

1 AMENDMENT TO SENATE BILL 1285

2 AMENDMENT NO. _____. Amend Senate Bill 1285, AS AMENDED,
3 by replacing the title with the following:

4 "AN ACT concerning economic development."; and

5 by replacing everything after the enacting clause with the
6 following:

7 "Section 1. Short title. This Act may be cited as the
8 Corporate Headquarters Relocation Act.

9 Section 5. Purpose. The General Assembly has determined
10 that the relocation of the international headquarters of
11 large, multinational corporations from outside of Illinois to
12 a location within Illinois creates a substantial public
13 benefit and will foster economic growth and development
14 within the State. Specifically, these relocations will
15 foster a positive image of the State of Illinois and its
16 human and natural resources throughout the United States and
17 the world; contribute to a strong residential housing market;
18 directly and indirectly create jobs and additional taxes
19 within the State; encourage the relocation of other similar
20 businesses to the State; and otherwise foster the development
21 of commerce and industry within the State of Illinois. These

1 relocations should be encouraged through the use of
2 incentives that encourage long-term commitments by business
3 and industry to Illinois and that would otherwise not be
4 available through existing incentives programs.

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

6 "Corporate headquarters" means the building or buildings
7 that the principal executive officers of an eligible business
8 have designated as their principal offices and that has at
9 least 250 employees who are principally located in that
10 building or those buildings. The principal executive
11 officers may include, by way of example and not of
12 limitation, the chief executive officer, the chief operating
13 officer, and other senior officer-level employees of the
14 eligible business. "Corporate headquarters" may also include
15 ancillary transportation facilities owned or leased by the
16 eligible business whether or not physically adjacent to the
17 principal office building or buildings used by the principal
18 executive officers. The ancillary transportation facilities
19 may include, but are not limited to, airplane hangars,
20 helipads or heliports, fixed base operations, maintenance
21 facilities, and other aviation-related facilities. All
22 employees of the eligible business may count toward the
23 satisfaction of the numeric requirement of this definition,
24 including but not limited to support staff and other
25 personnel who work in or from the office building or
26 buildings or transportation facilities.

27 "Department" means the Department of Commerce and
28 Community Affairs.

29 "Director" means the Director of Commerce and Community
30 Affairs.

31 "Eligible business" means a business that: (i) is engaged
32 in interstate or intrastate commerce; (ii) maintains its
33 corporate headquarters in a state other than Illinois as of

1 the effective date of this Act; (iii) had annual worldwide
2 revenues of at least \$25,000,000,000 for the year immediately
3 preceding its application to the Department for the benefits
4 authorized by this Act; and (iv) is prepared to commit
5 contractually to relocating its corporate headquarters to the
6 State of Illinois in consideration of the benefits authorized
7 by this Act.

8 "Fund" means the Corporate Headquarters Relocation
9 Assistance Fund.

10 "Qualifying project" means the relocation of the
11 corporate headquarters of an eligible business from a
12 location outside of Illinois to a location within Illinois,
13 whether to an existing structure or otherwise. When the
14 relocation involves an initial interim facility within
15 Illinois and a subsequent further relocation within 5 years
16 after the effective date of this Act to a permanent facility
17 also within Illinois, all those activities collectively
18 constitute a "qualifying project" under this Act.

19 "Relocation costs" means the expenses incurred by an
20 eligible business for a qualifying project, including, but
21 not limited to, the following: moving costs and related
22 expenses; purchase of new or replacement equipment; outside
23 professional fees and commissions; premiums for property and
24 casualty insurance coverage; capital investment costs;
25 financing costs; property assembly and development costs,
26 including, but not limited to, the purchase, lease, and
27 construction of equipment, buildings, and land,
28 infrastructure improvements and site development costs,
29 leasehold improvements costs, rehabilitation costs, and costs
30 of studies, surveys, development of plans, and professional
31 services costs such as architectural, engineering, legal,
32 financial, planning, or other related services; "relocation
33 costs", however, does not include moving costs associated
34 with the relocation of the personal residences of the

1 employees of the eligible business and does not include any
2 costs that do not directly result from the relocation of the
3 business to a location within Illinois. In determining
4 whether costs directly result from the relocation of the
5 business, the Department shall consider whether the costs
6 would likely have been incurred by the business if it had not
7 relocated from its original location.

