AN ACT concerning State government.

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

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

(20 ILCS 605/605-1115 new)

Sec. 605-1115. Quantum computing campuses.

(a) As used in this Section:

"Data center" means a facility: (1) whose primary services are the storage, management, and processing of digital data; and (2) that is used to house (A) computer and network systems, including associated components such as servers, network equipment and appliances, telecommunications, and data storage systems, (B) systems for monitoring and managing infrastructure performance, (C) Internet-related equipment and services, (D) data communications connections, (E) environmental controls, (F) fire protection systems, and (G) security systems and services.

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

considered a part of regular hours.

"Quantum computing campus" or "campus" is a contiguous area located in the State of Illinois that is designated by the Department as a quantum computing campus in order to support the demand for quantum computing research, development, and implementation for practical use. A quantum computing campus may include educational intuitions, nonprofit research and development organizations, and for-profit organizations serving as anchor tenants and joining tenants that, with approval from the Department, may change. Tenants located at the campus shall have direct and supporting roles in quantum computing activities. Eligible tenants include quantum computer operators and research facilities, data centers, manufacturers and assemblers of quantum computers and component parts, cryogenic or refrigeration facilities, and other facilities determined, by industry and academic leaders, to be fundamental to the research and development of quantum computing for practical solutions. Quantum computing shall include the research, development, and use of computing methods that generate and manipulate quantum bits in a controlled quantum state. This includes the use of photons, semiconductors, superconductors, trapped ions, and other industry and academically regarded methods for simulating quantum bits. Additionally, a quantum campus shall meet the following criteria:

(1) the campus must comprise a minimum of one-half

square mile and not more than 4 square miles;

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

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

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

(B) ENERGY STAR;

(C) Envision;

(D) ISO 50001-energy management;

(E) LEED for Building Design and Construction, or LEED for Operations and Maintenance;

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

(G) UL 3223; or

(H) an equivalent program approved by the Department.

(b) Tenants located in a designated quantum computing

campus shall qualify for the following exemptions and credits:

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

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

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

(c) Certificates of exemption and credit certificates under this Section shall be issued by the Department. Upon certification by the Department under this Section, the Department shall notify the Department of Revenue of the certification. The exemption status shall take effect within 3 months after certification of the taxpayer and notice to the Department of Revenue by the Department.

(d) Entities seeking to form a quantum computing campus must apply to the Department in the manner specified by the

Department. Entities seeking to join an established campus must apply for an amendment to the existing campus. This application for amendment must be submitted to the Department with support from other campus members.

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

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

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

(2) the number of new jobs created;

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

(4) the repayment obligation should those goals not be achieved and any conditions under which repayment by the tenant or tenants claiming the exemption shall be required;

(5) the duration of the exemptions; and

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

The Department shall, within 10 days after the designation, send a letter of notification to each member of

the General Assembly whose legislative district or representative district contains all or part of the designated area.

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

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

(2) the location of each quantum computing campus;

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

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

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

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

(1) comply with the requirements of Section 30-22 of the Illinois Procurement Code as those requirements apply to responsible bidders and to present satisfactory

evidence of that compliance to the Department; and

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

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

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

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

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

Sec. 5.5. High Impact Business.

(a) In order to respond to unique opportunities to assist in the encouragement, development, growth, and expansion of the private sector through large scale investment and development projects, the Department is authorized to receive and approve applications for the designation of "High Impact Businesses" in Illinois, for an initial term of 20 years with an option for renewal for a term not to exceed 20 years, subject to the following conditions:

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

(2) such business is not located, at the time of

designation, in an enterprise zone designated pursuant to this Act, except for grocery stores, as defined in the Grocery Initiative Act;

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

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

(B) the business intends to establish a new electric generating facility at a designated location in Illinois. "New electric generating facility", for purposes of this Section, means a newly constructed electric generation plant or a newly constructed generation capacity expansion at an existing electric generation plant, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which

such new foundation construction commenced not sooner than July 1, 2001. Such facility shall be designed to provide baseload electric generation and shall operate on a continuous basis throughout the year; and (i) shall have an aggregate rated generating capacity of at least 1,000 megawatts for all new units at one site if it uses natural gas as its primary fuel and foundation construction of the facility is commenced on or before December 31, 2004, or shall have an aggregate rated generating capacity of at least 400 megawatts for all new units at one site if it uses coal or gases derived from coal as its primary fuel and shall support the creation of at least 150 new Illinois coal mining jobs, or (ii) shall be funded through a federal Department of Energy grant before December 31, 2010 and shall support the creation of Illinois coal mining ~~coal mining~~ jobs, or (iii) shall use coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and shall support the creation of Illinois coal mining ~~coal mining~~ jobs. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B-5) the business intends to establish a new gasification facility at a designated location in

Illinois. As used in this Section, "new gasification facility" means a newly constructed coal gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that supports the creation or retention of Illinois coal mining ~~coal mining~~ jobs, and that qualifies for financial assistance from the Department before December 31, 2010. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal; or

(C) the business intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in Illinois not sooner than July 1, 2001; provided that the production operations result in the creation of 150 new Illinois coal mining jobs as described in subdivision (a)(3)(B) of this Section, and further provided that the coal extracted from such mine is utilized as the predominant source for a new electric generating facility. The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

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

(E) the business intends to establish a new wind power facility at a designated location in Illinois. For purposes of this Section, "new wind power facility" means a newly constructed electric generation facility, a newly constructed expansion of an existing electric generation facility, or the replacement of an existing electric generation facility, including the demolition and removal of an electric generation facility irrespective of whether it will be replaced, placed in service or replaced on

or after July 1, 2009, that generates electricity using wind energy devices, and such facility shall be deemed to include any permanent structures associated with the electric generation facility and all associated transmission lines, substations, and other equipment related to the generation of electricity from wind energy devices. For purposes of this Section, "wind energy device" means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity; or

(E-5) the business intends to establish a new utility-scale solar facility at a designated location in Illinois. For purposes of this Section, "new utility-scale solar power facility" means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2021, that (i) generates electricity using photovoltaic cells and (ii) has a nameplate capacity that is greater than 5,000 kilowatts, and such facility shall be deemed to include all associated transmission lines, substations, energy storage facilities, and other equipment related to the generation and storage of electricity from photovoltaic cells; or

(F) the business commits to (i) make a minimum investment of $500,000,000, which will be placed in service in a qualified property, (ii) create 125 full-time equivalent jobs at a designated location in Illinois, (iii) establish a fertilizer plant at a designated location in Illinois that complies with the set-back standards as described in Table 1: Initial Isolation and Protective Action Distances in the 2012 Emergency Response Guidebook published by the United States Department of Transportation, (iv) pay a prevailing wage for employees at that location who are engaged in construction activities, and (v) secure an appropriate level of general liability insurance to protect against catastrophic failure of the fertilizer plant or any of its constituent systems; in addition, the business must agree to enter into a construction project labor agreement including provisions establishing wages, benefits, and other compensation for employees performing work under the project labor agreement at that location; for the purposes of this Section, "fertilizer plant" means a newly constructed or upgraded plant utilizing gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale; for the purposes of this Section, "prevailing wage" means the hourly cash wages plus fringe benefits for training and

apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works; this paragraph (F) applies only to businesses that submit an application to the Department within 60 days after July 25, 2013 (the effective date of Public Act 98-109); or

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

"Cultured cell material food production facility" means a facility (i) at which cultured animal cell food is developed using animal cell culture technology, (ii) at which production processes occur that include the establishment of cell lines and cell banks, manufacturing controls, and all components and inputs, and (iii) that complies with all existing registrations, inspections, licensing, and approvals from all applicable and participating State and federal food agencies, including the Department of Agriculture, the Department of Public Health, and the United States Food and Drug Administration, to ensure

that all food production is safe and lawful under provisions of the Federal Food, Drug and Cosmetic Act related to the development, production, and storage of cultured animal cell food.

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

(H) ~~(G)~~ the business is an existing or planned grocery store, as that term is defined in Section 5 of the Grocery Initiative Act, and receives financial support under that Act within the 10 years before submitting its application under this Act; and

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

(b) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(A) of this Section shall

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

(b-5) Businesses designated as High Impact Businesses pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C), (a)(3)(D), ~~and~~ (a)(3)(G)<u>, and (a)(3)(H)</u> of this Section shall qualify for the credits and exemptions described in the following Acts: Section 51 of the Retailers' Occupation Tax Act, Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the

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

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

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

(c) High Impact Businesses located in federally designated foreign trade zones or sub-zones are also eligible for additional credits, exemptions and deductions as described in the following Acts: Section 9-221 and Section 9-222.1 of the Public Utilities Act; and subsection (g) of Section 201, and Section 203 of the Illinois Income Tax Act.

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

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

(f) Except for businesses contemplated under subdivision (a)(3)(E)<u>,</u> ~~or~~ subdivision (a)(3)(G)<u>, or subdivision (a)(3)(H)</u> of this Section, in the event that a business is designated a High Impact Business and it is later determined after reasonable notice and an opportunity for a hearing as provided

under the Illinois Administrative Procedure Act, that the business would have placed in service in qualified property the investments and created or retained the requisite number of jobs without the benefits of the High Impact Business designation, the Department shall be required to immediately revoke the designation and notify the Director of the Department of Revenue who shall begin proceedings to recover all wrongfully exempted State taxes with interest. The business shall also be ineligible for all State funded Department programs for a period of 10 years.

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

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

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

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

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

As used in this subsection (i):

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

"High Impact Business construction job employee" means a laborer or worker who is employed by <u>a</u> ~~an Illinois~~ contractor

or subcontractor in the actual construction work on the site of a High Impact Business construction job project.

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

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

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

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

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

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

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national

unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be~~

~~false is a Class A misdemeanor.~~

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

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

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

~~The records submitted in accordance with this subsection shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall share the information with~~

~~the Department in order to comply with the awarding of a High Impact Business construction jobs credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.~~

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

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

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

(k) Upon 7 business days' notice, each taxpayer ~~contractor and subcontractor~~ shall make available to each State agency and to federal, State, or local law enforcement agencies and prosecutors for inspection and copying at a location within

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

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

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

(20 ILCS 655/13)

Sec. 13. Enterprise Zone construction jobs credit.

(a) Beginning on January 1, 2021, a business entity in a certified Enterprise Zone that makes a capital investment of at least $10,000,000 in an Enterprise Zone construction jobs project may receive an Enterprise Zone construction jobs credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount

equal to 50% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees employed in the course of completing an Enterprise Zone construction jobs project. However, the Enterprise Zone construction jobs credit may equal 75% of the amount of the incremental income tax attributable to Enterprise Zone construction jobs credit employees if the project is located in an underserved area.

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

Within 45 days after receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or

disapproval within 30 days after the application is resubmitted. Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

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

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

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

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

(d) Annually, until construction is completed, a company seeking Enterprise Zone construction job credits shall submit a report that, at a minimum, describes the projected project scope, timeline, and anticipated budget. Once the project has

commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project. The Department shall issue detailed reporting guidelines prescribing the requirements of construction-related reports.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on an Enterprise Zone construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (d), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or~~

~~subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:~~

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

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

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

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

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

~~on a contract or subcontract for the project.~~

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

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

(e) As used in this Section:

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

to Enterprise Zone construction jobs credit employees.

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

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

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

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

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

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

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

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

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

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

(20 ILCS 686/10)

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

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

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

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

"Applicant" means a taxpayer that (i) operates a business

in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce as an electric vehicle manufacturer, an electric vehicle component parts manufacturer, or an electric vehicle power supply equipment manufacturer. For applications for credits under this Act that are submitted on or after the effective date of this amendatory Act of the 102nd General Assembly, "applicant" also includes a taxpayer that (i) operates a business in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce as a renewable energy manufacturer. "Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any

evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

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

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

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

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

"Credit" means either a "REV Illinois Credit" or a "REV

Construction Jobs Credit" agreed to between the Department and applicant under this Act.

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

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

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, including electricity generated through ~~a~~ hydrogen fuel cells or solar technology. "Electric vehicle", except when referencing aircraft with hybrid electric propulsion systems, does not include hybrid electric vehicles, electric bicycles, or extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

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

"Electric vehicle component parts manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces parts or accessories used in electric vehicles, as defined by this Section, including advanced battery component parts. The changes to this definition of "electric vehicle component parts manufacturer" apply to

agreements under this Act that are entered into on or after the effective date of this amendatory Act of the 102nd General Assembly.

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

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

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

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

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

"Energy Transition Area" means a county with less than 100,000 people or a municipality that contains one or more of

the following:

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

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

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

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

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project

that is the subject of an agreement.

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

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

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

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

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

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

"Professional employer organization" (PEO) means an

employee leasing company, as defined in Section 206.1 of the Illinois Unemployment Insurance Act.

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

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

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

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

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

(2) A partnership, estate, trust and any partner or beneficiary, if the partnership, estate, or trust, and its

partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the taxpayer.

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

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

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

"Renewable energy" means energy produced using the

materials and sources of energy through which renewable energy resources are generated.

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

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

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

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

has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer. The changes to this definition of "retained employee" apply to agreements for credits under this Act that are entered into on or after the effective date of this amendatory Act of the 102nd General Assembly.

