

1 AN ACT concerning corporate accountability for tax  
2 expenditures.

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

5 Section 1. Short title. This Act may be cited as the  
6 Corporate Accountability for Tax Expenditures Act.

7 Section 5. Definitions. In this Act:

8 "Development assistance" means any form of public  
9 assistance, including both on-budget and off-budget  
10 assistance, including tax expenditures, made for the purpose  
11 of stimulating economic development of a given corporation,  
12 industry, geographic jurisdiction, or other subset of the  
13 State's economy, including but not limited to industrial  
14 development bonds, training grants, loans, loan guarantees,  
15 enterprise zones, empowerment zones, tax increment financing,  
16 grants, fee waivers, land price subsidies, infrastructure  
17 whose principal beneficiary is a single business or defined  
18 group of businesses at the time it is built or improved,  
19 matching funds, tax abatements, tax credits, and tax  
20 discounts of every kind, including corporate income, personal  
21 income, sales, use, raw materials, job creation, industrial  
22 investment, excise, utility, inventory, accelerated  
23 depreciation, and research and development tax credits and  
24 discounts.

25 "Granting body" means any public entity within the State,  
26 including local governments, regional development  
27 organizations, State and local public corporations, the State  
28 government, and any State department or agency that provides  
29 development assistance, including but not limited to the  
30 Department of Commerce and Community Affairs, Department of  
31 Employment Security, workforce development boards, economic

1 development commissions, industrial development authorities,  
2 regional development authorities, and finance authorities.

3 "Date of assistance" means the date upon which a granting  
4 body transmits the first dollar value of development  
5 assistance to a recipient corporation.

6 "Property-taxing entity" means every entity in the State  
7 that levies taxes upon real property.

8 "Corporate parent" means any person or legal entity,  
9 organization, business, partnership, group, or corporate  
10 entity recognized by law, or combination thereof, that  
11 possesses, owns, or controls an interest greater than 50% of  
12 the recipient corporation.

13 "Small Businesses" means those corporations whose  
14 corporate parents, and all subsidiaries thereof, employed  
15 fewer than an average of 20 full-time equivalent employees or  
16 that had gross receipts of less than \$1,000,000 in all United  
17 States jurisdictions during the calendar year for which  
18 disclosure is required.

19 "In effect" refers to any calendar year within the  
20 duration of the development assistance, including but not  
21 limited to the duration of any loan, loan guarantee, tax  
22 credit or tax credit carryforward, property tax reduction or  
23 abatement, or tax increment financing. For one-time forms of  
24 development assistance such as grants and land price  
25 subsidies, "in effect" refers to a period of not less than 5  
26 years from the date of assistance.

27 "Value of assistance" means the face value of any form of  
28 development assistance, such as a bond amount.

29 "Specific project site" means that distinct operational  
30 unit to which any development assistance is applied.

31 "Full-time job" means a job in which the new employee  
32 works for the recipient corporation at a rate of at least 35  
33 hours per week.

34 "Part-time job" means a job in which the new employee

1 works for the recipient corporation at a rate of less than 35  
2 hours per week.

3 "Temporary job" means a job in which the new employee is  
4 hired for a specific duration of time or season.

5 Section 10. Disclosure of State tax expenditures.

6 (a) Beginning July 1, 2002, and for each succeeding  
7 year, the Department of Revenue shall provide a detailed tax  
8 expenditure budget to the General Assembly, derived from  
9 State income tax filings, or other relevant filings, for the  
10 previous calendar year. The disclosure report shall provide,  
11 but not be limited to, the following data:

12 (1) The dollar amount of tax expenditures made by  
13 the State, in the form of uncollected revenues, for each  
14 individual tax credit provided by the State, including  
15 credits for the wages of certain qualified employees,  
16 enterprise zones, empowerment zones, tax increment  
17 financing, grants, matching funds, tax abatements, and  
18 tax credits and tax discounts of every kind, including  
19 corporate income, personal income, sales, use, raw  
20 materials, job creation, industrial investment, excise,  
21 utility, inventory, accelerated depreciation, and  
22 research and development tax credits or discounts.

23 (2) For each of the tax expenditures, except as  
24 specified in item (3), an itemization of the name of each  
25 individual corporate taxpayer that claimed the credit of  
26 any value equal to or greater than \$5,000, and the  
27 specific dollar amount credited to the corporation's tax  
28 liability under that credit for that year.

