



Rep. Dave Vella

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1 AMENDMENT TO HOUSE BILL 817

2 AMENDMENT NO. _____. Amend House Bill 817 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1115 as follows:

7 (20 ILCS 605/605-1115 new)

8 Sec. 605-1115. Quantum computing campuses.

9 (a) As used in this Section:

10 "Data center" means a facility: (1) whose primary,
11 services are the storage, management, and processing of
12 digital data; and (2) that is used to house (A) computer and
13 network systems, including associated components such as
14 servers, network equipment and appliances, telecommunications,
15 and data storage systems, (B) systems for monitoring and
16 managing infrastructure performance, (C) Internet-related

1 equipment and services, (D) data communications connections,
2 (E) environmental controls, (F) fire protection systems, and
3 (G) security systems and services.

4 "Full-time equivalent job" means a job in which an
5 employee works for a tenant of the quantum campus at a rate of
6 at least 35 hours per week. Vacations, paid holidays, and sick
7 time are included in this computation. Overtime is not
8 considered a part of regular hours.

9 "Quantum computing campus" or "campus" is a contiguous
10 area located in the State of Illinois that is designated by the
11 Department as a quantum computing campus in order to support
12 the demand for quantum computing research, development, and
13 implementation for practical use. A quantum computing campus
14 may include educational institutions, nonprofit research and
15 development organizations, and for-profit organizations
16 serving as anchor tenants and joining tenants that, with
17 approval from the Department, may change. Tenants located at
18 the campus shall have direct and supporting roles in quantum
19 computing activities. Eligible tenants include quantum
20 computer operators and research facilities, data centers,
21 manufacturers and assemblers of quantum computers and
22 component parts, cryogenic or refrigeration facilities, and
23 other facilities determined, by industry and academic leaders,
24 to be fundamental to the research and development of quantum
25 computing for practical solutions. Quantum computing shall
26 include the research, development, and use of computing

1 methods that generate and manipulate quantum bits in a
2 controlled quantum state. This includes the use of photons,
3 semiconductors, superconductors, trapped ions, and other
4 industry and academically regarded methods for simulating
5 quantum bits. Additionally, a quantum campus shall meet the
6 following criteria:

7 (1) the campus must comprise a minimum of one-half
8 square mile and not more than 4 square miles;

9 (2) the campus must contain tenants that demonstrate a
10 substantial plan for using the designation to encourage
11 participation by organizations owned by minorities, women,
12 and persons with disabilities, as those terms are defined
13 in the Business Enterprise for Minorities, Women, and
14 Persons with Disabilities Act, and the hiring of
15 minorities, women, and persons with disabilities;

16 (3) upon being placed in service, within 60 months
17 after designation or incorporation into a campus, the
18 owners of property located in a campus shall certify to
19 the Department that the property is carbon neutral or has
20 attained certification under one or more of the following
21 green building standards:

22 (A) BREEAM for New Construction or BREEAM, In-Use;

23 (B) ENERGY STAR;

24 (C) Envision;

25 (D) ISO 50001-energy management;

26 (E) LEED for Building Design and Construction, or

1 LEED for Operations and Maintenance;

2 (F) Green Globes for New Construction or, Green
3 Globes for Existing Buildings;

4 (G) UL 3223; or

5 (H) an equivalent program approved by the
6 Department.

7 (b) Tenants located in a designated quantum computing
8 campus shall qualify for the following exemptions and credits:

9 (1) the Department may certify a taxpayer for an
10 exemption from any State or local use tax or retailers'
11 occupation tax on building materials that will be
12 incorporated into real estate at a quantum computing
13 campus;

14 (2) an exemption from the charges imposed under
15 Section 9-222 of the Public Utilities Act, Section 5-10 of
16 the Gas Use Tax Law, Section 2-4 of the Electricity Excise
17 Tax Law, Section 2 of the Telecommunications Excise Tax
18 Act, Section 10 of the Telecommunications Infrastructure
19 Maintenance Fee Act, and Section 5-7 of the Simplified
20 Municipal Telecommunications Tax Act; and

21 (3) a credit against the taxes imposed under
22 subsections (a) and (b) of Section 201 of the Illinois
23 Income Tax Act as provided in Section 241 of the Illinois
24 Income Tax Act.

25 (c) Certificates of exemption and credit certificates
26 under this Section shall be issued by the Department. Upon

1 certification by the Department under this Section, the
2 Department shall notify the Department of Revenue of the
3 certification. The exemption status shall take effect within 3
4 months after certification of the taxpayer and notice to the
5 Department of Revenue by the Department.

6 (d) Entities seeking to form a quantum computing campus
7 must apply to the Department in the manner specified by the
8 Department. Entities seeking to join an established campus
9 must apply for an amendment to the existing campus. This
10 application for amendment must be submitted to the Department
11 with support from other campus members.

12 The Department shall determine the duration of
13 certificates of exemption awarded under this Act. The duration
14 of the certificates of exemption may not exceed 20 calendar
15 years and one renewal for an additional 20 years.

16 The Department and any tenant located in a quantum
17 computing campus seeking the benefits under this Section must
18 enter into a memorandum of understanding that, at a minimum,
19 provides:

20 (1) the details for determining the amount of capital
21 investment to be made;

22 (2) the number of new jobs created;

23 (3) the timeline for achieving the capital investment
24 and new job goals;

25 (4) the repayment obligation should those goals not be
26 achieved and any conditions under which repayment by the

1 tenant or tenants claiming the exemption shall be
2 required;

3 (5) the duration of the exemptions; and

4 (6) other provisions as deemed necessary by the
5 Department.

6 The Department shall, within 10 days after the
7 designation, send a letter of notification to each member of
8 the General Assembly whose legislative district or
9 representative district contains all or part of the designated
10 area.

11 (e) Beginning on July 1, 2025, and each year thereafter,
12 the Department shall annually report to the Governor and the
13 General Assembly on the outcomes and effectiveness of this
14 amendatory Act of the 103rd General Assembly. The report shall
15 include the following:

16 (1) the names of each tenant located within the
17 quantum computing campus;

18 (2) the location of each quantum computing campus;

19 (3) the estimated value of the credits to be issued to
20 quantum computing campus tenants;

21 (4) the number of new jobs and, if applicable,
22 retained jobs pledged at each quantum computing campus;
23 and

24 (5) whether or not the quantum computing campus is
25 located in an underserved area, an energy transition zone,
26 or an opportunity zone.

1 (f) Tenants at the quantum computing campus seeking a
2 certificate of exemption related to the construction of
3 required facilities shall require the contractor and all
4 subcontractors to:

5 (1) comply with the requirements of Section 30-22 of
6 the Illinois Procurement Code as those requirements apply
7 to responsible bidders and to present satisfactory
8 evidence of that compliance to the Department; and

9 (2) enter into a project labor agreement submitted to
10 the Department.

11 (g) The Department shall not issue any new certificates of
12 exemption under the provisions of this Section after July 1,
13 2030. This sunset shall not affect any existing certificates
14 of exemption in effect on July 1, 2030.

15 (h) The Department shall adopt rules to implement and
16 administer this Section.

17 Section 10. The Illinois Enterprise Zone Act is amended by
18 changing Sections 5.5 and 13 as follows:

19 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

20 Sec. 5.5. High Impact Business.

21 (a) In order to respond to unique opportunities to assist
22 in the encouragement, development, growth, and expansion of
23 the private sector through large scale investment and
24 development projects, the Department is authorized to receive

1 and approve applications for the designation of "High Impact
2 Businesses" in Illinois, for an initial term of 20 years with
3 an option for renewal for a term not to exceed 20 years,
4 subject to the following conditions:

5 (1) such applications may be submitted at any time
6 during the year;

7 (2) such business is not located, at the time of
8 designation, in an enterprise zone designated pursuant to
9 this Act, except for grocery stores, as defined in the
10 Grocery Initiative Act;

11 (3) the business intends to do, commits to do, or is
12 one or more of the following:

13 (A) the business intends to make a minimum
14 investment of \$12,000,000 which will be placed in
15 service in qualified property and intends to create
16 500 full-time equivalent jobs at a designated location
17 in Illinois or intends to make a minimum investment of
18 \$30,000,000 which will be placed in service in
19 qualified property and intends to retain 1,500
20 full-time retained jobs at a designated location in
21 Illinois. The terms "placed in service" and "qualified
22 property" have the same meanings as described in
23 subsection (h) of Section 201 of the Illinois Income
24 Tax Act; or

25 (B) the business intends to establish a new
26 electric generating facility at a designated location

1 in Illinois. "New electric generating facility", for
2 purposes of this Section, means a newly constructed
3 electric generation plant or a newly constructed
4 generation capacity expansion at an existing electric
5 generation plant, including the transmission lines and
6 associated equipment that transfers electricity from
7 points of supply to points of delivery, and for which
8 such new foundation construction commenced not sooner
9 than July 1, 2001. Such facility shall be designed to
10 provide baseload electric generation and shall operate
11 on a continuous basis throughout the year; and (i)
12 shall have an aggregate rated generating capacity of
13 at least 1,000 megawatts for all new units at one site
14 if it uses natural gas as its primary fuel and
15 foundation construction of the facility is commenced
16 on or before December 31, 2004, or shall have an
17 aggregate rated generating capacity of at least 400
18 megawatts for all new units at one site if it uses coal
19 or gases derived from coal as its primary fuel and
20 shall support the creation of at least 150 new
21 Illinois coal mining jobs, or (ii) shall be funded
22 through a federal Department of Energy grant before
23 December 31, 2010 and shall support the creation of
24 Illinois coal mining ~~coal-mining~~ jobs, or (iii) shall
25 use coal gasification or integrated
26 gasification-combined cycle units that generate

1 electricity or chemicals, or both, and shall support
2 the creation of Illinois coal mining ~~coal mining~~ jobs.
3 The term "placed in service" has the same meaning as
4 described in subsection (h) of Section 201 of the
5 Illinois Income Tax Act; or

6 (B-5) the business intends to establish a new
7 gasification facility at a designated location in
8 Illinois. As used in this Section, "new gasification
9 facility" means a newly constructed coal gasification
10 facility that generates chemical feedstocks or
11 transportation fuels derived from coal (which may
12 include, but are not limited to, methane, methanol,
13 and nitrogen fertilizer), that supports the creation
14 or retention of Illinois coal mining ~~coal mining~~ jobs,
15 and that qualifies for financial assistance from the
16 Department before December 31, 2010. A new
17 gasification facility does not include a pilot project
18 located within Jefferson County or within a county
19 adjacent to Jefferson County for synthetic natural gas
20 from coal; or

21 (C) the business intends to establish production
22 operations at a new coal mine, re-establish production
23 operations at a closed coal mine, or expand production
24 at an existing coal mine at a designated location in
25 Illinois not sooner than July 1, 2001; provided that
26 the production operations result in the creation of

1 150 new Illinois coal mining jobs as described in
2 subdivision (a)(3)(B) of this Section, and further
3 provided that the coal extracted from such mine is
4 utilized as the predominant source for a new electric
5 generating facility. The term "placed in service" has
6 the same meaning as described in subsection (h) of
7 Section 201 of the Illinois Income Tax Act; or

8 (D) the business intends to construct new
9 transmission facilities or upgrade existing
10 transmission facilities at designated locations in
11 Illinois, for which construction commenced not sooner
12 than July 1, 2001. For the purposes of this Section,
13 "transmission facilities" means transmission lines
14 with a voltage rating of 115 kilovolts or above,
15 including associated equipment, that transfer
16 electricity from points of supply to points of
17 delivery and that transmit a majority of the
18 electricity generated by a new electric generating
19 facility designated as a High Impact Business in
20 accordance with this Section. The term "placed in
21 service" has the same meaning as described in
22 subsection (h) of Section 201 of the Illinois Income
23 Tax Act; or

24 (E) the business intends to establish a new wind
25 power facility at a designated location in Illinois.
26 For purposes of this Section, "new wind power

1 facility" means a newly constructed electric
2 generation facility, a newly constructed expansion of
3 an existing electric generation facility, or the
4 replacement of an existing electric generation
5 facility, including the demolition and removal of an
6 electric generation facility irrespective of whether
7 it will be replaced, placed in service or replaced on
8 or after July 1, 2009, that generates electricity
9 using wind energy devices, and such facility shall be
10 deemed to include any permanent structures associated
11 with the electric generation facility and all
12 associated transmission lines, substations, and other
13 equipment related to the generation of electricity
14 from wind energy devices. For purposes of this
15 Section, "wind energy device" means any device, with a
16 nameplate capacity of at least 0.5 megawatts, that is
17 used in the process of converting kinetic energy from
18 the wind to generate electricity; or

19 (E-5) the business intends to establish a new
20 utility-scale solar facility at a designated location
21 in Illinois. For purposes of this Section, "new
22 utility-scale solar power facility" means a newly
23 constructed electric generation facility, or a newly
24 constructed expansion of an existing electric
25 generation facility, placed in service on or after
26 July 1, 2021, that (i) generates electricity using

1 photovoltaic cells and (ii) has a nameplate capacity
2 that is greater than 5,000 kilowatts, and such
3 facility shall be deemed to include all associated
4 transmission lines, substations, energy storage
5 facilities, and other equipment related to the
6 generation and storage of electricity from
7 photovoltaic cells; or

8 (F) the business commits to (i) make a minimum
9 investment of \$500,000,000, which will be placed in
10 service in a qualified property, (ii) create 125
11 full-time equivalent jobs at a designated location in
12 Illinois, (iii) establish a fertilizer plant at a
13 designated location in Illinois that complies with the
14 set-back standards as described in Table 1: Initial
15 Isolation and Protective Action Distances in the 2012
16 Emergency Response Guidebook published by the United
17 States Department of Transportation, (iv) pay a
18 prevailing wage for employees at that location who are
19 engaged in construction activities, and (v) secure an
20 appropriate level of general liability insurance to
21 protect against catastrophic failure of the fertilizer
22 plant or any of its constituent systems; in addition,
23 the business must agree to enter into a construction
24 project labor agreement including provisions
25 establishing wages, benefits, and other compensation
26 for employees performing work under the project labor

1 agreement at that location; for the purposes of this
2 Section, "fertilizer plant" means a newly constructed
3 or upgraded plant utilizing gas used in the production
4 of anhydrous ammonia and downstream nitrogen
5 fertilizer products for resale; for the purposes of
6 this Section, "prevailing wage" means the hourly cash
7 wages plus fringe benefits for training and
8 apprenticeship programs approved by the U.S.
9 Department of Labor, Bureau of Apprenticeship and
10 Training, health and welfare, insurance, vacations and
11 pensions paid generally, in the locality in which the
12 work is being performed, to employees engaged in work
13 of a similar character on public works; this paragraph
14 (F) applies only to businesses that submit an
15 application to the Department within 60 days after
16 July 25, 2013 (the effective date of Public Act
17 98-109); or

18 (G) the business intends to establish a new
19 cultured cell material food production facility at a
20 designated location in Illinois. As used in this
21 paragraph (G):

22 "Cultured cell material food production facility"
23 means a facility (i) at which cultured animal cell
24 food is developed using animal cell culture
25 technology, (ii) at which production processes occur
26 that include the establishment of cell lines and cell

1 banks, manufacturing controls, and all components and
2 inputs, and (iii) that complies with all existing
3 registrations, inspections, licensing, and approvals
4 from all applicable and participating State and
5 federal food agencies, including the Department of
6 Agriculture, the Department of Public Health, and the
7 United States Food and Drug Administration, to ensure
8 that all food production is safe and lawful under
9 provisions of the Federal Food, Drug and Cosmetic Act
10 related to the development, production, and storage of
11 cultured animal cell food.

12 "New cultured cell material food production
13 facility" means a newly constructed cultured cell
14 material food production facility that is placed in
15 service on or after June 7, 2023 (the effective date of
16 Public Act 103-9) ~~this amendatory Act of the 103rd~~
17 ~~General Assembly~~ or a newly constructed expansion of
18 an existing cultured cell material food production
19 facility, in a controlled environment, when the
20 improvements are placed in service on or after June 7,
21 2023 (the effective date of Public Act 103-9) ~~this~~
22 ~~amendatory Act of the 103rd General Assembly; or and~~

23 (H) ~~(G)~~ the business is an existing or planned
24 grocery store, as that term is defined in Section 5 of
25 the Grocery Initiative Act, and receives financial
26 support under that Act within the 10 years before

1 submitting its application under this Act; or ~~and~~

2 (I) the business intends to establish a new
3 battery energy storage solution facility at a
4 designated location in Illinois. As used in this
5 paragraph (I):

6 "New battery energy storage solution facility"
7 means a newly constructed battery energy storage
8 facility, a newly constructed expansion of an existing
9 battery energy storage facility, or the replacement of
10 an existing battery energy storage facility that
11 stores electricity using battery devices and other
12 means, and such facility shall be deemed to include
13 any permanent structures associated with the battery
14 energy storage facility and all associated
15 transmission lines, substations, and other equipment
16 related to the storage and transmission of electric
17 power that has a capacity of not less than 100 megawatt
18 and storage capability of not less than 200 megawatt
19 hours of energy; and

20 (4) no later than 90 days after an application is
21 submitted, the Department shall notify the applicant of
22 the Department's determination of the qualification of the
23 proposed High Impact Business under this Section.

24 (b) Businesses designated as High Impact Businesses
25 pursuant to subdivision (a)(3)(A) of this Section shall
26 qualify for the credits and exemptions described in the

1 following Acts: Section 9-222 and Section 9-222.1A of the
2 Public Utilities Act, subsection (h) of Section 201 of the
3 Illinois Income Tax Act, and Section 1d of the Retailers'
4 Occupation Tax Act; provided that these credits and exemptions
5 described in these Acts shall not be authorized until the
6 minimum investments set forth in subdivision (a) (3) (A) of this
7 Section have been placed in service in qualified properties
8 and, in the case of the exemptions described in the Public
9 Utilities Act and Section 1d of the Retailers' Occupation Tax
10 Act, the minimum full-time equivalent jobs or full-time
11 retained jobs set forth in subdivision (a) (3) (A) of this
12 Section have been created or retained. Businesses designated
13 as High Impact Businesses under this Section shall also
14 qualify for the exemption described in Section 51 of the
15 Retailers' Occupation Tax Act. The credit provided in
16 subsection (h) of Section 201 of the Illinois Income Tax Act
17 shall be applicable to investments in qualified property as
18 set forth in subdivision (a) (3) (A) of this Section.

19 (b-5) Businesses designated as High Impact Businesses
20 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
21 (a) (3) (D), ~~and~~ (a) (3) (G), and (a) (3) (H) of this Section shall
22 qualify for the credits and exemptions described in the
23 following Acts: Section 51 of the Retailers' Occupation Tax
24 Act, Section 9-222 and Section 9-222.1A of the Public
25 Utilities Act, and subsection (h) of Section 201 of the
26 Illinois Income Tax Act; however, the credits and exemptions

1 authorized under Section 9-222 and Section 9-222.1A of the
2 Public Utilities Act, and subsection (h) of Section 201 of the
3 Illinois Income Tax Act shall not be authorized until the new
4 electric generating facility, the new gasification facility,
5 the new transmission facility, the new, expanded, or reopened
6 coal mine, ~~or~~ the new cultured cell material food production
7 facility, or the existing or planned grocery store is
8 operational, except that a new electric generating facility
9 whose primary fuel source is natural gas is eligible only for
10 the exemption under Section 51 of the Retailers' Occupation
11 Tax Act.

12 (b-6) Businesses designated as High Impact Businesses
13 pursuant to subdivision (a)(3)(E) or (a)(3)(E-5) of this
14 Section shall qualify for the exemptions described in Section
15 51 of the Retailers' Occupation Tax Act; any business so
16 designated as a High Impact Business being, for purposes of
17 this Section, a "Wind Energy Business".

18 (b-7) Beginning on January 1, 2021, businesses designated
19 as High Impact Businesses by the Department shall qualify for
20 the High Impact Business construction jobs credit under
21 subsection (h-5) of Section 201 of the Illinois Income Tax Act
22 if the business meets the criteria set forth in subsection (i)
23 of this Section. The total aggregate amount of credits awarded
24 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
25 shall not exceed \$20,000,000 in any State fiscal year.

26 (c) High Impact Businesses located in federally designated

1 foreign trade zones or sub-zones are also eligible for
2 additional credits, exemptions and deductions as described in
3 the following Acts: Section 9-221 and Section 9-222.1 of the
4 Public Utilities Act; and subsection (g) of Section 201, and
5 Section 203 of the Illinois Income Tax Act.

6 (d) Except for businesses contemplated under subdivision
7 (a) (3) (E), (a) (3) (E-5), ~~or~~ (a) (3) (G), or (a) (3) (H) of this
8 Section, existing Illinois businesses which apply for
9 designation as a High Impact Business must provide the
10 Department with the prospective plan for which 1,500 full-time
11 retained jobs would be eliminated in the event that the
12 business is not designated.

13 (e) Except for new businesses contemplated under
14 subdivision (a) (3) (E), ~~or~~ subdivision (a) (3) (G), or
15 subdivision (a) (3) (H) of this Section, new proposed facilities
16 which apply for designation as High Impact Business must
17 provide the Department with proof of alternative non-Illinois
18 sites which would receive the proposed investment and job
19 creation in the event that the business is not designated as a
20 High Impact Business.

21 (f) Except for businesses contemplated under subdivision
22 (a) (3) (E), ~~or~~ subdivision (a) (3) (G), or subdivision (a) (3) (H)
23 of this Section, in the event that a business is designated a
24 High Impact Business and it is later determined after
25 reasonable notice and an opportunity for a hearing as provided
26 under the Illinois Administrative Procedure Act, that the

1 business would have placed in service in qualified property
2 the investments and created or retained the requisite number
3 of jobs without the benefits of the High Impact Business
4 designation, the Department shall be required to immediately
5 revoke the designation and notify the Director of the
6 Department of Revenue who shall begin proceedings to recover
7 all wrongfully exempted State taxes with interest. The
8 business shall also be ineligible for all State funded
9 Department programs for a period of 10 years.

10 (g) The Department shall revoke a High Impact Business
11 designation if the participating business fails to comply with
12 the terms and conditions of the designation.

13 (h) Prior to designating a business, the Department shall
14 provide the members of the General Assembly and Commission on
15 Government Forecasting and Accountability with a report
16 setting forth the terms and conditions of the designation and
17 guarantees that have been received by the Department in
18 relation to the proposed business being designated.

19 (i) High Impact Business construction jobs credit.
20 Beginning on January 1, 2021, a High Impact Business may
21 receive a tax credit against the tax imposed under subsections
22 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
23 amount equal to 50% of the amount of the incremental income tax
24 attributable to High Impact Business construction jobs credit
25 employees employed in the course of completing a High Impact
26 Business construction jobs project. However, the High Impact

1 Business construction jobs credit may equal 75% of the amount
2 of the incremental income tax attributable to High Impact
3 Business construction jobs credit employees if the High Impact
4 Business construction jobs credit project is located in an
5 underserved area.

6 The Department shall certify to the Department of Revenue:

7 (1) the identity of taxpayers that are eligible for the High
8 Impact Business construction jobs credit; and (2) the amount
9 of High Impact Business construction jobs credits that are
10 claimed pursuant to subsection (h-5) of Section 201 of the
11 Illinois Income Tax Act in each taxable year. ~~Any business
12 entity that receives a High Impact Business construction jobs
13 credit shall maintain a certified payroll pursuant to
14 subsection (j) of this Section.~~

15 As used in this subsection (i):

16 "High Impact Business construction jobs credit" means an
17 amount equal to 50% (or 75% if the High Impact Business
18 construction project is located in an underserved area) of the
19 incremental income tax attributable to High Impact Business
20 construction job employees. The total aggregate amount of
21 credits awarded under the Blue Collar Jobs Act (Article 20 of
22 Public Act 101-9) shall not exceed \$20,000,000 in any State
23 fiscal year

24 "High Impact Business construction job employee" means a
25 laborer or worker who is employed by a ~~an Illinois~~ contractor
26 or subcontractor in the actual construction work on the site

1 of a High Impact Business construction job project.

2 "High Impact Business construction jobs project" means
3 building a structure or building or making improvements of any
4 kind to real property, undertaken and commissioned by a
5 business that was designated as a High Impact Business by the
6 Department. The term "High Impact Business construction jobs
7 project" does not include the routine operation, routine
8 repair, or routine maintenance of existing structures,
9 buildings, or real property.

10 "Incremental income tax" means the total amount withheld
11 during the taxable year from the compensation of High Impact
12 Business construction job employees.

13 "Underserved area" means a geographic area that meets one
14 or more of the following conditions:

15 (1) the area has a poverty rate of at least 20%
16 according to the latest American Community Survey;

17 (2) 35% or more of the families with children in the
18 area are living below 130% of the poverty line, according
19 to the latest American Community Survey;

20 (3) at least 20% of the households in the area receive
21 assistance under the Supplemental Nutrition Assistance
22 Program (SNAP); or

23 (4) the area has an average unemployment rate, as
24 determined by the Illinois Department of Employment
25 Security, that is more than 120% of the national
26 unemployment average, as determined by the U.S. Department

1 of Labor, for a period of at least 2 consecutive calendar
2 years preceding the date of the application.

3 (j) (Blank). ~~Each contractor and subcontractor who is~~
4 ~~engaged in and executing a High Impact Business Construction~~
5 ~~jobs project, as defined under subsection (i) of this Section,~~
6 ~~for a business that is entitled to a credit pursuant to~~
7 ~~subsection (i) of this Section shall:~~

8 ~~(1) make and keep, for a period of 5 years from the~~
9 ~~date of the last payment made on or after June 5, 2019 (the~~
10 ~~effective date of Public Act 101-9) on a contract or~~
11 ~~subcontract for a High Impact Business Construction Jobs~~
12 ~~Project, records for all laborers and other workers~~
13 ~~employed by the contractor or subcontractor on the~~
14 ~~project; the records shall include:~~

15 ~~(A) the worker's name;~~

16 ~~(B) the worker's address;~~

17 ~~(C) the worker's telephone number, if available;~~

18 ~~(D) the worker's social security number;~~

19 ~~(E) the worker's classification or~~
20 ~~classifications;~~

21 ~~(F) the worker's gross and net wages paid in each~~
22 ~~pay period;~~

23 ~~(G) the worker's number of hours worked each day;~~

24 ~~(H) the worker's starting and ending times of work~~
25 ~~each day;~~

26 ~~(I) the worker's hourly wage rate;~~

1 ~~(J) the worker's hourly overtime wage rate;~~

2 ~~(K) the worker's race and ethnicity; and~~

3 ~~(L) the worker's gender;~~

4 ~~(2) no later than the 15th day of each calendar month,~~
5 ~~provide a certified payroll for the immediately preceding~~
6 ~~month to the taxpayer in charge of the High Impact~~
7 ~~Business construction jobs project; within 5 business days~~
8 ~~after receiving the certified payroll, the taxpayer shall~~
9 ~~file the certified payroll with the Department of Labor~~
10 ~~and the Department of Commerce and Economic Opportunity; a~~
11 ~~certified payroll must be filed for only those calendar~~
12 ~~months during which construction on a High Impact Business~~
13 ~~construction jobs project has occurred; the certified~~
14 ~~payroll shall consist of a complete copy of the records~~
15 ~~identified in paragraph (1) of this subsection (j), but~~
16 ~~may exclude the starting and ending times of work each~~
17 ~~day; the certified payroll shall be accompanied by a~~
18 ~~statement signed by the contractor or subcontractor or an~~
19 ~~officer, employee, or agent of the contractor or~~
20 ~~subcontractor which avers that:~~

21 ~~(A) he or she has examined the certified payroll~~
22 ~~records required to be submitted by the Act and such~~
23 ~~records are true and accurate; and~~

24 ~~(B) the contractor or subcontractor is aware that~~
25 ~~filing a certified payroll that he or she knows to be~~
26 ~~false is a Class A misdemeanor.~~

1 ~~A general contractor is not prohibited from relying on a~~
2 ~~certified payroll of a lower tier subcontractor, provided the~~
3 ~~general contractor does not knowingly rely upon a~~
4 ~~subcontractor's false certification.~~

5 ~~Any contractor or subcontractor subject to this~~
6 ~~subsection, and any officer, employee, or agent of such~~
7 ~~contractor or subcontractor whose duty as an officer,~~
8 ~~employee, or agent it is to file a certified payroll under this~~
9 ~~subsection, who willfully fails to file such a certified~~
10 ~~payroll on or before the date such certified payroll is~~
11 ~~required by this paragraph to be filed and any person who~~
12 ~~willfully files a false certified payroll that is false as to~~
13 ~~any material fact is in violation of this Act and guilty of a~~
14 ~~Class A misdemeanor.~~

15 ~~The taxpayer in charge of the project shall keep the~~
16 ~~records submitted in accordance with this subsection on or~~
17 ~~after June 5, 2019 (the effective date of Public Act 101-9) for~~
18 ~~a period of 5 years from the date of the last payment for work~~
19 ~~on a contract or subcontract for the High Impact Business~~
20 ~~construction jobs project.~~

21 ~~The records submitted in accordance with this subsection~~
22 ~~shall be considered public records, except an employee's~~
23 ~~address, telephone number, and social security number, and~~
24 ~~made available in accordance with the Freedom of Information~~
25 ~~Act. The Department of Labor shall share the information with~~
26 ~~the Department in order to comply with the awarding of a High~~

1 ~~Impact Business construction jobs credit. A contractor,~~
2 ~~subcontractor, or public body may retain records required~~
3 ~~under this Section in paper or electronic format.~~

4 (j-5) Annually, until construction is completed, a company
5 seeking High Impact Business Construction Job credits shall
6 submit a report that, at a minimum, describes the projected
7 project scope, timeline, and anticipated budget. Once the
8 project has commenced, the annual report shall include actual
9 data for the prior year as well as projections for each
10 additional year through completion of the project. The
11 Department shall issue detailed reporting guidelines
12 prescribing the requirements of construction-related reports.

13 In order to receive credit for construction expenses, the
14 company must provide the Department with evidence that a
15 certified third-party executed an Agreed-Upon Procedure (AUP)
16 verifying the construction expenses or accept the standard
17 construction wage expense estimated by the Department.

18 Upon review of the final project scope, timeline, budget,
19 and AUP, the Department shall issue a tax credit certificate
20 reflecting a percentage of the total construction job wages
21 paid throughout the completion of the project.

22 (k) Upon 7 business days' notice, each taxpayer ~~contractor~~
23 ~~and subcontractor~~ shall make available to each State agency
24 and to federal, State, or local law enforcement agencies and
25 prosecutors for inspection and copying at a location within
26 this State during reasonable hours, the report under

1 ~~subsection (j-5) records identified in this subsection (j) to~~
2 ~~the taxpayer in charge of the High Impact Business~~
3 ~~construction jobs project, its officers and agents, the~~
4 ~~Director of the Department of Labor and his or her deputies and~~
5 ~~agents, and to federal, State, or local law enforcement~~
6 ~~agencies and prosecutors.~~

7 (1) The changes made to this Section by Public Act
8 102-1125 ~~this amendatory Act of the 102nd General Assembly,~~
9 other than the changes in subsection (a), apply to High Impact
10 Businesses ~~high impact businesses~~ that submit applications on
11 or after February 3, 2023 (the effective date of Public Act
12 102-1125) ~~this amendatory Act of the 102nd General Assembly.~~

13 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;
14 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.
15 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,
16 eff. 6-7-23; 103-561, eff. 1-1-24; revised 3-15-24.)

17 (20 ILCS 655/13)

18 Sec. 13. Enterprise Zone construction jobs credit.

19 (a) Beginning on January 1, 2021, a business entity in a
20 certified Enterprise Zone that makes a capital investment of
21 at least \$10,000,000 in an Enterprise Zone construction jobs
22 project may receive an Enterprise Zone construction jobs
23 credit against the tax imposed under subsections (a) and (b)
24 of Section 201 of the Illinois Income Tax Act in an amount
25 equal to 50% of the amount of the incremental income tax

1 attributable to Enterprise Zone construction jobs credit
2 employees employed in the course of completing an Enterprise
3 Zone construction jobs project. However, the Enterprise Zone
4 construction jobs credit may equal 75% of the amount of the
5 incremental income tax attributable to Enterprise Zone
6 construction jobs credit employees if the project is located
7 in an underserved area.

8 (b) A business entity seeking a credit under this Section
9 must submit an application to the Department and must receive
10 approval from the designating municipality or county and the
11 Department for the Enterprise Zone construction jobs credit
12 project. The application must describe the nature and benefit
13 of the project to the certified Enterprise Zone and its
14 potential contributors. The total aggregate amount of credits
15 awarded under the Blue Collar Jobs Act (Article 20 of Public
16 Act 101-9) shall not exceed \$20,000,000 in any State fiscal
17 year.

18 Within 45 days after receipt of an application, the
19 Department shall give notice to the applicant as to whether
20 the application has been approved or disapproved. If the
21 Department disapproves the application, it shall specify the
22 reasons for this decision and allow 60 days for the applicant
23 to amend and resubmit its application. The Department shall
24 provide assistance upon request to applicants. Resubmitted
25 applications shall receive the Department's approval or
26 disapproval within 30 days after the application is

1 resubmitted. Those resubmitted applications satisfying initial
2 Department objectives shall be approved unless reasonable
3 circumstances warrant disapproval.

4 On an annual basis, the designated zone organization shall
5 furnish a statement to the Department on the programmatic and
6 financial status of any approved project and an audited
7 financial statement of the project.

8 The Department shall certify to the Department of Revenue
9 the identity of taxpayers who are eligible for the credits and
10 the amount of credits that are claimed pursuant to
11 subparagraph (8) of subsection (f) of Section 201 the Illinois
12 Income Tax Act.

13 The Enterprise Zone construction jobs credit project must
14 be undertaken by the business entity in the course of
15 completing a project that complies with the criteria contained
16 in Section 4 of this Act and is undertaken in a certified
17 Enterprise Zone. The Department shall adopt any necessary
18 rules for the implementation of this subsection (b).

19 (c) (Blank). ~~Any business entity that receives an~~
20 ~~Enterprise Zone construction jobs credit shall maintain a~~
21 ~~certified payroll pursuant to subsection (d) of this Section.~~

22 (d) Annually, until construction is completed, a company
23 seeking Enterprise Zone construction job credits shall submit
24 a report that, at a minimum, describes the projected project
25 scope, timeline, and anticipated budget. Once the project has
26 commenced, the annual report shall include actual data for the

1 prior year as well as projections for each additional year
2 through completion of the project. The Department shall issue
3 detailed reporting guidelines prescribing the requirements of
4 construction-related reports.

5 In order to receive credit for construction expenses, the
6 company must provide the Department with evidence that a
7 certified third-party executed an Agreed-Upon Procedure (AUP)
8 verifying the construction expenses or accept the standard
9 construction wage expense estimated by the Department.

10 Upon review of the final project scope, timeline, budget,
11 and AUP, the Department shall issue a tax credit certificate
12 reflecting a percentage of the total construction job wages
13 paid throughout the completion of the project.