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

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

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

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

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials

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

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

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

(20 ILCS 686/20)

Sec. 20. REV Illinois Program; project applications.

(a) The Reimagining Energy and Vehicles in Illinois (REV Illinois) Program is hereby established and shall be administered by the Department. The Program will provide financial incentives to any one or more of the following: (1) eligible manufacturers of electric vehicles, electric vehicle component parts, and electric vehicle power supply equipment;

(2) battery recycling and reuse manufacturers; (3) battery raw materials refining service providers; or (4) renewable energy manufacturers.

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

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

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

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

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

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

(2) if the applicant is an electric vehicle component parts manufacturer, ~~or~~ a renewable energy manufacturer, a

green steel manufacturer, or an entity engaged in research, development, or manufacturing of eVTOL aircraft or hybrid-electric or fully electric propulsion systems for airliners:

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

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

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

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

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

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

(B) for electric vehicle component part

manufacturers, manufacture one or more parts that are primarily used for electric vehicle manufacturing;

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

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

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

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

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

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

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

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

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

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

(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer

and any related member at the time of application;

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

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

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

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

(5) if the agreement is entered into on or after the effective date of the changes made to this Section by this

amendatory Act of the 103rd General Assembly and before June 1, 2024 and the applicant (i) is an electric vehicle manufacturer, an electric vehicle component parts manufacturer, or a renewable energy manufacturer or (ii) has existing operations within Illinois that the applicant intends to convert or expand, in whole or in part, from traditional manufacturing to electric vehicle manufacturing, electric vehicle component parts manufacturing, renewable energy manufacturing, or electric vehicle power supply equipment manufacturing:

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

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

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

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

jobs noted in subsection (c), those jobs must have a compensation equal to or greater than 120% of the average wage paid to full-time employees in a similar position within an occupational group in the county where the project is located, as determined by the Department.

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

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

(2) ENERGY STAR;

(3) Envision;

(4) ISO 50001 - energy management;

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

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

(7) UL 3223.

(f) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize

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

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

(h) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for

the same period of time. Also, a taxpayer may not enter into an agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with respect to the same address or location. If a project that is subject to an existing agreement under the Economic Development for a Growing Economy Tax Credit Act meets the requirements to be designated as a REV Illinois project under this Act, including for actions undertaken prior to the effective date of this Act, the taxpayer that is subject to that existing agreement under the Economic Development for a Growing Economy Tax Credit Act may apply to the Department to amend the agreement to allow the project to become a designated REV Illinois project. Following the amendment, time

accrued during which the project was eligible for credits under the existing agreement under the Economic Development for a Growing Economy Tax Credit Act shall count toward the duration of the credit subject to limitations described in Section 40 of this Act.

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

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

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

(20 ILCS 686/35)

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

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

(20 ILCS 686/45)

Sec. 45. Contents of agreements with applicants.

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

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

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

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

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

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

(6) A requirement that the taxpayer shall annually report to the Department the number of new employees, the

incremental income tax withheld in connection with the new employees, and any other information the Department deems necessary and appropriate to perform its duties under this Act.

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

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

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

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

(11) A requirement that the taxpayer shall provide written notification to the Director and the Director's designee not more than 30 days after the taxpayer determines that the minimum job creation or retention,

employment payroll, or investment no longer is or will be achieved or maintained as set forth in the terms and conditions of the agreement. Additionally, the notification should outline to the Department the number of layoffs, date of the layoffs, and detail taxpayer's efforts to provide career and training counseling for the impacted workers with industry-related certifications and trainings.

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

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

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

(15) If the agreement is entered into before the effective date of the changes made to this Section by this amendatory Act of the 103rd General Assembly, a provision

stating that if the taxpayer fails to meet either the investment or job creation and retention requirements specified in the agreement during the entire 5-year period beginning on the first day of the first taxable year in which the agreement is executed and ending on the last day of the fifth taxable year after the agreement is executed, then the agreement is automatically terminated on the last day of the fifth taxable year after the agreement is executed, and the taxpayer is not entitled to the award of any credits for any of that 5-year period. If the agreement is entered into on or after the effective date of the changes made to this Section by this amendatory Act of the 103rd General Assembly, a provision stating that if the taxpayer fails to meet either the investment or job creation and retention requirements specified in the agreement during the entire 10-year period beginning on the effective date of the agreement and ending 10 years after the effective date of the agreement, then the agreement is automatically terminated, and the taxpayer is not entitled to the award of any credits for any of that 10-year period.

(16) A provision stating that if the taxpayer ceases principal operations with the intent to permanently shut down the project in the State during the term of the Agreement, then the entire credit amount awarded to the taxpayer prior to the date the taxpayer ceases principal

operations shall be returned to the Department and shall be reallocated to the local workforce investment area in which the project was located.

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

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

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

(20) Each taxpayer under paragraph (1) of subsection (c) of Section 20 above shall maintain labor neutrality toward any union organizing campaign for any employees of the taxpayer assigned to work on the premises of the REV Illinois Project Site. This paragraph shall not apply to an electric vehicle manufacturer, electric vehicle component part manufacturer, electric vehicle power supply manufacturer, or renewable energy manufacturer, or any joint venture including an electric vehicle manufacturer, electric vehicle component part manufacturer, electric vehicle power supply manufacturer, ~~or~~ renewable energy manufacturer, or an entity engaged in eVTOL or hybrid-electric or fully electric propulsion systems for airliners research, development, or manufacturing, who is

subject to collective bargaining agreement entered into prior to the taxpayer filing an application pursuant to this Act.

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

(1) the name of the taxpayer;

(2) the location of the project;

(3) the estimated value of the credit;

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

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

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

(20 ILCS 686/65)

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

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

Once the project has commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project. The Department shall issue detailed reporting guidelines prescribing the requirements of construction related reports.~~:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~number, which shall be redacted. The records shall be made publicly available in accordance with the Freedom of Information Act. The contractor or subcontractor shall submit reports to the Department of Labor electronically that meet the requirements of this subsection and shall share the information with the Department to comply with the awarding of the REV Construction Jobs Credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.~~

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

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

(20 ILCS 686/95)

Sec. 95. Utility tax exemptions for REV Illinois Project sites. The Department may certify a taxpayer with a REV Illinois credit for a Project that meets the qualifications

under Section paragraphs (1), (2), ~~and~~ (4)<u>, (4.1), or (5)</u> of subsection (c) of Section 20, subject to an agreement under this Act for an exemption from the tax imposed at the project site by Section 2-4 of the Electricity Excise Tax Law. To receive such certification, the taxpayer must be registered to self-assess that tax. The taxpayer is also exempt from any additional charges added to the taxpayer's utility bills at the project site as a pass-on of State utility taxes under Section 9-222 of the Public Utilities Act. The taxpayer must meet any other ~~the~~ criteria for certification set by the Department.

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

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

electricity excise tax exemption or an exemption from additional charges under Section 9-222 of the Public Utilities Act repay the exempted amount if the Applicant fails to comply with the terms and conditions of the agreement.

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

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

(20 ILCS 686/105)

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

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

The Department shall determine the period during which the

exemption from State and local use tax and retailers' occupation tax are in effect, but in no event shall exceed 5 years in accordance with Section 5m of the Retailers' Occupation Tax Act.

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

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

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

Section 17. The Energy Transition Act is amended by changing Sections 5-20 and 5-45 as follows:

(20 ILCS 730/5-20)

(Section scheduled to be repealed on September 15, 2045)

Sec. 5-20. Clean Jobs Workforce Network Program.

(a) As used in this Section, "Program" means the Clean Jobs Workforce Network Program.

(b) Subject to appropriation, the Department shall develop and, through Regional Administrators, administer the Clean Jobs Workforce Network Program to create a network of 14 ~~13~~ Program delivery Hub Sites with program elements delivered by community-based organizations and their subcontractors geographically distributed across the State including at least one Hub Site located in or near each of the following areas: Chicago (South Side), Chicago (Southwest and West Sides), Waukegan, Rockford, Aurora, Joliet, Peoria, Champaign, Danville, Decatur, Carbondale, East St. Louis, Kankakee, and Alton.

(c) In admitting program participants, for each workforce Hub Site, the Regional Administrators shall:

(1) in each Hub Site where the applicant pool allows:

(A) dedicate at least one-third of program placements to applicants who reside in a geographic area that is impacted by economic and environmental challenges, defined as an area that is both (i) an R3 Area, as defined pursuant to Section 10-40 of the Cannabis Regulation and Tax Act, and (ii) an environmental justice community, as defined by the Illinois Power Agency, excluding any racial or ethnic indicators used by the agency unless and until the

constitutional basis for their inclusion in determining program admissions is established. Among applicants that satisfy these criteria, preference shall be given to applicants who face barriers to employment, such as low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants that are graduates of or currently enrolled in the foster care system; and

(B) dedicate at least two-thirds of program placements to applicants that satisfy the criteria in paragraph (1) or who reside in a geographic area that is impacted by economic or environmental challenges, defined as an area that is either (i) an R3 Area, as defined pursuant to Section 10-40 of the Cannabis Regulation and Tax Act, or (ii) an environmental justice community, as defined by the Illinois Power Agency, excluding any racial or ethnic indicators used by the agency unless and until the constitutional basis for their inclusion in determining program admissions is established. Among applicants that satisfy these criteria, preference shall be given to applicants who face barriers to employment, such as low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants that are graduates of or currently enrolled

in the foster care system; and

(2) prioritize the remaining program placements for: applicants who are displaced energy workers as defined in the Energy Community Reinvestment Act; persons who face barriers to employment, including low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants who are graduates of or currently enrolled in the foster care system, regardless of the applicant's area of residence.

The Department and Regional Administrators shall protect the confidentiality of any personal information provided by program applicants regarding the applicant's status as a formerly incarcerated person or foster care recipient; however, the Department or Regional Administrators may publish aggregated data on the number of participants that were formerly incarcerated or foster care recipients so long as that publication protects the identities of those persons.

Any person who applies to the program may elect not to share with the Department or Regional Administrators whether he or she is a graduate or currently enrolled in the foster care system or was formerly convicted.

(d) Program elements for each Hub Site shall be provided by a community-based organization. The Department shall initially select a community-based organization in each Hub Site and shall subsequently select a community-based organization in each Hub Site every 3 years. Community-based

organizations delivering program elements outlined in subsection (e) may provide all elements required or may subcontract to other entities for provision of portions of program elements, including, but not limited to, administrative soft and hard skills for program participants, delivery of specific training in the core curriculum, or provision of other support functions for program delivery compliance.

(e) The Clean Jobs Workforce Hubs Network shall:

(1) coordinate with Energy Transition Navigators: (i) to increase participation in the Clean Jobs Workforce Network Program and clean energy and related sector workforce and training opportunities; (ii) coordinate recruitment, communications, and ongoing engagement with potential employers, including, but not limited to, activities such as job matchmaking initiatives, hosting events such as job fairs, and collaborating with other Hub Sites to identify and implement best practices for employer engagement; and (iii) leverage community-based organizations, educational institutions, and community-based and labor-based training providers to ensure program-eligible individuals across the State have dedicated and sustained support to enter and complete the career pipeline for clean energy and related sector jobs;

(2) develop formal partnerships, including formal sector partnerships between community-based organizations

and entities that provide clean energy jobs, including businesses, nonprofit organizations, and worker-owned cooperatives, to ensure that Program participants have priority access to employment training and hiring opportunities; and

(3) implement the Clean Jobs Curriculum to provide, including, but not limited to, training, certification preparation, job readiness, and skill development, including soft skills, math skills, technical skills, certification test preparation, and other development needed, to Program participants.

(f) Funding for the Program is subject to appropriation from the Energy Transition Assistance Fund.

(g) The Department shall require submission of quarterly reports, including program performance metrics by each Hub Site to the Regional Administrator of their Program Delivery Area. Program performance metrics include, but are not limited to:

(1) demographic data, including racial, gender, residency in eligible communities, and geographic distribution data, on Program trainees entering and graduating the Program;

(2) demographic data, including racial, gender, residency in eligible communities, and geographic distribution data, on Program trainees who are placed in employment, including the percentages of trainees by race,

gender, and geographic categories in each individual job type or category and whether employment is union, nonunion, or nonunion via temporary agency;

(3) trainee job acquisition and retention statistics, including the duration of employment (start and end dates of hires) by race, gender, and geography;

(4) hourly wages, including hourly overtime pay rate, and benefits of trainees placed into employment by race, gender, and geography;

(5) percentage of jobs by race, gender, and geography held by Program trainees or graduates that are full-time equivalent positions, meaning that the position held is full-time, direct, and permanent based on 2,080 hours worked per year (paid directly by the employer, whose activities, schedule, and manner of work the employer controls, and receives pay and benefits in the same manner as permanent employees); and

(6) qualitative data consisting of open-ended reporting on pertinent issues, including, but not limited to, qualitative descriptions accompanying metrics or identifying key successes and challenges.

(h) Within 3 years after the effective date of this Act, the Department shall select an independent evaluator to review and prepare a report on the performance of the Program and Regional Administrators.

(Source: P.A. 102-662, eff. 9-15-21.)