29 (3) Credits claimed by individual corporations of  
30 less than \$5,000 shall not be itemized as required in  
31 item (2). Instead, in reporting credits for each tax  
32 expenditure, the Department of Revenue shall aggregate  
33 all claims of less than \$5,000 and report them as a

1 single non-specified group, with the number of claimants  
2 stated.

3 (b) All data produced by the Department of Revenue and  
4 received by the General Assembly in compliance with this Act  
5 shall be fully subject to the Freedom of Information Act.

6 Section 15. Disclosure of property tax reductions and  
7 abatements.

8 (a) On or before April 1, 2002, the State Department of  
9 Revenue shall promulgate a standardized disclosure registry  
10 for use by all property-taxing entities. The form shall  
11 require, but not be limited to, the following data:

12 (1) The name of the property owner.

13 (2) The address and description of the property.

14 (3) The date upon which any individual property tax  
15 reduction or abatement first took effect.

16 (4) The date upon which any individual property tax  
17 reduction or abatement is scheduled to expire.

18 (5) The rate or schedule of each individual  
19 property tax reduction or abatement for the period  
20 between the date it took effect and the date it is  
21 scheduled to expire.

22 (6) The entity's aggregate foregone revenue for the  
23 calendar year as a result of each property tax reduction  
24 or abatement.

25 (7) A compilation and summary of the entity's total  
26 foregone revenue as a result of all property tax  
27 reductions or abatements, including a summary of foregone  
28 revenue for each kind of reduction or abatement.

29 (8) The respective shares of the entity's property  
30 tax revenues in the reported year that went to each  
31 designated public agency, including but not limited to  
32 school boards, general funds, public safety agencies,  
33 fire departments, park districts, and general

1 administration.

2 (b) Beginning April 1, 2002 and for each year  
3 thereafter, every property-taxing entity in the State shall  
4 employ this standardized registry to report to the State  
5 Department of Revenue all property tax reductions or  
6 abatements which had effect during the previous calendar  
7 year.

8 (c) The Department of Revenue shall, by June 1, 2002 and  
9 each year thereafter, compile and publish all data in all of  
10 the disclosure registries in both written and electronic  
11 form.

12 (d) If a property-taxing entity fails to comply with  
13 subsection (b), the Department of Revenue shall, within 10  
14 working days of the April 1 filing deadline, notify the  
15 Department of Commerce and Community Affairs of that failure.  
16 Upon receipt of the notice, the Department of Commerce and  
17 Community Affairs shall suspend within 33 working days any  
18 current development assistance activities under its control  
19 in the property-taxing entity's jurisdiction, and shall be  
20 prohibited from completing any current development assistance  
21 or providing any future development assistance in the  
22 non-compliant jurisdiction until it receives proof from the  
23 Department of Revenue that the property taxing entity has  
24 complied with subsection (b).

25 (e) If any of the State's various agencies fails to  
26 enforce this Section, any person who filed an income tax  
27 return with the State in the calendar year prior to the year  
28 in dispute shall have standing to sue to compel the State to  
29 enforce this Section.

30 (f) All data generated in compliance with subsections  
31 (a) and (b) are fully subject to the Freedom of Information  
32 Act.

33 Section 20. Standardized applications for on-budget

1 development.

2 (a) On or before April 1, 2002, the Department of  
3 Commerce and Community Affairs shall promulgate a  
4 standardized application form for on-budget development  
5 assistance for use by all granting bodies. The form shall  
6 require, but not be limited to, the following data:

7 (1) An application tracking number that is specific  
8 to both the granting agency and to each application.

9 (2) The name, street and mailing addresses, phone  
10 number, and chief officer of the granting body.

11 (3) The name, street and mailing addresses, phone  
12 number, and chief officer of the corporate parent of the  
13 applicant corporation.

14 (4) The name, street and mailing addresses, phone  
15 number, 4-digit SIC number, and chief officer of the  
16 applicant corporation at the specific project site for  
17 which development assistance is sought.

18 (5) The applicant corporation's total number of  
19 employees at the specific project site on the date of the  
20 application, broken down by full-time, part-time, and  
21 temporary.

22 (6) The total number of employees in the State of  
23 the applicant corporation's corporate parent, and all  
24 subsidiaries thereof, as of December 1 of the year  
25 preceding the date of application, broken down by  
26 full-time, part-time, and temporary;

27 (7) The kind of development assistance and value of  
28 assistance being applied for.

29 (8) The number of new jobs to be created by the  
30 development assistance, broken down by full-time,  
31 part-time, and temporary.

