



**Enterprise Zone,  
High Impact Business  
and River Edge Redevelopment Zone Programs**

**ANNUAL REPORT 2017**



**Illinois  
Department of Commerce  
& Economic Opportunity**  
Bruce Rauner, Governor

**2017 Annual Report**

**Enterprise Zone, High Impact Business and River Edge Redevelopment Zone Programs**

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Illinois Department of Commerce and Economic Opportunity

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## Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

September 27, 2018

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive that the Department of Commerce and Economic Opportunity ("DCEO") report annually to the members of the Illinois General Assembly an evaluation of the effectiveness of the Illinois Enterprise Zone (EZ), River Edge Redevelopment Zone (RERZ), and High Impact Business (HIB) tax incentives. This report provides the most up-to-date and accurate information available to DCEO and the Illinois Department of Revenue (IDOR) and thus provides a comprehensive evaluation of the EZ, RERZ and HIB programs.

The programs are designed to stimulate business and industrial growth, retention in depressed areas and neighborhood revitalization in such areas at the local level through state and local tax incentives, regulatory relief and improved government services. Pursuant to recent changes to the Illinois Enterprise Zone Act, this is the fourth annual program report to include data collected by IDOR.

These programs are an important factor of a business' decision to locate or expand in Illinois. This report demonstrates that the programs continue to be an essential component of the State's arsenal to stimulate investment and job creation. The Department continues to work with the IDOR and various stakeholders to improve the reporting procedures for the programs to improve the quality of the metrics demonstrating the efficacy of these programs.

Sincerely,

Leslie Munger  
Acting Director

## ENTERPRISE ZONE PROGRAM

### Overview

The Illinois Enterprise Zone Act, 20 JLCs 655/1, et seq. (the "Act"), was signed into law December 7, 1982. The purpose of the Act is to stimulate economic growth and neighborhood revitalization at the local level. This is accomplished through state and local tax incentives, regulatory relief, and improved government services. In accordance with the Act, the Department of Commerce and Economic Opportunity ("DCEO" or the "Department") is authorized to designate Enterprise Zones. Pursuant to the most recent amendments to the Act, applicants must satisfy certain statutory criteria as part of the application process. DCEO reviews the applications based on the scoring system set forth in the Act, and then submits its recommendations to the Enterprise Zone Board to review and either approve or deny such applications. The Department certifies zones based on the review and approval of the Enterprise Zone Board.

### Program Activity

During 2017, the Enterprise Zone Board convened under the Act to review and approve or deny applicants for Enterprise Zone designation from an applicant pool of 12 applications received prior to the December 31, 2016 deadline. The Enterprise Zone Board ultimately approved Douglas County, Effingham/Effingham County, Enterprise Zone 6 (Chicago VI), Jersey-Greene Intermodal, Massac County and Whiteside Carroll for new designation to become effective on January 1, 2018, for an initial period of 15 years, with the possibility of a 10-year extension.

DCEO received four (4) applications for Enterprise Zone designation prior to the December 31, 2017 deadline. If approved, new designations would be effective on January 1, 2019 for an initial period of 15 years with the possibility of a 10-year extension.

As detailed on pages 4-7 of the Illinois Department of Revenue (IDOR) companion report, the Enterprise Zone Program resulted in a total capital investment of \$908,072,000, 56,253 total jobs and \$114,395,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.

## **BENEFITS OF THE ENTERPRISE ZONE PROGRAM**

### **State Incentives**

The Illinois Enterprise Zone program offers numerous state incentives to encourage companies to locate or expand in Enterprise Zones. Currently, the following incentives are available:

#### **Enterprise Zone Investment Tax Credit**

The Investment Tax Credit provides for a 0.5% credit against the state income tax for investments made in “qualified property” that are placed in service in an Enterprise Zone. The credit shall be 0.5% of the basis for such property. The specific terms and conditions governing this tax credit are regulated by the Illinois Department of Revenue. Qualified property is statutorily defined in Section 201(f) and (h) of the Illinois Income Tax Act.

#### **Enterprise Zone Building Materials Exemption (BME)**

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located within an Enterprise Zone established by a county or municipality under the Act. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

#### **Enterprise Zone Utility Tax Exemption**

A state utility tax exemption on gas, electricity and the Illinois Commerce Commission's administrative charge, as well as the telecommunication excise tax, is available to businesses located within an Enterprise Zone.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone, which results in the creation of a minimum of 200 full-time equivalent jobs in Illinois; or
- the business making a minimum eligible investment of \$20 million in an Enterprise Zone, which results in the retention of a minimum of 1,000 full-time jobs in Illinois.

The majority of the jobs created or retained must be located in the Enterprise Zone in which the investment occurs. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the Enterprise Zone. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the Enterprise Zone. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs in Illinois with the majority of the jobs being located within the Enterprise Zone in which the investment was made.

#### **Enterprise Zone Manufacturing Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption (MM&E)**

A 6.25% state sales tax exemption is available on purchases of:

- All tangible personal property used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the process of graphic arts production;
- Repair and replacement parts for machinery and equipment used in the manufacturing or assembling of tangible personal property, or in the process of graphic arts production for wholesale or retail sale or lease; and
- Equipment, manufacturing or graphic arts fuels, material, and supplies for the maintenance, repair, or operation of such manufacturing or assembling or graphic arts machinery or equipment.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone that results in the creation of a minimum of 200 full-time equivalent jobs in Illinois, or
- the business making a minimum eligible investment of \$40 million in an Enterprise Zone that results in the retention of a minimum of 2,000 full-time jobs in Illinois; or
- the business making a minimum eligible investment of \$40 million that results in the retention of at least 90% of the jobs in place on the date on which the exemption is granted for the duration of the exemption.

The majority of the jobs created or retained must be located in the Enterprise Zone in which the investment occurs. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the Enterprise Zone. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the Enterprise Zone. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs in Illinois with the majority of the jobs being located within the Enterprise Zone in which the investment was made.

### **Local Incentives**

In addition to state incentives, each zone offers local incentives to enhance business development projects. The incentives offered are determined by the local governments and authorized through local ordinance. The following list is not inclusive, but serves as an example of the most common local Enterprise Zone incentives offered:

- Abatement of property taxes on new improvements;
- Homesteading and Shopsteading programs;
- Waiver of business licensing and permit fees;
- Streamlined building code and zoning requirements; and
- Special local financing programs and other resources.

## POPULATION OF ILLINOIS ENTERPRISE ZONES

| Enterprise Zone <i>(1)(2)</i>                      | Population |           | Increase/Decrease |            |
|--|------------|-----------|-------------------|------------|
|  | 2016       | 2017      | Individuals       | Percentage |
| Alexander/Pulaski County                           | 12,094     | 11,824    | -270              | -2.2%      |
| Altamont   | 34,182     | 34,132    | -50               | -0.1%      |
| American Bottoms <i>(3)</i>                        | 263,120    | 262,479   | -641              | -0.2%      |
| Beardstown   | 12,681     | 12,505    | -176              | -1.4%      |
| Bedford Park                                       | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Belleville   | 263,120    | 262,479   | -641              | -0.2%      |
| Belvidere/Boone County                             | 53,562     | 53,513    | -49               | -0.1%      |
| Bensenville  | 6,162,509  | 6,141,391 | -21,118           | -0.3%      |
| Benton/Franklin County                             | 39,092     | 39,041    | -51               | -0.1%      |
| Bloomington-Normal                                 | 172,688    | 172,290   | -398              | -0.2%      |
| Bureau Putnam Area                                 | 39,150     | 38,970    | -180              | -0.5%      |
| Cal Sag  | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Calumet Region                                     | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Canton/Fulton County                               | 35,517     | 35,110    | -407              | -1.1%      |
| Carmi/White County                                 | 14,088     | 13,938    | -150              | -1.1%      |
| Champaign/Champaign County                         | 209,267    | 209,399   | 132               | 0.1%       |
| Chicago I  | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Chicago II   | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Chicago III  | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Chicago IV   | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Chicago V  | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Chicago VI   | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Cicero   | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Clark County                                       | 15,848     | 15,767    | -81               | -0.5%      |
| Clinton County                                     | 37,565     | 37,614    | 49                | 0.1%       |
| Coles County                                       | 52,412     | 51,979    | -433              | -0.8%      |
| Danville/Vermillion County                         | 78,560     | 77,909    | -651              | -0.8%      |
| Decatur/Macon County                               | 106,651    | 105,801   | -850              | -0.8%      |
| DeKalb County                                      | 104,447    | 104,733   | 286               | 0.3%       |
| Des Plaines River Valley                           | 689,731    | 692,661   | 2,930             | 0.4%       |
| Diamond  | 740,000    | 743,247   | 3,247             | 0.4%       |
| Edgar County/Paris                                 | 17,472     | 17,328    | -144              | -0.8%      |
| Effingham/Effingham County                         | 34,182     | 34,132    | -50               | -0.1%      |
| Fairfield/Wayne County                             | 16,573     | 16,495    | -78               | -0.5%      |
| Fairmont City/Caseyville/Brooklyn/St. Clair County | 263,120    | 262,479   | -641              | -0.2%      |
| Fairview Heights                                   | 263,120    | 262,479   | -641              | -0.2%      |
| Flora/Clay County                                  | 13,311     | 13,269    | -42               | -0.3%      |
| Franklin Park                                      | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Freeport/Stephenson County                         | 45,540     | 45,054    | -486              | -1.1%      |

