

1 AN ACT concerning economic development.

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

4 Section 1. Short title. This Act may be cited as the
5 Corporate Headquarters Relocation Act.

6 Section 5. Purpose. The General Assembly has determined
7 that the relocation of the international headquarters of
8 large, multinational corporations from outside of Illinois to
9 a location within Illinois creates a substantial public
10 benefit and will foster economic growth and development
11 within the State. Specifically, these relocations will
12 foster a positive image of the State of Illinois and its
13 human and natural resources throughout the United States and
14 the world; contribute to a strong residential housing market;
15 directly and indirectly create jobs and additional taxes
16 within the State; encourage the relocation of other similar
17 businesses to the State; and otherwise foster the development
18 of commerce and industry within the State of Illinois. These
19 relocations should be encouraged through the use of
20 incentives that encourage long-term commitments by business
21 and industry to Illinois and that would otherwise not be
22 available through existing incentives programs.

23 Section 10. Definitions. As used in this Act:

24 "Corporate headquarters" means the building or buildings
25 that the principal executive officers of an eligible business
26 have designated as their principal offices and that has at
27 least 250 employees who are principally located in that
28 building or those buildings. The principal executive
29 officers may include, by way of example and not of
30 limitation, the chief executive officer, the chief operating

1 officer, and other senior officer-level employees of the
2 eligible business. "Corporate headquarters" may also include
3 ancillary transportation facilities owned or leased by the
4 eligible business whether or not physically adjacent to the
5 principal office building or buildings used by the principal
6 executive officers. The ancillary transportation facilities
7 may include, but are not limited to, airplane hangars,
8 helipads or heliports, fixed base operations, maintenance
9 facilities, and other aviation-related facilities. All
10 employees of the eligible business may count toward the
11 satisfaction of the numeric requirement of this definition,
12 including but not limited to support staff and other
13 personnel who work in or from the office building or
14 buildings or transportation facilities.

15 "Department" means the Department of Commerce and
16 Community Affairs.

17 "Director" means the Director of Commerce and Community
18 Affairs.

19 "Eligible business" means a business that: (i) is engaged
20 in interstate or intrastate commerce; (ii) maintains its
21 corporate headquarters in a state other than Illinois as of
22 the effective date of this Act; (iii) had annual worldwide
23 revenues of at least \$25,000,000,000 for the year immediately
24 preceding its application to the Department for the benefits
25 authorized by this Act; and (iv) is prepared to commit
26 contractually to relocating its corporate headquarters to the
27 State of Illinois in consideration of the benefits authorized
28 by this Act.

29 "Fund" means the Corporate Headquarters Relocation
30 Assistance Fund.

31 "Qualifying project" means the relocation of the
32 corporate headquarters of an eligible business from a
33 location outside of Illinois to a location within Illinois,
34 whether to an existing structure or otherwise. When the

1 relocation involves an initial interim facility within
2 Illinois and a subsequent further relocation within 5 years
3 after the effective date of this Act to a permanent facility
4 also within Illinois, all those activities collectively
5 constitute a "qualifying project" under this Act.

6 "Relocation costs" means the expenses incurred by an
7 eligible business for a qualifying project, including, but
8 not limited to, the following: moving costs and related
9 expenses; purchase of new or replacement equipment; outside
10 professional fees and commissions; premiums for property and
11 casualty insurance coverage; capital investment costs;
12 financing costs; property assembly and development costs,
13 including, but not limited to, the purchase, lease, and
14 construction of equipment, buildings, and land,
15 infrastructure improvements and site development costs,
16 leasehold improvements costs, rehabilitation costs, and costs
17 of studies, surveys, development of plans, and professional
18 services costs such as architectural, engineering, legal,
19 financial, planning, or other related services; "relocation
20 costs", however, does not include moving costs associated
21 with the relocation of the personal residences of the
22 employees of the eligible business and does not include any
23 costs that do not directly result from the relocation of the
24 business to a location within Illinois. In determining
25 whether costs directly result from the relocation of the
26 business, the Department shall consider whether the costs
27 would likely have been incurred by the business if it had not
28 relocated from its original location.

