



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB1564

by Rep. David McSweeney

SYNOPSIS AS INTRODUCED:

- 30 ILCS 105/5.866 new
- 30 ILCS 105/5.868 new
- 30 ILCS 105/6z-101 new
- 30 ILCS 105/6z-102 new
- 35 ILCS 10/5-15
- 35 ILCS 10/5-77

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that no new Agreements may be entered into under the Act on or after the effective date of the amendatory Act. Amends the State Finance Act. Creates the Foster Homes and Specialized Foster Care Fund and the Permanent Unpaid Bill Repayment Fund. Provides that moneys in the Foster Homes and Specialized Foster Care Fund shall be used by the Department of Children and Family Services for the purpose of providing specialized care to children who are in a subsidized guardianship arrangement or under an adoption assistance agreement and require specialized services because of emotional, behavioral, developmental, or medical needs. Provides for transfers from the General Revenue Fund to the Foster Homes and Specialized Foster Care Fund. Provides that excess moneys in the Foster Homes and Specialized Foster Care Fund shall be transferred to the Permanent Unpaid Bill Repayment Fund. Provides that moneys in the Permanent Unpaid Bill Repayment Fund shall be used to make payments to bona fide creditors of the State. Effective immediately.

LRB099 08192 HLH 28343 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 State Finance Act is amended by adding
5 Sections 5.866, 5.868, 6z-101, and 6z-102 as follows:

6 (30 ILCS 105/5.866 new)

7 Sec. 5.866. The Foster Homes and Specialized Foster Care
8 Fund.

9 (30 ILCS 105/5.868 new)

10 Sec. 5.868. The Permanent Unpaid Bill Repayment Fund.

11 (30 ILCS 105/6z-101 new)

12 Sec. 6z-101. The Foster Homes and Specialized Foster Care
13 Fund; creation.

14 (a) The Foster Homes and Specialized Foster Care Fund is
15 hereby created as a special fund in the State treasury. Moneys
16 in the Fund shall be used by the Department of Children and
17 Family Services for the purpose of providing specialized care
18 to children pursuant to the rules adopted under Section 5.30 of
19 the Children and Family Services Act or any similar successor
20 program. Moneys in the Fund are intended to supplement existing
21 revenue sources and not to replace those existing revenue

1 sources.

2 (b) Notwithstanding any other provision of law, as soon as
3 possible after the first day of the first State fiscal year
4 beginning on or after the effective date of this amendatory Act
5 of the 99th General Assembly, the State Comptroller shall order
6 transferred and the State Treasurer shall transfer from the
7 General Revenue Fund to the Foster Homes and Specialized Foster
8 Care Fund the sum of \$5,000,000. As soon as possible after the
9 first day of the each State fiscal year thereafter, the State
10 Comptroller shall order transferred and the State Treasurer
11 shall transfer from the General Revenue Fund to the Foster
12 Homes and Specialized Foster Care Fund an amount equal to the
13 amount transferred under this subsection in the previous State
14 fiscal year plus an additional \$5,000,000, until such time as
15 the amount required to be transferred under this subsection in
16 a fiscal year reaches \$50,000,000. At that point, the amount
17 required to be transferred under this subsection shall be
18 \$50,000,000 in each State fiscal year.

19 (c) If, at the end of the lapse period for the State fiscal
20 year in which the moneys are transferred under subsection (b),
21 any unexpended and unobligated moneys remain in the Fund from
22 the previous fiscal year's transfer, then the State Comptroller
23 shall order transferred and the State Treasurer shall transfer
24 those unexpended and unobligated moneys from the Foster Homes
25 and Specialized Foster Care Fund to the Permanent Unpaid Bill
26 Repayment Fund.

1 (30 ILCS 105/6z-102 new)

2 Sec. 6z-102. The Permanent Unpaid Bill Repayment Fund;
3 creation. The Permanent Unpaid Bill Repayment Fund is created
4 as a special fund in the State Treasury. Moneys in the Fund
5 shall be used to make payments to bona fide creditors of the
6 State who have submitted bills or invoices to the State that
7 were properly approved under rules adopted under Section 3-3 of
8 the State Prompt Payment Act.