| Enterprise Zone (1)(2)           | Population |           | Increase/Decrease |            |
|----------------------------------|------------|-----------|-------------------|------------|
|                                  | 2016       | 2017      | Individuals       | Percentage |
| Galesburg                        | 50,945     | 50,638    | -307              | -0.6%      |
| Gateway Commerce Center (3)      | 265,598    | 265,428   | -170              | -0.1%      |
| Greater Centralia                | 128,149    | 127,725   | -424              | -0.3%      |
| Greenville/Smithboro             | 16,841     | 16,948    | 107               | 0.6%       |
| Harvard/Woodstock                | 307,972    | 309,122   | 1,150             | 0.4%       |
| Hodgkins/McCook                  | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| Hoffman Estates                  | 5,763,909  | 5,745,930 | -17,979           | -0.3%      |
| Jackson County                   | 59,032     | 58,284    | -748              | -1.3%      |
| Jacksonville/Morgan County       | 34,194     | 33,798    | -396              | -1.2%      |
| Jo-Carroll (4)                   | 36,472     | 36,112    | -360              | -1.0%      |
| Joliet Arsenal (4)               | 814,304    | 818,879   | 4,575             | 0.6%       |
| Kankakee County                  | 110,053    | 109,605   | -448              | -0.4%      |
| Kankakee River Valley            | 110,053    | 109,605   | -448              | -0.4%      |
| Kewanee                          | 49,524     | 49,328    | -196              | -0.4%      |
| Lawrenceville/Lawrence County    | 16,343     | 16,168    | -175              | -1.1%      |
| Lee/Ogle                         | 85,567     | 85,469    | -98               | -0.1%      |
| Lincoln & 394 Corridor           | 5,921,087  | 5,903,924 | -17,163           | -0.3%      |
| Lincoln/Logan County             | 29,338     | 29,245    | -93               | -0.3%      |
| Loves Park/Machesney Park        | 339,650    | 338,291   | -1,359            | -0.4%      |
| Macomb/Bushnell/McDonough County | 31,387     | 30,823    | -564              | -1.8%      |
| Macoupin County                  | 45,653     | 45,446    | -207              | -0.5%      |
| Madison County Discovery         | 265,598    | 265,428   | -170              | -0.1%      |
| Massac County                    | 14,469     | 14,344    | -125              | -0.9%      |
| Maywood                          | 5,231,356  | 5,211,263 | -20,093           | -0.4%      |
| McLeansboro/Hamilton County      | 8,199      | 8,194     | -5                | -0.1%      |
| Mendota                          | 110,507    | 110,067   | -440              | -0.4%      |
| Monmouth/Warren County           | 17,307     | 17,167    | -140              | -0.8%      |
| Montgomery County                | 29,079     | 28,790    | -289              | -1.0%      |
| Mt. Carmel/Wabash County         | 11,511     | 11,489    | -22               | -0.2%      |
| Mt. Vernon/Waltonville           | 38,308     | 38,179    | -129              | -0.3%      |
| Nashville/Washington County      | 14,210     | 14,030    | -180              | -1.3%      |
| Northern Tazewell County         | 133,967    | 133,526   | -441              | -0.3%      |
| Olney/Richland/Newton/Jasper     | 25,451     | 25,479    | 28                | 0.1%       |
| Ottawa Area                      | 160,776    | 160,653   | -123              | -0.1%      |
| Peoria Rural                     | 185,296    | 183,011   | -2,285            | -1.2%      |
| Peoria Urban                     | 185,296    | 183,011   | -2,285            | -1.2%      |
| Perry County                     | 21,382     | 21,285    | -97               | -0.5%      |
| Quad Cities (5)                  | 145,472    | 144,808   | -664              | -0.5%      |
| Quincy/Adams County/Brown County | 73,417     | 72,950    | -467              | -0.6%      |
| Rantoul                          | 209,267    | 209,399   | 132               | 0.1%       |
| Riverbend                        | 265,598    | 265,428   | -170              | -0.1%      |



| Enterprise Zone (1)(2)                                | Population        |                   | Increase/Decrease |              |
|---|-------------------|-------------------|-------------------|--------------|
|   | 2016              | 2017              | Individuals       | Percentage   |
| Robinson/Crawford County                              | 19,142            | 18,961            | -181              | -0.9%        |
| Rockford EZ 1   | 337,256           | 335,841           | -1,415            | -0.4%        |
| Rockford I-90   | 337,256           | 335,841           | -1,415            | -0.4%        |
| Salem/Marion County                                   | 38,066            | 37,902            | -164              | -0.4%        |
| Saline County   | 24,253            | 24,102            | -151              | -0.6%        |
| Southern Tazewell County                              | 133,967           | 133,526           | -441              | -0.3%        |
| Springfield/Sangamon County                           | 197,591           | 196,452           | -1,139            | -0.6%        |
| St. Clair County MidAmerica (3)                       | 263,120           | 262,479           | -641              | -0.2%        |
| Streator Area   | 146,982           | 146,585           | -397              | -0.3%        |
| SW Madison County                                     | 265,598           | 265,428           | -170              | -0.1%        |
| Taylorville/Christian County                          | 33,271            | 33,102            | -169              | -0.5%        |
| Upper Illinois River Valley Development Authority (7) | 1,876,140         | 1,879,153         | 3,013             | 0.2%         |
| Urbana/Champaign County                               | 209,267           | 209,399           | 132               | 0.1%         |
| Vandalia/Fayette County                               | 21,816            | 21,784            | -32               | -0.1%        |
| Waukegan-North Chicago                                | 5,231,356         | 5,211,263         | -20,093           | -0.4%        |
| West Frankfort  | 39,092            | 39,041            | -51               | -0.1%        |
| Western Illinois Economic Development Authority (6)   | 58,273            | 57,726            | -547              | -0.9%        |
| Whiteside County/Carroll County                       | 71,152            | 70,636            | -516              | -0.7%        |
| Will County/Cook County                               | 5,921,087         | 5,903,924         | -17,163           | -0.3%        |
| Williamson County                                     | 67,640            | 67,328            | -312              | -0.5%        |
| <b>State of Illinois</b>                              | <b>12,835,726</b> | <b>12,802,023</b> | <b>-33,703</b>    | <b>-0.3%</b> |

\* The statistical data presented in this table represents the calculated population of the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the US Census Bureau, Fact Finder (Annual Estimates of the Resident Population).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
- (4) Certified as a qualified closed military base.
- (5) Certified under the auspices of the Quad Cities Regional Economic Development Authority (QREDA).
- (6) Certified under the auspices of the Western Illinois Economic Development Authority Act (WIEDA).
- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

## PER CAPITA INCOME OF ILLINOIS ENTERPRISE ZONES

| Enterprise Zone <sup>(1)(2)</sup>                  | Per Capita Income |        | Increase/Decrease |            |
|--|-------------------|--------|-------------------|------------|
|  | 2015              | 2016   | Amount            | Percentage |
| Alexander/Pulaski County                           | 32,707            | 33,744 | 1,037             | 3.2%       |
| Altamont   | 43,015            | 44,312 | 1,297             | 3.0%       |
| American Bottoms <sup>(3)</sup>                    | 41,018            | 41,521 | 503               | 1.2%       |
| Beardstown   | 37,066            | 38,229 | 1,163             | 3.1%       |
| Bedford Park                                       | 55,506            | 56,669 | 1,163             | 2.1%       |
| Belleville   | 41,018            | 41,521 | 503               | 1.2%       |
| Belvidere/Boone County                             | 41,463            | 42,128 | 665               | 1.6%       |
| Bensenville  | 60,185            | 61,371 | 1,186             | 2.0%       |
| Benton/Franklin County                             | 33,595            | 33,791 | 196               | 0.6%       |
| Bloomington-Normal                                 | 44,932            | 45,718 | 786               | 1.7%       |
| Bureau Putnam Area                                 | 43,937            | 43,274 | -663              | -1.5%      |
| Cal Sag  | 55,506            | 56,669 | 1,163             | 2.1%       |
| Calumet Region                                     | 55,506            | 56,669 | 1,163             | 2.1%       |
| Canton/Fulton County                               | 33,778            | 34,286 | 508               | 1.5%       |
| Carmi/White County                                 | 43,900            | 44,298 | 398               | 0.9%       |
| Champaign/Champaign County                         | 42,367            | 42,829 | 462               | 1.1%       |
| Chicago I  | 55,506            | 56,669 | 1,163             | 2.1%       |
| Chicago II   | 55,506            | 56,669 | 1,163             | 2.1%       |
| Chicago III  | 55,506            | 56,669 | 1,163             | 2.1%       |
| Chicago IV   | 55,506            | 56,669 | 1,163             | 2.1%       |
| Chicago V  | 55,506            | 56,669 | 1,163             | 2.1%       |
| Chicago VI   | 55,506            | 56,669 | 1,163             | 2.1%       |
| Cicero   | 55,506            | 56,669 | 1,163             | 2.1%       |
| Clark County                                       | 36,883            | 38,053 | 1,170             | 3.2%       |
| Clinton County                                     | 41,744            | 42,028 | 284               | 0.7%       |
| Coles County                                       | 35,987            | 36,374 | 387               | 1.1%       |
| Danville/Vermillion County                         | 35,820            | 36,760 | 940               | 2.6%       |
| Decatur/Macon County                               | 44,109            | 44,507 | 398               | 0.9%       |
| DeKalb County                                      | 36,013            | 36,762 | 749               | 2.1%       |
| Des Plaines River Valley                           | 47,008            | 48,000 | 992               | 2.1%       |
| Diamond  | 47,659            | 48,002 | 344               | 0.7%       |
| Edgar County/Paris                                 | 37,915            | 40,746 | 2,831             | 7.5%       |
| Effingham/Effingham County                         | 43,015            | 44,312 | 1,297             | 3.0%       |
| Fairfield/Wayne County                             | 37,961            | 37,824 | -137              | -0.4%      |
| Fairmont City/Caseyville/Brooklyn/St. Clair County | 41,018            | 41,521 | 503               | 1.2%       |
| Fairview Heights                                   | 41,018            | 41,521 | 503               | 1.2%       |
| Flora/Clay County                                  | 34,634            | 35,471 | 837               | 2.4%       |
| Franklin Park                                      | 55,506            | 56,669 | 1,163             | 2.1%       |
| Freeport/Stephenson County                         | 38,762            | 39,443 | 681               | 1.8%       |