14 ~~Each contractor and subcontractor who is engaged in and is~~
15 ~~executing an Enterprise Zone construction jobs credit project~~
16 ~~for a business that is entitled to a credit pursuant to this~~
17 ~~Section shall:~~

18 ~~(1) make and keep, for a period of 5 years from the~~
19 ~~date of the last payment made on or after June 5, 2019 (the~~
20 ~~effective date of Public Act 101-9) on a contract or~~
21 ~~subcontract for an Enterprise Zone construction jobs~~
22 ~~credit project, records for all laborers and other workers~~
23 ~~employed by them on the project; the records shall~~
24 ~~include:~~

25 ~~(A) the worker's name;~~

26 ~~(B) the worker's address;~~

1 ~~(C) the worker's telephone number, if available;~~
2 ~~(D) the worker's social security number;~~
3 ~~(E) the worker's classification or~~
4 ~~classifications;~~
5 ~~(F) the worker's gross and net wages paid in each~~
6 ~~pay period;~~
7 ~~(G) the worker's number of hours worked each day;~~
8 ~~(H) the worker's starting and ending times of work~~
9 ~~each day;~~
10 ~~(I) the worker's hourly wage rate; and~~
11 ~~(J) the worker's hourly overtime wage rate;~~
12 ~~(2) no later than the 15th day of each calendar month,~~
13 ~~provide a certified payroll for the immediately preceding~~
14 ~~month to the taxpayer in charge of the project; within 5~~
15 ~~business days after receiving the certified payroll, the~~
16 ~~taxpayer shall file the certified payroll with the~~
17 ~~Department of Labor and the Department of Commerce and~~
18 ~~Economic Opportunity; a certified payroll must be filed~~
19 ~~for only those calendar months during which construction~~
20 ~~on an Enterprise Zone construction jobs project has~~
21 ~~occurred; the certified payroll shall consist of a~~
22 ~~complete copy of the records identified in paragraph (1)~~
23 ~~of this subsection (d), but may exclude the starting and~~
24 ~~ending times of work each day; the certified payroll shall~~
25 ~~be accompanied by a statement signed by the contractor or~~
26 ~~subcontractor or an officer, employee, or agent of the~~

1 ~~contractor or subcontractor which avers that:~~

2 ~~(A) he or she has examined the certified payroll~~
3 ~~records required to be submitted by the Act and such~~
4 ~~records are true and accurate; and~~

5 ~~(B) the contractor or subcontractor is aware that~~
6 ~~filing a certified payroll that he or she knows to be~~
7 ~~false is a Class A misdemeanor.~~

8 ~~A general contractor is not prohibited from relying on a~~
9 ~~certified payroll of a lower tier subcontractor, provided the~~
10 ~~general contractor does not knowingly rely upon a~~
11 ~~subcontractor's false certification.~~

12 ~~Any contractor or subcontractor subject to this~~
13 ~~subsection, and any officer, employee, or agent of such~~
14 ~~contractor or subcontractor whose duty as an officer,~~
15 ~~employee, or agent it is to file a certified payroll under this~~
16 ~~subsection, who willfully fails to file such a certified~~
17 ~~payroll on or before the date such certified payroll is~~
18 ~~required by this paragraph to be filed and any person who~~
19 ~~willfully files a false certified payroll that is false as to~~
20 ~~any material fact is in violation of this Act and guilty of a~~
21 ~~Class A misdemeanor.~~

22 ~~The taxpayer in charge of the project shall keep the~~
23 ~~records submitted in accordance with this subsection on or~~
24 ~~after June 5, 2019 (the effective date of Public Act 101-9) for~~
25 ~~a period of 5 years from the date of the last payment for work~~
26 ~~on a contract or subcontract for the project.~~

1 ~~The records submitted in accordance with this subsection~~
2 ~~shall be considered public records, except an employee's~~
3 ~~address, telephone number, and social security number, and~~
4 ~~made available in accordance with the Freedom of Information~~
5 ~~Act. The Department of Labor shall accept any reasonable~~
6 ~~submissions by the contractor that meet the requirements of~~
7 ~~this subsection and shall share the information with the~~
8 ~~Department in order to comply with the awarding of Enterprise~~
9 ~~Zone construction jobs credits. A contractor, subcontractor,~~
10 ~~or public body may retain records required under this Section~~
11 ~~in paper or electronic format.~~

12 Upon 7 business days' notice, the taxpayer ~~contractor and~~
13 ~~each subcontractor~~ shall make available to any State agency
14 and to federal, State, or local law enforcement agencies and
15 prosecutors for inspection and copying at a location within
16 this State during reasonable hours, the report under this
17 subsection (d) ~~records identified in paragraph (1) of this~~
18 ~~subsection to the taxpayer in charge of the project, its~~
19 ~~officers and agents, the Director of Labor and his or her~~
20 ~~deputies and agents, and to federal, State, or local law~~
21 ~~enforcement agencies and prosecutors.~~

22 (e) As used in this Section:

23 "Enterprise Zone construction jobs credit" means an amount
24 equal to 50% (or 75% if the project is located in an
25 underserved area) of the incremental income tax attributable
26 to Enterprise Zone construction jobs credit employees.

1 "Enterprise Zone construction jobs credit employee" means
2 a laborer or worker who is employed by a ~~an Illinois~~ contractor
3 or subcontractor in the actual construction work on the site
4 of an Enterprise Zone construction jobs credit project.

5 "Enterprise Zone construction jobs credit project" means
6 building a structure or building or making improvements of any
7 kind to real property commissioned and paid for by a business
8 that has applied and been approved for an Enterprise Zone
9 construction jobs credit pursuant to this Section. "Enterprise
10 Zone construction jobs credit project" does not include the
11 routine operation, routine repair, or routine maintenance of
12 existing structures, buildings, or real property.

13 "Incremental income tax" means the total amount withheld
14 during the taxable year from the compensation of Enterprise
15 Zone construction jobs credit employees.

16 "Underserved area" means a geographic area that meets one
17 or more of the following conditions:

18 (1) the area has a poverty rate of at least 20%
19 according to the latest American Community Survey;

20 (2) 35% or more of the families with children in the
21 area are living below 130% of the poverty line, according
22 to the latest American Community Survey;

23 (3) at least 20% of the households in the area receive
24 assistance under the Supplemental Nutrition Assistance
25 Program (SNAP); or

26 (4) the area has an average unemployment rate, as

1 determined by the Illinois Department of Employment
2 Security, that is more than 120% of the national
3 unemployment average, as determined by the U.S. Department
4 of Labor, for a period of at least 2 consecutive calendar
5 years preceding the date of the application.

6 (Source: P.A. 101-9, eff. 6-5-19; 102-108, eff. 1-1-22;
7 102-558, eff. 8-20-21.)

8 Section 15. The Reimagining Energy and Vehicles in
9 Illinois Act is amended by changing Sections 10, 20, 35, 45,
10 65, 95, and 105 as follows:

11 (20 ILCS 686/10)

12 Sec. 10. Definitions. As used in this Act:

13 "Advanced battery" means a battery that consists of a
14 battery cell that can be integrated into a module, pack, or
15 system to be used in energy storage applications, including a
16 battery used in an electric vehicle or the electric grid.

17 "Advanced battery component" means a component of an
18 advanced battery, including materials, enhancements,
19 enclosures, anodes, cathodes, electrolytes, cells, and other
20 associated technologies that comprise an advanced battery.

21 "Agreement" means the agreement between a taxpayer and the
22 Department under the provisions of Section 45 of this Act.

23 "Applicant" means a taxpayer that (i) operates a business
24 in Illinois or is planning to locate a business within the

1 State of Illinois and (ii) is engaged in interstate or
2 intrastate commerce as an electric vehicle manufacturer, an
3 electric vehicle component parts manufacturer, or an electric
4 vehicle power supply equipment manufacturer. For applications
5 for credits under this Act that are submitted on or after the
6 effective date of this amendatory Act of the 102nd General
7 Assembly, "applicant" also includes a taxpayer that (i)
8 operates a business in Illinois or is planning to locate a
9 business within the State of Illinois and (ii) is engaged in
10 interstate or intrastate commerce as a renewable energy
11 manufacturer. "Applicant" does not include a taxpayer who
12 closes or substantially reduces by more than 50% operations at
13 one location in the State and relocates substantially the same
14 operation to another location in the State. This does not
15 prohibit a Taxpayer from expanding its operations at another
16 location in the State. This also does not prohibit a Taxpayer
17 from moving its operations from one location in the State to
18 another location in the State for the purpose of expanding the
19 operation, provided that the Department determines that
20 expansion cannot reasonably be accommodated within the
21 municipality or county in which the business is located, or,
22 in the case of a business located in an incorporated area of
23 the county, within the county in which the business is
24 located, after conferring with the chief elected official of
25 the municipality or county and taking into consideration any
26 evidence offered by the municipality or county regarding the

1 ability to accommodate expansion within the municipality or
2 county.

3 "Battery raw materials" means the raw and processed form
4 of a mineral, metal, chemical, or other material used in an
5 advanced battery component.

6 "Battery raw materials refining service provider" means a
7 business that operates a facility that filters, sifts, and
8 treats battery raw materials for use in an advanced battery.

9 "Battery recycling and reuse manufacturer" means a
10 manufacturer that is primarily engaged in the recovery,
11 retrieval, processing, recycling, or recirculating of battery
12 raw materials for new use in electric vehicle batteries.

13 "Capital improvements" means the purchase, renovation,
14 rehabilitation, or construction of permanent tangible land,
15 buildings, structures, equipment, and furnishings in an
16 approved project sited in Illinois and expenditures for goods
17 or services that are normally capitalized, including
18 organizational costs and research and development costs
19 incurred in Illinois. For land, buildings, structures, and
20 equipment that are leased, the lease must equal or exceed the
21 term of the agreement, and the cost of the property shall be
22 determined from the present value, using the corporate
23 interest rate prevailing at the time of the application, of
24 the lease payments.

25 "Credit" means either a "REV Illinois Credit" or a "REV
26 Construction Jobs Credit" agreed to between the Department and

1 applicant under this Act.

2 "Department" means the Department of Commerce and Economic
3 Opportunity.

4 "Director" means the Director of Commerce and Economic
5 Opportunity.

6 "Electric vehicle" means a vehicle that is exclusively
7 powered by and refueled by electricity, including electricity
8 generated through a hydrogen fuel cells or solar technology.

9 "Electric vehicle", except when referencing aircraft with
10 hybrid electric propulsion systems, does not include hybrid
11 electric vehicles, electric bicycles, or extended-range
12 electric vehicles that are also equipped with conventional
13 fueled propulsion or auxiliary engines.

14 "Electric vehicle manufacturer" means a new or existing
15 manufacturer that is primarily focused on reequipping,
16 expanding, or establishing a manufacturing facility in
17 Illinois that produces electric vehicles as defined in this
18 Section.

19 "Electric vehicle component parts manufacturer" means a
20 new or existing manufacturer that is focused on reequipping,
21 expanding, or establishing a manufacturing facility in
22 Illinois that produces parts or accessories used in electric
23 vehicles, as defined by this Section, including advanced
24 battery component parts. The changes to this definition of
25 "electric vehicle component parts manufacturer" apply to
26 agreements under this Act that are entered into on or after the

1 effective date of this amendatory Act of the 102nd General
2 Assembly.

3 "Electric vehicle power supply equipment" means the
4 equipment used specifically for the purpose of delivering
5 electricity to an electric vehicle, including hydrogen fuel
6 cells or solar refueling infrastructure.

7 "Electric vehicle power supply manufacturer" means a new
8 or existing manufacturer that is focused on reequipping,
9 expanding, or establishing a manufacturing facility in
10 Illinois that produces electric vehicle power supply equipment
11 used for the purpose of delivering electricity to an electric
12 vehicle, including hydrogen fuel cell or solar refueling
13 infrastructure.

14 "Electric vehicle powertrain technology" means equipment
15 used to convert electricity for use in aerospace propulsion.

16 "Electric vehicle powertrain technology manufacturer"
17 means a new or existing manufacturer that is focused on
18 reequipping, expanding or establishing a manufacturing
19 facility in Illinois that develops and validates electric
20 vehicle powertrain technology for use in aerospace propulsion.

21 "Electric vertical takeoff and landing aircraft" or "eVTOL
22 aircraft" means a fully electric aircraft that lands and takes
23 off vertically.

24 "Energy Transition Area" means a county with less than
25 100,000 people or a municipality that contains one or more of
26 the following:

1 (1) a fossil fuel plant that was retired from service
2 or has significant reduced service within 6 years before
3 the time of the application or will be retired or have
4 service significantly reduced within 6 years following the
5 time of the application; or

6 (2) a coal mine that was closed or had operations
7 significantly reduced within 6 years before the time of
8 the application or is anticipated to be closed or have
9 operations significantly reduced within 6 years following
10 the time of the application.

11 "Full-time employee" means an individual who is employed
12 for consideration for at least 35 hours each week or who
13 renders any other standard of service generally accepted by
14 industry custom or practice as full-time employment. An
15 individual for whom a W-2 is issued by a Professional Employer
16 Organization (PEO) is a full-time employee if employed in the
17 service of the applicant for consideration for at least 35
18 hours each week.

19 "Green steel manufacturer" means an entity that
20 manufactures steel without the use of fossil fuels and with
21 zero net carbon emissions.

22 "Incremental income tax" means the total amount withheld
23 during the taxable year from the compensation of new employees
24 and, if applicable, retained employees under Article 7 of the
25 Illinois Income Tax Act arising from employment at a project
26 that is the subject of an agreement.

1 "Institution of higher education" or "institution" means
2 any accredited public or private university, college,
3 community college, business, technical, or vocational school,
4 or other accredited educational institution offering degrees
5 and instruction beyond the secondary school level.

6 "Minority person" means a minority person as defined in
7 the Business Enterprise for Minorities, Women, and Persons
8 with Disabilities Act.

9 "New employee" means a newly-hired full-time employee
10 employed to work at the project site and whose work is directly
11 related to the project.

12 "Noncompliance date" means, in the case of a taxpayer that
13 is not complying with the requirements of the agreement or the
14 provisions of this Act, the day following the last date upon
15 which the taxpayer was in compliance with the requirements of
16 the agreement and the provisions of this Act, as determined by
17 the Director, pursuant to Section 70.

18 "Pass-through entity" means an entity that is exempt from
19 the tax under subsection (b) or (c) of Section 205 of the
20 Illinois Income Tax Act.

21 "Placed in service" means the state or condition of
22 readiness, availability for a specifically assigned function,
23 and the facility is constructed and ready to conduct its
24 facility operations to manufacture goods.

25 "Professional employer organization" (PEO) means an
26 employee leasing company, as defined in Section 206.1 of the

1 Illinois Unemployment Insurance Act.

2 "Program" means the Reimagining Energy and Vehicles in
3 Illinois Program (the REV Illinois Program) established in
4 this Act.

5 "Project" or "REV Illinois Project" means a for-profit
6 economic development activity for the manufacture of electric
7 vehicles, electric vehicle component parts, electric vehicle
8 power supply equipment, or renewable energy products, which is
9 designated by the Department as a REV Illinois Project and is
10 the subject of an agreement.

11 "Recycling facility" means a location at which the
12 taxpayer disposes of batteries and other component parts in
13 manufacturing of electric vehicles, electric vehicle component
14 parts, or electric vehicle power supply equipment.

15 "Related member" means a person that, with respect to the
16 taxpayer during any portion of the taxable year, is any one of
17 the following:

18 (1) An individual stockholder, if the stockholder and
19 the members of the stockholder's family (as defined in
20 Section 318 of the Internal Revenue Code) own directly,
21 indirectly, beneficially, or constructively, in the
22 aggregate, at least 50% of the value of the taxpayer's
23 outstanding stock.

24 (2) A partnership, estate, trust and any partner or
25 beneficiary, if the partnership, estate, or trust, and its
26 partners or beneficiaries own directly, indirectly,

1 beneficially, or constructively, in the aggregate, at
2 least 50% of the profits, capital, stock, or value of the
3 taxpayer.

4 (3) A corporation, and any party related to the
5 corporation in a manner that would require an attribution
6 of stock from the corporation under the attribution rules
7 of Section 318 of the Internal Revenue Code, if the
8 Taxpayer owns directly, indirectly, beneficially, or
9 constructively at least 50% of the value of the
10 corporation's outstanding stock.

11 (4) A corporation and any party related to that
12 corporation in a manner that would require an attribution
13 of stock from the corporation to the party or from the
14 party to the corporation under the attribution rules of
15 Section 318 of the Internal Revenue Code, if the
16 corporation and all such related parties own in the
17 aggregate at least 50% of the profits, capital, stock, or
18 value of the taxpayer.

19 (5) A person to or from whom there is an attribution of
20 stock ownership in accordance with Section 1563(e) of the
21 Internal Revenue Code, except, for purposes of determining
22 whether a person is a related member under this paragraph,
23 20% shall be substituted for 5% wherever 5% appears in
24 Section 1563(e) of the Internal Revenue Code.

25 "Renewable energy" means energy produced using the
26 materials and sources of energy through which renewable energy

1 resources are generated.

2 "Renewable energy manufacturer" means a manufacturer whose
3 primary function is to manufacture or assemble: (i) equipment,
4 systems, or products used to produce renewable or nuclear
5 energy; (ii) products used for energy ~~conservation~~, storage,
6 or grid efficiency purposes; or (iii) component parts for that
7 equipment or those systems or products.

8 "Renewable energy resources" has the meaning ascribed to
9 that term in Section 1-10 of the Illinois Power Agency Act.

10 "Research and development" means work directed toward the
11 innovation, introduction, and improvement of products and
12 processes. "Research and development" includes all levels of
13 research and development that directly result in the potential
14 manufacturing and marketability of renewable energy, electric
15 vehicles, electric vehicle component parts, and electric or
16 hybrid aircraft.

17 "Retained employee" means a full-time employee employed by
18 the taxpayer prior to the term of the Agreement who continues
19 to be employed during the term of the agreement whose job
20 duties are directly related to the project. The term "retained
21 employee" does not include any individual who has a direct or
22 an indirect ownership interest of at least 5% in the profits,
23 equity, capital, or value of the taxpayer or a child,
24 grandchild, parent, or spouse, other than a spouse who is
25 legally separated from the individual, of any individual who
26 has a direct or indirect ownership of at least 5% in the

1 profits, equity, capital, or value of the taxpayer. The
2 changes to this definition of "retained employee" apply to
3 agreements for credits under this Act that are entered into on
4 or after the effective date of this amendatory Act of the 102nd
5 General Assembly.

6 "REV Illinois credit" means a credit agreed to between the
7 Department and the applicant under this Act that is based on
8 the incremental income tax attributable to new employees and,
9 if applicable, retained employees, and on training costs for
10 such employees at the applicant's project.

11 "REV construction jobs credit" means a credit agreed to
12 between the Department and the applicant under this Act that
13 is based on the incremental income tax attributable to
14 construction wages paid in connection with construction of the
15 project facilities.

16 "Statewide baseline" means the total number of full-time
17 employees of the applicant and any related member employed by
18 such entities at the time of application for incentives under
19 this Act.

20 "Taxpayer" means an individual, corporation, partnership,
21 or other entity that has a legal obligation to pay Illinois
22 income taxes and file an Illinois income tax return.

23 "Training costs" means costs incurred to upgrade the
24 technological skills of full-time employees in Illinois and
25 includes: curriculum development; training materials
26 (including scrap product costs); trainee domestic travel

1 expenses; instructor costs (including wages, fringe benefits,
2 tuition and domestic travel expenses); rent, purchase or lease
3 of training equipment; and other usual and customary training
4 costs. "Training costs" do not include costs associated with
5 travel outside the United States (unless the Taxpayer receives
6 prior written approval for the travel by the Director based on
7 a showing of substantial need or other proof the training is
8 not reasonably available within the United States), wages and
9 fringe benefits of employees during periods of training, or
10 administrative cost related to full-time employees of the
11 taxpayer.

12 "Underserved area" means any geographic area ~~areas~~ as
13 defined in Section 5-5 of the Economic Development for a
14 Growing Economy Tax Credit Act.

15 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
16 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23.)

17 (20 ILCS 686/20)

18 Sec. 20. REV Illinois Program; project applications.

19 (a) The Reimagining Energy and Vehicles in Illinois (REV
20 Illinois) Program is hereby established and shall be
21 administered by the Department. The Program will provide
22 financial incentives to any one or more of the following: (1)
23 eligible manufacturers of electric vehicles, electric vehicle
24 component parts, and electric vehicle power supply equipment;
25 (2) battery recycling and reuse manufacturers; (3) battery raw

1 materials refining service providers; or (4) renewable energy
2 manufacturers.

3 (b) Any taxpayer planning a project to be located in
4 Illinois may request consideration for designation of its
5 project as a REV Illinois Project, by formal written letter of
6 request or by formal application to the Department, in which
7 the applicant states its intent to make at least a specified
8 level of investment and intends to hire a specified number of
9 full-time employees at a designated location in Illinois. As
10 circumstances require, the Department shall require a formal
11 application from an applicant and a formal letter of request
12 for assistance.

13 (c) In order to qualify for credits under the REV Illinois
14 Program, an applicant must:

15 (1) if the applicant is an electric vehicle
16 manufacturer:

17 (A) make an investment of at least \$1,500,000,000
18 in capital improvements at the project site;

19 (B) to be placed in service within the State
20 within a 60-month period after approval of the
21 application; and

22 (C) create at least 500 new full-time employee
23 jobs; or

24 (2) if the applicant is an electric vehicle component
25 parts manufacturer, ~~or~~ a renewable energy manufacturer, a
26 green steel manufacturer, or an entity engaged in

1 research, development, or manufacturing of eVTOL aircraft
2 or hybrid-electric or fully electric propulsion systems
3 for airliners:

4 (A) make an investment of at least \$300,000,000 in
5 capital improvements at the project site;

6 (B) manufacture one or more parts that are
7 primarily used for electric vehicle, renewable energy,
8 or green steel manufacturing;

9 (C) to be placed in service within the State
10 within a 60-month period after approval of the
11 application; and

12 (D) create at least 150 new full-time employee
13 jobs; or

14 (3) if the agreement is entered into before the
15 effective date of this amendatory Act of the 102nd General
16 Assembly and the applicant is an electric vehicle
17 manufacturer, an electric vehicle power supply equipment
18 manufacturer, an electric vehicle component part
19 manufacturer, renewable energy manufacturer, or green
20 steel manufacturer that does not qualify under paragraph
21 (2) above, a battery recycling and reuse manufacturer, or
22 a battery raw materials refining service provider:

23 (A) make an investment of at least \$20,000,000 in
24 capital improvements at the project site;

25 (B) for electric vehicle component part
26 manufacturers, manufacture one or more parts that are

1 primarily used for electric vehicle manufacturing;

2 (C) to be placed in service within the State
3 within a 48-month period after approval of the
4 application; and

5 (D) create at least 50 new full-time employee
6 jobs; or

7 (3.1) if the agreement is entered into on or after the
8 effective date of this amendatory Act of the 102nd General
9 Assembly and the applicant is an electric vehicle
10 manufacturer, an electric vehicle power supply equipment
11 manufacturer, an electric vehicle component part
12 manufacturer, a renewable energy manufacturer, a green
13 steel manufacturer, or an entity engaged in research,
14 development, or manufacturing of eVTOL aircraft or
15 hybrid-electric or fully electric propulsion systems for
16 airliners that does not qualify under paragraph (2) above,
17 ~~a renewable energy manufacturer that does not qualify~~
18 ~~under paragraph (2) above,~~ a battery recycling and reuse
19 manufacturer, or a battery raw materials refining service
20 provider:

21 (A) make an investment of at least \$2,500,000 in
22 capital improvements at the project site;

23 (B) in the case of electric vehicle component part
24 manufacturers, manufacture one or more parts that are
25 used for electric vehicle manufacturing;

26 (C) to be placed in service within the State

1 within a 48-month period after approval of the
2 application; and

3 (D) create the lesser of 50 new full-time employee
4 jobs or new full-time employee jobs equivalent to 10%
5 of the Statewide baseline applicable to the taxpayer
6 and any related member at the time of application; or

7 (4) if the agreement is entered into before the
8 effective date of this amendatory Act of the 102nd General
9 Assembly and the applicant is an electric vehicle
10 manufacturer or electric vehicle component parts
11 manufacturer with existing operations within Illinois that
12 intends to convert or expand, in whole or in part, the
13 existing facility from traditional manufacturing to
14 primarily electric vehicle manufacturing, electric vehicle
15 component parts manufacturing, an ~~or~~ electric vehicle
16 power supply equipment manufacturing, or a green steel
17 manufacturer:

18 (A) make an investment of at least \$100,000,000 in
19 capital improvements at the project site;

20 (B) to be placed in service within the State
21 within a 60-month period after approval of the
22 application; and

23 (C) create the lesser of 75 new full-time employee
24 jobs or new full-time employee jobs equivalent to 10%
25 of the Statewide baseline applicable to the taxpayer
26 and any related member at the time of application;

1 (4.1) if the agreement is entered into on or after the
2 effective date of this amendatory Act of the 102nd General
3 Assembly and the applicant (i) is an electric vehicle
4 manufacturer, an electric vehicle component parts
5 manufacturer, ~~or~~ a renewable energy manufacturer, a green
6 steel manufacturer, or an entity engaged in research,
7 development, or manufacturing of eVTOL aircraft or hybrid
8 electric or fully electric propulsion systems for
9 airliners and (ii) has existing operations within Illinois
10 that the applicant intends to convert or expand, in whole
11 or in part, from traditional manufacturing to electric
12 vehicle manufacturing, electric vehicle component parts
13 manufacturing, renewable energy manufacturing, or electric
14 vehicle power supply equipment manufacturing:

15 (A) make an investment of at least \$100,000,000 in
16 capital improvements at the project site;

17 (B) to be placed in service within the State
18 within a 60-month period after approval of the
19 application; and

20 (C) create the lesser of 50 new full-time employee
21 jobs or new full-time employee jobs equivalent to 10%
22 of the Statewide baseline applicable to the taxpayer
23 and any related member at the time of application; or

24 (5) if the agreement is entered into on or after the
25 effective date of the changes made to this Section by this
26 amendatory Act of the 103rd General Assembly and before

1 June 1, 2024 and the applicant (i) is an electric vehicle
2 manufacturer, an electric vehicle component parts
3 manufacturer, or a renewable energy manufacturer or (ii)
4 has existing operations within Illinois that the applicant
5 intends to convert or expand, in whole or in part, from
6 traditional manufacturing to electric vehicle
7 manufacturing, electric vehicle component parts
8 manufacturing, renewable energy manufacturing, or electric
9 vehicle power supply equipment manufacturing:

10 (A) make an investment of at least \$500,000,000 in
11 capital improvements at the project site;

12 (B) to be placed in service within the State
13 within a 60-month period after approval of the
14 application; and

15 (C) retain at least 800 full-time employee jobs at
16 the project.

17 (d) For agreements entered into prior to April 19, 2022
18 (the effective date of Public Act 102-700), for any applicant
19 creating the full-time employee jobs noted in subsection (c),
20 those jobs must have a total compensation equal to or greater
21 than 120% of the average wage paid to full-time employees in
22 the county where the project is located, as determined by the
23 U.S. Bureau of Labor Statistics. For agreements entered into
24 on or after April 19, 2022 (the effective date of Public Act
25 102-700), for any applicant creating the full-time employee
26 jobs noted in subsection (c), those jobs must have a

1 compensation equal to or greater than 120% of the average wage
2 paid to full-time employees in a similar position within an
3 occupational group in the county where the project is located,
4 as determined by the Department.

5 (e) For any applicant, within 24 months after being placed
6 in service, it must certify to the Department that it is carbon
7 neutral or has attained certification under one of more of the
8 following green building standards:

9 (1) BREEAM for New Construction or BREEAM In-Use;

10 (2) ENERGY STAR;

11 (3) Envision;

12 (4) ISO 50001 - energy management;

13 (5) LEED for Building Design and Construction or LEED
14 for Building Operations and Maintenance;

15 (6) Green Globes for New Construction or Green Globes
16 for Existing Buildings; or

17 (7) UL 3223.

18 (f) Each applicant must outline its hiring plan and
19 commitment to recruit and hire full-time employee positions at
20 the project site. The hiring plan may include a partnership
21 with an institution of higher education to provide
22 internships, including, but not limited to, internships
23 supported by the Clean Jobs Workforce Network Program, or
24 full-time permanent employment for students at the project
25 site. Additionally, the applicant may create or utilize
26 participants from apprenticeship programs that are approved by

1 and registered with the United States Department of Labor's
2 Bureau of Apprenticeship and Training. The applicant may apply
3 for apprenticeship education expense credits in accordance
4 with the provisions set forth in 14 Ill. Adm. Code 522. Each
5 applicant is required to report annually, on or before April
6 15, on the diversity of its workforce in accordance with
7 Section 50 of this Act. For existing facilities of applicants
8 under paragraph (3) of subsection (b) above, if the taxpayer
9 expects a reduction in force due to its transition to
10 manufacturing electric vehicle, electric vehicle component
11 parts, or electric vehicle power supply equipment, the plan
12 submitted under this Section must outline the taxpayer's plan
13 to assist with retraining its workforce aligned with the
14 taxpayer's adoption of new technologies and anticipated
15 efforts to retrain employees through employment opportunities
16 within the taxpayer's workforce.

17 (g) Each applicant must demonstrate a contractual or other
18 relationship with a recycling facility, or demonstrate its own
19 recycling capabilities, at the time of application and report
20 annually a continuing contractual or other relationship with a
21 recycling facility and the percentage of batteries used in
22 electric vehicles recycled throughout the term of the
23 agreement.

24 (h) A taxpayer may not enter into more than one agreement
25 under this Act with respect to a single address or location for
26 the same period of time. Also, a taxpayer may not enter into an

1 agreement under this Act with respect to a single address or
2 location for the same period of time for which the taxpayer
3 currently holds an active agreement under the Economic
4 Development for a Growing Economy Tax Credit Act. This
5 provision does not preclude the applicant from entering into
6 an additional agreement after the expiration or voluntary
7 termination of an earlier agreement under this Act or under
8 the Economic Development for a Growing Economy Tax Credit Act
9 to the extent that the taxpayer's application otherwise
10 satisfies the terms and conditions of this Act and is approved
11 by the Department. An applicant with an existing agreement
12 under the Economic Development for a Growing Economy Tax
13 Credit Act may submit an application for an agreement under
14 this Act after it terminates any existing agreement under the
15 Economic Development for a Growing Economy Tax Credit Act with
16 respect to the same address or location. If a project that is
17 subject to an existing agreement under the Economic
18 Development for a Growing Economy Tax Credit Act meets the
19 requirements to be designated as a REV Illinois project under
20 this Act, including for actions undertaken prior to the
21 effective date of this Act, the taxpayer that is subject to
22 that existing agreement under the Economic Development for a
23 Growing Economy Tax Credit Act may apply to the Department to
24 amend the agreement to allow the project to become a
25 designated REV Illinois project. Following the amendment, time
26 accrued during which the project was eligible for credits

1 under the existing agreement under the Economic Development
2 for a Growing Economy Tax Credit Act shall count toward the
3 duration of the credit subject to limitations described in
4 Section 40 of this Act.

5 (i) If, at any time following the designation of a project
6 as a REV Illinois Project by the Department and prior to the
7 termination or expiration of an agreement under this Act, the
8 project ceases to qualify as a REV Illinois project because
9 the taxpayer is no longer an electric vehicle manufacturer, an
10 electric vehicle component manufacturer, an electric vehicle
11 power supply equipment manufacturer, a battery recycling and
12 reuse manufacturer, ~~or~~ a battery raw materials refining
13 service provider, or an entity engaged in eVTOL or hybrid
14 electric or fully electric propulsion systems for airliners
15 research, development, or manufacturing, that project may
16 receive tax credit awards as described in Section 5-15 and
17 Section 5-51 of the Economic Development for a Growing Economy
18 Tax Credit Act, as long as the project continues to meet
19 requirements to obtain those credits as described in the
20 Economic Development for a Growing Economy Tax Credit Act and
21 remains compliant with terms contained in the Agreement under
22 this Act not related to their status as an electric vehicle
23 manufacturer, an electric vehicle component manufacturer, an
24 electric vehicle power supply equipment manufacturer, a
25 battery recycling and reuse manufacturer, ~~or~~ a battery raw
26 materials refining service provider, or an entity engaged in

1 eVTOL or hybrid-electric or fully electric propulsion systems
2 for airliners research, development, or manufacturing. Time
3 accrued during which the project was eligible for credits
4 under an agreement under this Act shall count toward the
5 duration of the credit subject to limitations described in
6 Section 5-45 of the Economic Development for a Growing Economy
7 Tax Credit Act.

8 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
9 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-9, eff.
10 6-7-23.)

11 (20 ILCS 686/35)

12 Sec. 35. Relocation of jobs in Illinois. A taxpayer is not
13 entitled to claim a credit provided by this Act with respect to
14 any jobs that the Taxpayer relocates from one site in Illinois
15 to another site in Illinois unless the taxpayer has agreed to
16 hire the minimum number of new employees and the Department
17 has determined that the expansion cannot reasonably be
18 accommodated within the municipality in which the business is
19 located. Any full-time employee relocated to Illinois in
20 connection with a qualifying project is deemed to be a new
21 employee for purposes of this Act. Determinations under this
22 Section shall be made by the Department.

23 (Source: P.A. 102-669, eff. 11-16-21.)

24 (20 ILCS 686/45)

1 Sec. 45. Contents of agreements with applicants.

2 (a) The Department shall enter into an agreement with an
3 applicant that is awarded a credit under this Act. The
4 agreement shall include all of the following:

5 (1) A detailed description of the project that is the
6 subject of the agreement, including the location and
7 amount of the investment and jobs created or retained.

8 (2) The duration of the credit, the first taxable year
9 for which the credit may be awarded, and the first taxable
10 year in which the credit may be used by the taxpayer.

11 (3) The credit amount that will be allowed for each
12 taxable year.

13 (4) For a project qualified under paragraphs (1), (2),
14 (4), or (5) of subsection (c) of Section 20, a requirement
15 that the taxpayer shall maintain operations at the project
16 location a minimum number of years not to exceed 15. For a
17 project qualified under paragraph (3) of subsection (c) of
18 Section 20, a requirement that the taxpayer shall maintain
19 operations at the project location a minimum number of
20 years not to exceed 10.

21 (5) A specific method for determining the number of
22 new employees and if applicable, retained employees,
23 employed during a taxable year.

24 (6) A requirement that the taxpayer shall annually
25 report to the Department the number of new employees, the
26 incremental income tax withheld in connection with the new

1 employees, and any other information the Department deems
2 necessary and appropriate to perform its duties under this
3 Act.

4 (7) A requirement that the Director is authorized to
5 verify with the appropriate State agencies the amounts
6 reported under paragraph (6), and after doing so shall
7 issue a certificate to the taxpayer stating that the
8 amounts have been verified.

9 (8) A requirement that the taxpayer shall provide
10 written notification to the Director not more than 30 days
11 after the taxpayer makes or receives a proposal that would
12 transfer the taxpayer's State tax liability obligations to
13 a successor taxpayer.

14 (9) A detailed description of the number of new
15 employees to be hired, and the occupation and payroll of
16 full-time jobs to be created or retained because of the
17 project.

18 (10) The minimum investment the taxpayer will make in
19 capital improvements, the time period for placing the
20 property in service, and the designated location in
21 Illinois for the investment.

22 (11) A requirement that the taxpayer shall provide
23 written notification to the Director and the Director's
24 designee not more than 30 days after the taxpayer
25 determines that the minimum job creation or retention,
26 employment payroll, or investment no longer is or will be

1 achieved or maintained as set forth in the terms and
2 conditions of the agreement. Additionally, the
3 notification should outline to the Department the number
4 of layoffs, date of the layoffs, and detail taxpayer's
5 efforts to provide career and training counseling for the
6 impacted workers with industry-related certifications and
7 trainings.

