

# SB2106



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2106

Introduced 2/6/2025, by Sen. Julie A. Morrison

### SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-15

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that certain taxpayers that are primarily engaged in the business of pharmacy, health, and wellness may elect to claim the Credit under the Act against their obligation to pay over withholding taxes under the Illinois Income Tax Act.

LRB104 10480 HLH 20555 b

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 Economic Development for a Growing Economy  
5 Tax Credit Act is amended by changing Section 5-15 as follows:

6 (35 ILCS 10/5-15)

7 Sec. 5-15. Tax Credit Awards. Subject to the conditions  
8 set forth in this Act, a Taxpayer is entitled to a Credit  
9 against or, as described in subsection (g) of this Section, a  
10 payment towards taxes imposed pursuant to subsections (a) and  
11 (b) of Section 201 of the Illinois Income Tax Act that may be  
12 imposed on the Taxpayer for a taxable year beginning on or  
13 after January 1, 1999, if the Taxpayer is awarded a Credit by  
14 the Department under this Act for that taxable year.

15 (a) The Department shall make Credit awards under this Act  
16 to foster job creation and retention in Illinois.

17 (b) A person that proposes a project to create new jobs in  
18 Illinois must enter into an Agreement with the Department for  
19 the Credit under this Act.

20 (c) The Credit shall be claimed for the taxable years  
21 specified in the Agreement.

22 (d) The Credit shall not exceed the Incremental Income Tax  
23 attributable to the project that is the subject of the

1 Agreement.

2 (e) Nothing herein shall prohibit a Tax Credit Award to an  
3 Applicant that uses a PEO if all other award criteria are  
4 satisfied.

5 (f) In lieu of the Credit allowed under this Act against  
6 the taxes imposed pursuant to subsections (a) and (b) of  
7 Section 201 of the Illinois Income Tax Act for any taxable year  
8 ending on or after December 31, 2009, for Taxpayers that  
9 entered into Agreements prior to January 1, 2015 and otherwise  
10 meet the criteria set forth in this subsection (f), the  
11 Taxpayer may elect to claim the Credit against its obligation  
12 to pay over withholding under Section 704A of the Illinois  
13 Income Tax Act.

14 (1) The election under this subsection (f) may be made  
15 only by a Taxpayer that (i) is primarily engaged in one of  
16 the following business activities: water purification and  
17 treatment, motor vehicle metal stamping, automobile  
18 manufacturing, automobile and light duty motor vehicle  
19 manufacturing, motor vehicle manufacturing, light truck  
20 and utility vehicle manufacturing, heavy duty truck  
21 manufacturing, motor vehicle body manufacturing, cable  
22 television infrastructure design or manufacturing, or  
23 wireless telecommunication or computing terminal device  
24 design or manufacturing for use on public networks and  
25 (ii) meets the following criteria:

26 (A) the Taxpayer (i) had an Illinois net loss or an

1 Illinois net loss deduction under Section 207 of the  
2 Illinois Income Tax Act for the taxable year in which  
3 the Credit is awarded, (ii) employed a minimum of  
4 1,000 full-time employees in this State during the  
5 taxable year in which the Credit is awarded, (iii) has  
6 an Agreement under this Act on December 14, 2009 (the  
7 effective date of Public Act 96-834), and (iv) is in  
8 compliance with all provisions of that Agreement;

9 (B) the Taxpayer (i) had an Illinois net loss or an  
10 Illinois net loss deduction under Section 207 of the  
11 Illinois Income Tax Act for the taxable year in which  
12 the Credit is awarded, (ii) employed a minimum of  
13 1,000 full-time employees in this State during the  
14 taxable year in which the Credit is awarded, and (iii)  
15 has applied for an Agreement within 365 days after  
16 December 14, 2009 (the effective date of Public Act  
17 96-834);

18 (C) the Taxpayer (i) had an Illinois net operating  
19 loss carryforward under Section 207 of the Illinois  
20 Income Tax Act in a taxable year ending during  
21 calendar year 2008, (ii) has applied for an Agreement  
22 within 150 days after the effective date of this  
23 amendatory Act of the 96th General Assembly, (iii)  
24 creates at least 400 new jobs in Illinois, (iv)  
25 retains at least 2,000 jobs in Illinois that would  
26 have been at risk of relocation out of Illinois over a

