



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB5194

Introduced 2/10/2026, by Rep. Lawrence "Larry" Walsh, Jr.

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Provides that a qualified taxpayer may apply to the Department of Revenue for an income tax credit in an amount equal to 20% of the wages paid by the qualified taxpayer to a qualified energy choice worker based in Illinois in the taxable year. Provides that the term "qualified taxpayer" means a taxpayer that is a regulated utility in the State of Illinois or a power generating company providing baseload or intermediate generation in Illinois and that meets specified criteria and is able to demonstrate an adverse and material operational impact to either its overall Illinois-based workforce or its ability to conduct business in Illinois based on the scheduled phaseout target dates of 2030, 2035, 2040, and 2045, as provided in Public Act 102-662. Sets forth limitations on the amount of the credit. Effective immediately.

LRB104 18820 HLH 32265 b

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  
5 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Credit to support Illinois energy choice and  
8 workforce retention.

9 (a) For taxable years ending on or after December 31, 2026  
10 and ending on or before December 31, 2030, each qualified  
11 taxpayer may apply to the Department for a credit against the  
12 tax imposed by subsections (a) and (b) of Section 201 of this  
13 Act in an amount equal to 20% of the wages paid by the  
14 qualified taxpayer to a qualified energy choice worker based  
15 in Illinois in the taxable year. In no event shall a taxpayer  
16 receive a credit of more than \$2,000 per employee in any  
17 taxable year. No taxpayer may claim a credit for more than 50  
18 employees in any taxable year.

19 (b) In order to be eligible for a tax credit under this  
20 Section, a taxpayer must (i) be a regulated utility in the  
21 State of Illinois or a power generating company providing  
22 baseload or intermediate generation in Illinois, (ii) be  
23 subject to the provisions of Public Act 102-662, and (iii) be

1 able to demonstrate an adverse and material operational impact  
2 to either its overall Illinois-based workforce or its ability  
3 to conduct business in Illinois based on the scheduled  
4 phaseout target dates of 2030, 2035, 2040, and 2045 contained  
5 in Public Act 102-662 on the qualified taxpayer's generational  
6 units in Illinois.

7 (c) In no event shall a credit under this Section reduce  
8 the taxpayer's liability to less than zero. If the amount of  
9 the tax credit exceeds the tax liability for the year, the  
10 excess may be carried forward and applied to the tax liability  
11 of the 5 taxable years following the excess credit year. The  
12 credit must be applied to the earliest year for which there is  
13 a tax liability. If there are credits from more than one tax  
14 year that are available to offset a liability, then the  
15 earlier credit must be applied first.

16 (d) The total aggregate amount of credits awarded under  
17 this Section shall not exceed \$25,000,000 in any State fiscal  
18 year.

19 (e) The Department, in consultation with the Department of  
20 Commerce and Economic Opportunity, the Illinois Power Agency,  
21 the Illinois Commerce Commission, the Illinois Environmental  
22 Protection Agency, and any other State agency deemed  
23 necessary, may adopt rules in order to implement and  
24 administer the provisions of this Section.

25 (f) As used in this Section:

26 "Qualified energy choice worker" means an employee of a

1 qualified taxpayer who is employed and working in Illinois and  
2 who is directly employed at the qualified taxpayer's  
3 generational unit in Illinois.

4 "Qualified taxpayer" means an employer operating in  
5 Illinois that is (i) either a regulated utility in the State of  
6 Illinois or a power generating company providing baseload or  
7 intermediate generation in Illinois, (ii) subject to the  
8 provisions of Public Act 102-662, and (iii) able to  
9 demonstrate an adverse and material operational impact to  
10 either its overall Illinois-based workforce or its ability to  
11 conduct business in Illinois based on the scheduled phaseout  
12 target dates of 2030, 2035, 2040, and 2045, as provided in  
13 Public Act 102-662, on the qualified taxpayer's generational  
14 units in Illinois.

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.