

HB0623



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB0623

Introduced 2/8/2021, by Rep. Keith R. Wheeler

SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.5

from Ch. 67 1/2, par. 609.1

35 ILCS 5/201

220 ILCS 5/9-222.1A

Amends the Illinois Enterprise Zone Act. Provides that certain businesses that are engaged in manufacturing, processing, assembling, warehousing, or distributing products may be certified as high impact businesses. Amends the Illinois Income Tax Act and the Public Utilities Act to make conforming changes. Effective immediately.

LRB102 11918 RJF 17254 b

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Enterprise Zone Act is amended by
5 changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to assist
9 in the encouragement, development, growth, and expansion of
10 the private sector through large scale investment and
11 development projects, the Department is authorized to receive
12 and approve applications for the designation of "High Impact
13 Businesses" in Illinois subject to the following conditions:

14 (1) such applications may be submitted at any time
15 during the year;

16 (2) such business is not located, at the time of
17 designation, in an enterprise zone designated pursuant to
18 this Act;

19 (3) the business intends to do one or more of the
20 following:

21 (A) the business intends to make a minimum
22 investment of \$12,000,000 which will be placed in
23 service in qualified property and intends to create

1 500 full-time equivalent jobs at a designated location
2 in Illinois or intends to make a minimum investment of
3 \$30,000,000 which will be placed in service in
4 qualified property and intends to retain 1,500
5 full-time retained jobs at a designated location in
6 Illinois. The business must certify in writing that
7 the investments would not be placed in service in
8 qualified property and the job creation or job
9 retention would not occur without the tax credits and
10 exemptions set forth in subsection (b) of this
11 Section. The terms "placed in service" and "qualified
12 property" have the same meanings as described in
13 subsection (h) of Section 201 of the Illinois Income
14 Tax Act; or

15 (B) the business intends to establish a new
16 electric generating facility at a designated location
17 in Illinois. "New electric generating facility", for
18 purposes of this Section, means a newly-constructed
19 electric generation plant or a newly-constructed
20 generation capacity expansion at an existing electric
21 generation plant, including the transmission lines and
22 associated equipment that transfers electricity from
23 points of supply to points of delivery, and for which
24 such new foundation construction commenced not sooner
25 than July 1, 2001. Such facility shall be designed to
26 provide baseload electric generation and shall operate

1 on a continuous basis throughout the year; and (i)
2 shall have an aggregate rated generating capacity of
3 at least 1,000 megawatts for all new units at one site
4 if it uses natural gas as its primary fuel and
5 foundation construction of the facility is commenced
6 on or before December 31, 2004, or shall have an
7 aggregate rated generating capacity of at least 400
8 megawatts for all new units at one site if it uses coal
9 or gases derived from coal as its primary fuel and
10 shall support the creation of at least 150 new
11 Illinois coal mining jobs, or (ii) shall be funded
12 through a federal Department of Energy grant before
13 December 31, 2010 and shall support the creation of
14 Illinois coal-mining jobs, or (iii) shall use coal
15 gasification or integrated gasification-combined cycle
16 units that generate electricity or chemicals, or both,
17 and shall support the creation of Illinois coal-mining
18 jobs. The business must certify in writing that the
19 investments necessary to establish a new electric
20 generating facility would not be placed in service and
21 the job creation in the case of a coal-fueled plant
22 would not occur without the tax credits and exemptions
23 set forth in subsection (b-5) of this Section. The
24 term "placed in service" has the same meaning as
25 described in subsection (h) of Section 201 of the
26 Illinois Income Tax Act; or

1 (B-5) the business intends to establish a new
2 gasification facility at a designated location in
3 Illinois. As used in this Section, "new gasification
4 facility" means a newly constructed coal gasification
5 facility that generates chemical feedstocks or
6 transportation fuels derived from coal (which may
7 include, but are not limited to, methane, methanol,
8 and nitrogen fertilizer), that supports the creation
9 or retention of Illinois coal-mining jobs, and that
10 qualifies for financial assistance from the Department
11 before December 31, 2010. A new gasification facility
12 does not include a pilot project located within
13 Jefferson County or within a county adjacent to
14 Jefferson County for synthetic natural gas from coal;
15 or

16 (C) the business intends to establish production
17 operations at a new coal mine, re-establish production
18 operations at a closed coal mine, or expand production
19 at an existing coal mine at a designated location in
20 Illinois not sooner than July 1, 2001; provided that
21 the production operations result in the creation of
22 150 new Illinois coal mining jobs as described in
23 subdivision (a)(3)(B) of this Section, and further
24 provided that the coal extracted from such mine is
25 utilized as the predominant source for a new electric
26 generating facility. The business must certify in

1 writing that the investments necessary to establish a
2 new, expanded, or reopened coal mine would not be
3 placed in service and the job creation would not occur
4 without the tax credits and exemptions set forth in
5 subsection (b-5) of this Section. The term "placed in
6 service" has the same meaning as described in
7 subsection (h) of Section 201 of the Illinois Income
8 Tax Act; or

9 (D) the business intends to construct new
10 transmission facilities or upgrade existing
11 transmission facilities at designated locations in
12 Illinois, for which construction commenced not sooner
13 than July 1, 2001. For the purposes of this Section,
14 "transmission facilities" means transmission lines
15 with a voltage rating of 115 kilovolts or above,
16 including associated equipment, that transfer
17 electricity from points of supply to points of
18 delivery and that transmit a majority of the
19 electricity generated by a new electric generating
20 facility designated as a High Impact Business in
21 accordance with this Section. The business must
22 certify in writing that the investments necessary to
23 construct new transmission facilities or upgrade
24 existing transmission facilities would not be placed
25 in service without the tax credits and exemptions set
26 forth in subsection (b-5) of this Section. The term

1 "placed in service" has the same meaning as described
2 in subsection (h) of Section 201 of the Illinois
3 Income Tax Act; or

4 (E) the business intends to establish a new wind
5 power facility at a designated location in Illinois.
6 For purposes of this Section, "new wind power
7 facility" means a newly constructed electric
8 generation facility, or a newly constructed expansion
9 of an existing electric generation facility, placed in
10 service on or after July 1, 2009, that generates
11 electricity using wind energy devices, and such
12 facility shall be deemed to include all associated
13 transmission lines, substations, and other equipment
14 related to the generation of electricity from wind
15 energy devices. For purposes of this Section, "wind
16 energy device" means any device, with a nameplate
17 capacity of at least 0.5 megawatts, that is used in the
18 process of converting kinetic energy from the wind to
19 generate electricity; or

20 (F) the business commits to (i) make a minimum
21 investment of \$500,000,000, which will be placed in
22 service in a qualified property, (ii) create 125
23 full-time equivalent jobs at a designated location in
24 Illinois, (iii) establish a fertilizer plant at a
25 designated location in Illinois that complies with the
26 set-back standards as described in Table 1: Initial

1 Isolation and Protective Action Distances in the 2012
2 Emergency Response Guidebook published by the United
3 States Department of Transportation, (iv) pay a
4 prevailing wage for employees at that location who are
5 engaged in construction activities, and (v) secure an
6 appropriate level of general liability insurance to
7 protect against catastrophic failure of the fertilizer
8 plant or any of its constituent systems; in addition,
9 the business must agree to enter into a construction
10 project labor agreement including provisions
11 establishing wages, benefits, and other compensation
12 for employees performing work under the project labor
13 agreement at that location; for the purposes of this
14 Section, "fertilizer plant" means a newly constructed
15 or upgraded plant utilizing gas used in the production
16 of anhydrous ammonia and downstream nitrogen
17 fertilizer products for resale; for the purposes of
18 this Section, "prevailing wage" means the hourly cash
19 wages plus fringe benefits for training and
20 apprenticeship programs approved by the U.S.
21 Department of Labor, Bureau of Apprenticeship and
22 Training, health and welfare, insurance, vacations and
23 pensions paid generally, in the locality in which the
24 work is being performed, to employees engaged in work
25 of a similar character on public works; this paragraph
26 (F) applies only to businesses that submit an

1 application to the Department within 60 days after
2 July 25, 2013 (the effective date of Public Act
3 98-109) ~~this amendatory Act of the 98th General~~
4 ~~Assembly; or and~~

5 (G) the business: (i) commits to make a minimum
6 investment of \$20,000,000, which will be placed in
7 service in a qualified facility; (ii) intends to
8 retain at least 500 full-time retained jobs in a
9 qualified county in Illinois; (iii) currently employs,
10 in the qualified facility, the lesser of (A) at least
11 500 full-time equivalent jobs or (B) 10% or more of all
12 private employees employed in a qualified county,
13 according to the latest available Quarterly Census of
14 Employment and Wages data published by the Department
15 of Employment Security; and (iv) is engaged in
16 interstate or intrastate commerce for the purpose of
17 manufacturing, processing, assembling, warehousing, or
18 distributing products. The business must certify in
19 writing that the investments would not be placed in
20 service in qualified property and the job retention
21 would not occur without the tax credits and exemptions
22 set forth in subsection (b) of this Section. For the
23 purposes of this subparagraph (G): "qualified county"
24 means a county that has a population of no more than
25 25,000 inhabitants; and "qualified facility" means
26 tangible property, whether new or used, including

1 buildings and structural components of buildings, used
2 by a business that is engaged in interstate or
3 intrastate commerce for the purpose of manufacturing,
4 processing, assembling, warehousing, or distributing
5 products. This subparagraph (G) applies only to
6 businesses that submit an application to the
7 Department within 12 months after the effective date
8 of this amendatory Act of the 102nd General Assembly;
9 and

10 (4) no later than 90 days after an application is
11 submitted, the Department shall notify the applicant of
12 the Department's determination of the qualification of the
13 proposed High Impact Business under this Section.

14 (b) Businesses designated as High Impact Businesses
15 pursuant to subdivision (a)(3)(A) of this Section shall
16 qualify for the credits and exemptions described in the
17 following Acts: Section 9-222 and Section 9-222.1A of the
18 Public Utilities Act, subsection (h) of Section 201 of the
19 Illinois Income Tax Act, and Section 1d of the Retailers'
20 Occupation Tax Act; provided that these credits and exemptions
21 described in these Acts shall not be authorized until the
22 minimum investments set forth in subdivision (a)(3)(A) of this
23 Section have been placed in service in qualified properties
24 and, in the case of the exemptions described in the Public
25 Utilities Act and Section 1d of the Retailers' Occupation Tax
26 Act, the minimum full-time equivalent jobs or full-time

1 retained jobs set forth in subdivision (a)(3)(A) of this
2 Section have been created or retained. Businesses designated
3 as High Impact Businesses under this Section shall also
4 qualify for the exemption described in Section 51 of the
5 Retailers' Occupation Tax Act. The credit provided in
6 subsection (h) of Section 201 of the Illinois Income Tax Act
7 shall be applicable to investments in qualified property as
8 set forth in subdivision (a)(3)(A) of this Section.

9 (b-5) Businesses designated as High Impact Businesses
10 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),
11 and (a)(3)(D) of this Section shall qualify for the credits
12 and exemptions described in the following Acts: Section 51 of
13 the Retailers' Occupation Tax Act, Section 9-222 and Section
14 9-222.1A of the Public Utilities Act, and subsection (h) of
15 Section 201 of the Illinois Income Tax Act; however, the
16 credits and exemptions authorized under Section 9-222 and
17 Section 9-222.1A of the Public Utilities Act, and subsection
18 (h) of Section 201 of the Illinois Income Tax Act shall not be
19 authorized until the new electric generating facility, the new
20 gasification facility, the new transmission facility, or the
21 new, expanded, or reopened coal mine is operational, except
22 that a new electric generating facility whose primary fuel
23 source is natural gas is eligible only for the exemption under
24 Section 51 of the Retailers' Occupation Tax Act.

25 (b-6) Businesses designated as High Impact Businesses
26 pursuant to subdivision (a)(3)(E) of this Section shall

1 qualify for the exemptions described in Section 51 of the
2 Retailers' Occupation Tax Act; any business so designated as a
3 High Impact Business being, for purposes of this Section, a
4 "Wind Energy Business".

5 (b-7) Beginning on January 1, 2021, businesses designated
6 as High Impact Businesses by the Department shall qualify for
7 the High Impact Business construction jobs credit under
8 subsection (h-5) of Section 201 of the Illinois Income Tax Act
9 if the business meets the criteria set forth in subsection (i)
10 of this Section. The total aggregate amount of credits awarded
11 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9
12 ~~this amendatory Act of the 101st General Assembly~~) shall not
13 exceed \$20,000,000 in any State fiscal year.

14 (b-8) Businesses designated as High Impact Businesses
15 pursuant to subparagraph (G) of paragraph (3) of subsection
16 (a) of this Section shall qualify for the credits and
17 exemptions described in the following Acts: Section 9-222 and
18 Section 9-222.1A of the Public Utilities Act, subsection (h)
19 of Section 201 of the Illinois Income Tax Act, and Section 1d
20 of the Retailers' Occupation Tax Act; provided that the
21 credits and exemptions described in these Acts shall not be
22 authorized for those businesses until the minimum investments
23 set forth in subparagraph (G) of paragraph (3) of subsection
24 (a) of this Section have been placed in service in qualified
25 facilities and, in the case of the exemptions described in the
26 Public Utilities Act and Section 1d of the Retailers'

1 Occupation Tax Act, the minimum full-time retained jobs set
2 forth in subparagraph (G) of paragraph (3) of subsection (a)
3 of this Section have been retained. Businesses designated as
4 High Impact Businesses under this Section shall also qualify
5 for the exemption described in Section 51 of the Retailers'
6 Occupation Tax Act. The credit provided in subsection (h) of
7 Section 201 of the Illinois Income Tax Act shall be applicable
8 to investments in qualified property as set forth in
9 subparagraph (G) of paragraph (3) of subsection (a) of this
10 Section.

11 (c) High Impact Businesses located in federally designated
12 foreign trade zones or sub-zones are also eligible for
13 additional credits, exemptions and deductions as described in
14 the following Acts: Section 9-221 and Section 9-222.1 of the
15 Public Utilities Act; and subsection (g) of Section 201, and
16 Section 203 of the Illinois Income Tax Act.

17 (d) Except for businesses contemplated under subdivision
18 (a)(3)(E) of this Section, existing Illinois businesses which
19 apply for designation as a High Impact Business must provide
20 the Department with the prospective plan for which 1,500
21 full-time retained jobs would be eliminated in the event that
22 the business is not designated.

23 (e) Except for new wind power facilities contemplated
24 under subdivision (a)(3)(E) of this Section, new proposed
25 facilities which apply for designation as High Impact Business
26 must provide the Department with proof of alternative

1 non-Illinois sites which would receive the proposed investment
2 and job creation in the event that the business is not
3 designated as a High Impact Business.