8 (12) If applicable, a provision that, if the total
9 number of new employees falls below a specified level, the
10 allowance of credit shall be suspended until the number of
11 new employees equals or exceeds the agreement amount.

12 (13) If applicable, a provision that specifies the
13 statewide baseline at the time of application for retained
14 employees. The agreement must have a provision addressing
15 if the total number of retained employees falls below the
16 lesser of the statewide baseline or the retention
17 requirements specified in the agreement, the allowance of
18 the credit shall be suspended until the number of retained
19 employees equals or exceeds the agreement amount.

20 (14) A detailed description of the items for which the
21 costs incurred by the Taxpayer will be included in the
22 limitation on the Credit provided in Section 40.

23 (15) If the agreement is entered into before the
24 effective date of the changes made to this Section by this
25 amendatory Act of the 103rd General Assembly, a provision
26 stating that if the taxpayer fails to meet either the

1 investment or job creation and retention requirements
2 specified in the agreement during the entire 5-year period
3 beginning on the first day of the first taxable year in
4 which the agreement is executed and ending on the last day
5 of the fifth taxable year after the agreement is executed,
6 then the agreement is automatically terminated on the last
7 day of the fifth taxable year after the agreement is
8 executed, and the taxpayer is not entitled to the award of
9 any credits for any of that 5-year period. If the
10 agreement is entered into on or after the effective date
11 of the changes made to this Section by this amendatory Act
12 of the 103rd General Assembly, a provision stating that if
13 the taxpayer fails to meet either the investment or job
14 creation and retention requirements specified in the
15 agreement during the entire 10-year period beginning on
16 the effective date of the agreement and ending 10 years
17 after the effective date of the agreement, then the
18 agreement is automatically terminated, and the taxpayer is
19 not entitled to the award of any credits for any of that
20 10-year period.

21 (16) A provision stating that if the taxpayer ceases
22 principal operations with the intent to permanently shut
23 down the project in the State during the term of the
24 Agreement, then the entire credit amount awarded to the
25 taxpayer prior to the date the taxpayer ceases principal
26 operations shall be returned to the Department and shall

1 be reallocated to the local workforce investment area in
2 which the project was located.

3 (17) A provision stating that the Taxpayer must
4 provide the reports outlined in Sections 50 and 55 on or
5 before April 15 each year.

6 (18) A provision requiring the taxpayer to report
7 annually its contractual obligations or otherwise with a
8 recycling facility for its operations.

9 (19) Any other performance conditions or contract
10 provisions the Department determines are necessary or
11 appropriate.

12 (20) Each taxpayer under paragraph (1) of subsection
13 (c) of Section 20 above shall maintain labor neutrality
14 toward any union organizing campaign for any employees of
15 the taxpayer assigned to work on the premises of the REV
16 Illinois Project Site. This paragraph shall not apply to
17 an electric vehicle manufacturer, electric vehicle
18 component part manufacturer, electric vehicle power supply
19 manufacturer, or renewable energy manufacturer, or any
20 joint venture including an electric vehicle manufacturer,
21 electric vehicle component part manufacturer, electric
22 vehicle power supply manufacturer, ~~or~~ renewable energy
23 manufacturer, or an entity engaged in eVTOL or
24 hybrid-electric or fully electric propulsion systems for
25 airliners research, development, or manufacturing, who is
26 subject to collective bargaining agreement entered into

1 prior to the taxpayer filing an application pursuant to
2 this Act.

3 (b) The Department shall post on its website the terms of
4 each agreement entered into under this Act. Such information
5 shall be posted within 10 days after entering into the
6 agreement and must include the following:

7 (1) the name of the taxpayer;

8 (2) the location of the project;

9 (3) the estimated value of the credit;

10 (4) the number of new employee jobs and, if
11 applicable, number of retained employee jobs at the
12 project; and

13 (5) whether or not the project is in an underserved
14 area or energy transition area.

15 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23;
16 103-9, eff. 6-7-23.)

17 (20 ILCS 686/65)

18 Sec. 65. REV Construction Jobs Credits ~~Certified payroll.~~

19 (a) Each REV program participant ~~contractor and~~
20 ~~subcontractor~~ that is engaged in construction work ~~on project~~
21 ~~facilities for a taxpayer~~ who seeks to apply for a REV
22 Construction Jobs credit shall annually, until construction is
23 completed, submit a report that, at a minimum, describes the
24 projected project scope, timeline, and anticipated budget.
25 Once the project has commenced, the annual report shall

1 include actual data for the prior year as well as projections
2 for each additional year through completion of the project.
3 The Department shall issue detailed reporting guidelines
4 prescribing the requirements of construction related reports.†

5 In order to receive credit for construction expenses, the
6 company must provide the Department with evidence that a
7 certified third-party executed an Agreed-Upon Procedure (AUP)
8 verifying the construction expenses or accept the standard
9 construction wage expense estimated by the Department.

10 Upon review of the final project scope, timeline, budget,
11 and AUP, the Department shall issue a tax credit certificate
12 reflecting a percentage of the total construction job wages
13 paid throughout the completion of the project.

14 ~~(1) make and keep, for a period of 5 years from the~~
15 ~~date of the last payment made on a contract or subcontract~~
16 ~~for construction of facilities for a REV Illinois Project~~
17 ~~pursuant to an agreement, records of all laborers and~~
18 ~~other workers employed by the contractor or subcontractor~~
19 ~~on the project; the records shall include:~~

20 ~~(A) the worker's name;~~

21 ~~(B) the worker's address;~~

22 ~~(C) the worker's telephone number, if available;~~

23 ~~(D) the worker's social security number;~~

24 ~~(E) the worker's classification or~~
25 ~~classifications;~~

26 ~~(F) the worker's gross and net wages paid in each~~

1 ~~pay period;~~

2 ~~(G) the worker's number of hours worked in each~~
3 ~~day;~~

4 ~~(H) the worker's starting and ending times of work~~
5 ~~each day;~~

6 ~~(I) the worker's hourly wage rate; and~~

7 ~~(J) the worker's hourly overtime wage rate; and~~

8 ~~(2) no later than the 15th day of each calendar month,~~
9 ~~provide a certified payroll for the immediately preceding~~
10 ~~month to the taxpayer in charge of the project; within 5~~
11 ~~business days after receiving the certified payroll, the~~
12 ~~Taxpayer shall file the certified payroll with the~~
13 ~~Department of Labor and the Department; a certified~~
14 ~~payroll must be filed for only those calendar months~~
15 ~~during which construction on the REV Illinois Project~~
16 ~~facilities has occurred; the certified payroll shall~~
17 ~~consist of a complete copy of the records identified in~~
18 ~~paragraph (1), but may exclude the starting and ending~~
19 ~~times of work each day; the certified payroll shall be~~
20 ~~accompanied by a statement signed by the contractor or~~
21 ~~subcontractor or an officer, employee, or agent of the~~
22 ~~contractor or subcontractor which avers that:~~

23 ~~(A) he or she has examined the certified payroll~~
24 ~~records required to be submitted by the Act and such~~
25 ~~records are true and accurate; and~~

26 ~~(B) the contractor or subcontractor is aware that~~

1 ~~filing a certified payroll that he or she knows to be~~
2 ~~false is a Class A misdemeanor.~~

3 ~~A general contractor is not prohibited from relying on a~~
4 ~~certified payroll of a lower tier subcontractor, provided the~~
5 ~~general contractor does not knowingly rely upon a~~
6 ~~subcontractor's false certification.~~

7 (b) (Blank). ~~Any contractor or subcontractor subject to~~
8 ~~this Section, and any officer, employee, or agent of such~~
9 ~~contractor or subcontractor whose duty as an officer,~~
10 ~~employee, or agent it is to file a certified payroll under this~~
11 ~~Section, who willfully fails to file such a certified payroll,~~
12 ~~on or before the date such certified payroll is required to be~~
13 ~~filed and any person who willfully files a false certified~~
14 ~~payroll as to any material fact is in violation of this Act and~~
15 ~~guilty of a Class A misdemeanor and may be enforced by the~~
16 ~~Illinois Department of Labor or the Department. The Attorney~~
17 ~~General shall represented the Illinois Department of Labor or~~
18 ~~the Department in the proceeding.~~

19 (c) (Blank). ~~The taxpayer in charge of the project shall~~
20 ~~keep the records submitted in accordance with this Section for~~
21 ~~a period of 5 years from the date of the last payment for work~~
22 ~~on a contract or subcontract for the project.~~

23 (d) (Blank). ~~The records submitted in accordance with this~~
24 ~~Section shall be considered public records, except an~~
25 ~~employee's address, telephone number, and social security~~
26 ~~number, which shall be redacted. The records shall be made~~

1 ~~publicly available in accordance with the Freedom of~~
2 ~~Information Act. The contractor or subcontractor shall submit~~
3 ~~reports to the Department of Labor electronically that meet~~
4 ~~the requirements of this subsection and shall share the~~
5 ~~information with the Department to comply with the awarding of~~
6 ~~the REV Construction Jobs Credit. A contractor, subcontractor,~~
7 ~~or public body may retain records required under this Section~~
8 ~~in paper or electronic format.~~

9 (e) Upon 7 business days' notice, the taxpayer contractor
10 ~~and each subcontractor~~ shall make available to any State
11 agency and to federal, State, or local law enforcement
12 agencies and prosecutors for inspection and copying at a
13 location within this State during reasonable hours, the report
14 described in subsection (a) ~~records identified in paragraph~~
15 ~~(1) of this subsection to the Taxpayer in charge of the~~
16 ~~Project, its officers and agents, the Director of the~~
17 ~~Department of Labor and his/her deputies and agents, and to~~
18 ~~federal, State, or local law enforcement agencies and~~
19 ~~prosecutors.~~

20 (Source: P.A. 102-669, eff. 11-16-21.)

21 (20 ILCS 686/95)

22 Sec. 95. Utility tax exemptions for REV Illinois Project
23 sites. The Department may certify a taxpayer with a REV
24 Illinois credit for a Project that meets the qualifications
25 under Section paragraphs (1), (2), ~~and~~ (4), (4.1), or (5) of

1 subsection (c) of Section 20, subject to an agreement under
2 this Act for an exemption from the tax imposed at the project
3 site by Section 2-4 of the Electricity Excise Tax Law. To
4 receive such certification, the taxpayer must be registered to
5 self-assess that tax. The taxpayer is also exempt from any
6 additional charges added to the taxpayer's utility bills at
7 the project site as a pass-on of State utility taxes under
8 Section 9-222 of the Public Utilities Act. The taxpayer must
9 meet any other ~~the~~ criteria for certification set by the
10 Department.

11 The Department shall determine the period during which the
12 exemption from the Electricity Excise Tax Law and the charges
13 imposed under Section 9-222 of the Public Utilities Act are in
14 effect, which shall not exceed 30 ~~10~~ years from the date of the
15 taxpayer's initial receipt of certification from the
16 Department under this Section.

17 The Department is authorized to adopt rules to carry out
18 the provisions of this Section, including procedures to apply
19 for the exemptions; to define the amounts and types of
20 eligible investments that an applicant must make in order to
21 receive electricity excise tax exemptions or exemptions from
22 the additional charges imposed under Section 9-222 and the
23 Public Utilities Act; to approve such electricity excise tax
24 exemptions for applicants whose investments are not yet placed
25 in service; and to require that an applicant granted an
26 electricity excise tax exemption or an exemption from

1 additional charges under Section 9-222 of the Public Utilities
2 Act repay the exempted amount if the Applicant fails to comply
3 with the terms and conditions of the agreement.

4 Upon certification by the Department under this Section,
5 the Department shall notify the Department of Revenue of the
6 certification. The Department of Revenue shall notify the
7 public utilities of the exempt status of any taxpayer
8 certified for exemption under this Act from the electricity
9 excise tax or pass-on charges. The exemption status shall take
10 effect within 3 months after certification of the taxpayer and
11 notice to the Department of Revenue by the Department.

12 (Source: P.A. 102-669, eff. 11-16-21.)

13 (20 ILCS 686/105)

14 Sec. 105. Building materials exemptions for REV Illinois
15 Project sites.

16 (a) The Department may certify a Taxpayer with a REV
17 Illinois Project that meets the qualifications under
18 paragraphs (1), (2), ~~or~~ (4), (4.1), or (5) of subsection (c) of
19 Section 20, subject to an agreement under this Act, for an
20 exemption from any State or local use tax or retailers'
21 occupation tax on building materials for the construction of
22 its project facilities. The taxpayer must meet any criteria
23 for certification set by the Department under this Act.

24 The Department shall determine the period during which the
25 exemption from State and local use tax and retailers'

1 occupation tax are in effect, but in no event shall exceed 5
2 years in accordance with Section 5m of the Retailers'
3 Occupation Tax Act.

4 The Department is authorized to promulgate rules and
5 regulations to carry out the provisions of this Section,
6 including procedures to apply for the exemption; to define the
7 amounts and types of eligible investments that an applicant
8 must make in order to receive tax exemption; to approve such
9 tax exemption for an applicant whose investments are not yet
10 placed in service; and to require that an applicant granted
11 exemption repay the exempted amount if the applicant fails to
12 comply with the terms and conditions of the agreement with the
13 Department.

14 Upon certification by the Department under this Section,
15 the Department shall notify the Department of Revenue of the
16 certification. The exemption status shall take effect within 3
17 months after certification of the taxpayer and notice to the
18 Department of Revenue by the Department.

19 (Source: P.A. 102-669, eff. 11-16-21.)

20 Section 20. The Illinois Income Tax Act is amended by
21 changing Section 201 and by adding Section 241 as follows:

22 (35 ILCS 5/201)

23 Sec. 201. Tax imposed.

24 (a) In general. A tax measured by net income is hereby

1 imposed on every individual, corporation, trust and estate for
2 each taxable year ending after July 31, 1969 on the privilege
3 of earning or receiving income in or as a resident of this
4 State. Such tax shall be in addition to all other occupation or
5 privilege taxes imposed by this State or by any municipal
6 corporation or political subdivision thereof.

7 (b) Rates. The tax imposed by subsection (a) of this
8 Section shall be determined as follows, except as adjusted by
9 subsection (d-1):

10 (1) In the case of an individual, trust or estate, for
11 taxable years ending prior to July 1, 1989, an amount
12 equal to 2 1/2% of the taxpayer's net income for the
13 taxable year.

14 (2) In the case of an individual, trust or estate, for
15 taxable years beginning prior to July 1, 1989 and ending
16 after June 30, 1989, an amount equal to the sum of (i) 2
17 1/2% of the taxpayer's net income for the period prior to
18 July 1, 1989, as calculated under Section 202.3, and (ii)
19 3% of the taxpayer's net income for the period after June
20 30, 1989, as calculated under Section 202.3.

21 (3) In the case of an individual, trust or estate, for
22 taxable years beginning after June 30, 1989, and ending
23 prior to January 1, 2011, an amount equal to 3% of the
24 taxpayer's net income for the taxable year.

25 (4) In the case of an individual, trust, or estate,
26 for taxable years beginning prior to January 1, 2011, and

1 ending after December 31, 2010, an amount equal to the sum
2 of (i) 3% of the taxpayer's net income for the period prior
3 to January 1, 2011, as calculated under Section 202.5, and
4 (ii) 5% of the taxpayer's net income for the period after
5 December 31, 2010, as calculated under Section 202.5.

6 (5) In the case of an individual, trust, or estate,
7 for taxable years beginning on or after January 1, 2011,
8 and ending prior to January 1, 2015, an amount equal to 5%
9 of the taxpayer's net income for the taxable year.

10 (5.1) In the case of an individual, trust, or estate,
11 for taxable years beginning prior to January 1, 2015, and
12 ending after December 31, 2014, an amount equal to the sum
13 of (i) 5% of the taxpayer's net income for the period prior
14 to January 1, 2015, as calculated under Section 202.5, and
15 (ii) 3.75% of the taxpayer's net income for the period
16 after December 31, 2014, as calculated under Section
17 202.5.

18 (5.2) In the case of an individual, trust, or estate,
19 for taxable years beginning on or after January 1, 2015,
20 and ending prior to July 1, 2017, an amount equal to 3.75%
21 of the taxpayer's net income for the taxable year.

22 (5.3) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to July 1, 2017, and
24 ending after June 30, 2017, an amount equal to the sum of
25 (i) 3.75% of the taxpayer's net income for the period
26 prior to July 1, 2017, as calculated under Section 202.5,

1 and (ii) 4.95% of the taxpayer's net income for the period
2 after June 30, 2017, as calculated under Section 202.5.

3 (5.4) In the case of an individual, trust, or estate,
4 for taxable years beginning on or after July 1, 2017, an
5 amount equal to 4.95% of the taxpayer's net income for the
6 taxable year.

7 (6) In the case of a corporation, for taxable years
8 ending prior to July 1, 1989, an amount equal to 4% of the
9 taxpayer's net income for the taxable year.

10 (7) In the case of a corporation, for taxable years
11 beginning prior to July 1, 1989 and ending after June 30,
12 1989, an amount equal to the sum of (i) 4% of the
13 taxpayer's net income for the period prior to July 1,
14 1989, as calculated under Section 202.3, and (ii) 4.8% of
15 the taxpayer's net income for the period after June 30,
16 1989, as calculated under Section 202.3.

17 (8) In the case of a corporation, for taxable years
18 beginning after June 30, 1989, and ending prior to January
19 1, 2011, an amount equal to 4.8% of the taxpayer's net
20 income for the taxable year.

21 (9) In the case of a corporation, for taxable years
22 beginning prior to January 1, 2011, and ending after
23 December 31, 2010, an amount equal to the sum of (i) 4.8%
24 of the taxpayer's net income for the period prior to
25 January 1, 2011, as calculated under Section 202.5, and
26 (ii) 7% of the taxpayer's net income for the period after

1 December 31, 2010, as calculated under Section 202.5.

2 (10) In the case of a corporation, for taxable years
3 beginning on or after January 1, 2011, and ending prior to
4 January 1, 2015, an amount equal to 7% of the taxpayer's
5 net income for the taxable year.

6 (11) In the case of a corporation, for taxable years
7 beginning prior to January 1, 2015, and ending after
8 December 31, 2014, an amount equal to the sum of (i) 7% of
9 the taxpayer's net income for the period prior to January
10 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
11 of the taxpayer's net income for the period after December
12 31, 2014, as calculated under Section 202.5.

13 (12) In the case of a corporation, for taxable years
14 beginning on or after January 1, 2015, and ending prior to
15 July 1, 2017, an amount equal to 5.25% of the taxpayer's
16 net income for the taxable year.

17 (13) In the case of a corporation, for taxable years
18 beginning prior to July 1, 2017, and ending after June 30,
19 2017, an amount equal to the sum of (i) 5.25% of the
20 taxpayer's net income for the period prior to July 1,
21 2017, as calculated under Section 202.5, and (ii) 7% of
22 the taxpayer's net income for the period after June 30,
23 2017, as calculated under Section 202.5.

24 (14) In the case of a corporation, for taxable years
25 beginning on or after July 1, 2017, an amount equal to 7%
26 of the taxpayer's net income for the taxable year.

1 The rates under this subsection (b) are subject to the
2 provisions of Section 201.5.

3 (b-5) Surcharge; sale or exchange of assets, properties,
4 and intangibles of organization gaming licensees. For each of
5 taxable years 2019 through 2027, a surcharge is imposed on all
6 taxpayers on income arising from the sale or exchange of
7 capital assets, depreciable business property, real property
8 used in the trade or business, and Section 197 intangibles (i)
9 of an organization licensee under the Illinois Horse Racing
10 Act of 1975 and (ii) of an organization gaming licensee under
11 the Illinois Gambling Act. The amount of the surcharge is
12 equal to the amount of federal income tax liability for the
13 taxable year attributable to those sales and exchanges. The
14 surcharge imposed shall not apply if:

15 (1) the organization gaming license, organization
16 license, or racetrack property is transferred as a result
17 of any of the following:

18 (A) bankruptcy, a receivership, or a debt
19 adjustment initiated by or against the initial
20 licensee or the substantial owners of the initial
21 licensee;

22 (B) cancellation, revocation, or termination of
23 any such license by the Illinois Gaming Board or the
24 Illinois Racing Board;

25 (C) a determination by the Illinois Gaming Board
26 that transfer of the license is in the best interests

1 of Illinois gaming;

2 (D) the death of an owner of the equity interest in
3 a licensee;

4 (E) the acquisition of a controlling interest in
5 the stock or substantially all of the assets of a
6 publicly traded company;

7 (F) a transfer by a parent company to a wholly
8 owned subsidiary; or

9 (G) the transfer or sale to or by one person to
10 another person where both persons were initial owners
11 of the license when the license was issued; or

12 (2) the controlling interest in the organization
13 gaming license, organization license, or racetrack
14 property is transferred in a transaction to lineal
15 descendants in which no gain or loss is recognized or as a
16 result of a transaction in accordance with Section 351 of
17 the Internal Revenue Code in which no gain or loss is
18 recognized; or

19 (3) live horse racing was not conducted in 2010 at a
20 racetrack located within 3 miles of the Mississippi River
21 under a license issued pursuant to the Illinois Horse
22 Racing Act of 1975.

23 The transfer of an organization gaming license,
24 organization license, or racetrack property by a person other
25 than the initial licensee to receive the organization gaming
26 license is not subject to a surcharge. The Department shall

1 adopt rules necessary to implement and administer this
2 subsection.

3 (c) Personal Property Tax Replacement Income Tax.
4 Beginning on July 1, 1979 and thereafter, in addition to such
5 income tax, there is also hereby imposed the Personal Property
6 Tax Replacement Income Tax measured by net income on every
7 corporation (including Subchapter S corporations), partnership
8 and trust, for each taxable year ending after June 30, 1979.
9 Such taxes are imposed on the privilege of earning or
10 receiving income in or as a resident of this State. The
11 Personal Property Tax Replacement Income Tax shall be in
12 addition to the income tax imposed by subsections (a) and (b)
13 of this Section and in addition to all other occupation or
14 privilege taxes imposed by this State or by any municipal
15 corporation or political subdivision thereof.

16 (d) Additional Personal Property Tax Replacement Income
17 Tax Rates. The personal property tax replacement income tax
18 imposed by this subsection and subsection (c) of this Section
19 in the case of a corporation, other than a Subchapter S
20 corporation and except as adjusted by subsection (d-1), shall
21 be an additional amount equal to 2.85% of such taxpayer's net
22 income for the taxable year, except that beginning on January
23 1, 1981, and thereafter, the rate of 2.85% specified in this
24 subsection shall be reduced to 2.5%, and in the case of a
25 partnership, trust or a Subchapter S corporation shall be an
26 additional amount equal to 1.5% of such taxpayer's net income

1 for the taxable year.

2 (d-1) Rate reduction for certain foreign insurers. In the
3 case of a foreign insurer, as defined by Section 35A-5 of the
4 Illinois Insurance Code, whose state or country of domicile
5 imposes on insurers domiciled in Illinois a retaliatory tax
6 (excluding any insurer whose premiums from reinsurance assumed
7 are 50% or more of its total insurance premiums as determined
8 under paragraph (2) of subsection (b) of Section 304, except
9 that for purposes of this determination premiums from
10 reinsurance do not include premiums from inter-affiliate
11 reinsurance arrangements), beginning with taxable years ending
12 on or after December 31, 1999, the sum of the rates of tax
13 imposed by subsections (b) and (d) shall be reduced (but not
14 increased) to the rate at which the total amount of tax imposed
15 under this Act, net of all credits allowed under this Act,
16 shall equal (i) the total amount of tax that would be imposed
17 on the foreign insurer's net income allocable to Illinois for
18 the taxable year by such foreign insurer's state or country of
19 domicile if that net income were subject to all income taxes
20 and taxes measured by net income imposed by such foreign
21 insurer's state or country of domicile, net of all credits
22 allowed or (ii) a rate of zero if no such tax is imposed on
23 such income by the foreign insurer's state of domicile. For
24 the purposes of this subsection (d-1), an inter-affiliate
25 includes a mutual insurer under common management.

26 (1) For the purposes of subsection (d-1), in no event

1 shall the sum of the rates of tax imposed by subsections
2 (b) and (d) be reduced below the rate at which the sum of:

3 (A) the total amount of tax imposed on such
4 foreign insurer under this Act for a taxable year, net
5 of all credits allowed under this Act, plus

6 (B) the privilege tax imposed by Section 409 of
7 the Illinois Insurance Code, the fire insurance
8 company tax imposed by Section 12 of the Fire
9 Investigation Act, and the fire department taxes
10 imposed under Section 11-10-1 of the Illinois
11 Municipal Code,

12 equals 1.25% for taxable years ending prior to December
13 31, 2003, or 1.75% for taxable years ending on or after
14 December 31, 2003, of the net taxable premiums written for
15 the taxable year, as described by subsection (1) of
16 Section 409 of the Illinois Insurance Code. This paragraph
17 will in no event increase the rates imposed under
18 subsections (b) and (d).

19 (2) Any reduction in the rates of tax imposed by this
20 subsection shall be applied first against the rates
21 imposed by subsection (b) and only after the tax imposed
22 by subsection (a) net of all credits allowed under this
23 Section other than the credit allowed under subsection (i)
24 has been reduced to zero, against the rates imposed by
25 subsection (d).

26 This subsection (d-1) is exempt from the provisions of

1 Section 250.

2 (e) Investment credit. A taxpayer shall be allowed a
3 credit against the Personal Property Tax Replacement Income
4 Tax for investment in qualified property.

5 (1) A taxpayer shall be allowed a credit equal to .5%
6 of the basis of qualified property placed in service
7 during the taxable year, provided such property is placed
8 in service on or after July 1, 1984. There shall be allowed
9 an additional credit equal to .5% of the basis of
10 qualified property placed in service during the taxable
11 year, provided such property is placed in service on or
12 after July 1, 1986, and the taxpayer's base employment
13 within Illinois has increased by 1% or more over the
14 preceding year as determined by the taxpayer's employment
15 records filed with the Illinois Department of Employment
16 Security. Taxpayers who are new to Illinois shall be
17 deemed to have met the 1% growth in base employment for the
18 first year in which they file employment records with the
19 Illinois Department of Employment Security. The provisions
20 added to this Section by Public Act 85-1200 (and restored
21 by Public Act 87-895) shall be construed as declaratory of
22 existing law and not as a new enactment. If, in any year,
23 the increase in base employment within Illinois over the
24 preceding year is less than 1%, the additional credit
25 shall be limited to that percentage times a fraction, the
26 numerator of which is .5% and the denominator of which is

1 1%, but shall not exceed .5%. The investment credit shall
2 not be allowed to the extent that it would reduce a
3 taxpayer's liability in any tax year below zero, nor may
4 any credit for qualified property be allowed for any year
5 other than the year in which the property was placed in
6 service in Illinois. For tax years ending on or after
7 December 31, 1987, and on or before December 31, 1988, the
8 credit shall be allowed for the tax year in which the
9 property is placed in service, or, if the amount of the
10 credit exceeds the tax liability for that year, whether it
11 exceeds the original liability or the liability as later
12 amended, such excess may be carried forward and applied to
13 the tax liability of the 5 taxable years following the
14 excess credit years if the taxpayer (i) makes investments
15 which cause the creation of a minimum of 2,000 full-time
16 equivalent jobs in Illinois, (ii) is located in an
17 enterprise zone established pursuant to the Illinois
18 Enterprise Zone Act and (iii) is certified by the
19 Department of Commerce and Community Affairs (now
20 Department of Commerce and Economic Opportunity) as
21 complying with the requirements specified in clause (i)
22 and (ii) by July 1, 1986. The Department of Commerce and
23 Community Affairs (now Department of Commerce and Economic
24 Opportunity) shall notify the Department of Revenue of all
25 such certifications immediately. For tax years ending
26 after December 31, 1988, the credit shall be allowed for

1 the tax year in which the property is placed in service,
2 or, if the amount of the credit exceeds the tax liability
3 for that year, whether it exceeds the original liability
4 or the liability as later amended, such excess may be
5 carried forward and applied to the tax liability of the 5
6 taxable years following the excess credit years. The
7 credit shall be applied to the earliest year for which
8 there is a liability. If there is credit from more than one
9 tax year that is available to offset a liability, earlier
10 credit shall be applied first.

11 (2) The term "qualified property" means property
12 which:

13 (A) is tangible, whether new or used, including
14 buildings and structural components of buildings and
15 signs that are real property, but not including land
16 or improvements to real property that are not a
17 structural component of a building such as
18 landscaping, sewer lines, local access roads, fencing,
19 parking lots, and other appurtenances;

20 (B) is depreciable pursuant to Section 167 of the
21 Internal Revenue Code, except that "3-year property"
22 as defined in Section 168(c)(2)(A) of that Code is not
23 eligible for the credit provided by this subsection
24 (e);

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

1 (D) is used in Illinois by a taxpayer who is
2 primarily engaged in manufacturing, or in mining coal
3 or fluorite, or in retailing, or was placed in service
4 on or after July 1, 2006 in a River Edge Redevelopment
5 Zone established pursuant to the River Edge
6 Redevelopment Zone Act; and

7 (E) has not previously been used in Illinois in
8 such a manner and by such a person as would qualify for
9 the credit provided by this subsection (e) or
10 subsection (f).

11 (3) For purposes of this subsection (e),
12 "manufacturing" means the material staging and production
13 of tangible personal property by procedures commonly
14 regarded as manufacturing, processing, fabrication, or
15 assembling which changes some existing material into new
16 shapes, new qualities, or new combinations. For purposes
17 of this subsection (e) the term "mining" shall have the
18 same meaning as the term "mining" in Section 613(c) of the
19 Internal Revenue Code. For purposes of this subsection
20 (e), the term "retailing" means the sale of tangible
21 personal property for use or consumption and not for
22 resale, or services rendered in conjunction with the sale
23 of tangible personal property for use or consumption and
24 not for resale. For purposes of this subsection (e),
25 "tangible personal property" has the same meaning as when
26 that term is used in the Retailers' Occupation Tax Act,

1 and, for taxable years ending after December 31, 2008,
2 does not include the generation, transmission, or
3 distribution of electricity.

4 (4) The basis of qualified property shall be the basis
5 used to compute the depreciation deduction for federal
6 income tax purposes.

7 (5) If the basis of the property for federal income
8 tax depreciation purposes is increased after it has been
9 placed in service in Illinois by the taxpayer, the amount
10 of such increase shall be deemed property placed in
11 service on the date of such increase in basis.

12 (6) The term "placed in service" shall have the same
13 meaning as under Section 46 of the Internal Revenue Code.

14 (7) If during any taxable year, any property ceases to
15 be qualified property in the hands of the taxpayer within
16 48 months after being placed in service, or the situs of
17 any qualified property is moved outside Illinois within 48
18 months after being placed in service, the Personal
19 Property Tax Replacement Income Tax for such taxable year
20 shall be increased. Such increase shall be determined by
21 (i) recomputing the investment credit which would have
22 been allowed for the year in which credit for such
23 property was originally allowed by eliminating such
24 property from such computation and, (ii) subtracting such
25 recomputed credit from the amount of credit previously
26 allowed. For the purposes of this paragraph (7), a

1 reduction of the basis of qualified property resulting
2 from a redetermination of the purchase price shall be
3 deemed a disposition of qualified property to the extent
4 of such reduction.

5 (8) Unless the investment credit is extended by law,
6 the basis of qualified property shall not include costs
7 incurred after December 31, 2018, except for costs
8 incurred pursuant to a binding contract entered into on or
9 before December 31, 2018.

10 (9) Each taxable year ending before December 31, 2000,
11 a partnership may elect to pass through to its partners
12 the credits to which the partnership is entitled under
13 this subsection (e) for the taxable year. A partner may
14 use the credit allocated to him or her under this
15 paragraph only against the tax imposed in subsections (c)
16 and (d) of this Section. If the partnership makes that
17 election, those credits shall be allocated among the
18 partners in the partnership in accordance with the rules
19 set forth in Section 704(b) of the Internal Revenue Code,
20 and the rules promulgated under that Section, and the
21 allocated amount of the credits shall be allowed to the
22 partners for that taxable year. The partnership shall make
23 this election on its Personal Property Tax Replacement
24 Income Tax return for that taxable year. The election to
25 pass through the credits shall be irrevocable.

26 For taxable years ending on or after December 31,

1 2000, a partner that qualifies its partnership for a
2 subtraction under subparagraph (I) of paragraph (2) of
3 subsection (d) of Section 203 or a shareholder that
4 qualifies a Subchapter S corporation for a subtraction
5 under subparagraph (S) of paragraph (2) of subsection (b)
6 of Section 203 shall be allowed a credit under this
7 subsection (e) equal to its share of the credit earned
8 under this subsection (e) during the taxable year by the
9 partnership or Subchapter S corporation, determined in
10 accordance with the determination of income and
11 distributive share of income under Sections 702 and 704
12 and Subchapter S of the Internal Revenue Code. This
13 paragraph is exempt from the provisions of Section 250.

14 (f) Investment credit; Enterprise Zone; River Edge
15 Redevelopment Zone.

16 (1) A taxpayer shall be allowed a credit against the
17 tax imposed by subsections (a) and (b) of this Section for
18 investment in qualified property which is placed in
19 service in an Enterprise Zone created pursuant to the
20 Illinois Enterprise Zone Act or, for property placed in
21 service on or after July 1, 2006, a River Edge
22 Redevelopment Zone established pursuant to the River Edge
23 Redevelopment Zone Act. For partners, shareholders of
24 Subchapter S corporations, and owners of limited liability
25 companies, if the liability company is treated as a
26 partnership for purposes of federal and State income

1 taxation, for taxable years ending before December 31,
2 2023, there shall be allowed a credit under this
3 subsection (f) to be determined in accordance with the
4 determination of income and distributive share of income
5 under Sections 702 and 704 and Subchapter S of the
6 Internal Revenue Code. For taxable years ending on or
7 after December 31, 2023, for partners and shareholders of
8 Subchapter S corporations, the provisions of Section 251
9 shall apply with respect to the credit under this
10 subsection. The credit shall be .5% of the basis for such
11 property. The credit shall be available only in the
12 taxable year in which the property is placed in service in
13 the Enterprise Zone or River Edge Redevelopment Zone and
14 shall not be allowed to the extent that it would reduce a
15 taxpayer's liability for the tax imposed by subsections
16 (a) and (b) of this Section to below zero. For tax years
17 ending on or after December 31, 1985, the credit shall be
18 allowed for the tax year in which the property is placed in
19 service, or, if the amount of the credit exceeds the tax
20 liability for that year, whether it exceeds the original
21 liability or the liability as later amended, such excess
22 may be carried forward and applied to the tax liability of
23 the 5 taxable years following the excess credit year. The
24 credit shall be applied to the earliest year for which
25 there is a liability. If there is credit from more than one
26 tax year that is available to offset a liability, the

1 credit accruing first in time shall be applied first.

2 (2) The term qualified property means property which:

3 (A) is tangible, whether new or used, including
4 buildings and structural components of buildings;

5 (B) is depreciable pursuant to Section 167 of the
6 Internal Revenue Code, except that "3-year property"
7 as defined in Section 168(c)(2)(A) of that Code is not
8 eligible for the credit provided by this subsection
9 (f);

10 (C) is acquired by purchase as defined in Section
11 179(d) of the Internal Revenue Code;

12 (D) is used in the Enterprise Zone or River Edge
13 Redevelopment Zone by the taxpayer; and

14 (E) has not been previously used in Illinois in
15 such a manner and by such a person as would qualify for
16 the credit provided by this subsection (f) or
17 subsection (e).