| Enterprise Zone <i>(1)(2)</i>      | Per Capita Income |        | Increase/Decrease |            |
|------------------------------------|-------------------|--------|-------------------|------------|
|                                    | 2015              | 2016   | Amount            | Percentage |
| Galesburg                          | 37,675            | 38,438 | 763               | 2.0%       |
| Gateway Commerce Center <i>(3)</i> | 41,931            | 42,540 | 609               | 1.5%       |
| Greater Centralia                  | 40,184            | 40,505 | 321               | 0.8%       |
| Greenville/Smithboro               | 33,037            | 33,276 | 239               | 0.7%       |
| Harvard/Woodstock                  | 49,120            | 50,252 | 1,132             | 2.3%       |
| Hodgkins/McCook                    | 55,506            | 56,669 | 1,163             | 2.1%       |
| Hoffman Estates                    | 50,383            | 51,436 | 1,053             | 2.1%       |
| Jackson County                     | 33,551            | 34,125 | 574               | 1.7%       |
| Jacksonville/Morgan County         | 36,600            | 37,639 | 1,039             | 2.8%       |
| Jo-Carroll <i>(4)</i>              | 42,838            | 43,723 | 885               | 2.1%       |
| Joliet Arsenal <i>(4)</i>          | 45,304            | 46,276 | 973               | 2.1%       |
| Kankakee County                    | 37,288            | 38,171 | 883               | 2.4%       |
| Kankakee River Valley              | 37,288            | 38,171 | 883               | 2.4%       |
| Kewanee                            | 42,346            | 42,819 | 473               | 1.1%       |
| Lawrenceville/Lawrence County      | 35,949            | 34,116 | -1,833            | -5.1%      |
| Lee/Ogle                           | 39,305            | 40,096 | 791               | 2.0%       |
| Lincoln & 394 Corridor             | 51,257            | 52,335 | 1,078             | 2.1%       |
| Lincoln/Logan County               | 34,016            | 35,353 | 1,337             | 3.9%       |
| Loves Park/Machesney Park          | 40,379            | 41,016 | 637               | 1.6%       |
| Macomb/Bushnell/McDonough County   | 34,045            | 34,587 | 542               | 1.6%       |
| Macoupin County                    | 36,381            | 37,155 | 774               | 2.1%       |
| Madison County Discovery           | 41,931            | 42,540 | 609               | 1.5%       |
| Massac County                      | 34,545            | 35,133 | 588               | 1.7%       |
| Maywood                            | 55,506            | 56,669 | 1,163             | 2.1%       |
| McLeansboro/Hamilton County        | 40,914            | 42,543 | 1,629             | 4.0%       |
| Mendota                            | 39,613            | 40,616 | 1,003             | 2.5%       |
| Monmouth/Warren County             | 35,694            | 36,876 | 1,182             | 3.3%       |
| Montgomery County                  | 33,241            | 34,447 | 1,206             | 3.6%       |
| Mt. Carmel/Wabash County           | 41,479            | 42,076 | 597               | 1.4%       |
| Mt. Vernon/Waltonville             | 36,444            | 36,765 | 321               | 0.9%       |
| Nashville/Washington County        | 47,741            | 48,641 | 900               | 1.9%       |
| Northern Tazewell County           | 43,343            | 43,991 | 648               | 1.5%       |
| Olney/Richland/Newton/Jasper       | 37,605            | 38,360 | 755               | 2.0%       |
| Ottawa Area                        | 43,961            | 44,310 | 349               | 0.8%       |
| Peoria Rural                       | 47,344            | 47,673 | 329               | 0.7%       |
| Peoria Urban                       | 47,344            | 47,673 | 329               | 0.7%       |
| Perry County                       | 35,121            | 35,837 | 716               | 2.0%       |
| Quad Cities <i>(5)</i>             | 41,058            | 41,677 | 619               | 1.5%       |
| Quincy/Adams County/Brown County   | 34,710            | 35,208 | 498               | 1.4%       |
| Rantoul                            | 42,367            | 42,829 | 462               | 1.1%       |
| Riverbend                          | 41,931            | 42,540 | 609               | 1.5%       |

| Enterprise Zone (1)(2)                                | Per Capita Income |               | Increase/Decrease |             |
|---|-------------------|---------------|-------------------|-------------|
|   | 2015              | 2016          | Amount            | Percentage  |
| Robinson/Crawford County                              | 42,085            | 42,754        | 669               | 1.6%        |
| Rockford EZ 1   | 39,978            | 40,760        | 782               | 2.0%        |
| Rockford I-90   | 39,978            | 40,760        | 782               | 2.0%        |
| Salem/Marion County                                   | 38,623            | 38,981        | 358               | 0.9%        |
| Saline County   | 37,018            | 37,279        | 261               | 0.7%        |
| Southern Tazewell County                              | 43,343            | 43,991        | 648               | 1.5%        |
| Springfield/Sangamon County                           | 43,888            | 44,523        | 635               | 1.4%        |
| St. Clair County MidAmerica (3)                       | 41,018            | 41,521        | 503               | 1.2%        |
| Streator Area   | 39,601            | 40,534        | 933               | 2.4%        |
| SW Madison County                                     | 41,931            | 42,540        | 609               | 1.5%        |
| Taylorville/Christian County                          | 36,669            | 37,872        | 1,203             | 3.3%        |
| Upper Illinois River Valley Development Authority (7) | 44,429            | 45,377        | 948               | 2.1%        |
| Urbana/Champaign County                               | 42,367            | 42,829        | 462               | 1.1%        |
| Vandalia/Fayette County                               | 29,616            | 30,531        | 915               | 3.1%        |
| Waukegan-North Chicago                                | 55,506            | 56,669        | 1,163             | 2.1%        |
| West Frankfort  | 33,595            | 33,791        | 196               | 0.6%        |
| Western Illinois Economic Development Authority (6)   | 36,360            | 37,720        | 1,360             | 3.7%        |
| Whiteside County/Carroll County                       | 39,889            | 40,821        | 932               | 2.3%        |
| Will County/Cook County                               | 51,257            | 52,335        | 1,078             | 2.1%        |
| Williamson County                                     | 40,367            | 40,850        | 483               | 1.2%        |
| <b>State of Illinois</b>                              | <b>50,836</b>     | <b>51,817</b> | <b>981</b>        | <b>1.9%</b> |

\* The statistical data presented in this table represents the calculated median per capita income of the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the US Department of Commerce, Bureau of Economic Analysis (Personal Income Summary).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
- (4) Certified as a qualified closed military base.
- (5) Certified under the auspices of the Quad Cities Regional Economic Development Authority (QREDA).
- (6) Certified under the auspices of the Western Illinois Economic Development Authority Act (WIEDA).
- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

## UNEMPLOYMENT OF ILLINOIS ENTERPRISE ZONES

| Enterprise Zone <i>(1)(2)</i>                      | Unemployment Rate |      | Increase/<br>Decrease |
|--|-------------------|------|-----------------------|
|  | 2016              | 2017 |                       |
| Alexander/Pulaski County                           | 8.8%              | 7.9% | -0.9%                 |
| Altamont   | 4.7%              | 3.7% | -0.9%                 |
| American Bottoms <i>(3)</i>                        | 6.0%              | 4.9% | -1.1%                 |
| Beardstown   | 5.5%              | 4.5% | -1.0%                 |
| Bedford Park                                       | 6.1%              | 5.2% | -0.8%                 |
| Belleville   | 6.0%              | 4.9% | -1.1%                 |
| Belvidere/Boone County                             | 6.3%              | 6.6% | 0.3%                  |
| Bensenville  | 5.9%              | 5.1% | -0.8%                 |
| Benton/Franklin County                             | 8.0%              | 6.4% | -1.7%                 |
| Bloomington-Normal                                 | 5.0%              | 4.1% | -1.0%                 |
| Bureau Putnam Area                                 | 5.9%              | 4.8% | -1.1%                 |
| Cal Sag  | 6.1%              | 5.2% | -0.8%                 |
| Calumet Region                                     | 6.1%              | 5.2% | -0.8%                 |
| Canton/Fulton County                               | 7.3%              | 6.3% | -1.1%                 |
| Carmi/White County                                 | 6.5%              | 4.8% | -1.7%                 |
| Champaign/Champaign County                         | 5.1%              | 4.2% | -0.8%                 |
| Chicago I  | 6.1%              | 5.2% | -0.8%                 |
| Chicago II   | 6.1%              | 5.2% | -0.8%                 |
| Chicago III  | 6.1%              | 5.2% | -0.8%                 |
| Chicago IV   | 6.1%              | 5.2% | -0.8%                 |
| Chicago V  | 6.1%              | 5.2% | -0.8%                 |
| Chicago VI   | 6.1%              | 5.2% | -0.8%                 |
| Cicero   | 6.1%              | 5.2% | -0.8%                 |
| Clark County                                       | 5.8%              | 4.8% | -1.0%                 |
| Clinton County                                     | 4.4%              | 3.5% | -0.9%                 |
| Coles County                                       | 5.8%              | 4.6% | -1.2%                 |
| Danville/Vermillion County                         | 7.1%              | 6.3% | -0.9%                 |
| Decatur/Macon County                               | 6.6%              | 5.5% | -1.1%                 |
| DeKalb County                                      | 5.3%              | 4.5% | -0.8%                 |
| Des Plaines River Valley                           | 6.0%              | 5.2% | -0.8%                 |
| Diamond  | 6.0%              | 5.2% | -0.8%                 |
| Edgar County/Paris                                 | 5.9%              | 4.8% | -1.1%                 |
| Effingham/Effingham County                         | 4.7%              | 3.7% | -0.9%                 |
| Fairfield/Wayne County                             | 8.4%              | 6.1% | -2.4%                 |
| Fairmont City/Caseyville/Brooklyn/St. Clair County | 6.0%              | 4.9% | -1.1%                 |
| Fairview Heights                                   | 6.0%              | 4.9% | -1.1%                 |
| Flora/Clay County                                  | 6.8%              | 5.2% | -1.5%                 |
| Franklin Park                                      | 6.1%              | 5.2% | -0.8%                 |
| Freeport/Stephenson County                         | 5.8%              | 4.6% | -1.2%                 |

| Enterprise Zone <sup>(1)(2)</sup>      | Unemployment Rate |      | Increase/<br>Decrease |
|--|-------------------|------|-----------------------|
|  | 2016              | 2017 |                       |
| Galesburg                              | 6.1%              | 5.1% | -1.0%                 |
| Gateway Commerce Center <sup>(3)</sup> | 5.8%              | 4.6% | -1.2%                 |
| Greater Centralia                      | 5.4%              | 4.4% | -1.0%                 |
| Greenville/Smithboro                   | 5.1%              | 4.3% | -0.7%                 |
| Harvard/Woodstock                      | 5.3%              | 4.5% | -0.7%                 |
| Hodgkins/McCook                        | 6.1%              | 5.2% | -0.8%                 |
| Hoffman Estates                        | 6.0%              | 5.2% | -0.8%                 |
| Jackson County                         | 5.3%              | 4.4% | -0.9%                 |
| Jacksonville/Morgan County             | 4.9%              | 4.3% | -0.6%                 |
| Jo-Carroll <sup>(4)</sup>              | 5.4%              | 4.4% | -1.0%                 |
| Joliet Arsenal <sup>(4)</sup>          | 5.9%              | 5.1% | -0.8%                 |
| Kankakee County                        | 6.3%              | 5.2% | -1.1%                 |
| Kankakee River Valley                  | 6.3%              | 5.2% | -1.1%                 |
| Kewanee                                | 6.0%              | 5.0% | -1.0%                 |
| Lawrenceville/Lawrence County          | 7.4%              | 6.0% | -1.4%                 |
| Lee/Ogle                               | 5.5%              | 4.7% | -0.8%                 |
| Lincoln & 394 Corridor                 | 6.1%              | 5.2% | -0.8%                 |
| Lincoln/Logan County                   | 5.3%              | 4.5% | -0.7%                 |
| Loves Park/Machesney Park              | 6.5%              | 6.4% | -0.2%                 |
| Macomb/Bushnell/McDonough County       | 6.2%              | 4.9% | -1.3%                 |
| Macoupin County                        | 5.9%              | 4.8% | -1.1%                 |
| Madison County Discovery               | 5.8%              | 4.6% | -1.2%                 |
| Massac County                          | 7.0%              | 6.3% | -0.7%                 |
| Maywood                                | 6.1%              | 5.2% | -0.8%                 |
| McLeansboro/Hamilton County            | 6.2%              | 4.4% | -1.8%                 |
| Mendota                                | 6.7%              | 5.5% | -1.2%                 |
| Monmouth/Warren County                 | 5.2%              | 4.1% | -1.1%                 |
| Montgomery County                      | 7.0%              | 5.6% | -1.4%                 |
| Mt. Carmel/Wabash County               | 6.2%              | 4.9% | -1.3%                 |
| Mt. Vernon/Waltonville                 | 6.3%              | 5.4% | -1.0%                 |
| Nashville/Washington County            | 3.7%              | 2.9% | -0.8%                 |
| Northern Tazewell County               | 6.4%              | 5.3% | -1.1%                 |
| Olney/Richland/Newton/Jasper           | 6.0%              | 4.7% | -1.3%                 |
| Ottawa Area                            | 6.7%              | 5.7% | -1.1%                 |
| Peoria Rural                           | 6.8%              | 5.8% | -1.1%                 |
| Peoria Urban                           | 6.8%              | 5.8% | -1.1%                 |
| Perry County                           | 7.0%              | 5.9% | -1.1%                 |
| Quad Cities <sup>(5)</sup>             | 6.2%              | 5.0% | -1.2%                 |
| Quincy/Adams County/Brown County       | 4.6%              | 3.7% | -0.9%                 |
| Rantoul                                | 5.1%              | 4.2% | -0.8%                 |
| Riverbend                              | 5.8%              | 4.6% | -1.2%                 |

