

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 Illinois Income Tax Act is amended by adding
5 Section 223 as follows:

6 (35 ILCS 5/223 new)

7 Sec. 223. Brownfield remediation tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2012, qualified taxpayers that undertake one or more eligible
10 projects during the taxable year may apply with the Department
11 to obtain a tax credit against the tax imposed under
12 subsections (a) and (b) of Section 201 of this Act. The credit
13 may not exceed 100% of the eligible project costs incurred by
14 the taxpayer during the taxable year. The taxpayer shall be
15 eligible to claim 75% of the amount of the credit awarded
16 beginning in the taxable year in which the application is
17 approved. The taxpayer may claim the remaining 25% of the
18 credits awarded upon receipt of a "No Further Remediation"
19 determination from the Illinois Environmental Protection
20 Agency. The Department shall distribute the tax credits
21 equitably throughout all geographic regions of the State. The
22 taxpayer may sell, transfer, or assign credits awarded under
23 this Section. The Department may, in its discretion, withhold

1 the remaining 25% of the credits pending creation of the
2 proposed jobs.

3 (b) The tax credit may not reduce the taxpayer's liability
4 to less than zero. If the amount of the tax credit exceeds the
5 tax liability for the year, the excess may be carried forward
6 and applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit must be applied to
8 the earliest year for which there is a tax liability. If there
9 are credits from more than one tax year that are available to
10 offset a liability, then the earlier credit must be applied
11 first.

12 (c) The Department shall not approve applications for
13 credits under this Act which, in the aggregate for each fiscal
14 year, exceed \$50,000,000. However, if, in any fiscal year, the
15 total aggregate amount of the credits awarded does not exceed
16 \$50,000,000, then the \$50,000,000 limitation for the next
17 fiscal year shall be increased by the difference between
18 \$50,000,000 and the total amount of aggregate credits awarded
19 in that previous fiscal year.

20 (d) Tax credits awarded under this Section are limited to
21 the lesser of the least amount necessary for the project to
22 occur or the positive net State economic impact. Consideration
23 shall be given for a project's potential for enhancing the
24 redevelopment of nearby blighted property.

25 (e) For the purposes of this Section:

26 "Department" means the Department of Commerce and

1 Economic Opportunity.

2 "Eligible project" means the remodeling,
3 rehabilitation, modernization, or remediation of abandoned
4 or underutilized property located in the State that is
5 contaminated with hazardous substances, petroleum
6 products, or lead-based paint, or a combination of those
7 factors, at the time the property is purchased by the
8 taxpayer. The project site must be enrolled in the Illinois
9 Environmental Protection Agency's Site Remediation
10 Program, and the project must be approved by the
11 municipality and the county in which the site is located.
12 The taxpayer must demonstrate that the project will create
13 at least 10 new jobs, retain 25 jobs, or a combination
14 thereof.

15 "Eligible project costs" include, but are not limited
16 to, costs associated with site assessment and
17 investigation; soil, groundwater, and surface water
18 remediation; asbestos and lead-based paint surveys and
19 abatement; documentation and reporting necessary to meet
20 environmental regulations and obtain closure documentation
21 from the State.

22 "Qualified taxpayer" means a taxpayer that meets all of
23 the following criteria:

24 (1) the taxpayer is the owner of the site on which
25 the eligible project will occur;

26 (2) the taxpayer must be current on all taxes

1 imposed by the State at the time of the application and
2 must have no criminal record; and

3 (3) the taxpayer must not be the party responsible
4 for the contamination.

5 (f) This Section is exempt from the provisions of Section
6 250.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.