29 Section 15. Powers of the Department. The Department,
30 in addition to the powers granted under the Civil
31 Administrative Code of Illinois, has all the powers necessary
32 and convenient to carry out and effectuate the purposes and
33 provisions of this Act, including, but not limited to, the

1 power to:

2 (1) promulgate rules and establish procedures
3 deemed necessary and appropriate for the administration
4 of this Act;

5 (2) negotiate and execute any term, agreement, or
6 other document with any person, entity, or body politic
7 necessary or appropriate to accomplish the purposes of
8 this Act;

9 (3) fix, determine, charge, and collect premiums,
10 fees, charges, costs, and expenses from eligible
11 businesses, including, without limitation, application
12 fees, commitment fees, program fees, financing charges,
13 or publication fees as deemed appropriate to pay expenses
14 necessary or incident to the administration of the
15 Department's activities and duties under this Act,
16 including the preparation and enforcement of any
17 agreement, or for consultation services, legal services,
18 or other costs;

19 (4) require eligible businesses, upon written
20 request, to issue any necessary authorization to the
21 appropriate federal, state, or local authority for the
22 release of information concerning a qualifying project;
23 and

24 (5) take whatever actions are necessary or
25 appropriate to protect the State's interest in the event
26 of bankruptcy, default, foreclosure, or noncompliance
27 with the terms and conditions of any agreement entered
28 into pursuant to this Act, including the power to sell,
29 dispose, lease, or rent, upon terms and conditions
30 determined by the Director to be appropriate, real or
31 personal property that the Department may receive as a
32 result of these actions.

33 Section 20. Reimbursement for relocation costs.

1 (a) The initial application of an eligible business
2 proposing a qualifying project must be filed with the
3 Department no later than July 1, 2004.

4 (b) Upon receipt and approval of an application from an
5 eligible business proposing a qualifying project, the
6 Department may enter into an agreement with the eligible
7 business wherein the Department agrees to reimburse the
8 eligible business for its relocation costs subject to the
9 following terms, conditions, and limitations:

10 (1) The eligible business must apply to the
11 Department for reimbursement of its relocation costs.

12 (2) The application submitted by the eligible
13 business must identify with specificity the relocation
14 costs for which reimbursement is sought, and the eligible
15 business must provide the Department with all supporting
16 documentation as requested by the Department. The
17 eligible business may amend its application for
18 reimbursement from time to time in order to cover
19 additional relocation costs incurred after the submission
20 of an initial application.

21 (3) The Department reserves the right to approve or
22 disapprove specific items and categories of relocation
23 costs.

24 (4) The eligible business must in fact relocate its
25 corporate headquarters to the State of Illinois within a
26 time frame specified by the Department.

27 (5) The eligible business may receive reimbursement
28 for not greater than 50% of its documented relocation
29 costs.

30 (6) The agreement between the Department and the
31 eligible business must provide that reimbursement will be
32 provided by means of one or more grants that shall be
33 issued annually by the Department for a period not to
34 exceed 10 years or until 50% of the eligible business'

1 relocation costs are reimbursed, whichever occurs first.

2 (7) The amount of the annual grant that may be
3 issued to the eligible business by the Department may not
4 exceed 50% of the total amount withheld from employees of
5 the eligible business employed at the corporate
6 headquarters during the preceding calendar year under
7 Article 7 of the Illinois Income Tax Act.

8 (8) In applying to the Department for
9 reimbursement, the eligible business must certify the
10 total amount withheld during the preceding calendar year
11 under Article 7 of the Illinois Income Tax Act from its
12 employees employed at the corporate headquarters.

13 (9) The Department may issue grants from the
14 Corporate Headquarters Relocation Assistance Fund to
15 eligible businesses for reimbursement of relocation costs
16 as provided by this Act.

17 Section 25. Review of application for reimbursement. No
18 eligible business is eligible for reimbursement of relocation
19 costs under this Act unless the Department determines at the
20 time of the eligible business' initial application that, if
21 not for that reimbursement, the eligible business would not
22 have determined to relocate its corporate headquarters to
23 Illinois. The eligible business may satisfy this requirement
24 by, among other means, presenting evidence to the Department
25 that the eligible business has or had multi-state location
26 options and could reasonably and efficiently have located its
27 corporate headquarters to a state other than Illinois; by a
28 demonstration that at least one other state is or was being
29 considered for the location of its corporate headquarters; or
30 through evidence that receipt of the benefits authorized by
31 this Act is an important factor in the eligible business'
32 decision to locate its corporate headquarters to Illinois,
33 and that without that assistance, the eligible business

1 likely would not establish its corporate headquarters in
2 Illinois.