(20 ILCS 730/5-45)

(Section scheduled to be repealed on September 15, 2045)

Sec. 5-45. Clean Energy Contractor Incubator Program.

(a) As used in this Section, "community-based organization" means a nonprofit organization, including an accredited public college or university that:

(1) has a history of providing business-related assistance and knowledge to help entrepreneurs start, run, and grow their businesses;

(2) has knowledge of construction and clean energy trades;

(3) demonstrates relationships with local residents and other organizations serving the community; and

(4) demonstrates the ability to effectively serve diverse and underrepresented populations.

(b) Subject to appropriation, the Department shall develop, and through the Regional Administrators, administer the Clean Energy Contractor Incubator Program ("Program") to create a network of 14 ~~13~~ Program delivery Hub Sites with program elements delivered by community-based organizations and their subcontractors geographically distributed across the State, including at least one Hub Site located in or near each of the following areas: Chicago (South Side), Chicago (Southwest and West Sides), Waukegan, Rockford, Aurora, Joliet, Peoria, Champaign, Danville, Decatur, Carbondale, East

St. Louis, Kankakee, and Alton.

(c) In admitting program participants, for each Contractor Incubator Hub Site the Regional Administrators shall:

(1) in each Hub Site where the applicant pool allows:

(A) dedicate at least one-third of program placements to the owners of clean energy contractor businesses and nonprofits who reside in a geographic area that is impacted by economic and environmental challenges, defined as an area that is both (i) an R3 Area, as defined pursuant to Section 10-40 of the Cannabis Regulation and Tax Act, and (ii) an environmental justice community, as defined by the Illinois Power Agency, excluding any racial or ethnic indicators used by the agency unless and until the constitutional basis for their inclusion in determining program admissions is established. Among applicants that satisfy these criteria, preference shall be given to applicants who face barriers to employment, such as low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants that are graduates of or currently enrolled in the foster care system; and

(B) dedicate at least two-thirds of program placements to the owners of clean energy contractor businesses and nonprofits that satisfy the criteria in

paragraph (1) or who reside in eligible communities. Among applicants who live in eligible communities, preference shall be given to applicants who face barriers to employment, such as low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants that are graduates of or currently enrolled in the foster care system; and

(2) prioritize the remaining program placements for: applicants who are displaced energy workers as defined in the Energy Community Reinvestment Act; persons who face barriers to employment, including low educational attainment, prior involvement with the criminal legal system, and language barriers; and applicants who are graduates of or currently enrolled in the foster care system, regardless of the applicants' area of residence.

Consideration shall also be given to any current or past participant in the Clean Jobs Workforce Network Program, Illinois Climate Works Preapprenticeship Program, or Returning Residents Clean Energy Jobs Training Program.

The Department and Regional Administrators shall protect the confidentiality of any personal information provided by program applicants regarding the applicant's status as a formerly incarcerated person or foster care recipient; however, the Department or Regional Administrators may publish aggregated data on the number of participants that were

formerly incarcerated or foster care recipients so long as that publication protects the identities of those persons.

Any person who applies to the program may elect not to share with the Department or Regional Administrators whether he or she is a graduate or currently enrolled in the foster care system or was formerly convicted.

(d) Program elements at each Hub Site shall be provided by a local community-based organization. The Department shall initially select a community-based organization in each Hub Site and shall subsequently select a community-based organization in each Hub Site every 3 years. Community-based organizations delivering program elements outlined in subsection (e) may provide all elements required or may subcontract to other entities for provision of portions of program elements, including, but not limited to, administrative soft and hard skills for program participants, delivery of specific training in the core curriculum, or provision of other support functions for program delivery compliance.

(e) The Clean Energy Contractor Incubator Program shall:

(1) provide access to low-cost capital for small clean energy businesses and contractors;

(2) provide support for obtaining financial assurance, including, but not limited to: bonding; back office services; insurance, permits, training and certifications; business planning; and low-interest loans;

(3) train, mentor, and provide other support needed to allow participant contractors to: (i) build their businesses and connect to specific projects, (ii) register as approved vendors, (iii) engage in approved vendor subcontracting and qualified installer opportunities, (iv) develop partnering and networking skills, (v) compete for capital and other resources, and (vi) execute clean energy-related project installations and subcontracts;

(4) ensure that participant contractors, community partners, and potential contractor clients are aware of and engaged in the Program;

(5) connect participant contractors with the Department of Labor for resources, training, and technical support on prevailing wage compliance;

(6) provide recruitment and ongoing engagement with entities that hire contractors and subcontractors, programs providing renewable energy resource-related projects, incentive programs, and approved vendor and qualified installer opportunities, including, but not limited to, activities such as matchmaking, events, and collaborating with other Hub Sites.

(f) Funding for the Program and independent evaluations as described in subsection (h) are subject to appropriation from the Energy Transition Assistance Fund.

(g) The Department shall require submission of quarterly reports including program performance metrics by each Hub Site

to the Regional Administrator of their Program Delivery Area. Program performance metrics include, but are not limited to:

(1) demographic data including: race, gender, geographic location, R3 residency, Environmental Justice Community residency, foster care system participation, and justice-involvement for the owners of contractors applying, accepted into, and graduating from the Program;

(2) the number of projects completed by participant contractors, alone or in partnership, by race, gender, geographic location, R3 residency, Environmental Justice Community residency, foster care system participation, and justice-involvement for the owners of contractors;

(3) the number of partnerships with participant contractors that are expected to result in contracts for work by the participant contractor, by race, gender, geographic location, R3 residency, Environmental Justice Community residency, foster care system participation, and justice-involvement for the owners of contractors;

(4) changes in participant contractors' business revenue, by race, gender, geographic location, R3 residency, Environmental Justice Community residency, foster care system participation, and justice-involvement for the owners of contractors;

(5) the number of new hires by participant contractors, by race, gender, geographic location, R3 residency, Environmental Justice Community residency,

foster care system participation, and justice-involvement;

(6) demographic data, including race, gender, geographic location, R3 residency, Environmental Justice Community residency, foster care system participation, and justice-involvement, and average wage data, for new hires by participant contractors;

(7) certifications held by participant contractors, and number of participants holding each certification, including, but not limited to, registration under the Business Enterprise for Minorities, Women, and Persons with Disabilities Act program and other programs intended to certify BIPOC entities;

(8) the number of Program sessions attended by participant contractors, aggregated by race; and

(9) indicators relevant for assessing the general financial health of participant contractors.

(h) Within 3 years after the effective date of this Act, the Department shall select an independent evaluator to review and prepare a report on the performance of the Program and Regional Administrators. The report shall be posted publicly.
(Source: P.A. 102-662, eff. 9-15-21.)

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

(35 ILCS 5/201)

Sec. 201. Tax imposed.

(a) In general. A tax measured by net income is hereby imposed on every individual, corporation, trust and estate for each taxable year ending after July 31, 1969 on the privilege of earning or receiving income in or as a resident of this State. Such tax shall be in addition to all other occupation or privilege taxes imposed by this State or by any municipal corporation or political subdivision thereof.

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

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

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

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

(4) In the case of an individual, trust, or estate, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 3% of the taxpayer's net income for the period prior to January 1, 2011, as calculated under Section 202.5, and (ii) 5% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

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

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

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

(5.3) In the case of an individual, trust, or estate, for taxable years beginning prior to July 1, 2017, and ending after June 30, 2017, an amount equal to the sum of

(i) 3.75% of the taxpayer's net income for the period prior to July 1, 2017, as calculated under Section 202.5, and (ii) 4.95% of the taxpayer's net income for the period after June 30, 2017, as calculated under Section 202.5.

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

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

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

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

(9) In the case of a corporation, for taxable years beginning prior to January 1, 2011, and ending after December 31, 2010, an amount equal to the sum of (i) 4.8% of the taxpayer's net income for the period prior to

January 1, 2011, as calculated under Section 202.5, and (ii) 7% of the taxpayer's net income for the period after December 31, 2010, as calculated under Section 202.5.

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

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

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

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

(14) In the case of a corporation, for taxable years

beginning on or after July 1, 2017, an amount equal to 7% of the taxpayer's net income for the taxable year.

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

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

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

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

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

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

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

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

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

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

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

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

The transfer of an organization gaming license, organization license, or racetrack property by a person other

than the initial licensee to receive the organization gaming license is not subject to a surcharge. The Department shall adopt rules necessary to implement and administer this subsection.

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

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

partnership, trust or a Subchapter S corporation shall be an additional amount equal to 1.5% of such taxpayer's net income for the taxable year.

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

includes a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event shall the sum of the rates of tax imposed by subsections (b) and (d) be reduced below the rate at which the sum of:

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

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

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

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

subsection (d).

This subsection (d-1) is exempt from the provisions of Section 250.

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit

shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all

such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.

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

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

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

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

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

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

(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e),

"tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

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

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

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

(7) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the Personal Property Tax Replacement Income Tax for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation and, (ii) subtracting such

recomputed credit from the amount of credit previously allowed. For the purposes of this paragraph (7), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

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

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

pass through the credits shall be irrevocable.

For taxable years ending on or after December 31, 2000, a partner that qualifies its partnership for a subtraction under subparagraph (I) of paragraph (2) of subsection (d) of Section 203 or a shareholder that qualifies a Subchapter S corporation for a subtraction under subparagraph (S) of paragraph (2) of subsection (b) of Section 203 shall be allowed a credit under this subsection (e) equal to its share of the credit earned under this subsection (e) during the taxable year by the partnership or Subchapter S corporation, determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. This paragraph is exempt from the provisions of Section 250.

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

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability

companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, for taxable years ending before December 31, 2023, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. For taxable years ending on or after December 31, 2023, for partners and shareholders of Subchapter S corporations, the provisions of Section 251 shall apply with respect to the credit under this subsection. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which

there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

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

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

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

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

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

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

(4) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service in the Enterprise Zone or River Edge Redevelopment Zone by the taxpayer, the amount of such

increase shall be deemed property placed in service on the date of such increase in basis.

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

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

(7) There shall be allowed an additional credit equal to 0.5% of the basis of qualified property placed in service during the taxable year in a River Edge Redevelopment Zone, provided such property is placed in

service on or after July 1, 2006, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is 0.5% and the denominator of which is 1%, but shall not exceed 0.5%.

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

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability in succeeding calendar years in the same manner provided under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest

year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

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

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

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

(g) (Blank).

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall

be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For

tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

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

(2) The term qualified property means property which:

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

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

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

(D) is not eligible for the Enterprise Zone

Investment Credit provided by subsection (f) of this Section.

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

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

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

(6) If during any taxable year ending on or before December 31, 1996, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved outside Illinois within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of this Section for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously

allowed. For the purposes of this paragraph (6), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

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

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

The credit or credits may not reduce the taxpayer's liability to less than zero. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability in succeeding calendar years in the manner provided under

paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first.

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

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

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

(i) Credit for Personal Property Tax Replacement Income Tax. For tax years ending prior to December 31, 2003, a credit shall be allowed against the tax imposed by subsections (a) and (b) of this Section for the tax imposed by subsections (c)

and (d) of this Section. This credit shall be computed by multiplying the tax imposed by subsections (c) and (d) of this Section by a fraction, the numerator of which is base income allocable to Illinois and the denominator of which is Illinois base income, and further multiplying the product by the tax rate imposed by subsections (a) and (b) of this Section.

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

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

imposed by subsections (c) and (d). If any portion of the reduced amount of credit has been carried to a different taxable year, an amended return shall be filed for such taxable year to reduce the amount of credit claimed.

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

Section 251 shall apply with respect to the credit under this subsection.

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

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31, 2004, and ending prior to January 1, 2032 ~~January 1, 2027~~, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for increasing research activities in this State. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 6 1/2% of the qualifying expenditures for increasing research activities in this State. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, for taxable years ending before December 31, 2023, there shall

be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. For taxable years ending on or after December 31, 2023, for partners and shareholders of Subchapter S corporations, the provisions of Section 251 shall apply with respect to the credit under this subsection.

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

Any credit in excess of the tax liability for the taxable year may be carried forward. A taxpayer may elect to have the unused credit shown on its final completed return carried over as a credit against the tax liability for the following 5 taxable years or until it has been fully used, whichever occurs first; provided that no credit earned in a tax year

ending prior to December 31, 2003 may be carried forward to any year ending on or after December 31, 2003.

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

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

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

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability

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

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The

term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(m) Education expense credit. Beginning with tax years

ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed (i) $500 for tax years ending prior to December 31, 2017, and (ii) $750 for tax years ending on or after December 31, 2017. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. Notwithstanding any other provision of law, for taxable years beginning on or after January 1, 2017, no taxpayer may claim a credit under this subsection (m) if the taxpayer's adjusted gross income for the taxable year exceeds (i) $500,000, in the case of spouses filing a joint federal tax return or (ii) $250,000, in the case of all other taxpayers. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

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

defined in this subsection.

"Qualified education expense" means the amount incurred on behalf of a qualifying pupil in excess of $250 for tuition, book fees, and lab fees at the school in which the pupil is enrolled during the regular school year.

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

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

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

(i) For tax years ending on or after December 31, 2006, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14a of the Environmental Protection Act that were paid in performing

environmental remediation at a site within a River Edge Redevelopment Zone for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. Determinations as to credit availability for purposes of this Section shall be made consistent with rules adopted by the Pollution Control Board pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act. For purposes of this Section, "taxpayer" includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible

remediation costs in excess of $100,000 per site.