8 Section 15. Powers of the Department. The Department,
9 in addition to the powers granted under the Civil
10 Administrative Code of Illinois, has all the powers necessary
11 and convenient to carry out and effectuate the purposes and
12 provisions of this Act, including, but not limited to, the
13 power to:

14 (1) promulgate rules and establish procedures
15 deemed necessary and appropriate for the administration
16 of this Act;

17 (2) negotiate and execute any term, agreement, or
18 other document with any person, entity, or body politic
19 necessary or appropriate to accomplish the purposes of
20 this Act;

21 (3) fix, determine, charge, and collect premiums,
22 fees, charges, costs, and expenses from eligible
23 businesses, including, without limitation, application
24 fees, commitment fees, program fees, financing charges,
25 or publication fees as deemed appropriate to pay expenses
26 necessary or incident to the administration of the
27 Department's activities and duties under this Act,
28 including the preparation and enforcement of any
29 agreement, or for consultation services, legal services,
30 or other costs;

31 (4) require eligible businesses, upon written
32 request, to issue any necessary authorization to the
33 appropriate federal, state, or local authority for the

1 release of information concerning a qualifying project;
2 and

3 (5) take whatever actions are necessary or
4 appropriate to protect the State's interest in the event
5 of bankruptcy, default, foreclosure, or noncompliance
6 with the terms and conditions of any agreement entered
7 into pursuant to this Act, including the power to sell,
8 dispose, lease, or rent, upon terms and conditions
9 determined by the Director to be appropriate, real or
10 personal property that the Department may receive as a
11 result of these actions.

12 Section 20. Reimbursement for relocation costs.

13 (a) The initial application of an eligible business
14 proposing a qualifying project must be filed with the
15 Department no later than July 1, 2004.

16 (b) Upon receipt and approval of an application from an
17 eligible business proposing a qualifying project, the
18 Department may enter into an agreement with the eligible
19 business wherein the Department agrees to reimburse the
20 eligible business for its relocation costs subject to the
21 following terms, conditions, and limitations:

22 (1) The eligible business must apply to the
23 Department for reimbursement of its relocation costs.

24 (2) The application submitted by the eligible
25 business must identify with specificity the relocation
26 costs for which reimbursement is sought, and the eligible
27 business must provide the Department with all supporting
28 documentation as requested by the Department. The
29 eligible business may amend its application for
30 reimbursement from time to time in order to cover
31 additional relocation costs incurred after the submission
32 of an initial application.

33 (3) The Department reserves the right to approve or

1 disapprove specific items and categories of relocation
2 costs.

3 (4) The eligible business must in fact relocate its
4 corporate headquarters to the State of Illinois within a
5 time frame specified by the Department.

6 (5) The eligible business may receive reimbursement
7 for not greater than 50% of its documented relocation
8 costs.

9 (6) The agreement between the Department and the
10 eligible business must provide that reimbursement will be
11 provided by means of one or more grants that shall be
12 issued annually by the Department for a period not to
13 exceed 10 years or until 50% of the eligible business'
14 relocation costs are reimbursed, whichever occurs first.

15 (7) The amount of the annual grant that may be
16 issued to the eligible business by the Department may not
17 exceed 50% of the total amount withheld from employees of
18 the eligible business employed at the corporate
19 headquarters during the preceding calendar year under
20 Article 7 of the Illinois Income Tax Act.

21 (8) In applying to the Department for
22 reimbursement, the eligible business must certify the
23 total amount withheld during the preceding calendar year
24 under Article 7 of the Illinois Income Tax Act from its
25 employees employed at the corporate headquarters.

26 (9) The Department may issue grants from the
27 Corporate Headquarters Relocation Assistance Fund to
28 eligible businesses for reimbursement of relocation costs
29 as provided by this Act.

30 Section 25. Review of application for reimbursement. No
31 eligible business is eligible for reimbursement of relocation
32 costs under this Act unless the Department determines at the
33 time of the eligible business' initial application that, if

1 not for that reimbursement, the eligible business would not
2 have determined to relocate its corporate headquarters to
3 Illinois. The eligible business may satisfy this requirement
4 by, among other means, presenting evidence to the Department
5 that the eligible business has or had multi-state location
6 options and could reasonably and efficiently have located its
7 corporate headquarters to a state other than Illinois; by a
8 demonstration that at least one other state is or was being
9 considered for the location of its corporate headquarters; or
10 through evidence that receipt of the benefits authorized by
11 this Act is an important factor in the eligible business'
12 decision to locate its corporate headquarters to Illinois,
13 and that without that assistance, the eligible business
14 likely would not establish its corporate headquarters in
15 Illinois.

