

1 AN ACT concerning revenue.

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

4 Section 5. The State Finance Act is amended by adding
5 Section 5.786 as follows:

6 (30 ILCS 105/5.786 new)

7 Sec. 5.786. The Historic Property Administrative Fund.

8 Section 10. The Illinois Income Tax Act is amended by
9 adding Section 221 as follows:

10 (35 ILCS 5/221 new)

11 Sec. 221. Rehabilitation costs; qualified historic
12 properties; River Edge Redevelopment Zone.

13 (a) For taxable years beginning on or after January 1, 2012
14 and ending prior to January 1, 2017, there shall be allowed a
15 tax credit against the tax imposed by subsections (a) and (b)
16 of Section 201 in an amount equal to 25% of qualified
17 expenditures incurred by a qualified taxpayer during the
18 taxable year in the restoration and preservation of a qualified
19 historic structure located in a River Edge Redevelopment Zone
20 pursuant to a qualified rehabilitation plan, provided that the
21 total amount of such expenditures (i) must equal \$5,000 or more

1 and (ii) must exceed 50% of the purchase price of the property.

2 (b) To obtain a tax credit pursuant to this Section, the
3 taxpayer must apply with the Department of Commerce and
4 Economic Opportunity. The Department of Commerce and Economic
5 Opportunity, in consultation with the Historic Preservation
6 Agency, shall determine the amount of eligible rehabilitation
7 costs and expenses. The Historic Preservation Agency shall
8 determine whether the rehabilitation is consistent with the
9 standards of the Secretary of the United States Department of
10 the Interior for rehabilitation. Upon completion and review of
11 the project, the Department of Commerce and Economic
12 Opportunity shall issue a certificate in the amount of the
13 eligible credits. At the time the certificate is issued, an
14 issuance fee up to the maximum amount of 2% of the amount of
15 the credits issued by the certificate may be collected from the
16 applicant to administer the provisions of this Section. If
17 collected, this issuance fee shall be deposited into the
18 Historic Property Administrative Fund, a special fund created
19 in the State treasury. Subject to appropriation, moneys in the
20 Historic Property Administrative Fund shall be evenly divided
21 between the Department of Commerce and Economic Opportunity and
22 the Historic Preservation Agency to reimburse the Department of
23 Commerce and Economic Opportunity and the Historic
24 Preservation Agency for the costs associated with
25 administering this Section. The taxpayer must attach the
26 certificate to the tax return on which the credits are to be

1 claimed. The Department of Commerce and Economic Opportunity
2 may adopt rules to implement this Section.

3 (c) The tax credit under this Section may not reduce the
4 taxpayer's liability to less than zero.

5 (d) As used in this Section, the following terms have the
6 following meanings.

7 "Qualified expenditure" means all the costs and expenses
8 defined as qualified rehabilitation expenditures under Section
9 47 of the federal Internal Revenue Code that were incurred in
10 connection with a qualified historic structure.

11 "Qualified historic structure" means a certified historic
12 structure as defined under Section 47 (c) (3) of the federal
13 Internal Revenue Code.

14 "Qualified rehabilitation plan" means a project that is
15 approved by the Historic Preservation Agency as being
16 consistent with the standards in effect on the effective date
17 of this amendatory Act of the 97th General Assembly for
18 rehabilitation as adopted by the federal Secretary of the
19 Interior.

20 "Qualified taxpayer" means the owner of the qualified
21 historic structure or any other person who qualifies for the
22 federal rehabilitation credit allowed by Section 47 of the
23 federal Internal Revenue Code with respect to that qualified
24 historic structure. Partners, shareholders of subchapter S
25 corporations, and owners of limited liability companies (if the
26 limited liability company is treated as a partnership for

1 purposes of federal and State income taxation) are entitled to
2 a credit under this Section to be determined in accordance with
3 the determination of income and distributive share of income
4 under Sections 702 and 703 and subchapter S of the Internal
5 Revenue Code, provided that credits granted to a partnership, a
6 limited liability company taxed as a partnership, or other
7 multiple owners of property shall be passed through to the
8 partners, members, or owners respectively on a pro rata basis
9 or pursuant to an executed agreement among the partners,
10 members, or owners documenting any alternate distribution
11 method.

