



Sen. Andy Manar

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1 AMENDMENT TO SENATE BILL 1656

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1656 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Biobased Manufactured Molecules Production Tax Credit Program  
6 Act.

7 Section 5. Definitions. As used in this Act, unless the  
8 context otherwise requires:

9 "Biobased content percentage" means, with respect to any  
10 biobased manufactured molecules, the amount, expressed as a  
11 percentage, of renewable organic material present as  
12 determined by testing representative samples using the ASTM  
13 standard D6866.

14 "Biomass feedstock" means sugar, polysaccharide, crude  
15 glycerin, lignin, fat, grease, or oil derived from an animal or  
16 plant (including a protein capable of being converted to a

1 building block molecule by means of a biological or chemical  
2 conversion process).

3 "Building block molecule" means a molecule converted from  
4 biomass feedstock as a first product or a secondarily derived  
5 product that can be further refined into a higher-value  
6 molecule, material, or consumer product. The term "building  
7 block molecule" includes, but is not limited to, high purity  
8 molecules including enzymes, probiotics, and prebiotics, and  
9 chemicals such as phytase, xylanase, cellulase, NSP enzymes,  
10 bacillus, lactobacillus, oligosaccharides, glycerol, glycols,  
11 oleic acid, lauric acid, methanoic or formic acid, arabonic  
12 acid, erythronic acid, glyceric acid, glycolic acid, lactic  
13 acid, 3-hydroxypropionate, propionic acid, malonic acid,  
14 serine, succinic acid, fumaric acid, malic acid, aspartic acid,  
15 3-hydroxybutyrolactone, acetoin, threonine, itaconic acid,  
16 furfural, levulinic acid, glutamic acid, xylonic acid, xylaric  
17 acid, xylitol, arabitol, citric acid, aconitic acid,  
18 5-hydroxymethylfurfural, lysine, gluconic acid, glucaric acid,  
19 sorbitol, gallic acid, ferulic acid, carboxylic acid methyl  
20 esters, nonfuel butanol, nonfuel ethanol, diols, polyols,  
21 carotenoids, beta-glucan or such additional molecules as may be  
22 included by the Department by rule after consultation with  
23 appropriate experts from the Department of Agricultural and  
24 Biological Engineering within the University of Illinois  
25 College of Agricultural, Consumer, and Environmental Sciences.

26 "Crude glycerin" means glycerin with a purity level below

1 95%.

2 "Department" means the Department of Commerce and Economic  
3 Opportunity.

4 "Eligible business" means a business meeting the  
5 requirements of Section 10.

6 "Food additive" means a building block molecule that is not  
7 primarily consumed as food but which, when combined with other  
8 components, improves the taste, appearance, odor, texture,  
9 health or nutritional content of food. The Department, in its  
10 discretion, shall determine whether or not a building block  
11 molecule is primarily consumed as food.

12 "High-purity glycerol" means glycerol with a purity level  
13 of 95% or higher.

14 "Pre-eligibility production threshold" means, with respect  
15 to each eligible business, the number of pounds of renewable  
16 chemicals produced, if any, by an eligible business during the  
17 calendar year prior to the calendar year in which the business  
18 first qualified as an eligible business pursuant to Section 10.

19 "Program" means the biobased manufactured molecules  
20 production tax credit program administered pursuant to this  
21 Act.

22 "Biobased manufactured molecule" means a building block  
23 molecule with a biobased content percentage of at least 50%.  
24 The term "biobased manufactured molecule" does not include a  
25 chemical molecule sold or used for the production of food,  
26 feed, or fuel. The term "biobased manufactured molecule"

1 includes cellulosic ethanol, starch ethanol, or other ethanol  
2 derived from biomass feedstock, fatty acid methyl esters, or  
3 butanol, but only to the extent that such molecules are  
4 produced and sold for uses other than food, feed, or fuel. The  
5 term "biobased manufactured molecule" also includes building  
6 block molecules that can be a food or feed additive as long as  
7 the building block molecule is not primarily consumed as food  
8 and is also sold for uses other than food. The term "biobased  
9 manufactured molecule" also includes supplements, vitamins,  
10 nutraceuticals, and pharmaceuticals, but only to the extent  
11 that such molecules do not provide caloric value so as to be  
12 considered sustenance as food or feed.