| Enterprise Zone (1)(2)                                | Unemployment Rate |             | Increase/<br>Decrease |
|---|-------------------|-------------|-----------------------|
|   | 2016              | 2017        |                       |
| Robinson/Crawford County                              | 6.2%              | 5.2%        | -1.0%                 |
| Rockford EZ 1   | 6.5%              | 6.1%        | -0.3%                 |
| Rockford I-90   | 6.5%              | 6.1%        | -0.3%                 |
| Salem/Marion County                                   | 6.3%              | 5.1%        | -1.2%                 |
| Saline County   | 8.5%              | 6.4%        | -2.1%                 |
| Southern Tazewell County                              | 6.4%              | 5.3%        | -1.1%                 |
| Springfield/Sangamon County                           | 4.8%              | 4.2%        | -0.6%                 |
| St. Clair County MidAmerica (3)                       | 6.0%              | 4.9%        | -1.1%                 |
| Streator Area   | 6.4%              | 5.3%        | -1.1%                 |
| SW Madison County                                     | 5.8%              | 4.6%        | -1.2%                 |
| Taylorville/Christian County                          | 6.3%              | 5.2%        | -1.1%                 |
| Upper Illinois River Valley Development Authority (7) | 5.4%              | 4.6%        | -0.8%                 |
| Urbana/Champaign County                               | 5.1%              | 4.2%        | -0.8%                 |
| Vandalia/Fayette County                               | 6.5%              | 5.4%        | -1.1%                 |
| Waukegan-North Chicago                                | 6.1%              | 5.2%        | -0.8%                 |
| West Frankfort  | 8.0%              | 6.4%        | -1.7%                 |
| Western Illinois Economic Development Authority (6)   | 6.5%              | 5.6%        | -0.9%                 |
| Whiteside County/Carroll County                       | 5.7%              | 4.7%        | -1.0%                 |
| Will County/Cook County                               | 6.1%              | 5.2%        | -0.8%                 |
| Williamson County                                     | 6.1%              | 5.1%        | -1.0%                 |
| <b>State of Illinois</b>                              | <b>5.8%</b>       | <b>5.0%</b> | <b>-0.9%</b>          |

\* The statistical data presented in this table represents the calculated percentage of unemployed individuals residing within the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the Illinois Department of Employment Security (Annual Average Data, 2017).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
- (4) Certified as a qualified closed military base.
- (5) Certified under the auspices of the Quad Cities Regional Economic Development Authority (QREDA).
- (6) Certified under the auspices of the Western Illinois Economic Development Authority Act (WIEDA).
- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

## HIGH IMPACT BUSINESS PROGRAM

### Overview

The High Impact Business Program, 20 ILCS 655/5.5, is designed to encourage large scale economic development activities, by providing tax incentives to companies that:

- are not located within an Enterprise Zone; and
- intends to make a minimum eligible investment of \$12 million that will be placed in service in qualified property in Illinois and intends to create 500 full-time equivalent jobs at a designated location in Illinois; or
- intends to make a minimum eligible investment of \$30 million that will be placed in service in qualified property in Illinois and intends to retain 1,500 full-time equivalent jobs at a designated location in Illinois; or
- intends to establish a new electric generating facility at a designated location in Illinois; or
- intends to establish a new gasification facility at a designated location in Illinois; or
- 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; or
- intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois; or
- intends to establish a new wind power facility at a designated location in Illinois; or
- intends to establish a qualifying fertilizer plant at a designated location in Illinois.

### Program Activity

As detailed on page 8 of the IDOR companion report, the High Impact Business Program resulted in a total capital investment of \$1,342,879,000, 9,442 total jobs and \$18,816,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.



## **BENEFITS OF THE HIGH IMPACT BUSINESS PROGRAM**

### **State Incentives**

The Illinois High Impact Business Program offers numerous state incentives to encourage companies to locate or expand their large-scale operations. Currently, the following incentives are available:

#### **High Impact Business Investment Tax Credit**

The Investment Tax Credit provides for a 0.5% credit against the state income tax for investments made in “qualified property” that are placed in service at a designated location in Illinois. The credit shall be 0.5% of the basis for such property. The specific terms and conditions governing this tax credit are regulated by the Illinois Department of Revenue. Qualified property is statutorily defined in Section 201(f) and (h) of the Illinois Income Tax Act.

#### **High Impact Business Building Materials Exemption (BME)**

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located at a designated location in Illinois. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, “qualified sale” means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

#### **High Impact Business Utility Tax Exemption**

A 6.25% state sales tax exemption is available on purchases of gas and electricity as well as an exemption from the Illinois Commerce Commission’s administrative charge. In addition, High Impact Businesses which are located within a Foreign Trade Zone or Sub-Zone are also exempt from the telecommunication excise tax.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone, which results in the creation of a minimum of 200 full-time equivalent jobs in Illinois; or
- the business making a minimum eligible investment of \$20 million in an Enterprise Zone, which results in the retention of a minimum of 1,000 full-time jobs in Illinois.

The jobs created or retained must be located at a designated location in Illinois. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the High Impact Business designation. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the High Impact Business designation. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs at a designated location in Illinois.

#### **High Impact Business Manufacturing Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption (MM&E)**

A 6.25% state sales tax exemption is available on purchases of:

- All tangible personal property used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the process of graphic arts production; and
- Repair and replacement parts for machinery and equipment used in the manufacturing or assembling of tangible personal property, or in the process of graphic arts production for wholesale or retail sale or lease; and
- Equipment, manufacturing or graphic arts fuels, material, and supplies for the maintenance, repair, or operation of such manufacturing or assembling or graphic arts machinery or equipment.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million that results in the creation of a minimum of 200 full-time equivalent jobs in Illinois, or
- the business making a minimum eligible investment of \$40 million that results in the retention of a minimum of 2,000 full-time jobs in Illinois; or
- the business making a minimum eligible investment of \$40 million that results in the retention of at least 90% of the jobs in place on the date on which the exemption is granted for the duration of the exemption.

The jobs created or retained must be located at a designated location in Illinois. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the High Impact Business designation. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the High Impact Business designation. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs at a designated location in Illinois.

## RIVER EDGE REDEVELOPMENT ZONE PROGRAM

### Overview

The River Edge Redevelopment Zone Act, 65 ILCS 115/10 1, et seq. is designed to help revitalize riverfront areas by providing local developers and businesses with the critical tools to revive and redevelop blighted, abandoned or contaminated properties that will stimulate investment opportunities and create Illinois jobs. The River Edge Redevelopment Initiative includes the designation of redevelopment zones that are eligible to receive tax credits and exemptions and grant funding to support environmental remediation and redevelopment efforts that will lead to economic revitalization in these areas. This initiative combines resources across state agencies and is administered primarily by the Department and the Illinois Environmental Protection Agency ("IEPA"). The Department has designated River Edge Redevelopment Zones in the cities of Aurora, East St. Louis, Elgin, Peoria and Rockford.

### **Aurora Zone**

The City of Aurora's River Edge Redevelopment Zone, which began on March 21, 2007 and will continue until December 31, 2037, consists of former industrial land lining its east and west riverfronts of the Fox River.

### **East St. Louis Zone**

The City of East St. Louis' River Edge Redevelopment Zone encompasses a majority of the city with adjacent territory to the Mississippi River for a total of just under 12 square miles. Its zone began December 31, 2007 and will continue until December 31, 2037.

### **Elgin Zone**

The City of Elgin's River Edge Redevelopment Zone provides a critical tool to further the redevelopment of the City's downtown and create new economic opportunities along the Fox River. This zone began on December 16, 2009 and expires on December 31, 2039.

### **Peoria Zone**

The City of Peoria applied for and received a River Edge Redevelopment Zone designation on December 1, 2013 which continues until December 31, 2043. The zone, known as the Warehouse District, is approximately one-half square mile in the downtown area.

### **Rockford Zone**

In Rockford, the River Edge Redevelopment Zone will allow for multiple redevelopment projects using abandoned industrial and commercial sites along the Rock River. Rockford River Edge Redevelopment Zone began August 10, 2007 and continues until December 31, 2037.

### Program Activity

As detailed on page 9 of the IDOR companion report, the River Edge Redevelopment Zone Program resulted in 51 total jobs and \$292,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.

## **BENEFITS OF THE RIVER EDGE REDEVELOPMENT ZONE PROGRAM**

### **State Incentives**

The Illinois River Edge Redevelopment Zone Program offers numerous state incentives to encourage companies to locate or expand in zones. Currently, the following incentives are available:

#### **River Edge Redevelopment Zone Interest Income Tax Credit**

The River Edge Redevelopment Zone Interest Income Tax Credit allows financial corporations to deduct an amount equal to the interest received for a loan for development in the zone from their corporate state income tax. Loans must be secured by property located within the zone.

