined
7 that it is in the interest of the State of Illinois to promote
8 development that will protect, promote, and improve freight
9 rail systems and their intermodal connections in Illinois and
10 encourage the efficient development of those facilities.

11 Section 10. Definitions. As used in this Act:

12 "Agreement" means the agreement between an eligible
13 employer and the Department under the provisions of Section 30
14 of this Act.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Director" means the Director of Commerce and Economic
18 Opportunity.

19 "Eligible developer" means an individual, partnership,
20 corporation, or other entity that develops an intermodal
21 terminal facility in the City of Joliet.

22 "Eligible employer" means an individual, partnership,

1 corporation, or other entity that employs full-time employees
2 at an intermodal terminal facility in the City of Joliet.

3 "Full-time employee" means an individual who is employed
4 for consideration for at least 35 hours each week or who
5 renders any other standard of service generally accepted by
6 industry custom or practice as full-time employment. An
7 individual for whom a W-2 is issued by a Professional Employer
8 Organization (PEO) is a full-time employee if employed in the
9 service of the eligible employer for consideration for at least
10 35 hours each week or who renders any other standard of service
11 generally accepted by industry custom or practice as full-time
12 employment.

13 "Incremental income tax" means the total amount withheld
14 from the compensation of new employees under Article 7 of the
15 Illinois Income Tax Act arising from employment by an eligible
16 employer.

17 "Infrastructure" means roads, access roads, streets,
18 bridges, sidewalks, water and sewer line extensions, water
19 distribution and purification facilities, waste disposal
20 systems, sewage treatment facilities, stormwater drainage and
21 retention facilities, gas and electric utility line
22 extensions, or other improvements that are essential to the
23 development of the project that is the subject of an agreement.

24 "Intermodal terminal facility" means a cohesively planned
25 project consisting of at least 2,000 acres of land,
26 improvements to that land, equipment, and appliances necessary

1 for the receipt and transfer of goods between one mode of
2 transportation and another and for the assembly and storage of
3 those goods.

4 "New employee" means a full-time employee first employed by
5 an eligible employer in the project that is the subject of an
6 agreement between the Department and an eligible developer and
7 who is hired after the eligible developer enters into the
8 agreement, but does not include:

9 (1) an employee of the eligible employer who performs a
10 job that (i) existed for at least 6 months before the
11 employee was hired and (ii) was previously performed by
12 another employee;

13 (2) an employee of the eligible employer who was
14 previously employed in Illinois by a related member of the
15 eligible employer and whose employment was shifted to the
16 eligible employer after the eligible employer entered into
17 the Agreement; or

18 (3) a child, grandchild, parent, or spouse, other than
19 a spouse who is legally separated from the individual, of
20 any individual who has a direct or an indirect ownership
21 interest of at least 5% in the profits, capital, or value
22 of the eligible employer.

23 Notwithstanding item (2) of this definition, an employee
24 may be considered a new employee under the agreement if the
25 employee performs a job that was previously performed by an
26 employee who was:

1 (A) treated under the Agreement as a new employee; and

2 (B) promoted by the eligible employer to another job.

3 "Professional Employer Organization" (PEO) means an
4 employee leasing company, as defined in Section 206.1(A)(2) of
5 the Illinois Unemployment Insurance Act.

6 "Related member" means a person or entity that, with
7 respect to the eligible employer during any portion of the
8 taxable year, is any one of the following:

9 (1) an individual stockholder, if the stockholder and
10 the members of the stockholder's family (as defined in
11 Section 318 of the Internal Revenue Code) own directly,
12 indirectly, beneficially, or constructively, in the
13 aggregate, at least 50% of the value of the eligible
14 employer's outstanding stock;

15 (2) a partnership, estate, or trust and any partner or
16 beneficiary, if the partnership, estate, or trust, and its
17 partners or beneficiaries own directly, indirectly, or
18 beneficially, or constructively, in the aggregate, at
19 least 50% of the profits, capital, stock, or value of the
20 eligible employer;

21 (3) a corporation, and any party related to the
22 corporation in a manner that would require an attribution
23 of stock from the corporation to the party or from the
24 party to the corporation under the attribution rules of
25 Section 318 of the Internal Revenue Code, if the taxpayer
26 owns directly, indirectly, beneficially, or constructively

1 at least 50% of the value of the corporation's outstanding
2 stock;

3 (4) a corporation and any party related to that
4 corporation in a manner that would require an attribution
5 of stock from the corporation to the party or from the
6 party to the corporation under the attribution rules of
7 Section 318 of the Internal Revenue Code, if the
8 corporation and all such related parties own in the
9 aggregate at least 50% of the profits, capital, stock, or
10 value of the eligible employer; or

11 (5) a person to or from whom there is attribution of
12 stock ownership in accordance with Section 1563(e) of the
13 Internal Revenue Code, except, for purposes of determining
14 whether a person is a related member under this definition,
15 20% shall be substituted for 5% wherever 5% appears in
16 Section 1563(e) of the Internal Revenue Code.

17 Section 15. Intermodal Facilities Promotion Fund. The
18 Intermodal Facilities Promotion Fund is created as a special
19 fund in the State treasury. As soon as possible after the first
20 day of each month, upon certification of the Department of
21 Revenue, the Comptroller shall order transferred and the
22 Treasurer shall transfer from the General Revenue Fund to the
23 Intermodal Facilities Promotion Fund an amount equal to the
24 incremental income tax for the previous month attributable to a
25 project that is the subject of an agreement.

1 Section 20. Grants from the Intermodal Facilities
2 Promotion Fund. In State fiscal years 2010 through 2016, all
3 moneys in the Intermodal Facilities Promotion Fund, held solely
4 for the benefit of eligible developers, shall be appropriated
5 to the Department to make infrastructure grants to eligible
6 developers pursuant to agreements.

7 Section 25. Limitation on grant amounts. The total amount
8 of a grant to an eligible developer shall not exceed the lesser
9 of:

10 (1) \$3,000,000 in each State fiscal year; or

11 (2) the total amount of infrastructure costs incurred
12 by the eligible developer with respect to a project that is
13 the subject of an agreement.

14 No eligible developer shall receive moneys that are
15 attributable to a project that is not the subject of the
16 developer's agreement with the Department.

17 Section 30. Agreements with applicants. The Department
18 shall enter into an agreement with an eligible developer who is
19 entitled to grants under this Act. The agreement must include
20 all of the following:

21 (1) A detailed description of the project that is the
22 subject of the agreement, including the location of the
23 project, the number of jobs created by the project, and

1 project costs. For purposes of this subsection, "project
2 costs" includes the cost of the project incurred or to be
3 incurred by the eligible developer, including
4 infrastructure costs, but excludes the value of State or
5 local incentives, including tax increment financing and
6 deductions, credits, or exemptions afforded to an employer
7 located in an enterprise zone.

8 (2) A requirement that the eligible developer shall
9 maintain operations at the project location, stated as a
10 minimum number of years not to exceed 10 years.

11 (3) A specific method for determining the number of new
12 employees attributable to the project.

13 (4) A requirement that the eligible developer shall
14 report monthly to the Department and the Department of
15 Revenue the number of new employees and the incremental
16 income tax withheld in connection with the new employees.

17 (5) A requirement that the Department is authorized to
18 verify with the Department of Revenue the amounts reported
19 under paragraph (4).

20 Section 90. The State Finance Act is amended by adding
21 Section 5.719 as follows:

22 (30 ILCS 105/5.719 new)

23 Sec. 5.719. The Intermodal Facilities Promotion Fund.

24 Section 99. Effective date. This Act takes effect upon

1 becoming law.