3 Section 30. Transfers to Corporate Headquarters
4 Relocation Assistance Fund. Upon receipt of a certification
5 by the eligible business of the aggregate amount withheld
6 from its employees employed at the corporate headquarters
7 during the preceding calendar year under Article 7 of the
8 Illinois Income Tax Act, the Department shall then certify to
9 the State Treasurer that 50% of that amount is eligible to be
10 transferred from the General Revenue Fund to the Corporate
11 Headquarters Relocation Assistance Fund. This amount shall
12 be referred to as the "certified transfer amount". Upon
13 receipt of the certification from the Department, the
14 Treasurer shall transfer the certified transfer amount within
15 30 days from the General Revenue Fund to the Corporate
16 Headquarters Relocation Assistance Fund.

17 Section 35. Corporate Headquarters Relocation Assistance
18 Fund; creation. The Corporate Headquarters Relocation
19 Assistance Fund is created as a separate fund within the
20 State treasury. From the Fund and pursuant to the provisions
21 of this Act, the Department may issue grants to reimburse
22 eligible businesses for relocation costs incurred in
23 connection with the relocation of a corporate headquarters to
24 the State of Illinois.

25 Section 40. Other incentives. Nothing in this Act
26 precludes an eligible business with respect to a qualifying
27 project from applying for or receiving any other federal,
28 State, or local assistance or incentives in connection with
29 the relocation of its corporate headquarters to the State of
30 Illinois.

1 Section 905. The State Finance Act is amended by adding
2 Section 5.545 as follows:

3 (30 ILCS 105/5.545 new)

4 Sec. 5.545. The Corporate Headquarters Relocation
5 Assistance Fund.

6 Section 910. The Illinois Income Tax Act is amended by
7 changing Section 211 as follows:

8 (35 ILCS 5/211)

9 Sec. 211. Economic Development for a Growing Economy Tax
10 Credit. For tax years beginning on or after January 1, 1999,
11 a Taxpayer who has entered into an Agreement under the
12 Economic Development for a Growing Economy Tax Credit Act is
13 entitled to a credit against the taxes imposed under
14 subsections (a) and (b) of Section 201 of this Act in an
15 amount to be determined in the Agreement. If the Taxpayer is
16 a partnership or Subchapter S corporation, the credit shall
17 be allowed to the partners or shareholders in accordance with
18 the determination of income and distributive share of income
19 under Sections 702 and 704 and subchapter S of the Internal
20 Revenue Code. The Department, in cooperation with the
21 Department of Commerce and Community Affairs, shall prescribe
22 rules to enforce and administer the provisions of this
23 Section. This Section is exempt from the provisions of
24 Section 250 of this Act.

25 The credit shall be subject to the conditions set forth
26 in the Agreement and the following limitations:

27 (1) The tax credit shall not exceed the Incremental
28 Income Tax (as defined in Section 5-5 of the Economic
29 Development for a Growing Economy Tax Credit Act) with
30 respect to the project.

31 (2) The amount of the credit allowed during the tax

1 year plus the sum of all amounts allowed in prior years
2 shall not exceed 100% of the aggregate amount expended by
3 the Taxpayer during all prior tax years on approved costs
4 defined by Agreement.

5 (3) The amount of the credit shall be determined on
6 an annual basis. Except as applied in a carryover year
7 pursuant to Section 211(4) of this Act; however, the
8 credit may not be applied against any State income tax
9 liability in more than ~~may not extend beyond~~ 10 taxable
10 years; provided, however, that (i) an eligible business
11 certified by the Department of Commerce and Community
12 Affairs under the Corporate Headquarters Relocation Act
13 may not apply the credit against any of its State income
14 tax liability in more than 15 taxable years and (ii)
15 credits allowed to that eligible business are subject to
16 the conditions and requirements set forth in Sections
17 5-35 and 5-45 of the Economic Development for a Growing
18 Economy Tax Credit Act ~~after--the--project--is--first~~
19 ~~approved and may not extend beyond the expiration of--the~~
20 Agreement.

21 (4) The credit may not exceed the amount of taxes
22 imposed pursuant to subsections (a) and (b) of Section
23 201 of this Act. Any credit that is unused in the year
24 the credit is computed may be carried forward and applied
25 to the tax liability of the 5 taxable years following the
26 excess credit year. The credit shall be applied to the
27 earliest year for which there is a tax liability. If
28 there are credits from more than one tax year that are
29 available to offset a liability, the earlier credit shall
30 be applied first.