12 Section 15. The River Edge Redevelopment Zone Act is
13 amended by changing Sections 10-2 and 10-5.3 as follows:

14 (65 ILCS 115/10-2)

15 Sec. 10-2. Findings. The General Assembly finds and
16 declares that those municipalities adjacent to or surrounding
17 river areas often lack critical tools to safely revive and
18 redevelop environmentally-challenged properties that will
19 stimulate economic revitalization and create jobs in Illinois.
20 Environmentally-challenged properties adjacent to or
21 surrounding Illinois rivers are a threat to the health, safety,
22 and welfare of the people of this State. Many of these
23 environmentally-challenged properties adjacent to or
24 surrounding rivers were former industrial areas that now,

1 subject to appropriate environmental clean-up and remediation,
2 would be ideal for office, residential, retail, hospitality,
3 commercial, recreational, warehouse and distribution, and
4 other economically productive uses. The cost of the cleaning
5 and remediation of these environmentally-challenged properties
6 is often the primary obstacle to returning these properties to
7 a safe and economically productive use.

8 Cooperative and continuous partnership among the State,
9 through the Department of Commerce and Economic Opportunity and
10 the Environmental Protection Agency, municipalities adjacent
11 to or surrounding rivers, and the private sector is necessary
12 to appropriately encourage the cost-effective cleaning and
13 remediation of these environmentally-challenged properties in
14 order to bring about a safe and economically productive use of
15 the properties.

16 Therefore, it is declared to be the purpose of this Act to
17 identify and initiate 3 pilot River Edge Redevelopment Zones to
18 stimulate the safe and cost-effective re-use of
19 environmentally-challenged properties adjacent to or
20 surrounding rivers by means of tax incentives or grants. On or
21 after the effective date of this amendatory Act of the 97th
22 General Assembly, the Department may certify an additional
23 pilot River Edge Redevelopment Zone in the City of Peoria.

24 (Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

1 Sec. 10-5.3. Certification of River Edge Redevelopment
2 Zones.

3 (a) Approval of designated River Edge Redevelopment Zones
4 shall be made by the Department by certification of the
5 designating ordinance. The Department shall promptly issue a
6 certificate for each zone upon its approval. The certificate
7 shall be signed by the Director of the Department, shall make
8 specific reference to the designating ordinance, which shall be
9 attached thereto, and shall be filed in the office of the
10 Secretary of State. A certified copy of the River Edge
11 Redevelopment Zone Certificate, or a duplicate original
12 thereof, shall be recorded in the office of the recorder of
13 deeds of the county in which the River Edge Redevelopment Zone
14 lies.

15 (b) A River Edge Redevelopment Zone shall be effective upon
16 its certification. The Department shall transmit a copy of the
17 certification to the Department of Revenue, and to the
18 designating municipality. Upon certification of a River Edge
19 Redevelopment Zone, the terms and provisions of the designating
20 ordinance shall be in effect, and may not be amended or
21 repealed except in accordance with Section 10-5.4.

22 (c) A River Edge Redevelopment Zone shall be in effect for
23 the period stated in the certificate, which shall in no event
24 exceed 30 calendar years. Zones shall terminate at midnight of
25 December 31 of the final calendar year of the certified term,
26 except as provided in Section 10-5.4.

1 (d) In calendar years 2006 and 2007, the Department may
2 certify one pilot River Edge Redevelopment Zone in the City of
3 East St. Louis, one pilot River Edge Redevelopment Zone in the
4 City of Rockford, and one pilot River Edge Redevelopment Zone
5 in the City of Aurora.

6 In calendar year 2009, the Department may certify one pilot
7 River Edge Redevelopment Zone in the City of Elgin.

8 On or after the effective date of this amendatory Act of
9 the 97th General Assembly, the Department may certify one
10 additional pilot River Edge Redevelopment Zone in the City of
11 Peoria.

12 Thereafter the Department may not certify any additional
13 River Edge Redevelopment Zones, but may amend and rescind
14 certifications of existing River Edge Redevelopment Zones in
15 accordance with Section 10-5.4.

16 (e) A municipality in which a River Edge Redevelopment Zone
17 has been certified must submit to the Department, within 60
18 days after the certification, a plan for encouraging the
19 participation by minority persons, females, persons with
20 disabilities, and veterans in the zone. The Department may
21 assist the municipality in developing and implementing the
22 plan. The terms "minority person", "female", and "person with a
23 disability" have the meanings set forth under Section 2 of the
24 Business Enterprise for Minorities, Females, and Persons with
25 Disabilities Act. "Veteran" means an Illinois resident who is a
26 veteran as defined in subsection (h) of Section 1491 of Title

1 10 of the United States Code.

2 (Source: P.A. 96-37, eff. 7-13-09.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.