18 (3) The basis of qualified property shall be the basis
19 used to compute the depreciation deduction for federal
20 income tax purposes.

21 (4) If the basis of the property for federal income
22 tax depreciation purposes is increased after it has been
23 placed in service in the Enterprise Zone or River Edge
24 Redevelopment Zone by the taxpayer, the amount of such
25 increase shall be deemed property placed in service on the
26 date of such increase in basis.

1 (5) The term "placed in service" shall have the same
2 meaning as under Section 46 of the Internal Revenue Code.

3 (6) If during any taxable year, any property ceases to
4 be qualified property in the hands of the taxpayer within
5 48 months after being placed in service, or the situs of
6 any qualified property is moved outside the Enterprise
7 Zone or River Edge Redevelopment Zone within 48 months
8 after being placed in service, the tax imposed under
9 subsections (a) and (b) of this Section for such taxable
10 year shall be increased. Such increase shall be determined
11 by (i) recomputing the investment credit which would have
12 been allowed for the year in which credit for such
13 property was originally allowed by eliminating such
14 property from such computation, and (ii) subtracting such
15 recomputed credit from the amount of credit previously
16 allowed. For the purposes of this paragraph (6), a
17 reduction of the basis of qualified property resulting
18 from a redetermination of the purchase price shall be
19 deemed a disposition of qualified property to the extent
20 of such reduction.

21 (7) There shall be allowed an additional credit equal
22 to 0.5% of the basis of qualified property placed in
23 service during the taxable year in a River Edge
24 Redevelopment Zone, provided such property is placed in
25 service on or after July 1, 2006, and the taxpayer's base
26 employment within Illinois has increased by 1% or more

1 over the preceding year as determined by the taxpayer's
2 employment records filed with the Illinois Department of
3 Employment Security. Taxpayers who are new to Illinois
4 shall be deemed to have met the 1% growth in base
5 employment for the first year in which they file
6 employment records with the Illinois Department of
7 Employment Security. If, in any year, the increase in base
8 employment within Illinois over the preceding year is less
9 than 1%, the additional credit shall be limited to that
10 percentage times a fraction, the numerator of which is
11 0.5% and the denominator of which is 1%, but shall not
12 exceed 0.5%.

13 (8) For taxable years beginning on or after January 1,
14 2021, there shall be allowed an Enterprise Zone
15 construction jobs credit against the taxes imposed under
16 subsections (a) and (b) of this Section as provided in
17 Section 13 of the Illinois Enterprise Zone Act.

18 The credit or credits may not reduce the taxpayer's
19 liability to less than zero. If the amount of the credit or
20 credits exceeds the taxpayer's liability, the excess may
21 be carried forward and applied against the taxpayer's
22 liability in succeeding calendar years in the same manner
23 provided under paragraph (4) of Section 211 of this Act.
24 The credit or credits shall be applied to the earliest
25 year for which there is a tax liability. If there are
26 credits from more than one taxable year that are available

1 to offset a liability, the earlier credit shall be applied
2 first.

3 For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies,
5 if the liability company is treated as a partnership for
6 the purposes of federal and State income taxation, for
7 taxable years ending before December 31, 2023, there shall
8 be allowed a credit under this Section to be determined in
9 accordance with the determination of income and
10 distributive share of income under Sections 702 and 704
11 and Subchapter S of the Internal Revenue Code. For taxable
12 years ending on or after December 31, 2023, for partners
13 and shareholders of Subchapter S corporations, the
14 provisions of Section 251 shall apply with respect to the
15 credit under this subsection.

16 The total aggregate amount of credits awarded under
17 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
18 shall not exceed \$20,000,000 in any State fiscal year.

19 This paragraph (8) is exempt from the provisions of
20 Section 250.

21 (g) (Blank).

22 (h) Investment credit; High Impact Business.

23 (1) Subject to subsections (b) and (b-5) of Section
24 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
25 be allowed a credit against the tax imposed by subsections
26 (a) and (b) of this Section for investment in qualified

1 property which is placed in service by a Department of
2 Commerce and Economic Opportunity designated High Impact
3 Business. The credit shall be .5% of the basis for such
4 property. The credit shall not be available (i) until the
5 minimum investments in qualified property set forth in
6 subdivision (a)(3)(A) of Section 5.5 of the Illinois
7 Enterprise Zone Act have been satisfied or (ii) until the
8 time authorized in subsection (b-5) of the Illinois
9 Enterprise Zone Act for entities designated as High Impact
10 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
11 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
12 Act, and shall not be allowed to the extent that it would
13 reduce a taxpayer's liability for the tax imposed by
14 subsections (a) and (b) of this Section to below zero. The
15 credit applicable to such investments shall be taken in
16 the taxable year in which such investments have been
17 completed. The credit for additional investments beyond
18 the minimum investment by a designated high impact
19 business authorized under subdivision (a)(3)(A) of Section
20 5.5 of the Illinois Enterprise Zone Act shall be available
21 only in the taxable year in which the property is placed in
22 service and shall not be allowed to the extent that it
23 would reduce a taxpayer's liability for the tax imposed by
24 subsections (a) and (b) of this Section to below zero. For
25 tax years ending on or after December 31, 1987, the credit
26 shall be allowed for the tax year in which the property is

1 placed in service, or, if the amount of the credit exceeds
2 the tax liability for that year, whether it exceeds the
3 original liability or the liability as later amended, such
4 excess may be carried forward and applied to the tax
5 liability of the 5 taxable years following the excess
6 credit year. The credit shall be applied to the earliest
7 year for which there is a liability. If there is credit
8 from more than one tax year that is available to offset a
9 liability, the credit accruing first in time shall be
10 applied first.

11 Changes made in this subdivision (h) (1) by Public Act
12 88-670 restore changes made by Public Act 85-1182 and
13 reflect existing law.

14 (2) The term qualified property means property which:

15 (A) is tangible, whether new or used, including
16 buildings and structural components of buildings;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c) (2) (A) of that Code is not
20 eligible for the credit provided by this subsection
21 (h);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code; and

24 (D) is not eligible for the Enterprise Zone
25 Investment Credit provided by subsection (f) of this
26 Section.

1 (3) The basis of qualified property shall be the basis
2 used to compute the depreciation deduction for federal
3 income tax purposes.

4 (4) If the basis of the property for federal income
5 tax depreciation purposes is increased after it has been
6 placed in service in a federally designated Foreign Trade
7 Zone or Sub-Zone located in Illinois by the taxpayer, the
8 amount of such increase shall be deemed property placed in
9 service on the date of such increase in basis.

10 (5) The term "placed in service" shall have the same
11 meaning as under Section 46 of the Internal Revenue Code.

12 (6) If during any taxable year ending on or before
13 December 31, 1996, any property ceases to be qualified
14 property in the hands of the taxpayer within 48 months
15 after being placed in service, or the situs of any
16 qualified property is moved outside Illinois within 48
17 months after being placed in service, the tax imposed
18 under subsections (a) and (b) of this Section for such
19 taxable year shall be increased. Such increase shall be
20 determined by (i) recomputing the investment credit which
21 would have been allowed for the year in which credit for
22 such property was originally allowed by eliminating such
23 property from such computation, and (ii) subtracting such
24 recomputed credit from the amount of credit previously
25 allowed. For the purposes of this paragraph (6), a
26 reduction of the basis of qualified property resulting

1 from a redetermination of the purchase price shall be
2 deemed a disposition of qualified property to the extent
3 of such reduction.

4 (7) Beginning with tax years ending after December 31,
5 1996, if a taxpayer qualifies for the credit under this
6 subsection (h) and thereby is granted a tax abatement and
7 the taxpayer relocates its entire facility in violation of
8 the explicit terms and length of the contract under
9 Section 18-183 of the Property Tax Code, the tax imposed
10 under subsections (a) and (b) of this Section shall be
11 increased for the taxable year in which the taxpayer
12 relocated its facility by an amount equal to the amount of
13 credit received by the taxpayer under this subsection (h).

14 (h-5) High Impact Business construction jobs credit. For
15 taxable years beginning on or after January 1, 2021, there
16 shall also be allowed a High Impact Business construction jobs
17 credit against the tax imposed under subsections (a) and (b)
18 of this Section as provided in subsections (i) and (j) of
19 Section 5.5 of the Illinois Enterprise Zone Act.

20 The credit or credits may not reduce the taxpayer's
21 liability to less than zero. If the amount of the credit or
22 credits exceeds the taxpayer's liability, the excess may be
23 carried forward and applied against the taxpayer's liability
24 in succeeding calendar years in the manner provided under
25 paragraph (4) of Section 211 of this Act. The credit or credits
26 shall be applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one taxable
2 year that are available to offset a liability, the earlier
3 credit shall be applied first.

4 For partners, shareholders of Subchapter S corporations,
5 and owners of limited liability companies, for taxable years
6 ending before December 31, 2023, if the liability company is
7 treated as a partnership for the purposes of federal and State
8 income taxation, there shall be allowed a credit under this
9 Section to be determined in accordance with the determination
10 of income and distributive share of income under Sections 702
11 and 704 and Subchapter S of the Internal Revenue Code. For
12 taxable years ending on or after December 31, 2023, for
13 partners and shareholders of Subchapter S corporations, the
14 provisions of Section 251 shall apply with respect to the
15 credit under this subsection.

16 The total aggregate amount of credits awarded under the
17 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
18 exceed \$20,000,000 in any State fiscal year.

19 This subsection (h-5) is exempt from the provisions of
20 Section 250.

21 (i) Credit for Personal Property Tax Replacement Income
22 Tax. For tax years ending prior to December 31, 2003, a credit
23 shall be allowed against the tax imposed by subsections (a)
24 and (b) of this Section for the tax imposed by subsections (c)
25 and (d) of this Section. This credit shall be computed by
26 multiplying the tax imposed by subsections (c) and (d) of this

1 Section by a fraction, the numerator of which is base income
2 allocable to Illinois and the denominator of which is Illinois
3 base income, and further multiplying the product by the tax
4 rate imposed by subsections (a) and (b) of this Section.

5 Any credit earned on or after December 31, 1986 under this
6 subsection which is unused in the year the credit is computed
7 because it exceeds the tax liability imposed by subsections
8 (a) and (b) for that year (whether it exceeds the original
9 liability or the liability as later amended) may be carried
10 forward and applied to the tax liability imposed by
11 subsections (a) and (b) of the 5 taxable years following the
12 excess credit year, provided that no credit may be carried
13 forward to any year ending on or after December 31, 2003. This
14 credit shall be applied first to the earliest year for which
15 there is a liability. If there is a credit under this
16 subsection from more than one tax year that is available to
17 offset a liability the earliest credit arising under this
18 subsection shall be applied first.

19 If, during any taxable year ending on or after December
20 31, 1986, the tax imposed by subsections (c) and (d) of this
21 Section for which a taxpayer has claimed a credit under this
22 subsection (i) is reduced, the amount of credit for such tax
23 shall also be reduced. Such reduction shall be determined by
24 recomputing the credit to take into account the reduced tax
25 imposed by subsections (c) and (d). If any portion of the
26 reduced amount of credit has been carried to a different

1 taxable year, an amended return shall be filed for such
2 taxable year to reduce the amount of credit claimed.

3 (j) Training expense credit. Beginning with tax years
4 ending on or after December 31, 1986 and prior to December 31,
5 2003, a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) under this Section for all
7 amounts paid or accrued, on behalf of all persons employed by
8 the taxpayer in Illinois or Illinois residents employed
9 outside of Illinois by a taxpayer, for educational or
10 vocational training in semi-technical or technical fields or
11 semi-skilled or skilled fields, which were deducted from gross
12 income in the computation of taxable income. The credit
13 against the tax imposed by subsections (a) and (b) shall be
14 1.6% of such training expenses. For partners, shareholders of
15 subchapter S corporations, and owners of limited liability
16 companies, if the liability company is treated as a
17 partnership for purposes of federal and State income taxation,
18 for taxable years ending before December 31, 2023, there shall
19 be allowed a credit under this subsection (j) to be determined
20 in accordance with the determination of income and
21 distributive share of income under Sections 702 and 704 and
22 subchapter S of the Internal Revenue Code. For taxable years
23 ending on or after December 31, 2023, for partners and
24 shareholders of Subchapter S corporations, the provisions of
25 Section 251 shall apply with respect to the credit under this
26 subsection.

1 Any credit allowed under this subsection which is unused
2 in the year the credit is earned may be carried forward to each
3 of the 5 taxable years following the year for which the credit
4 is first computed until it is used. This credit shall be
5 applied first to the earliest year for which there is a
6 liability. If there is a credit under this subsection from
7 more than one tax year that is available to offset a liability,
8 the earliest credit arising under this subsection shall be
9 applied first. No carryforward credit may be claimed in any
10 tax year ending on or after December 31, 2003.

11 (k) Research and development credit. For tax years ending
12 after July 1, 1990 and prior to December 31, 2003, and
13 beginning again for tax years ending on or after December 31,
14 2004, and ending prior to January 1, 2032 ~~January 1, 2027~~, a
15 taxpayer shall be allowed a credit against the tax imposed by
16 subsections (a) and (b) of this Section for increasing
17 research activities in this State. The credit allowed against
18 the tax imposed by subsections (a) and (b) shall be equal to 6
19 1/2% of the qualifying expenditures for increasing research
20 activities in this State. For partners, shareholders of
21 subchapter S corporations, and owners of limited liability
22 companies, if the liability company is treated as a
23 partnership for purposes of federal and State income taxation,
24 for taxable years ending before December 31, 2023, there shall
25 be allowed a credit under this subsection to be determined in
26 accordance with the determination of income and distributive

1 share of income under Sections 702 and 704 and subchapter S of
2 the Internal Revenue Code. For taxable years ending on or
3 after December 31, 2023, for partners and shareholders of
4 Subchapter S corporations, the provisions of Section 251 shall
5 apply with respect to the credit under this subsection.

6 For purposes of this subsection, "qualifying expenditures"
7 means the qualifying expenditures as defined for the federal
8 credit for increasing research activities which would be
9 allowable under Section 41 of the Internal Revenue Code and
10 which are conducted in this State, "qualifying expenditures
11 for increasing research activities in this State" means the
12 excess of qualifying expenditures for the taxable year in
13 which incurred over qualifying expenditures for the base
14 period, "qualifying expenditures for the base period" means
15 the average of the qualifying expenditures for each year in
16 the base period, and "base period" means the 3 taxable years
17 immediately preceding the taxable year for which the
18 determination is being made.

19 Any credit in excess of the tax liability for the taxable
20 year may be carried forward. A taxpayer may elect to have the
21 unused credit shown on its final completed return carried over
22 as a credit against the tax liability for the following 5
23 taxable years or until it has been fully used, whichever
24 occurs first; provided that no credit earned in a tax year
25 ending prior to December 31, 2003 may be carried forward to any
26 year ending on or after December 31, 2003.

1 If an unused credit is carried forward to a given year from
2 2 or more earlier years, that credit arising in the earliest
3 year will be applied first against the tax liability for the
4 given year. If a tax liability for the given year still
5 remains, the credit from the next earliest year will then be
6 applied, and so on, until all credits have been used or no tax
7 liability for the given year remains. Any remaining unused
8 credit or credits then will be carried forward to the next
9 following year in which a tax liability is incurred, except
10 that no credit can be carried forward to a year which is more
11 than 5 years after the year in which the expense for which the
12 credit is given was incurred.

13 No inference shall be drawn from Public Act 91-644 in
14 construing this Section for taxable years beginning before
15 January 1, 1999.

16 It is the intent of the General Assembly that the research
17 and development credit under this subsection (k) shall apply
18 continuously for all tax years ending on or after December 31,
19 2004 and ending prior to January 1, 2032 ~~January 1, 2027~~,
20 including, but not limited to, the period beginning on January
21 1, 2016 and ending on July 6, 2017 (the effective date of
22 Public Act 100-22). All actions taken in reliance on the
23 continuation of the credit under this subsection (k) by any
24 taxpayer are hereby validated.

25 (1) Environmental Remediation Tax Credit.

26 (i) For tax years ending after December 31, 1997 and

1 on or before December 31, 2001, a taxpayer shall be
2 allowed a credit against the tax imposed by subsections
3 (a) and (b) of this Section for certain amounts paid for
4 unreimbursed eligible remediation costs, as specified in
5 this subsection. For purposes of this Section,
6 "unreimbursed eligible remediation costs" means costs
7 approved by the Illinois Environmental Protection Agency
8 ("Agency") under Section 58.14 of the Environmental
9 Protection Act that were paid in performing environmental
10 remediation at a site for which a No Further Remediation
11 Letter was issued by the Agency and recorded under Section
12 58.10 of the Environmental Protection Act. The credit must
13 be claimed for the taxable year in which Agency approval
14 of the eligible remediation costs is granted. The credit
15 is not available to any taxpayer if the taxpayer or any
16 related party caused or contributed to, in any material
17 respect, a release of regulated substances on, in, or
18 under the site that was identified and addressed by the
19 remedial action pursuant to the Site Remediation Program
20 of the Environmental Protection Act. After the Pollution
21 Control Board rules are adopted pursuant to the Illinois
22 Administrative Procedure Act for the administration and
23 enforcement of Section 58.9 of the Environmental
24 Protection Act, determinations as to credit availability
25 for purposes of this Section shall be made consistent with
26 those rules. For purposes of this Section, "taxpayer"

1 includes a person whose tax attributes the taxpayer has
2 succeeded to under Section 381 of the Internal Revenue
3 Code and "related party" includes the persons disallowed a
4 deduction for losses by paragraphs (b), (c), and (f)(1) of
5 Section 267 of the Internal Revenue Code by virtue of
6 being a related taxpayer, as well as any of its partners.
7 The credit allowed against the tax imposed by subsections
8 (a) and (b) shall be equal to 25% of the unreimbursed
9 eligible remediation costs in excess of \$100,000 per site,
10 except that the \$100,000 threshold shall not apply to any
11 site contained in an enterprise zone as determined by the
12 Department of Commerce and Community Affairs (now
13 Department of Commerce and Economic Opportunity). The
14 total credit allowed shall not exceed \$40,000 per year
15 with a maximum total of \$150,000 per site. For partners
16 and shareholders of subchapter S corporations, there shall
17 be allowed a credit under this subsection to be determined
18 in accordance with the determination of income and
19 distributive share of income under Sections 702 and 704
20 and subchapter S of the Internal Revenue Code.

21 (ii) A credit allowed under this subsection that is
22 unused in the year the credit is earned may be carried
23 forward to each of the 5 taxable years following the year
24 for which the credit is first earned until it is used. The
25 term "unused credit" does not include any amounts of
26 unreimbursed eligible remediation costs in excess of the

1 maximum credit per site authorized under paragraph (i).
2 This credit shall be applied first to the earliest year
3 for which there is a liability. If there is a credit under
4 this subsection from more than one tax year that is
5 available to offset a liability, the earliest credit
6 arising under this subsection shall be applied first. A
7 credit allowed under this subsection may be sold to a
8 buyer as part of a sale of all or part of the remediation
9 site for which the credit was granted. The purchaser of a
10 remediation site and the tax credit shall succeed to the
11 unused credit and remaining carry-forward period of the
12 seller. To perfect the transfer, the assignor shall record
13 the transfer in the chain of title for the site and provide
14 written notice to the Director of the Illinois Department
15 of Revenue of the assignor's intent to sell the
16 remediation site and the amount of the tax credit to be
17 transferred as a portion of the sale. In no event may a
18 credit be transferred to any taxpayer if the taxpayer or a
19 related party would not be eligible under the provisions
20 of subsection (i).

21 (iii) For purposes of this Section, the term "site"
22 shall have the same meaning as under Section 58.2 of the
23 Environmental Protection Act.

24 (m) Education expense credit. Beginning with tax years
25 ending after December 31, 1999, a taxpayer who is the
26 custodian of one or more qualifying pupils shall be allowed a

1 credit against the tax imposed by subsections (a) and (b) of
2 this Section for qualified education expenses incurred on
3 behalf of the qualifying pupils. The credit shall be equal to
4 25% of qualified education expenses, but in no event may the
5 total credit under this subsection claimed by a family that is
6 the custodian of qualifying pupils exceed (i) \$500 for tax
7 years ending prior to December 31, 2017, and (ii) \$750 for tax
8 years ending on or after December 31, 2017. In no event shall a
9 credit under this subsection reduce the taxpayer's liability
10 under this Act to less than zero. Notwithstanding any other
11 provision of law, for taxable years beginning on or after
12 January 1, 2017, no taxpayer may claim a credit under this
13 subsection (m) if the taxpayer's adjusted gross income for the
14 taxable year exceeds (i) \$500,000, in the case of spouses
15 filing a joint federal tax return or (ii) \$250,000, in the case
16 of all other taxpayers. This subsection is exempt from the
17 provisions of Section 250 of this Act.

18 For purposes of this subsection:

19 "Qualifying pupils" means individuals who (i) are
20 residents of the State of Illinois, (ii) are under the age of
21 21 at the close of the school year for which a credit is
22 sought, and (iii) during the school year for which a credit is
23 sought were full-time pupils enrolled in a kindergarten
24 through twelfth grade education program at any school, as
25 defined in this subsection.

26 "Qualified education expense" means the amount incurred on

1 behalf of a qualifying pupil in excess of \$250 for tuition,
2 book fees, and lab fees at the school in which the pupil is
3 enrolled during the regular school year.

4 "School" means any public or nonpublic elementary or
5 secondary school in Illinois that is in compliance with Title
6 VI of the Civil Rights Act of 1964 and attendance at which
7 satisfies the requirements of Section 26-1 of the School Code,
8 except that nothing shall be construed to require a child to
9 attend any particular public or nonpublic school to qualify
10 for the credit under this Section.

11 "Custodian" means, with respect to qualifying pupils, an
12 Illinois resident who is a parent, the parents, a legal
13 guardian, or the legal guardians of the qualifying pupils.

14 (n) River Edge Redevelopment Zone site remediation tax
15 credit.

16 (i) For tax years ending on or after December 31,
17 2006, a taxpayer shall be allowed a credit against the tax
18 imposed by subsections (a) and (b) of this Section for
19 certain amounts paid for unreimbursed eligible remediation
20 costs, as specified in this subsection. For purposes of
21 this Section, "unreimbursed eligible remediation costs"
22 means costs approved by the Illinois Environmental
23 Protection Agency ("Agency") under Section 58.14a of the
24 Environmental Protection Act that were paid in performing
25 environmental remediation at a site within a River Edge
26 Redevelopment Zone for which a No Further Remediation

1 Letter was issued by the Agency and recorded under Section
2 58.10 of the Environmental Protection Act. The credit must
3 be claimed for the taxable year in which Agency approval
4 of the eligible remediation costs is granted. The credit
5 is not available to any taxpayer if the taxpayer or any
6 related party caused or contributed to, in any material
7 respect, a release of regulated substances on, in, or
8 under the site that was identified and addressed by the
9 remedial action pursuant to the Site Remediation Program
10 of the Environmental Protection Act. Determinations as to
11 credit availability for purposes of this Section shall be
12 made consistent with rules adopted by the Pollution
13 Control Board pursuant to the Illinois Administrative
14 Procedure Act for the administration and enforcement of
15 Section 58.9 of the Environmental Protection Act. For
16 purposes of this Section, "taxpayer" includes a person
17 whose tax attributes the taxpayer has succeeded to under
18 Section 381 of the Internal Revenue Code and "related
19 party" includes the persons disallowed a deduction for
20 losses by paragraphs (b), (c), and (f)(1) of Section 267
21 of the Internal Revenue Code by virtue of being a related
22 taxpayer, as well as any of its partners. The credit
23 allowed against the tax imposed by subsections (a) and (b)
24 shall be equal to 25% of the unreimbursed eligible
25 remediation costs in excess of \$100,000 per site.

26 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried
2 forward to each of the 5 taxable years following the year
3 for which the credit is first earned until it is used. This
4 credit shall be applied first to the earliest year for
5 which there is a liability. If there is a credit under this
6 subsection from more than one tax year that is available
7 to offset a liability, the earliest credit arising under
8 this subsection shall be applied first. A credit allowed
9 under this subsection may be sold to a buyer as part of a
10 sale of all or part of the remediation site for which the
11 credit was granted. The purchaser of a remediation site
12 and the tax credit shall succeed to the unused credit and
13 remaining carry-forward period of the seller. To perfect
14 the transfer, the assignor shall record the transfer in
15 the chain of title for the site and provide written notice
16 to the Director of the Illinois Department of Revenue of
17 the assignor's intent to sell the remediation site and the
18 amount of the tax credit to be transferred as a portion of
19 the sale. In no event may a credit be transferred to any
20 taxpayer if the taxpayer or a related party would not be
21 eligible under the provisions of subsection (i).

22 (iii) For purposes of this Section, the term "site"
23 shall have the same meaning as under Section 58.2 of the
24 Environmental Protection Act.

25 (o) For each of taxable years during the Compassionate Use
26 of Medical Cannabis Program, a surcharge is imposed on all

1 taxpayers on income arising from the sale or exchange of
2 capital assets, depreciable business property, real property
3 used in the trade or business, and Section 197 intangibles of
4 an organization registrant under the Compassionate Use of
5 Medical Cannabis Program Act. The amount of the surcharge is
6 equal to the amount of federal income tax liability for the
7 taxable year attributable to those sales and exchanges. The
8 surcharge imposed does not apply if:

9 (1) the medical cannabis cultivation center
10 registration, medical cannabis dispensary registration, or
11 the property of a registration is transferred as a result
12 of any of the following:

13 (A) bankruptcy, a receivership, or a debt
14 adjustment initiated by or against the initial
15 registration or the substantial owners of the initial
16 registration;

17 (B) cancellation, revocation, or termination of
18 any registration by the Illinois Department of Public
19 Health;

20 (C) a determination by the Illinois Department of
21 Public Health that transfer of the registration is in
22 the best interests of Illinois qualifying patients as
23 defined by the Compassionate Use of Medical Cannabis
24 Program Act;

25 (D) the death of an owner of the equity interest in
26 a registrant;

1 (E) the acquisition of a controlling interest in
2 the stock or substantially all of the assets of a
3 publicly traded company;

4 (F) a transfer by a parent company to a wholly
5 owned subsidiary; or

6 (G) the transfer or sale to or by one person to
7 another person where both persons were initial owners
8 of the registration when the registration was issued;
9 or

10 (2) the cannabis cultivation center registration,
11 medical cannabis dispensary registration, or the
12 controlling interest in a registrant's property is
13 transferred in a transaction to lineal descendants in
14 which no gain or loss is recognized or as a result of a
15 transaction in accordance with Section 351 of the Internal
16 Revenue Code in which no gain or loss is recognized.

17 (p) Pass-through entity tax.

18 (1) For taxable years ending on or after December 31,
19 2021 and beginning prior to January 1, 2026, a partnership
20 (other than a publicly traded partnership under Section
21 7704 of the Internal Revenue Code) or Subchapter S
22 corporation may elect to apply the provisions of this
23 subsection. A separate election shall be made for each
24 taxable year. Such election shall be made at such time,
25 and in such form and manner as prescribed by the
26 Department, and, once made, is irrevocable.

1 (2) Entity-level tax. A partnership or Subchapter S
2 corporation electing to apply the provisions of this
3 subsection shall be subject to a tax for the privilege of
4 earning or receiving income in this State in an amount
5 equal to 4.95% of the taxpayer's net income for the
6 taxable year.

7 (3) Net income defined.

8 (A) In general. For purposes of paragraph (2), the
9 term net income has the same meaning as defined in
10 Section 202 of this Act, except that, for tax years
11 ending on or after December 31, 2023, a deduction
12 shall be allowed in computing base income for
13 distributions to a retired partner to the extent that
14 the partner's distributions are exempt from tax under
15 Section 203(a)(2)(F) of this Act. In addition, the
16 following modifications shall not apply:

17 (i) the standard exemption allowed under
18 Section 204;

19 (ii) the deduction for net losses allowed
20 under Section 207;

21 (iii) in the case of an S corporation, the
22 modification under Section 203(b)(2)(S); and

23 (iv) in the case of a partnership, the
24 modifications under Section 203(d)(2)(H) and
25 Section 203(d)(2)(I).

26 (B) Special rule for tiered partnerships. If a

1 taxpayer making the election under paragraph (1) is a
2 partner of another taxpayer making the election under
3 paragraph (1), net income shall be computed as
4 provided in subparagraph (A), except that the taxpayer
5 shall subtract its distributive share of the net
6 income of the electing partnership (including its
7 distributive share of the net income of the electing
8 partnership derived as a distributive share from
9 electing partnerships in which it is a partner).

10 (4) Credit for entity level tax. Each partner or
11 shareholder of a taxpayer making the election under this
12 Section shall be allowed a credit against the tax imposed
13 under subsections (a) and (b) of Section 201 of this Act
14 for the taxable year of the partnership or Subchapter S
15 corporation for which an election is in effect ending
16 within or with the taxable year of the partner or
17 shareholder in an amount equal to 4.95% times the partner
18 or shareholder's distributive share of the net income of
19 the electing partnership or Subchapter S corporation, but
20 not to exceed the partner's or shareholder's share of the
21 tax imposed under paragraph (1) which is actually paid by
22 the partnership or Subchapter S corporation. If the
23 taxpayer is a partnership or Subchapter S corporation that
24 is itself a partner of a partnership making the election
25 under paragraph (1), the credit under this paragraph shall
26 be allowed to the taxpayer's partners or shareholders (or

1 if the partner is a partnership or Subchapter S
2 corporation then its partners or shareholders) in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704
5 and Subchapter S of the Internal Revenue Code. If the
6 amount of the credit allowed under this paragraph exceeds
7 the partner's or shareholder's liability for tax imposed
8 under subsections (a) and (b) of Section 201 of this Act
9 for the taxable year, such excess shall be treated as an
10 overpayment for purposes of Section 909 of this Act.

11 (5) Nonresidents. A nonresident individual who is a
12 partner or shareholder of a partnership or Subchapter S
13 corporation for a taxable year for which an election is in
14 effect under paragraph (1) shall not be required to file
15 an income tax return under this Act for such taxable year
16 if the only source of net income of the individual (or the
17 individual and the individual's spouse in the case of a
18 joint return) is from an entity making the election under
19 paragraph (1) and the credit allowed to the partner or
20 shareholder under paragraph (4) equals or exceeds the
21 individual's liability for the tax imposed under
22 subsections (a) and (b) of Section 201 of this Act for the
23 taxable year.

24 (6) Liability for tax. Except as provided in this
25 paragraph, a partnership or Subchapter S making the
26 election under paragraph (1) is liable for the

1 entity-level tax imposed under paragraph (2). If the
2 electing partnership or corporation fails to pay the full
3 amount of tax deemed assessed under paragraph (2), the
4 partners or shareholders shall be liable to pay the tax
5 assessed (including penalties and interest). Each partner
6 or shareholder shall be liable for the unpaid assessment
7 based on the ratio of the partner's or shareholder's share
8 of the net income of the partnership over the total net
9 income of the partnership. If the partnership or
10 Subchapter S corporation fails to pay the tax assessed
11 (including penalties and interest) and thereafter an
12 amount of such tax is paid by the partners or
13 shareholders, such amount shall not be collected from the
14 partnership or corporation.

15 (7) Foreign tax. For purposes of the credit allowed
16 under Section 601(b)(3) of this Act, tax paid by a
17 partnership or Subchapter S corporation to another state
18 which, as determined by the Department, is substantially
19 similar to the tax imposed under this subsection, shall be
20 considered tax paid by the partner or shareholder to the
21 extent that the partner's or shareholder's share of the
22 income of the partnership or Subchapter S corporation
23 allocated and apportioned to such other state bears to the
24 total income of the partnership or Subchapter S
25 corporation allocated or apportioned to such other state.

26 (8) Suspension of withholding. The provisions of

1 Section 709.5 of this Act shall not apply to a partnership
2 or Subchapter S corporation for the taxable year for which
3 an election under paragraph (1) is in effect.

4 (9) Requirement to pay estimated tax. For each taxable
5 year for which an election under paragraph (1) is in
6 effect, a partnership or Subchapter S corporation is
7 required to pay estimated tax for such taxable year under
8 Sections 803 and 804 of this Act if the amount payable as
9 estimated tax can reasonably be expected to exceed \$500.

10 (10) The provisions of this subsection shall apply
11 only with respect to taxable years for which the
12 limitation on individual deductions applies under Section
13 164(b)(6) of the Internal Revenue Code.

14 (Source: P.A. 102-558, eff. 8-20-21; 102-658, eff. 8-27-21;
15 103-9, eff. 6-7-23; 103-396, eff. 1-1-24; revised 12-12-23.)

16 (35 ILCS 5/241 new)

17 Sec. 241. Credit for quantum computing campuses.

18 (a) A taxpayer who has been awarded a credit by the
19 Department of Commerce and Economic Opportunity under Section
20 605-115 of the Department of Commerce and Economic Opportunity
21 Law of the Civil Administrative Code of Illinois is entitled
22 to a credit against the taxes imposed under subsections (a)
23 and (b) of Section 201 of this Act. The amount of the credit
24 shall be 20% of the wages paid by the taxpayer during the
25 taxable year to a full-time or part-time employee of a

1 construction contractor employed in the construction of an
2 eligible facility located on a quantum computing campus
3 designated under Section 605-115 of the Department of Commerce
4 and Economic Opportunity Law of the Civil Administrative Code
5 of Illinois.

6 (b) In no event shall a credit under this Section reduce
7 the taxpayer's liability to less than zero. If the amount of
8 the credit exceeds the tax liability for the year, the excess
9 may be carried forward and applied to the tax liability of the
10 5 taxable years following the excess credit year. The tax
11 credit shall be applied to the earliest year for which there is
12 a tax liability. If there are credits for more than one year
13 that are available to offset a liability, the earlier credit
14 shall be applied first.

15 (c) A person claiming the credit allowed under this
16 Section shall attach to its Illinois income tax return for the
17 taxable year for which the credit is allowed a copy of the tax
18 credit certificate issued by the Department of Commerce and
19 Economic Opportunity.

20 (d) Partners and shareholders of Subchapter S corporations
21 are entitled to a credit under this Section as provided in
22 Section 251.

23 (e) As used in this Section, "eligible facility" means a
24 building used primarily to house one or more of the following:
25 a quantum computer operator; a research facility; a data
26 center; a manufacturer and assembler of quantum computers and

1 component parts; a cryogenic or refrigeration facility; or any
2 other facility determined, by industry and academic leaders,
3 to be fundamental to the research and development of quantum
4 computing for practical solutions.

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

7 Section 23. The Illinois Income Tax Act is amended by
8 changing Section 213 as follows:

9 (35 ILCS 5/213)

10 Sec. 213. Film production services credit.

11 (a) For tax years beginning on or after January 1, 2004, a
12 taxpayer who has been awarded a tax credit under the Film
13 Production Services Tax Credit Act or under the Film
14 Production Services Tax Credit Act of 2008 is entitled to a
15 credit against the taxes imposed under subsections (a) and (b)
16 of Section 201 of this Act in an amount determined by the
17 Department of Commerce and Economic Opportunity under those
18 Acts. If the taxpayer is a partnership or Subchapter S
19 corporation, the credit is allowed to the partners or
20 shareholders in accordance with the determination of income
21 and distributive share of income under Sections 702 and 704
22 and Subchapter S of the Internal Revenue Code.