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

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

(o) For each of taxable years during the Compassionate Use of Medical Cannabis Program, a surcharge is imposed on all taxpayers on income arising from the sale or exchange of capital assets, depreciable business property, real property used in the trade or business, and Section 197 intangibles of an organization registrant under the Compassionate Use of Medical Cannabis Program Act. The amount of the surcharge is equal to the amount of federal income tax liability for the taxable year attributable to those sales and exchanges. The surcharge imposed does not apply if:

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

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

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

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

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

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

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

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

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

(p) Pass-through entity tax.

(1) For taxable years ending on or after December 31, 2021 and beginning prior to January 1, 2026, a partnership (other than a publicly traded partnership under Section 7704 of the Internal Revenue Code) or Subchapter S corporation may elect to apply the provisions of this subsection. A separate election shall be made for each taxable year. Such election shall be made at such time,

and in such form and manner as prescribed by the Department, and, once made, is irrevocable.

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

(3) Net income defined.

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

(i) the standard exemption allowed under Section 204;

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

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

(iv) in the case of a partnership, the modifications under Section 203(d)(2)(H) and

Section 203(d)(2)(I).

(B) Special rule for tiered partnerships. If a taxpayer making the election under paragraph (1) is a partner of another taxpayer making the election under paragraph (1), net income shall be computed as provided in subparagraph (A), except that the taxpayer shall subtract its distributive share of the net income of the electing partnership (including its distributive share of the net income of the electing partnership derived as a distributive share from electing partnerships in which it is a partner).

(4) Credit for entity level tax. Each partner or shareholder of a taxpayer making the election under this Section shall be allowed a credit against the tax imposed under subsections (a) and (b) of Section 201 of this Act for the taxable year of the partnership or Subchapter S corporation for which an election is in effect ending within or with the taxable year of the partner or shareholder in an amount equal to 4.95% times the partner or shareholder's distributive share of the net income of the electing partnership or Subchapter S corporation, but not to exceed the partner's or shareholder's share of the tax imposed under paragraph (1) which is actually paid by the partnership or Subchapter S corporation. If the taxpayer is a partnership or Subchapter S corporation that is itself a partner of a partnership making the election

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

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

(6) Liability for tax. Except as provided in this

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

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

corporation allocated or apportioned to such other state.

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

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

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

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

(35 ILCS 5/241 new)

Sec. 241. Credit for quantum computing campuses.

(a) A taxpayer who has been awarded a credit by the Department of Commerce and Economic Opportunity under Section 605-115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act. The amount of the credit

shall be 20% of the wages paid by the taxpayer during the taxable year to a full-time or part-time employee of a construction contractor employed in the construction of an eligible facility located on a quantum computing campus designated under Section 605-115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

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

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

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

(e) As used in this Section, "eligible facility" means a building used primarily to house one or more of the following:

a quantum computer operator; a research facility; a data center; a manufacturer and assembler of quantum computers and component parts; a cryogenic or refrigeration facility; or any other facility determined, by industry and academic leaders, to be fundamental to the research and development of quantum computing for practical solutions.

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

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

(35 ILCS 5/213)

Sec. 213. Film production services credit.

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

(b) Beginning July 1, 2024, taxpayers who have been awarded a tax credit under the Film Production Services Tax Credit Act of 2008 shall pay to the Department of Commerce and Economic Opportunity, after determination of the tax credit amount but prior to the issuance of a tax credit certificate pursuant to Section 35 of the Film Production Services Tax Credit Act of 2008, a fee equal to 2.5% of the credit amount awarded to the taxpayer under the Film Production Services Tax Credit Act of 2008 that is attributable to wages paid to nonresidents, as described in Section 10 of the Film Production Services Tax Credit Act of 2008, and an additional fee equal to 0.25% of the amount generated by subtracting the credit amount awarded to the taxpayer under the Film Production Services Tax Credit Act of 2008 that is attributable to wages paid to nonresidents from the total credit amount awarded to the taxpayer under that Act. All fees collected under this subsection shall be deposited into the Illinois Production Workforce Development Fund. No tax credit certificate shall be issued by the Department of Commerce and Economic Opportunity until the total fees owed according to this subsection have been received by the Department of Commerce and Economic Opportunity.

(c) A transfer of this credit may be made by the taxpayer earning the credit within one year after the credit is awarded in accordance with rules adopted by the Department of Commerce and Economic Opportunity. Beginning July 1, 2023 and through

June 30, 2024, if a credit is transferred under this Section by the taxpayer, then the transferor taxpayer shall pay to the Department of Commerce and Economic Opportunity, upon notification of a transfer, a fee equal to 2.5% of the transferred credit amount eligible for nonresident wages, as described in Section 10 of the Film Production Services Tax Credit Act of 2008, and an additional fee of 0.25% of the total amount of the transferred credit that is not calculated on nonresident wages, which shall be deposited into the Illinois Production Workforce Development Fund.

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

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

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

Section 25. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Sections 5-5, 5-15, 5-20, 5-35, 5-45, and 5-56 as follows:

(35 ILCS 10/5-5)

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

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

"Applicant" means a Taxpayer that is operating a business located or that the Taxpayer plans to locate within the State of Illinois and that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, retail food, health, ~~or~~ professional services, and services delivered to business customer sites. "Applicant" does not include a Taxpayer who closes or substantially reduces an operation at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. This also does not prohibit a Taxpayer from moving its operations from one location in the State to

another location in the State for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Credit" means the amount agreed to between the Department and Applicant under this Act, but not to exceed the lesser of: (1) the sum of (i) 50% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. However, if the project is located in an underserved area, then the amount of the Credit may not exceed the lesser of: (1) the sum of (i) 75% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. If the project is not located in an underserved area and the Applicant agrees to hire the required number of New Employees, then the maximum amount of the Credit for that Applicant may be increased by an

amount not to exceed 25% of the Incremental Income Tax attributable to retained employees at the Applicant's project. If the project is located in an underserved area and the Applicant agrees to hire the required number of New Employees, then the maximum amount of the credit for that Applicant may be increased by an amount not to exceed 50% of the Incremental Income Tax attributable to retained employees at the Applicant's project.

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

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

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

"Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an Agreement.

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

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

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

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

"New Construction EDGE Project" means the building of a Taxpayer's structure or building, or making improvements of any kind to real property. "New Construction EDGE Project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"New Employee" means:

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

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

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

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

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the

profits, capital, or value of the Taxpayer.

(c) Notwithstanding paragraph (1) of subsection (b), an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

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

(2) promoted by the Taxpayer to another job.

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

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

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

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

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

"Pass Through Entity" means an entity that is exempt from

the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

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

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

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

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

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively

at least 50% of the value of the corporation's outstanding stock.

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

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

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

amendatory Act of the 103rd General Assembly, a corporation, partnership, or other entity that is incorporated or organized no more than 10 years before the filing of an application for an Agreement and that has never had any Illinois income tax liability. For the purpose of determining whether the taxpayer has had any Illinois income tax liability, the Illinois income tax liability of a Related Member shall not be attributed to the startup taxpayer.

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

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

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

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

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

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

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

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

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

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

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

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

(35 ILCS 10/5-15)

Sec. 5-15. Tax Credit Awards. Subject to the conditions set forth in this Act, a Taxpayer is entitled to a Credit against or, as described in subsection (g) of this Section, a payment towards taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act that may be

imposed on the Taxpayer for a taxable year beginning on or after January 1, 1999, if the Taxpayer is awarded a Credit by the Department under this Act for that taxable year.

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

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

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

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

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

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

(1) The election under this subsection (f) may be made

only by a Taxpayer that (i) is primarily engaged in one of the following business activities: water purification and treatment, motor vehicle metal stamping, automobile manufacturing, automobile and light duty motor vehicle manufacturing, motor vehicle manufacturing, light truck and utility vehicle manufacturing, heavy duty truck manufacturing, motor vehicle body manufacturing, cable television infrastructure design or manufacturing, or wireless telecommunication or computing terminal device design or manufacturing for use on public networks and (ii) meets the following criteria:

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

(B) the Taxpayer (i) had an Illinois net loss or an Illinois net loss deduction under Section 207 of the Illinois Income Tax Act for the taxable year in which the Credit is awarded, (ii) employed a minimum of 1,000 full-time employees in this State during the taxable year in which the Credit is awarded, and (iii)

has applied for an Agreement within 365 days after December 14, 2009 (the effective date of Public Act 96-834);

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

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

(E) the Taxpayer (i) employed at least 2,500

full-time employees in the State during the year in which the Credit is awarded, (ii) commits to make at least $500,000,000 in combined capital improvements and project costs under the Agreement, (iii) applies for an Agreement between January 1, 2011 and June 30, 2011, (iv) executes an Agreement for the Credit during calendar year 2011, and (v) was incorporated no more than 5 years before the filing of an application for an Agreement.

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

(1.6) The election under this subsection (f) may also be made by a Taxpayer for any Credit awarded pursuant to an agreement that was executed within 150 days after the effective date of this amendatory Act of the 97th General Assembly, if the Taxpayer (i) is primarily engaged in the

operation of a discount department store, (ii) maintains its corporate headquarters in Illinois, (iii) employs a minimum of 4,250 full-time employees at its corporate headquarters in Illinois at the time of application, (iv) retains at least 4,250 full-time jobs in Illinois that would have been at risk of being relocated outside of Illinois, (v) had a minimum of $40,000,000,000 in total revenue in 2010, and (vi) makes a capital investment of at least $300,000,000 at the project location.

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

(1.8) Notwithstanding any other provision of law, the election under this subsection (f) may also be made by a

startup taxpayer for any Credit awarded pursuant to an Agreement that was executed on or after the effective date of this amendatory Act of the 102nd General Assembly. Any such election under this paragraph (1.8) shall be effective unless and until such startup taxpayer has any Illinois income tax liability. This election under this paragraph (1.8) shall automatically terminate when the startup taxpayer has any Illinois income tax liability at the end of any taxable year during the term of the Agreement. Thereafter, the startup taxpayer may receive a Credit, taking into account any benefits previously enjoyed or received by way of the election under this paragraph (1.8), so long as the startup taxpayer remains in compliance with the terms and conditions of the Agreement.

(1.9) Notwithstanding any other provision of law, the election under this subsection (f) may also be made by an applicant qualified under paragraph (1.7) of subsection (b) of Section 5-20 for any Credit awarded pursuant to an Agreement that was executed on or after the effective date of this amendatory Act of the 103rd General Assembly. Any such election under this paragraph (1.9) shall be effective unless and until such taxpayer has any Illinois income tax liability. This election under this paragraph (1.9) shall automatically terminate when the taxpayer has any Illinois income tax liability at the end of any

taxable year during the term of the Agreement. Thereafter, the startup taxpayer may receive a Credit, taking into account any benefits previously enjoyed or received by way of the election under this paragraph (1.9), so long as the startup taxpayer remains in compliance with the terms and conditions of the Agreement.

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

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

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

(g) A pass-through entity that has been awarded a credit under this Act, its shareholders, or its partners may treat some or all of the credit awarded pursuant to this Act as a tax payment for purposes of the Illinois Income Tax Act. The term

"tax payment" means a payment as described in Article 6 or Article 8 of the Illinois Income Tax Act or a composite payment made by a pass-through entity on behalf of any of its shareholders or partners to satisfy such shareholders' or partners' taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. In no event shall the amount of the award credited pursuant to this Act exceed the Illinois income tax liability of the pass-through entity or its shareholders or partners for the taxable year.

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

(35 ILCS 10/5-20)

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

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

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

(1) if the Applicant has more than 100 employees, involve an investment of at least $2,500,000 in capital improvements to be placed in service within the State as a direct result of the project; if the Applicant has 100 or fewer employees, then there is no capital investment requirement;

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

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

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

(A) makes an investment of at least $50,000,000 in

capital improvements at the project site;

(B) is placed in service after approval of the application; and

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

(2) (blank);

(3) (blank); and

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

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

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

(35 ILCS 10/5-35)

Sec. 5-35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim the credit provided by this Act with respect to any jobs that the taxpayer relocates from one site in Illinois unless the taxpayer has agreed to hire the minimum number of new employees and the Department has determined that the expansion cannot reasonably be accommodated within the municipality in which the business is located ~~to another site in Illinois. A taxpayer with respect to a qualifying project certified under the Corporate Headquarters Relocation Act, however, is not subject to the requirements of this Section but is nevertheless considered an applicant for purposes of~~

~~this Act. Moreover, any full-time employee of an eligible business relocated to Illinois in connection with that qualifying project is deemed to be a new employee for purposes of this Act~~. Determinations under this Section shall be made by the Department.

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

(35 ILCS 10/5-45)

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

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

(b) Notwithstanding subsection (a), and except as the credit may be applied in a carryover year pursuant to Section 211(4) of the Illinois Income Tax Act, the credit may be applied against the State income tax liability in more than 10 taxable years but not in more than 15 taxable years for an eligible business that (i) qualifies under this Act and the Corporate Headquarters Relocation Act and has in fact undertaken a qualifying project within the time frame

specified by the Department of Commerce and Economic Opportunity under that Act, and (ii) applies against its State income tax liability, during the entire 15-year period, no more than 60% of the maximum credit per year that would otherwise be available under this Act.