4 (f) Except for businesses contemplated under subdivision
5 (a)(3)(E) of this Section, in the event that a business is
6 designated a High Impact Business and it is later determined
7 after reasonable notice and an opportunity for a hearing as
8 provided under the Illinois Administrative Procedure Act, that
9 the business would have placed in service in qualified
10 property the investments and created or retained the requisite
11 number of jobs without the benefits of the High Impact
12 Business designation, the Department shall be required to
13 immediately revoke the designation and notify the Director of
14 the Department of Revenue who shall begin proceedings to
15 recover all wrongfully exempted State taxes with interest. The
16 business shall also be ineligible for all State funded
17 Department programs for a period of 10 years.

18 (g) The Department shall revoke a High Impact Business
19 designation if the participating business fails to comply with
20 the terms and conditions of the designation. However, the
21 penalties for new wind power facilities or Wind Energy
22 Businesses for failure to comply with any of the terms or
23 conditions of the Illinois Prevailing Wage Act shall be only
24 those penalties identified in the Illinois Prevailing Wage
25 Act, and the Department shall not revoke a High Impact
26 Business designation as a result of the failure to comply with

1 any of the terms or conditions of the Illinois Prevailing Wage
2 Act in relation to a new wind power facility or a Wind Energy
3 Business.

4 (h) Prior to designating a business, the Department shall
5 provide the members of the General Assembly and Commission on
6 Government Forecasting and Accountability with a report
7 setting forth the terms and conditions of the designation and
8 guarantees that have been received by the Department in
9 relation to the proposed business being designated.

10 (i) High Impact Business construction jobs credit.
11 Beginning on January 1, 2021, a High Impact Business may
12 receive a tax credit against the tax imposed under subsections
13 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
14 amount equal to 50% of the amount of the incremental income tax
15 attributable to High Impact Business construction jobs credit
16 employees employed in the course of completing a High Impact
17 Business construction jobs project. However, the High Impact
18 Business construction jobs credit may equal 75% of the amount
19 of the incremental income tax attributable to High Impact
20 Business construction jobs credit employees if the High Impact
21 Business construction jobs credit project is located in an
22 underserved area.

23 The Department shall certify to the Department of Revenue:
24 (1) the identity of taxpayers that are eligible for the High
25 Impact Business construction jobs credit; and (2) the amount
26 of High Impact Business construction jobs credits that are

1 claimed pursuant to subsection (h-5) of Section 201 of the
2 Illinois Income Tax Act in each taxable year. Any business
3 entity that receives a High Impact Business construction jobs
4 credit shall maintain a certified payroll pursuant to
5 subsection (j) of this Section.

6 As used in this subsection (i):

7 "High Impact Business construction jobs credit" means an
8 amount equal to 50% (or 75% if the High Impact Business
9 construction project is located in an underserved area) of the
10 incremental income tax attributable to High Impact Business
11 construction job employees. The total aggregate amount of
12 credits awarded under the Blue Collar Jobs Act (Article 20 of
13 Public Act 101-9 ~~this amendatory Act of the 101st General~~
14 ~~Assembly~~) shall not exceed \$20,000,000 in any State fiscal
15 year

16 "High Impact Business construction job employee" means a
17 laborer or worker who is employed by an Illinois contractor or
18 subcontractor in the actual construction work on the site of a
19 High Impact Business construction job project.

20 "High Impact Business construction jobs project" means
21 building a structure or building or making improvements of any
22 kind to real property, undertaken and commissioned by a
23 business that was designated as a High Impact Business by the
24 Department. The term "High Impact Business construction jobs
25 project" does not include the routine operation, routine
26 repair, or routine maintenance of existing structures,

1 buildings, or real property.

2 "Incremental income tax" means the total amount withheld
3 during the taxable year from the compensation of High Impact
4 Business construction job employees.

5 "Underserved area" means a geographic area that meets one
6 or more of the following conditions:

7 (1) the area has a poverty rate of at least 20%
8 according to the latest federal decennial census;

9 (2) 75% or more of the children in the area
10 participate in the federal free lunch program according to
11 reported statistics from the State Board of Education;

12 (3) at least 20% of the households in the area receive
13 assistance under the Supplemental Nutrition Assistance
14 Program (SNAP); or

15 (4) the area has an average unemployment rate, as
16 determined by the Illinois Department of Employment
17 Security, that is more than 120% of the national
18 unemployment average, as determined by the U.S. Department
19 of Labor, for a period of at least 2 consecutive calendar
20 years preceding the date of the application.

21 (j) Each contractor and subcontractor who is engaged in
22 and executing a High Impact Business Construction jobs
23 project, as defined under subsection (i) of this Section, for
24 a business that is entitled to a credit pursuant to subsection
25 (i) of this Section shall:

26 (1) make and keep, for a period of 5 years from the

1 date of the last payment made on or after June 5, 2019 (the
2 effective date of Public Act 101-9) ~~this amendatory Act of~~
3 ~~the 101st General Assembly~~ on a contract or subcontract
4 for a High Impact Business Construction Jobs Project,
5 records for all laborers and other workers employed by the
6 contractor or subcontractor on the project; the records
7 shall include:

8 (A) the worker's name;

9 (B) the worker's address;

10 (C) the worker's telephone number, if available;

11 (D) the worker's social security number;

12 (E) the worker's classification or
13 classifications;

14 (F) the worker's gross and net wages paid in each
15 pay period;

16 (G) the worker's number of hours worked each day;

17 (H) the worker's starting and ending times of work
18 each day;

19 (I) the worker's hourly wage rate; and

20 (J) the worker's hourly overtime wage rate;

21 (2) no later than the 15th day of each calendar month,
22 provide a certified payroll for the immediately preceding
23 month to the taxpayer in charge of the High Impact
24 Business construction jobs project; within 5 business days
25 after receiving the certified payroll, the taxpayer shall
26 file the certified payroll with the Department of Labor

1 and the Department of Commerce and Economic Opportunity; a
2 certified payroll must be filed for only those calendar
3 months during which construction on a High Impact Business
4 construction jobs project has occurred; the certified
5 payroll shall consist of a complete copy of the records
6 identified in paragraph (1) of this subsection (j), but
7 may exclude the starting and ending times of work each
8 day; the certified payroll shall be accompanied by a
9 statement signed by the contractor or subcontractor or an
10 officer, employee, or agent of the contractor or
11 subcontractor which avers that:

12 (A) he or she has examined the certified payroll
13 records required to be submitted by the Act and such
14 records are true and accurate; and

15 (B) the contractor or subcontractor is aware that
16 filing a certified payroll that he or she knows to be
17 false is a Class A misdemeanor.

18 A general contractor is not prohibited from relying on a
19 certified payroll of a lower-tier subcontractor, provided the
20 general contractor does not knowingly rely upon a
21 subcontractor's false certification.

22 Any contractor or subcontractor subject to this
23 subsection, and any officer, employee, or agent of such
24 contractor or subcontractor whose duty as an officer,
25 employee, or agent it is to file a certified payroll under this
26 subsection, who willfully fails to file such a certified

1 payroll on or before the date such certified payroll is
2 required by this paragraph to be filed and any person who
3 willfully files a false certified payroll that is false as to
4 any material fact is in violation of this Act and guilty of a
5 Class A misdemeanor.

6 The taxpayer in charge of the project shall keep the
7 records submitted in accordance with this subsection on or
8 after June 5, 2019 (the effective date of Public Act 101-9)
9 ~~this amendatory Act of the 101st General Assembly~~ for a period
10 of 5 years from the date of the last payment for work on a
11 contract or subcontract for the High Impact Business
12 construction jobs project.

13 The records submitted in accordance with this subsection
14 shall be considered public records, except an employee's
15 address, telephone number, and social security number, and
16 made available in accordance with the Freedom of Information
17 Act. The Department of Labor shall accept any reasonable
18 submissions by the contractor that meet the requirements of
19 this subsection (j) and shall share the information with the
20 Department in order to comply with the awarding of a High
21 Impact Business construction jobs credit. A contractor,
22 subcontractor, or public body may retain records required
23 under this Section in paper or electronic format.

24 (k) Upon 7 business days' notice, each contractor and
25 subcontractor shall make available for inspection and copying
26 at a location within this State during reasonable hours, the

1 records identified in this subsection (j) to the taxpayer in
2 charge of the High Impact Business construction jobs project,
3 its officers and agents, the Director of the Department of
4 Labor and his or her deputies and agents, and to federal,
5 State, or local law enforcement agencies and prosecutors.

6 (Source: P.A. 101-9, eff. 6-5-19; revised 7-12-19.)

7 Section 10. The Illinois Income Tax Act is amended by
8 changing Section 201 as follows:

9 (35 ILCS 5/201)

10 (Text of Section without the changes made by P.A. 101-8,
11 which did not take effect (see Section 99 of P.A. 101-8))

12 Sec. 201. Tax imposed.

13 (a) In general. A tax measured by net income is hereby
14 imposed on every individual, corporation, trust and estate for
15 each taxable year ending after July 31, 1969 on the privilege
16 of earning or receiving income in or as a resident of this
17 State. Such tax shall be in addition to all other occupation or
18 privilege taxes imposed by this State or by any municipal
19 corporation or political subdivision thereof.

20 (b) Rates. The tax imposed by subsection (a) of this
21 Section shall be determined as follows, except as adjusted by
22 subsection (d-1):

23 (1) In the case of an individual, trust or estate, for
24 taxable years ending prior to July 1, 1989, an amount

1 equal to 2 1/2% of the taxpayer's net income for the
2 taxable year.

3 (2) In the case of an individual, trust or estate, for
4 taxable years beginning prior to July 1, 1989 and ending
5 after June 30, 1989, an amount equal to the sum of (i) 2
6 1/2% of the taxpayer's net income for the period prior to
7 July 1, 1989, as calculated under Section 202.3, and (ii)
8 3% of the taxpayer's net income for the period after June
9 30, 1989, as calculated under Section 202.3.

10 (3) In the case of an individual, trust or estate, for
11 taxable years beginning after June 30, 1989, and ending
12 prior to January 1, 2011, an amount equal to 3% of the
13 taxpayer's net income for the taxable year.

14 (4) In the case of an individual, trust, or estate,
15 for taxable years beginning prior to January 1, 2011, and
16 ending after December 31, 2010, an amount equal to the sum
17 of (i) 3% of the taxpayer's net income for the period prior
18 to January 1, 2011, as calculated under Section 202.5, and
19 (ii) 5% of the taxpayer's net income for the period after
20 December 31, 2010, as calculated under Section 202.5.

21 (5) In the case of an individual, trust, or estate,
22 for taxable years beginning on or after January 1, 2011,
23 and ending prior to January 1, 2015, an amount equal to 5%
24 of the taxpayer's net income for the taxable year.

25 (5.1) In the case of an individual, trust, or estate,
26 for taxable years beginning prior to January 1, 2015, and

1 ending after December 31, 2014, an amount equal to the sum
2 of (i) 5% of the taxpayer's net income for the period prior
3 to January 1, 2015, as calculated under Section 202.5, and
4 (ii) 3.75% of the taxpayer's net income for the period
5 after December 31, 2014, as calculated under Section
6 202.5.

7 (5.2) In the case of an individual, trust, or estate,
8 for taxable years beginning on or after January 1, 2015,
9 and ending prior to July 1, 2017, an amount equal to 3.75%
10 of the taxpayer's net income for the taxable year.

11 (5.3) In the case of an individual, trust, or estate,
12 for taxable years beginning prior to July 1, 2017, and
13 ending after June 30, 2017, an amount equal to the sum of
14 (i) 3.75% of the taxpayer's net income for the period
15 prior to July 1, 2017, as calculated under Section 202.5,
16 and (ii) 4.95% of the taxpayer's net income for the period
17 after June 30, 2017, as calculated under Section 202.5.

18 (5.4) In the case of an individual, trust, or estate,
19 for taxable years beginning on or after July 1, 2017, an
20 amount equal to 4.95% of the taxpayer's net income for the
21 taxable year.

22 (6) In the case of a corporation, for taxable years
23 ending prior to July 1, 1989, an amount equal to 4% of the
24 taxpayer's net income for the taxable year.

25 (7) In the case of a corporation, for taxable years
26 beginning prior to July 1, 1989 and ending after June 30,

1 1989, an amount equal to the sum of (i) 4% of the
2 taxpayer's net income for the period prior to July 1,
3 1989, as calculated under Section 202.3, and (ii) 4.8% of
4 the taxpayer's net income for the period after June 30,
5 1989, as calculated under Section 202.3.

6 (8) In the case of a corporation, for taxable years
7 beginning after June 30, 1989, and ending prior to January
8 1, 2011, an amount equal to 4.8% of the taxpayer's net
9 income for the taxable year.

10 (9) In the case of a corporation, for taxable years
11 beginning prior to January 1, 2011, and ending after
12 December 31, 2010, an amount equal to the sum of (i) 4.8%
13 of the taxpayer's net income for the period prior to
14 January 1, 2011, as calculated under Section 202.5, and
15 (ii) 7% of the taxpayer's net income for the period after
16 December 31, 2010, as calculated under Section 202.5.

17 (10) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2011, and ending prior to
19 January 1, 2015, an amount equal to 7% of the taxpayer's
20 net income for the taxable year.

21 (11) In the case of a corporation, for taxable years
22 beginning prior to January 1, 2015, and ending after
23 December 31, 2014, an amount equal to the sum of (i) 7% of
24 the taxpayer's net income for the period prior to January
25 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
26 of the taxpayer's net income for the period after December

1 31, 2014, as calculated under Section 202.5.

2 (12) In the case of a corporation, for taxable years
3 beginning on or after January 1, 2015, and ending prior to
4 July 1, 2017, an amount equal to 5.25% of the taxpayer's
5 net income for the taxable year.

6 (13) In the case of a corporation, for taxable years
7 beginning prior to July 1, 2017, and ending after June 30,
8 2017, an amount equal to the sum of (i) 5.25% of the
9 taxpayer's net income for the period prior to July 1,
10 2017, as calculated under Section 202.5, and (ii) 7% of
11 the taxpayer's net income for the period after June 30,
12 2017, as calculated under Section 202.5.

13 (14) In the case of a corporation, for taxable years
14 beginning on or after July 1, 2017, an amount equal to 7%
15 of the taxpayer's net income for the taxable year.