#### **River Edge Redevelopment Building Materials Exemption (BME)**

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located within a certified River Edge Redevelopment Zone. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

#### **Environmental Remediation Tax Credit**

The Environmental Remediation Tax Credit allows for a credit against state income taxes for some non-reimbursed eligible costs for remediation work done on a River Edge Redevelopment Zone site resulting in a "No Further Remediation Letter" being issued. This requires a review by the Illinois Environmental Protection Agency (IEPA). The credit is 0.25 for each dollar spent for non-reimbursed remediation expenses.

#### **Historic Tax Credit**

The Illinois Historic Preservation Tax Credit Program provides a state income-tax credit equal to 25% of a project's qualified expenditures to owners of certified historic structures located within a River Edge Redevelopment Zone who undertake certified rehabilitations during the taxable year. The incentive is administered by the Illinois Department of Commerce and Economic Opportunity, in consultation with the Illinois State Historic Preservation Office (IL SHPO), a division within the Illinois Department of Natural Resources.

### **Local Incentives**

In addition to state incentives, each zone may offer property tax abatement to enhance business development projects. The terms and conditions of the property tax abatements are determined by the local government and authorized through local ordinance.



STATE OF ILLINOIS  
DEPARTMENT OF REVENUE  
101 WEST JEFFERSON STREET  
SPRINGFIELD, ILLINOIS 62702

CONSTANCE BEARD  
Director

Springfield Office: 217 785-7570  
Chicago Office: 312 814-3190

BRUCE RAUNER  
Governor

July 24, 2018

Sean McCarthy, Director  
Illinois Department of Commerce and  
Economic Opportunity  
James R. Thompson Center  
100 W. Randolph Street, Suite 3-400  
Chicago, IL 60601

Dear Director McCarthy:

In accordance with section 8.1(d) of the Illinois Enterprise Zone Act, 20 ILCS 655/8.1(d), I am enclosing the Illinois Department of Revenue's (IDOR) 2018 Report on Enterprise Zone, River Edge Redevelopment Zone (RERZ) and High Impact Business Tax Incentives. The report details the tax incentives, job creation and capital investment data for calendar year 2017, disclosed to IDOR by those receiving the tax incentives, along with additional reports submitted by purchasers of building materials for eligible projects and by utility service providers.

#### Methodology

The data in this report was gathered from several sources statutorily required to provide information to IDOR.

Section 8.1(a) of the Illinois Enterprise Zone Act requires businesses that "receive[d] tax incentives due to [their] location within an Enterprise Zone," and entities designated as High Impact Businesses by the Department of Commerce and Economic Opportunity, to detail the tax incentives they received in 2017 and provide certain job creation and capital investment data. 20 ILCS 655/8.1(a). Five hundred ninety-three businesses located in an Enterprise Zone, and nine High Impact Businesses, filed reports. Each report disclosed "the total Enterprise Zone or High Impact Business tax benefits received by the business broken down by incentive category and enterprise zone."<sup>1</sup> *Id.* Each report also disclosed "job creation, retention and capital investment numbers within the zone." 20 ILCS 655/8.1(c).

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<sup>1</sup> The incentive categories include: sales tax, see 35 ILCS 120/5k, 5(l) (2012), 35 ILCS 120/1(e), 1(j) (2012); utility tax, 35 ILCS 173/5-50 (2012), 220 ILCS 5/9-222, 9-222.1 (2012); income tax, 35 ILCS 5/201(f) (2012), and property tax, 35 ILCS 200/18-170 (2012).

Section 10-10.2(a) and 10-10.2(c) of the River Edge Redevelopment Zone Act, *65 ILCS 115/10-10.2(a), 10-10.2(c)*, requires identical reports from those businesses receiving tax incentives because of their location in a RERZ. Five businesses filed RERZ reports.

Section 8.1(a-5) of the Illinois Enterprise Zone Act requires any "contractor or other entity that has been issued an Enterprise Zone Building Materials Exemption Certificate" to report the total value of tax exempt building materials purchased using the certificate. Section 10-10.2(a-5) of the River Edge Redevelopment Zone Act requires identical reports from contractors issued an RERZ exemption certificate. The statutory amendment requiring reporting from holders of building materials exemption certificates took effect in 2013. This report reflects exempt building material purchases which were separately reported by the purchasers under section 8.1(a-5). The Department received 2,755 reports last year. The Department received reports from 2,503 holders of building material exemption certificates.

Businesses located in an Enterprise Zone, and High Impact Businesses, are exempt from the Illinois Gas Revenue Tax, Electricity Excise Tax, and the Telecommunications Excise Tax. *220 ILCS 5/9-222, 5/9-222.1A*. Section 8.1(b) of the Illinois Enterprise Zone Act requires providers of utility services to "itemize the amount of the deduction taken under [each utility tax] act due to the location of a business in an Enterprise Zone or its designation as a High Impact Business." *20 ILCS 655/8.1(b)*. Section 10-10.2(b) of the River Edge Redevelopment Zone Act requires utility providers to report the same data for businesses located in any of the State's five RERZs. *65 ILCS 115/10-10.2(b)*. IDOR received fourteen reports from providers of utility services.

In summary, the data in this report was derived from the mandatory business reports submitted under section 8.1(a) and 8.1(a-5) of the Enterprise Zone Act and 10-10.2(a) and 10.2(a-5) of the River Edge Redevelopment Zone Act. IDOR staff checked this data against other available sources of information, including reports submitted by utilities and purchasers of building materials for eligible projects. Reports were submitted electronically February through June of 2018. Data was requested for the 2017 calendar year.

#### **Limitations**

This 2018 report is the sixth provided under the 2012 amendments to the Enterprise Zone Act. Some of the data submitted to IDOR – such as the identity of those purchasing building materials, the value of tax-exempt building materials, the value of property tax abatements in Enterprise Zones, and the value of the Gas Use Tax exemptions – was not available previously from any source. Some of the self-reported data could not be reliably confirmed through independent investigation. Consequently, IDOR could not confirm the completeness or accuracy of all of the tax expenditures reported.

IDOR expects compliance levels and verification procedures to improve going forward as more businesses and administrators learn of the reporting requirements, create internal compliance procedures, and seek to avoid penalties for noncompliance. *20 ILCS 655/8.1(a); 65 ILCS 115/10-10.2(a)*. Similarly, the State's ability to secure accurate data will improve because of comparisons to historic reporting, the development of new procedures to improve the quality of submissions, and the State's ability to verify those submissions.

**Summary of Data**

This report details the costs to the State of the tax incentives provided to High Impact Businesses and businesses located in Enterprise Zones and River Edge Redevelopment Zones. It also includes property tax abatement data reported by recipients of such abatements that are located either in an Enterprise Zone or are a High Impact Business. This report does not calculate the value of exemptions from local sales tax or the local portion of State sales tax because local costs vary based on factors specific to each local taxing jurisdiction.

In 2017, the total Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$133.5 million in tax revenue. The two largest components of these tax expenditures were the exemption from the Electricity Excise Tax (\$21.6 million), and the sales tax exemption on building materials (\$50.7 million), accounting for approximately 54.14 percent of the total State tax expenditures.

In the aggregate, businesses receiving tax incentives reported a net job gain of 3,715 while investing approximately \$2.25 billion in 2017. However, one year or several year's data does not tell the story of success or failure of any individual Enterprise Zone. Zones have a 15 year life and should not be evaluated based on a one year snapshot of activity.

The value of all exemptions, broken down by exemption category and by Enterprise Zone is included on the table contained in this report. Investment and jobs data reported to IDOR also is provided in the attached tables, broken down by Enterprise Zone. Exemption and job creation data for High Impact Businesses are reported in the aggregate to comply with the requirements of section 8.1(d) of the Illinois Enterprise Zone Act. The report also includes charts breaking down the total tax expenditures by category and by geographic region.

**Conclusion**

The submission of this report fulfills IDOR's duty under section 8.1(d) of the Illinois Enterprise Zone Act, 20 ILCS 655/8.1(d) (2012). Reporting on 2018 tax incentives, job creation and investment will begin in January 2019. A report will be produced and provided to DCEO no later than August 1, 2019.