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

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

(35 ILCS 10/5-56)

Sec. 5-56. Annual report. ~~Certified payroll.~~ Annually, until construction is completed, a company seeking New Construction EDGE Credits shall submit a report that, at a minimum, describes the projected project scope, timeline, and anticipated budget. Once the project has commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project. The Department shall issue detailed reporting guidelines prescribing the requirements of construction

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~The records submitted in accordance with this Section shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall accept any reasonable submissions by the contractor that meet the requirements of~~

~~this Section and shall share the information with the Department in order to comply with the awarding of New Construction EDGE Credits. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.~~

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

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

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

(35 ILCS 16/10)

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

"Accredited production" means: (i) for productions commencing before May 1, 2006, a film, video, or television production that has been certified by the Department in which the aggregate Illinois labor expenditures included in the cost of the production, in the period that ends 12 months after the time principal filming or taping of the production began,

exceed $100,000 for productions of 30 minutes or longer, or $50,000 for productions of less than 30 minutes; and (ii) for productions commencing on or after May 1, 2006, a film, video, or television production that has been certified by the Department in which the Illinois production spending included in the cost of production in the period that ends 12 months after the time principal filming or taping of the production began exceeds $100,000 for productions of 30 minutes or longer or exceeds $50,000 for productions of less than 30 minutes. "Accredited production" does not include a production that:

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

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

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

(4) is a sports event or activity;

(5) is a gala presentation or awards show;

(6) is a finished production that solicits funds;

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

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

"Accredited animated production" means an accredited production in which movement and characters' performances are created using a frame-by-frame technique and a significant number of major characters are animated. Motion capture by itself is not an animation technique.

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

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

"Credit" means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of

residents of geographic areas of high poverty or high unemployment, as determined by the Department, in an accredited production commencing before May 1, 2006 and approved by the Department after January 1, 2005, the applicant shall receive an enhanced credit of 10% in addition to the 25% credit; and

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

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

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

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

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

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

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

"Director" means the Director of Commerce and Economic

Opportunity.

"Illinois labor expenditure" means salary or wages paid to employees of the applicant for services on the accredited production.

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

(1) Reasonable in the circumstances.

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

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

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

(5) Limited to the first $25,000 of wages paid or incurred to each employee of a production commencing before May 1, 2006 and the first $100,000 of wages paid or incurred to each employee of a production commencing on or after May 1, 2006 and prior to July 1, 2022. For productions commencing on or after July 1, 2022, limited to the first $500,000 of wages paid or incurred to each eligible nonresident or resident employee of a production company or loan out company that provides in-State services to a production, whether those wages are paid or incurred by the production company, loan out company, or both, subject to withholding payments provided for in

Article 7 of the Illinois Income Tax Act. For purposes of calculating Illinois labor expenditures for a television series, the eligible nonresident wage limitations provided under this subparagraph are applied to the entire season. For the purpose of this paragraph (5), an eligible nonresident is a nonresident whose wages qualify as an Illinois labor expenditure under the provisions of paragraph (9) that apply to that production.

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

(7) Directly attributable to the accredited production.

(8) (Blank).

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

For purposes of this subparagraph, if the production is accredited by the Department before the effective date of this amendatory Act of the 102nd General Assembly, only wages paid to nonresidents working in the following positions shall be considered Illinois labor expenditures: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX

Supervisor, Editor, Composer, and Actor, subject to the limitations set forth under this subparagraph. For an accredited Illinois production spending of $25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as an Illinois labor expenditure. For an accredited production with Illinois production spending of more than $25,000,000, no more than 4 nonresident actor's wages shall qualify as Illinois labor expenditures.

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

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

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

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

(D) for an accredited production with Illinois production spending of more than $25,000,000, no more than 4 nonresident actors' wages shall qualify as

Illinois labor expenditures.

As used in this paragraph (9), "qualified position" means: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, or Actor.

(10) Paid for services rendered in Illinois.

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

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

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

(3) for a production commencing before July 1, 2022, the compensation, not to exceed $100,000 for any one employee, for contractual or salaried employees who are Illinois residents performing services with respect to the accredited production. For a production commencing on or after July 1, 2022, the compensation, not to exceed $500,000 for any one employee, for contractual or salaried employees who are Illinois residents or nonresident employees, subject to the limitations set forth under

Section 10 of this Act.

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

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

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

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

(35 ILCS 16/46)

Sec. 46. Illinois Production Workforce Development Fund.

(a) The Illinois Production Workforce Development Fund is

created as a special fund in the State Treasury. Beginning July 1, 2023 ~~July 1, 2022~~, amounts paid to the Department of Commerce and Economic Opportunity pursuant to Section 213 of the Illinois Income Tax Act shall be deposited into the Fund. The Fund shall be used exclusively to provide grants to community-based organizations, labor organizations, private and public universities, community colleges, and other organizations and institutions that may be deemed appropriate by the Department to administer workforce training programs that support efforts to recruit, hire, promote, retain, develop, and train a diverse and inclusive workforce in the film industry.

(b) Pursuant to Section 213 of the Illinois Income Tax Act, taxpayers who have been awarded a tax credit under this Act shall pay to the Department of Commerce and Economic Opportunity, after determination of the tax credit amount but prior to the issuance of a tax credit certificate, a fee equal to 2.5% of the credit amount awarded to the taxpayer under the Film Production Services Tax Credit Act of 2008 that is attributable to wages paid to nonresidents, as described in Section 10 of the Film Production Services Tax Credit Act of 2008, and an additional fee equal to 0.25% of the amount generated by subtracting the credit amount awarded to the taxpayer under the Film Production Services Tax Credit Act of 2008 that is attributable to wages paid to nonresidents from the total credit amount awarded to the taxpayer under that

Act. All fees collected under this subsection shall be deposited into the Illinois Production Workforce Development Fund. No tax credit certificate shall be issued by the Department of Commerce and Economic Opportunity until the total fees owed according to this subsection have been received by the Department of Commerce and Economic Opportunity. ~~the Fund shall receive deposits in amounts not to exceed 0.25% of the amount of each credit certificate issued that is not calculated on out of state wages and transferred or claimed on an Illinois tax return in the quarter such credit was transferred or claimed. In addition, such amount shall also include 2.5% of the credit amount calculated on wages paid to nonresidents that is transferred or claimed on an Illinois tax return in the quarter such credit was transferred or claimed.~~

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

(d) Of the appropriated funds in a given fiscal year, 50% of the appropriated funds shall be reserved for organizations that meet one of the following criteria. The organization is: (1) a minority-owned business, as defined by the Business

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

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

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

(g) By June 30 of each fiscal year, the Department must submit to the General Assembly a report that includes the following information: (1) an identification of the organizations and institutions that received funding to administer workforce training programs during the fiscal year; (2) the number of total persons trained and the number of persons trained per workforce training program in the fiscal

year; and (3) in the aggregate, per organization, the number of persons identified as a minority person or that reside in an underserved area that received training in the fiscal year.
(Source: P.A. 102-700, eff. 4-19-22.)

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

(35 ILCS 45/110-5)

Sec. 110-5. Purpose. It is the intent of the General Assembly that Illinois should lead the nation in the production of quantum computers and the production of semiconductors and microchips as they become even more prevalent in everyday life. The General Assembly finds that, through investments in quantum computing and semiconductors and microchips, Illinois will be on the forefront of the quantum computing industry and the forefront of reshoring semiconductor and microchip production that fuels modern technologies that are essential to the operation of computers, phones, vehicles and the ~~any~~ electric products ~~product~~ that have become essential to modern life. This Act will create good paying jobs, and generate long-term economic investment in the Illinois business economy, in addition to ensuring a vital product is made in the United States. Illinois must aggressively adopt new business development investment tools

so that Illinois can compete with domestic and foreign competitors for quantum computer manufacturing and semiconductor and chip manufacturing.

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

(35 ILCS 45/110-10)

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

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

"Applicant" means a taxpayer that: (i) operates a business in Illinois as a quantum computer manufacturer, a semiconductor manufacturer, a microchip manufacturer, or a manufacturer of quantum computer, semiconductor, or microchip component parts or a business in Illinois that primarily engages in research and development in the manufacturing of quantum computers, semiconductors, or microchips; or (ii) is planning to locate a business within the State of Illinois as a quantum computer manufacturer, a semiconductor manufacturer, a microchip manufacturer, or a manufacturer of quantum computer, semiconductor, or microchip component parts or a business within the State of Illinois that primarily engages in research and development in the manufacturing of quantum computers, semiconductors, or microchips. For the purposes of this definition, a business primarily engages in research and development in the manufacturing of quantum computers, semiconductors, or microchips if at least 50% of its business

activities involve research and development in the manufacturing of quantum computers, semiconductors, or microchips. "Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a taxpayer from expanding its operations at another location in the State. This also does not prohibit a taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs

incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments.

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

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

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

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

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

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

"Full-time employee" means an individual who is employed

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

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

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

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

"MICRO credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for

such employees at the applicant's project.

"Microchip" means a wafer of semiconducting material that is less than 15 millimeters long and less than 5 millimeters wide and is used to make an integrated circuit.

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

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

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

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

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

"Placed in service" means the state or condition of readiness, availability for a specifically assigned function,

and the facility is constructed and ready to conduct its facility operations to manufacture goods.

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

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

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

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

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

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

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly,

indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.

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

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

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

(5) A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the

Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

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

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

equity, capital, or value of the taxpayer.

"Semiconductor" means any class of crystalline solids intermediate in electrical conductivity between a conductor and an insulator.

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

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

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

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training

costs. "Training costs" do not include costs associated with travel outside the United States (unless the taxpayer receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, or administrative cost related to full-time employees of the taxpayer.

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

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

(35 ILCS 45/110-20)

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

(a) The Manufacturing Illinois Chips for Real Opportunity (MICRO) Program is hereby established and shall be administered by the Department. The Program will provide financial incentives to eligible semiconductor manufacturers, ~~and~~ microchip manufacturers, quantum computer manufacturers, and companies that primarily engage in research and development in the manufacturing of quantum computers, semiconductors, or microchips. For the purposes of this Section, a company is primarily engaged in research and development in the manufacturing of quantum computers,

semiconductors, or microchips if at least 50% of its business activities involve research and development in the manufacturing of quantum computers, semiconductors, or microchips..

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

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

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

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

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

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

(2) for a semiconductor component parts manufacturer, a ~~or~~ microchip component parts manufacturer, a quantum computer component parts manufacturer, or a company focusing on research and development in the manufacture of component parts for quantum computers, semiconductors, or microchips:

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

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

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

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

(3) for a semiconductor manufacturer, a ~~or~~ microchip manufacturer, a quantum computer manufacturer, a company focusing on research and development in the manufacturing of quantum computers, semiconductors, or microchips, or ~~or~~ a semiconductor or microchip component parts manufacturer that does not quality under paragraph (2) above:

(A) make an investment of at least $2,500,000 ~~$20,000,000~~ in capital improvements at the project

site;

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

(C) create at least 50 new full-time employee jobs or new full-time employees equivalent to 10% of the number of full-time employees employed by the applicant world-wide on the date the application is filed with the Department; or

(4) for a semiconductor manufacturer, quantum computer manufacturer, ~~or~~ microchip manufacturer, or ~~a~~ semiconductor or microchip component parts manufacturer with existing operations in Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to semiconductor manufacturing, quantum computer manufacturing, or microchip manufacturing or semiconductor, quantum computer, or microchip component parts manufacturing, or a company focusing on research and development in the manufacturing of quantum computers, semiconductors, or microchips:

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

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

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

(d) For any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a total compensation equal to or greater than 120% of the average wage paid to full-time employees in the county where the project is located, as determined by the Department.

(e) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize participants from apprenticeship programs that are approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. The Applicant may apply for apprenticeship education expense credits in accordance with the provisions set forth in 14 Ill. Admin. Code 522. Each applicant is required to report annually, on or before April 15, on the diversity of its workforce in accordance with Section 110-50 of this Act. For existing facilities of applicants under paragraph (3) of subsection (b) above, if the

taxpayer expects a reduction in force due to its transition to manufacturing semiconductors, microchips, or semiconductor or microchip component parts, the plan submitted under this Section must outline the taxpayer's plan to assist with retraining its workforce aligned with the taxpayer's adoption of new technologies and anticipated efforts to retrain employees through employment opportunities within the taxpayer's workforce.

(f) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for the same period of time. Also, a taxpayer may not enter into an agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with

respect to the same address or location.

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

(35 ILCS 45/110-35)

Sec. 110-35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim a credit provided by this Act with respect to any jobs that the taxpayer relocates from one site in Illinois to another site in Illinois unless the taxpayer has agreed to hire the minimum number of new employees and the Department has determined that the expansion cannot reasonably be accommodated within the municipality in which the business is located. Any full-time employee relocated to Illinois in connection with a qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.

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

(35 ILCS 45/110-65)

Sec. 110-65. Certified payroll.