1 10-year period, and (v) makes a capital investment of  
2 at least \$75,000,000;

3 (D) the Taxpayer (i) had an Illinois net operating  
4 loss carryforward under Section 207 of the Illinois  
5 Income Tax Act in a taxable year ending during  
6 calendar year 2009, (ii) has applied for an Agreement  
7 within 150 days after the effective date of this  
8 amendatory Act of the 96th General Assembly, (iii)  
9 creates at least 150 new jobs, (iv) retains at least  
10 1,000 jobs in Illinois that would have been at risk of  
11 relocation out of Illinois over a 10-year period, and  
12 (v) makes a capital investment of at least  
13 \$57,000,000; or

14 (E) the Taxpayer (i) employed at least 2,500  
15 full-time employees in the State during the year in  
16 which the Credit is awarded, (ii) commits to make at  
17 least \$500,000,000 in combined capital improvements  
18 and project costs under the Agreement, (iii) applies  
19 for an Agreement between January 1, 2011 and June 30,  
20 2011, (iv) executes an Agreement for the Credit during  
21 calendar year 2011, and (v) was incorporated no more  
22 than 5 years before the filing of an application for an  
23 Agreement.

24 (1.5) The election under this subsection (f) may also  
25 be made by a Taxpayer for any Credit awarded pursuant to an  
26 agreement that was executed between January 1, 2011 and

1 June 30, 2011, if the Taxpayer (i) is primarily engaged in  
2 the manufacture of inner tubes or tires, or both, from  
3 natural and synthetic rubber, (ii) employs a minimum of  
4 2,400 full-time employees in Illinois at the time of  
5 application, (iii) creates at least 350 full-time jobs and  
6 retains at least 250 full-time jobs in Illinois that would  
7 have been at risk of being created or retained outside of  
8 Illinois, and (iv) makes a capital investment of at least  
9 \$200,000,000 at the project location.

10 (1.6) The election under this subsection (f) may also  
11 be made by a Taxpayer for any Credit awarded pursuant to an  
12 agreement that was executed within 150 days after the  
13 effective date of this amendatory Act of the 97th General  
14 Assembly, if the Taxpayer (i) is primarily engaged in the  
15 operation of a discount department store, (ii) maintains  
16 its corporate headquarters in Illinois, (iii) employs a  
17 minimum of 4,250 full-time employees at its corporate  
18 headquarters in Illinois at the time of application, (iv)  
19 retains at least 4,250 full-time jobs in Illinois that  
20 would have been at risk of being relocated outside of  
21 Illinois, (v) had a minimum of \$40,000,000,000 in total  
22 revenue in 2010, and (vi) makes a capital investment of at  
23 least \$300,000,000 at the project location.

24 (1.7) Notwithstanding any other provision of law, the  
25 election under this subsection (f) may also be made by a  
26 Taxpayer for any Credit awarded pursuant to an agreement

1 that was executed or applied for on or after July 1, 2011  
2 and on or before March 31, 2012, if the Taxpayer is  
3 primarily engaged in the manufacture of original and  
4 aftermarket filtration parts and products for automobiles,  
5 motor vehicles, light duty motor vehicles, light trucks  
6 and utility vehicles, and heavy duty trucks, (ii) employs  
7 a minimum of 1,000 full-time employees in Illinois at the  
8 time of application, (iii) creates at least 250 full-time  
9 jobs in Illinois, (iv) relocates its corporate  
10 headquarters to Illinois from another state, and (v) makes  
11 a capital investment of at least \$4,000,000 at the project  
12 location.