31 (5) No credit shall be allowed with respect to any
32 Agreement for any taxable year ending after the
33 Noncompliance Date. Upon receiving notification by the
34 Department of Commerce and Community Affairs of the

1 noncompliance of a Taxpayer with an Agreement, the
2 Department shall notify the Taxpayer that no credit is
3 allowed with respect to that Agreement for any taxable
4 year ending after the Noncompliance Date, as stated in
5 such notification. If any credit has been allowed with
6 respect to an Agreement for a taxable year ending after
7 the Noncompliance Date for that Agreement, any refund
8 paid to the Taxpayer for that taxable year shall, to the
9 extent of that credit allowed, be an erroneous refund
10 within the meaning of Section 912 of this Act.

11 (6) For purposes of this Section, the terms
12 "Agreement", "Incremental Income Tax", and
13 "Noncompliance Date" have the same meaning as when used
14 in the Economic Development for a Growing Economy Tax
15 Credit Act.

16 (Source: P.A. 91-476, eff. 8-11-99.)

17 Section 915. The Economic Development for a Growing
18 Economy Tax Credit Act is amended by changing Sections 5-35
19 and 5-45 as follows:

20 (35 ILCS 10/5-35)

21 Sec. 5-35. Relocation of jobs in Illinois. A taxpayer
22 is not entitled to claim the credit provided by this Act with
23 respect to any jobs that the taxpayer relocates from one
24 site in Illinois to another site in Illinois. A taxpayer with
25 respect to a qualifying project certified under the Corporate
26 Headquarters Relocation Act, however, is not subject to the
27 requirements of this Section but is nevertheless considered
28 an applicant for purposes of this Act. Moreover, any
29 full-time employee of an eligible business relocated to
30 Illinois in connection with that qualifying project is deemed
31 to be a new employee for purposes of this Act. Determinations
32 under this Section shall be made by the Department.

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

2 (35 ILCS 10/5-45)

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

4 (a) The Department shall determine the amount and
5 duration of the credit awarded under this Act. The duration
6 of the credit may not exceed 10 taxable years. The credit may
7 be stated as a percentage of the Incremental Income Tax
8 attributable to the applicant's project and may include a
9 fixed dollar limitation.

10 (b) Notwithstanding subsection (a), and except as the
11 credit may be applied in a carryover year pursuant to Section
12 211(4) of the Illinois Income Tax Act, the credit may be
13 applied against the State income tax liability in more than
14 10 taxable years but not in more than 15 taxable years for an
15 eligible business that (i) qualifies under this Act and the
16 Corporate Headquarters Relocation Act and has in fact
17 undertaken a qualifying project within the time frame
18 specified by the Department of Commerce and Community Affairs
19 under that Act, and (ii) applies against its State income tax
20 liability, during the entire 15-year period, no more than 60%
21 of the maximum credit per year that would otherwise be
22 available under this Act.

23 (Source: P.A. 91-476, eff. 8-11-99.)

24 Section 920. The Property Tax Code is amended by
25 changing Section 18-165 as follows:

26 (35 ILCS 200/18-165)

27 Sec. 18-165. Abatement of taxes.

28 (a) Any taxing district, upon a majority vote of its
29 governing authority, may, after the determination of the
30 assessed valuation of its property, order the clerk of that
31 county to abate any portion of its taxes on the following

1 types of property:

2 (1) Commercial and industrial.

3 (A) The property of any commercial or
 4 industrial firm, including but not limited to the
 5 property of any firm that is used for collecting,
 6 separating, storing, or processing recyclable
 7 materials, locating within the taxing district
 8 during the immediately preceding year from another
 9 state, territory, or country, or having been newly
 10 created within this State during the immediately
 11 preceding year, or expanding an existing facility.
 12 The abatement shall not exceed a period of 10 years
 13 and the aggregate amount of abated taxes for all
 14 taxing districts combined shall not exceed
 15 \$4,000,000; or

16 (B) The property of any commercial or
 17 industrial development of at least 500 acres having
 18 been created within the taxing district. The
 19 abatement shall not exceed a period of 20 years and
 20 the aggregate amount of abated taxes for all taxing
 21 districts combined shall not exceed \$12,000,000.

22 (C) The property of any commercial or
 23 industrial firm currently located in the taxing
 24 district that expands a facility or its number of
 25 employees. The abatement shall not exceed a period
 26 of 10 years and the aggregate amount of abated taxes
 27 for all taxing districts combined shall not exceed
 28 \$4,000,000. The abatement period may be renewed at
 29 the option of the taxing districts.