(a) Annually, until construction is completed, a company seeking MICRO Construction Job Credits shall submit a report that, at a minimum, describes the projected project scope, timeline, and anticipated budget. Once the project has commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project. The Department shall issue

detailed reporting guidelines prescribing the requirements of construction-related reports. ~~Each contractor and subcontractor that is engaged in construction work on project facilities for a taxpayer who seeks to apply for a MICRO Construction Jobs Credit shall:~~

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

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

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

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

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

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

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

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

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

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

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

~~(2) no later than the 15th day of each calendar month,~~

~~provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department; a certified payroll must be filed for only those calendar months during which construction on the project facilities has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:~~

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

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

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

(b) In order to receive credit for construction expenses, the company must provide the Department with evidence that a

certified third party executed an Agreed-Upon Procedure (AUP) verifying the construction expenses or accept the standard construction wage expense estimated by the Department. ~~Any contractor or subcontractor subject to this Section, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this Section, who willfully fails to file such a certified payroll, on or before the date such certified payroll is required to be filed and any person who willfully files a false certified payroll as to any material fact is in violation of this Act and guilty of a Class A misdemeanor and may be enforced by the Illinois Department of Labor or the Department. The Attorney General shall represented the Illinois Department of Labor or the Department in the proceeding.~~

(c) Upon review of the final project scope, timeline, budget, and AUP, the Department shall issue a tax credit certificate reflecting a percentage of the total construction job wages paid throughout the completion of the project. ~~The taxpayer in charge of the project shall keep the records submitted in accordance with this Section for a period of 5 years from the date of the last payment for work on a contract or subcontract for the project.~~

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

~~number, which shall be redacted. The records shall be made publicly available in accordance with the Freedom of Information Act. The contractor or subcontractor shall submit reports to the Department of Labor electronically that meet the requirements of this subsection and shall share the information with the Department to comply with the awarding of the MICRO Construction Jobs Credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.~~

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

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

(35 ILCS 45/110-95)

Sec. 110-95. Utility tax exemptions for MICRO projects. The Department may certify a taxpayer with a credit for a project that meets the qualifications under paragraphs (1),

(2), and (4) of subsection (c) of Section 110-20, subject to an agreement under this Act, for an exemption from the tax imposed at the project site by Section 2-4 of the Electricity Excise Tax Law. To receive such certification, the taxpayer must be registered to self-assess that tax. The taxpayer is also exempt from any additional charges added to the taxpayer's utility bills at the project site as a pass-on of State utility taxes under Section 9-222 of the Public Utilities Act. The taxpayer must meet any other ~~the~~ criteria for certification set by the Department.

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

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

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

Upon certification by the Department under this Section, the Department shall notify the Department of Revenue of the certification. The Department of Revenue shall notify the public utilities of the exempt status of any taxpayer certified for exemption under this Act from the electricity excise tax or pass-on charges. The exemption status shall take effect within 3 months after certification of the taxpayer and notice to the Department of Revenue by the Department.
(Source: P.A. 102-700, eff. 4-19-22.)

Section 35. The Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 105/12) (from Ch. 120, par. 439.12)

Sec. 12. Applicability of Retailers' Occupation Tax Act and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-29, 2-54, 2a, 2b, 2c, 3, 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are

received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after each July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5j, 5k, 5l, 5m, 5n, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, which are not inconsistent with this Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.

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

Section 40. The Service Use Tax Act is amended by changing Section 12 as follows:

(35 ILCS 110/12) (from Ch. 120, par. 439.42)

Sec. 12. Applicability of Retailers' Occupation Tax Act and Uniform Penalty and Interest Act. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-29, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the money collected under this Act), 4 (except that the time limitation provisions shall run from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather

than from the date when gross receipts are received and except that in the case of a failure to file a return required by this Act, no notice of tax liability shall be issued on and after July 1 and January 1 covering tax due with that return during any month or period more than 6 years before that July 1 or January 1, respectively), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5m, 5n, 6d, 7, 8, 9, 10, 11 and 12 of the Retailers' Occupation Tax Act which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act, shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein. (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

Section 45. The Service Occupation Tax Act is amended by changing Section 12 as follows:

(35 ILCS 115/12) (from Ch. 120, par. 439.112)

Sec. 12. All of the provisions of Sections 1d, 1e, 1f, 1i, 1j, 1j.1, 1k, 1m, 1n, 1o, 2-6, 2-12, 2-29, 2-54, 2a, 2b, 2c, 3 (except as to the disposition by the Department of the tax collected under this Act), 4 (except that the time limitation provisions shall run from the date when the tax is due rather than from the date when gross receipts are received), 5 (except that the time limitation provisions on the issuance of notices of tax liability shall run from the date when the tax is due rather than from the date when gross receipts are

received), 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 5k, 5l, 5m, 5n, 6d, 7, 8, 9, 10, 11, and 12 of the "Retailers' Occupation Tax Act" which are not inconsistent with this Act, and Section 3-7 of the Uniform Penalty and Interest Act shall apply, as far as practicable, to the subject matter of this Act to the same extent as if such provisions were included herein.
(Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23; revised 9-26-23.)

Section 50. The Retailers' Occupation Tax Act is amended by adding Section 2-29 as follows:

(35 ILCS 120/2-29 new)

Sec. 2-29. Quantum computing campus building materials exemption.

(a) Each retailer who makes a qualified sale of building materials to be incorporated into real estate at a quantum computing campus certified by the Department of Commerce and Economic Opportunity under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois may deduct receipts from those sales when calculating the tax imposed by this Act. Quantum Computing Campus Building Materials Exemption Certificates shall be issued for an initial period not to exceed 20 years and can be renewed once for a period not to exceed 20 years.

(b) No retailer who is eligible for the deduction or

credit for a given sale under Section 5k of this Act related to enterprise zones, Section 5l of this Act related to High Impact Businesses, Section 5m of this Act related to REV Illinois projects, or Section 5n of this Act related to MICRO facilities shall be eligible for the deduction or credit authorized under this Section for that same sale.

(c) A construction contractor or other entity shall not make tax-free purchases unless it has an active Exemption Certificate issued by the Department at the time of the purchase.

(d) A taxpayer that is certified by the Department of Commerce and Economic Opportunity under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois shall submit a request to the Department for an initial or renewal Quantum Computing Campus Materials Exemption Certificate. Upon request from the certified taxpayer, the Department shall issue a Quantum Computing Campus Building Materials Exemption Certificate for each construction contractor or other entity identified by the certified taxpayer. The Department shall make the Quantum Computing Campus Building Materials Exemption Certificates available to each construction contractor or other entity identified by the certified taxpayer and to the certified taxpayer. The request for Quantum Computing Campus Building Materials Exemption Certificates under this Section must include the following information:

(1) the name and address of the construction contractor or other entity;

(2) the name and location or address of the building project site;

(3) the estimated amount of the exemption for each construction contractor or other entity for which a request for a Quantum Computing Campus Building Materials Exemption Certificate is made, based on a stated estimated average tax rate and the percentage of the contract that consists of materials;

(4) the period of time over which supplies for the project are expected to be purchased; and

(5) other reasonable information as the Department may require, including, but not limited to, FEIN numbers, to determine if the contractor or other entity, or any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity, is or has been the owner, a partner, a corporate officer, and, in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The Department, in its discretion, may require that the request for Quantum Computing Campus Building Materials Exemption Certificates be submitted electronically. The

Department may, in its discretion, issue the Exemption Certificates electronically.

(e) To document the exemption allowed under this Section, the retailer must obtain from the purchaser the certification required under this Section, which must contain the Quantum Computing Campus Building Materials Exemption Certificate number issued to the purchaser by the Department. In addition, the retailer must obtain certification from the purchaser that contains:

(1) a statement that the building materials are being purchased for incorporation into real estate located in a quantum computing campus;

(2) the location or address of the real estate into which the building materials will be incorporated;

(3) the name of the quantum computing campus in which that real estate is located;

(4) a description of the building materials being purchased;

(5) the purchaser's Quantum Computing Campus Building Materials Exemption Certificate number issued by the Department; and

(6) the purchaser's signature and date of purchase.

(f) The Department shall issue the Quantum Computing Campus Building Materials Exemption Certificates within 3 business days after receipt of the request from the certified taxpayer. This requirement does not apply in circumstances

where the Department, for reasonable cause, is unable to issue the Exemption Certificate within 3 business days. The Department may refuse to issue a Quantum Computing Campus Building Materials Exemption Certificate if the owner, any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a corporate officer, and, in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

(g) The Quantum Computing Campus Building Materials Exemption Certificate shall contain:

(1) a unique identifying number that shall be designed in such a way that the Department can identify from the unique number on the Exemption Certificate issued to a given construction contractor or other entity, the name of the quantum computing campus and the construction contractor or other entity to whom the Exemption Certificate is issued;

(2) the name of the construction contractor or entity to whom the Exemption Certificate is issued;

(3) issuance, effective, and expiration dates; and

(4) language stating that if the construction contractor or other entity who is issued the Exemption Certificate makes a tax-exempt purchase, as described in

this Section, that is not eligible for exemption under this Section or allows another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

(h) After the Department issues Exemption Certificates for a given quantum computing campus, the certified taxpayer may notify the Department of additional construction contractors or other entities that are eligible for a Quantum Computing Campus Building Materials Exemption Certificate. Upon receiving such a notification and subject to the other provisions of this Section, the Department shall issue a Quantum Computing Campus Building Materials Exemption Certificate to each additional construction contractor or other entity so identified.

(i) A certified taxpayer may ask the Department to rescind a Quantum Computing Campus Building Materials Exemption Certificate previously issued by the Department to a construction contractor or other entity working at that certified quantum computing campus if that Quantum Computing Campus Building Materials Exemption Certificate has not yet

expired. Upon receiving such a request and subject to the other provisions of this Section, the Department shall issue the rescission of the Quantum Computing Campus Building Materials Exemption Certificate to the construction contractor or other entity identified by the certified taxpayer and provide a copy of the rescission to the construction contractor or other entity and to the certified taxpayer.

(j) If the Department of Revenue determines that a construction contractor or other entity that was issued an Exemption Certificate under this Section made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption.

(k) Each contractor or other entity that has been issued a Quantum Computing Campus Building Materials Exemption Certificate under this Section shall annually report to the Department the total value of the quantum computing campus building materials exemption from State taxes. Reports shall contain information reasonably required by the Department to enable it to verify and calculate the total tax benefits for

taxes imposed by the State and shall be broken down by quantum computing campus site. Reports are due no later than May 31 of each year and shall cover the previous calendar year. Failure to report data may result in revocation of the Quantum Computing Campus Building Materials Exemption Certificate issued to the contractor or other entity. The Department is authorized to adopt rules governing revocation determinations, including the length of revocation. Factors to be considered in revocations shall include, but are not limited to, prior compliance with the reporting requirements, cooperation in discontinuing and correcting violations, and whether the certificate was used unlawfully during the preceding year. The Department, in its discretion, may require that the reports filed under this Section be submitted electronically.

(l) As used in this Section:

"Certified taxpayer" means a person certified by the Department of Commerce and Economic Opportunity under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois.

"Qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Quantum Computing Campus Building Materials Exemption Certificate has been issued to the purchaser by the Department.

(m) The Department shall have the authority to adopt rules as are reasonable and necessary to implement the provisions of

this Section.

(n) This Section is exempt from the provisions of Section 2-70.

(o) This exemption also applies to the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act and is incorporated by reference in Section 12 of each of those respective Acts.

Section 53. The Gas Use Tax Law is amended by changing Section 5-10 as follows:

(35 ILCS 173/5-10)

Sec. 5-10. Imposition of tax. Beginning October 1, 2003, a tax is imposed upon the privilege of using in this State gas obtained in a purchase of out-of-state gas at the rate of 2.4 cents per therm or 5% of the purchase price for the billing period, whichever is the lower rate. Such tax rate shall be referred to as the "self-assessing purchaser tax rate". Beginning with bills issued by delivering suppliers on and after October 1, 2003, purchasers may elect an alternative tax rate of 2.4 cents per therm to be paid under the provisions of Section 5-15 of this Law to a delivering supplier maintaining a place of business in this State. Such tax rate shall be referred to as the "alternate tax rate". The tax imposed under this Section shall not apply to gas used by business enterprises certified under Section 9-222.1 of the Public

Utilities Act or Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, as amended, to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(Source: P.A. 93-31, eff. 10-1-03; 94-793, eff. 5-19-06.)

Section 55. The Property Tax Code is amended by changing Sections 18-184.15 and 18-184.20 as follows:

(35 ILCS 200/18-184.15)

Sec. 18-184.15. REV Illinois project facilities for electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment; abatement.

(a) Any taxing district, upon a majority vote of its governing body, may, after determination of the assessed value as set forth in this Code, order the clerk of the appropriate municipality or county to abate, for a period not to exceed 30 consecutive years, any portion of real property taxes otherwise levied or extended by the taxing district on a REV Illinois Project facility ~~owned by an electric vehicle manufacturer, electric vehicle component parts manufacturer, or an electric vehicle power supply manufacturer~~ that is subject to an agreement with the Department of Commerce and Economic Opportunity under Section 45 of the Reimagining Energy and Vehicles in Illinois Act, during the period of time

such agreement is in effect as specified by the Department of Commerce and Economic Opportunity.