16 The rates under this subsection (b) are subject to the
17 provisions of Section 201.5.

18 (b-5) Surcharge; sale or exchange of assets, properties,
19 and intangibles of organization gaming licensees. For each of
20 taxable years 2019 through 2027, a surcharge is imposed on all
21 taxpayers on income arising from the sale or exchange of
22 capital assets, depreciable business property, real property
23 used in the trade or business, and Section 197 intangibles (i)
24 of an organization licensee under the Illinois Horse Racing
25 Act of 1975 and (ii) of an organization gaming licensee under
26 the Illinois Gambling Act. The amount of the surcharge is

1 equal to the amount of federal income tax liability for the
2 taxable year attributable to those sales and exchanges. The
3 surcharge imposed shall not apply if:

4 (1) the organization gaming license, organization
5 license, or racetrack property is transferred as a result
6 of any of the following:

7 (A) bankruptcy, a receivership, or a debt
8 adjustment initiated by or against the initial
9 licensee or the substantial owners of the initial
10 licensee;

11 (B) cancellation, revocation, or termination of
12 any such license by the Illinois Gaming Board or the
13 Illinois Racing Board;

14 (C) a determination by the Illinois Gaming Board
15 that transfer of the license is in the best interests
16 of Illinois gaming;

17 (D) the death of an owner of the equity interest in
18 a licensee;

19 (E) the acquisition of a controlling interest in
20 the stock or substantially all of the assets of a
21 publicly traded company;

22 (F) a transfer by a parent company to a wholly
23 owned subsidiary; or

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the license when the license was issued; or

1 (2) the controlling interest in the organization
2 gaming license, organization license, or racetrack
3 property is transferred in a transaction to lineal
4 descendants in which no gain or loss is recognized or as a
5 result of a transaction in accordance with Section 351 of
6 the Internal Revenue Code in which no gain or loss is
7 recognized; or

8 (3) live horse racing was not conducted in 2010 at a
9 racetrack located within 3 miles of the Mississippi River
10 under a license issued pursuant to the Illinois Horse
11 Racing Act of 1975.

12 The transfer of an organization gaming license,
13 organization license, or racetrack property by a person other
14 than the initial licensee to receive the organization gaming
15 license is not subject to a surcharge. The Department shall
16 adopt rules necessary to implement and administer this
17 subsection.

18 (c) Personal Property Tax Replacement Income Tax.
19 Beginning on July 1, 1979 and thereafter, in addition to such
20 income tax, there is also hereby imposed the Personal Property
21 Tax Replacement Income Tax measured by net income on every
22 corporation (including Subchapter S corporations), partnership
23 and trust, for each taxable year ending after June 30, 1979.
24 Such taxes are imposed on the privilege of earning or
25 receiving income in or as a resident of this State. The
26 Personal Property Tax Replacement Income Tax shall be in

1 addition to the income tax imposed by subsections (a) and (b)
2 of this Section and in addition to all other occupation or
3 privilege taxes imposed by this State or by any municipal
4 corporation or political subdivision thereof.

5 (d) Additional Personal Property Tax Replacement Income
6 Tax Rates. The personal property tax replacement income tax
7 imposed by this subsection and subsection (c) of this Section
8 in the case of a corporation, other than a Subchapter S
9 corporation and except as adjusted by subsection (d-1), shall
10 be an additional amount equal to 2.85% of such taxpayer's net
11 income for the taxable year, except that beginning on January
12 1, 1981, and thereafter, the rate of 2.85% specified in this
13 subsection shall be reduced to 2.5%, and in the case of a
14 partnership, trust or a Subchapter S corporation shall be an
15 additional amount equal to 1.5% of such taxpayer's net income
16 for the taxable year.

17 (d-1) Rate reduction for certain foreign insurers. In the
18 case of a foreign insurer, as defined by Section 35A-5 of the
19 Illinois Insurance Code, whose state or country of domicile
20 imposes on insurers domiciled in Illinois a retaliatory tax
21 (excluding any insurer whose premiums from reinsurance assumed
22 are 50% or more of its total insurance premiums as determined
23 under paragraph (2) of subsection (b) of Section 304, except
24 that for purposes of this determination premiums from
25 reinsurance do not include premiums from inter-affiliate
26 reinsurance arrangements), beginning with taxable years ending

1 on or after December 31, 1999, the sum of the rates of tax
2 imposed by subsections (b) and (d) shall be reduced (but not
3 increased) to the rate at which the total amount of tax imposed
4 under this Act, net of all credits allowed under this Act,
5 shall equal (i) the total amount of tax that would be imposed
6 on the foreign insurer's net income allocable to Illinois for
7 the taxable year by such foreign insurer's state or country of
8 domicile if that net income were subject to all income taxes
9 and taxes measured by net income imposed by such foreign
10 insurer's state or country of domicile, net of all credits
11 allowed or (ii) a rate of zero if no such tax is imposed on
12 such income by the foreign insurer's state of domicile. For
13 the purposes of this subsection (d-1), an inter-affiliate
14 includes a mutual insurer under common management.

15 (1) For the purposes of subsection (d-1), in no event
16 shall the sum of the rates of tax imposed by subsections
17 (b) and (d) be reduced below the rate at which the sum of:

18 (A) the total amount of tax imposed on such
19 foreign insurer under this Act for a taxable year, net
20 of all credits allowed under this Act, plus

21 (B) the privilege tax imposed by Section 409 of
22 the Illinois Insurance Code, the fire insurance
23 company tax imposed by Section 12 of the Fire
24 Investigation Act, and the fire department taxes
25 imposed under Section 11-10-1 of the Illinois
26 Municipal Code,

1 equals 1.25% for taxable years ending prior to December
2 31, 2003, or 1.75% for taxable years ending on or after
3 December 31, 2003, of the net taxable premiums written for
4 the taxable year, as described by subsection (1) of
5 Section 409 of the Illinois Insurance Code. This paragraph
6 will in no event increase the rates imposed under
7 subsections (b) and (d).

8 (2) Any reduction in the rates of tax imposed by this
9 subsection shall be applied first against the rates
10 imposed by subsection (b) and only after the tax imposed
11 by subsection (a) net of all credits allowed under this
12 Section other than the credit allowed under subsection (i)
13 has been reduced to zero, against the rates imposed by
14 subsection (d).

15 This subsection (d-1) is exempt from the provisions of
16 Section 250.

17 (e) Investment credit. A taxpayer shall be allowed a
18 credit against the Personal Property Tax Replacement Income
19 Tax for investment in qualified property.

20 (1) A taxpayer shall be allowed a credit equal to .5%
21 of the basis of qualified property placed in service
22 during the taxable year, provided such property is placed
23 in service on or after July 1, 1984. There shall be allowed
24 an additional credit equal to .5% of the basis of
25 qualified property placed in service during the taxable
26 year, provided such property is placed in service on or

1 after July 1, 1986, and the taxpayer's base employment
2 within Illinois has increased by 1% or more over the
3 preceding year as determined by the taxpayer's employment
4 records filed with the Illinois Department of Employment
5 Security. Taxpayers who are new to Illinois shall be
6 deemed to have met the 1% growth in base employment for the
7 first year in which they file employment records with the
8 Illinois Department of Employment Security. The provisions
9 added to this Section by Public Act 85-1200 (and restored
10 by Public Act 87-895) shall be construed as declaratory of
11 existing law and not as a new enactment. If, in any year,
12 the increase in base employment within Illinois over the
13 preceding year is less than 1%, the additional credit
14 shall be limited to that percentage times a fraction, the
15 numerator of which is .5% and the denominator of which is
16 1%, but shall not exceed .5%. The investment credit shall
17 not be allowed to the extent that it would reduce a
18 taxpayer's liability in any tax year below zero, nor may
19 any credit for qualified property be allowed for any year
20 other than the year in which the property was placed in
21 service in Illinois. For tax years ending on or after
22 December 31, 1987, and on or before December 31, 1988, the
23 credit shall be allowed for the tax year in which the
24 property is placed in service, or, if the amount of the
25 credit exceeds the tax liability for that year, whether it
26 exceeds the original liability or the liability as later

1 amended, such excess may be carried forward and applied to
2 the tax liability of the 5 taxable years following the
3 excess credit years if the taxpayer (i) makes investments
4 which cause the creation of a minimum of 2,000 full-time
5 equivalent jobs in Illinois, (ii) is located in an
6 enterprise zone established pursuant to the Illinois
7 Enterprise Zone Act and (iii) is certified by the
8 Department of Commerce and Community Affairs (now
9 Department of Commerce and Economic Opportunity) as
10 complying with the requirements specified in clause (i)
11 and (ii) by July 1, 1986. The Department of Commerce and
12 Community Affairs (now Department of Commerce and Economic
13 Opportunity) shall notify the Department of Revenue of all
14 such certifications immediately. For tax years ending
15 after December 31, 1988, the credit shall be allowed for
16 the tax year in which the property is placed in service,
17 or, if the amount of the credit exceeds the tax liability
18 for that year, whether it exceeds the original liability
19 or the liability as later amended, such excess may be
20 carried forward and applied to the tax liability of the 5
21 taxable years following the excess credit years. The
22 credit shall be applied to the earliest year for which
23 there is a liability. If there is credit from more than one
24 tax year that is available to offset a liability, earlier
25 credit shall be applied first.

26 (2) The term "qualified property" means property

1 "manufacturing" means the material staging and production
2 of tangible personal property by procedures commonly
3 regarded as manufacturing, processing, fabrication, or
4 assembling which changes some existing material into new
5 shapes, new qualities, or new combinations. For purposes
6 of this subsection (e) the term "mining" shall have the
7 same meaning as the term "mining" in Section 613(c) of the
8 Internal Revenue Code. For purposes of this subsection
9 (e), the term "retailing" means the sale of tangible
10 personal property for use or consumption and not for
11 resale, or services rendered in conjunction with the sale
12 of tangible personal property for use or consumption and
13 not for resale. For purposes of this subsection (e),
14 "tangible personal property" has the same meaning as when
15 that term is used in the Retailers' Occupation Tax Act,
16 and, for taxable years ending after December 31, 2008,
17 does not include the generation, transmission, or
18 distribution of electricity.

19 (4) The basis of qualified property shall be the basis
20 used to compute the depreciation deduction for federal
21 income tax purposes.

22 (5) If the basis of the property for federal income
23 tax depreciation purposes is increased after it has been
24 placed in service in Illinois by the taxpayer, the amount
25 of such increase shall be deemed property placed in
26 service on the date of such increase in basis.

1 (6) The term "placed in service" shall have the same
2 meaning as under Section 46 of the Internal Revenue Code.

3 (7) If during any taxable year, any property ceases to
4 be qualified property in the hands of the taxpayer within
5 48 months after being placed in service, or the situs of
6 any qualified property is moved outside Illinois within 48
7 months after being placed in service, the Personal
8 Property Tax Replacement Income Tax for such taxable year
9 shall be increased. Such increase shall be determined by

10 (i) recomputing the investment credit which would have
11 been allowed for the year in which credit for such
12 property was originally allowed by eliminating such
13 property from such computation and, (ii) subtracting such
14 recomputed credit from the amount of credit previously
15 allowed. For the purposes of this paragraph (7), a
16 reduction of the basis of qualified property resulting
17 from a redetermination of the purchase price shall be
18 deemed a disposition of qualified property to the extent
19 of such reduction.

20 (8) Unless the investment credit is extended by law,
21 the basis of qualified property shall not include costs
22 incurred after December 31, 2018, except for costs
23 incurred pursuant to a binding contract entered into on or
24 before December 31, 2018.

25 (9) Each taxable year ending before December 31, 2000,
26 a partnership may elect to pass through to its partners

1 the credits to which the partnership is entitled under
2 this subsection (e) for the taxable year. A partner may
3 use the credit allocated to him or her under this
4 paragraph only against the tax imposed in subsections (c)
5 and (d) of this Section. If the partnership makes that
6 election, those credits shall be allocated among the
7 partners in the partnership in accordance with the rules
8 set forth in Section 704(b) of the Internal Revenue Code,
9 and the rules promulgated under that Section, and the
10 allocated amount of the credits shall be allowed to the
11 partners for that taxable year. The partnership shall make
12 this election on its Personal Property Tax Replacement
13 Income Tax return for that taxable year. The election to
14 pass through the credits shall be irrevocable.

15 For taxable years ending on or after December 31,
16 2000, a partner that qualifies its partnership for a
17 subtraction under subparagraph (I) of paragraph (2) of
18 subsection (d) of Section 203 or a shareholder that
19 qualifies a Subchapter S corporation for a subtraction
20 under subparagraph (S) of paragraph (2) of subsection (b)
21 of Section 203 shall be allowed a credit under this
22 subsection (e) equal to its share of the credit earned
23 under this subsection (e) during the taxable year by the
24 partnership or Subchapter S corporation, determined in
25 accordance with the determination of income and
26 distributive share of income under Sections 702 and 704

1 and Subchapter S of the Internal Revenue Code. This
2 paragraph is exempt from the provisions of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge
4 Redevelopment Zone.

5 (1) A taxpayer shall be allowed a credit against the
6 tax imposed by subsections (a) and (b) of this Section for
7 investment in qualified property which is placed in
8 service in an Enterprise Zone created pursuant to the
9 Illinois Enterprise Zone Act or, for property placed in
10 service on or after July 1, 2006, a River Edge
11 Redevelopment Zone established pursuant to the River Edge
12 Redevelopment Zone Act. For partners, shareholders of
13 Subchapter S corporations, and owners of limited liability
14 companies, if the liability company is treated as a
15 partnership for purposes of federal and State income
16 taxation, there shall be allowed a credit under this
17 subsection (f) to be determined in accordance with the
18 determination of income and distributive share of income
19 under Sections 702 and 704 and Subchapter S of the
20 Internal Revenue Code. The credit shall be .5% of the
21 basis for such property. The credit shall be available
22 only in the taxable year in which the property is placed in
23 service in the Enterprise Zone or River Edge Redevelopment
24 Zone and shall not be allowed to the extent that it would
25 reduce a taxpayer's liability for the tax imposed by
26 subsections (a) and (b) of this Section to below zero. For

1 tax years ending on or after December 31, 1985, the credit
2 shall be allowed for the tax year in which the property is
3 placed in service, or, if the amount of the credit exceeds
4 the tax liability for that year, whether it exceeds the
5 original liability or the liability as later amended, such
6 excess may be carried forward and applied to the tax
7 liability of the 5 taxable years following the excess
8 credit year. The credit shall be applied to the earliest
9 year for which there is a liability. If there is credit
10 from more than one tax year that is available to offset a
11 liability, the credit accruing first in time shall be
12 applied first.

13 (2) The term qualified property means property which:

14 (A) is tangible, whether new or used, including
15 buildings and structural components of buildings;

16 (B) is depreciable pursuant to Section 167 of the
17 Internal Revenue Code, except that "3-year property"
18 as defined in Section 168(c)(2)(A) of that Code is not
19 eligible for the credit provided by this subsection
20 (f);

21 (C) is acquired by purchase as defined in Section
22 179(d) of the Internal Revenue Code;

23 (D) is used in the Enterprise Zone or River Edge
24 Redevelopment Zone by the taxpayer; and

25 (E) has not been previously used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (f) or
2 subsection (e).

3 (3) The basis of qualified property shall be the basis
4 used to compute the depreciation deduction for federal
5 income tax purposes.

6 (4) If the basis of the property for federal income
7 tax depreciation purposes is increased after it has been
8 placed in service in the Enterprise Zone or River Edge
9 Redevelopment Zone by the taxpayer, the amount of such
10 increase shall be deemed property placed in service on the
11 date of such increase in basis.