23 (b) Beginning July 1, 2024, taxpayers who have been
24 awarded a tax credit under the Film Production Services Tax

1 Credit Act of 2008 shall pay to the Department of Commerce and
2 Economic Opportunity, after determination of the tax credit
3 amount but prior to the issuance of a tax credit certificate
4 pursuant to Section 35 of the Film Production Services Tax
5 Credit Act of 2008, a fee equal to 2.5% of the credit amount
6 awarded to the taxpayer under the Film Production Services Tax
7 Credit Act of 2008 that is attributable to wages paid to
8 nonresidents, as described in Section 10 of the Film
9 Production Services Tax Credit Act of 2008, and an additional
10 fee equal to 0.25% of the amount generated by subtracting the
11 credit amount awarded to the taxpayer under the Film
12 Production Services Tax Credit Act of 2008 that is
13 attributable to wages paid to nonresidents from the total
14 credit amount awarded to the taxpayer under that Act. All fees
15 collected under this subsection shall be deposited into the
16 Illinois Production Workforce Development Fund. No tax credit
17 certificate shall be issued by the Department of Commerce and
18 Economic Opportunity until the total fees owed according to
19 this subsection have been received by the Department of
20 Commerce and Economic Opportunity.

21 (c) A transfer of this credit may be made by the taxpayer
22 earning the credit within one year after the credit is awarded
23 in accordance with rules adopted by the Department of Commerce
24 and Economic Opportunity. Beginning July 1, 2023 and through
25 June 30, 2024, if a credit is transferred under this Section by
26 the taxpayer, then the transferor taxpayer shall pay to the

1 Department of Commerce and Economic Opportunity, upon
2 notification of a transfer, a fee equal to 2.5% of the
3 transferred credit amount eligible for nonresident wages, as
4 described in Section 10 of the Film Production Services Tax
5 Credit Act of 2008, and an additional fee of 0.25% of the total
6 amount of the transferred credit that is not calculated on
7 nonresident wages, which shall be deposited into the Illinois
8 Production Workforce Development Fund.

9 (d) The Department, in cooperation with the Department of
10 Commerce and Economic Opportunity, must prescribe rules to
11 enforce and administer the provisions of this Section. This
12 Section is exempt from the provisions of Section 250 of this
13 Act.

14 (e) The credit may not be carried back. If the amount of
15 the credit exceeds the tax liability for the year, the excess
16 may be carried forward and applied to the tax liability of the
17 5 taxable years following the excess credit year. The credit
18 shall be applied to the earliest year for which there is a tax
19 liability. If there are credits from more than one tax year
20 that are available to offset a liability, the earlier credit
21 shall be applied first. In no event shall a credit under this
22 Section reduce the taxpayer's liability to less than zero.

23 (Source: P.A. 102-700, eff. 4-19-22.)

24 Section 25. The Economic Development for a Growing Economy
25 Tax Credit Act is amended by changing Sections 5-5, 5-15,

1 5-20, 5-35, 5-45, and 5-56 as follows:

2 (35 ILCS 10/5-5)

3 Sec. 5-5. Definitions. As used in this Act:

4 "Agreement" means the Agreement between a Taxpayer and the
5 Department under the provisions of Section 5-50 of this Act.

6 "Applicant" means a Taxpayer that is operating a business
7 located or that the Taxpayer plans to locate within the State
8 of Illinois and that is engaged in interstate or intrastate
9 commerce for the purpose of manufacturing, processing,
10 assembling, warehousing, or distributing products, conducting
11 research and development, providing tourism services, or
12 providing services in interstate commerce, office industries,
13 or agricultural processing, but excluding retail, retail food,
14 health, ~~or~~ professional services, and services delivered to
15 business customer sites. "Applicant" does not include a
16 Taxpayer who closes or substantially reduces an operation at
17 one location in the State and relocates substantially the same
18 operation to another location in the State. This does not
19 prohibit a Taxpayer from expanding its operations at another
20 location in the State, provided that existing operations of a
21 similar nature located within the State are not closed or
22 substantially reduced. This also does not prohibit a Taxpayer
23 from moving its operations from one location in the State to
24 another location in the State for the purpose of expanding the
25 operation provided that the Department determines that

1 expansion cannot reasonably be accommodated within the
2 municipality in which the business is located, or in the case
3 of a business located in an incorporated area of the county,
4 within the county in which the business is located, after
5 conferring with the chief elected official of the municipality
6 or county and taking into consideration any evidence offered
7 by the municipality or county regarding the ability to
8 accommodate expansion within the municipality or county.

9 "Credit" means the amount agreed to between the Department
10 and Applicant under this Act, but not to exceed the lesser of:
11 (1) the sum of (i) 50% of the Incremental Income Tax
12 attributable to New Employees at the Applicant's project and
13 (ii) 10% of the training costs of New Employees; or (2) 100% of
14 the Incremental Income Tax attributable to New Employees at
15 the Applicant's project. However, if the project is located in
16 an underserved area, then the amount of the Credit may not
17 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
18 Income Tax attributable to New Employees at the Applicant's
19 project and (ii) 10% of the training costs of New Employees; or
20 (2) 100% of the Incremental Income Tax attributable to New
21 Employees at the Applicant's project. If the project is not
22 located in an underserved area and the Applicant agrees to
23 hire the required number of New Employees, then the maximum
24 amount of the Credit for that Applicant may be increased by an
25 amount not to exceed 25% of the Incremental Income Tax
26 attributable to retained employees at the Applicant's project.

1 If the project is located in an underserved area and the
2 Applicant agrees to hire the required number of New Employees,
3 then the maximum amount of the credit for that Applicant may be
4 increased by an amount not to exceed 50% of the Incremental
5 Income Tax attributable to retained employees at the
6 Applicant's project.

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of Commerce and Economic
10 Opportunity.

11 "Full-time Employee" means an individual who is employed
12 for consideration for at least 35 hours each week or who
13 renders any other standard of service generally accepted by
14 industry custom or practice as full-time employment. An
15 individual for whom a W-2 is issued by a Professional Employer
16 Organization (PEO) is a full-time employee if employed in the
17 service of the Applicant for consideration for at least 35
18 hours each week or who renders any other standard of service
19 generally accepted by industry custom or practice as full-time
20 employment to Applicant. The employee need not be physically
21 present at the EDGE project location during the entire
22 full-time workweek; however, the agreement shall set forth a
23 minimum number of hours during which the employee is scheduled
24 to be present at the EDGE project location.

25 "Incremental Income Tax" means the total amount withheld
26 during the taxable year from the compensation of New Employees

1 and, if applicable, retained employees under Article 7 of the
2 Illinois Income Tax Act arising from employment at a project
3 that is the subject of an Agreement.

4 "New Construction EDGE Agreement" means the Agreement
5 between a Taxpayer and the Department under the provisions of
6 Section 5-51 of this Act.

7 "New Construction EDGE Credit" means an amount agreed to
8 between the Department and the Applicant under this Act as
9 part of a New Construction EDGE Agreement that does not exceed
10 50% of the Incremental Income Tax attributable to New
11 Construction EDGE Employees at the Applicant's project;
12 however, if the New Construction EDGE Project is located in an
13 underserved area, then the amount of the New Construction EDGE
14 Credit may not exceed 75% of the Incremental Income Tax
15 attributable to New Construction EDGE Employees at the
16 Applicant's New Construction EDGE Project.

17 "New Construction EDGE Employee" means a laborer or worker
18 who is employed by a ~~an Illinois~~ contractor or subcontractor
19 in the actual construction work on the site of a New
20 Construction EDGE Project, pursuant to a New Construction EDGE
21 Agreement.

22 "New Construction EDGE Incremental Income Tax" means the
23 total amount withheld during the taxable year from the
24 compensation of New Construction EDGE Employees.

25 "New Construction EDGE Project" means the building of a
26 Taxpayer's structure or building, or making improvements of

1 any kind to real property. "New Construction EDGE Project"
2 does not include the routine operation, routine repair, or
3 routine maintenance of existing structures, buildings, or real
4 property.

5 "New Employee" means:

6 (a) A Full-time Employee first employed by a Taxpayer
7 at ~~in~~ the project, or assigned to the project as their
8 primary work location, that is the subject of an Agreement
9 and who is hired after the Taxpayer enters into the tax
10 credit Agreement.

11 (b) The term "New Employee" does not include:

12 (1) an employee of the Taxpayer who performs a job
13 that was previously performed by another employee, if
14 that job existed for at least 6 months before hiring
15 the employee;

16 (2) an employee of the Taxpayer who was previously
17 employed in Illinois by a Related Member of the
18 Taxpayer and whose employment was shifted to the
19 Taxpayer after the Taxpayer entered into the tax
20 credit Agreement; or

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

26 (c) Notwithstanding paragraph (1) of subsection (b),

1 an employee may be considered a New Employee under the
2 Agreement if the employee performs a job that was
3 previously performed by an employee who was:

4 (1) treated under the Agreement as a New Employee;

5 and

6 (2) promoted by the Taxpayer to another job.

7 (d) Notwithstanding subsection (a), the Department may
8 award Credit to an Applicant with respect to an employee
9 hired prior to the date of the Agreement if:

10 (1) the Applicant is in receipt of a letter from
11 the Department stating an intent to enter into a
12 credit Agreement;

13 (2) the letter described in paragraph (1) is
14 issued by the Department not later than 15 days after
15 the effective date of this Act; and

16 (3) the employee was hired after the date the
17 letter described in paragraph (1) was issued.

18 "Noncompliance Date" means, in the case of a Taxpayer that
19 is not complying with the requirements of the Agreement or the
20 provisions of this Act, the day following the last date upon
21 which the Taxpayer was in compliance with the requirements of
22 the Agreement and the provisions of this Act, as determined by
23 the Director, pursuant to Section 5-65.

24 "Pass Through Entity" means an entity that is exempt from
25 the tax under subsection (b) or (c) of Section 205 of the
26 Illinois Income Tax Act.

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

4 "Related Member" means a person that, with respect to the
5 Taxpayer during any portion of the taxable year, is any one of
6 the following:

7 (1) An individual stockholder, if the stockholder and
8 the members of the stockholder's family (as defined in
9 Section 318 of the Internal Revenue Code) own directly,
10 indirectly, beneficially, or constructively, in the
11 aggregate, at least 50% of the value of the Taxpayer's
12 outstanding stock.

13 (2) A partnership, estate, or trust and any partner or
14 beneficiary, if the partnership, estate, or trust, and its
15 partners or beneficiaries own directly, indirectly,
16 beneficially, or constructively, in the aggregate, at
17 least 50% of the profits, capital, stock, or value of the
18 Taxpayer.

19 (3) A corporation, and any party related to the
20 corporation in a manner that would require an attribution
21 of stock from the corporation to the party or from the
22 party to the corporation under the attribution rules of
23 Section 318 of the Internal Revenue Code, if the Taxpayer
24 owns directly, indirectly, beneficially, or constructively
25 at least 50% of the value of the corporation's outstanding
26 stock.

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

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

15 "Startup taxpayer" means, for Agreements that are executed
16 before the effective date of the changes made to this Section
17 by this amendatory Act of the 103rd General Assembly, a
18 corporation, partnership, or other entity incorporated or
19 organized no more than 5 years before the filing of an
20 application for an Agreement that has never had any Illinois
21 income tax liability, excluding any Illinois income tax
22 liability of a Related Member which shall not be attributed to
23 the startup taxpayer. "Startup taxpayer" means, for Agreements
24 that are executed on or after the effective date of this
25 amendatory Act of the 103rd General Assembly, a corporation,
26 partnership, or other entity that is incorporated or organized

1 no more than 10 years before the filing of an application for
2 an Agreement and that has never had any Illinois income tax
3 liability. For the purpose of determining whether the taxpayer
4 has had any Illinois income tax liability, the Illinois income
5 tax liability of a Related Member shall not be attributed to
6 the startup taxpayer.

7 "Taxpayer" means an individual, corporation, partnership,
8 or other entity that has any Illinois Income Tax liability.

9 Until July 1, 2022, "underserved area" means a geographic
10 area that meets one or more of the following conditions:

11 (1) the area has a poverty rate of at least 20%
12 according to the latest federal decennial census;

13 (2) 75% or more of the children in the area
14 participate in the federal free lunch program according to
15 reported statistics from the State Board of Education;

16 (3) at least 20% of the households in the area receive
17 assistance under the Supplemental Nutrition Assistance
18 Program (SNAP); or

19 (4) the area has an average unemployment rate, as
20 determined by the Illinois Department of Employment
21 Security, that is more than 120% of the national
22 unemployment average, as determined by the U.S. Department
23 of Labor, for a period of at least 2 consecutive calendar
24 years preceding the date of the application.

25 On and after July 1, 2022, "underserved area" means a
26 geographic area that meets one or more of the following

1 conditions:

2 (1) the area has a poverty rate of at least 20%
3 according to the latest American Community Survey;

4 (2) 35% or more of the families with children in the
5 area are living below 130% of the poverty line, according
6 to the latest American Community Survey;

7 (3) at least 20% of the households in the area receive
8 assistance under the Supplemental Nutrition Assistance
9 Program (SNAP); or

10 (4) the area has an average unemployment rate, as
11 determined by the Illinois Department of Employment
12 Security, that is more than 120% of the national
13 unemployment average, as determined by the U.S. Department
14 of Labor, for a period of at least 2 consecutive calendar
15 years preceding the date of the application.

16 (Source: P.A. 102-330, eff. 1-1-22; 102-700, eff. 4-19-22;
17 102-1125, eff. 2-3-23; 103-9, eff. 6-7-23.)

18 (35 ILCS 10/5-15)

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

1 the Department under this Act for that taxable year.

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

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

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

9 (d) The Credit shall not exceed the Incremental Income Tax
10 attributable to the project that is the subject of the
11 Agreement.

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

15 (f) In lieu of the Credit allowed under this Act against
16 the taxes imposed pursuant to subsections (a) and (b) of
17 Section 201 of the Illinois Income Tax Act for any taxable year
18 ending on or after December 31, 2009, for Taxpayers that
19 entered into Agreements prior to January 1, 2015 and otherwise
20 meet the criteria set forth in this subsection (f), the
21 Taxpayer may elect to claim the Credit against its obligation
22 to pay over withholding under Section 704A of the Illinois
23 Income Tax Act.

24 (1) The election under this subsection (f) may be made
25 only by a Taxpayer that (i) is primarily engaged in one of
26 the following business activities: water purification and

1 treatment, motor vehicle metal stamping, automobile
2 manufacturing, automobile and light duty motor vehicle
3 manufacturing, motor vehicle manufacturing, light truck
4 and utility vehicle manufacturing, heavy duty truck
5 manufacturing, motor vehicle body manufacturing, cable
6 television infrastructure design or manufacturing, or
7 wireless telecommunication or computing terminal device
8 design or manufacturing for use on public networks and
9 (ii) meets the following criteria:

10 (A) 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
14 1,000 full-time employees in this State during the
15 taxable year in which the Credit is awarded, (iii) has
16 an Agreement under this Act on December 14, 2009 (the
17 effective date of Public Act 96-834), and (iv) is in
18 compliance with all provisions of that Agreement;

19 (B) the Taxpayer (i) had an Illinois net loss or an
20 Illinois net loss deduction under Section 207 of the
21 Illinois Income Tax Act for the taxable year in which
22 the Credit is awarded, (ii) employed a minimum of
23 1,000 full-time employees in this State during the
24 taxable year in which the Credit is awarded, and (iii)
25 has applied for an Agreement within 365 days after
26 December 14, 2009 (the effective date of Public Act

1 96-834);

2 (C) the Taxpayer (i) had an Illinois net operating
3 loss carryforward under Section 207 of the Illinois
4 Income Tax Act in a taxable year ending during
5 calendar year 2008, (ii) has applied for an Agreement
6 within 150 days after the effective date of this
7 amendatory Act of the 96th General Assembly, (iii)
8 creates at least 400 new jobs in Illinois, (iv)
9 retains at least 2,000 jobs in Illinois that would
10 have been at risk of relocation out of Illinois over a
11 10-year period, and (v) makes a capital investment of
12 at least \$75,000,000;

13 (D) the Taxpayer (i) had an Illinois net operating
14 loss carryforward under Section 207 of the Illinois
15 Income Tax Act in a taxable year ending during
16 calendar year 2009, (ii) has applied for an Agreement
17 within 150 days after the effective date of this
18 amendatory Act of the 96th General Assembly, (iii)
19 creates at least 150 new jobs, (iv) retains at least
20 1,000 jobs in Illinois that would have been at risk of
21 relocation out of Illinois over a 10-year period, and
22 (v) makes a capital investment of at least
23 \$57,000,000; or

24 (E) the Taxpayer (i) employed at least 2,500
25 full-time employees in the State during the year in
26 which the Credit is awarded, (ii) commits to make at

1 least \$500,000,000 in combined capital improvements
2 and project costs under the Agreement, (iii) applies
3 for an Agreement between January 1, 2011 and June 30,
4 2011, (iv) executes an Agreement for the Credit during
5 calendar year 2011, and (v) was incorporated no more
6 than 5 years before the filing of an application for an
7 Agreement.

8 (1.5) The election under this subsection (f) may also
9 be made by a Taxpayer for any Credit awarded pursuant to an
10 agreement that was executed between January 1, 2011 and
11 June 30, 2011, if the Taxpayer (i) is primarily engaged in
12 the manufacture of inner tubes or tires, or both, from
13 natural and synthetic rubber, (ii) employs a minimum of
14 2,400 full-time employees in Illinois at the time of
15 application, (iii) creates at least 350 full-time jobs and
16 retains at least 250 full-time jobs in Illinois that would
17 have been at risk of being created or retained outside of
18 Illinois, and (iv) makes a capital investment of at least
19 \$200,000,000 at the project location.

20 (1.6) The election under this subsection (f) may also
21 be made by a Taxpayer for any Credit awarded pursuant to an
22 agreement that was executed within 150 days after the
23 effective date of this amendatory Act of the 97th General
24 Assembly, if the Taxpayer (i) is primarily engaged in the
25 operation of a discount department store, (ii) maintains
26 its corporate headquarters in Illinois, (iii) employs a

1 minimum of 4,250 full-time employees at its corporate
2 headquarters in Illinois at the time of application, (iv)
3 retains at least 4,250 full-time jobs in Illinois that
4 would have been at risk of being relocated outside of
5 Illinois, (v) had a minimum of \$40,000,000,000 in total
6 revenue in 2010, and (vi) makes a capital investment of at
7 least \$300,000,000 at the project location.

8 (1.7) Notwithstanding any other provision of law, the
9 election under this subsection (f) may also be made by a
10 Taxpayer for any Credit awarded pursuant to an agreement
11 that was executed or applied for on or after July 1, 2011
12 and on or before March 31, 2012, if the Taxpayer is
13 primarily engaged in the manufacture of original and
14 aftermarket filtration parts and products for automobiles,
15 motor vehicles, light duty motor vehicles, light trucks
16 and utility vehicles, and heavy duty trucks, (ii) employs
17 a minimum of 1,000 full-time employees in Illinois at the
18 time of application, (iii) creates at least 250 full-time
19 jobs in Illinois, (iv) relocates its corporate
20 headquarters to Illinois from another state, and (v) makes
21 a capital investment of at least \$4,000,000 at the project
22 location.

23 (1.8) Notwithstanding any other provision of law, the
24 election under this subsection (f) may also be made by a
25 startup taxpayer for any Credit awarded pursuant to an
26 Agreement that was executed on or after the effective date

1 of this amendatory Act of the 102nd General Assembly. Any
2 such election under this paragraph (1.8) shall be
3 effective unless and until such startup taxpayer has any
4 Illinois income tax liability. This election under this
5 paragraph (1.8) shall automatically terminate when the
6 startup taxpayer has any Illinois income tax liability at
7 the end of any taxable year during the term of the
8 Agreement. Thereafter, the startup taxpayer may receive a
9 Credit, taking into account any benefits previously
10 enjoyed or received by way of the election under this
11 paragraph (1.8), so long as the startup taxpayer remains
12 in compliance with the terms and conditions of the
13 Agreement.

14 (1.9) Notwithstanding any other provision of law, the
15 election under this subsection (f) may also be made by an
16 applicant qualified under paragraph (1.7) of subsection
17 (b) of Section 5-20 for any Credit awarded pursuant to an
18 Agreement that was executed on or after the effective date
19 of this amendatory Act of the 103rd General Assembly. Any
20 such election under this paragraph (1.9) shall be
21 effective unless and until such taxpayer has any Illinois
22 income tax liability. This election under this paragraph
23 (1.9) shall automatically terminate when the taxpayer has
24 any Illinois income tax liability at the end of any
25 taxable year during the term of the Agreement. Thereafter,
26 the startup taxpayer may receive a Credit, taking into

1 account any benefits previously enjoyed or received by way
2 of the election under this paragraph (1.9), so long as the
3 startup taxpayer remains in compliance with the terms and
4 conditions of the Agreement.

5 (2) An election under this subsection shall allow the
6 credit to be taken against payments otherwise due under
7 Section 704A of the Illinois Income Tax Act during the
8 first calendar quarter beginning after the end of the
9 taxable quarter in which the credit is awarded under this
10 Act.

11 (3) The election shall be made in the form and manner
12 required by the Illinois Department of Revenue and, once
13 made, shall be irrevocable.

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

21 (g) A pass-through entity that has been awarded a credit
22 under this Act, its shareholders, or its partners may treat
23 some or all of the credit awarded pursuant to this Act as a tax
24 payment for purposes of the Illinois Income Tax Act. The term
25 "tax payment" means a payment as described in Article 6 or
26 Article 8 of the Illinois Income Tax Act or a composite payment

1 made by a pass-through entity on behalf of any of its
2 shareholders or partners to satisfy such shareholders' or
3 partners' taxes imposed pursuant to subsections (a) and (b) of
4 Section 201 of the Illinois Income Tax Act. In no event shall
5 the amount of the award credited pursuant to this Act exceed
6 the Illinois income tax liability of the pass-through entity
7 or its shareholders or partners for the taxable year.

8 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

9 (35 ILCS 10/5-20)

10 Sec. 5-20. Application for a project to create and retain
11 new jobs.

12 (a) Any Taxpayer proposing a project located or planned to
13 be located in Illinois may request consideration for
14 designation of its project, by formal written letter of
15 request or by formal application to the Department, in which
16 the Applicant states its intent to make at least a specified
17 level of investment and intends to hire or retain a specified
18 number of full-time employees at a designated location in
19 Illinois. As circumstances require, the Department may require
20 a formal application from an Applicant and a formal letter of
21 request for assistance.

22 (b) In order to qualify for Credits under this Act, an
23 Applicant's project must:

24 (1) if the Applicant has more than 100 employees,
25 involve an investment of at least \$2,500,000 in capital

1 improvements to be placed in service within the State as a
2 direct result of the project; if the Applicant has 100 or
3 fewer employees, then there is no capital investment
4 requirement;

5 (1.5) if the Applicant has more than 100 employees,
6 employ a number of new employees in the State equal to the
7 lesser of (A) 10% of the number of full-time employees
8 employed by the applicant world-wide on the date the
9 application is filed with the Department or (B) 50 New
10 Employees; and, if the Applicant has 100 or fewer
11 employees, employ a number of new employees in the State
12 equal to the lesser of (A) 5% of the number of full-time
13 employees employed by the applicant world-wide on the date
14 the application is filed with the Department or (B) 50 New
15 Employees;

16 (1.6) if the Applicant is a startup taxpayer, the
17 employees employed by Related Members shall not be
18 attributed to the Applicant for purposes of determining
19 the capital investment or job creation requirements under
20 this subsection (b);

21 (1.7) if the agreement is entered into on or after the
22 effective date of this amendatory Act of the 103rd General
23 Assembly and the Applicant's project:

24 (A) makes an investment of at least \$50,000,000 in
25 capital improvements at the project site;

26 (B) is placed in service after approval of the

1 application; and

2 (C) creates jobs for at least 100 new full-time
3 employees.

4 (2) (blank);

5 (3) (blank); and

6 (4) include an annual sexual harassment policy report
7 as provided under Section 5-58.

8 (c) After receipt of an application, the Department may
9 enter into an Agreement with the Applicant if the application
10 is accepted in accordance with Section 5-25.

11 (Source: P.A. 101-81, eff. 7-12-19; 102-700, eff. 4-19-22.)

12 (35 ILCS 10/5-35)

13 Sec. 5-35. Relocation of jobs in Illinois. A taxpayer is
14 not entitled to claim the credit provided by this Act with
15 respect to any jobs that the taxpayer relocates from one site
16 in Illinois unless the taxpayer has agreed to hire the minimum
17 number of new employees and the Department has determined that
18 the expansion cannot reasonably be accommodated within the
19 municipality in which the business is located ~~to another site~~
20 ~~in Illinois. A taxpayer with respect to a qualifying project~~
21 ~~certified under the Corporate Headquarters Relocation Act,~~
22 ~~however, is not subject to the requirements of this Section~~
23 ~~but is nevertheless considered an applicant for purposes of~~
24 ~~this Act. Moreover, any full time employee of an eligible~~
25 ~~business relocated to Illinois in connection with that~~

1 ~~qualifying project is deemed to be a new employee for purposes~~
2 ~~of this Act.~~ Determinations under this Section shall be made
3 by the Department.

4 (Source: P.A. 91-476, eff. 8-11-99; 92-207, eff. 8-1-01.)

5 (35 ILCS 10/5-45)

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

7 (a) The Department shall determine the amount and duration
8 of the credit awarded under this Act. The duration of the
9 credit may not exceed 10 taxable years for projects qualified
10 under paragraph (1), (1.5), or (1.6) of subsection (b) of
11 Section 5-20 or 15 taxable years for projects qualified under
12 paragraph (1.7) of subsection (b) of Section 5-20. The credit
13 may be stated as a percentage of the Incremental Income Tax
14 attributable to the applicant's project and may include a
15 fixed dollar limitation.

16 (b) Notwithstanding subsection (a), and except as the
17 credit may be applied in a carryover year pursuant to Section
18 211(4) of the Illinois Income Tax Act, the credit may be
19 applied against the State income tax liability in more than 10
20 taxable years but not in more than 15 taxable years for an
21 eligible business that (i) qualifies under this Act and the
22 Corporate Headquarters Relocation Act and has in fact
23 undertaken a qualifying project within the time frame
24 specified by the Department of Commerce and Economic
25 Opportunity under that Act, and (ii) applies against its State

1 income tax liability, during the entire 15-year period, no
2 more than 60% of the maximum credit per year that would
3 otherwise be available under this Act.

4 (c) Nothing in this Section shall prevent the Department,
5 in consultation with the Department of Revenue, from adopting
6 rules to extend the sunset of any earned, existing, and unused
7 tax credit or credits a taxpayer may be in possession of, as
8 provided for in Section 605-1070 of the Department of Commerce
9 and Economic Opportunity Law of the Civil Administrative Code
10 of Illinois, notwithstanding the carry-forward provisions
11 pursuant to paragraph (4) of Section 211 of the Illinois
12 Income Tax Act.

13 (Source: P.A. 102-16, eff. 6-17-21; 102-813, eff. 5-13-22.)

14 (35 ILCS 10/5-56)

15 Sec. 5-56. Annual report. ~~Certified payroll.~~ Annually,
16 until construction is completed, a company seeking New
17 Construction EDGE Credits shall submit a report that, at a
18 minimum, describes the projected project scope, timeline, and
19 anticipated budget. Once the project has commenced, the annual
20 report shall include actual data for the prior year as well as
21 projections for each additional year through completion of the
22 project. The Department shall issue detailed reporting
23 guidelines prescribing the requirements of construction
24 related reports. In order to receive credit for construction
25 expenses, the company must provide the Department with

1 evidence that a certified third-party executed an Agreed-Upon
2 Procedure (AUP) verifying the construction expenses or accept
3 the standard construction wage expense estimated by the
4 Department.

5 Upon review of the final project scope, timeline, budget,
6 and AUP, the Department shall issue a tax credit certificate
7 reflecting a percentage of the total construction job wages
8 paid throughout the completion of the project.

9 ~~Each contractor and subcontractor that is engaged in and is~~
10 ~~executing a New Construction EDGE Project for a Taxpayer,~~
11 ~~pursuant to a New Construction EDGE Agreement shall:~~

12 ~~(1) make and keep, for a period of 5 years from the~~
13 ~~date of the last payment made on or after June 5, 2019 (the~~
14 ~~effective date of Public Act 101-9) on a contract or~~
15 ~~subcontract for a New Construction EDGE Project pursuant~~
16 ~~to a New Construction EDGE Agreement, records of all~~
17 ~~laborers and other workers employed by the contractor or~~
18 ~~subcontractor on the project; the records shall include:~~

19 ~~(A) the worker's name;~~

20 ~~(B) the worker's address;~~

21 ~~(C) the worker's telephone number, if available;~~

22 ~~(D) the worker's social security number;~~

23 ~~(E) the worker's classification or~~
24 ~~classifications;~~

25 ~~(F) the worker's gross and net wages paid in each~~
26 ~~pay period;~~

1 ~~(G) the worker's number of hours worked each day;~~
2 ~~(H) the worker's starting and ending times of work~~
3 ~~each day;~~

4 ~~(I) the worker's hourly wage rate; and~~

5 ~~(J) the worker's hourly overtime wage rate; and~~

6 ~~(2) no later than the 15th day of each calendar month,~~
7 ~~provide a certified payroll for the immediately preceding~~
8 ~~month to the taxpayer in charge of the project; within 5~~
9 ~~business days after receiving the certified payroll, the~~
10 ~~taxpayer shall file the certified payroll with the~~
11 ~~Department of Labor and the Department of Commerce and~~
12 ~~Economic Opportunity; a certified payroll must be filed~~
13 ~~for only those calendar months during which construction~~
14 ~~on a New Construction EDGE Project has occurred; the~~
15 ~~certified payroll shall consist of a complete copy of the~~
16 ~~records identified in paragraph (1), but may exclude the~~
17 ~~starting and ending times of work each day; the certified~~
18 ~~payroll shall be accompanied by a statement signed by the~~
19 ~~contractor or subcontractor or an officer, employee, or~~
20 ~~agent of the contractor or subcontractor which avers that:~~

21 ~~(A) he or she has examined the certified payroll~~
22 ~~records required to be submitted by the Act and such~~
23 ~~records are true and accurate; and~~

24 ~~(B) the contractor or subcontractor is aware that~~
25 ~~filing a certified payroll that he or she knows to be~~
26 ~~false is a Class A misdemeanor.~~

1 ~~A general contractor is not prohibited from relying on a~~
2 ~~certified payroll of a lower tier subcontractor, provided the~~
3 ~~general contractor does not knowingly rely upon a~~
4 ~~subcontractor's false certification.~~

5 ~~Any contractor or subcontractor subject to this Section,~~
6 ~~and any officer, employee, or agent of such contractor or~~
7 ~~subcontractor whose duty as an officer, employee, or agent it~~
8 ~~is to file a certified payroll under this Section, who~~
9 ~~willfully fails to file such a certified payroll on or before~~
10 ~~the date such certified payroll is required to be filed and any~~
11 ~~person who willfully files a false certified payroll that is~~
12 ~~false as to any material fact is in violation of this Act and~~
13 ~~guilty of a Class A misdemeanor.~~

14 ~~The taxpayer in charge of the project shall keep the~~
15 ~~records submitted in accordance with this Section on or after~~
16 ~~June 5, 2019 (the effective date of Public Act 101-9) for a~~
17 ~~period of 5 years from the date of the last payment for work on~~
18 ~~a contract or subcontract for the project.~~

19 ~~The records submitted in accordance with this Section~~
20 ~~shall be considered public records, except an employee's~~
21 ~~address, telephone number, and social security number, and~~
22 ~~made available in accordance with the Freedom of Information~~
23 ~~Act. The Department of Labor shall accept any reasonable~~
24 ~~submissions by the contractor that meet the requirements of~~
25 ~~this Section and shall share the information with the~~
26 ~~Department in order to comply with the awarding of New~~

1 ~~Construction EDGE Credits. A contractor, subcontractor, or~~
2 ~~public body may retain records required under this Section in~~
3 ~~paper or electronic format.~~

4 Upon 7 business days' notice, the taxpayer ~~contractor and~~
5 ~~each subcontractor~~ shall make available for inspection and
6 copying at a location within this State during reasonable
7 hours, the records identified in paragraph (1) of this Section
8 to the taxpayer in charge of the project, its officers and
9 agents, ~~the Director of Labor and his or her deputies and~~
10 ~~agents,~~ and to federal, State, or local law enforcement
11 agencies and prosecutors.

12 (Source: P.A. 101-9, eff. 6-5-19; 102-558, eff. 8-20-21.)

13 Section 27. The Film Production Services Tax Credit Act of
14 2008 is amended by changing Sections 10 and 46 as follows:

15 (35 ILCS 16/10)

16 Sec. 10. Definitions. As used in this Act:

17 "Accredited production" means: (i) for productions
18 commencing before May 1, 2006, a film, video, or television
19 production that has been certified by the Department in which
20 the aggregate Illinois labor expenditures included in the cost
21 of the production, in the period that ends 12 months after the
22 time principal filming or taping of the production began,
23 exceed \$100,000 for productions of 30 minutes or longer, or
24 \$50,000 for productions of less than 30 minutes; and (ii) for

1 productions commencing on or after May 1, 2006, a film, video,
2 or television production that has been certified by the
3 Department in which the Illinois production spending included
4 in the cost of production in the period that ends 12 months
5 after the time principal filming or taping of the production
6 began exceeds \$100,000 for productions of 30 minutes or longer
7 or exceeds \$50,000 for productions of less than 30 minutes.

8 "Accredited production" does not include a production that:

9 (1) is news, current events, or public programming, or
10 a program that includes weather or market reports;

11 (2) is a talk show produced for local or regional
12 markets;

13 (3) (blank); ~~is a production in respect of a game,~~
14 ~~questionnaire, or contest;~~

15 (4) is a sports event or activity;

16 (5) is a gala presentation or awards show;

17 (6) is a finished production that solicits funds;

18 (7) is a production produced by a film production
19 company if records, as required by 18 U.S.C. 2257, are to
20 be maintained by that film production company with respect
21 to any performer portrayed in that single media or
22 multimedia program; or

23 (8) is a production produced primarily for industrial,
24 corporate, or institutional purposes.

25 "Accredited animated production" means an accredited
26 production in which movement and characters' performances are

1 created using a frame-by-frame technique and a significant
2 number of major characters are animated. Motion capture by
3 itself is not an animation technique.

4 "Accredited production certificate" means a certificate
5 issued by the Department certifying that the production is an
6 accredited production that meets the guidelines of this Act.

7 "Applicant" means a taxpayer that is a film production
8 company that is operating or has operated an accredited
9 production located within the State of Illinois and that (i)
10 owns the copyright in the accredited production throughout the
11 Illinois production period or (ii) has contracted directly
12 with the owner of the copyright in the accredited production
13 or a person acting on behalf of the owner to provide services
14 for the production, where the owner of the copyright is not an
15 eligible production corporation.