(b) Two or more taxing districts, upon a majority vote of each of their respective governing bodies, may agree to abate, for a period not to exceed 30 consecutive tax years, a portion of the real property taxes otherwise levied or extended by those taxing districts on a REV Illinois Project facility that is subject to an agreement with the Department of Commerce and Economic Opportunity under Section 45 of the Reimagining Energy and Vehicles in Illinois Act. The agreement entered into by the taxing districts under this subsection (b) shall be filed with the county clerk who shall, for the period the agreement remains in effect, abate the portion of the real estate taxes levied or extended by those taxing districts as directed in the agreement. Any such agreement entered into by 2 or more taxing districts before the effective date of this amendatory Act of the 103rd General Assembly that is not inconsistent with the provisions of this subsection (b) is hereby declared valid and enforceable for the effective period of that agreement.

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

(35 ILCS 200/18-184.20)

Sec. 18-184.20. MICRO Illinois project facilities. Any taxing district, upon a majority vote of its governing body, may, after determination of the assessed value as set forth in

this Code, order the clerk of the appropriate municipality or county to abate, for a period not to exceed 30 consecutive years, any portion of real property taxes otherwise levied or extended by the taxing district on a MICRO Illinois Project facility ~~owned by a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer~~ that is subject to an agreement with the Department of Commerce and Economic Opportunity under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, during the period of time such agreement is in effect as specified by the Department of Commerce and Economic Opportunity.

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

Section 60. The Telecommunications Excise Tax Act is amended by changing Section 2 as follows:

(35 ILCS 630/2) (from Ch. 120, par. 2002)

Sec. 2. As used in this Article, unless the context clearly requires otherwise:

(a) "Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined

without any deduction on account of the cost of such telecommunications, the cost of materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows: (i) for interstate inter-office channels having 2 channel termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate

inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to (i) the tax imposed by this Article; (ii) charges added to customers' bills pursuant to the provisions of Sections 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in such provisions of such Act; (iii) the tax imposed by Section 4251 of the Internal Revenue Code; (iv) 911 surcharges; or (v) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication received outside of the State.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such

equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act, as amended, or under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.2) Charges to entities certified under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this Article has already been paid to a retailer and only to the extent that the charges between the parent

corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts. Bad debt means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectable, as determined under applicable federal income tax standards. If the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made.

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Municipal Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable

and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(b) "Amount paid" means the amount charged to the taxpayer's service address in this State regardless of where such amount is billed or paid.

(c) "Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll and wide area telephone service; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary two way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber-optics, laser, microwave, radio, satellite or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value

added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by him to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into end-to-end telecommunications service shall be non-taxable as sales for resale.

(d) "Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

(e) "Intrastate telecommunications" means all telecommunications that originate and terminate within this State.

(f) "Department" means the Department of Revenue of the State of Illinois.

(g) "Director" means the Director of Revenue for the Department of Revenue of the State of Illinois.

(h) "Taxpayer" means a person who individually or through his agents, employees or permittees engages in the act or privilege of originating or receiving telecommunications in

this State and who incurs a tax liability under this Article.

(i) "Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute or any city, town, county or other political subdivision of this State.

(j) "Purchase at retail" means the acquisition, consumption or use of telecommunication through a sale at retail.

(k) "Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

(l) "Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Article. The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment

of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

(m) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(n) "Service address" means the location of telecommunications equipment from which the telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground

systems and the like, service address shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in Illinois where bills are sent.

(o) "Prepaid telephone calling arrangements" mean the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed. Prepaid telephone calling arrangements include the recharge of a prepaid calling arrangement. For purposes of this subsection, "recharge" means the purchase of additional prepaid telephone or telecommunications services whether or not the purchaser acquires a different access number or authorization code. "Prepaid telephone calling arrangement" does not include an arrangement whereby a customer purchases a payment card and pursuant to which the service provider reflects the amount of such purchase as a credit on an invoice issued to that customer under an existing subscription plan.

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

Section 65. The Telecommunications Infrastructure Maintenance Fee Act is amended by changing Section 10 as follows:

(35 ILCS 635/10)

Sec. 10. Definitions.

(a) "Gross charges" means the amount paid to a telecommunications retailer for the act or privilege of originating or receiving telecommunications in this State and for all services rendered in connection therewith, valued in money whether paid in money or otherwise, including cash, credits, services, and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs, or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows: (i) for interstate inter-office channels having 2 channel

termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made under: (i) the fee imposed by this Section, (ii) additional charges added to a purchaser's bill under Section 9-221 or 9-222 of the Public Utilities Act, (iii) the tax imposed by the Telecommunications Excise Tax Act, (iv) 911 surcharges, (v) the tax imposed by Section 4251 of the Internal Revenue Code, or (vi) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication received outside of this State.

(3) Charges for leased time on equipment or charges for the storage of data or information or subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment, or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.2) Charges to business enterprises certified under Section 110-95 of the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.3) Charges to entities certified under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit other than a regulatory required profit for the corporation rendering such services.

(7) Bad debts ("bad debt" means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made).

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(a-5) "Department" means the Illinois Department of Revenue.

(b) "Telecommunications" includes, but is not limited to, messages or information transmitted through use of local, toll, and wide area telephone service, channel services, telegraph services, teletypewriter service, computer exchange services, private line services, specialized mobile radio services, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. Unless the context clearly requires otherwise, "telecommunications" shall also include wireless

telecommunications as hereinafter defined. "Telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code, and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchase of telecommunications by a telecommunications service provider for use as a component part of the service provided by him or her to the ultimate retail consumer who originates or terminates the end-to-end communications. Retailer access charges, right of access charges, charges for use of intercompany facilities, and all telecommunications resold in the subsequent provision and used as a component of, or integrated into, end-to-end telecommunications service shall not be included in gross charges as sales for resale. "Telecommunications" shall not include the provision of cable services through a cable system as defined in the Cable Communications Act of 1984 (47 U.S.C. Sections 521 and following) as now or hereafter amended or through an open video system as defined in the Rules of the Federal Communications Commission (47 C.D.F. 76.1550 and following) as now or hereafter amended. Beginning January 1, 2001, prepaid telephone calling arrangements shall not be considered "telecommunications" subject to the tax imposed under this Act. For purposes of this Section, "prepaid telephone calling arrangements" means that term as defined in Section 2-27 of the Retailers' Occupation Tax Act.

(c) "Wireless telecommunications" includes cellular mobile telephone services, personal wireless services as defined in Section 704(C) of the Telecommunications Act of 1996 (Public Law No. 104-104) as now or hereafter amended, including all commercial mobile radio services, and paging services.

(d) "Telecommunications retailer" or "retailer" or "carrier" means and includes every person engaged in the business of making sales of telecommunications at retail as defined in this Section. The Department may, in its discretion, upon applications, authorize the collection of the fee hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the fee. When so authorized, it shall be the duty of such retailer to pay the fee upon all of the gross charges for telecommunications in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State.

(e) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse, or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or

agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(f) "Sale of telecommunications at retail" means the transmitting, supplying, or furnishing of telecommunications and all services rendered in connection therewith for a consideration, other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, when the gross charge made by one such corporation to another such corporation is not greater than the gross charge paid to the retailer for their use or consumption and not for sale.

(g) "Service address" means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received. If this is not a defined location, as in the case of wireless telecommunications, paging systems, maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems, and the like, "service address" shall mean the location of the customer's primary use of the telecommunications equipment as defined by the location in Illinois where bills are sent.

(Source: P.A. 102-1125, eff. 2-3-23.)

Section 70. The Simplified Municipal Telecommunications

Tax Act is amended by changing Section 5-7 as follows:

(35 ILCS 636/5-7)

Sec. 5-7. Definitions. For purposes of the taxes authorized by this Act:

"Amount paid" means the amount charged to the taxpayer's service address in such municipality regardless of where such amount is billed or paid.

"Department" means the Illinois Department of Revenue.

"Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in such municipality and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within a municipality that has imposed a tax under this Section and charges for the portion of the inter-office channels provided within that municipality. Charges for that portion of the inter-office channel connecting 2 or more channel termination points, one or more of which is located

within the jurisdictional boundary of such municipality, shall be determined by the retailer by multiplying an amount equal to the total charge for the inter-office channel by a fraction, the numerator of which is the number of channel termination points that are located within the jurisdictional boundary of the municipality and the denominator of which is the total number of channel termination points connected by the inter-office channel. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for inter-office channels among the municipalities in which channel termination points are located shall be accepted as a reasonable method to determine the taxable portion of an inter-office channel provided within a municipality for that period. However, "gross charge" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to: (i) the tax imposed by this Act, (ii) the tax imposed by the Telecommunications Excise Tax Act, (iii) the tax imposed by Section 4251 of the Internal Revenue Code, (iv) 911 surcharges, or (v) charges added to customers' bills pursuant to the provisions of Section 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in those

provisions of the Public Utilities Act.

(2) Charges for a sent collect telecommunication received outside of such municipality.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified as exempt under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.2) Charges to business enterprises certified under

Section 110-95 of the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.3) Charges to entities certified under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this Act has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts ("bad debt" means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall

report and pay the tax on that portion during the reporting period in which the payment is made).

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

"Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

"Intrastate telecommunications" means all telecommunications that originate and terminate within this State.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute, or any city, town, county, or other political subdivision of this State.

"Purchase at retail" means the acquisition, consumption or use of telecommunications through a sale at retail.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section. The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

"Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an

office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

"Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration, to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

"Service address" means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, and maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, "service address" shall mean the location of a taxpayer's primary use of the telecommunications equipment as

defined by telephone number, authorization code, or location in Illinois where bills are sent.

"Taxpayer" means a person who individually or through his or her agents, employees, or permittees engages in the act or privilege of originating or receiving telecommunications in a municipality and who incurs a tax liability as authorized by this Act.

"Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll, and wide area telephone service, private line services, channel services, telegraph services, teletypewriter, computer exchange services, cellular mobile telecommunications service, specialized mobile radio, stationary two-way radio, paging service, or any other form of mobile and portable one-way or two-way communications, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value added services in which computer processing applications are

used to act on the form, content, code, and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by such provider to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into, end-to-end telecommunications service shall be non-taxable as sales for resale. Prepaid telephone calling arrangements shall not be considered "telecommunications" subject to the tax imposed under this Act. For purposes of this Section, "prepaid telephone calling arrangements" means that term as defined in Section 2-27 of the Retailers' Occupation Tax Act.

(Source: P.A. 102-1125, eff. 2-3-23.)

Section 75. The Electricity Excise Tax Law is amended by changing Section 2-4 as follows:

(35 ILCS 640/2-4)

Sec. 2-4. Tax imposed.

(a) Except as provided in subsection (b), a tax is imposed on the privilege of using in this State electricity purchased

for use or consumption and not for resale, other than by municipal corporations owning and operating a local transportation system for public service, at the following rates per kilowatt-hour delivered to the purchaser:

(i) For the first 2000 kilowatt-hours used or consumed in a month: 0.330 cents per kilowatt-hour;

(ii) For the next 48,000 kilowatt-hours used or consumed in a month: 0.319 cents per kilowatt-hour;

(iii) For the next 50,000 kilowatt-hours used or consumed in a month: 0.303 cents per kilowatt-hour;

(iv) For the next 400,000 kilowatt-hours used or consumed in a month: 0.297 cents per kilowatt-hour;

(v) For the next 500,000 kilowatt-hours used or consumed in a month: 0.286 cents per kilowatt-hour;

(vi) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.270 cents per kilowatt-hour;

(vii) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.254 cents per kilowatt-hour;

(viii) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.233 cents per kilowatt-hour;

(ix) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.207 cents per kilowatt-hour;

(x) For all electricity in excess of 20,000,000 kilowatt-hours used or consumed in a month: 0.202 cents per kilowatt-hour.

Provided, that in lieu of the foregoing rates, the tax is

imposed on a self-assessing purchaser at the rate of 5.1% of the self-assessing purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted and delivered to the self-assessing purchaser in a month.

(b) A tax is imposed on the privilege of using in this State electricity purchased from a municipal system or electric cooperative, as defined in Article XVII of the Public Utilities Act, which has not made an election as permitted by either Section 17-200 or Section 17-300 of such Act, at the lesser of 0.32 cents per kilowatt hour of all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser or 5% of each such purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser, whichever is the lower rate as applied to each purchaser in each billing period.

(c) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity by business enterprises certified under Section 9-222.1 or 9-222.1A of the Public Utilities Act, as amended, to the extent of such exemption and during the time specified by the Department of Commerce and Economic Opportunity; or with respect to any transaction in interstate commerce, or otherwise, to the extent to which such transaction may not, under the Constitution and statutes of

the United States, be made the subject of taxation by this State.

(d) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a REV Illinois Project site that has received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of such exemption, which shall be no more than 10 years.

(e) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a project site that has received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of such exemption, which shall be no more than 10 years.

(f) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a quantum computing campus that has received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;

102-1125, eff. 2-3-23.)