Sincerely,



Connie Beard, Director  
Illinois Department of Revenue

## Enterprise Zone Incentive Reporting 2017 - Tax Expenditures (all \$ in thousands)

| Zone Name <sup>1</sup>             | Sales Tax          |                   |                   |                              | Utility Taxes |                          |               | Income            | Total State Tax Expenditures <sup>4</sup> | Net Property Tax <sup>5</sup> |
|------------------------------------|--------------------|-------------------|-------------------|------------------------------|---------------|--------------------------|---------------|-------------------|---|-------------------------------|
|                                    | Building Materials | M&E Manufacturing | Pollution Control | Other Sales Tax <sup>2</sup> | Telecom       | Natural Gas <sup>3</sup> | Electricity   | Investment Credit |   |                               |
| <b>Total</b>                       | <b>34,230</b>      | <b>18,728</b>     | <b>4,977</b>      | <b>21</b>                    | <b>2,938</b>  | <b>12,243</b>            | <b>20,199</b> | <b>19,020</b>     | <b>114,388</b>                            | <b>10,879</b>                 |
| Alexander/Pulaski County           | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 9   | 0                             |
| Altamont                           | 53                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| American Bottoms                   | 279                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 282                                       | 0                             |
| Bartonville/BelleVue/Paoria County | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 1,314                                     | 0                             |
| Beardstown                         | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Bedford Park                       | 358                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 59                | 418                                       | 0                             |
| Belleville                         | 106                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 23                | 0   | 0                             |
| Belvidere/Boone County             | 664                | 28                | 0                 | 0                            | 0             | 0                        | 0             | 14                | 854                                       | 0                             |
| Bensenville                        | 29                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 104               | 133                                       | 0                             |
| Benton/Franklin County             | 23                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 4                 | 27  | 0                             |
| Bloomington/Normal/McLean County   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 6                 | 0   | 0                             |
| Bloomington-Normal                 | 284                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 284                                       | 0                             |
| Bureau/Putnam County               | 23                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 1,724                                     | 0                             |
| Cairo/Alexander County             | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Cal-Sag                            | 353                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 63  | 0                             |
| Calumet Region                     | 53                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 28                | 688                                       | 0                             |
| Canton/Fulton County               | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 184                                       | 0                             |
| Carmi/White County                 | 176                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 12                | 188                                       | 0                             |
| Champaign/Champaign County         | 597                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 142               | 1,052                                     | 0                             |
| Chicago Heights                    | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 277                                       | 0                             |
| Chicago I                          | 2,048              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 127               | 2,219                                     | 0                             |
| Chicago II                         | 711                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 335               | 1,559                                     | 0                             |
| Chicago III                        | 1,259              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 97                | 3,462                                     | 0                             |
| Chicago IV                         | 6,789              | 45                | 0                 | 0                            | 0             | 0                        | 0             | 433               | 7,351                                     | 0                             |
| Chicago V                          | 173                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 375                                       | 0                             |
| Chicago VI                         | 33                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 273               | 0   | 0                             |
| Cicero                             | 140                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 42                | 182                                       | 0                             |
| Clark County                       | 62                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 65                | 135                                       | 0                             |
| Clinton County                     | 148                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 233               | 379                                       | 0                             |
| Coles County                       | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 22                | 42  | 0                             |
| Danville/Vermilion County          | 76                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 28                | 201                                       | 0                             |
| Decatur/Macon County               | 233                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 2,867             | 10,735                                    | 0                             |
| DeKalb County                      | 366                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 450               | 0   | 0                             |
| Des Plaines River Valley           | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 472               | 5,707                                     | 0                             |
| Diamond                            | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Douglas County                     | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| East Peoria                        | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| East St. Louis Area                | 148                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Edgar County/Paris                 | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 250                                       | 0                             |
| Effingham/Effingham County         | 726                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 42                | 788                                       | 842                           |
| Elgin                              | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Fairfield/Wayne County             | 23                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Fairmont City/Caseyville           | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 231               | 244                                       | 0                             |
| Fairview Heights                   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 1                 | 0   | 0                             |
| Flora/Clay County                  | 73                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 5                 | 90  | 0                             |
| Ford Heights/Sauk Village          | 31                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 509                                       | 0                             |
| Franklin Park                      | 773                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 10                | 784                                       | 0                             |
| Freeport/Stephenson County         | 588                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 255               | 1,028                                     | 0                             |
| Galesburg                          | 24                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 8                 | 0   | 0                             |
| Gateway Commerce Center            | 1,171              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 1,692                                     | 1,548                         |
| Greater Centralia Area             | 187                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 121               | 0   | 0                             |
| Greenville/Bond County             | 22                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 25  | 0                             |
| Harvard/Woodstock                  | 147                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 1,965             | 2,329                                     | 0                             |
| Harvey/Phoenix/Hazel Crest         | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 11                | 11  | 0                             |
| Hodgkins/McCook                    | 448                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 76                | 524                                       | 0                             |
| Hoffman Estates                    | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 1,047                                     | 0                             |
| Illinois Valley                    | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 10                | 0   | 0                             |
| Jackson County                     | 934                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 42                | 976                                       | 0                             |
| Jacksonville/Morgan County         | 18                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 468               | 773                                       | 0                             |
| Jersey-Greene Intermodal           | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Jo-Carroll                         | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Joliet Arsenal                     | 2,113              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 148               | 2,729                                     | 0                             |
| Kankakee County                    | 57                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 21                | 78  | 0                             |
| Kankakee River Valley              | 678                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 141               | 2,291                                     | 0                             |
| Kewanee                            | 51                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 170               | 221                                       | 0                             |
| Lawrenceville/Lawrence County      | 6                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 1                 | 7   | 0                             |
| Lee County/Ogle County             | 1,641              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 129               | 2,208                                     | 0                             |
| Lincoln/Logan County               | 62                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 16                | 124                                       | 0                             |
| Loves Park/Machanney Park          | 33                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 2                 | 35  | 0                             |
| Macomb/Bushnell/McDonough County   | 37                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 37  | 0                             |
| Macoupin County                    | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Madison County Discovery           | 191                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 13                | 204                                       | 0                             |
| Marshall County/Stark County       | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Massec County                      | 30                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Maywood                            | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 5                 | 5   | 0                             |
| McCook/Hodgkins                    | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 238               | 0   | 0                             |
| McLeansboro/Hamilton County        | 134                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Mendota/Leslie County              | 65                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 2                 | 67  | 0                             |
| MidAmerica St. Clair County        | 141                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 0   | 0                             |
| Monmouth/Warren County             | 12                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                 | 859                                       | 0                             |



## Enterprise Zone Incentive Reporting 2017 - Tax Expenditures (all \$ in thousands)

| Zone Name <sup>1</sup>                                       | Sales Tax          |                   |                   |                              | Utility Taxes |                          |               | Income                  | Total State Tax Expenditures <sup>4</sup> | Net Property Tax <sup>5</sup> |
|--|--------------------|-------------------|-------------------|------------------------------|---------------|--------------------------|---------------|-------------------------|---|-------------------------------|
|  | Building Materials | M&E Manufacturing | Pollution Control | Other Sales Tax <sup>2</sup> | Telecom       | Natural Gas <sup>3</sup> | Electricity   | -Tax- Investment Credit |   |                               |
| Montgomery County  | 133                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 4                       | 138                                       | 0                             |
| Morton   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Mound City/Pulaski City/Mounds                               | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Mt. Carmel/Wabash County                                     | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Mt. Vernon/Watsonville                                       | 632                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 29                      | 661                                       | 0                             |
| Nashville/Washington County                                  | 1,766              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 56                      | 3,473                                     | 0                             |
| Northern Tazewell County                                     | 93                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 296                     | 3,858                                     | 0                             |
| Olney/Richland/Newton/Jasper                                 | 7                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 20                      | 0   | 0                             |
| Ottawa Area  | 331                | 15                | 0                 | 0                            | 0             | 0                        | 0             | 1,204                   | 1,551                                     | 0                             |
| Pekin/Tazewell County  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 4   | 0                             |
| Peoria Rural   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 7   | 0                             |
| Peoria Urban   | 129                | 0                 | 0                 | 0                            | 1,478         | 559                      | 2,237         | 550                     | 5,815                                     | 0                             |
| Perry  | 75                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 8                       | 83  | 0                             |
| Quad Cities  | 751                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 42                      | 0   | 0                             |
| Quad Cities Regional Economic Development Authority (QCREDA) | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Quincy/Adams/Brown County                                    | 2,730              | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 2,755                   | 6,134                                     | 446                           |
| Rantoul  | 110                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Riverbend  | 374                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 1,505                   | 12,319                                    | 0                             |
| Robinson/Crawford County                                     | 233                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 5,445                                     | 0                             |
| Rock Island  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 2                       | 2   | 0                             |
| Rockford EZ 1  | 69                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 76                      | 145                                       | 0                             |
| Rockford I-90  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Salem/Marion County  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 60  | 0                             |
| Saline County  | 54                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 6                       | 0   | 0                             |
| South Beloit/Rockton/Winnebago County                        | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Southern Tazewell County                                     | 308                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 20                      | 1,713                                     | 0                             |
| Southwest Madison County                                     | 156                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 35                      | 818                                       | 0                             |
| Springfield/Sangamon County                                  | 59                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 18                      | 0   | 0                             |
| Streator Area  | 7                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 5                       | 12  | 0                             |
| Summit/Bedford Park  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 453                     | 643                                       | 0                             |
| SW Madison County  | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 2,338                                     | 0                             |
| Taylorville/Christian County                                 | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 843                                       | 0                             |
| Upper Illinois River Valley Development Authority            | 118                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Urbana/Champaign   | 150                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 12                      | 259                                       | 0                             |
| Vandalia/Fayette County/Brownstown                           | 6                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 4                       | 10  | 0                             |
| Washington   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 74                      | 382                                       | 0                             |
| Waukegan/North Chicago                                       | 397                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 30                      | 0   | 0                             |
| West Frankfort   | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 1                       | 1   | 0                             |
| Western Illinois Economic Development Authority              | 0                  | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 0                       | 0   | 0                             |
| Whiteside-Carroll  | 427                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 178                     | 2,271                                     | 467                           |
| Will/Cook County   | 835                | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 128                     | 963                                       | 0                             |
| Williamson County  | 20                 | 0                 | 0                 | 0                            | 0             | 0                        | 0             | 7                       | 26  | 131                           |
| <b>Total</b>   | <b>36,230</b>      | <b>18,928</b>     | <b>4,977</b>      | <b>21</b>                    | <b>2,836</b>  | <b>12,243</b>            | <b>20,139</b> | <b>19,020</b>           | <b>114,395</b>                            | <b>10,879</b>                 |

<sup>1</sup> The Illinois Enterprise Zone Map and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at <http://www.illinois.gov/dceo/Expand/Relocate/Incentives/TaxAssistance/Pages/EnterpriseZone.aspx>

<sup>2</sup> Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property

<sup>3</sup> The natural gas exemption includes the value of the exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax.

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state

<sup>5</sup> Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments

### 2013-2017 Summary - Enterprise Zone Incentive Reporting Tax Expenditure

(all \$ in thousands)

|       | Building Materials | M&E Manuf. | Pollution Control | Other Sales Tax <sup>2</sup> | Telecom | Natural Gas <sup>3</sup> | Electricity | Investment Credit | Total State Tax Expend. <sup>4</sup> | Net Property Tax <sup>5</sup> | Jobs Created/Lost | Jobs Retained | Capital Investment |
|-------|--------------------|------------|-------------------|------------------------------|---------|--------------------------|-------------|-------------------|--------------------------------------|-------------------------------|-------------------|---------------|--------------------|
| 2017* | 36,230             | 18,928     | 4,977             | 21                           | 2,836   | 12,243                   | 20,139      | 19,020            | 114,395                              | 10,879                        | 4,281             | 52,035        | 908,072            |
| 2016^ | 40,095             | 14,315     | 2,813             | 84                           | 3,375   | 6,858                    | 18,775      | 16,348            | 102,663                              | 18,144                        | 2,131             | 44,794        | 990,909            |
| 2015* | 40,364             | 35,369     | 2,002             | 121                          | 3,885   | 10,147                   | 18,262      | 15,197            | 125,347                              | 15,637                        | (2,684)           | 67,218        | 1,077,753          |
| 2014  | 18,789             | 22,158     | 2,324             | 10                           | 3,669   | 17,998                   | 17,830      | 16,656            | 99,434                               | 20,155                        | 485               | 60,700        | 1,881,288          |
| 2013  | 18,753             | 25,208     | 2,563             | 167                          | 3,819   | 17,301                   | 22,957      | 21,260            | 112,054                              | 15,093                        | 4,973             | 84,217        | 4,012,708          |

|                                   | 2017  | 2016^ | 2015* | 2014  | 2013  |
|-----------------------------------|-------|-------|-------|-------|-------|
| Number of Businesses Reporting:   | 593   | 664   | 986   | 969   | 676   |
| Number of BMEC Holders Reporting: | 2,503 | 2,755 | 2,724 | 1,359 | 1,138 |

\*Data reported from Jan. 1 - July 15, 2018

^Data reported from Jan. 1 - July 15, 2017

\*Data reported from Jan. 1 - Sept. 15, 2016. In 2016, approximately 900 additional businesses reported to IDOR after the cut-off date