12 (5) The term "placed in service" shall have the same
13 meaning as under Section 46 of the Internal Revenue Code.

14 (6) If during any taxable year, any property ceases to
15 be qualified property in the hands of the taxpayer within
16 48 months after being placed in service, or the situs of
17 any qualified property is moved outside the Enterprise
18 Zone or River Edge Redevelopment Zone within 48 months
19 after being placed in service, the tax imposed under
20 subsections (a) and (b) of this Section for such taxable
21 year shall be increased. Such increase shall be determined
22 by (i) recomputing the investment credit which would have
23 been allowed for the year in which credit for such
24 property was originally allowed by eliminating such
25 property from such computation, and (ii) subtracting such
26 recomputed credit from the amount of credit previously

1 allowed. For the purposes of this paragraph (6), a
2 reduction of the basis of qualified property resulting
3 from a redetermination of the purchase price shall be
4 deemed a disposition of qualified property to the extent
5 of such reduction.

6 (7) There shall be allowed an additional credit equal
7 to 0.5% of the basis of qualified property placed in
8 service during the taxable year in a River Edge
9 Redevelopment Zone, provided such property is placed in
10 service on or after July 1, 2006, and the taxpayer's base
11 employment within Illinois has increased by 1% or more
12 over the preceding year as determined by the taxpayer's
13 employment records filed with the Illinois Department of
14 Employment Security. Taxpayers who are new to Illinois
15 shall be deemed to have met the 1% growth in base
16 employment for the first year in which they file
17 employment records with the Illinois Department of
18 Employment Security. If, in any year, the increase in base
19 employment within Illinois over the preceding year is less
20 than 1%, the additional credit shall be limited to that
21 percentage times a fraction, the numerator of which is
22 0.5% and the denominator of which is 1%, but shall not
23 exceed 0.5%.

24 (8) For taxable years beginning on or after January 1,
25 2021, there shall be allowed an Enterprise Zone
26 construction jobs credit against the taxes imposed under

1 subsections (a) and (b) of this Section as provided in
2 Section 13 of the Illinois Enterprise Zone Act.

3 The credit or credits may not reduce the taxpayer's
4 liability to less than zero. If the amount of the credit or
5 credits exceeds the taxpayer's liability, the excess may
6 be carried forward and applied against the taxpayer's
7 liability in succeeding calendar years in the same manner
8 provided under paragraph (4) of Section 211 of this Act.
9 The credit or credits shall be applied to the earliest
10 year for which there is a tax liability. If there are
11 credits from more than one taxable year that are available
12 to offset a liability, the earlier credit shall be applied
13 first.

14 For partners, shareholders of Subchapter S
15 corporations, and owners of limited liability companies,
16 if the liability company is treated as a partnership for
17 the purposes of federal and State income taxation, there
18 shall be allowed a credit under this Section to be
19 determined in accordance with the determination of income
20 and distributive share of income under Sections 702 and
21 704 and Subchapter S of the Internal Revenue Code.

22 The total aggregate amount of credits awarded under
23 the Blue Collar Jobs Act (Article 20 of Public Act 101-9
24 ~~this amendatory Act of the 101st General Assembly~~) shall
25 not exceed \$20,000,000 in any State fiscal year.

26 This paragraph (8) is exempt from the provisions of

1 Section 250.

2 (g) (Blank).

3 (h) Investment credit; High Impact Business.

4 (1) Subject to subsections (b) and (b-5) of Section
5 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
6 be allowed a credit against the tax imposed by subsections
7 (a) and (b) of this Section for investment in qualified
8 property which is placed in service by a Department of
9 Commerce and Economic Opportunity designated High Impact
10 Business. The credit shall be .5% of the basis for such
11 property. The credit shall not be available (i) until the
12 minimum investments in qualified property set forth in
13 subdivision (a)(3)(A) of Section 5.5 of the Illinois
14 Enterprise Zone Act have been satisfied or (ii) until the
15 time authorized in subsection (b-5) of the Illinois
16 Enterprise Zone Act for entities designated as High Impact
17 Businesses under subdivision ~~subdivisions~~ (a)(3)(B),
18 (a)(3)(C), ~~and~~ (a)(3)(D), or (a)(3)(G) of Section 5.5 of
19 the Illinois Enterprise Zone Act, and shall not be allowed
20 to the extent that it would reduce a taxpayer's liability
21 for the tax imposed by subsections (a) and (b) of this
22 Section to below zero. The credit applicable to such
23 investments shall be taken in the taxable year in which
24 such investments have been completed. The credit for
25 additional investments beyond the minimum investment by a
26 designated high impact business authorized under

1 subdivision (a)(3)(A) of Section 5.5 of the Illinois
2 Enterprise Zone Act shall be available only in the taxable
3 year in which the property is placed in service and shall
4 not be allowed to the extent that it would reduce a
5 taxpayer's liability for the tax imposed by subsections
6 (a) and (b) of this Section to below zero. For tax years
7 ending on or after December 31, 1987, the credit shall be
8 allowed for the tax year in which the property is placed in
9 service, or, if the amount of the credit exceeds the tax
10 liability for that year, whether it exceeds the original
11 liability or the liability as later amended, such excess
12 may be carried forward and applied to the tax liability of
13 the 5 taxable years following the excess credit year. The
14 credit shall be applied to the earliest year for which
15 there is a liability. If there is credit from more than one
16 tax year that is available to offset a liability, the
17 credit accruing first in time shall be applied first.

18 Changes made in this subdivision (h)(1) by Public Act
19 88-670 restore changes made by Public Act 85-1182 and
20 reflect existing law.

21 (2) The term qualified property means property which:

22 (A) is tangible, whether new or used, including
23 buildings and structural components of buildings;

24 (B) is depreciable pursuant to Section 167 of the
25 Internal Revenue Code, except that "3-year property"
26 as defined in Section 168(c)(2)(A) of that Code is not

1 eligible for the credit provided by this subsection
2 (h);

3 (C) is acquired by purchase as defined in Section
4 179(d) of the Internal Revenue Code; and

5 (D) is not eligible for the Enterprise Zone
6 Investment Credit provided by subsection (f) of this
7 Section.

8 (3) The basis of qualified property shall be the basis
9 used to compute the depreciation deduction for federal
10 income tax purposes.

11 (4) If the basis of the property for federal income
12 tax depreciation purposes is increased after it has been
13 placed in service in a federally designated Foreign Trade
14 Zone or Sub-Zone located in Illinois by the taxpayer, the
15 amount of such increase shall be deemed property placed in
16 service on the date of such increase in basis.

17 (5) The term "placed in service" shall have the same
18 meaning as under Section 46 of the Internal Revenue Code.

19 (6) If during any taxable year ending on or before
20 December 31, 1996, any property ceases to be qualified
21 property in the hands of the taxpayer within 48 months
22 after being placed in service, or the situs of any
23 qualified property is moved outside Illinois within 48
24 months after being placed in service, the tax imposed
25 under subsections (a) and (b) of this Section for such
26 taxable year shall be increased. Such increase shall be

1 determined by (i) recomputing the investment credit which
2 would have been allowed for the year in which credit for
3 such property was originally allowed by eliminating such
4 property from such computation, and (ii) subtracting such
5 recomputed credit from the amount of credit previously
6 allowed. For the purposes of this paragraph (6), a
7 reduction of the basis of qualified property resulting
8 from a redetermination of the purchase price shall be
9 deemed a disposition of qualified property to the extent
10 of such reduction.

11 (7) Beginning with tax years ending after December 31,
12 1996, if a taxpayer qualifies for the credit under this
13 subsection (h) and thereby is granted a tax abatement and
14 the taxpayer relocates its entire facility in violation of
15 the explicit terms and length of the contract under
16 Section 18-183 of the Property Tax Code, the tax imposed
17 under subsections (a) and (b) of this Section shall be
18 increased for the taxable year in which the taxpayer
19 relocated its facility by an amount equal to the amount of
20 credit received by the taxpayer under this subsection (h).

21 (h-5) High Impact Business construction ~~constructions~~ jobs
22 credit. For taxable years beginning on or after January 1,
23 2021, there shall also be allowed a High Impact Business
24 construction jobs credit against the tax imposed under
25 subsections (a) and (b) of this Section as provided in
26 subsections (i) and (j) of Section 5.5 of the Illinois

1 Enterprise Zone Act.

2 The credit or credits may not reduce the taxpayer's
3 liability to less than zero. If the amount of the credit or
4 credits exceeds the taxpayer's liability, the excess may be
5 carried forward and applied against the taxpayer's liability
6 in succeeding calendar years in the manner provided under
7 paragraph (4) of Section 211 of this Act. The credit or credits
8 shall be applied to the earliest year for which there is a tax
9 liability. If there are credits from more than one taxable
10 year that are available to offset a liability, the earlier
11 credit shall be applied first.

12 For partners, shareholders of Subchapter S corporations,
13 and owners of limited liability companies, if the liability
14 company is treated as a partnership for the purposes of
15 federal and State income taxation, there shall be allowed a
16 credit under this Section to be determined in accordance with
17 the determination of income and distributive share of income
18 under Sections 702 and 704 and Subchapter S of the Internal
19 Revenue Code.

20 The total aggregate amount of credits awarded under the
21 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
22 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
23 \$20,000,000 in any State fiscal year.

24 This subsection (h-5) is exempt from the provisions of
25 Section 250.

26 (i) Credit for Personal Property Tax Replacement Income

1 Tax. For tax years ending prior to December 31, 2003, a credit
2 shall be allowed against the tax imposed by subsections (a)
3 and (b) of this Section for the tax imposed by subsections (c)
4 and (d) of this Section. This credit shall be computed by
5 multiplying the tax imposed by subsections (c) and (d) of this
6 Section by a fraction, the numerator of which is base income
7 allocable to Illinois and the denominator of which is Illinois
8 base income, and further multiplying the product by the tax
9 rate imposed by subsections (a) and (b) of this Section.

10 Any credit earned on or after December 31, 1986 under this
11 subsection which is unused in the year the credit is computed
12 because it exceeds the tax liability imposed by subsections
13 (a) and (b) for that year (whether it exceeds the original
14 liability or the liability as later amended) may be carried
15 forward and applied to the tax liability imposed by
16 subsections (a) and (b) of the 5 taxable years following the
17 excess credit year, provided that no credit may be carried
18 forward to any year ending on or after December 31, 2003. This
19 credit shall be applied first to the earliest year for which
20 there is a liability. If there is a credit under this
21 subsection from more than one tax year that is available to
22 offset a liability the earliest credit arising under this
23 subsection shall be applied first.

24 If, during any taxable year ending on or after December
25 31, 1986, the tax imposed by subsections (c) and (d) of this
26 Section for which a taxpayer has claimed a credit under this

1 subsection (i) is reduced, the amount of credit for such tax
2 shall also be reduced. Such reduction shall be determined by
3 recomputing the credit to take into account the reduced tax
4 imposed by subsections (c) and (d). If any portion of the
5 reduced amount of credit has been carried to a different
6 taxable year, an amended return shall be filed for such
7 taxable year to reduce the amount of credit claimed.

8 (j) Training expense credit. Beginning with tax years
9 ending on or after December 31, 1986 and prior to December 31,
10 2003, a taxpayer shall be allowed a credit against the tax
11 imposed by subsections (a) and (b) under this Section for all
12 amounts paid or accrued, on behalf of all persons employed by
13 the taxpayer in Illinois or Illinois residents employed
14 outside of Illinois by a taxpayer, for educational or
15 vocational training in semi-technical or technical fields or
16 semi-skilled or skilled fields, which were deducted from gross
17 income in the computation of taxable income. The credit
18 against the tax imposed by subsections (a) and (b) shall be
19 1.6% of such training expenses. For partners, shareholders of
20 subchapter S corporations, and owners of limited liability
21 companies, if the liability company is treated as a
22 partnership for purposes of federal and State income taxation,
23 there shall be allowed a credit under this subsection (j) to be
24 determined in accordance with the determination of income and
25 distributive share of income under Sections 702 and 704 and
26 subchapter S of the Internal Revenue Code.

1 Any credit allowed under this subsection which is unused
2 in the year the credit is earned may be carried forward to each
3 of the 5 taxable years following the year for which the credit
4 is first computed until it is used. This credit shall be
5 applied first to the earliest year for which there is a
6 liability. If there is a credit under this subsection from
7 more than one tax year that is available to offset a liability,
8 the earliest credit arising under this subsection shall be
9 applied first. No carryforward credit may be claimed in any
10 tax year ending on or after December 31, 2003.

11 (k) Research and development credit. For tax years ending
12 after July 1, 1990 and prior to December 31, 2003, and
13 beginning again for tax years ending on or after December 31,
14 2004, and ending prior to January 1, 2027, a taxpayer shall be
15 allowed a credit against the tax imposed by subsections (a)
16 and (b) of this Section for increasing research activities in
17 this State. The credit allowed against the tax imposed by
18 subsections (a) and (b) shall be equal to 6 1/2% of the
19 qualifying expenditures for increasing research activities in
20 this State. For partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies, if
22 the liability company is treated as a partnership for purposes
23 of federal and State income taxation, there shall be allowed a
24 credit under this subsection to be determined in accordance
25 with the determination of income and distributive share of
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

2 For purposes of this subsection, "qualifying expenditures"
3 means the qualifying expenditures as defined for the federal
4 credit for increasing research activities which would be
5 allowable under Section 41 of the Internal Revenue Code and
6 which are conducted in this State, "qualifying expenditures
7 for increasing research activities in this State" means the
8 excess of qualifying expenditures for the taxable year in
9 which incurred over qualifying expenditures for the base
10 period, "qualifying expenditures for the base period" means
11 the average of the qualifying expenditures for each year in
12 the base period, and "base period" means the 3 taxable years
13 immediately preceding the taxable year for which the
14 determination is being made.

15 Any credit in excess of the tax liability for the taxable
16 year may be carried forward. A taxpayer may elect to have the
17 unused credit shown on its final completed return carried over
18 as a credit against the tax liability for the following 5
19 taxable years or until it has been fully used, whichever
20 occurs first; provided that no credit earned in a tax year
21 ending prior to December 31, 2003 may be carried forward to any
22 year ending on or after December 31, 2003.

23 If an unused credit is carried forward to a given year from
24 2 or more earlier years, that credit arising in the earliest
25 year will be applied first against the tax liability for the
26 given year. If a tax liability for the given year still

1 remains, the credit from the next earliest year will then be
2 applied, and so on, until all credits have been used or no tax
3 liability for the given year remains. Any remaining unused
4 credit or credits then will be carried forward to the next
5 following year in which a tax liability is incurred, except
6 that no credit can be carried forward to a year which is more
7 than 5 years after the year in which the expense for which the
8 credit is given was incurred.

9 No inference shall be drawn from Public Act 91-644 ~~this~~
10 ~~amendatory Act of the 91st General Assembly~~ in construing this
11 Section for taxable years beginning before January 1, 1999.

