



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB2625

Introduced 2/21/2013, by Rep. Robert F Martwick

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to \$500 for each new employee (i) who was hired by the taxpayer during the previous taxable year to perform a manufacturing job at a location in Illinois and (ii) who remains employed by the taxpayer on the last day of the current taxable year. Provides that, if a taxpayer receives such a credit and the position is relocated to an out-of-state job site within 5 years after the taxpayer receives the credit, then the taxpayer shall forfeit the amount of the credit awarded for that job. Provides that excess credit amounts may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB098 02931 HLH 32945 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Illinois Income Tax Act is amended by adding  
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Manufacturing jobs credit.

8 (a) For each taxable year ending on or after December 31,  
9 2013, each taxpayer is entitled to a credit against the tax  
10 imposed by subsections (a) and (b) of Section 201 of this Act  
11 in an amount equal to \$500 for each new employee (i) who was  
12 hired by the taxpayer during the previous taxable year to  
13 perform a manufacturing job at a location in Illinois and (ii)  
14 who remains employed by the taxpayer on the last day of the  
15 current taxable year.

16 (b) If a position for which a taxpayer receives a credit  
17 under this Section is relocated to an out-of-state job site  
18 within 5 years after the taxpayer receives the credit, then the  
19 taxpayer shall forfeit the amount of the credit awarded for  
20 that job. The taxpayer shall promptly repay to the Department  
21 of Revenue the amount of the credit. The Director of Revenue  
22 may initiate proceedings against the taxpayer to recover the  
23 amount of the credit within 2 years after the position is

1 relocated.

2 (c) A tax credit awarded under this Section may not reduce  
3 the taxpayer's liability to less than zero. If the amount of  
4 the tax credit exceeds the taxpayer's liability for the taxable  
5 year, the excess may be carried forward and applied to the tax  
6 liability of the 5 taxable years following the excess credit  
7 year. The credit must be applied to the earliest year for which  
8 there is a tax liability. If there are credits from more than  
9 one tax year that are available to offset a liability, then the  
10 earlier credit must be applied first.

11 (d) For the purposes of this Section:

12 "Full-time employee" means an individual who is employed  
13 for consideration for at least 35 hours each week or who  
14 renders any other standard of service generally accepted by  
15 industry custom or practice as full-time employment.

16 "New employee" means an employee who is first hired by the  
17 taxpayer to perform a job that was not previously performed by  
18 another employee, and whose employment increases the total  
19 number of individuals employed by the taxpayer in Illinois. The  
20 term "new employee" does not include: (1) a child, grandchild,  
21 parent, or spouse, other than a spouse who is legally separated  
22 from the individual, of any individual who has a direct or an  
23 indirect ownership interest of at least 5% in the profits,  
24 capital, or value of the taxpayer; or (2) an employee of the  
25 taxpayer who was employed in Illinois by a related member of  
26 the taxpayer at any time during the 3 months immediately

1 preceding the employee's date of hire by the taxpayer.

2 "Related member" has the meaning ascribed to that term in  
3 Section 5-5 of the Economic Development for a Growing Economy  
4 Tax Credit Act.

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

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.