## Enterprise Zone Incentives Reporting 2017 - Jobs and Investment (all \$ in thousands)

| Zone Name <sup>1</sup>             | Total State Tax<br>Expenditures <sup>4</sup> | 2017<br>Employment <sup>6</sup> | Jobs Created/<br>Lost | Jobs<br>Retained <sup>7</sup> | Capital<br>Investment <sup>8</sup> |
|------------------------------------|--|---------------------------------|-----------------------|-------------------------------|------------------------------------|
| <b>Total</b>                       | <b>114,395</b>                               | <b>97,422</b>                   | <b>4,281</b>          | <b>52,035</b>                 | <b>908,072</b>                     |
| Alexander/Pulaski County           | 9  | 0                               | 0                     | 0                             | 19                                 |
| Altamont                           | *  | 0                               | 0                     | 0                             | 0                                  |
| American Bottoms                   | 282  | 128                             | 9                     | 0                             | 225                                |
| Bartonville/Bellevue/Peoria County | 1,314  | 0                               | 0                     | 0                             | 0                                  |
| Beardstown                         | 0  | 0                               | 0                     | 0                             | 0                                  |
| Bedford Park                       | 418  | 745                             | 30                    | 11                            | 2,116                              |
| Belleville                         | *  | 185                             | 22                    | 30                            | 2,251                              |
| Belvidere/Boone County             | 854  | 1,302                           | 123                   | 912                           | 143                                |
| Bensenville                        | 133  | 28                              | 9                     | 10                            | 816                                |
| Benton/Franklin County             | 27   | 22                              | 4                     | 18                            | 348                                |
| Bloomington/Normal/McLean County   | *  | 332                             | 6                     | 6                             | 902                                |
| Bloomington-Normal                 | 284  | 136                             | 136                   | 0                             | 10,112                             |
| Bureau/Putnam County               | 1,724  | 1,515                           | -90                   | 502                           | 0                                  |
| Cairo/Alexander County             | *  | 0                               | 0                     | 0                             | 0                                  |
| Cal-Sag                            | *  | 538                             | 27                    | 68                            | 4,260                              |
| Calumet Region                     | 598  | 619                             | -2                    | 418                           | 709                                |
| Canton/Fulton County               | 184  | 6                               | 0                     | 6                             | 147                                |
| Carmi/White County                 | 188  | 9                               | 4                     | 5                             | 8                                  |
| Champaign/Champaign County         | 1,052  | 1,280                           | 107                   | 200                           | 7,888                              |
| Chicago Heights                    | 277  | 286                             | -8                    | 286                           | 949                                |
| Chicago I                          | 2,219  | 212                             | 24                    | 26                            | 7,461                              |
| Chicago II                         | 1,559  | 786                             | -33                   | 54                            | 21,805                             |
| Chicago III                        | 3,462  | 5,535                           | -222                  | 4,456                         | 66,078                             |
| Chicago IV                         | 7,351  | 1,781                           | 132                   | 1,098                         | 33,689                             |
| Chicago V                          | 375  | 1,080                           | 100                   | 352                           | 7,512                              |
| Chicago VI                         | *  | 525                             | 6                     | 89                            | 714                                |
| Cicero                             | 182  | 807                             | 68                    | 36                            | 5,698                              |
| Clark County                       | 135  | 202                             | 12                    | 22                            | 1,722                              |
| Clinton County                     | 379  | 181                             | 24                    | 0                             | 1,699                              |
| Coles County                       | 42   | 749                             | -5                    | 88                            | 4,912                              |
| Danville/Vermilion County          | 201  | 260                             | -3                    | 218                           | 1,529                              |
| Decatur/Macon County               | 10,735                                       | 10,495                          | 1,476                 | 8,359                         | 15,922                             |
| DeKalb County                      | *  | 403                             | 51                    | 1                             | 900                                |
| Des Plaines River Valley           | 5,707  | 2,543                           | 594                   | 1,629                         | 88,488                             |
| Diamond                            | *  | 0                               | 0                     | 0                             | 0                                  |
| Douglas County                     | 0  | 0                               | 0                     | 0                             | 0                                  |
| East Peoria                        | *  | 66                              | -10                   | 66                            | 12                                 |
| East St. Louis Area                | *  | 0                               | 0                     | 0                             | 0                                  |
| Edgar County/Paris                 | 250  | 186                             | 11                    | 9                             | 10,694                             |
| Effingham/Effingham County         | 788  | 1,378                           | 38                    | 823                           | 1,096                              |
| Elgin                              | *  | 0                               | 0                     | 0                             | 0                                  |
| Fairfield/Wayne County             | *  | 176                             | 33                    | 0                             | 2                                  |
| Fairmont City/Caseyville           | 244  | 0                               | 0                     | 0                             | 151                                |
| Fairview Heights                   | *  | 124                             | 23                    | 99                            | 50                                 |
| Flora/Clay County                  | 90   | 301                             | 34                    | 131                           | 20                                 |
| Ford Heights/Sauk Village          | 509  | 1,301                           | 83                    | 1,218                         | 3,900                              |
| Franklin Park                      | 784  | 9                               | -1                    | 0                             | 1,945                              |
| Freeport/Stephenson County         | 1,028  | 965                             | 266                   | 383                           | 1,316                              |
| Galesburg                          | *  | 127                             | 21                    | 47                            | 846                                |
| Gateway Commerce Center            | 1,692  | 914                             | 776                   | 0                             | 98,780                             |
| Greater Centralia Area             | *  | 456                             | 88                    | 237                           | 16,274                             |
| Greenville/Bond County             | 25   | 0                               | 0                     | 0                             | 3                                  |
| Harvard/Woodstock                  | 2,329  | 474                             | 33                    | 15                            | 3,777                              |
| Harvey/Phoenix/Hazel Crest         | 11   | 0                               | 0                     | 0                             | 0                                  |
| Hodgkins/McCook                    | 524  | 0                               | 0                     | 0                             | 48                                 |
| Hoffman Estates                    | 1,047  | 3,437                           | -924                  | 2,862                         | 17                                 |
| Illinois Valley                    | *  | 486                             | 2                     | 79                            | 108                                |
| Jackson County                     | 976  | 642                             | 51                    | 86                            | 2,269                              |
| Jacksonville/Morgan County         | 773  | 1,091                           | -7                    | 1,000                         | 3,270                              |
| Jersey-Greene Intermodal           | 0  | 0                               | 0                     | 0                             | 0                                  |
| Jo-Carroll                         | *  | 5                               | 0                     | 2                             | 0                                  |
| Joliet Arsenal                     | 2,729  | 1,659                           | -22                   | 5                             | 274                                |
| Kankakee County                    | 78   | 0                               | 0                     | 0                             | 27                                 |
| Kankakee River Valley              | 2,291  | 3,098                           | 322                   | 2,065                         | 28,087                             |

## Enterprise Zone Incentives Reporting 2017 - Jobs and Investment (all \$ in thousands)

| Zone Name <sup>1</sup>                                       | Total State Tax Expenditures <sup>4</sup> | 2017 Employment <sup>6</sup> | Jobs Created/<br>Lost | Jobs Retained <sup>7</sup> | Capital Investment <sup>8</sup> |
|--|---|------------------------------|-----------------------|----------------------------|---------------------------------|
| Kewanee  | 221                                       | 316                          | 18                    | 67                         | 4,857                           |
| Lawrenceville/Lawrence County                                | 7   | 163                          | 8                     | 1                          | 1                               |
| Lee County/Ogle County                                       | 2,208                                     | 437                          | 32                    | 8                          | 535                             |
| Lincoln/Logan County   | 124                                       | 358                          | 2                     | 90                         | 1,620                           |
| Loves Park/Machesney Park                                    | 35  | 43                           | 25                    | 10                         | 190                             |
| Macomb/Bushnell/McDonough County                             | 37  | 0                            | 0                     | 0                          | 0                               |
| Macoupin County  | •   | 0                            | 0                     | 0                          | 0                               |
| Madison County Discovery                                     | 204                                       | 285                          | -3                    | 11                         | 1,292                           |
| Marshall County/Stark County                                 | •   | 0                            | 0                     | 0                          | 0                               |
| Massac County  | •   | 0                            | 0                     | 0                          | 0                               |
| Maywood  | 5   | 0                            | -8                    | 0                          | 0                               |
| McCook/Hodgkins  | •   | 720                          | 3                     | 0                          | 45,086                          |
| McLeansboro/Hamilton County                                  | •   | 0                            | 0                     | 0                          | 12                              |
| Mendota/Lasalle County                                       | 67  | 5                            | 0                     | 0                          | 96                              |
| MidAmerica St. Clair County                                  | •   | 2                            | -6                    | 8                          | 1                               |
| Monmouth/Warren County                                       | 859                                       | 2,126                        | 201                   | 1,919                      | 98                              |
| Montgomery County  | 138                                       | 333                          | 45                    | 12                         | 491                             |
| Morton   | •   | 370                          | 15                    | 317                        | 3,497                           |
| Mound City/Pulaski City/Mounds                               | •   | 0                            | -1                    | 1                          | 41                              |
| Mt. Carmel/Wabash County                                     | •   | 0                            | 0                     | 0                          | 0                               |
| Mt. Vernon/Waltonville                                       | 661                                       | 377                          | -7                    | 46                         | 4,266                           |
| Nashville/Washington County                                  | 3,473                                     | 1,653                        | 82                    | 13                         | 61,261                          |
| Northern Tazewell County                                     | 3,856                                     | 7,509                        | 1,028                 | 5,203                      | 106,551                         |
| Olney/Richland/Newton/Jasper                                 | •   | 1,063                        | 49                    | 0                          | 469                             |
| Ottawa Area  | 1,551                                     | 799                          | 41                    | 218                        | 11,151                          |
| Pekin/Tazewell County  | 4   | 6                            | 0                     | 0                          | 7                               |
| Peoria Rural   | 7   | 0                            | 0                     | 0                          | 0                               |
| Peoria Urban   | 5,815                                     | 13,516                       | -1,239                | 11,172                     | 114,933                         |
| Perry  | 83  | 174                          | 6                     | 0                          | 95                              |
| Quad Cities  | •   | 31                           | 1                     | 14                         | 72                              |
| Quad Cities Regional Economic Development Authority (QCREDA) | •   | 0                            | 0                     | 0                          | 77                              |
| Quincy/Adams/Brown County                                    | 6,134                                     | 2,158                        | -3                    | 625                        | 10,599                          |
| Rantoul  | •   | 0                            | 0                     | 0                          | 151                             |
| Riverbend  | 12,319                                    | 2,168                        | 268                   | 974                        | 1,085                           |
| Robinson/Crawford County                                     | 5,445                                     | 1,809                        | -624                  | 189                        | 1                               |
| Rock Island  | 2   | 11                           | -2                    | 11                         | 580                             |
| Rockford EZ 1  | 145                                       | 33                           | -6                    | 17                         | 6,358                           |
| Rockford I-90  | •   | 0                            | 0                     | 0                          | 0                               |
| Salem/Marion County  | 60  | 0                            | 0                     | 0                          | 37                              |
| Saline County  | •   | 316                          | 3                     | 37                         | 199                             |
| South Beloit/Rockton/Winnebago County                        | 0   | 0                            | 0                     | 0                          | 0                               |
| Southern Tazewell County                                     | 1,713                                     | 1,741                        | -116                  | 1,723                      | 1,703                           |
| Southwest Madison County                                     | 618                                       | 1,262                        | 253                   | 117                        | 29,388                          |
| Springfield/Sangamon County                                  | •   | 455                          | 12                    | 8                          | 1,452                           |
| Streator Area  | 12  | 215                          | -2                    | 64                         | 1,799                           |
| Summit/Bedford Park  | 643                                       | 594                          | 33                    | 210                        | 4,851                           |
| SW Madison County  | 2,338                                     | 851                          | 307                   | 544                        | 542                             |
| Taylorville/Christian County                                 | 843                                       | 0                            | 0                     | 0                          | 228                             |
| Upper Illinois River Valley Development Authority            | •   | 4                            | -1                    | 4                          | 0                               |
| Urbana/Champaign   | 259                                       | 528                          | 5                     | 0                          | 936                             |
| Vandalia/Fayette County/Brownstown                           | 10  | 516                          | 8                     | 10                         | 2,640                           |
| Washington   | 382                                       | 1,424                        | 183                   | 61                         | 0                               |
| Waukegan/North Chicago                                       | •   | 78                           | -2                    | 64                         | 2,365                           |
| West Frankfort   | 1   | 19                           | -5                    | 19                         | 33                              |
| Western Illinois Economic Development Authority              | •   | 10                           | 10                    | 0                          | 30                              |
| Whiteside-Carroll  | 2,271                                     | 2,703                        | 98                    | 151                        | 2,521                           |
| Will/Cook County   | 963                                       | 490                          | 124                   | 13                         | 21,817                          |
| Williamson County  | 26  | 168                          | 28                    | 57                         | 66                              |
| <b>Total</b>   | <b>114,395</b>                            | <b>97,422</b>                | <b>4,281</b>          | <b>52,035</b>              | <b>908,072</b>                  |