13 (1.8) Notwithstanding any other provision of law, the  
14 election under this subsection (f) may also be made by a  
15 startup taxpayer for any Credit awarded pursuant to an  
16 Agreement that was executed on or after the effective date  
17 of this amendatory Act of the 102nd General Assembly. Any  
18 such election under this paragraph (1.8) shall be  
19 effective unless and until such startup taxpayer has any  
20 Illinois income tax liability. This election under this  
21 paragraph (1.8) shall automatically terminate when the  
22 startup taxpayer has any Illinois income tax liability at  
23 the end of any taxable year during the term of the  
24 Agreement. Thereafter, the startup taxpayer may receive a  
25 Credit, taking into account any benefits previously  
26 enjoyed or received by way of the election under this

1 paragraph (1.8), so long as the startup taxpayer remains  
2 in compliance with the terms and conditions of the  
3 Agreement.

4 (1.9) Notwithstanding any other provision of law, the  
5 election under this subsection (f) may also be made by an  
6 applicant qualified under paragraph (1.7) of subsection  
7 (b) of Section 5-20 for any Credit awarded pursuant to an  
8 Agreement that was executed on or after the effective date  
9 of this amendatory Act of the 103rd General Assembly. Any  
10 such election under this paragraph (1.9) shall be  
11 effective unless and until such taxpayer has any Illinois  
12 income tax liability. This election under this paragraph  
13 (1.9) shall automatically terminate when the taxpayer has  
14 any Illinois income tax liability at the end of any  
15 taxable year during the term of the Agreement. Thereafter,  
16 the startup taxpayer may receive a Credit, taking into  
17 account any benefits previously enjoyed or received by way  
18 of the election under this paragraph (1.9), so long as the  
19 startup taxpayer remains in compliance with the terms and  
20 conditions of the Agreement.

21 (1.10) Notwithstanding any other provision of law, the  
22 election under this subsection (f) may also be made by a  
23 taxpayer that: (i) is primarily engaged in the business of  
24 pharmacy, health, and wellness; (ii) maintains its  
25 corporate headquarters in Illinois; (iii) maintains a  
26 minimum of 500 retail locations throughout the State; (iv)

1 employs at least 2,500 employees in full-time jobs or  
2 full-time equivalent jobs, some of whom would be at risk  
3 of termination if not for the use of the Credit as provided  
4 in this paragraph; (v) had an Illinois net loss or an  
5 Illinois net loss deduction under Section 207 of the  
6 Illinois Income Tax Act for the taxable year in which the  
7 Credit is awarded or within the 2 years immediately  
8 preceding the taxable year in which the Credit is awarded;  
9 and (vi) and makes an application for an Agreement within  
10 120 days after the effective date of this amendatory Act  
11 of the 104th General Assembly.

12 (2) An election under this subsection shall allow the  
13 credit to be taken against payments otherwise due under  
14 Section 704A of the Illinois Income Tax Act during the  
15 first calendar quarter beginning after the end of the  
16 taxable quarter in which the credit is awarded under this  
17 Act.

18 (3) The election shall be made in the form and manner  
19 required by the Illinois Department of Revenue and, once  
20 made, shall be irrevocable.

21 (4) If a Taxpayer who meets the requirements of  
22 subparagraph (A) of paragraph (1) of this subsection (f)  
23 elects to claim the Credit against its withholdings as  
24 provided in this subsection (f), then, on and after the  
25 date of the election, the terms of the Agreement between  
26 the Taxpayer and the Department may not be further amended

1           during the term of the Agreement.

2           (g) A pass-through entity that has been awarded a credit  
3 under this Act, its shareholders, or its partners may treat  
4 some or all of the credit awarded pursuant to this Act as a tax  
5 payment for purposes of the Illinois Income Tax Act. The term  
6 "tax payment" means a payment as described in Article 6 or  
7 Article 8 of the Illinois Income Tax Act or a composite payment  
8 made by a pass-through entity on behalf of any of its  
9 shareholders or partners to satisfy such shareholders' or  
10 partners' taxes imposed pursuant to subsections (a) and (b) of  
11 Section 201 of the Illinois Income Tax Act. In no event shall  
12 the amount of the award credited pursuant to this Act exceed  
13 the Illinois income tax liability of the pass-through entity  
14 or its shareholders or partners for the taxable year.

15           (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23;  
16 103-595, eff. 6-26-24.)