16 "Credit" means:

17 (1) for an accredited production approved by the
18 Department on or before January 1, 2005 and commencing
19 before May 1, 2006, the amount equal to 25% of the Illinois
20 labor expenditure approved by the Department. The
21 applicant is deemed to have paid, on its balance due day
22 for the year, an amount equal to 25% of its qualified
23 Illinois labor expenditure for the tax year. For Illinois
24 labor expenditures generated by the employment of
25 residents of geographic areas of high poverty or high
26 unemployment, as determined by the Department, in an

1 accredited production commencing before May 1, 2006 and
2 approved by the Department after January 1, 2005, the
3 applicant shall receive an enhanced credit of 10% in
4 addition to the 25% credit; and

5 (2) for an accredited production commencing on or
6 after May 1, 2006 and before January 1, 2009, the amount
7 equal to:

8 (i) 20% of the Illinois production spending for
9 the taxable year; plus

10 (ii) 15% of the Illinois labor expenditures
11 generated by the employment of residents of geographic
12 areas of high poverty or high unemployment, as
13 determined by the Department; and

14 (3) for an accredited production commencing on or
15 after January 1, 2009, the amount equal to:

16 (i) 30% of the Illinois production spending for
17 the taxable year; plus

18 (ii) 15% of the Illinois labor expenditures
19 generated by the employment of residents of geographic
20 areas of high poverty or high unemployment, as
21 determined by the Department.

22 "Department" means the Department of Commerce and Economic
23 Opportunity.

24 "Director" means the Director of Commerce and Economic
25 Opportunity.

26 "Illinois labor expenditure" means salary or wages paid to

1 employees of the applicant for services on the accredited
2 production.

3 To qualify as an Illinois labor expenditure, the
4 expenditure must be:

5 (1) Reasonable in the circumstances.

6 (2) Included in the federal income tax basis of the
7 property.

8 (3) Incurred by the applicant for services on or after
9 January 1, 2004.

10 (4) Incurred for the production stages of the
11 accredited production, from the final script stage to the
12 end of the post-production stage.

13 (5) Limited to the first \$25,000 of wages paid or
14 incurred to each employee of a production commencing
15 before May 1, 2006 and the first \$100,000 of wages paid or
16 incurred to each employee of a production commencing on or
17 after May 1, 2006 and prior to July 1, 2022. For
18 productions commencing on or after July 1, 2022, limited
19 to the first \$500,000 of wages paid or incurred to each
20 eligible nonresident or resident employee of a production
21 company or loan out company that provides in-State
22 services to a production, whether those wages are paid or
23 incurred by the production company, loan out company, or
24 both, subject to withholding payments provided for in
25 Article 7 of the Illinois Income Tax Act. For purposes of
26 calculating Illinois labor expenditures for a television

1 series, the eligible nonresident wage limitations provided
2 under this subparagraph are applied to the entire season.
3 For the purpose of this paragraph (5), an eligible
4 nonresident is a nonresident whose wages qualify as an
5 Illinois labor expenditure under the provisions of
6 paragraph (9) that apply to that production.

7 (6) For a production commencing before May 1, 2006,
8 exclusive of the salary or wages paid to or incurred for
9 the 2 highest paid employees of the production.

10 (7) Directly attributable to the accredited
11 production.

12 (8) (Blank).

13 (9) Prior to July 1, 2022, paid to persons resident in
14 Illinois at the time the payments were made. For a
15 production commencing on or after July 1, 2022, paid to
16 persons resident in Illinois and nonresidents at the time
17 the payments were made.

18 For purposes of this subparagraph, if the production
19 is accredited by the Department before the effective date
20 of this amendatory Act of the 102nd General Assembly, only
21 wages paid to nonresidents working in the following
22 positions shall be considered Illinois labor expenditures:
23 Writer, Director, Director of Photography, Production
24 Designer, Costume Designer, Production Accountant, VFX
25 Supervisor, Editor, Composer, and Actor, subject to the
26 limitations set forth under this subparagraph. For an

1 accredited Illinois production spending of \$25,000,000 or
2 less, no more than 2 nonresident actors' wages shall
3 qualify as an Illinois labor expenditure. For an
4 accredited production with Illinois production spending of
5 more than \$25,000,000, no more than 4 nonresident actor's
6 wages shall qualify as Illinois labor expenditures.

7 For purposes of this subparagraph, if the production
8 is accredited by the Department on or after the effective
9 date of this amendatory Act of the 102nd General Assembly,
10 wages paid to nonresidents shall qualify as Illinois labor
11 expenditures only under the following conditions:

12 (A) the nonresident must be employed in a
13 qualified position;

14 (B) for each of those accredited productions, the
15 wages of not more than 9 nonresidents who are employed
16 in a qualified position other than Actor shall qualify
17 as Illinois labor expenditures;

18 (C) for an accredited production with Illinois
19 production spending of \$25,000,000 or less, no more
20 than 2 nonresident actors' wages shall qualify as
21 Illinois labor expenditures; and

22 (D) for an accredited production with Illinois
23 production spending of more than \$25,000,000, no more
24 than 4 nonresident actors' wages shall qualify as
25 Illinois labor expenditures.

26 As used in this paragraph (9), "qualified position"

1 means: Writer, Director, Director of Photography,
2 Production Designer, Costume Designer, Production
3 Accountant, VFX Supervisor, Editor, Composer, or Actor.

4 (10) Paid for services rendered in Illinois.

5 "Illinois production spending" means the expenses incurred
6 by the applicant for an accredited production, but does not
7 include any monetary prize or the cost of any non-monetary
8 prize awarded pursuant to a production in respect of a game,
9 questionnaire, or contest. "Illinois production spending"
10 includes, ~~including,~~ without limitation, all of the following:

11 (1) expenses to purchase, from vendors within
12 Illinois, tangible personal property that is used in the
13 accredited production;

14 (2) expenses to acquire services, from vendors in
15 Illinois, for film production, editing, or processing; and

16 (3) for a production commencing before July 1, 2022,
17 the compensation, not to exceed \$100,000 for any one
18 employee, for contractual or salaried employees who are
19 Illinois residents performing services with respect to the
20 accredited production. For a production commencing on or
21 after July 1, 2022, the compensation, not to exceed
22 \$500,000 for any one employee, for contractual or salaried
23 employees who are Illinois residents or nonresident
24 employees, subject to the limitations set forth under
25 Section 10 of this Act.

26 "Loan out company" means a personal service corporation or

1 other entity that is under contract with the taxpayer to
2 provide specified individual personnel, such as artists, crew,
3 actors, producers, or directors for the performance of
4 services used directly in a production. "Loan out company"
5 does not include entities contracted with by the taxpayer to
6 provide goods or ancillary contractor services such as
7 catering, construction, trailers, equipment, or
8 transportation.

9 "Qualified production facility" means stage facilities in
10 the State in which television shows and films are or are
11 intended to be regularly produced and that contain at least
12 one sound stage of at least 15,000 square feet.

13 Rulemaking authority to implement Public Act 95-1006, if
14 any, is conditioned on the rules being adopted in accordance
15 with all provisions of the Illinois Administrative Procedure
16 Act and all rules and procedures of the Joint Committee on
17 Administrative Rules; any purported rule not so adopted, for
18 whatever reason, is unauthorized.

19 (Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22;
20 102-1125, eff. 2-3-23.)

21 (35 ILCS 16/46)

22 Sec. 46. Illinois Production Workforce Development Fund.

23 (a) The Illinois Production Workforce Development Fund is
24 created as a special fund in the State Treasury. Beginning
25 July 1, 2023 ~~July 1, 2022~~, amounts paid to the Department of

1 Commerce and Economic Opportunity pursuant to Section 213 of
2 the Illinois Income Tax Act shall be deposited into the Fund.
3 The Fund shall be used exclusively to provide grants to
4 community-based organizations, labor organizations, private
5 and public universities, community colleges, and other
6 organizations and institutions that may be deemed appropriate
7 by the Department to administer workforce training programs
8 that support efforts to recruit, hire, promote, retain,
9 develop, and train a diverse and inclusive workforce in the
10 film industry.

11 (b) Pursuant to Section 213 of the Illinois Income Tax
12 Act, taxpayers who have been awarded a tax credit under this
13 Act shall pay to the Department of Commerce and Economic
14 Opportunity, after determination of the tax credit amount but
15 prior to the issuance of a tax credit certificate, a fee equal
16 to 2.5% of the credit amount awarded to the taxpayer under the
17 Film Production Services Tax Credit Act of 2008 that is
18 attributable to wages paid to nonresidents, as described in
19 Section 10 of the Film Production Services Tax Credit Act of
20 2008, and an additional fee equal to 0.25% of the amount
21 generated by subtracting the credit amount awarded to the
22 taxpayer under the Film Production Services Tax Credit Act of
23 2008 that is attributable to wages paid to nonresidents from
24 the total credit amount awarded to the taxpayer under that
25 Act. All fees collected under this subsection shall be
26 deposited into the Illinois Production Workforce Development

1 Fund. No tax credit certificate shall be issued by the
2 Department of Commerce and Economic Opportunity until the
3 total fees owed according to this subsection have been
4 received by the Department of Commerce and Economic
5 Opportunity. ~~the Fund shall receive deposits in amounts not to~~
6 ~~exceed 0.25% of the amount of each credit certificate issued~~
7 ~~that is not calculated on out of state wages and transferred~~
8 ~~or claimed on an Illinois tax return in the quarter such credit~~
9 ~~was transferred or claimed. In addition, such amount shall~~
10 ~~also include 2.5% of the credit amount calculated on wages~~
11 ~~paid to nonresidents that is transferred or claimed on an~~
12 ~~Illinois tax return in the quarter such credit was transferred~~
13 ~~or claimed.~~

14 (c) At the request of the Department, the State
15 Comptroller and the State Treasurer may advance amounts to the
16 Fund on an annual basis not to exceed \$1,000,000 in any fiscal
17 year. The fund from which the moneys are advanced shall be
18 reimbursed in the same fiscal year for any such advance
19 payments as described in this Section. The method of
20 reimbursement shall be set forth in rules.

21 (d) Of the appropriated funds in a given fiscal year, 50%
22 of the appropriated funds shall be reserved for organizations
23 that meet one of the following criteria. The organization is:
24 (1) a minority-owned business, as defined by the Business
25 Enterprise for Minorities, Women, and Persons with
26 Disabilities Act; (2) located in an underserved area, as

1 defined by the Economic Development for a Growing Economy Tax
2 Credit Act; or (3) on an annual basis, training a cohort of
3 program participants where at least 50% of the program
4 participants are either a minority person, as defined by the
5 Business Enterprise for Minorities, Women, and Persons with
6 Disabilities Act, or reside in an underserved area, as defined
7 by the Economic Development for a Growing Economy Tax Credit
8 Act.

9 (e) The Illinois Production Workforce Development Fund
10 shall be administered by the Department. The Department may
11 adopt rules necessary to administer the provisions of this
12 Section.

13 (f) Notwithstanding any other law to the contrary, the
14 Illinois Production Workforce Development Fund is not subject
15 to sweeps, administrative charge-backs, or any other fiscal or
16 budgetary maneuver that would in any way transfer any amounts
17 from the Illinois Production Workforce Development Fund.

18 (g) By June 30 of each fiscal year, the Department must
19 submit to the General Assembly a report that includes the
20 following information: (1) an identification of the
21 organizations and institutions that received funding to
22 administer workforce training programs during the fiscal year;
23 (2) the number of total persons trained and the number of
24 persons trained per workforce training program in the fiscal
25 year; and (3) in the aggregate, per organization, the number
26 of persons identified as a minority person or that reside in an

1 underserved area that received training in the fiscal year.

2 (Source: P.A. 102-700, eff. 4-19-22.)

3 Section 30. The Manufacturing Illinois Chips for Real
4 Opportunity (MICRO) Act is amended by changing Sections 110-5,
5 110-10, 110-20, 110-35, 110-65, and 110-95 as follows:

6 (35 ILCS 45/110-5)

7 Sec. 110-5. Purpose. It is the intent of the General
8 Assembly that Illinois should lead the nation in the
9 production of quantum computers and the production of
10 semiconductors and microchips as they become even more
11 prevalent in everyday life. The General Assembly finds that,
12 through investments in quantum computing and semiconductors
13 and microchips, Illinois will be on the forefront of the
14 quantum computing industry and the forefront of reshoring
15 semiconductor and microchip production that fuels modern
16 technologies that are essential to the operation of computers,
17 phones, vehicles and the any electric products ~~product~~ that
18 have become essential to modern life. This Act will create
19 good paying jobs, and generate long-term economic investment
20 in the Illinois business economy, in addition to ensuring a
21 vital product is made in the United States. Illinois must
22 aggressively adopt new business development investment tools
23 so that Illinois can compete with domestic and foreign
24 competitors for quantum computer manufacturing and

1 semiconductor and chip manufacturing.

2 (Source: P.A. 102-700, eff. 4-19-22.)

3 (35 ILCS 45/110-10)

4 Sec. 110-10. Definitions. As used in this Act:

5 "Agreement" means the agreement between a taxpayer and the
6 Department under the provisions of this Act.

7 "Applicant" means a taxpayer that: (i) operates a business
8 in Illinois as a quantum computer manufacturer, a
9 semiconductor manufacturer, a microchip manufacturer, or a
10 manufacturer of quantum computer, semiconductor, or microchip
11 component parts or a business in Illinois that primarily
12 engages in research and development in the manufacturing of
13 quantum computers, semiconductors, or microchips; or (ii) is
14 planning to locate a business within the State of Illinois as a
15 quantum computer manufacturer, a semiconductor manufacturer, a
16 microchip manufacturer, or a manufacturer of quantum computer,
17 semiconductor, or microchip component parts or a business
18 within the State of Illinois that primarily engages in
19 research and development in the manufacturing of quantum
20 computers, semiconductors, or microchips. For the purposes of
21 this definition, a business primarily engages in research and
22 development in the manufacturing of quantum computers,
23 semiconductors, or microchips if at least 50% of its business
24 activities involve research and development in the
25 manufacturing of quantum computers, semiconductors, or

1 microchips. "Applicant" does not include a taxpayer who closes
2 or substantially reduces by more than 50% operations at one
3 location in the State and relocates substantially the same
4 operation to another location in the State. This does not
5 prohibit a taxpayer from expanding its operations at another
6 location in the State. This also does not prohibit a taxpayer
7 from moving its operations from one location in the State to
8 another location in the State for the purpose of expanding the
9 operation, provided that the Department determines that
10 expansion cannot reasonably be accommodated within the
11 municipality or county in which the business is located, or,
12 in the case of a business located in an incorporated area of
13 the county, within the county in which the business is
14 located, after conferring with the chief elected official of
15 the municipality or county and taking into consideration any
16 evidence offered by the municipality or county regarding the
17 ability to accommodate expansion within the municipality or
18 county.

19 "Capital improvements" means the purchase, renovation,
20 rehabilitation, or construction of permanent tangible land,
21 buildings, structures, equipment, and furnishings in an
22 approved project sited in Illinois and expenditures for goods
23 or services that are normally capitalized, including
24 organizational costs and research and development costs
25 incurred in Illinois. For land, buildings, structures, and
26 equipment that are leased, the lease must equal or exceed the

1 term of the agreement, and the cost of the property shall be
2 determined from the present value, using the corporate
3 interest rate prevailing at the time of the application, of
4 the lease payments.

5 "Credit" or "MICRO credit" means a credit agreed to
6 between the Department and applicant under this Act.

7 "Department" means the Department of Commerce and Economic
8 Opportunity.

9 "Director" means the Director of Commerce and Economic
10 Opportunity.

11 "Energy Transition Area" means a county with less than
12 100,000 people or a municipality that contains one or more of
13 the following:

14 (1) a fossil fuel plant that was retired from service
15 or has significant reduced service within 6 years before
16 the time of the application or will be retired or have
17 service significantly reduced within 6 years following the
18 time of the application; or

19 (2) a coal mine that was closed or had operations
20 significantly reduced within 6 years before the time of
21 the application or is anticipated to be closed or have
22 operations significantly reduced within 6 years following
23 the time of the application.

24 "Full-time employee" means an individual who is employed
25 for consideration for at least 35 hours each week or who
26 renders any other standard of service generally accepted by

1 industry custom or practice as full-time employment. An
2 individual for whom a W-2 is issued by a Professional Employer
3 Organization (PEO) is a full-time employee if employed in the
4 service of the applicant for consideration for at least 35
5 hours each week.

6 "Incremental income tax" means the total amount withheld
7 during the taxable year from the compensation of new employees
8 and, if applicable, retained employees under Article 7 of the
9 Illinois Income Tax Act arising from employment at a project
10 that is the subject of an agreement.

11 "Institution of higher education" or "institution" means
12 any accredited public or private university, college,
13 community college, business, technical, or vocational school,
14 or other accredited educational institution offering degrees
15 and instruction beyond the secondary school level.

16 "MICRO construction jobs credit" means a credit agreed to
17 between the Department and the applicant under this Act that
18 is based on the incremental income tax attributable to
19 construction wages paid in connection with construction of the
20 project facilities.

21 "MICRO credit" means a credit agreed to between the
22 Department and the applicant under this Act that is based on
23 the incremental income tax attributable to new employees and,
24 if applicable, retained employees, and on training costs for
25 such employees at the applicant's project.

26 "Microchip" means a wafer of semiconducting material that

1 is less than 15 millimeters long and less than 5 millimeters
2 wide and is used to make an integrated circuit.

3 "Microchip manufacturer" means a new or existing
4 manufacturer that is focused on reequipping, expanding, or
5 establishing a manufacturing facility in Illinois that
6 produces microchips or ~~key~~ components that directly support
7 the functions of microchips.

8 "Minority person" means a minority person as defined in
9 the Business Enterprise for Minorities, Women, and Persons
10 with Disabilities Act.

11 "New employee" means a newly-hired full-time employee
12 employed to work at the project site and whose work is directly
13 related to the project.

14 "Noncompliance date" means, in the case of a taxpayer that
15 is not complying with the requirements of the agreement or the
16 provisions of this Act, the day following the last date upon
17 which the taxpayer was in compliance with the requirements of
18 the agreement and the provisions of this Act, as determined by
19 the Director.

20 "Pass-through entity" means an entity that is exempt from
21 the tax under subsection (b) or (c) of Section 205 of the
22 Illinois Income Tax Act.

23 "Placed in service" means the state or condition of
24 readiness, availability for a specifically assigned function,
25 and the facility is constructed and ready to conduct its
26 facility operations to manufacture goods.

1 "Professional employer organization" (PEO) means an
2 employee leasing company, as defined in Section 206.1 of the
3 Illinois Unemployment Insurance Act.

4 "Program" means the Manufacturing Illinois Chips for Real
5 Opportunity (MICRO) program established in this Act.

6 "Project" means a for-profit economic development activity
7 for the manufacture of quantum computers, semiconductors, or
8 ~~and~~ microchips.

9 "Quantum computer" means a machine that uses the
10 properties of quantum physics to perform computations and
11 store data, as distinct from classical computing machines.

12 "Quantum computer manufacturer" or "manufacturer of
13 quantum computers or quantum computer component parts" means a
14 new or existing manufacturer that is focused on reequipping,
15 expanding, or establishing a facility in Illinois that
16 manufactures a quantum computer, quantum computer prototype
17 devices, or components that support the functions of a quantum
18 computer.

19 "Related member" means a person that, with respect to the
20 taxpayer during any portion of the taxable year, is any one of
21 the following:

22 (1) An individual stockholder, if the stockholder and
23 the members of the stockholder's family (as defined in
24 Section 318 of the Internal Revenue Code) own directly,
25 indirectly, beneficially, or constructively, in the
26 aggregate, at least 50% of the value of the taxpayer's

1 outstanding stock.

2 (2) A partnership, estate, trust and any partner or
3 beneficiary, if the partnership, estate, or trust, and its
4 partners or beneficiaries own directly, indirectly,
5 beneficially, or constructively, in the aggregate, at
6 least 50% of the profits, capital, stock, or value of the
7 taxpayer.

8 (3) A corporation, and any party related to the
9 corporation in a manner that would require an attribution
10 of stock from the corporation under the attribution rules
11 of Section 318 of the Internal Revenue Code, if the
12 taxpayer owns directly, indirectly, beneficially, or
13 constructively at least 50% of the value of the
14 corporation's outstanding stock.

15 (4) A corporation and any party related to that
16 corporation in a manner that would require an attribution
17 of stock from the corporation to the party or from the
18 party to the corporation under the attribution rules of
19 Section 318 of the Internal Revenue Code, if the
20 corporation and all such related parties own in the
21 aggregate at least 50% of the profits, capital, stock, or
22 value of the taxpayer.

23 (5) A person to or from whom there is an attribution of
24 stock ownership in accordance with Section 1563(e) of the
25 Internal Revenue Code, except, for purposes of determining
26 whether a person is a related member under this paragraph,

1 20% shall be substituted for 5% wherever 5% appears in
2 Section 1563(e) of the Internal Revenue Code.

3 "Research and development in the manufacturing of quantum
4 computers, semiconductors, or microchips" means work directed
5 toward the innovation, introduction, and improvement of
6 products and processes in the space of quantum computing
7 manufacturing, semiconductor manufacturing, microchip
8 manufacturing, or the manufacturing of semiconductor, quantum
9 computer, or microchip component parts.

10 "Retained employee" means a full-time employee employed by
11 the taxpayer prior to the term of the agreement who continues
12 to be employed during the term of the agreement whose job
13 duties are directly and substantially related to the project.
14 For purposes of this definition, "directly and substantially
15 related to the project" means at least two-thirds of the
16 employee's job duties must be directly related to the project
17 and the employee must devote at least two-thirds of his or her
18 time to the project. The term "retained employee" does not
19 include any individual who has a direct or an indirect
20 ownership interest of at least 5% in the profits, equity,
21 capital, or value of the taxpayer or a child, grandchild,
22 parent, or spouse, other than a spouse who is legally
23 separated from the individual, of any individual who has a
24 direct or indirect ownership of at least 5% in the profits,
25 equity, capital, or value of the taxpayer.

26 "Semiconductor" means any class of crystalline solids

1 intermediate in electrical conductivity between a conductor
2 and an insulator.

3 "Semiconductor manufacturer" means a new or existing
4 manufacturer that is focused on reequipping, expanding, or
5 establishing a manufacturing facility in Illinois that
6 produces semiconductors or ~~key~~ components that directly
7 support the functions of semiconductors. Semiconductor
8 manufacturing also includes the manufacturing of component
9 parts that are required for the development and operation of
10 quantum computers and quantum computing facilities.

11 "Statewide baseline" means the total number of full-time
12 employees of the applicant and any related member employed by
13 such entities at the time of application for incentives under
14 this Act.

15 "Taxpayer" means an individual, corporation, partnership,
16 or other entity that has a legal obligation to pay Illinois
17 income taxes and file an Illinois income tax return.

18 "Training costs" means costs incurred to upgrade the
19 technological skills of full-time employees in Illinois and
20 includes: curriculum development; training materials
21 (including scrap product costs); trainee domestic travel
22 expenses; instructor costs (including wages, fringe benefits,
23 tuition and domestic travel expenses); rent, purchase or lease
24 of training equipment; and other usual and customary training
25 costs. "Training costs" do not include costs associated with
26 travel outside the United States (unless the taxpayer receives

1 prior written approval for the travel by the Director based on
2 a showing of substantial need or other proof the training is
3 not reasonably available within the United States), wages and
4 fringe benefits of employees during periods of training, or
5 administrative cost related to full-time employees of the
6 taxpayer.

7 "Underserved area" means any geographic area ~~areas~~ as
8 defined in Section 5-5 of the Economic Development for a
9 Growing Economy Tax Credit Act.

10 (Source: P.A. 102-700, eff. 4-19-22.)

11 (35 ILCS 45/110-20)

12 Sec. 110-20. Manufacturing Illinois Chips for Real
13 Opportunity (MICRO) Program; project applications.

14 (a) The Manufacturing Illinois Chips for Real Opportunity
15 (MICRO) Program is hereby established and shall be
16 administered by the Department. The Program will provide
17 financial incentives to eligible semiconductor manufacturers,
18 ~~and~~ microchip manufacturers, quantum computer manufacturers,
19 and companies that primarily engage in research and
20 development in the manufacturing of quantum computers,
21 semiconductors, or microchips. For the purposes of this
22 Section, a company is primarily engaged in research and
23 development in the manufacturing of quantum computers,
24 semiconductors, or microchips if at least 50% of its business
25 activities involve research and development in the

1 manufacturing of quantum computers, semiconductors, or
2 microchips..

3 (b) Any taxpayer planning a project to be located in
4 Illinois may request consideration for designation of its
5 project as a MICRO project, by formal written letter of
6 request or by formal application to the Department, in which
7 the applicant states its intent to make at least a specified
8 level of investment and intends to hire a specified number of
9 full-time employees at a designated location in Illinois. As
10 circumstances require, the Department shall require a formal
11 application from an applicant and a formal letter of request
12 for assistance.

13 (c) In order to qualify for credits under the program, an
14 applicant must:

15 (1) for a semiconductor manufacturer, a ~~or~~ microchip
16 manufacturer, a quantum computer manufacturer, or a
17 company focusing on research and development in the
18 manufacturing of quantum computers, semiconductors, or
19 microchips:

20 (A) make an investment of at least \$1,500,000,000
21 in capital improvements at the project site;

22 (B) to be placed in service within the State
23 within a 60-month period after approval of the
24 application; and

25 (C) create at least 500 new full-time employee
26 jobs; or

1 (2) for a semiconductor or microchip component parts
2 manufacturer:

3 (A) make an investment of at least \$300,000,000 in
4 capital improvements at the project site;

5 (B) manufacture one or more parts that are
6 primarily used for the manufacture of semiconductors
7 or microchips;

8 (C) to be placed in service within the State
9 within a 60-month period after approval of the
10 application; and

11 (D) create at least 150 new full-time employee
12 jobs; or

13 (3) for a semiconductor manufacturer, a ~~or~~ microchip
14 manufacturer, a quantum computer manufacturer, a company
15 focusing on research and development in the manufacturing
16 of quantum computers, semiconductors, or microchips, or ~~or~~
17 a semiconductor or microchip component parts manufacturer
18 that does not qualify under paragraph (2) above:

19 (A) make an investment of at least \$2,500,000
20 ~~\$20,000,000~~ in capital improvements at the project
21 site;

22 (B) to be placed in service within the State
23 within a 48-month period after approval of the
24 application; and

25 (C) create at least 50 new full-time employee jobs
26 or new full-time employees equivalent to 10% of the

1 number of full-time employees employed by the
2 applicant world-wide on the date the application is
3 filed with the Department; or

4 (4) for a semiconductor manufacturer, quantum computer
5 manufacturer, ~~or~~ microchip manufacturer, ~~or a~~
6 semiconductor or microchip component parts manufacturer
7 with existing operations in Illinois that intends to
8 convert or expand, in whole or in part, the existing
9 facility from traditional manufacturing to semiconductor
10 manufacturing, quantum computer manufacturing, or
11 microchip manufacturing or semiconductor, quantum
12 computer, or microchip component parts manufacturing, or a
13 company focusing on research and development in the
14 manufacturing of quantum computers, semiconductors, or
15 microchips:

16 (A) make an investment of at least \$100,000,000 in
17 capital improvements at the project site;

18 (B) to be placed in service within the State
19 within a 60-month period after approval of the
20 application; and

21 (C) create the lesser of 75 new full-time employee
22 jobs or new full-time employee jobs equivalent to 10%
23 of the Statewide baseline applicable to the taxpayer
24 and any related member at the time of application.

25 (d) For any applicant creating the full-time employee jobs
26 noted in subsection (c), those jobs must have a total

1 compensation equal to or greater than 120% of the average wage
2 paid to full-time employees in the county where the project is
3 located, as determined by the Department.

4 (e) Each applicant must outline its hiring plan and
5 commitment to recruit and hire full-time employee positions at
6 the project site. The hiring plan may include a partnership
7 with an institution of higher education to provide
8 internships, including, but not limited to, internships
9 supported by the Clean Jobs Workforce Network Program, or
10 full-time permanent employment for students at the project
11 site. Additionally, the applicant may create or utilize
12 participants from apprenticeship programs that are approved by
13 and registered with the United States Department of Labor's
14 Bureau of Apprenticeship and Training. The Applicant may apply
15 for apprenticeship education expense credits in accordance
16 with the provisions set forth in 14 Ill. Admin. Code 522. Each
17 applicant is required to report annually, on or before April
18 15, on the diversity of its workforce in accordance with
19 Section 110-50 of this Act. For existing facilities of
20 applicants under paragraph (3) of subsection (b) above, if the
21 taxpayer expects a reduction in force due to its transition to
22 manufacturing semiconductors, microchips, or semiconductor or
23 microchip component parts, the plan submitted under this
24 Section must outline the taxpayer's plan to assist with
25 retraining its workforce aligned with the taxpayer's adoption
26 of new technologies and anticipated efforts to retrain

1 employees through employment opportunities within the
2 taxpayer's workforce.

3 (f) A taxpayer may not enter into more than one agreement
4 under this Act with respect to a single address or location for
5 the same period of time. Also, a taxpayer may not enter into an
6 agreement under this Act with respect to a single address or
7 location for the same period of time for which the taxpayer
8 currently holds an active agreement under the Economic
9 Development for a Growing Economy Tax Credit Act. This
10 provision does not preclude the applicant from entering into
11 an additional agreement after the expiration or voluntary
12 termination of an earlier agreement under this Act or under
13 the Economic Development for a Growing Economy Tax Credit Act
14 to the extent that the taxpayer's application otherwise
15 satisfies the terms and conditions of this Act and is approved
16 by the Department. An applicant with an existing agreement
17 under the Economic Development for a Growing Economy Tax
18 Credit Act may submit an application for an agreement under
19 this Act after it terminates any existing agreement under the
20 Economic Development for a Growing Economy Tax Credit Act with
21 respect to the same address or location.

22 (Source: P.A. 102-700, eff. 4-19-22; 102-1125, eff. 2-3-23.)

23 (35 ILCS 45/110-35)

24 Sec. 110-35. Relocation of jobs in Illinois. A taxpayer is
25 not entitled to claim a credit provided by this Act with

1 respect to any jobs that the taxpayer relocates from one site
2 in Illinois to another site in Illinois unless the taxpayer
3 has agreed to hire the minimum number of new employees and the
4 Department has determined that the expansion cannot reasonably
5 be accommodated within the municipality in which the business
6 is located. Any full-time employee relocated to Illinois in
7 connection with a qualifying project is deemed to be a new
8 employee for purposes of this Act. Determinations under this
9 Section shall be made by the Department.

10 (Source: P.A. 102-700, eff. 4-19-22.)

11 (35 ILCS 45/110-65)

12 Sec. 110-65. Certified payroll.

13 (a) Annually, until construction is completed, a company
14 seeking MICRO Construction Job Credits shall submit a report
15 that, at a minimum, describes the projected project scope,
16 timeline, and anticipated budget. Once the project has
17 commenced, the annual report shall include actual data for the
18 prior year as well as projections for each additional year
19 through completion of the project. The Department shall issue
20 detailed reporting guidelines prescribing the requirements of
21 construction-related reports. Each contractor and
22 subcontractor that is engaged in construction work on project
23 facilities for a taxpayer who seeks to apply for a MICRO
24 Construction Jobs Credit shall:

25 ~~(1) make and keep, for a period of 5 years from the~~

1 ~~date of the last payment made on a contract or subcontract~~
2 ~~for construction of facilities for a project pursuant to~~
3 ~~an agreement, records of all laborers and other workers~~
4 ~~employed by the contractor or subcontractor on the~~
5 ~~project; the records shall include:~~

6 ~~(A) the worker's name;~~

7 ~~(B) the worker's address;~~

8 ~~(C) the worker's telephone number, if available;~~

9 ~~(D) the worker's social security number;~~

10 ~~(E) the worker's classification or~~
11 ~~classifications;~~

12 ~~(F) the worker's gross and net wages paid in each~~
13 ~~pay period;~~

14 ~~(G) the worker's number of hours worked in each~~
15 ~~day;~~

16 ~~(H) the worker's starting and ending times of work~~
17 ~~each day;~~

18 ~~(I) the worker's hourly wage rate; and~~

19 ~~(J) the worker's hourly overtime wage rate; and~~

20 ~~(2) no later than the 15th day of each calendar month,~~
21 ~~provide a certified payroll for the immediately preceding~~
22 ~~month to the taxpayer in charge of the project; within 5~~
23 ~~business days after receiving the certified payroll, the~~
24 ~~taxpayer shall file the certified payroll with the~~
25 ~~Department of Labor and the Department; a certified~~
26 ~~payroll must be filed for only those calendar months~~

1 ~~during which construction on the project facilities has~~
2 ~~occurred; the certified payroll shall consist of a~~
3 ~~complete copy of the records identified in paragraph (1),~~
4 ~~but may exclude the starting and ending times of work each~~
5 ~~day; the certified payroll shall be accompanied by a~~
6 ~~statement signed by the contractor or subcontractor or an~~
7 ~~officer, employee, or agent of the contractor or~~
8 ~~subcontractor which avers that:~~

9 ~~(A) he or she has examined the certified payroll~~
10 ~~records required to be submitted by the Act and such~~
11 ~~records are true and accurate; and~~

12 ~~(B) the contractor or subcontractor is aware that~~
13 ~~filing a certified payroll that he or she knows to be~~
14 ~~false is a Class A misdemeanor.~~

15 ~~A general contractor is not prohibited from relying on a~~
16 ~~certified payroll of a lower tier subcontractor, provided the~~
17 ~~general contractor does not knowingly rely upon a~~
18 ~~subcontractor's false certification.~~

19 (b) In order to receive credit for construction expenses,
20 the company must provide the Department with evidence that a
21 certified third party executed an Agreed-Upon Procedure (AUP)
22 verifying the construction expenses or accept the standard
23 construction wage expense estimated by the Department. Any
24 ~~contractor or subcontractor subject to this Section, and any~~
25 ~~officer, employee, or agent of such contractor or~~
26 ~~subcontractor whose duty as an officer, employee, or agent it~~

1 ~~is to file a certified payroll under this Section, who~~
2 ~~willfully fails to file such a certified payroll, on or before~~
3 ~~the date such certified payroll is required to be filed and any~~
4 ~~person who willfully files a false certified payroll as to any~~
5 ~~material fact is in violation of this Act and guilty of a Class~~
6 ~~A misdemeanor and may be enforced by the Illinois Department~~
7 ~~of Labor or the Department. The Attorney General shall~~
8 ~~represented the Illinois Department of Labor or the Department~~
9 ~~in the proceeding.~~

10 (c) Upon review of the final project scope, timeline,
11 budget, and AUP, the Department shall issue a tax credit
12 certificate reflecting a percentage of the total construction
13 job wages paid throughout the completion of the project. The
14 taxpayer in charge of the project shall keep the records
15 submitted in accordance with this Section for a period of 5
16 years from the date of the last payment for work on a contract
17 or subcontract for the project.

18 (d) (Blank). ~~The records submitted in accordance with this~~
19 ~~Section shall be considered public records, except an~~
20 ~~employee's address, telephone number, and social security~~
21 ~~number, which shall be redacted. The records shall be made~~
22 ~~publicly available in accordance with the Freedom of~~
23 ~~Information Act. The contractor or subcontractor shall submit~~
24 ~~reports to the Department of Labor electronically that meet~~
25 ~~the requirements of this subsection and shall share the~~
26 ~~information with the Department to comply with the awarding of~~

1 ~~the MICRO Construction Jobs Credit. A contractor,~~
2 ~~subcontractor, or public body may retain records required~~
3 ~~under this Section in paper or electronic format.~~

4 (e) Upon 7 business days' notice, the taxpayer ~~contractor~~
5 ~~and each subcontractor~~ shall make available to each State
6 agency and to federal, State, or local law enforcement
7 agencies and prosecutors for inspection and copying at a
8 location within this State during reasonable hours, the report
9 described in subsection (a) ~~records identified in paragraph~~
10 ~~(1) of this subsection to the taxpayer in charge of the~~
11 ~~Project, its officers and agents, the Director of the~~
12 ~~Department of Labor and his/her deputies and agents, and to~~
13 ~~federal, State, or local law enforcement agencies and~~
14 ~~prosecutors.~~

15 (Source: P.A. 102-700, eff. 4-19-22.)