12 It is the intent of the General Assembly that the research
13 and development credit under this subsection (k) shall apply
14 continuously for all tax years ending on or after December 31,
15 2004 and ending prior to January 1, 2027, including, but not
16 limited to, the period beginning on January 1, 2016 and ending
17 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
18 ~~amendatory Act of the 100th General Assembly~~. All actions
19 taken in reliance on the continuation of the credit under this
20 subsection (k) by any taxpayer are hereby validated.

21 (l) Environmental Remediation Tax Credit.

22 (i) For tax years ending after December 31, 1997 and
23 on or before December 31, 2001, a taxpayer shall be
24 allowed a credit against the tax imposed by subsections
25 (a) and (b) of this Section for certain amounts paid for
26 unreimbursed eligible remediation costs, as specified in

1 this subsection. For purposes of this Section,
2 "unreimbursed eligible remediation costs" means costs
3 approved by the Illinois Environmental Protection Agency
4 ("Agency") under Section 58.14 of the Environmental
5 Protection Act that were paid in performing environmental
6 remediation at a site for which a No Further Remediation
7 Letter was issued by the Agency and recorded under Section
8 58.10 of the Environmental Protection Act. The credit must
9 be claimed for the taxable year in which Agency approval
10 of the eligible remediation costs is granted. The credit
11 is not available to any taxpayer if the taxpayer or any
12 related party caused or contributed to, in any material
13 respect, a release of regulated substances on, in, or
14 under the site that was identified and addressed by the
15 remedial action pursuant to the Site Remediation Program
16 of the Environmental Protection Act. After the Pollution
17 Control Board rules are adopted pursuant to the Illinois
18 Administrative Procedure Act for the administration and
19 enforcement of Section 58.9 of the Environmental
20 Protection Act, determinations as to credit availability
21 for purposes of this Section shall be made consistent with
22 those rules. For purposes of this Section, "taxpayer"
23 includes a person whose tax attributes the taxpayer has
24 succeeded to under Section 381 of the Internal Revenue
25 Code and "related party" includes the persons disallowed a
26 deduction for losses by paragraphs (b), (c), and (f)(1) of

1 Section 267 of the Internal Revenue Code by virtue of
2 being a related taxpayer, as well as any of its partners.
3 The credit allowed against the tax imposed by subsections
4 (a) and (b) shall be equal to 25% of the unreimbursed
5 eligible remediation costs in excess of \$100,000 per site,
6 except that the \$100,000 threshold shall not apply to any
7 site contained in an enterprise zone as determined by the
8 Department of Commerce and Community Affairs (now
9 Department of Commerce and Economic Opportunity). The
10 total credit allowed shall not exceed \$40,000 per year
11 with a maximum total of \$150,000 per site. For partners
12 and shareholders of subchapter S corporations, there shall
13 be allowed a credit under this subsection to be determined
14 in accordance with the determination of income and
15 distributive share of income under Sections 702 and 704
16 and subchapter S of the Internal Revenue Code.

17 (ii) A credit allowed under this subsection that is
18 unused in the year the credit is earned may be carried
19 forward to each of the 5 taxable years following the year
20 for which the credit is first earned until it is used. The
21 term "unused credit" does not include any amounts of
22 unreimbursed eligible remediation costs in excess of the
23 maximum credit per site authorized under paragraph (i).
24 This credit shall be applied first to the earliest year
25 for which there is a liability. If there is a credit under
26 this subsection from more than one tax year that is

1 available to offset a liability, the earliest credit
2 arising under this subsection shall be applied first. A
3 credit allowed under this subsection may be sold to a
4 buyer as part of a sale of all or part of the remediation
5 site for which the credit was granted. The purchaser of a
6 remediation site and the tax credit shall succeed to the
7 unused credit and remaining carry-forward period of the
8 seller. To perfect the transfer, the assignor shall record
9 the transfer in the chain of title for the site and provide
10 written notice to the Director of the Illinois Department
11 of Revenue of the assignor's intent to sell the
12 remediation site and the amount of the tax credit to be
13 transferred as a portion of the sale. In no event may a
14 credit be transferred to any taxpayer if the taxpayer or a
15 related party would not be eligible under the provisions
16 of subsection (i).

17 (iii) For purposes of this Section, the term "site"
18 shall have the same meaning as under Section 58.2 of the
19 Environmental Protection Act.

20 (m) Education expense credit. Beginning with tax years
21 ending after December 31, 1999, a taxpayer who is the
22 custodian of one or more qualifying pupils shall be allowed a
23 credit against the tax imposed by subsections (a) and (b) of
24 this Section for qualified education expenses incurred on
25 behalf of the qualifying pupils. The credit shall be equal to
26 25% of qualified education expenses, but in no event may the

1 total credit under this subsection claimed by a family that is
2 the custodian of qualifying pupils exceed (i) \$500 for tax
3 years ending prior to December 31, 2017, and (ii) \$750 for tax
4 years ending on or after December 31, 2017. In no event shall a
5 credit under this subsection reduce the taxpayer's liability
6 under this Act to less than zero. Notwithstanding any other
7 provision of law, for taxable years beginning on or after
8 January 1, 2017, no taxpayer may claim a credit under this
9 subsection (m) if the taxpayer's adjusted gross income for the
10 taxable year exceeds (i) \$500,000, in the case of spouses
11 filing a joint federal tax return or (ii) \$250,000, in the case
12 of all other taxpayers. This subsection is exempt from the
13 provisions of Section 250 of this Act.

14 For purposes of this subsection:

15 "Qualifying pupils" means individuals who (i) are
16 residents of the State of Illinois, (ii) are under the age of
17 21 at the close of the school year for which a credit is
18 sought, and (iii) during the school year for which a credit is
19 sought were full-time pupils enrolled in a kindergarten
20 through twelfth grade education program at any school, as
21 defined in this subsection.

22 "Qualified education expense" means the amount incurred on
23 behalf of a qualifying pupil in excess of \$250 for tuition,
24 book fees, and lab fees at the school in which the pupil is
25 enrolled during the regular school year.

26 "School" means any public or nonpublic elementary or

1 secondary school in Illinois that is in compliance with Title
2 VI of the Civil Rights Act of 1964 and attendance at which
3 satisfies the requirements of Section 26-1 of the School Code,
4 except that nothing shall be construed to require a child to
5 attend any particular public or nonpublic school to qualify
6 for the credit under this Section.

7 "Custodian" means, with respect to qualifying pupils, an
8 Illinois resident who is a parent, the parents, a legal
9 guardian, or the legal guardians of the qualifying pupils.

10 (n) River Edge Redevelopment Zone site remediation tax
11 credit.

12 (i) For tax years ending on or after December 31,
13 2006, a taxpayer shall be allowed a credit against the tax
14 imposed by subsections (a) and (b) of this Section for
15 certain amounts paid for unreimbursed eligible remediation
16 costs, as specified in this subsection. For purposes of
17 this Section, "unreimbursed eligible remediation costs"
18 means costs approved by the Illinois Environmental
19 Protection Agency ("Agency") under Section 58.14a of the
20 Environmental Protection Act that were paid in performing
21 environmental remediation at a site within a River Edge
22 Redevelopment Zone for which a No Further Remediation
23 Letter was issued by the Agency and recorded under Section
24 58.10 of the Environmental Protection Act. The credit must
25 be claimed for the taxable year in which Agency approval
26 of the eligible remediation costs is granted. The credit

1 is not available to any taxpayer if the taxpayer or any
2 related party caused or contributed to, in any material
3 respect, a release of regulated substances on, in, or
4 under the site that was identified and addressed by the
5 remedial action pursuant to the Site Remediation Program
6 of the Environmental Protection Act. Determinations as to
7 credit availability for purposes of this Section shall be
8 made consistent with rules adopted by the Pollution
9 Control Board pursuant to the Illinois Administrative
10 Procedure Act for the administration and enforcement of
11 Section 58.9 of the Environmental Protection Act. For
12 purposes of this Section, "taxpayer" includes a person
13 whose tax attributes the taxpayer has succeeded to under
14 Section 381 of the Internal Revenue Code and "related
15 party" includes the persons disallowed a deduction for
16 losses by paragraphs (b), (c), and (f)(1) of Section 267
17 of the Internal Revenue Code by virtue of being a related
18 taxpayer, as well as any of its partners. The credit
19 allowed against the tax imposed by subsections (a) and (b)
20 shall be equal to 25% of the unreimbursed eligible
21 remediation costs in excess of \$100,000 per site.

22 (ii) A credit allowed under this subsection that is
23 unused in the year the credit is earned may be carried
24 forward to each of the 5 taxable years following the year
25 for which the credit is first earned until it is used. This
26 credit shall be applied first to the earliest year for

1 which there is a liability. If there is a credit under this
2 subsection from more than one tax year that is available
3 to offset a liability, the earliest credit arising under
4 this subsection shall be applied first. A credit allowed
5 under this subsection may be sold to a buyer as part of a
6 sale of all or part of the remediation site for which the
7 credit was granted. The purchaser of a remediation site
8 and the tax credit shall succeed to the unused credit and
9 remaining carry-forward period of the seller. To perfect
10 the transfer, the assignor shall record the transfer in
11 the chain of title for the site and provide written notice
12 to the Director of the Illinois Department of Revenue of
13 the assignor's intent to sell the remediation site and the
14 amount of the tax credit to be transferred as a portion of
15 the sale. In no event may a credit be transferred to any
16 taxpayer if the taxpayer or a related party would not be
17 eligible under the provisions of subsection (i).

18 (iii) For purposes of this Section, the term "site"
19 shall have the same meaning as under Section 58.2 of the
20 Environmental Protection Act.

21 (o) For each of taxable years during the Compassionate Use
22 of Medical Cannabis Program, a surcharge is imposed on all
23 taxpayers on income arising from the sale or exchange of
24 capital assets, depreciable business property, real property
25 used in the trade or business, and Section 197 intangibles of
26 an organization registrant under the Compassionate Use of

1 Medical Cannabis Program Act. The amount of the surcharge is
2 equal to the amount of federal income tax liability for the
3 taxable year attributable to those sales and exchanges. The
4 surcharge imposed does not apply if:

5 (1) the medical cannabis cultivation center
6 registration, medical cannabis dispensary registration, or
7 the property of a registration is transferred as a result
8 of any of the following:

9 (A) bankruptcy, a receivership, or a debt
10 adjustment initiated by or against the initial
11 registration or the substantial owners of the initial
12 registration;

13 (B) cancellation, revocation, or termination of
14 any registration by the Illinois Department of Public
15 Health;

16 (C) a determination by the Illinois Department of
17 Public Health that transfer of the registration is in
18 the best interests of Illinois qualifying patients as
19 defined by the Compassionate Use of Medical Cannabis
20 Program Act;

21 (D) the death of an owner of the equity interest in
22 a registrant;

23 (E) the acquisition of a controlling interest in
24 the stock or substantially all of the assets of a
25 publicly traded company;

26 (F) a transfer by a parent company to a wholly

1 owned subsidiary; or

2 (G) the transfer or sale to or by one person to
3 another person where both persons were initial owners
4 of the registration when the registration was issued;
5 or

6 (2) the cannabis cultivation center registration,
7 medical cannabis dispensary registration, or the
8 controlling interest in a registrant's property is
9 transferred in a transaction to lineal descendants in
10 which no gain or loss is recognized or as a result of a
11 transaction in accordance with Section 351 of the Internal
12 Revenue Code in which no gain or loss is recognized.

13 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,
14 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
15 revised 11-18-20.)

16 (Text of Section with the changes made by P.A. 101-8,
17 which did not take effect (see Section 99 of P.A. 101-8))

18 Sec. 201. Tax imposed.

19 (a) In general. A tax measured by net income is hereby
20 imposed on every individual, corporation, trust and estate for
21 each taxable year ending after July 31, 1969 on the privilege
22 of earning or receiving income in or as a resident of this
23 State. Such tax shall be in addition to all other occupation or
24 privilege taxes imposed by this State or by any municipal
25 corporation or political subdivision thereof.

1 (b) Rates. The tax imposed by subsection (a) of this
2 Section shall be determined as follows, except as adjusted by
3 subsection (d-1):

4 (1) In the case of an individual, trust or estate, for
5 taxable years ending prior to July 1, 1989, an amount
6 equal to 2 1/2% of the taxpayer's net income for the
7 taxable year.

8 (2) In the case of an individual, trust or estate, for
9 taxable years beginning prior to July 1, 1989 and ending
10 after June 30, 1989, an amount equal to the sum of (i) 2
11 1/2% of the taxpayer's net income for the period prior to
12 July 1, 1989, as calculated under Section 202.3, and (ii)
13 3% of the taxpayer's net income for the period after June
14 30, 1989, as calculated under Section 202.3.

15 (3) In the case of an individual, trust or estate, for
16 taxable years beginning after June 30, 1989, and ending
17 prior to January 1, 2011, an amount equal to 3% of the
18 taxpayer's net income for the taxable year.

19 (4) In the case of an individual, trust, or estate,
20 for taxable years beginning prior to January 1, 2011, and
21 ending after December 31, 2010, an amount equal to the sum
22 of (i) 3% of the taxpayer's net income for the period prior
23 to January 1, 2011, as calculated under Section 202.5, and
24 (ii) 5% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (5) In the case of an individual, trust, or estate,

1 for taxable years beginning on or after January 1, 2011,
2 and ending prior to January 1, 2015, an amount equal to 5%
3 of the taxpayer's net income for the taxable year.

4 (5.1) In the case of an individual, trust, or estate,
5 for taxable years beginning prior to January 1, 2015, and
6 ending after December 31, 2014, an amount equal to the sum
7 of (i) 5% of the taxpayer's net income for the period prior
8 to January 1, 2015, as calculated under Section 202.5, and
9 (ii) 3.75% of the taxpayer's net income for the period
10 after December 31, 2014, as calculated under Section
11 202.5.

12 (5.2) In the case of an individual, trust, or estate,
13 for taxable years beginning on or after January 1, 2015,
14 and ending prior to July 1, 2017, an amount equal to 3.75%
15 of the taxpayer's net income for the taxable year.

16 (5.3) In the case of an individual, trust, or estate,
17 for taxable years beginning prior to July 1, 2017, and
18 ending after June 30, 2017, an amount equal to the sum of
19 (i) 3.75% of the taxpayer's net income for the period
20 prior to July 1, 2017, as calculated under Section 202.5,
21 and (ii) 4.95% of the taxpayer's net income for the period
22 after June 30, 2017, as calculated under Section 202.5.

23 (5.4) In the case of an individual, trust, or estate,
24 for taxable years beginning on or after July 1, 2017 and
25 beginning prior to January 1, 2021, an amount equal to
26 4.95% of the taxpayer's net income for the taxable year.