16 Section 30. Transfers to Corporate Headquarters
17 Relocation Assistance Fund. Upon receipt of a certification
18 by the eligible business of the aggregate amount withheld
19 from its employees employed at the corporate headquarters
20 during the preceding calendar year under Article 7 of the
21 Illinois Income Tax Act, the Department shall then certify to
22 the State Treasurer that 50% of that amount is eligible to be
23 transferred from the General Revenue Fund to the Corporate
24 Headquarters Relocation Assistance Fund. This amount shall
25 be referred to as the "certified transfer amount". Upon
26 receipt of the certification from the Department, the
27 Treasurer shall transfer the certified transfer amount within
28 30 days from the General Revenue Fund to the Corporate
29 Headquarters Relocation Assistance Fund.

30 Section 35. Corporate Headquarters Relocation Assistance
31 Fund; creation. The Corporate Headquarters Relocation
32 Assistance Fund is created as a separate fund within the

1 State treasury. From the Fund and pursuant to the provisions
2 of this Act, the Department may issue grants to reimburse
3 eligible businesses for relocation costs incurred in
4 connection with the relocation of a corporate headquarters to
5 the State of Illinois.

6 Section 40. Other incentives. Nothing in this Act
7 precludes an eligible business with respect to a qualifying
8 project from applying for or receiving any other federal,
9 State, or local assistance or incentives in connection with
10 the relocation of its corporate headquarters to the State of
11 Illinois.

12 Section 905. The State Finance Act is amended by adding
13 Section 5.545 as follows:

14 (30 ILCS 105/5.545 new)

15 Sec. 5.545. The Corporate Headquarters Relocation
16 Assistance Fund.

17 Section 910. The Illinois Income Tax Act is amended by
18 changing Section 211 as follows:

19 (35 ILCS 5/211)

20 Sec. 211. Economic Development for a Growing Economy Tax
21 Credit. For tax years beginning on or after January 1, 1999,
22 a Taxpayer who has entered into an Agreement under the
23 Economic Development for a Growing Economy Tax Credit Act is
24 entitled to a credit against the taxes imposed under
25 subsections (a) and (b) of Section 201 of this Act in an
26 amount to be determined in the Agreement. If the Taxpayer is
27 a partnership or Subchapter S corporation, the credit shall
28 be allowed to the partners or shareholders in accordance with
29 the determination of income and distributive share of income

1 under Sections 702 and 704 and subchapter S of the Internal
 2 Revenue Code. The Department, in cooperation with the
 3 Department of Commerce and Community Affairs, shall prescribe
 4 rules to enforce and administer the provisions of this
 5 Section. This Section is exempt from the provisions of
 6 Section 250 of this Act.

7 The credit shall be subject to the conditions set forth
 8 in the Agreement and the following limitations:

9 (1) The tax credit shall not exceed the Incremental
 10 Income Tax (as defined in Section 5-5 of the Economic
 11 Development for a Growing Economy Tax Credit Act) with
 12 respect to the project.

13 (2) The amount of the credit allowed during the tax
 14 year plus the sum of all amounts allowed in prior years
 15 shall not exceed 100% of the aggregate amount expended by
 16 the Taxpayer during all prior tax years on approved costs
 17 defined by Agreement.

18 (3) The amount of the credit shall be determined on
 19 an annual basis. Except as applied in a carryover year
 20 pursuant to Section 211(4) of this Act; however, the
 21 credit may not be applied against any State income tax
 22 liability in more than ~~may-not-extend-beyond~~ 10 taxable
 23 years; provided, however, that (i) an eligible business
 24 certified by the Department of Commerce and Community
 25 Affairs under the Corporate Headquarters Relocation Act
 26 may not apply the credit against any of its State income
 27 tax liability in more than 15 taxable years and (ii)
 28 credits allowed to that eligible business are subject to
 29 the conditions and requirements set forth in Sections
 30 5-35 and 5-45 of the Economic Development for a Growing
 31 Economy Tax Credit Act ~~after--the--project--is--first~~
 32 ~~approved-and-may-not-extend-beyond-the-expiration-of--the~~
 33 Agreement.