16 (35 ILCS 45/110-95)

17 Sec. 110-95. Utility tax exemptions for MICRO projects.
18 The Department may certify a taxpayer with a credit for a
19 project that meets the qualifications under paragraphs (1),
20 (2), and (4) of subsection (c) of Section 110-20, subject to an
21 agreement under this Act, for an exemption from the tax
22 imposed at the project site by Section 2-4 of the Electricity
23 Excise Tax Law. To receive such certification, the taxpayer
24 must be registered to self-assess that tax. The taxpayer is
25 also exempt from any additional charges added to the

1 taxpayer's utility bills at the project site as a pass-on of
2 State utility taxes under Section 9-222 of the Public
3 Utilities Act. The taxpayer must meet any other ~~the~~ criteria
4 for certification set by the Department.

5 The Department shall determine the period during which the
6 exemption from the Electricity Excise Tax Law and the charges
7 imposed under Section 9-222 of the Public Utilities Act are in
8 effect, which shall not exceed 30 ~~10~~ years from the date of the
9 taxpayer's initial receipt of certification from the
10 Department under this Section.

11 The Department is authorized to adopt rules to carry out
12 the provisions of this Section, including procedures to apply
13 for the exemptions; to define the amounts and types of
14 eligible investments that an applicant must make in order to
15 receive electricity excise tax exemptions or exemptions from
16 the additional charges imposed under Section 9-222 and the
17 Public Utilities Act; to approve such electricity excise tax
18 exemptions for applicants whose investments are not yet placed
19 in service; and to require that an applicant granted an
20 electricity excise tax exemption or an exemption from
21 additional charges under Section 9-222 of the Public Utilities
22 Act repay the exempted amount if the applicant fails to comply
23 with the terms and conditions of the agreement.

24 Upon certification by the Department under this Section,
25 the Department shall notify the Department of Revenue of the
26 certification. The Department of Revenue shall notify the

1 public utilities of the exempt status of any taxpayer
2 certified for exemption under this Act from the electricity
3 excise tax or pass-on charges. The exemption status shall take
4 effect within 3 months after certification of the taxpayer and
5 notice to the Department of Revenue by the Department.

6 (Source: P.A. 102-700, eff. 4-19-22.)

7 Section 35. The Use Tax Act is amended by changing Section
8 12 as follows:

9 (35 ILCS 105/12) (from Ch. 120, par. 439.12)

10 Sec. 12. Applicability of Retailers' Occupation Tax Act
11 and Uniform Penalty and Interest Act. All of the provisions of
12 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
13 2-29, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation
14 provisions shall run from the date when the tax is due rather
15 than from the date when gross receipts are received), 5
16 (except that the time limitation provisions on the issuance of
17 notices of tax liability shall run from the date when the tax
18 is due rather than from the date when gross receipts are
19 received and except that in the case of a failure to file a
20 return required by this Act, no notice of tax liability shall
21 be issued on and after each July 1 and January 1 covering tax
22 due with that return during any month or period more than 6
23 years before that July 1 or January 1, respectively), 5a, 5b,
24 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5m, 5n, 7, 8, 9, 10, 11 and

1 12 of the Retailers' Occupation Tax Act and Section 3-7 of the
2 Uniform Penalty and Interest Act, which are not inconsistent
3 with this Act, shall apply, as far as practicable, to the
4 subject matter of this Act to the same extent as if such
5 provisions were included herein.

6 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

7 Section 40. The Service Use Tax Act is amended by changing
8 Section 12 as follows:

9 (35 ILCS 110/12) (from Ch. 120, par. 439.42)

10 Sec. 12. Applicability of Retailers' Occupation Tax Act
11 and Uniform Penalty and Interest Act. All of the provisions of
12 Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12,
13 2-29, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the
14 Department of the money collected under this Act), 4 (except
15 that the time limitation provisions shall run from the date
16 when gross receipts are received), 5 (except that the time
17 limitation provisions on the issuance of notices of tax
18 liability shall run from the date when the tax is due rather
19 than from the date when gross receipts are received and except
20 that in the case of a failure to file a return required by this
21 Act, no notice of tax liability shall be issued on and after
22 July 1 and January 1 covering tax due with that return during
23 any month or period more than 6 years before that July 1 or
24 January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k,

1 5l, 5m, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers'
2 Occupation Tax Act which are not inconsistent with this Act,
3 and Section 3-7 of the Uniform Penalty and Interest Act, shall
4 apply, as far as practicable, to the subject matter of this Act
5 to the same extent as if such provisions were included herein.
6 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

7 Section 45. The Service Occupation Tax Act is amended by
8 changing Section 12 as follows:

9 (35 ILCS 115/12) (from Ch. 120, par. 439.112)

10 Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i,
11 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-54, 2a, 2b, 2c, 3
12 (except as to the disposition by the Department of the tax
13 collected under this Act), 4 (except that the time limitation
14 provisions shall run from the date when the tax is due rather
15 than from the date when gross receipts are received), 5
16 (except that the time limitation provisions on the issuance of
17 notices of tax liability shall run from the date when the tax
18 is due rather than from the date when gross receipts are
19 received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5m, 5n, 6d,
20 7, 8, 9, 10, 11, and 12 of the "Retailers' Occupation Tax Act"
21 which are not inconsistent with this Act, and Section 3-7 of
22 the Uniform Penalty and Interest Act shall apply, as far as
23 practicable, to the subject matter of this Act to the same
24 extent as if such provisions were included herein.

1 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;
2 revised 9-26-23.)

3 Section 50. The Retailers' Occupation Tax Act is amended
4 by adding Section 2-29 as follows:

5 (35 ILCS 120/2-29 new)

6 Sec. 2-29. Quantum computing campus building materials
7 exemption.

8 (a) Each retailer who makes a qualified sale of building
9 materials to be incorporated into real estate at a quantum
10 computing campus certified by the Department of Commerce and
11 Economic Opportunity under Section 605-1115 of the Department
12 of Commerce and Economic Opportunity Law of the Civil
13 Administrative Code of Illinois may deduct receipts from those
14 sales when calculating the tax imposed by this Act. Quantum
15 Computing Campus Building Materials Exemption Certificates
16 shall be issued for an initial period not to exceed 20 years
17 and can be renewed once for a period not to exceed 20 years.

18 (b) No retailer who is eligible for the deduction or
19 credit for a given sale under Section 5k of this Act related to
20 enterprise zones, Section 5l of this Act related to High
21 Impact Businesses, Section 5m of this Act related to REV
22 Illinois projects, or Section 5n of this Act related to MICRO
23 facilities shall be eligible for the deduction or credit
24 authorized under this Section for that same sale.

1 (c) A construction contractor or other entity shall not
2 make tax-free purchases unless it has an active Exemption
3 Certificate issued by the Department at the time of the
4 purchase.

5 (d) A taxpayer that is certified by the Department of
6 Commerce and Economic Opportunity under Section 605-1115 of
7 the Department of Commerce and Economic Opportunity Law of the
8 Civil Administrative Code of Illinois shall submit a request
9 to the Department for an initial or renewal Quantum Computing
10 Campus Materials Exemption Certificate. Upon request from the
11 certified taxpayer, the Department shall issue a Quantum
12 Computing Campus Building Materials Exemption Certificate for
13 each construction contractor or other entity identified by the
14 certified taxpayer. The Department shall make the Quantum
15 Computing Campus Building Materials Exemption Certificates
16 available to each construction contractor or other entity
17 identified by the certified taxpayer and to the certified
18 taxpayer. The request for Quantum Computing Campus Building
19 Materials Exemption Certificates under this Section must
20 include the following information:

21 (1) the name and address of the construction
22 contractor or other entity;

23 (2) the name and location or address of the building
24 project site;

25 (3) the estimated amount of the exemption for each
26 construction contractor or other entity for which a

1 request for a Quantum Computing Campus Building Materials
2 Exemption Certificate is made, based on a stated estimated
3 average tax rate and the percentage of the contract that
4 consists of materials;

5 (4) the period of time over which supplies for the
6 project are expected to be purchased; and

7 (5) other reasonable information as the Department may
8 require, including, but not limited to, FEIN numbers, to
9 determine if the contractor or other entity, or any
10 partner, or a corporate officer, and in the case of a
11 limited liability company, any manager or member, of the
12 construction contractor or other entity, is or has been
13 the owner, a partner, a corporate officer, and, in the
14 case of a limited liability company, a manager or member,
15 of a person that is in default for moneys due to the
16 Department under this Act or any other tax or fee Act
17 administered by the Department.

18 The Department, in its discretion, may require that the
19 request for Quantum Computing Campus Building Materials
20 Exemption Certificates be submitted electronically. The
21 Department may, in its discretion, issue the Exemption
22 Certificates electronically.

23 (e) To document the exemption allowed under this Section,
24 the retailer must obtain from the purchaser the certification
25 required under this Section, which must contain the Quantum
26 Computing Campus Building Materials Exemption Certificate

1 number issued to the purchaser by the Department. In addition,
2 the retailer must obtain certification from the purchaser that
3 contains:

4 (1) a statement that the building materials are being
5 purchased for incorporation into real estate located in a
6 quantum computing campus;

7 (2) the location or address of the real estate into
8 which the building materials will be incorporated;

9 (3) the name of the quantum computing campus in which
10 that real estate is located;

11 (4) a description of the building materials being
12 purchased;

13 (5) the purchaser's Quantum Computing Campus Building
14 Materials Exemption Certificate number issued by the
15 Department; and

16 6) the purchaser's signature and date of purchase.

17 (f) The Department shall issue the Quantum Computing
18 Campus Building Materials Exemption Certificates within 3
19 business days after receipt of the request from the certified
20 taxpayer. This requirement does not apply in circumstances
21 where the Department, for reasonable cause, is unable to issue
22 the Exemption Certificate within 3 business days. The
23 Department may refuse to issue a Quantum Computing Campus
24 Building Materials Exemption Certificate if the owner, any
25 partner, or a corporate officer, and in the case of a limited
26 liability company, any manager or member, of the construction

1 contractor or other entity is or has been the owner, a partner,
2 a corporate officer, and, in the case of a limited liability
3 company, a manager or member, of a person that is in default
4 for moneys due to the Department under this Act or any other
5 tax or fee Act administered by the Department.

6 (g) The Quantum Computing Campus Building Materials
7 Exemption Certificate shall contain:

8 (1) a unique identifying number that shall be designed
9 in such a way that the Department can identify from the
10 unique number on the Exemption Certificate issued to a
11 given construction contractor or other entity, the name of
12 the quantum computing campus and the construction
13 contractor or other entity to whom the Exemption
14 Certificate is issued;

15 (2) the name of the construction contractor or entity
16 to whom the Exemption Certificate is issued;

17 (3) issuance, effective, and expiration dates; and

18 (4) language stating that if the construction
19 contractor or other entity who is issued the Exemption
20 Certificate makes a tax-exempt purchase, as described in
21 this Section, that is not eligible for exemption under
22 this Section or allows another person to make a tax-exempt
23 purchase, as described in this Section, that is not
24 eligible for exemption under this Section, then, in
25 addition to any tax or other penalty imposed, the
26 construction contractor or other entity is subject to a

1 penalty equal to the tax that would have been paid by the
2 retailer under this Act as well as any applicable local
3 retailers' occupation tax on the purchase that is not
4 eligible for the exemption.

5 (h) After the Department issues Exemption Certificates for
6 a given quantum computing campus, the certified taxpayer may
7 notify the Department of additional construction contractors
8 or other entities that are eligible for a Quantum Computing
9 Campus Building Materials Exemption Certificate. Upon
10 receiving such a notification and subject to the other
11 provisions of this Section, the Department shall issue a
12 Quantum Computing Campus Building Materials Exemption
13 Certificate to each additional construction contractor or
14 other entity so identified.

15 (i) A certified taxpayer may ask the Department to rescind
16 a Quantum Computing Campus Building Materials Exemption
17 Certificate previously issued by the Department to a
18 construction contractor or other entity working at that
19 certified quantum computing campus if that Quantum Computing
20 Campus Building Materials Exemption Certificate has not yet
21 expired. Upon receiving such a request and subject to the
22 other provisions of this Section, the Department shall issue
23 the rescission of the Quantum Computing Campus Building
24 Materials Exemption Certificate to the construction contractor
25 or other entity identified by the certified taxpayer and
26 provide a copy of the rescission to the construction

1 contractor or other entity and to the certified taxpayer.

2 (j) If the Department of Revenue determines that a
3 construction contractor or other entity that was issued an
4 Exemption Certificate under this Section made a tax-exempt
5 purchase, as described in this Section, that was not eligible
6 for exemption under this Section or allowed another person to
7 make a tax-exempt purchase, as described in this Section, that
8 was not eligible for exemption under this Section, then, in
9 addition to any tax or other penalty imposed, the construction
10 contractor or other entity is subject to a penalty equal to the
11 tax that would have been paid by the retailer under this Act as
12 well as any applicable local retailers' occupation tax on the
13 purchase that was not eligible for the exemption.

14 (k) Each contractor or other entity that has been issued a
15 Quantum Computing Campus Building Materials Exemption
16 Certificate under this Section shall annually report to the
17 Department the total value of the quantum computing campus
18 building materials exemption from State taxes. Reports shall
19 contain information reasonably required by the Department to
20 enable it to verify and calculate the total tax benefits for
21 taxes imposed by the State and shall be broken down by quantum
22 computing campus site. Reports are due no later than May 31 of
23 each year and shall cover the previous calendar year. Failure
24 to report data may result in revocation of the Quantum
25 Computing Campus Building Materials Exemption Certificate
26 issued to the contractor or other entity. The Department is

1 authorized to adopt rules governing revocation determinations,
2 including the length of revocation. Factors to be considered
3 in revocations shall include, but are not limited to, prior
4 compliance with the reporting requirements, cooperation in
5 discontinuing and correcting violations, and whether the
6 certificate was used unlawfully during the preceding year. The
7 Department, in its discretion, may require that the reports
8 filed under this Section be submitted electronically.

9 (l) As used in this Section:

10 "Certified taxpayer" means a person certified by the
11 Department of Commerce and Economic Opportunity under Section
12 605-1115 of the Department of Commerce and Economic
13 Opportunity Law of the Civil Administrative Code of Illinois.

14 "Qualified sale" means a sale of building materials that
15 will be incorporated into real estate as part of a building
16 project for which a Quantum Computing Campus Building
17 Materials Exemption Certificate has been issued to the
18 purchaser by the Department.

19 (m) The Department shall have the authority to adopt rules
20 as are reasonable and necessary to implement the provisions of
21 this Section.

22 (n) This Section is exempt from the provisions of Section
23 2-70.

24 (o) This exemption also applies to the Use Tax Act, the
25 Service Use Tax Act, and the Service Occupation Tax Act and is
26 incorporated by reference in Section 12 of each of those

1 respective Acts.

2 Section 53. The Gas Use Tax Law is amended by changing
3 Section 5-10 as follows:

4 (35 ILCS 173/5-10)

5 Sec. 5-10. Imposition of tax. Beginning October 1, 2003, a
6 tax is imposed upon the privilege of using in this State gas
7 obtained in a purchase of out-of-state gas at the rate of 2.4
8 cents per therm or 5% of the purchase price for the billing
9 period, whichever is the lower rate. Such tax rate shall be
10 referred to as the "self-assessing purchaser tax rate".
11 Beginning with bills issued by delivering suppliers on and
12 after October 1, 2003, purchasers may elect an alternative tax
13 rate of 2.4 cents per therm to be paid under the provisions of
14 Section 5-15 of this Law to a delivering supplier maintaining
15 a place of business in this State. Such tax rate shall be
16 referred to as the "alternate tax rate". The tax imposed under
17 this Section shall not apply to gas used by business
18 enterprises certified under Section 9-222.1 of the Public
19 Utilities Act or Section 605-1115 of the Department of
20 Commerce and Economic Opportunity Law of the Civil
21 Administrative Code of Illinois, as amended, to the extent of
22 such exemption and during the period of time specified by the
23 Department of Commerce and Economic Opportunity.

24 (Source: P.A. 93-31, eff. 10-1-03; 94-793, eff. 5-19-06.)

1 Section 55. The Property Tax Code is amended by changing
2 Sections 18-184.15 and 18-184.20 as follows:

3 (35 ILCS 200/18-184.15)

4 Sec. 18-184.15. REV Illinois project facilities for
5 electric vehicles, electric vehicle component parts, or
6 electric vehicle power supply equipment; abatement.

7 (a) Any taxing district, upon a majority vote of its
8 governing body, may, after determination of the assessed value
9 as set forth in this Code, order the clerk of the appropriate
10 municipality or county to abate, for a period not to exceed 30
11 consecutive years, any portion of real property taxes
12 otherwise levied or extended by the taxing district on a REV
13 Illinois Project facility ~~owned by an electric vehicle~~
14 ~~manufacturer, electric vehicle component parts manufacturer,~~
15 ~~or an electric vehicle power supply manufacturer~~ that is
16 subject to an agreement with the Department of Commerce and
17 Economic Opportunity under Section 45 of the Reimagining
18 Energy and Vehicles in Illinois Act, during the period of time
19 such agreement is in effect as specified by the Department of
20 Commerce and Economic Opportunity.

21 (b) Two or more taxing districts, upon a majority vote of
22 each of their respective governing bodies, may agree to abate,
23 for a period not to exceed 30 consecutive tax years, a portion
24 of the real property taxes otherwise levied or extended by

1 those taxing districts on a REV Illinois Project facility that
2 is subject to an agreement with the Department of Commerce and
3 Economic Opportunity under Section 45 of the Reimagining
4 Energy and Vehicles in Illinois Act. The agreement entered
5 into by the taxing districts under this subsection (b) shall
6 be filed with the county clerk who shall, for the period the
7 agreement remains in effect, abate the portion of the real
8 estate taxes levied or extended by those taxing districts as
9 directed in the agreement. Any such agreement entered into by
10 2 or more taxing districts before the effective date of this
11 amendatory Act of the 103rd General Assembly that is not
12 inconsistent with the provisions of this subsection (b) is
13 hereby declared valid and enforceable for the effective period
14 of that agreement.

15 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23.)

16 (35 ILCS 200/18-184.20)

17 Sec. 18-184.20. MICRO Illinois project facilities. Any
18 taxing district, upon a majority vote of its governing body,
19 may, after determination of the assessed value as set forth in
20 this Code, order the clerk of the appropriate municipality or
21 county to abate, for a period not to exceed 30 consecutive
22 years, any portion of real property taxes otherwise levied or
23 extended by the taxing district on a MICRO Illinois Project
24 facility ~~owned by a semiconductor manufacturer or microchip~~
25 ~~manufacturer or a semiconductor or microchip component parts~~

1 ~~manufacturer~~ that is subject to an agreement with the
2 Department of Commerce and Economic Opportunity under the
3 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,
4 during the period of time such agreement is in effect as
5 specified by the Department of Commerce and Economic
6 Opportunity.

7 (Source: P.A. 102-700, eff. 4-19-22.)

8 Section 60. The Telecommunications Excise Tax Act is
9 amended by changing Section 2 as follows:

10 (35 ILCS 630/2) (from Ch. 120, par. 2002)

11 Sec. 2. As used in this Article, unless the context
12 clearly requires otherwise:

13 (a) "Gross charge" means the amount paid for the act or
14 privilege of originating or receiving telecommunications in
15 this State and for all services and equipment provided in
16 connection therewith by a retailer, valued in money whether
17 paid in money or otherwise, including cash, credits, services
18 and property of every kind or nature, and shall be determined
19 without any deduction on account of the cost of such
20 telecommunications, the cost of materials used, labor or
21 service costs or any other expense whatsoever. In case credit
22 is extended, the amount thereof shall be included only as and
23 when paid. "Gross charges" for private line service shall
24 include charges imposed at each channel termination point

1 within this State, charges for the channel mileage between
2 each channel termination point within this State, and charges
3 for that portion of the interstate inter-office channel
4 provided within Illinois. Charges for that portion of the
5 interstate inter-office channel provided in Illinois shall be
6 determined by the retailer as follows: (i) for interstate
7 inter-office channels having 2 channel termination points,
8 only one of which is in Illinois, 50% of the total charge
9 imposed; or (ii) for interstate inter-office channels having
10 more than 2 channel termination points, one or more of which
11 are in Illinois, an amount equal to the total charge
12 multiplied by a fraction, the numerator of which is the number
13 of channel termination points within Illinois and the
14 denominator of which is the total number of channel
15 termination points. Prior to January 1, 2004, any method
16 consistent with this paragraph or other method that reasonably
17 apportions the total charges for interstate inter-office
18 channels among the states in which channel terminations points
19 are located shall be accepted as a reasonable method to
20 determine the charges for that portion of the interstate
21 inter-office channel provided within Illinois for that period.
22 However, "gross charges" shall not include any of the
23 following:

- 24 (1) Any amounts added to a purchaser's bill because of
25 a charge made pursuant to (i) the tax imposed by this
26 Article; (ii) charges added to customers' bills pursuant

1 to the provisions of Sections 9-221 or 9-222 of the Public
2 Utilities Act, as amended, or any similar charges added to
3 customers' bills by retailers who are not subject to rate
4 regulation by the Illinois Commerce Commission for the
5 purpose of recovering any of the tax liabilities or other
6 amounts specified in such provisions of such Act; (iii)
7 the tax imposed by Section 4251 of the Internal Revenue
8 Code; (iv) 911 surcharges; or (v) the tax imposed by the
9 Simplified Municipal Telecommunications Tax Act.

10 (2) Charges for a sent collect telecommunication
11 received outside of the State.

12 (3) Charges for leased time on equipment or charges
13 for the storage of data or information for subsequent
14 retrieval or the processing of data or information
15 intended to change its form or content. Such equipment
16 includes, but is not limited to, the use of calculators,
17 computers, data processing equipment, tabulating equipment
18 or accounting equipment and also includes the usage of
19 computers under a time-sharing agreement.

20 (4) Charges for customer equipment, including such
21 equipment that is leased or rented by the customer from
22 any source, wherein such charges are disaggregated and
23 separately identified from other charges.

24 (5) Charges to business enterprises certified under
25 Section 9-222.1 of the Public Utilities Act, as amended,
26 or under Section 95 of the Reimagining Energy and Vehicles

1 in Illinois Act, to the extent of such exemption and
2 during the period of time specified by the Department of
3 Commerce and Economic Opportunity.

4 (5.1) Charges to business enterprises certified under
5 the Manufacturing Illinois Chips for Real Opportunity
6 (MICRO) Act, to the extent of the exemption and during the
7 period of time specified by the Department of Commerce and
8 Economic Opportunity.

9 (5.2) Charges to entities certified under Section
10 605-1115 of the Department of Commerce and Economic
11 Opportunity Law of the Civil Administrative Code of
12 Illinois to the extent of the exemption and during the
13 period of time specified by the Department of Commerce and
14 Economic Opportunity.

15 (6) Charges for telecommunications and all services
16 and equipment provided in connection therewith between a
17 parent corporation and its wholly owned subsidiaries or
18 between wholly owned subsidiaries when the tax imposed
19 under this Article has already been paid to a retailer and
20 only to the extent that the charges between the parent
21 corporation and wholly owned subsidiaries or between
22 wholly owned subsidiaries represent expense allocation
23 between the corporations and not the generation of profit
24 for the corporation rendering such service.

25 (7) Bad debts. Bad debt means any portion of a debt
26 that is related to a sale at retail for which gross charges

1 are not otherwise deductible or excludable that has become
2 worthless or uncollectable, as determined under applicable
3 federal income tax standards. If the portion of the debt
4 deemed to be bad is subsequently paid, the retailer shall
5 report and pay the tax on that portion during the
6 reporting period in which the payment is made.

7 (8) Charges paid by inserting coins in coin-operated
8 telecommunication devices.

9 (9) Amounts paid by telecommunications retailers under
10 the Telecommunications Municipal Infrastructure
11 Maintenance Fee Act.

12 (10) Charges for nontaxable services or
13 telecommunications if (i) those charges are aggregated
14 with other charges for telecommunications that are
15 taxable, (ii) those charges are not separately stated on
16 the customer bill or invoice, and (iii) the retailer can
17 reasonably identify the nontaxable charges on the
18 retailer's books and records kept in the regular course of
19 business. If the nontaxable charges cannot reasonably be
20 identified, the gross charge from the sale of both taxable
21 and nontaxable services or telecommunications billed on a
22 combined basis shall be attributed to the taxable services
23 or telecommunications. The burden of proving nontaxable
24 charges shall be on the retailer of the
25 telecommunications.

26 (b) "Amount paid" means the amount charged to the

1 taxpayer's service address in this State regardless of where
2 such amount is billed or paid.

3 (c) "Telecommunications", in addition to the meaning
4 ordinarily and popularly ascribed to it, includes, without
5 limitation, messages or information transmitted through use of
6 local, toll and wide area telephone service; private line
7 services; channel services; telegraph services;
8 teletypewriter; computer exchange services; cellular mobile
9 telecommunications service; specialized mobile radio;
10 stationary two way radio; paging service; or any other form of
11 mobile and portable one-way or two-way communications; or any
12 other transmission of messages or information by electronic or
13 similar means, between or among points by wire, cable,
14 fiber-optics, laser, microwave, radio, satellite or similar
15 facilities. As used in this Act, "private line" means a
16 dedicated non-traffic sensitive service for a single customer,
17 that entitles the customer to exclusive or priority use of a
18 communications channel or group of channels, from one or more
19 specified locations to one or more other specified locations.
20 The definition of "telecommunications" shall not include value
21 added services in which computer processing applications are
22 used to act on the form, content, code and protocol of the
23 information for purposes other than transmission.
24 "Telecommunications" shall not include purchases of
25 telecommunications by a telecommunications service provider
26 for use as a component part of the service provided by him to

1 the ultimate retail consumer who originates or terminates the
2 taxable end-to-end communications. Carrier access charges,
3 right of access charges, charges for use of inter-company
4 facilities, and all telecommunications resold in the
5 subsequent provision of, used as a component of, or integrated
6 into end-to-end telecommunications service shall be
7 non-taxable as sales for resale.

8 (d) "Interstate telecommunications" means all
9 telecommunications that either originate or terminate outside
10 this State.

11 (e) "Intrastate telecommunications" means all
12 telecommunications that originate and terminate within this
13 State.

14 (f) "Department" means the Department of Revenue of the
15 State of Illinois.

16 (g) "Director" means the Director of Revenue for the
17 Department of Revenue of the State of Illinois.

18 (h) "Taxpayer" means a person who individually or through
19 his agents, employees or permittees engages in the act or
20 privilege of originating or receiving telecommunications in
21 this State and who incurs a tax liability under this Article.

22 (i) "Person" means any natural individual, firm, trust,
23 estate, partnership, association, joint stock company, joint
24 venture, corporation, limited liability company, or a
25 receiver, trustee, guardian or other representative appointed
26 by order of any court, the Federal and State governments,

1 including State universities created by statute or any city,
2 town, county or other political subdivision of this State.

3 (j) "Purchase at retail" means the acquisition,
4 consumption or use of telecommunication through a sale at
5 retail.

6 (k) "Sale at retail" means the transmitting, supplying or
7 furnishing of telecommunications and all services and
8 equipment provided in connection therewith for a consideration
9 to persons other than the Federal and State governments, and
10 State universities created by statute and other than between a
11 parent corporation and its wholly owned subsidiaries or
12 between wholly owned subsidiaries for their use or consumption
13 and not for resale.

14 (l) "Retailer" means and includes every person engaged in
15 the business of making sales at retail as defined in this
16 Article. The Department may, in its discretion, upon
17 application, authorize the collection of the tax hereby
18 imposed by any retailer not maintaining a place of business
19 within this State, who, to the satisfaction of the Department,
20 furnishes adequate security to insure collection and payment
21 of the tax. Such retailer shall be issued, without charge, a
22 permit to collect such tax. When so authorized, it shall be the
23 duty of such retailer to collect the tax upon all of the gross
24 charges for telecommunications in this State in the same
25 manner and subject to the same requirements as a retailer
26 maintaining a place of business within this State. The permit

1 may be revoked by the Department at its discretion.

2 (m) "Retailer maintaining a place of business in this
3 State", or any like term, means and includes any retailer
4 having or maintaining within this State, directly or by a
5 subsidiary, an office, distribution facilities, transmission
6 facilities, sales office, warehouse or other place of
7 business, or any agent or other representative operating
8 within this State under the authority of the retailer or its
9 subsidiary, irrespective of whether such place of business or
10 agent or other representative is located here permanently or
11 temporarily, or whether such retailer or subsidiary is
12 licensed to do business in this State.

13 (n) "Service address" means the location of
14 telecommunications equipment from which the telecommunications
15 services are originated or at which telecommunications
16 services are received by a taxpayer. In the event this may not
17 be a defined location, as in the case of mobile phones, paging
18 systems, maritime systems, service address means the
19 customer's place of primary use as defined in the Mobile
20 Telecommunications Sourcing Conformity Act. For air-to-ground
21 systems and the like, service address shall mean the location
22 of a taxpayer's primary use of the telecommunications
23 equipment as defined by telephone number, authorization code,
24 or location in Illinois where bills are sent.

25 (o) "Prepaid telephone calling arrangements" mean the
26 right to exclusively purchase telephone or telecommunications

1 services that must be paid for in advance and enable the
2 origination of one or more intrastate, interstate, or
3 international telephone calls or other telecommunications
4 using an access number, an authorization code, or both,
5 whether manually or electronically dialed, for which payment
6 to a retailer must be made in advance, provided that, unless
7 recharged, no further service is provided once that prepaid
8 amount of service has been consumed. Prepaid telephone calling
9 arrangements include the recharge of a prepaid calling
10 arrangement. For purposes of this subsection, "recharge" means
11 the purchase of additional prepaid telephone or
12 telecommunications services whether or not the purchaser
13 acquires a different access number or authorization code.
14 "Prepaid telephone calling arrangement" does not include an
15 arrangement whereby a customer purchases a payment card and
16 pursuant to which the service provider reflects the amount of
17 such purchase as a credit on an invoice issued to that customer
18 under an existing subscription plan.

19 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
20 102-1125, eff. 2-3-23.)

21 Section 65. The Telecommunications Infrastructure
22 Maintenance Fee Act is amended by changing Section 10 as
23 follows:

24 (35 ILCS 635/10)

1 Sec. 10. Definitions.

2 (a) "Gross charges" means the amount paid to a
3 telecommunications retailer for the act or privilege of
4 originating or receiving telecommunications in this State and
5 for all services rendered in connection therewith, valued in
6 money whether paid in money or otherwise, including cash,
7 credits, services, and property of every kind or nature, and
8 shall be determined without any deduction on account of the
9 cost of such telecommunications, the cost of the materials
10 used, labor or service costs, or any other expense whatsoever.
11 In case credit is extended, the amount thereof shall be
12 included only as and when paid. "Gross charges" for private
13 line service shall include charges imposed at each channel
14 termination point within this State, charges for the channel
15 mileage between each channel termination point within this
16 State, and charges for that portion of the interstate
17 inter-office channel provided within Illinois. Charges for
18 that portion of the interstate inter-office channel provided
19 in Illinois shall be determined by the retailer as follows:
20 (i) for interstate inter-office channels having 2 channel
21 termination points, only one of which is in Illinois, 50% of
22 the total charge imposed; or (ii) for interstate inter-office
23 channels having more than 2 channel termination points, one or
24 more of which are in Illinois, an amount equal to the total
25 charge multiplied by a fraction, the numerator of which is the
26 number of channel termination points within Illinois and the

1 denominator of which is the total number of channel
2 termination points. Prior to January 1, 2004, any method
3 consistent with this paragraph or other method that reasonably
4 apportions the total charges for interstate inter-office
5 channels among the states in which channel terminations points
6 are located shall be accepted as a reasonable method to
7 determine the charges for that portion of the interstate
8 inter-office channel provided within Illinois for that period.
9 However, "gross charges" shall not include any of the
10 following:

11 (1) Any amounts added to a purchaser's bill because of
12 a charge made under: (i) the fee imposed by this Section,
13 (ii) additional charges added to a purchaser's bill under
14 Section 9-221 or 9-222 of the Public Utilities Act, (iii)
15 the tax imposed by the Telecommunications Excise Tax Act,
16 (iv) 911 surcharges, (v) the tax imposed by Section 4251
17 of the Internal Revenue Code, or (vi) the tax imposed by
18 the Simplified Municipal Telecommunications Tax Act.

19 (2) Charges for a sent collect telecommunication
20 received outside of this State.

21 (3) Charges for leased time on equipment or charges
22 for the storage of data or information or subsequent
23 retrieval or the processing of data or information
24 intended to change its form or content. Such equipment
25 includes, but is not limited to, the use of calculators,
26 computers, data processing equipment, tabulating

1 equipment, or accounting equipment and also includes the
2 usage of computers under a time-sharing agreement.

3 (4) Charges for customer equipment, including such
4 equipment that is leased or rented by the customer from
5 any source, wherein such charges are disaggregated and
6 separately identified from other charges.

7 (5) Charges to business enterprises certified under
8 Section 9-222.1 of the Public Utilities Act to the extent
9 of such exemption and during the period of time specified
10 by the Department of Commerce and Economic Opportunity.

11 (5.1) Charges to business enterprises certified under
12 Section 95 of the Reimagining Energy and Vehicles in
13 Illinois Act, to the extent of the exemption and during
14 the period of time specified by the Department of Commerce
15 and Economic Opportunity.

16 (5.2) Charges to business enterprises certified under
17 Section 110-95 of the Manufacturing Illinois Chips for
18 Real Opportunity (MICRO) Act, to the extent of the
19 exemption and during the period of time specified by the
20 Department of Commerce and Economic Opportunity.

21 (5.3) Charges to entities certified under Section
22 605-1115 of the Department of Commerce and Economic
23 Opportunity Law of the Civil Administrative Code of
24 Illinois to the extent of the exemption and during the
25 period of time specified by the Department of Commerce and
26 Economic Opportunity.

1 (6) Charges for telecommunications and all services
2 and equipment provided in connection therewith between a
3 parent corporation and its wholly owned subsidiaries or
4 between wholly owned subsidiaries, and only to the extent
5 that the charges between the parent corporation and wholly
6 owned subsidiaries or between wholly owned subsidiaries
7 represent expense allocation between the corporations and
8 not the generation of profit other than a regulatory
9 required profit for the corporation rendering such
10 services.

11 (7) Bad debts ("bad debt" means any portion of a debt
12 that is related to a sale at retail for which gross charges
13 are not otherwise deductible or excludable that has become
14 worthless or uncollectible, as determined under applicable
15 federal income tax standards; if the portion of the debt
16 deemed to be bad is subsequently paid, the retailer shall
17 report and pay the tax on that portion during the
18 reporting period in which the payment is made).

19 (8) Charges paid by inserting coins in coin-operated
20 telecommunication devices.