1 (5.5) In the case of an individual, trust, or estate,
2 for taxable years beginning on or after January 1, 2021,
3 an amount calculated under the rate structure set forth in
4 Section 201.1.

5 (6) In the case of a corporation, for taxable years
6 ending prior to July 1, 1989, an amount equal to 4% of the
7 taxpayer's net income for the taxable year.

8 (7) In the case of a corporation, for taxable years
9 beginning prior to July 1, 1989 and ending after June 30,
10 1989, an amount equal to the sum of (i) 4% of the
11 taxpayer's net income for the period prior to July 1,
12 1989, as calculated under Section 202.3, and (ii) 4.8% of
13 the taxpayer's net income for the period after June 30,
14 1989, as calculated under Section 202.3.

15 (8) In the case of a corporation, for taxable years
16 beginning after June 30, 1989, and ending prior to January
17 1, 2011, an amount equal to 4.8% of the taxpayer's net
18 income for the taxable year.

19 (9) In the case of a corporation, for taxable years
20 beginning prior to January 1, 2011, and ending after
21 December 31, 2010, an amount equal to the sum of (i) 4.8%
22 of the taxpayer's net income for the period prior to
23 January 1, 2011, as calculated under Section 202.5, and
24 (ii) 7% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (10) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2011, and ending prior to
2 January 1, 2015, an amount equal to 7% of the taxpayer's
3 net income for the taxable year.

4 (11) In the case of a corporation, for taxable years
5 beginning prior to January 1, 2015, and ending after
6 December 31, 2014, an amount equal to the sum of (i) 7% of
7 the taxpayer's net income for the period prior to January
8 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
9 of the taxpayer's net income for the period after December
10 31, 2014, as calculated under Section 202.5.

11 (12) In the case of a corporation, for taxable years
12 beginning on or after January 1, 2015, and ending prior to
13 July 1, 2017, an amount equal to 5.25% of the taxpayer's
14 net income for the taxable year.

15 (13) In the case of a corporation, for taxable years
16 beginning prior to July 1, 2017, and ending after June 30,
17 2017, an amount equal to the sum of (i) 5.25% of the
18 taxpayer's net income for the period prior to July 1,
19 2017, as calculated under Section 202.5, and (ii) 7% of
20 the taxpayer's net income for the period after June 30,
21 2017, as calculated under Section 202.5.

22 (14) In the case of a corporation, for taxable years
23 beginning on or after July 1, 2017 and beginning prior to
24 January 1, 2021, an amount equal to 7% of the taxpayer's
25 net income for the taxable year.

26 (15) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2021, an amount equal to
2 7.99% of the taxpayer's net income for the taxable year.

3 The rates under this subsection (b) are subject to the
4 provisions of Section 201.5.

5 (b-5) Surcharge; sale or exchange of assets, properties,
6 and intangibles of organization gaming licensees. For each of
7 taxable years 2019 through 2027, a surcharge is imposed on all
8 taxpayers on income arising from the sale or exchange of
9 capital assets, depreciable business property, real property
10 used in the trade or business, and Section 197 intangibles (i)
11 of an organization licensee under the Illinois Horse Racing
12 Act of 1975 and (ii) of an organization gaming licensee under
13 the Illinois Gambling Act. The amount of the surcharge is
14 equal to the amount of federal income tax liability for the
15 taxable year attributable to those sales and exchanges. The
16 surcharge imposed shall not apply if:

17 (1) the organization gaming license, organization
18 license, or racetrack property is transferred as a result
19 of any of the following:

20 (A) bankruptcy, a receivership, or a debt
21 adjustment initiated by or against the initial
22 licensee or the substantial owners of the initial
23 licensee;

24 (B) cancellation, revocation, or termination of
25 any such license by the Illinois Gaming Board or the
26 Illinois Racing Board;

1 (C) a determination by the Illinois Gaming Board
2 that transfer of the license is in the best interests
3 of Illinois gaming;

4 (D) the death of an owner of the equity interest in
5 a licensee;

6 (E) the acquisition of a controlling interest in
7 the stock or substantially all of the assets of a
8 publicly traded company;

9 (F) a transfer by a parent company to a wholly
10 owned subsidiary; or

11 (G) the transfer or sale to or by one person to
12 another person where both persons were initial owners
13 of the license when the license was issued; or

14 (2) the controlling interest in the organization
15 gaming license, organization license, or racetrack
16 property is transferred in a transaction to lineal
17 descendants in which no gain or loss is recognized or as a
18 result of a transaction in accordance with Section 351 of
19 the Internal Revenue Code in which no gain or loss is
20 recognized; or

21 (3) live horse racing was not conducted in 2010 at a
22 racetrack located within 3 miles of the Mississippi River
23 under a license issued pursuant to the Illinois Horse
24 Racing Act of 1975.

25 The transfer of an organization gaming license,
26 organization license, or racetrack property by a person other

1 than the initial licensee to receive the organization gaming
2 license is not subject to a surcharge. The Department shall
3 adopt rules necessary to implement and administer this
4 subsection.

5 (c) Personal Property Tax Replacement Income Tax.
6 Beginning on July 1, 1979 and thereafter, in addition to such
7 income tax, there is also hereby imposed the Personal Property
8 Tax Replacement Income Tax measured by net income on every
9 corporation (including Subchapter S corporations), partnership
10 and trust, for each taxable year ending after June 30, 1979.
11 Such taxes are imposed on the privilege of earning or
12 receiving income in or as a resident of this State. The
13 Personal Property Tax Replacement Income Tax shall be in
14 addition to the income tax imposed by subsections (a) and (b)
15 of this Section and in addition to all other occupation or
16 privilege taxes imposed by this State or by any municipal
17 corporation or political subdivision thereof.

18 (d) Additional Personal Property Tax Replacement Income
19 Tax Rates. The personal property tax replacement income tax
20 imposed by this subsection and subsection (c) of this Section
21 in the case of a corporation, other than a Subchapter S
22 corporation and except as adjusted by subsection (d-1), shall
23 be an additional amount equal to 2.85% of such taxpayer's net
24 income for the taxable year, except that beginning on January
25 1, 1981, and thereafter, the rate of 2.85% specified in this
26 subsection shall be reduced to 2.5%, and in the case of a

1 partnership, trust or a Subchapter S corporation shall be an
2 additional amount equal to 1.5% of such taxpayer's net income
3 for the taxable year.

4 (d-1) Rate reduction for certain foreign insurers. In the
5 case of a foreign insurer, as defined by Section 35A-5 of the
6 Illinois Insurance Code, whose state or country of domicile
7 imposes on insurers domiciled in Illinois a retaliatory tax
8 (excluding any insurer whose premiums from reinsurance assumed
9 are 50% or more of its total insurance premiums as determined
10 under paragraph (2) of subsection (b) of Section 304, except
11 that for purposes of this determination premiums from
12 reinsurance do not include premiums from inter-affiliate
13 reinsurance arrangements), beginning with taxable years ending
14 on or after December 31, 1999, the sum of the rates of tax
15 imposed by subsections (b) and (d) shall be reduced (but not
16 increased) to the rate at which the total amount of tax imposed
17 under this Act, net of all credits allowed under this Act,
18 shall equal (i) the total amount of tax that would be imposed
19 on the foreign insurer's net income allocable to Illinois for
20 the taxable year by such foreign insurer's state or country of
21 domicile if that net income were subject to all income taxes
22 and taxes measured by net income imposed by such foreign
23 insurer's state or country of domicile, net of all credits
24 allowed or (ii) a rate of zero if no such tax is imposed on
25 such income by the foreign insurer's state of domicile. For
26 the purposes of this subsection (d-1), an inter-affiliate

1 includes a mutual insurer under common management.

2 (1) For the purposes of subsection (d-1), in no event
3 shall the sum of the rates of tax imposed by subsections
4 (b) and (d) be reduced below the rate at which the sum of:

5 (A) the total amount of tax imposed on such
6 foreign insurer under this Act for a taxable year, net
7 of all credits allowed under this Act, plus

8 (B) the privilege tax imposed by Section 409 of
9 the Illinois Insurance Code, the fire insurance
10 company tax imposed by Section 12 of the Fire
11 Investigation Act, and the fire department taxes
12 imposed under Section 11-10-1 of the Illinois
13 Municipal Code,

14 equals 1.25% for taxable years ending prior to December
15 31, 2003, or 1.75% for taxable years ending on or after
16 December 31, 2003, of the net taxable premiums written for
17 the taxable year, as described by subsection (1) of
18 Section 409 of the Illinois Insurance Code. This paragraph
19 will in no event increase the rates imposed under
20 subsections (b) and (d).

21 (2) Any reduction in the rates of tax imposed by this
22 subsection shall be applied first against the rates
23 imposed by subsection (b) and only after the tax imposed
24 by subsection (a) net of all credits allowed under this
25 Section other than the credit allowed under subsection (i)
26 has been reduced to zero, against the rates imposed by

1 subsection (d).

2 This subsection (d-1) is exempt from the provisions of
3 Section 250.

4 (e) Investment credit. A taxpayer shall be allowed a
5 credit against the Personal Property Tax Replacement Income
6 Tax for investment in qualified property.

7 (1) A taxpayer shall be allowed a credit equal to .5%
8 of the basis of qualified property placed in service
9 during the taxable year, provided such property is placed
10 in service on or after July 1, 1984. There shall be allowed
11 an additional credit equal to .5% of the basis of
12 qualified property placed in service during the taxable
13 year, provided such property is placed in service on or
14 after July 1, 1986, and the taxpayer's base employment
15 within Illinois has increased by 1% or more over the
16 preceding year as determined by the taxpayer's employment
17 records filed with the Illinois Department of Employment
18 Security. Taxpayers who are new to Illinois shall be
19 deemed to have met the 1% growth in base employment for the
20 first year in which they file employment records with the
21 Illinois Department of Employment Security. The provisions
22 added to this Section by Public Act 85-1200 (and restored
23 by Public Act 87-895) shall be construed as declaratory of
24 existing law and not as a new enactment. If, in any year,
25 the increase in base employment within Illinois over the
26 preceding year is less than 1%, the additional credit

1 shall be limited to that percentage times a fraction, the
2 numerator of which is .5% and the denominator of which is
3 1%, but shall not exceed .5%. The investment credit shall
4 not be allowed to the extent that it would reduce a
5 taxpayer's liability in any tax year below zero, nor may
6 any credit for qualified property be allowed for any year
7 other than the year in which the property was placed in
8 service in Illinois. For tax years ending on or after
9 December 31, 1987, and on or before December 31, 1988, the
10 credit shall be allowed for the tax year in which the
11 property is placed in service, or, if the amount of the
12 credit exceeds the tax liability for that year, whether it
13 exceeds the original liability or the liability as later
14 amended, such excess may be carried forward and applied to
15 the tax liability of the 5 taxable years following the
16 excess credit years if the taxpayer (i) makes investments
17 which cause the creation of a minimum of 2,000 full-time
18 equivalent jobs in Illinois, (ii) is located in an
19 enterprise zone established pursuant to the Illinois
20 Enterprise Zone Act and (iii) is certified by the
21 Department of Commerce and Community Affairs (now
22 Department of Commerce and Economic Opportunity) as
23 complying with the requirements specified in clause (i)
24 and (ii) by July 1, 1986. The Department of Commerce and
25 Community Affairs (now Department of Commerce and Economic
26 Opportunity) shall notify the Department of Revenue of all

1 such certifications immediately. For tax years ending
2 after December 31, 1988, the credit shall be allowed for
3 the tax year in which the property is placed in service,
4 or, if the amount of the credit exceeds the tax liability
5 for that year, whether it exceeds the original liability
6 or the liability as later amended, such excess may be
7 carried forward and applied to the tax liability of the 5
8 taxable years following the excess credit years. The
9 credit shall be applied to the earliest year for which
10 there is a liability. If there is credit from more than one
11 tax year that is available to offset a liability, earlier
12 credit shall be applied first.

13 (2) The term "qualified property" means property
14 which:

15 (A) is tangible, whether new or used, including
16 buildings and structural components of buildings and
17 signs that are real property, but not including land
18 or improvements to real property that are not a
19 structural component of a building such as
20 landscaping, sewer lines, local access roads, fencing,
21 parking lots, and other appurtenances;

22 (B) is depreciable pursuant to Section 167 of the
23 Internal Revenue Code, except that "3-year property"
24 as defined in Section 168(c)(2)(A) of that Code is not
25 eligible for the credit provided by this subsection
26 (e);

1 (C) is acquired by purchase as defined in Section
2 179(d) of the Internal Revenue Code;

3 (D) is used in Illinois by a taxpayer who is
4 primarily engaged in manufacturing, or in mining coal
5 or fluorite, or in retailing, or was placed in service
6 on or after July 1, 2006 in a River Edge Redevelopment
7 Zone established pursuant to the River Edge
8 Redevelopment Zone Act; and

9 (E) has not previously been used in Illinois in
10 such a manner and by such a person as would qualify for
11 the credit provided by this subsection (e) or
12 subsection (f).

13 (3) For purposes of this subsection (e),
14 "manufacturing" means the material staging and production
15 of tangible personal property by procedures commonly
16 regarded as manufacturing, processing, fabrication, or
17 assembling which changes some existing material into new
18 shapes, new qualities, or new combinations. For purposes
19 of this subsection (e) the term "mining" shall have the
20 same meaning as the term "mining" in Section 613(c) of the
21 Internal Revenue Code. For purposes of this subsection
22 (e), the term "retailing" means the sale of tangible
23 personal property for use or consumption and not for
24 resale, or services rendered in conjunction with the sale
25 of tangible personal property for use or consumption and
26 not for resale. For purposes of this subsection (e),

1 "tangible personal property" has the same meaning as when
2 that term is used in the Retailers' Occupation Tax Act,
3 and, for taxable years ending after December 31, 2008,
4 does not include the generation, transmission, or
5 distribution of electricity.

6 (4) The basis of qualified property shall be the basis
7 used to compute the depreciation deduction for federal
8 income tax purposes.

9 (5) If the basis of the property for federal income
10 tax depreciation purposes is increased after it has been
11 placed in service in Illinois by the taxpayer, the amount
12 of such increase shall be deemed property placed in
13 service on the date of such increase in basis.

14 (6) The term "placed in service" shall have the same
15 meaning as under Section 46 of the Internal Revenue Code.

16 (7) If during any taxable year, any property ceases to
17 be qualified property in the hands of the taxpayer within
18 48 months after being placed in service, or the situs of
19 any qualified property is moved outside Illinois within 48
20 months after being placed in service, the Personal
21 Property Tax Replacement Income Tax for such taxable year
22 shall be increased. Such increase shall be determined by
23 (i) recomputing the investment credit which would have
24 been allowed for the year in which credit for such
25 property was originally allowed by eliminating such
26 property from such computation and, (ii) subtracting such

1 recomputed credit from the amount of credit previously
2 allowed. For the purposes of this paragraph (7), a
3 reduction of the basis of qualified property resulting
4 from a redetermination of the purchase price shall be
5 deemed a disposition of qualified property to the extent
6 of such reduction.