13 "Sugar" means the organic compound glucose, fructose,  
14 xylose, arabinose, lactose, sucrose, starch, cellulose, or  
15 hemicellulose.

16 Section 10. Eligibility requirements. To be eligible to  
17 receive the renewable chemical production tax credit pursuant  
18 to the program, a business shall meet all of the following  
19 requirements:

20 (1) the business must be physically located in this  
21 State;

22 (2) the business must be operated for profit and under  
23 single management;

24 (3) the business may not be an entity providing  
25 professional services, health care services, or medical

1 treatments or an entity engaged primarily in retail  
2 operations;

3 (4) the business organized, expanded, or located in the  
4 State on or after the effective date of this Act;

5 (5) the business is not relocating or reducing  
6 operations within the State; and

7 (6) the business is in compliance with all agreements  
8 entered into under this program or other programs  
9 administered by the Department.

10 Section 15. Eligible business application and agreement;  
11 maximum tax credits.

12 (a) An eligible business that produces a biobased  
13 manufactured molecule in this State from biomass feedstock  
14 during a calendar year may apply to the Department for the tax  
15 credit provided in Section 20. The application shall be made to  
16 the Department in the manner prescribed by the Department. The  
17 application shall be made during the calendar year following  
18 the calendar year in which the renewable chemicals are  
19 produced. The Department may accept applications on a  
20 continuous basis or may establish, by rule, an annual  
21 application deadline.

22 (b) The application shall include all of the following  
23 information:

24 (1) the amount of biobased manufactured molecule  
25 produced in the State from biomass feedstock by the

1 eligible business during the calendar year, measured in  
2 pounds; and

3 (2) any other information reasonably required by the  
4 Department in order to establish and verify eligibility  
5 under the program.

6 (b) Before being issued a tax credit under Section 20, an  
7 eligible business shall enter into an agreement with the  
8 Department for the successful completion of all requirements of  
9 the program. As part of the agreement, the eligible business  
10 shall agree to collect and provide any information reasonably  
11 required by the Department in order to allow the Department to  
12 fulfill its reporting obligation under Section 25. An eligible  
13 business shall fulfill all the requirements of the program and  
14 the agreement before receiving a tax credit or entering into a  
15 subsequent agreement under this Section. The Department may  
16 decline to enter into a subsequent agreement under this Section  
17 or issue a tax credit if an agreement is not successfully  
18 fulfilled. Upon establishing that all requirements of the  
19 program and the agreement have been fulfilled, the Department  
20 shall issue a tax credit and related tax credit certificate to  
21 the eligible business stating the amount of renewable chemical  
22 production tax credit the eligible business may claim.

23 (c) The maximum amount of tax credit that may be issued  
24 under Section 20 to an eligible business for the production of  
25 renewable chemicals in a calendar year shall not exceed the  
26 following:

1           (1) in the case of an eligible business that has been  
2           in operation in the state for 5 years or less at the time  
3           of application, \$1,000,000; and

4           (2) in the case of an eligible business that has been in  
5           operation in the state for more than 5 years at the time of  
6           application, \$500,000.

7           (d) An eligible business shall not receive a tax credit for  
8           a biobased manufactured molecule produced before the date the  
9           business first qualified as an eligible business pursuant to  
10          Section 10.

11          (e) An eligible business shall receive a tax credit for a  
12          biobased manufactured molecule produced in a calendar year only  
13          to the extent such production exceeds the pre-eligibility  
14          production threshold for the eligible business.

15          (f) An eligible business shall not receive more than 5 tax  
16          credits under the program.