21 (9) Charges for nontaxable services or
22 telecommunications if (i) those charges are aggregated
23 with other charges for telecommunications that are
24 taxable, (ii) those charges are not separately stated on
25 the customer bill or invoice, and (iii) the retailer can
26 reasonably identify the nontaxable charges on the

1 retailer's books and records kept in the regular course of
2 business. If the nontaxable charges cannot reasonably be
3 identified, the gross charge from the sale of both taxable
4 and nontaxable services or telecommunications billed on a
5 combined basis shall be attributed to the taxable services
6 or telecommunications. The burden of proving nontaxable
7 charges shall be on the retailer of the
8 telecommunications.

9 (a-5) "Department" means the Illinois Department of
10 Revenue.

11 (b) "Telecommunications" includes, but is not limited to,
12 messages or information transmitted through use of local,
13 toll, and wide area telephone service, channel services,
14 telegraph services, teletypewriter service, computer exchange
15 services, private line services, specialized mobile radio
16 services, or any other transmission of messages or information
17 by electronic or similar means, between or among points by
18 wire, cable, fiber optics, laser, microwave, radio, satellite,
19 or similar facilities. Unless the context clearly requires
20 otherwise, "telecommunications" shall also include wireless
21 telecommunications as hereinafter defined.
22 "Telecommunications" shall not include value added services in
23 which computer processing applications are used to act on the
24 form, content, code, and protocol of the information for
25 purposes other than transmission. "Telecommunications" shall
26 not include purchase of telecommunications by a

1 telecommunications service provider for use as a component
2 part of the service provided by him or her to the ultimate
3 retail consumer who originates or terminates the end-to-end
4 communications. Retailer access charges, right of access
5 charges, charges for use of intercompany facilities, and all
6 telecommunications resold in the subsequent provision and used
7 as a component of, or integrated into, end-to-end
8 telecommunications service shall not be included in gross
9 charges as sales for resale. "Telecommunications" shall not
10 include the provision of cable services through a cable system
11 as defined in the Cable Communications Act of 1984 (47 U.S.C.
12 Sections 521 and following) as now or hereafter amended or
13 through an open video system as defined in the Rules of the
14 Federal Communications Commission (47 C.D.F. 76.1550 and
15 following) as now or hereafter amended. Beginning January 1,
16 2001, prepaid telephone calling arrangements shall not be
17 considered "telecommunications" subject to the tax imposed
18 under this Act. For purposes of this Section, "prepaid
19 telephone calling arrangements" means that term as defined in
20 Section 2-27 of the Retailers' Occupation Tax Act.

21 (c) "Wireless telecommunications" includes cellular mobile
22 telephone services, personal wireless services as defined in
23 Section 704(C) of the Telecommunications Act of 1996 (Public
24 Law No. 104-104) as now or hereafter amended, including all
25 commercial mobile radio services, and paging services.

26 (d) "Telecommunications retailer" or "retailer" or

1 "carrier" means and includes every person engaged in the
2 business of making sales of telecommunications at retail as
3 defined in this Section. The Department may, in its
4 discretion, upon applications, authorize the collection of the
5 fee hereby imposed by any retailer not maintaining a place of
6 business within this State, who, to the satisfaction of the
7 Department, furnishes adequate security to insure collection
8 and payment of the fee. When so authorized, it shall be the
9 duty of such retailer to pay the fee upon all of the gross
10 charges for telecommunications in the same manner and subject
11 to the same requirements as a retailer maintaining a place of
12 business within this State.

13 (e) "Retailer maintaining a place of business in this
14 State", or any like term, means and includes any retailer
15 having or maintaining within this State, directly or by a
16 subsidiary, an office, distribution facilities, transmission
17 facilities, sales office, warehouse, or other place of
18 business, or any agent or other representative operating
19 within this State under the authority of the retailer or its
20 subsidiary, irrespective of whether such place of business or
21 agent or other representative is located here permanently or
22 temporarily, or whether such retailer or subsidiary is
23 licensed to do business in this State.

24 (f) "Sale of telecommunications at retail" means the
25 transmitting, supplying, or furnishing of telecommunications
26 and all services rendered in connection therewith for a

1 consideration, other than between a parent corporation and its
2 wholly owned subsidiaries or between wholly owned
3 subsidiaries, when the gross charge made by one such
4 corporation to another such corporation is not greater than
5 the gross charge paid to the retailer for their use or
6 consumption and not for sale.

7 (g) "Service address" means the location of
8 telecommunications equipment from which telecommunications
9 services are originated or at which telecommunications
10 services are received. If this is not a defined location, as in
11 the case of wireless telecommunications, paging systems,
12 maritime systems, service address means the customer's place
13 of primary use as defined in the Mobile Telecommunications
14 Sourcing Conformity Act. For air-to-ground systems, and the
15 like, "service address" shall mean the location of the
16 customer's primary use of the telecommunications equipment as
17 defined by the location in Illinois where bills are sent.

18 (Source: P.A. 102-1125, eff. 2-3-23.)

19 Section 70. The Simplified Municipal Telecommunications
20 Tax Act is amended by changing Section 5-7 as follows:

21 (35 ILCS 636/5-7)

22 Sec. 5-7. Definitions. For purposes of the taxes
23 authorized by this Act:

24 "Amount paid" means the amount charged to the taxpayer's

1 service address in such municipality regardless of where such
2 amount is billed or paid.

3 "Department" means the Illinois Department of Revenue.

4 "Gross charge" means the amount paid for the act or
5 privilege of originating or receiving telecommunications in
6 such municipality and for all services and equipment provided
7 in connection therewith by a retailer, valued in money whether
8 paid in money or otherwise, including cash, credits, services
9 and property of every kind or nature, and shall be determined
10 without any deduction on account of the cost of such
11 telecommunications, the cost of the materials used, labor or
12 service costs or any other expense whatsoever. In case credit
13 is extended, the amount thereof shall be included only as and
14 when paid. "Gross charges" for private line service shall
15 include charges imposed at each channel termination point
16 within a municipality that has imposed a tax under this
17 Section and charges for the portion of the inter-office
18 channels provided within that municipality. Charges for that
19 portion of the inter-office channel connecting 2 or more
20 channel termination points, one or more of which is located
21 within the jurisdictional boundary of such municipality, shall
22 be determined by the retailer by multiplying an amount equal
23 to the total charge for the inter-office channel by a
24 fraction, the numerator of which is the number of channel
25 termination points that are located within the jurisdictional
26 boundary of the municipality and the denominator of which is

1 the total number of channel termination points connected by
2 the inter-office channel. Prior to January 1, 2004, any method
3 consistent with this paragraph or other method that reasonably
4 apportions the total charges for inter-office channels among
5 the municipalities in which channel termination points are
6 located shall be accepted as a reasonable method to determine
7 the taxable portion of an inter-office channel provided within
8 a municipality for that period. However, "gross charge" shall
9 not include any of the following:

10 (1) Any amounts added to a purchaser's bill because of
11 a charge made pursuant to: (i) the tax imposed by this Act,
12 (ii) the tax imposed by the Telecommunications Excise Tax
13 Act, (iii) the tax imposed by Section 4251 of the Internal
14 Revenue Code, (iv) 911 surcharges, or (v) charges added to
15 customers' bills pursuant to the provisions of Section
16 9-221 or 9-222 of the Public Utilities Act, as amended, or
17 any similar charges added to customers' bills by retailers
18 who are not subject to rate regulation by the Illinois
19 Commerce Commission for the purpose of recovering any of
20 the tax liabilities or other amounts specified in those
21 provisions of the Public Utilities Act.

22 (2) Charges for a sent collect telecommunication
23 received outside of such municipality.

24 (3) Charges for leased time on equipment or charges
25 for the storage of data or information for subsequent
26 retrieval or the processing of data or information

1 intended to change its form or content. Such equipment
2 includes, but is not limited to, the use of calculators,
3 computers, data processing equipment, tabulating equipment
4 or accounting equipment and also includes the usage of
5 computers under a time-sharing agreement.

6 (4) Charges for customer equipment, including such
7 equipment that is leased or rented by the customer from
8 any source, wherein such charges are disaggregated and
9 separately identified from other charges.

10 (5) Charges to business enterprises certified as
11 exempt under Section 9-222.1 of the Public Utilities Act
12 to the extent of such exemption and during the period of
13 time specified by the Department of Commerce and Economic
14 Opportunity.

15 (5.1) Charges to business enterprises certified under
16 Section 95 of the Reimagining Energy and Vehicles in
17 Illinois Act, to the extent of the exemption and during
18 the period of time specified by the Department of Commerce
19 and Economic Opportunity.

20 (5.2) Charges to business enterprises certified under
21 Section 110-95 of the Manufacturing Illinois Chips for
22 Real Opportunity (MICRO) Act, to the extent of the
23 exemption and during the period of time specified by the
24 Department of Commerce and Economic Opportunity.

25 (5.3) Charges to entities certified under Section
26 605-1115 of the Department of Commerce and Economic

1 Opportunity Law of the Civil Administrative Code of
2 Illinois to the extent of the exemption and during the
3 period of time specified by the Department of Commerce and
4 Economic Opportunity.

5 (6) Charges for telecommunications and all services
6 and equipment provided in connection therewith between a
7 parent corporation and its wholly owned subsidiaries or
8 between wholly owned subsidiaries when the tax imposed
9 under this Act has already been paid to a retailer and only
10 to the extent that the charges between the parent
11 corporation and wholly owned subsidiaries or between
12 wholly owned subsidiaries represent expense allocation
13 between the corporations and not the generation of profit
14 for the corporation rendering such service.

15 (7) Bad debts ("bad debt" means any portion of a debt
16 that is related to a sale at retail for which gross charges
17 are not otherwise deductible or excludable that has become
18 worthless or uncollectible, as determined under applicable
19 federal income tax standards; if the portion of the debt
20 deemed to be bad is subsequently paid, the retailer shall
21 report and pay the tax on that portion during the
22 reporting period in which the payment is made).

23 (8) Charges paid by inserting coins in coin-operated
24 telecommunication devices.

25 (9) Amounts paid by telecommunications retailers under
26 the Telecommunications Infrastructure Maintenance Fee Act.

1 (10) Charges for nontaxable services or
2 telecommunications if (i) those charges are aggregated
3 with other charges for telecommunications that are
4 taxable, (ii) those charges are not separately stated on
5 the customer bill or invoice, and (iii) the retailer can
6 reasonably identify the nontaxable charges on the
7 retailer's books and records kept in the regular course of
8 business. If the nontaxable charges cannot reasonably be
9 identified, the gross charge from the sale of both taxable
10 and nontaxable services or telecommunications billed on a
11 combined basis shall be attributed to the taxable services
12 or telecommunications. The burden of proving nontaxable
13 charges shall be on the retailer of the
14 telecommunications.

15 "Interstate telecommunications" means all
16 telecommunications that either originate or terminate outside
17 this State.

18 "Intrastate telecommunications" means all
19 telecommunications that originate and terminate within this
20 State.

21 "Person" means any natural individual, firm, trust,
22 estate, partnership, association, joint stock company, joint
23 venture, corporation, limited liability company, or a
24 receiver, trustee, guardian, or other representative appointed
25 by order of any court, the Federal and State governments,
26 including State universities created by statute, or any city,

1 town, county, or other political subdivision of this State.

2 "Purchase at retail" means the acquisition, consumption or
3 use of telecommunications through a sale at retail.

4 "Retailer" means and includes every person engaged in the
5 business of making sales at retail as defined in this Section.
6 The Department may, in its discretion, upon application,
7 authorize the collection of the tax hereby imposed by any
8 retailer not maintaining a place of business within this
9 State, who, to the satisfaction of the Department, furnishes
10 adequate security to insure collection and payment of the tax.
11 Such retailer shall be issued, without charge, a permit to
12 collect such tax. When so authorized, it shall be the duty of
13 such retailer to collect the tax upon all of the gross charges
14 for telecommunications in this State in the same manner and
15 subject to the same requirements as a retailer maintaining a
16 place of business within this State. The permit may be revoked
17 by the Department at its discretion.

18 "Retailer maintaining a place of business in this State",
19 or any like term, means and includes any retailer having or
20 maintaining within this State, directly or by a subsidiary, an
21 office, distribution facilities, transmission facilities,
22 sales office, warehouse or other place of business, or any
23 agent or other representative operating within this State
24 under the authority of the retailer or its subsidiary,
25 irrespective of whether such place of business or agent or
26 other representative is located here permanently or

1 temporarily, or whether such retailer or subsidiary is
2 licensed to do business in this State.

3 "Sale at retail" means the transmitting, supplying or
4 furnishing of telecommunications and all services and
5 equipment provided in connection therewith for a
6 consideration, to persons other than the Federal and State
7 governments, and State universities created by statute and
8 other than between a parent corporation and its wholly owned
9 subsidiaries or between wholly owned subsidiaries for their
10 use or consumption and not for resale.

11 "Service address" means the location of telecommunications
12 equipment from which telecommunications services are
13 originated or at which telecommunications services are
14 received by a taxpayer. In the event this may not be a defined
15 location, as in the case of mobile phones, paging systems, and
16 maritime systems, service address means the customer's place
17 of primary use as defined in the Mobile Telecommunications
18 Sourcing Conformity Act. For air-to-ground systems and the
19 like, "service address" shall mean the location of a
20 taxpayer's primary use of the telecommunications equipment as
21 defined by telephone number, authorization code, or location
22 in Illinois where bills are sent.

23 "Taxpayer" means a person who individually or through his
24 or her agents, employees, or permittees engages in the act or
25 privilege of originating or receiving telecommunications in a
26 municipality and who incurs a tax liability as authorized by

1 this Act.

2 "Telecommunications", in addition to the meaning
3 ordinarily and popularly ascribed to it, includes, without
4 limitation, messages or information transmitted through use of
5 local, toll, and wide area telephone service, private line
6 services, channel services, telegraph services,
7 teletypewriter, computer exchange services, cellular mobile
8 telecommunications service, specialized mobile radio,
9 stationary two-way radio, paging service, or any other form of
10 mobile and portable one-way or two-way communications, or any
11 other transmission of messages or information by electronic or
12 similar means, between or among points by wire, cable, fiber
13 optics, laser, microwave, radio, satellite, or similar
14 facilities. As used in this Act, "private line" means a
15 dedicated non-traffic sensitive service for a single customer,
16 that entitles the customer to exclusive or priority use of a
17 communications channel or group of channels, from one or more
18 specified locations to one or more other specified locations.
19 The definition of "telecommunications" shall not include value
20 added services in which computer processing applications are
21 used to act on the form, content, code, and protocol of the
22 information for purposes other than transmission.
23 "Telecommunications" shall not include purchases of
24 telecommunications by a telecommunications service provider
25 for use as a component part of the service provided by such
26 provider to the ultimate retail consumer who originates or

1 terminates the taxable end-to-end communications. Carrier
2 access charges, right of access charges, charges for use of
3 inter-company facilities, and all telecommunications resold in
4 the subsequent provision of, used as a component of, or
5 integrated into, end-to-end telecommunications service shall
6 be non-taxable as sales for resale. Prepaid telephone calling
7 arrangements shall not be considered "telecommunications"
8 subject to the tax imposed under this Act. For purposes of this
9 Section, "prepaid telephone calling arrangements" means that
10 term as defined in Section 2-27 of the Retailers' Occupation
11 Tax Act.

12 (Source: P.A. 102-1125, eff. 2-3-23.)

13 Section 75. The Electricity Excise Tax Law is amended by
14 changing Section 2-4 as follows:

15 (35 ILCS 640/2-4)

16 Sec. 2-4. Tax imposed.

17 (a) Except as provided in subsection (b), a tax is imposed
18 on the privilege of using in this State electricity purchased
19 for use or consumption and not for resale, other than by
20 municipal corporations owning and operating a local
21 transportation system for public service, at the following
22 rates per kilowatt-hour delivered to the purchaser:

23 (i) For the first 2000 kilowatt-hours used or consumed
24 in a month: 0.330 cents per kilowatt-hour;

1 (ii) For the next 48,000 kilowatt-hours used or
2 consumed in a month: 0.319 cents per kilowatt-hour;

3 (iii) For the next 50,000 kilowatt-hours used or
4 consumed in a month: 0.303 cents per kilowatt-hour;

5 (iv) For the next 400,000 kilowatt-hours used or
6 consumed in a month: 0.297 cents per kilowatt-hour;

7 (v) For the next 500,000 kilowatt-hours used or
8 consumed in a month: 0.286 cents per kilowatt-hour;

9 (vi) For the next 2,000,000 kilowatt-hours used or
10 consumed in a month: 0.270 cents per kilowatt-hour;

11 (vii) For the next 2,000,000 kilowatt-hours used or
12 consumed in a month: 0.254 cents per kilowatt-hour;

13 (viii) For the next 5,000,000 kilowatt-hours used or
14 consumed in a month: 0.233 cents per kilowatt-hour;

15 (ix) For the next 10,000,000 kilowatt-hours used or
16 consumed in a month: 0.207 cents per kilowatt-hour;

17 (x) For all electricity in excess of 20,000,000
18 kilowatt-hours used or consumed in a month: 0.202 cents
19 per kilowatt-hour.

20 Provided, that in lieu of the foregoing rates, the tax is
21 imposed on a self-assessing purchaser at the rate of 5.1% of
22 the self-assessing purchaser's purchase price for all
23 electricity distributed, supplied, furnished, sold,
24 transmitted and delivered to the self-assessing purchaser in a
25 month.

26 (b) A tax is imposed on the privilege of using in this

1 State electricity purchased from a municipal system or
2 electric cooperative, as defined in Article XVII of the Public
3 Utilities Act, which has not made an election as permitted by
4 either Section 17-200 or Section 17-300 of such Act, at the
5 lesser of 0.32 cents per kilowatt hour of all electricity
6 distributed, supplied, furnished, sold, transmitted, and
7 delivered by such municipal system or electric cooperative to
8 the purchaser or 5% of each such purchaser's purchase price
9 for all electricity distributed, supplied, furnished, sold,
10 transmitted, and delivered by such municipal system or
11 electric cooperative to the purchaser, whichever is the lower
12 rate as applied to each purchaser in each billing period.

13 (c) The tax imposed by this Section 2-4 is not imposed with
14 respect to any use of electricity by business enterprises
15 certified under Section 9-222.1 or 9-222.1A of the Public
16 Utilities Act, as amended, to the extent of such exemption and
17 during the time specified by the Department of Commerce and
18 Economic Opportunity; or with respect to any transaction in
19 interstate commerce, or otherwise, to the extent to which such
20 transaction may not, under the Constitution and statutes of
21 the United States, be made the subject of taxation by this
22 State.

23 (d) The tax imposed by this Section 2-4 is not imposed with
24 respect to any use of electricity at a REV Illinois Project
25 site that has received a certification for tax exemption from
26 the Department of Commerce and Economic Opportunity pursuant

1 to Section 95 of the Reimagining Energy and Vehicles in
2 Illinois Act, to the extent of such exemption, which shall be
3 no more than 10 years.

4 (e) The tax imposed by this Section 2-4 is not imposed with
5 respect to any use of electricity at a project site that has
6 received a certification for tax exemption from the Department
7 of Commerce and Economic Opportunity pursuant to the
8 Manufacturing Illinois Chips for Real Opportunity (MICRO) Act,
9 to the extent of such exemption, which shall be no more than 10
10 years.

11 (f) The tax imposed by this Section 2-4 is not imposed with
12 respect to any use of electricity at a quantum computing
13 campus that has received a certification for tax exemption
14 from the Department of Commerce and Economic Opportunity
15 pursuant to Section 605-1115 of the Department of Commerce and
16 Economic Opportunity Law of the Civil Administrative Code of
17 Illinois to the extent of the exemption and during the period
18 of time specified by the Department of Commerce and Economic
19 Opportunity.

20 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
21 102-1125, eff. 2-3-23.)

22 Section 80. The River Edge Redevelopment Zone Act is
23 amended by changing Sections 10-4, 10-5.3, 10-10.3, and
24 10-10.4 as follows:

1 (65 ILCS 115/10-4)

2 Sec. 10-4. Qualifications for River Edge Redevelopment
3 Zones. An area is qualified to become a zone if it:

4 (1) is a contiguous area adjacent to or surrounding a
5 river;

6 (2) comprises a minimum of one half square mile and
7 not more than 12 square miles, exclusive of lakes and
8 waterways;

9 (3) satisfies any additional criteria established by
10 the Department consistent with the purposes of this Act;

11 (4) is entirely within a single municipality; and

12 (5) has at least 100 acres of environmentally
13 challenged land within 1500 yards of the riverfront.

14 Any River Edge Redevelopment Zone may have an overlapping
15 geographic area with an Enterprise Zone. If a taxpayer is
16 located in an area with an overlapping Enterprise Zone and
17 River Edge Redevelopment Zone, the taxpayer must elect, in the
18 form and manner required by the Department, from which program
19 it would like to request benefits.

20 (Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

21 (65 ILCS 115/10-5.3)

22 Sec. 10-5.3. Certification of River Edge Redevelopment
23 Zones.

24 (a) Approval of designated River Edge Redevelopment Zones
25 shall be made by the Department by certification of the

1 designating ordinance. The Department shall promptly issue a
2 certificate for each zone upon its approval. The certificate
3 shall be signed by the Director of the Department, shall make
4 specific reference to the designating ordinance, which shall
5 be attached thereto, and shall be filed in the office of the
6 Secretary of State. A certified copy of the River Edge
7 Redevelopment Zone Certificate, or a duplicate original
8 thereof, shall be recorded in the office of the recorder of
9 deeds of the county in which the River Edge Redevelopment Zone
10 lies.

11 (b) A River Edge Redevelopment Zone shall be effective
12 upon its certification. The Department shall transmit a copy
13 of the certification to the Department of Revenue, and to the
14 designating municipality. Upon certification of a River Edge
15 Redevelopment Zone, the terms and provisions of the
16 designating ordinance shall be in effect, and may not be
17 amended or repealed except in accordance with Section 10-5.4.

18 (c) A River Edge Redevelopment Zone shall be in effect for
19 the period stated in the certificate, which shall in no event
20 exceed 30 calendar years. Zones shall terminate at midnight of
21 December 31 of the final calendar year of the certified term,
22 except as provided in Section 10-5.4.

23 (d) In calendar years 2006 and 2007, the Department may
24 certify one pilot River Edge Redevelopment Zone in the City of
25 East St. Louis, one pilot River Edge Redevelopment Zone in the
26 City of Rockford, and one pilot River Edge Redevelopment Zone

1 in the City of Aurora.

2 In calendar year 2009, the Department may certify one
3 pilot River Edge Redevelopment Zone in the City of Elgin.

4 On or after the effective date of this amendatory Act of
5 the 97th General Assembly, the Department may certify one
6 additional pilot River Edge Redevelopment Zone in the City of
7 Peoria.

8 On or after the effective date of this amendatory Act of
9 the 103rd General Assembly, the Department may certify 2
10 additional pilot River Edge Redevelopment Zones, including one
11 in the City of Joliet and one in the City of Kankakee.

12 On or after the effective date of this amendatory Act of
13 the 103rd General Assembly, the Department may certify 7
14 additional pilot River Edge Redevelopment Zones, including one
15 in the City of East Moline, one in the City of Moline, one in
16 the City of Ottawa, one in the City of LaSalle, one in the City
17 of Peru, one in the city of Rock Island, and one in the City of
18 Quincy.

19 After certifying the additional pilot River Edge
20 Redevelopment Zones authorized by the above paragraphs, the
21 Department may not certify any additional River Edge
22 Redevelopment Zones, but it may amend and rescind
23 certifications of existing River Edge Redevelopment Zones in
24 accordance with Section 10-5.4, except that no River Edge
25 Redevelopment Zone may be extended on or after the effective
26 date of this amendatory Act of the 97th General Assembly. Each

1 River Edge Redevelopment Zone in existence on the effective
2 date of this amendatory Act of the 97th General Assembly shall
3 continue until its scheduled termination under this Act,
4 unless the Zone is decertified sooner. At the time of its term
5 expiration each River Edge Redevelopment Zone will become an
6 open enterprise zone, available for the previously designated
7 area or a different area to compete for designation as an
8 enterprise zone. No preference for designation as a Zone will
9 be given to the previously designated area.

10 (e) A municipality in which a River Edge Redevelopment
11 Zone has been certified must submit to the Department, within
12 60 days after the certification, a plan for encouraging the
13 participation by minority persons, women, persons with
14 disabilities, and veterans in the zone. The Department may
15 assist the municipality in developing and implementing the
16 plan. The terms "minority person", "woman", and "person with a
17 disability" have the meanings set forth under Section 2 of the
18 Business Enterprise for Minorities, Women, and Persons with
19 Disabilities Act. "Veteran" means an Illinois resident who is
20 a veteran as defined in subsection (h) of Section 1491 of Title
21 10 of the United States Code.

22 (Source: P.A. 103-9, eff. 6-7-23.)

23 (65 ILCS 115/10-10.3)

24 Sec. 10-10.3. River Edge Construction Jobs Credit.

25 (a) Beginning on January 1, 2021, a business entity may

1 receive a tax credit against the tax imposed under subsections
2 (a) and (b) of Section 201 in an amount equal to 50% (or 75% if
3 the project is located in an underserved area) of the amount of
4 the incremental income tax attributable to River Edge
5 construction jobs employees employed in the course of
6 completing a River Edge construction jobs project. The credit
7 allowed under this Section shall apply only to taxpayers that
8 make a capital investment of at least \$1,000,000 in a
9 qualified rehabilitation plan.

10 (b) A business entity seeking a credit under this Section
11 must submit an application to the Department describing the
12 nature and benefit of the River Edge construction jobs project
13 to the qualified rehabilitation project and the River Edge
14 Redevelopment Zone. The Department may adopt any necessary
15 rules in order to administer the provisions of this Section.

16 (c) Within 45 days after the receipt of an application,
17 the Department shall give notice to the applicant as to
18 whether the application has been approved or disapproved. If
19 the Department disapproves the application, it shall specify
20 the reasons for this decision and allow 60 days for the
21 applicant to amend and resubmit its application. The
22 Department shall provide assistance upon request to
23 applicants. Resubmitted applications shall receive the
24 Department's approval or disapproval within 30 days of
25 resubmission. Those resubmitted applications satisfying
26 initial Department objectives shall be approved unless

1 reasonable circumstances warrant disapproval.

2 (d) On an annual basis, the designated zone organization
3 shall furnish a statement to the Department on the
4 programmatic and financial status of any approved project and
5 an audited financial statement of the project.

6 (e) The Department shall certify to the Department of
7 Revenue the identity of the taxpayers who are eligible for
8 River Edge construction jobs credits and the amounts of River
9 Edge construction jobs credits awarded in each taxable year.

10 (f) (Blank). ~~The Department, in collaboration with the~~
11 ~~Department of Labor, shall require certified payroll~~
12 ~~reporting, pursuant to Section 10-10.4 of this Act, be~~
13 ~~completed in order to verify the wages and any other necessary~~
14 ~~information which the Department may deem necessary to~~
15 ~~ascertain and certify the total number of River Edge~~
16 ~~construction jobs employees and determine the amount of a~~
17 ~~River Edge construction jobs credit.~~

18 (g) The total aggregate amount of credits awarded under
19 the Blue Collar Jobs Act (Article 20 of this amendatory Act of
20 the 101st General Assembly) shall not exceed \$20,000,000 in
21 any State fiscal year.

22 (Source: P.A. 101-9, eff. 6-5-19.)

23 (65 ILCS 115/10-10.4)

24 Sec. 10-10.4. Certified payroll. Any taxpayer seeking Any
25 ~~contractor and each subcontractor who is engaged in and is~~

1 ~~executing a River Edge construction job tax credits must jobs~~
2 ~~project for a taxpayer that is entitled to a credit pursuant to~~
3 ~~Section 10-10.3 of this Act shall:~~

4 (1) annually, until construction is completed, submit
5 a report that, at a minimum, describes the projected
6 project scope, timeline, and anticipated budget; once the
7 project has commenced, the annual report shall include
8 actual data for the prior year as well as projections for
9 each additional year through completion of the project;
10 the Department shall issue detailed reporting guidelines
11 prescribing the requirements of construction-related
12 reports; and

13 (2) provide the Department with evidence that a
14 certified third-party executed an Agreed-Upon Procedure
15 (AUP) verifying the construction expenses or accept the
16 standard construction wage expense estimated by the
17 Department; upon review of the final project scope,
18 timeline, budget, and AUP, the Department shall issue a
19 tax credit certificate reflecting a percentage of the
20 total construction job wages paid throughout the
21 completion of the project.

22 ~~(1) make and keep, for a period of 5 years from the~~
23 ~~date of the last payment made on or after June 5, 2019 (the~~
24 ~~effective date of Public Act 101-9) on a contract or~~
25 ~~subcontract for a River Edge Construction Jobs Project in~~
26 ~~a River Edge Redevelopment Zone records of all laborers~~

1 ~~and other workers employed by them on the project; the~~
2 ~~records shall include:~~

3 ~~(A) the worker's name;~~

4 ~~(B) the worker's address;~~

5 ~~(C) the worker's telephone number, if available;~~

6 ~~(D) the worker's social security number;~~

7 ~~(E) the worker's classification or~~
8 ~~classifications;~~

9 ~~(F) the worker's gross and net wages paid in each~~
10 ~~pay period;~~

11 ~~(G) the worker's number of hours worked each day;~~

12 ~~(H) the worker's starting and ending times of work~~
13 ~~each day;~~

14 ~~(I) the worker's hourly wage rate; and~~

15 ~~(J) the worker's hourly overtime wage rate; and~~

16 ~~(2) no later than the 15th day of each calendar month,~~
17 ~~provide a certified payroll for the immediately preceding~~
18 ~~month to the taxpayer in charge of the project; within 5~~
19 ~~business days after receiving the certified payroll, the~~
20 ~~taxpayer shall file the certified payroll with the~~
21 ~~Department of Labor and the Department of Commerce and~~
22 ~~Economic Opportunity; a certified payroll must be filed~~
23 ~~for only those calendar months during which construction~~
24 ~~on a River Edge Construction Jobs Project has occurred;~~
25 ~~the certified payroll shall consist of a complete copy of~~
26 ~~the records identified in paragraph (1), but may exclude~~

1 ~~the starting and ending times of work each day; the~~
2 ~~certified payroll shall be accompanied by a statement~~
3 ~~signed by the contractor or subcontractor or an officer,~~
4 ~~employee, or agent of the contractor or subcontractor~~
5 ~~which avers that:~~

6 ~~(A) he or she has examined the certified payroll~~
7 ~~records required to be submitted and such records are~~
8 ~~true and accurate; and~~

9 ~~(B) the contractor or subcontractor is aware that~~
10 ~~filing a certified payroll that he or she knows to be~~
11 ~~false is a Class A misdemeanor.~~

12 ~~A general contractor is not prohibited from relying on a~~
13 ~~certified payroll of a lower tier subcontractor, provided the~~
14 ~~general contractor does not knowingly rely upon a~~
15 ~~subcontractor's false certification.~~

16 ~~Any contractor or subcontractor subject to this Section,~~
17 ~~and any officer, employee, or agent of such contractor or~~
18 ~~subcontractor whose duty as an officer, employee, or agent it~~
19 ~~is to file a certified payroll under this Section, who~~
20 ~~willfully fails to file such a certified payroll on or before~~
21 ~~the date such certified payroll is required to be filed and any~~
22 ~~person who willfully files a false certified payroll that is~~
23 ~~false as to any material fact is in violation of this Act and~~
24 ~~guilty of a Class A misdemeanor.~~

25 ~~The taxpayer in charge of the project shall keep the~~
26 ~~records submitted in accordance with this Section on or after~~

1 ~~June 5, 2019 (the effective date of Public Act 101-9) for a~~
2 ~~period of 5 years from the date of the last payment for work on~~
3 ~~a contract or subcontract for the project.~~

4 ~~The records submitted in accordance with this Section~~
5 ~~shall be considered public records, except an employee's~~
6 ~~address, telephone number, and social security number, and~~
7 ~~made available in accordance with the Freedom of Information~~
8 ~~Act. The Department of Labor shall accept any reasonable~~
9 ~~submissions by the contractor that meet the requirements of~~
10 ~~this Section and shall share the information with the~~
11 ~~Department in order to comply with the awarding of River Edge~~
12 ~~construction jobs credits. A contractor, subcontractor, or~~
13 ~~public body may retain records required under this Section in~~
14 ~~paper or electronic format.~~

15 Upon 7 business days' notice, the taxpayer ~~contractor and~~
16 ~~each subcontractor~~ shall make available for inspection and
17 copying at a location within this State during reasonable
18 hours, the records identified in paragraph (1) of this Section
19 to the taxpayer in charge of the project, its officers and
20 agents, ~~the Director of Labor and his or her deputies and~~
21 ~~agents,~~ and to federal, State, or local law enforcement
22 agencies and prosecutors.

23 (Source: P.A. 101-9, eff. 6-5-19; 102-558, eff. 8-20-21.)

24 Section 85. The Public Utilities Act is amended by
25 changing Section 9-222 as follows:

1 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

2 Sec. 9-222. Whenever a tax is imposed upon a public
3 utility engaged in the business of distributing, supplying,
4 furnishing, or selling gas for use or consumption pursuant to
5 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
6 required to be collected by a delivering supplier pursuant to
7 Section 2-7 of the Electricity Excise Tax Act, or whenever a
8 tax is imposed upon a public utility pursuant to Section 2-202
9 of this Act, such utility may charge its customers, other than
10 customers who are high impact businesses under Section 5.5 of
11 the Illinois Enterprise Zone Act, customers who are certified
12 under Section 95 of the Reimagining Energy and Vehicles in
13 Illinois Act, manufacturers under the Manufacturing Illinois
14 Chips for Real Opportunity (MICRO) Act, customers who are
15 tenants in a quantum computing campus under Section 605-1115
16 of the Department of Commerce and Economic Opportunity Law of
17 the Civil Administrative Code of Illinois, or certified
18 business enterprises under Section 9-222.1 of this Act, to the
19 extent of such exemption and during the period in which such
20 exemption is in effect, in addition to any rate authorized by
21 this Act, an additional charge equal to the total amount of
22 such taxes. The exemption of this Section relating to high
23 impact businesses shall be subject to the provisions of
24 subsections (a), (b), and (b-5) of Section 5.5 of the Illinois
25 Enterprise Zone Act. This requirement shall not apply to taxes

1 on invested capital imposed pursuant to the Messages Tax Act,
2 the Gas Revenue Tax Act and the Public Utilities Revenue Act.
3 Such utility shall file with the Commission a supplemental
4 schedule which shall specify such additional charge and which
5 shall become effective upon filing without further notice.
6 Such additional charge shall be shown separately on the
7 utility bill to each customer. The Commission shall have the
8 power to investigate whether or not such supplemental schedule
9 correctly specifies such additional charge, but shall have no
10 power to suspend such supplemental schedule. If the Commission
11 finds, after a hearing, that such supplemental schedule does
12 not correctly specify such additional charge, it shall by
13 order require a refund to the appropriate customers of the
14 excess, if any, with interest, in such manner as it shall deem
15 just and reasonable, and in and by such order shall require the
16 utility to file an amended supplemental schedule corresponding
17 to the finding and order of the Commission. Except with
18 respect to taxes imposed on invested capital, such tax
19 liabilities shall be recovered from customers solely by means
20 of the additional charges authorized by this Section.

21 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;
22 102-1125, eff. 2-3-23.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law."