7 (8) Unless the investment credit is extended by law,
8 the basis of qualified property shall not include costs
9 incurred after December 31, 2018, except for costs
10 incurred pursuant to a binding contract entered into on or
11 before December 31, 2018.

12 (9) Each taxable year ending before December 31, 2000,
13 a partnership may elect to pass through to its partners
14 the credits to which the partnership is entitled under
15 this subsection (e) for the taxable year. A partner may
16 use the credit allocated to him or her under this
17 paragraph only against the tax imposed in subsections (c)
18 and (d) of this Section. If the partnership makes that
19 election, those credits shall be allocated among the
20 partners in the partnership in accordance with the rules
21 set forth in Section 704(b) of the Internal Revenue Code,
22 and the rules promulgated under that Section, and the
23 allocated amount of the credits shall be allowed to the
24 partners for that taxable year. The partnership shall make
25 this election on its Personal Property Tax Replacement
26 Income Tax return for that taxable year. The election to

1 pass through the credits shall be irrevocable.

2 For taxable years ending on or after December 31,
3 2000, a partner that qualifies its partnership for a
4 subtraction under subparagraph (I) of paragraph (2) of
5 subsection (d) of Section 203 or a shareholder that
6 qualifies a Subchapter S corporation for a subtraction
7 under subparagraph (S) of paragraph (2) of subsection (b)
8 of Section 203 shall be allowed a credit under this
9 subsection (e) equal to its share of the credit earned
10 under this subsection (e) during the taxable year by the
11 partnership or Subchapter S corporation, determined in
12 accordance with the determination of income and
13 distributive share of income under Sections 702 and 704
14 and Subchapter S of the Internal Revenue Code. This
15 paragraph is exempt from the provisions of Section 250.

16 (f) Investment credit; Enterprise Zone; River Edge
17 Redevelopment Zone.

18 (1) A taxpayer shall be allowed a credit against the
19 tax imposed by subsections (a) and (b) of this Section for
20 investment in qualified property which is placed in
21 service in an Enterprise Zone created pursuant to the
22 Illinois Enterprise Zone Act or, for property placed in
23 service on or after July 1, 2006, a River Edge
24 Redevelopment Zone established pursuant to the River Edge
25 Redevelopment Zone Act. For partners, shareholders of
26 Subchapter S corporations, and owners of limited liability

1 companies, if the liability company is treated as a
2 partnership for purposes of federal and State income
3 taxation, there shall be allowed a credit under this
4 subsection (f) to be determined in accordance with the
5 determination of income and distributive share of income
6 under Sections 702 and 704 and Subchapter S of the
7 Internal Revenue Code. The credit shall be .5% of the
8 basis for such property. The credit shall be available
9 only in the taxable year in which the property is placed in
10 service in the Enterprise Zone or River Edge Redevelopment
11 Zone and shall not be allowed to the extent that it would
12 reduce a taxpayer's liability for the tax imposed by
13 subsections (a) and (b) of this Section to below zero. For
14 tax years ending on or after December 31, 1985, the credit
15 shall be allowed for the tax year in which the property is
16 placed in service, or, if the amount of the credit exceeds
17 the tax liability for that year, whether it exceeds the
18 original liability or the liability as later amended, such
19 excess may be carried forward and applied to the tax
20 liability of the 5 taxable years following the excess
21 credit year. The credit shall be applied to the earliest
22 year for which there is a liability. If there is credit
23 from more than one tax year that is available to offset a
24 liability, the credit accruing first in time shall be
25 applied first.

26 (2) The term qualified property means property which:

1 (A) is tangible, whether new or used, including
2 buildings and structural components of buildings;

3 (B) is depreciable pursuant to Section 167 of the
4 Internal Revenue Code, except that "3-year property"
5 as defined in Section 168(c)(2)(A) of that Code is not
6 eligible for the credit provided by this subsection
7 (f);

8 (C) is acquired by purchase as defined in Section
9 179(d) of the Internal Revenue Code;

10 (D) is used in the Enterprise Zone or River Edge
11 Redevelopment Zone by the taxpayer; and

12 (E) has not been previously used in Illinois in
13 such a manner and by such a person as would qualify for
14 the credit provided by this subsection (f) or
15 subsection (e).

16 (3) The basis of qualified property shall be the basis
17 used to compute the depreciation deduction for federal
18 income tax purposes.

19 (4) If the basis of the property for federal income
20 tax depreciation purposes is increased after it has been
21 placed in service in the Enterprise Zone or River Edge
22 Redevelopment Zone by the taxpayer, the amount of such
23 increase shall be deemed property placed in service on the
24 date of such increase in basis.

25 (5) The term "placed in service" shall have the same
26 meaning as under Section 46 of the Internal Revenue Code.

1 (6) If during any taxable year, any property ceases to
2 be qualified property in the hands of the taxpayer within
3 48 months after being placed in service, or the situs of
4 any qualified property is moved outside the Enterprise
5 Zone or River Edge Redevelopment Zone within 48 months
6 after being placed in service, the tax imposed under
7 subsections (a) and (b) of this Section for such taxable
8 year shall be increased. Such increase shall be determined
9 by (i) recomputing the investment credit which would have
10 been allowed for the year in which credit for such
11 property was originally allowed by eliminating such
12 property from such computation, and (ii) subtracting such
13 recomputed credit from the amount of credit previously
14 allowed. For the purposes of this paragraph (6), a
15 reduction of the basis of qualified property resulting
16 from a redetermination of the purchase price shall be
17 deemed a disposition of qualified property to the extent
18 of such reduction.

19 (7) There shall be allowed an additional credit equal
20 to 0.5% of the basis of qualified property placed in
21 service during the taxable year in a River Edge
22 Redevelopment Zone, provided such property is placed in
23 service on or after July 1, 2006, and the taxpayer's base
24 employment within Illinois has increased by 1% or more
25 over the preceding year as determined by the taxpayer's
26 employment records filed with the Illinois Department of

1 Employment Security. Taxpayers who are new to Illinois
2 shall be deemed to have met the 1% growth in base
3 employment for the first year in which they file
4 employment records with the Illinois Department of
5 Employment Security. If, in any year, the increase in base
6 employment within Illinois over the preceding year is less
7 than 1%, the additional credit shall be limited to that
8 percentage times a fraction, the numerator of which is
9 0.5% and the denominator of which is 1%, but shall not
10 exceed 0.5%.

11 (8) For taxable years beginning on or after January 1,
12 2021, there shall be allowed an Enterprise Zone
13 construction jobs credit against the taxes imposed under
14 subsections (a) and (b) of this Section as provided in
15 Section 13 of the Illinois Enterprise Zone Act.

16 The credit or credits may not reduce the taxpayer's
17 liability to less than zero. If the amount of the credit or
18 credits exceeds the taxpayer's liability, the excess may
19 be carried forward and applied against the taxpayer's
20 liability in succeeding calendar years in the same manner
21 provided under paragraph (4) of Section 211 of this Act.
22 The credit or credits shall be applied to the earliest
23 year for which there is a tax liability. If there are
24 credits from more than one taxable year that are available
25 to offset a liability, the earlier credit shall be applied
26 first.

1 For partners, shareholders of Subchapter S
2 corporations, and owners of limited liability companies,
3 if the liability company is treated as a partnership for
4 the purposes of federal and State income taxation, there
5 shall be allowed a credit under this Section to be
6 determined in accordance with the determination of income
7 and distributive share of income under Sections 702 and
8 704 and Subchapter S of the Internal Revenue Code.

9 The total aggregate amount of credits awarded under
10 the Blue Collar Jobs Act (Article 20 of Public Act 101-9
11 ~~this amendatory Act of the 101st General Assembly~~) shall
12 not exceed \$20,000,000 in any State fiscal year.

13 This paragraph (8) is exempt from the provisions of
14 Section 250.

15 (g) (Blank).

16 (h) Investment credit; High Impact Business.

17 (1) Subject to subsections (b) and (b-5) of Section
18 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
19 be allowed a credit against the tax imposed by subsections
20 (a) and (b) of this Section for investment in qualified
21 property which is placed in service by a Department of
22 Commerce and Economic Opportunity designated High Impact
23 Business. The credit shall be .5% of the basis for such
24 property. The credit shall not be available (i) until the
25 minimum investments in qualified property set forth in
26 subdivision (a)(3)(A) of Section 5.5 of the Illinois

1 Enterprise Zone Act have been satisfied or (ii) until the
2 time authorized in subsection (b-5) of the Illinois
3 Enterprise Zone Act for entities designated as High Impact
4 Businesses under subdivision ~~subdivisions~~ (a) (3) (B),
5 (a) (3) (C), ~~and~~ (a) (3) (D), or (a) (3) (G) of Section 5.5 of
6 the Illinois Enterprise Zone Act, and shall not be allowed
7 to the extent that it would reduce a taxpayer's liability
8 for the tax imposed by subsections (a) and (b) of this
9 Section to below zero. The credit applicable to such
10 investments shall be taken in the taxable year in which
11 such investments have been completed. The credit for
12 additional investments beyond the minimum investment by a
13 designated high impact business authorized under
14 subdivision (a) (3) (A) of Section 5.5 of the Illinois
15 Enterprise Zone Act shall be available only in the taxable
16 year in which the property is placed in service and shall
17 not be allowed to the extent that it would reduce a
18 taxpayer's liability for the tax imposed by subsections
19 (a) and (b) of this Section to below zero. For tax years
20 ending on or after December 31, 1987, the credit shall be
21 allowed for the tax year in which the property is placed in
22 service, or, if the amount of the credit exceeds the tax
23 liability for that year, whether it exceeds the original
24 liability or the liability as later amended, such excess
25 may be carried forward and applied to the tax liability of
26 the 5 taxable years following the excess credit year. The

1 credit shall be applied to the earliest year for which
2 there is a liability. If there is credit from more than one
3 tax year that is available to offset a liability, the
4 credit accruing first in time shall be applied first.

5 Changes made in this subdivision (h)(1) by Public Act
6 88-670 restore changes made by Public Act 85-1182 and
7 reflect existing law.

8 (2) The term qualified property means property which:

9 (A) is tangible, whether new or used, including
10 buildings and structural components of buildings;

11 (B) is depreciable pursuant to Section 167 of the
12 Internal Revenue Code, except that "3-year property"
13 as defined in Section 168(c)(2)(A) of that Code is not
14 eligible for the credit provided by this subsection
15 (h);

16 (C) is acquired by purchase as defined in Section
17 179(d) of the Internal Revenue Code; and

18 (D) is not eligible for the Enterprise Zone
19 Investment Credit provided by subsection (f) of this
20 Section.

21 (3) The basis of qualified property shall be the basis
22 used to compute the depreciation deduction for federal
23 income tax purposes.

24 (4) If the basis of the property for federal income
25 tax depreciation purposes is increased after it has been
26 placed in service in a federally designated Foreign Trade

1 Zone or Sub-Zone located in Illinois by the taxpayer, the
2 amount of such increase shall be deemed property placed in
3 service on the date of such increase in basis.

4 (5) The term "placed in service" shall have the same
5 meaning as under Section 46 of the Internal Revenue Code.

6 (6) If during any taxable year ending on or before
7 December 31, 1996, any property ceases to be qualified
8 property in the hands of the taxpayer within 48 months
9 after being placed in service, or the situs of any
10 qualified property is moved outside Illinois within 48
11 months after being placed in service, the tax imposed
12 under subsections (a) and (b) of this Section for such
13 taxable year shall be increased. Such increase shall be
14 determined by (i) recomputing the investment credit which
15 would have been allowed for the year in which credit for
16 such property was originally allowed by eliminating such
17 property from such computation, and (ii) subtracting such
18 recomputed credit from the amount of credit previously
19 allowed. For the purposes of this paragraph (6), a
20 reduction of the basis of qualified property resulting
21 from a redetermination of the purchase price shall be
22 deemed a disposition of qualified property to the extent
23 of such reduction.

24 (7) Beginning with tax years ending after December 31,
25 1996, if a taxpayer qualifies for the credit under this
26 subsection (h) and thereby is granted a tax abatement and

1 the taxpayer relocates its entire facility in violation of
2 the explicit terms and length of the contract under
3 Section 18-183 of the Property Tax Code, the tax imposed
4 under subsections (a) and (b) of this Section shall be
5 increased for the taxable year in which the taxpayer
6 relocated its facility by an amount equal to the amount of
7 credit received by the taxpayer under this subsection (h).

8 (h-5) High Impact Business construction ~~constructions~~ jobs
9 credit. For taxable years beginning on or after January 1,
10 2021, there shall also be allowed a High Impact Business
11 construction jobs credit against the tax imposed under
12 subsections (a) and (b) of this Section as provided in
13 subsections (i) and (j) of Section 5.5 of the Illinois
14 Enterprise Zone Act.

15 The credit or credits may not reduce the taxpayer's
16 liability to less than zero. If the amount of the credit or
17 credits exceeds the taxpayer's liability, the excess may be
18 carried forward and applied against the taxpayer's liability
19 in succeeding calendar years in the manner provided under
20 paragraph (4) of Section 211 of this Act. The credit or credits
21 shall be applied to the earliest year for which there is a tax
22 liability. If there are credits from more than one taxable
23 year that are available to offset a liability, the earlier
24 credit shall be applied first.

25 For partners, shareholders of Subchapter S corporations,
26 and owners of limited liability companies, if the liability

1 company is treated as a partnership for the purposes of
2 federal and State income taxation, there shall be allowed a
3 credit under this Section to be determined in accordance with
4 the determination of income and distributive share of income
5 under Sections 702 and 704 and Subchapter S of the Internal
6 Revenue Code.

7 The total aggregate amount of credits awarded under the
8 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
9 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
10 \$20,000,000 in any State fiscal year.

11 This subsection (h-5) is exempt from the provisions of
12 Section 250.

13 (i) Credit for Personal Property Tax Replacement Income
14 Tax. For tax years ending prior to December 31, 2003, a credit
15 shall be allowed against the tax imposed by subsections (a)
16 and (b) of this Section for the tax imposed by subsections (c)
17 and (d) of this Section. This credit shall be computed by
18 multiplying the tax imposed by subsections (c) and (d) of this
19 Section by a fraction, the numerator of which is base income
20 allocable to Illinois and the denominator of which is Illinois
21 base income, and further multiplying the product by the tax
22 rate imposed by subsections (a) and (b) of this Section.

23 Any credit earned on or after December 31, 1986 under this
24 subsection which is unused in the year the credit is computed
25 because it exceeds the tax liability imposed by subsections
26 (a) and (b) for that year (whether it exceeds the original

1 liability or the liability as later amended) may be carried
2 forward and applied to the tax liability imposed by
3 subsections (a) and (b) of the 5 taxable years following the
4 excess credit year, provided that no credit may be carried
5 forward to any year ending on or after December 31, 2003. This
6 credit shall be applied first to the earliest year for which
7 there is a liability. If there is a credit under this
8 subsection from more than one tax year that is available to
9 offset a liability the earliest credit arising under this
10 subsection shall be applied first.