17          (g) The Department shall issue tax credits under the  
18          program on a first-come, first-served basis until the maximum  
19          amount of \$25,000,000 of tax credits are allocated in any given  
20          calendar year. The Department shall maintain a list of  
21          successful applicants under the program, so that if the maximum  
22          aggregate amount of tax credits is reached in a given year,  
23          eligible businesses that successfully applied but for which tax  
24          credits were not issued in a prior year shall be placed on a  
25          wait list in the order in which the eligible businesses applied  
26          and shall be given priority for receiving tax credits in

1 succeeding years. Placement on a wait list pursuant to this  
2 paragraph shall not constitute a promise binding the State. The  
3 availability of a tax credit and issuance of a tax credit  
4 certificate pursuant to this subsection in a future year is  
5 contingent upon the availability of tax credits in that  
6 particular year.

7 (h) The failure by an eligible business in fulfilling any  
8 requirement of the program or any of the terms and obligations  
9 of an agreement entered into pursuant to this Section may  
10 result in the reduction, termination, or rescission of the tax  
11 credits under Section 20 and may subject the eligible business  
12 to the repayment or recapture of tax credits claimed.

13 Section 17. Confidentiality.

14 (a) Except as provided in subsection (b), any information  
15 or record in the possession of the Department with respect to  
16 the program shall be presumed by the Department to be a trade  
17 secret and shall be kept confidential by the Department unless  
18 otherwise ordered by a court.

19 (b) The identity of a tax credit recipient and the amount  
20 of the tax credit shall be considered public information.

21 Section 20. Biobased manufactured molecule production tax  
22 credit.

23 (a) An eligible business that has entered into an agreement  
24 pursuant to Section 15 may claim a tax credit in an amount



1 equal to the product of \$0.05 multiplied by the number of  
2 pounds of renewable chemicals produced in this State from  
3 biomass feedstock by the eligible business during the calendar  
4 year in excess of the eligible business's pre-eligibility  
5 production threshold. However, an eligible business shall not  
6 receive a tax credit for the production of a secondarily  
7 derived building block chemical if that chemical is also the  
8 subject of a credit at the time of production as a first  
9 product. The renewable chemical production tax credit shall not  
10 be available for any renewable chemical produced before the  
11 2018 calendar year.

12 (b) The tax credit shall be allowed against taxes imposed  
13 on corporations under subsections (a) and (b) of Section 201 of  
14 the Illinois Income Tax Act.

15 (c) The tax credit shall be claimed for the tax year during  
16 which the eligible business was issued the tax credit.

17 (d) An individual may claim a tax credit under this Section  
18 against the taxes imposed under subsections (a) and (b) of  
19 Section 201 of the Illinois Income Tax Act for a partnership,  
20 limited liability company, S corporation, cooperative  
21 organized under chapter 501 and filing as a partnership for  
22 federal tax purposes, estate, or trust electing to have income  
23 taxed directly to the individual. The amount claimed by the  
24 individual shall be based upon the pro rata share of the  
25 individual's earnings from the partnership, limited liability  
26 company, S corporation, cooperative, estate, or trust.

1           (e) For any tax credit in excess of the tax liability, the  
2 taxpayer may elect to have the overpayment shown on the  
3 taxpayer's final, completed return credited to the tax  
4 liability for the following tax year.

5           (f) To claim a tax credit under this Section, the taxpayer  
6 shall include one or more tax credit certificates with the  
7 taxpayer's tax return. The tax credit certificate shall contain  
8 the taxpayer's name, address, tax identification number, the  
9 amount of the credit, the name of the eligible business, and  
10 any other information required by the Department of Revenue.  
11 The tax credit certificate, unless rescinded by the Department,  
12 shall be accepted by the Department of Revenue as payment for  
13 taxes imposed pursuant to the Illinois Income Tax Act, subject  
14 to any conditions or restrictions placed by the Department upon  
15 the face of the tax credit certificate and subject to the  
16 limitations of the program. Tax credit certificates issued  
17 pursuant to this section shall not be transferred to any other  
18 person.