<sup>1</sup> The Illinois Enterprise Zone Map, and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at: <http://www.illinois.gov/dceo/Expand/Relocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>6</sup> 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

<sup>7</sup> A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 855/3(j) (2012).

<sup>8</sup> Businesses were required to report new capital investment put into service during calendar year 2017.

**High Impact Business Incentive Reporting 2017 - Tax Expenditures** (all \$ in thousands)

|                        | Sales Tax          |                            |                           | Utility Taxes |                          |             | Income Tax        | Total State Tax Expenditures <sup>4</sup> |
|------------------------|--------------------|----------------------------|---------------------------|---------------|--------------------------|-------------|-------------------|---|
|                        | Building Materials | Expanded Manufacturing M&E | Expanded Graphic Arts M&E | Telecom       | Natural Gas <sup>3</sup> | Electricity | Investment Credit |   |
| High Impact Businesses | 14,180             | *                          | *                         | *             | 497                      | 1,433       | *                 | 18,816                                    |

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>3</sup> Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

**High Impact Business Reporting 2017 - Jobs and Investment** (all \$ in thousands)

|                        | Total State Tax Expenditures <sup>4</sup> | 2017 Employment <sup>5</sup> | Jobs Created/<br>Lost | Jobs Retained <sup>7</sup> | Capital Investment <sup>8</sup> |
|------------------------|---|------------------------------|-----------------------|----------------------------|---------------------------------|
| High Impact Businesses | 18,816                                    | 21,937                       | (566)                 | 10,008                     | 1,342,879                       |

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>5</sup> 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

<sup>7</sup> A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

<sup>8</sup> Businesses were required to report new capital investment put into service during calendar year 2017. Follow-up discussions and analysis revealed continued misunderstanding of this requirement with many businesses reporting capital investment over longer periods.

**River Edge Redevelopment Zone Reporting 2017 - Tax Expenditures (all \$ in thousands)**

| Zone Name      | --Sales Tax--      |                   | -----Income Tax-----          |  | Total State Tax Expenditures <sup>4</sup> | Net Property Tax <sup>5</sup> |
|----------------|--------------------|-------------------|-------------------------------|--|---|-------------------------------|
|                | Building Materials | Investment Credit | Other Income Tax <sup>9</sup> |  |   |                               |
| AURORA         | 26                 | 0                 | 0                             |  | 26  | 0                             |
| EAST ST. LOUIS | 148                | 0                 | 0                             |  | 148                                       | 0                             |
| ELGIN          | 0                  | 0                 | 0                             |  | 0   | 0                             |
| PEORIA         | 30                 | 0                 | 0                             |  | 30  | 0                             |
| ROCKFORD       | 88                 | 0                 | 0                             |  | 88  | 0                             |
| <b>Total</b>   | <b>292</b>         | <b>0</b>          | <b>0</b>                      |  | <b>292</b>                                | <b>0</b>                      |

<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>5</sup> Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

<sup>9</sup> Includes the River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Interest Deduction, and Contribution Deduction

**River Edge Redevelopment Zone Reporting 2017 - Jobs and Investment (all \$ in thousands)**

| Zone Name      | Total State Tax Expenditures <sup>4</sup> | 2017 Employment <sup>6</sup> | Jobs Created/Lost | Jobs Retained <sup>7</sup> | Capital Investment <sup>8</sup> |
|----------------|---|------------------------------|-------------------|----------------------------|---------------------------------|
| AURORA         | 26  | 0                            | 0                 | 0                          | 0                               |
| EAST ST. LOUIS | 148                                       | 50                           | 0                 | 50                         | 0                               |
| ELGIN          | 0   | 0                            | 0                 | 0                          | 0                               |
| PEORIA         | 30  | 1                            | 0                 | 1                          | 0                               |
| ROCKFORD       | 88  | 0                            | 0                 | 0                          | 0                               |
| <b>Total</b>   | <b>292</b>                                | <b>51</b>                    | <b>0</b>          | <b>51</b>                  | <b>0</b>                        |

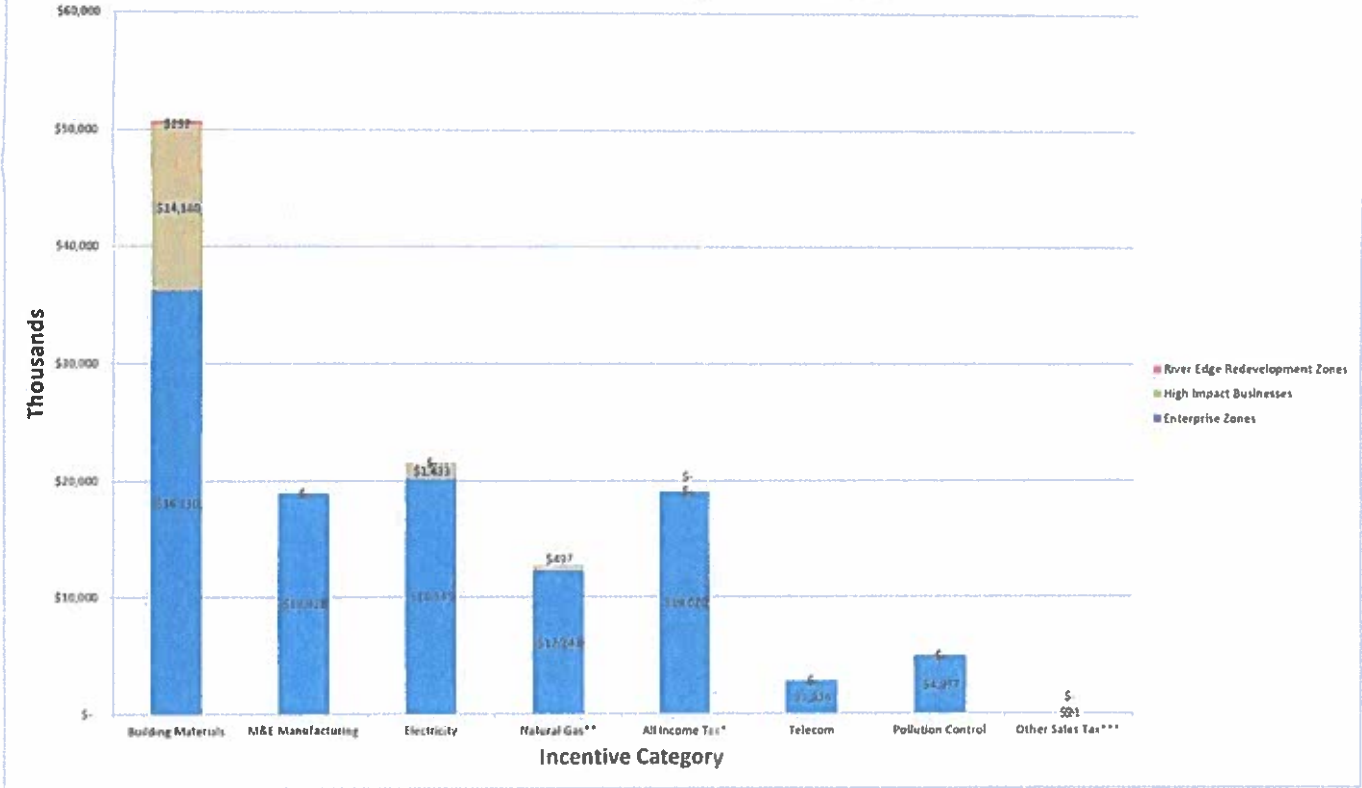
<sup>4</sup> Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

<sup>6</sup> 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

<sup>7</sup> A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

<sup>8</sup> Businesses were required to report new capital investment put into service during calendar year 2017.

### 2017 Tax Expenditure Totals By Incentive Category



\*Includes the Enterprise Zone Investment Credit, River Edge Redevelopment Zone Investment Credit, River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Interest Deduction, Contribution Deduction, and High Impact Business Investment Credit

\*\*Natural Gas Exemption includes exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax

\*\*\*Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility, Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property

# 2017 Enterprise Zone Tax Expenditures by Geographic Region