Section 80. The River Edge Redevelopment Zone Act is amended by changing Sections 10-4, 10-5.3, 10-10.3, and 10-10.4 as follows:

(65 ILCS 115/10-4)

Sec. 10-4. Qualifications for River Edge Redevelopment Zones. An area is qualified to become a zone if it:

(1) is a contiguous area adjacent to or surrounding a river;

(2) comprises a minimum of one half square mile and not more than 12 square miles, exclusive of lakes and waterways;

(3) satisfies any additional criteria established by the Department consistent with the purposes of this Act;

(4) is entirely within a single municipality; and

(5) has at least 100 acres of environmentally challenged land within 1500 yards of the riverfront.

Any River Edge Redevelopment Zone may have an overlapping geographic area with an Enterprise Zone. If a taxpayer is located in an area with an overlapping Enterprise Zone and River Edge Redevelopment Zone, the taxpayer must elect, in the form and manner required by the Department, from which program it would like to request benefits.

(Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

(65 ILCS 115/10-5.3)

Sec. 10-5.3. Certification of River Edge Redevelopment Zones.

(a) Approval of designated River Edge Redevelopment Zones shall be made by the Department by certification of the designating ordinance. The Department shall promptly issue a certificate for each zone upon its approval. The certificate shall be signed by the Director of the Department, shall make specific reference to the designating ordinance, which shall be attached thereto, and shall be filed in the office of the Secretary of State. A certified copy of the River Edge Redevelopment Zone Certificate, or a duplicate original thereof, shall be recorded in the office of the recorder of deeds of the county in which the River Edge Redevelopment Zone lies.

(b) A River Edge Redevelopment Zone shall be effective upon its certification. The Department shall transmit a copy of the certification to the Department of Revenue, and to the designating municipality. Upon certification of a River Edge Redevelopment Zone, the terms and provisions of the designating ordinance shall be in effect, and may not be amended or repealed except in accordance with Section 10-5.4.

(c) A River Edge Redevelopment Zone shall be in effect for the period stated in the certificate, which shall in no event exceed 30 calendar years. Zones shall terminate at midnight of

December 31 of the final calendar year of the certified term, except as provided in Section 10-5.4.

(d) In calendar years 2006 and 2007, the Department may certify one pilot River Edge Redevelopment Zone in the City of East St. Louis, one pilot River Edge Redevelopment Zone in the City of Rockford, and one pilot River Edge Redevelopment Zone in the City of Aurora.

In calendar year 2009, the Department may certify one pilot River Edge Redevelopment Zone in the City of Elgin.

On or after the effective date of this amendatory Act of the 97th General Assembly, the Department may certify one additional pilot River Edge Redevelopment Zone in the City of Peoria.

On or after the effective date of this amendatory Act of the 103rd General Assembly, the Department may certify 2 additional pilot River Edge Redevelopment Zones, including one in the City of Joliet and one in the City of Kankakee.

On or after the effective date of this amendatory Act of the 103rd General Assembly, the Department may certify 7 additional pilot River Edge Redevelopment Zones, including one in the City of East Moline, one in the City of Moline, one in the City of Ottawa, one in the City of LaSalle, one in the City of Peru, one in the City of Rock Island, and one in the City of Quincy.

After certifying the additional pilot River Edge Redevelopment Zones authorized by the above paragraphs, the

Department may not certify any additional River Edge Redevelopment Zones, but it may amend and rescind certifications of existing River Edge Redevelopment Zones in accordance with Section 10-5.4, except that no River Edge Redevelopment Zone may be extended on or after the effective date of this amendatory Act of the 97th General Assembly. Each River Edge Redevelopment Zone in existence on the effective date of this amendatory Act of the 97th General Assembly shall continue until its scheduled termination under this Act, unless the Zone is decertified sooner. At the time of its term expiration each River Edge Redevelopment Zone will become an open enterprise zone, available for the previously designated area or a different area to compete for designation as an enterprise zone. No preference for designation as a Zone will be given to the previously designated area.

(e) A municipality in which a River Edge Redevelopment Zone has been certified must submit to the Department, within 60 days after the certification, a plan for encouraging the participation by minority persons, women, persons with disabilities, and veterans in the zone. The Department may assist the municipality in developing and implementing the plan. The terms "minority person", "woman", and "person with a disability" have the meanings set forth under Section 2 of the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. "Veteran" means an Illinois resident who is a veteran as defined in subsection (h) of Section 1491 of Title

10 of the United States Code.

(Source: P.A. 103-9, eff. 6-7-23.)

(65 ILCS 115/10-10.3)

Sec. 10-10.3. River Edge Construction Jobs Credit.

(a) Beginning on January 1, 2021, a business entity may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 in an amount equal to 50% (or 75% if the project is located in an underserved area) of the amount of the incremental income tax attributable to River Edge construction jobs employees employed in the course of completing a River Edge construction jobs project. The credit allowed under this Section shall apply only to taxpayers that make a capital investment of at least $1,000,000 in a qualified rehabilitation plan.

(b) A business entity seeking a credit under this Section must submit an application to the Department describing the nature and benefit of the River Edge construction jobs project to the qualified rehabilitation project and the River Edge Redevelopment Zone. The Department may adopt any necessary rules in order to administer the provisions of this Section.

(c) Within 45 days after the receipt of an application, the Department shall give notice to the applicant as to whether the application has been approved or disapproved. If the Department disapproves the application, it shall specify the reasons for this decision and allow 60 days for the

applicant to amend and resubmit its application. The Department shall provide assistance upon request to applicants. Resubmitted applications shall receive the Department's approval or disapproval within 30 days of resubmission. Those resubmitted applications satisfying initial Department objectives shall be approved unless reasonable circumstances warrant disapproval.

(d) On an annual basis, the designated zone organization shall furnish a statement to the Department on the programmatic and financial status of any approved project and an audited financial statement of the project.

(e) The Department shall certify to the Department of Revenue the identity of the taxpayers who are eligible for River Edge construction jobs credits and the amounts of River Edge construction jobs credits awarded in each taxable year.

(f) (Blank). ~~The Department, in collaboration with the Department of Labor, shall require certified payroll reporting, pursuant to Section 10-10.4 of this Act, be completed in order to verify the wages and any other necessary information which the Department may deem necessary to ascertain and certify the total number of River Edge construction jobs employees and determine the amount of a River Edge construction jobs credit.~~

(g) The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of this amendatory Act of the 101st General Assembly) shall not exceed $20,000,000 in

any State fiscal year.

(Source: P.A. 101-9, eff. 6-5-19.)

(65 ILCS 115/10-10.4)

Sec. 10-10.4. Certified payroll. Any taxpayer seeking ~~Any contractor and each subcontractor who is engaged in and is executing a~~ River Edge construction job tax credits must ~~jobs project for a taxpayer that is entitled to a credit pursuant to Section 10-10.3 of this Act shall~~:

(1) annually, until construction is completed, submit a report that, at a minimum, describes the projected project scope, timeline, and anticipated budget; once the project has commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project; the Department shall issue detailed reporting guidelines prescribing the requirements of construction-related reports; and

(2) provide the Department with evidence that a certified third-party executed an Agreed-Upon Procedure (AUP) verifying the construction expenses or accept the standard construction wage expense estimated by the Department; upon review of the final project scope, timeline, budget, and AUP, the Department shall issue a tax credit certificate reflecting a percentage of the total construction job wages paid throughout the

completion of the project.

~~(1) make and keep, for a period of 5 years from the date of the last payment made on or after June 5, 2019 (the effective date of Public Act 101-9) on a contract or subcontract for a River Edge Construction Jobs Project in a River Edge Redevelopment Zone records of all laborers and other workers employed by them on the project; the records shall include:~~

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

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

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

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

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

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

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

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

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

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

~~(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the~~

~~Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a River Edge Construction Jobs Project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:~~

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

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

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

~~Any contractor or subcontractor subject to this Section, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this Section, who willfully fails to file such a certified payroll on or before~~

~~the date such certified payroll is required to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.~~

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

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

Upon 7 business days' notice, the taxpayer ~~contractor and each subcontractor~~ shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in paragraph (1) of this Section to the taxpayer in charge of the project, its officers and agents, ~~the Director of Labor and his or her deputies and~~

~~agents,~~ and to federal, State, or local law enforcement agencies and prosecutors.

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

Section 82. The Private Business and Vocational Schools Act of 2012 is amended by changing Section 30 as follows:

(105 ILCS 426/30)

Sec. 30. Exemptions. For purposes of this Act, the following shall not be considered to be a private business and vocational school:

(1) Any institution devoted entirely to the teaching of religion or theology.

(2) Any in-service program of study and subject offered by an employer, provided that no tuition is charged and the instruction is offered only to employees of the employer.

(3) Any educational institution that (A) enrolls a majority of its students in degree programs and has maintained an accredited status with a regional accrediting agency that is recognized by the U.S. Department of Education or (B) enrolls students in one or more bachelor-level programs, enrolls a majority of its students in degree programs, and is accredited by a national or regional accrediting agency that is recognized by the U.S. Department of Education or that (i) is

regulated by the Board under the Private College Act or the Academic Degree Act or is exempt from such regulation under either the Private College Act or the Academic Degree Act solely for the reason that the educational institution was in operation on the effective date of either the Private College Act or the Academic Degree Act or (ii) is regulated by the State Board of Education.

(4) Any institution and the franchisees of that institution that exclusively offer a program of study in income tax theory or return preparation at a total contract price of no more than $400, provided that the total annual enrollment of the institution for all such courses of instruction exceeds 500 students and further provided that the total contract price for all instruction offered to a student in any one calendar year does not exceed $3,000.

(5) Any person or organization selling mediated instruction products through a media, such as tapes, compact discs, digital video discs, or similar media, so long as the instruction is not intended to result in the acquisition of training for a specific employment field, is not intended to meet a qualification for licensure or certification in an employment field, or is not intended to provide credit that can be applied toward a certificate or degree program.

(6) Schools with no physical presence in this State.

Schools offering instruction or programs of study, but that have no physical presence in this State, are not required to receive Board approval. Such an institution must not be considered not to have a physical presence in this State unless it has received a written finding from the Board that it has no physical presence. In determining whether an institution has no physical presence, the Board shall require all of the following:

(A) Evidence of authorization to operate in at least one other state and that the school is in good standing with that state's authorizing agency.

(B) Evidence that the school has a means of receiving and addressing student complaints in compliance with any federal or state requirements.

(C) Evidence that the institution is providing no instruction in this State.

(D) Evidence that the institution is not providing core academic support services, including, but not limited to, admissions, evaluation, assessment, registration, financial aid, academic scheduling, and faculty hiring and support in this State.

(7) A school or program within a school that exclusively provides yoga instruction, yoga teacher training, or both.

(8) Organizations that receive funding from the Department of Commerce and Economic Opportunity for

workforce development preparation programs as provided for in the Energy Transition Act and the Illinois Works Jobs Program Act in which participants are not charged tuition. This paragraph does not include public institutions of higher education or private institutions of higher education, as defined in the Board of Higher Education Act, or community colleges, as defined in the Public Community College Act. For purposes of this paragraph, the Department of Commerce and Economic Opportunity shall provide the Board of Higher Education a complete list of all qualifying organizations under this paragraph on July 1 of each year.

(9) Labor organizations, as defined in Section 10 of the Collective Bargaining Freedom Act, that sponsor a United States Department of Labor registered apprenticeship program.

(Source: P.A. 102-1046, eff. 6-7-22.)

Section 85. The Public Utilities Act is amended by changing Section 9-222 as follows:

(220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

Sec. 9-222. Whenever a tax is imposed upon a public utility engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption pursuant to Section 2 of the Gas Revenue Tax Act, or whenever a tax is

required to be collected by a delivering supplier pursuant to Section 2-7 of the Electricity Excise Tax Act, or whenever a tax is imposed upon a public utility pursuant to Section 2-202 of this Act, such utility may charge its customers, other than customers who are high impact businesses under Section 5.5 of the Illinois Enterprise Zone Act, customers who are certified under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, manufacturers under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, customers who are tenants in a quantum computing campus under Section 605-1115 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, or certified business enterprises under Section 9-222.1 of this Act, to the extent of such exemption and during the period in which such exemption is in effect, in addition to any rate authorized by this Act, an additional charge equal to the total amount of such taxes. The exemption of this Section relating to high impact businesses shall be subject to the provisions of subsections (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act. This requirement shall not apply to taxes on invested capital imposed pursuant to the Messages Tax Act, the Gas Revenue Tax Act and the Public Utilities Revenue Act. Such utility shall file with the Commission a supplemental schedule which shall specify such additional charge and which shall become effective upon filing without further notice. Such additional charge shall be shown separately on the

utility bill to each customer. The Commission shall have the power to investigate whether or not such supplemental schedule correctly specifies such additional charge, but shall have no power to suspend such supplemental schedule. If the Commission finds, after a hearing, that such supplemental schedule does not correctly specify such additional charge, it shall by order require a refund to the appropriate customers of the excess, if any, with interest, in such manner as it shall deem just and reasonable, and in and by such order shall require the utility to file an amended supplemental schedule corresponding to the finding and order of the Commission. Except with respect to taxes imposed on invested capital, such tax liabilities shall be recovered from customers solely by means of the additional charges authorized by this Section.

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

Section 99. Effective date. This Act takes effect upon becoming law, except that Section 17 takes effect July 1, 2025.