34 (4) The credit may not exceed the amount of taxes

1 imposed pursuant to subsections (a) and (b) of Section
2 201 of this Act. Any credit that is unused in the year
3 the credit is computed may be carried forward and applied
4 to the tax liability of the 5 taxable years following the
5 excess credit year. The credit shall be applied to the
6 earliest year for which there is a tax liability. If
7 there are credits from more than one tax year that are
8 available to offset a liability, the earlier credit shall
9 be applied first.

10 (5) No credit shall be allowed with respect to any
11 Agreement for any taxable year ending after the
12 Noncompliance Date. Upon receiving notification by the
13 Department of Commerce and Community Affairs of the
14 noncompliance of a Taxpayer with an Agreement, the
15 Department shall notify the Taxpayer that no credit is
16 allowed with respect to that Agreement for any taxable
17 year ending after the Noncompliance Date, as stated in
18 such notification. If any credit has been allowed with
19 respect to an Agreement for a taxable year ending after
20 the Noncompliance Date for that Agreement, any refund
21 paid to the Taxpayer for that taxable year shall, to the
22 extent of that credit allowed, be an erroneous refund
23 within the meaning of Section 912 of this Act.

24 (6) For purposes of this Section, the terms
25 "Agreement", "Incremental Income Tax", and
26 "Noncompliance Date" have the same meaning as when used
27 in the Economic Development for a Growing Economy Tax
28 Credit Act.

29 (Source: P.A. 91-476, eff. 8-11-99.)

30 Section 915. The Economic Development for a Growing
31 Economy Tax Credit Act is amended by changing Sections 5-35
32 and 5-45 as follows:

(35 ILCS 10/5-35)

Sec. 5-35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim the credit provided by this Act with respect to any jobs that the taxpayer relocates from one site in Illinois to another site in Illinois. A taxpayer with respect to a qualifying project certified under the Corporate Headquarters Relocation Act, however, is not subject to the requirements of this Section but is nevertheless considered an applicant for purposes of this Act. Moreover, any full-time employee of an eligible business relocated to Illinois in connection with that qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.

(Source: P.A. 91-476, eff. 8-11-99.)

(35 ILCS 10/5-45)

Sec. 5-45. Amount and duration of the credit.

(a) The Department shall determine the amount and duration of the credit awarded under this Act. The duration of the credit may not exceed 10 taxable years. The credit may be stated as a percentage of the Incremental Income Tax attributable to the applicant's project and may include a fixed dollar limitation.

(b) Notwithstanding subsection (a), and except as the credit may be applied in a carryover year pursuant to Section 211(4) of the Illinois Income Tax Act, the credit may be applied against the State income tax liability in more than 10 taxable years but not in more than 15 taxable years for an eligible business that (i) qualifies under this Act and the Corporate Headquarters Relocation Act and has in fact undertaken a qualifying project within the time frame specified by the Department of Commerce and Community Affairs under that Act, and (ii) applies against its State income tax liability, during the entire 15-year period, no more than 60%

1 of the maximum credit per year that would otherwise be
2 available under this Act.

3 (Source: P.A. 91-476, eff. 8-11-99.)

4 Section 920. The Property Tax Code is amended by
5 changing Section 18-165 as follows:

6 (35 ILCS 200/18-165)

7 Sec. 18-165. Abatement of taxes.

8 (a) Any taxing district, upon a majority vote of its
9 governing authority, may, after the determination of the
10 assessed valuation of its property, order the clerk of that
11 county to abate any portion of its taxes on the following
12 types of property:

13 (1) Commercial and industrial.

14 (A) The property of any commercial or
15 industrial firm, including but not limited to the
16 property of any firm that is used for collecting,
17 separating, storing, or processing recycable
18 materials, locating within the taxing district
19 during the immediately preceding year from another
20 state, territory, or country, or having been newly
21 created within this State during the immediately
22 preceding year, or expanding an existing facility.
23 The abatement shall not exceed a period of 10 years
24 and the aggregate amount of abated taxes for all
25 taxing districts combined shall not exceed
26 \$4,000,000; or

27 (B) The property of any commercial or
28 industrial development of at least 500 acres having
29 been created within the taxing district. The
30 abatement shall not exceed a period of 20 years and
31 the aggregate amount of abated taxes for all taxing
32 districts combined shall not exceed \$12,000,000.