32 (9) A list of all other forms of development  
33 assistance the applicant corporation is seeking for the  
34 specific project site, and the name of each granting body

1 from which that development assistance is being sought.

2 (10) A narrative, if necessary, describing how the  
3 applicant's use of the development assistance may reduce  
4 employment at any site in any United States jurisdiction  
5 controlled by the applicant corporation or its corporate  
6 parent, including but not limited to events such as  
7 automation, consolidation, merger, acquisition, product  
8 line movement, business activity movement, or  
9 restructuring by either the applicant corporation or its  
10 corporate parent.

11 (11) Individual certifications by the chief  
12 officers of both the applicant corporation and the  
13 granting body as to the accuracy of the application,  
14 under penalty of perjury.

15 (b) Beginning April 1, 2002, every granting body in the  
16 State, jointly with applicant corporations, shall fill out  
17 the standardized application form as prescribed in this  
18 Section each time a corporation applies for development  
19 assistance.

20 Section 25. On-budget development assistance disclosure.

21 (a) Beginning February 1, 2003 and each year thereafter,  
22 every granting body in the State shall submit to the  
23 Department of Commerce and Community Affairs copies of all  
24 the standardized applications forms for development  
25 assistance that it has received in the previous calendar  
26 year. Upon each form, the granting body shall designate  
27 whether the development assistance is pending, was approved,  
28 or was not approved, and for those applications that were  
29 approved, the date of assistance if the date of assistance  
30 occurred in the previous calendar year.

31 (b) For those applications that were approved but for  
32 which the date of assistance did not occur in the same  
33 calendar year, each granting body shall report in its next

1 subsequent February 1 annual report to the Department  
2 relevant dates of assistance.

3 (c) For each development assistance application that was  
4 approved, and for which the date of assistance has occurred  
5 in a reporting year, each granting agency shall submit to the  
6 Department of Commerce and Community Affairs a progress  
7 report that shall include, but not limited to, the following  
8 data:

9 (1) The application tracking number.

10 (2) The name, street and mailing addresses, phone  
11 number, and chief officer of the granting body.

12 (3) The name, street and mailing addresses, phone  
13 number, 4-digit SIC number, and chief officer of the  
14 corporation at the specific project site for which the  
15 development assistance was approved.

16 (4) The kind of development assistance and value of  
17 assistance that was approved;

18 (5) The applicant's total level of employment at  
19 the specific project site on the date of the application  
20 and the applicant's total level of employment at the  
21 specific project site on the date of the report, broken  
22 down by full-time, part-time, and temporary, and a  
23 computation of the gain or loss in each category.

24 (6) The number of new jobs the applicant  
25 corporation stated in its application would be created by  
26 the development assistance, broken down by full-time,  
27 part-time, and temporary.

28 (7) The total level of employment in the State of  
29 the applicant's corporate parent, and all subsidiaries  
30 thereof, as of December 31 of the year preceding the date  
31 of application and the total level of employment in the  
32 State of the applicant's corporate parent, and all  
33 subsidiaries thereof, as of each December 31 up through  
34 the reporting year, broken down by full-time, part-time,



1 and temporary, and a statement of the gain or loss in  
2 each category from the earliest reported year to the most  
3 recent;

4 (8) A narrative, if necessary, describing how the  
5 recipient corporation's use of the development assistance  
6 during the reporting year has reduced employment at any  
7 site in any United States jurisdiction controlled by the  
8 applicant or its corporate parent, including but not  
9 limited to events such as automation, consolidation,  
10 merger, acquisition, product line movement, business  
11 activity movement, or restructuring by either the  
12 applicant or its corporate parent.

13 (9) Signed individual certifications by the chief  
14 officers of both the applicant corporation and the  
15 granting body as to the accuracy of the progress report,  
16 under penalty of perjury.

17 (d) The granting body and the Department of Commerce and  
18 Community Affairs all have full investigative authority to  
19 verify the applicant's progress report data, including but  
20 not limited to inspection of the specific project site and  
21 analysis of tax and payroll records.

22 (e) By June 1, 2003 and by June 1 of each year  
23 thereafter, the Department of Commerce and Community Affairs  
24 of shall compile and publish all data in all of the  
25 development assistance progress reports in both written and  
26 electronic form.

27 (f) Every aspect all development assistance  
28 applications, progress reports, and the Department of  
29 Commerce and Community Affairs' compilation of applications  
30 and progress reports shall be fully subject to the Freedom of  
31 Information Act.