19           Section 25. Reports to General Assembly.

20           (a) For purposes of this Section, "successful tax credit  
21 applicant" includes, with respect to each calendar year, an  
22 eligible taxpayer that was issued a tax credit for production  
23 of biobased manufactured molecule during that calendar year,  
24 and an eligible taxpayer that successfully applied for a tax  
25 credit for the production of a biobased manufactured molecule

1 during that calendar year, but was not issued a tax credit and  
2 was instead placed on a wait list pursuant to subsection (g) of  
3 Section 15.

4 (b) By January 31, 2019, and by the same date each year  
5 thereafter, the Department, in cooperation with the Department  
6 of Revenue, shall submit to the General Assembly and the  
7 Governor a report describing the activities of the program for  
8 the most recent calendar year for which the tax credit  
9 application period has ended pursuant to Section 15. The report  
10 shall at a minimum include the following information:

11 (1) the aggregate number of pounds, and a list of each  
12 type, of biobased manufactured molecules produced in  
13 Illinois by all successful tax credit applicants during the  
14 calendar year prior to the calendar year for which the  
15 successful applicants first applied for a tax credit under  
16 the program;

17 (2) the aggregate number of pounds, and a list of each  
18 type, of biobased manufactured molecules produced in  
19 Illinois by all successful tax credit applicants during  
20 each calendar year;

21 (3) the aggregate sales of all biobased manufactured  
22 molecules produced by all successful tax credit applicants  
23 in each calendar year for which there are at least 5  
24 successful tax credit applicants;

25 (4) the aggregate number of pounds, and a list of each  
26 type, of biomass feedstock used in the production of

1 biobased manufactured molecules in Illinois by all  
2 successful tax credit applicants during the calendar year  
3 prior to the calendar year for which the successful  
4 applicants first applied for a tax credit under the  
5 program;

6 (5) the aggregate number of pounds, and a list of each  
7 type, of biomass feedstock used in the production of  
8 biobased manufactured molecules in Illinois by all  
9 successful tax credit applicants during each calendar  
10 year;

11 (6) the number of employees located in Illinois of all  
12 successful tax credit applicants during the calendar year  
13 prior to the calendar year for which the successful  
14 applicants first applied for a tax credit under the  
15 program;

16 (7) the number of employees located in Illinois of all  
17 successful tax credit applicants during each calendar  
18 year;

19 (8) the number and aggregate amount of tax credits  
20 issued under the program for each calendar year;

21 (9) the number of eligible businesses placed on the  
22 wait list for each calendar year and the total number of  
23 eligible businesses remaining on the wait list at the end  
24 of that calendar year;

25 (10) the dollar amount of tax credit claims placed on  
26 the wait list for each calendar year and the total dollar

1 amount of tax credit claims remaining on the wait list at  
2 the end of that calendar year;

3 (11) for each eligible business issued a biobased  
4 manufactured molecules production tax credit during each  
5 calendar year:

6 (A) the identity of the eligible business;

7 (B) the amount of the tax credit; and

8 (C) the manner in which the eligible business first  
9 qualified as an eligible business under Section 10; and

10 (12) the total amount of all biobased manufactured  
11 molecules production tax credits claimed during each  
12 calendar year and the portion of the claims issued as  
13 refunds.

14 (c) To protect the presumption of confidentiality  
15 established in Section 17, the Department shall report all  
16 information in an aggregate form to prevent, as much as  
17 possible, information being attributable to any particular  
18 eligible business.

19 Section 30. Rules. The Department and the Illinois  
20 Department of Revenue shall each adopt rules as necessary for  
21 the implementation and administration of this Act.

22 Section 35. Repeal. This Act is repealed on January 1,  
23 2024.

1           Section 900. The Illinois Income Tax Act is amended by  
2 adding Section 224 as follows:

3           (35 ILCS 5/224 new)

4           Sec. 224. Biobased Manufactured Molecules Production Tax  
5 Credit Program Act. A taxpayer is entitled to a credit against  
6 the taxes imposed by subsections (a) and (b) of Section 201 of  
7 this Act as provided in the Biobased Manufactured Molecules  
8 Production Tax Credit Program Act. This Section is repealed on  
9 December 31, 2025.

10           Section 999. Effective date. This Act takes effect upon  
11 becoming law."