1 (C) The property of any commercial or
2 industrial firm currently located in the taxing
3 district that expands a facility or its number of
4 employees. The abatement shall not exceed a period
5 of 10 years and the aggregate amount of abated taxes
6 for all taxing districts combined shall not exceed
7 \$4,000,000. The abatement period may be renewed at
8 the option of the taxing districts.

9 (2) Horse racing. Any property in the taxing
10 district which is used for the racing of horses and upon
11 which capital improvements consisting of expansion,
12 improvement or replacement of existing facilities have
13 been made since July 1, 1987. The combined abatements
14 for such property from all taxing districts in any county
15 shall not exceed \$5,000,000 annually and shall not exceed
16 a period of 10 years.

17 (3) Auto racing. Any property designed exclusively
18 for the racing of motor vehicles. Such abatement shall
19 not exceed a period of 10 years.

20 (4) Academic or research institute. The property
21 of any academic or research institute in the taxing
22 district that (i) is an exempt organization under
23 paragraph (3) of Section 501(c) of the Internal Revenue
24 Code, (ii) operates for the benefit of the public by
25 actually and exclusively performing scientific research
26 and making the results of the research available to the
27 interested public on a non-discriminatory basis, and
28 (iii) employs more than 100 employees. An abatement
29 granted under this paragraph shall be for at least 15
30 years and the aggregate amount of abated taxes for all
31 taxing districts combined shall not exceed \$5,000,000.

32 (5) Housing for older persons. Any property in the
33 taxing district that is devoted exclusively to affordable
34 housing for older households. For purposes of this

1 paragraph, "older households" means those households (i)
2 living in housing provided under any State or federal
3 program that the Department of Human Rights determines is
4 specifically designed and operated to assist elderly
5 persons and is solely occupied by persons 55 years of age
6 or older and (ii) whose annual income does not exceed 80%
7 of the area gross median income, adjusted for family
8 size, as such gross income and median income are
9 determined from time to time by the United States
10 Department of Housing and Urban Development. The
11 abatement shall not exceed a period of 15 years, and the
12 aggregate amount of abated taxes for all taxing districts
13 shall not exceed \$3,000,000.

14 (6) Historical society. For assessment years 1998
15 through 2000, the property of an historical society
16 qualifying as an exempt organization under Section
17 501(c)(3) of the federal Internal Revenue Code.

18 (7) Recreational facilities. Any property in the
19 taxing district (i) that is used for a municipal airport,
20 (ii) that is subject to a leasehold assessment under
21 Section 9-195 of this Code and (iii) which is sublet from
22 a park district that is leasing the property from a
23 municipality, but only if the property is used
24 exclusively for recreational facilities or for parking
25 lots used exclusively for those facilities. The
26 abatement shall not exceed a period of 10 years.

27 (8) Relocated corporate headquarters. If approval
28 occurs within 5 years after the effective date of this
29 amendatory Act of the 92nd General Assembly, any property
30 or a portion of any property in a taxing district that is
31 used by an eligible business for a corporate headquarters
32 as defined in the Corporate Headquarters Relocation Act.
33 Instead of an abatement under this paragraph (8), a
34 taxing district may enter into an agreement with an

1 eligible business to make annual payments to that
2 eligible business in an amount not to exceed the property
3 taxes paid directly or indirectly by that eligible
4 business to the taxing district and any other taxing
5 districts for premises occupied pursuant to a written
6 lease and may make those payments without the need for an
7 annual appropriation. No school district, however, may
8 enter into an agreement with, or abate taxes for, an
9 eligible business unless the municipality in which the
10 corporate headquarters is located agrees to provide
11 funding to the school district in an amount equal to the
12 amount abated or paid by the school district as provided
13 in this paragraph (8). Any abatement ordered or
14 agreement entered into under this paragraph (8) may be
15 effective for the entire term specified by the taxing
16 district, except the term of the abatement or annual
17 payments may not exceed 20 years.

18 (b) Upon a majority vote of its governing authority, any
19 municipality may, after the determination of the assessed
20 valuation of its property, order the county clerk to abate
21 any portion of its taxes on any property that is located
22 within the corporate limits of the municipality in accordance
23 with Section 8-3-18 of the Illinois Municipal Code.

24 (Source: P.A. 90-46, eff. 7-3-97; 90-415, eff. 8-15-97;
25 90-568, eff. 1-1-99; 90-655, eff. 7-30-98; 91-644, eff.
26 8-20-99; 91-885, eff. 7-6-00.)

27 Section 999. Effective date. This Act takes effect upon
28 becoming law."