9 Section 10. The Economic Development for a Growing Economy
10 Tax Credit Act is amended by changing Sections 5-15 and 5-77 as
11 follows:

12 (35 ILCS 10/5-15)

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

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

23 (b) A person that proposes a project to create new jobs in

1 Illinois must enter into an Agreement with the Department for
2 the Credit under this Act.

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

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

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

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

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

1 design or manufacturing for use on public networks and (ii)
2 meets the following criteria:

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

12 (B) the Taxpayer (i) had an Illinois net loss or an
13 Illinois net loss deduction under Section 207 of the
14 Illinois Income Tax Act for the taxable year in which
15 the Credit is awarded, (ii) employed a minimum of 1,000
16 full-time employees in this State during the taxable
17 year in which the Credit is awarded, and (iii) has
18 applied for an Agreement within 365 days after December
19 14, 2009 (the effective date of Public Act 96-834);

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

1 in Illinois that would have been at risk of relocation
2 out of Illinois over a 10-year period, and (v) makes a
3 capital investment of at least \$75,000,000;

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

14 (E) the Taxpayer (i) employed at least 2,500
15 full-time employees in the State during the year in
16 which the Credit is awarded, (ii) commits to make at
17 least \$500,000,000 in combined capital improvements
18 and project costs under the Agreement, (iii) applies
19 for an Agreement between January 1, 2011 and June 30,
20 2011, (iv) executes an Agreement for the Credit during
21 calendar year 2011, and (v) was incorporated no more
22 than 5 years before the filing of an application for an
23 Agreement.

24 (1.5) The election under this subsection (f) may also
25 be made by a Taxpayer for any Credit awarded pursuant to an
26 agreement that was executed between January 1, 2011 and

1 June 30, 2011, if the Taxpayer (i) is primarily engaged in
2 the manufacture of inner tubes or tires, or both, from
3 natural and synthetic rubber, (ii) employs a minimum of
4 2,400 full-time employees in Illinois at the time of
5 application, (iii) creates at least 350 full-time jobs and
6 retains at least 250 full-time jobs in Illinois that would
7 have been at risk of being created or retained outside of
8 Illinois, and (iv) makes a capital investment of at least
9 \$200,000,000 at the project location.

10 (1.6) The election under this subsection (f) may also
11 be made by a Taxpayer for any Credit awarded pursuant to an
12 agreement that was executed within 150 days after the
13 effective date of this amendatory Act of the 97th General
14 Assembly, if the Taxpayer (i) is primarily engaged in the
15 operation of a discount department store, (ii) maintains
16 its corporate headquarters in Illinois, (iii) employs a
17 minimum of 4,250 full-time employees at its corporate
18 headquarters in Illinois at the time of application, (iv)
19 retains at least 4,250 full-time jobs in Illinois that
20 would have been at risk of being relocated outside of
21 Illinois, (v) had a minimum of \$40,000,000,000 in total
22 revenue in 2010, and (vi) makes a capital investment of at
23 least \$300,000,000 at the project location.

24 (1.7) Notwithstanding any other provision of law, the
25 election under this subsection (f) may also be made by a
26 Taxpayer for any Credit awarded pursuant to an agreement

1 that was executed or applied for on or after July 1, 2011
2 and on or before March 31, 2012, if the Taxpayer is
3 primarily engaged in the manufacture of original and
4 aftermarket filtration parts and products for automobiles,
5 motor vehicles, light duty motor vehicles, light trucks and
6 utility vehicles, and heavy duty trucks, (ii) employs a
7 minimum of 1,000 full-time employees in Illinois at the
8 time of application, (iii) creates at least 250 full-time
9 jobs in Illinois, (iv) relocates its corporate
10 headquarters to Illinois from another state, and (v) makes
11 a capital investment of at least \$4,000,000 at the project
12 location.

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

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

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

1 during the term of the Agreement.

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

15 (h) Notwithstanding any other provision of law, the
16 Department shall not enter into any new Agreements under the
17 provisions of this Act on or after the effective date of this
18 amendatory Act of the 99th General Assembly. It is the
19 intention of the General Assembly that the tax incentive
20 program established under this Act be phased out and that the
21 increased revenue attributable to that phase out be used to
22 provide specialized care to children pursuant to the rules
23 adopted under Section 5.30 of the Children and Family Services
24 Act or any similar successor program.

25 (Source: P.A. 96-834, eff. 12-14-09; 96-836, eff. 12-16-09;
26 96-905, eff. 6-4-10; 96-1000, eff. 7-2-10; 96-1534, eff.

1 3-4-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12.)

2 (35 ILCS 10/5-77)

3 Sec. 5-77. Sunset of new Agreements. The Department shall
4 not enter into any new Agreements under the provisions of
5 ~~Section 5-50 of this Act~~ on or after the effective date of this
6 amendatory Act of the 99th General Assembly ~~after December 31,~~
7 ~~2016.~~

8 (Source: P.A. 97-2, eff. 5-6-11.)

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.