32 (g) If a granting body fails to comply with subsections  
33 (a) through (c), the Department of Commerce and Community  
34 Affairs shall, within 10 working days of the February 1

1 filing deadline, suspend any current development assistance  
2 activities under its control in the body's jurisdiction, and  
3 shall be prohibited from proceeding with any current or  
4 future development assistance activities under its control in  
5 the granting body's jurisdiction, until it receives proof  
6 that the negligent granting body or recipient corporation has  
7 complied with this Act.

8 Section 30. Job creation standards.

9 (a) In considering development assistance applications,  
10 all granting bodies shall divide the value of assistance by  
11 the number of projected full-time jobs. If the resulting sum  
12 exceeds \$35,000, the application shall be denied.

13 (b) A granting body's requirement under this Section may  
14 be waived in a bona fide collective bargaining agreement that  
15 covers employees at the specific project site of the  
16 applicant corporation, but only if the waiver is explicitly  
17 set forth in the collective bargaining agreement in clear and  
18 unambiguous terms. Unilateral implementation of terms and  
19 conditions of employment by either party to a collective  
20 bargaining agreement shall not constitute, or be permitted,  
21 as a waiver.

22 Section 35. Recapture.

23 (a) Recipient corporations are required to achieve their  
24 job creation and wage and benefit goals within 2 years of the  
25 date of assistance. They are also required to maintain their  
26 wage and benefit goals as long as the benefit is in effect.  
27 Corporate parents of recipient corporations are required to  
28 maintain at least 90% of their original State employment.

29 (b) Granting bodies shall within 10 working days after  
30 the second anniversary of the date of assistance, fill out a  
31 standardized progress report and the recipient corporation  
32 shall sign it and certify its accuracy under penalty of

1 perjury. This second anniversary progress report shall be  
2 filed by the granting body with the Department of Commerce  
3 and Community Affairs along with the granting body's next  
4 annual filing of progress reports.

5 (c) The granting body shall indicate on this second  
6 anniversary progress report whether the recipient corporation  
7 has achieved its job creation and wage and benefit goals, and  
8 whether the corporate parent has maintained 90% of its State  
9 employment.

10 (d) On all subsequent annual progress reports, the  
11 granting body shall indicate whether or not the recipient  
12 corporation is still in compliance with its job creation and  
13 wage and benefit goals, and whether the corporate parent is  
14 still in compliance with its State employment maintenance  
15 requirement.

16 (e) If on any progress report occasion, beginning with  
17 the second anniversary progress report, a granting body finds  
18 that a recipient corporation has not achieved its job  
19 creation or wage or benefit goals, or the corporate parent  
20 has not maintained 90% of its State employment the granting  
21 body must, within 10 working days, file a finding of  
22 development assistance default with the State Department of  
23 and the recipient corporation.

24 (f) If a recipient corporation defaults on development  
25 assistance, it must pay back to the granting body that  
26 fraction of the development assistance that accrued to its  
27 benefit for the calendar year in which the default occurred.  
28 For one time forms of development assistance such as grants  
29 or land price discounts, a defaulting recipient corporation  
30 must pay back to the granting body one-fifth of the value of  
31 assistance. Remittance of the payback by the recipient  
32 corporation to the granting body shall take place within 60  
33 calendar days of the delivery of the default notice to the  
34 recipient corporation.

1           (g) If a recipient corporation defaults on development  
2 assistance, in 3 consecutive calendar years, the granting  
3 body shall declare the development assistance void, and shall  
4 so notify the Department of Commerce and Community Affairs  
5 and the recipient corporation. Upon this declaration, the  
6 recipient corporation must pay back to the granting body all  
7 remaining value of the development assistance it has not  
8 already paid back. Remittance of the void payback by the  
9 recipient corporation to the granting body shall take place  
10 within 180 calendar days of the delivery of the notice to the  
11 recipient corporation.

12           (h) Every aspect of all development assistance default  
13 notices, recapture remittances, associated correspondence,  
14 and related proceedings shall be fully subject to the Freedom  
15 of Information Act.

16           (i) If a granting body fails to enforce this Section,  
17 any person who to the State in the calendar year prior to the  
18 year in dispute, or any organization representing those  
19 taxpayers, is entitled to bring a civil action in the circuit  
20 court to compel enforcement under this Section. The court  
21 shall award to any prevailing taxpayer plaintiff or  
22 organizational plaintiff, reasonable attorney's fees and  
23 actual incurred costs in pursuing the enforcement action.