30 (2) Horse racing. Any property in the taxing
 31 district which is used for the racing of horses and upon
 32 which capital improvements consisting of expansion,
 33 improvement or replacement of existing facilities have
 34 been made since July 1, 1987. The combined abatements

1 for such property from all taxing districts in any county
2 shall not exceed \$5,000,000 annually and shall not exceed
3 a period of 10 years.

4 (3) Auto racing. Any property designed exclusively
5 for the racing of motor vehicles. Such abatement shall
6 not exceed a period of 10 years.

7 (4) Academic or research institute. The property
8 of any academic or research institute in the taxing
9 district that (i) is an exempt organization under
10 paragraph (3) of Section 501(c) of the Internal Revenue
11 Code, (ii) operates for the benefit of the public by
12 actually and exclusively performing scientific research
13 and making the results of the research available to the
14 interested public on a non-discriminatory basis, and
15 (iii) employs more than 100 employees. An abatement
16 granted under this paragraph shall be for at least 15
17 years and the aggregate amount of abated taxes for all
18 taxing districts combined shall not exceed \$5,000,000.

19 (5) Housing for older persons. Any property in the
20 taxing district that is devoted exclusively to affordable
21 housing for older households. For purposes of this
22 paragraph, "older households" means those households (i)
23 living in housing provided under any State or federal
24 program that the Department of Human Rights determines is
25 specifically designed and operated to assist elderly
26 persons and is solely occupied by persons 55 years of age
27 or older and (ii) whose annual income does not exceed 80%
28 of the area gross median income, adjusted for family
29 size, as such gross income and median income are
30 determined from time to time by the United States
31 Department of Housing and Urban Development. The
32 abatement shall not exceed a period of 15 years, and the
33 aggregate amount of abated taxes for all taxing districts
34 shall not exceed \$3,000,000.

1 (6) Historical society. For assessment years 1998
2 through 2000, the property of an historical society
3 qualifying as an exempt organization under Section
4 501(c)(3) of the federal Internal Revenue Code.

5 (7) Recreational facilities. Any property in the
6 taxing district (i) that is used for a municipal airport,
7 (ii) that is subject to a leasehold assessment under
8 Section 9-195 of this Code and (iii) which is sublet from
9 a park district that is leasing the property from a
10 municipality, but only if the property is used
11 exclusively for recreational facilities or for parking
12 lots used exclusively for those facilities. The
13 abatement shall not exceed a period of 10 years.

14 (8) Relocated corporate headquarters. If approval
15 occurs within 5 years after the effective date of this
16 amendatory Act of the 92nd General Assembly, any property
17 or a portion of any property in a taxing district that is
18 used by an eligible business for a corporate headquarters
19 as defined in the Corporate Headquarters Relocation Act.
20 Instead of an abatement under this paragraph (8), a
21 taxing district may enter into an agreement with an
22 eligible business to make annual payments to that
23 eligible business in an amount not to exceed the property
24 taxes paid directly or indirectly by that eligible
25 business to the taxing district and any other taxing
26 districts for premises occupied pursuant to a written
27 lease and may make those payments without the need for an
28 annual appropriation. No school district, however, may
29 enter into an agreement with, or abate taxes for, an
30 eligible business unless the municipality in which the
31 corporate headquarters is located agrees to provide
32 funding to the school district in an amount equal to the
33 amount abated or paid by the school district as provided
34 in this paragraph (8). Any abatement ordered or

1 agreement entered into under this paragraph (8) may be
2 effective for the entire term specified by the taxing
3 district, except the term of the abatement or annual
4 payments may not exceed 20 years.

5 (b) Upon a majority vote of its governing authority, any
6 municipality may, after the determination of the assessed
7 valuation of its property, order the county clerk to abate
8 any portion of its taxes on any property that is located
9 within the corporate limits of the municipality in accordance
10 with Section 8-3-18 of the Illinois Municipal Code.

11 (Source: P.A. 90-46, eff. 7-3-97; 90-415, eff. 8-15-97;
12 90-568, eff. 1-1-99; 90-655, eff. 7-30-98; 91-644, eff.
13 8-20-99; 91-885, eff. 7-6-00.)

14 Section 999. Effective date. This Act takes effect upon
15 becoming law.