11 If, during any taxable year ending on or after December
12 31, 1986, the tax imposed by subsections (c) and (d) of this
13 Section for which a taxpayer has claimed a credit under this
14 subsection (i) is reduced, the amount of credit for such tax
15 shall also be reduced. Such reduction shall be determined by
16 recomputing the credit to take into account the reduced tax
17 imposed by subsections (c) and (d). If any portion of the
18 reduced amount of credit has been carried to a different
19 taxable year, an amended return shall be filed for such
20 taxable year to reduce the amount of credit claimed.

21 (j) Training expense credit. Beginning with tax years
22 ending on or after December 31, 1986 and prior to December 31,
23 2003, a taxpayer shall be allowed a credit against the tax
24 imposed by subsections (a) and (b) under this Section for all
25 amounts paid or accrued, on behalf of all persons employed by
26 the taxpayer in Illinois or Illinois residents employed

1 outside of Illinois by a taxpayer, for educational or
2 vocational training in semi-technical or technical fields or
3 semi-skilled or skilled fields, which were deducted from gross
4 income in the computation of taxable income. The credit
5 against the tax imposed by subsections (a) and (b) shall be
6 1.6% of such training expenses. For partners, shareholders of
7 subchapter S corporations, and owners of limited liability
8 companies, if the liability company is treated as a
9 partnership for purposes of federal and State income taxation,
10 there shall be allowed a credit under this subsection (j) to be
11 determined in accordance with the determination of income and
12 distributive share of income under Sections 702 and 704 and
13 subchapter S of the Internal Revenue Code.

14 Any credit allowed under this subsection which is unused
15 in the year the credit is earned may be carried forward to each
16 of the 5 taxable years following the year for which the credit
17 is first computed until it is used. This credit shall be
18 applied first to the earliest year for which there is a
19 liability. If there is a credit under this subsection from
20 more than one tax year that is available to offset a liability,
21 the earliest credit arising under this subsection shall be
22 applied first. No carryforward credit may be claimed in any
23 tax year ending on or after December 31, 2003.

24 (k) Research and development credit. For tax years ending
25 after July 1, 1990 and prior to December 31, 2003, and
26 beginning again for tax years ending on or after December 31,

1 2004, and ending prior to January 1, 2027, a taxpayer shall be
2 allowed a credit against the tax imposed by subsections (a)
3 and (b) of this Section for increasing research activities in
4 this State. The credit allowed against the tax imposed by
5 subsections (a) and (b) shall be equal to 6 1/2% of the
6 qualifying expenditures for increasing research activities in
7 this State. For partners, shareholders of subchapter S
8 corporations, and owners of limited liability companies, if
9 the liability company is treated as a partnership for purposes
10 of federal and State income taxation, there shall be allowed a
11 credit under this subsection to be determined in accordance
12 with the determination of income and distributive share of
13 income under Sections 702 and 704 and subchapter S of the
14 Internal Revenue Code.

15 For purposes of this subsection, "qualifying expenditures"
16 means the qualifying expenditures as defined for the federal
17 credit for increasing research activities which would be
18 allowable under Section 41 of the Internal Revenue Code and
19 which are conducted in this State, "qualifying expenditures
20 for increasing research activities in this State" means the
21 excess of qualifying expenditures for the taxable year in
22 which incurred over qualifying expenditures for the base
23 period, "qualifying expenditures for the base period" means
24 the average of the qualifying expenditures for each year in
25 the base period, and "base period" means the 3 taxable years
26 immediately preceding the taxable year for which the

1 determination is being made.

2 Any credit in excess of the tax liability for the taxable
3 year may be carried forward. A taxpayer may elect to have the
4 unused credit shown on its final completed return carried over
5 as a credit against the tax liability for the following 5
6 taxable years or until it has been fully used, whichever
7 occurs first; provided that no credit earned in a tax year
8 ending prior to December 31, 2003 may be carried forward to any
9 year ending on or after December 31, 2003.

10 If an unused credit is carried forward to a given year from
11 2 or more earlier years, that credit arising in the earliest
12 year will be applied first against the tax liability for the
13 given year. If a tax liability for the given year still
14 remains, the credit from the next earliest year will then be
15 applied, and so on, until all credits have been used or no tax
16 liability for the given year remains. Any remaining unused
17 credit or credits then will be carried forward to the next
18 following year in which a tax liability is incurred, except
19 that no credit can be carried forward to a year which is more
20 than 5 years after the year in which the expense for which the
21 credit is given was incurred.

22 No inference shall be drawn from Public Act 91-644 ~~this~~
23 ~~amendatory Act of the 91st General Assembly~~ in construing this
24 Section for taxable years beginning before January 1, 1999.

25 It is the intent of the General Assembly that the research
26 and development credit under this subsection (k) shall apply

1 continuously for all tax years ending on or after December 31,
2 2004 and ending prior to January 1, 2027, including, but not
3 limited to, the period beginning on January 1, 2016 and ending
4 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
5 ~~amendatory Act of the 100th General Assembly~~. All actions
6 taken in reliance on the continuation of the credit under this
7 subsection (k) by any taxpayer are hereby validated.

8 (l) Environmental Remediation Tax Credit.

9 (i) For tax years ending after December 31, 1997 and
10 on or before December 31, 2001, a taxpayer shall be
11 allowed a credit against the tax imposed by subsections
12 (a) and (b) of this Section for certain amounts paid for
13 unreimbursed eligible remediation costs, as specified in
14 this subsection. For purposes of this Section,
15 "unreimbursed eligible remediation costs" means costs
16 approved by the Illinois Environmental Protection Agency
17 ("Agency") under Section 58.14 of the Environmental
18 Protection Act that were paid in performing environmental
19 remediation at a site for which a No Further Remediation
20 Letter was issued by the Agency and recorded under Section
21 58.10 of the Environmental Protection Act. The credit must
22 be claimed for the taxable year in which Agency approval
23 of the eligible remediation costs is granted. The credit
24 is not available to any taxpayer if the taxpayer or any
25 related party caused or contributed to, in any material
26 respect, a release of regulated substances on, in, or

1 under the site that was identified and addressed by the
2 remedial action pursuant to the Site Remediation Program
3 of the Environmental Protection Act. After the Pollution
4 Control Board rules are adopted pursuant to the Illinois
5 Administrative Procedure Act for the administration and
6 enforcement of Section 58.9 of the Environmental
7 Protection Act, determinations as to credit availability
8 for purposes of this Section shall be made consistent with
9 those rules. For purposes of this Section, "taxpayer"
10 includes a person whose tax attributes the taxpayer has
11 succeeded to under Section 381 of the Internal Revenue
12 Code and "related party" includes the persons disallowed a
13 deduction for losses by paragraphs (b), (c), and (f)(1) of
14 Section 267 of the Internal Revenue Code by virtue of
15 being a related taxpayer, as well as any of its partners.
16 The credit allowed against the tax imposed by subsections
17 (a) and (b) shall be equal to 25% of the unreimbursed
18 eligible remediation costs in excess of \$100,000 per site,
19 except that the \$100,000 threshold shall not apply to any
20 site contained in an enterprise zone as determined by the
21 Department of Commerce and Community Affairs (now
22 Department of Commerce and Economic Opportunity). The
23 total credit allowed shall not exceed \$40,000 per year
24 with a maximum total of \$150,000 per site. For partners
25 and shareholders of subchapter S corporations, there shall
26 be allowed a credit under this subsection to be determined

1 in accordance with the determination of income and
2 distributive share of income under Sections 702 and 704
3 and subchapter S of the Internal Revenue Code.

4 (ii) A credit allowed under this subsection that is
5 unused in the year the credit is earned may be carried
6 forward to each of the 5 taxable years following the year
7 for which the credit is first earned until it is used. The
8 term "unused credit" does not include any amounts of
9 unreimbursed eligible remediation costs in excess of the
10 maximum credit per site authorized under paragraph (i).
11 This credit shall be applied first to the earliest year
12 for which there is a liability. If there is a credit under
13 this subsection from more than one tax year that is
14 available to offset a liability, the earliest credit
15 arising under this subsection shall be applied first. A
16 credit allowed under this subsection may be sold to a
17 buyer as part of a sale of all or part of the remediation
18 site for which the credit was granted. The purchaser of a
19 remediation site and the tax credit shall succeed to the
20 unused credit and remaining carry-forward period of the
21 seller. To perfect the transfer, the assignor shall record
22 the transfer in the chain of title for the site and provide
23 written notice to the Director of the Illinois Department
24 of Revenue of the assignor's intent to sell the
25 remediation site and the amount of the tax credit to be
26 transferred as a portion of the sale. In no event may a

1 credit be transferred to any taxpayer if the taxpayer or a
2 related party would not be eligible under the provisions
3 of subsection (i).

4 (iii) For purposes of this Section, the term "site"
5 shall have the same meaning as under Section 58.2 of the
6 Environmental Protection Act.

7 (m) Education expense credit. Beginning with tax years
8 ending after December 31, 1999, a taxpayer who is the
9 custodian of one or more qualifying pupils shall be allowed a
10 credit against the tax imposed by subsections (a) and (b) of
11 this Section for qualified education expenses incurred on
12 behalf of the qualifying pupils. The credit shall be equal to
13 25% of qualified education expenses, but in no event may the
14 total credit under this subsection claimed by a family that is
15 the custodian of qualifying pupils exceed (i) \$500 for tax
16 years ending prior to December 31, 2017, and (ii) \$750 for tax
17 years ending on or after December 31, 2017. In no event shall a
18 credit under this subsection reduce the taxpayer's liability
19 under this Act to less than zero. Notwithstanding any other
20 provision of law, for taxable years beginning on or after
21 January 1, 2017, no taxpayer may claim a credit under this
22 subsection (m) if the taxpayer's adjusted gross income for the
23 taxable year exceeds (i) \$500,000, in the case of spouses
24 filing a joint federal tax return or (ii) \$250,000, in the case
25 of all other taxpayers. This subsection is exempt from the
26 provisions of Section 250 of this Act.

1 For purposes of this subsection:

2 "Qualifying pupils" means individuals who (i) are
3 residents of the State of Illinois, (ii) are under the age of
4 21 at the close of the school year for which a credit is
5 sought, and (iii) during the school year for which a credit is
6 sought were full-time pupils enrolled in a kindergarten
7 through twelfth grade education program at any school, as
8 defined in this subsection.

9 "Qualified education expense" means the amount incurred on
10 behalf of a qualifying pupil in excess of \$250 for tuition,
11 book fees, and lab fees at the school in which the pupil is
12 enrolled during the regular school year.

13 "School" means any public or nonpublic elementary or
14 secondary school in Illinois that is in compliance with Title
15 VI of the Civil Rights Act of 1964 and attendance at which
16 satisfies the requirements of Section 26-1 of the School Code,
17 except that nothing shall be construed to require a child to
18 attend any particular public or nonpublic school to qualify
19 for the credit under this Section.

20 "Custodian" means, with respect to qualifying pupils, an
21 Illinois resident who is a parent, the parents, a legal
22 guardian, or the legal guardians of the qualifying pupils.

23 (n) River Edge Redevelopment Zone site remediation tax
24 credit.

25 (i) For tax years ending on or after December 31,
26 2006, a taxpayer shall be allowed a credit against the tax

1 imposed by subsections (a) and (b) of this Section for
2 certain amounts paid for unreimbursed eligible remediation
3 costs, as specified in this subsection. For purposes of
4 this Section, "unreimbursed eligible remediation costs"
5 means costs approved by the Illinois Environmental
6 Protection Agency ("Agency") under Section 58.14a of the
7 Environmental Protection Act that were paid in performing
8 environmental remediation at a site within a River Edge
9 Redevelopment Zone for which a No Further Remediation
10 Letter was issued by the Agency and recorded under Section
11 58.10 of the Environmental Protection Act. The credit must
12 be claimed for the taxable year in which Agency approval
13 of the eligible remediation costs is granted. The credit
14 is not available to any taxpayer if the taxpayer or any
15 related party caused or contributed to, in any material
16 respect, a release of regulated substances on, in, or
17 under the site that was identified and addressed by the
18 remedial action pursuant to the Site Remediation Program
19 of the Environmental Protection Act. Determinations as to
20 credit availability for purposes of this Section shall be
21 made consistent with rules adopted by the Pollution
22 Control Board pursuant to the Illinois Administrative
23 Procedure Act for the administration and enforcement of
24 Section 58.9 of the Environmental Protection Act. For
25 purposes of this Section, "taxpayer" includes a person
26 whose tax attributes the taxpayer has succeeded to under

1 Section 381 of the Internal Revenue Code and "related
2 party" includes the persons disallowed a deduction for
3 losses by paragraphs (b), (c), and (f)(1) of Section 267
4 of the Internal Revenue Code by virtue of being a related
5 taxpayer, as well as any of its partners. The credit
6 allowed against the tax imposed by subsections (a) and (b)
7 shall be equal to 25% of the unreimbursed eligible
8 remediation costs in excess of \$100,000 per site.

9 (ii) A credit allowed under this subsection that is
10 unused in the year the credit is earned may be carried
11 forward to each of the 5 taxable years following the year
12 for which the credit is first earned until it is used. This
13 credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available
16 to offset a liability, the earliest credit arising under
17 this subsection shall be applied first. A credit allowed
18 under this subsection may be sold to a buyer as part of a
19 sale of all or part of the remediation site for which the
20 credit was granted. The purchaser of a remediation site
21 and the tax credit shall succeed to the unused credit and
22 remaining carry-forward period of the seller. To perfect
23 the transfer, the assignor shall record the transfer in
24 the chain of title for the site and provide written notice
25 to the Director of the Illinois Department of Revenue of
26 the assignor's intent to sell the remediation site and the

1 amount of the tax credit to be transferred as a portion of
2 the sale. In no event may a credit be transferred to any
3 taxpayer if the taxpayer or a related party would not be
4 eligible under the provisions of subsection (i).

5 (iii) For purposes of this Section, the term "site"
6 shall have the same meaning as under Section 58.2 of the
7 Environmental Protection Act.

8 (o) For each of taxable years during the Compassionate Use
9 of Medical Cannabis Program, a surcharge is imposed on all
10 taxpayers on income arising from the sale or exchange of
11 capital assets, depreciable business property, real property
12 used in the trade or business, and Section 197 intangibles of
13 an organization registrant under the Compassionate Use of
14 Medical Cannabis Program Act. The amount of the surcharge is
15 equal to the amount of federal income tax liability for the
16 taxable year attributable to those sales and exchanges. The
17 surcharge imposed does not apply if:

18 (1) the medical cannabis cultivation center
19 registration, medical cannabis dispensary registration, or
20 the property of a registration is transferred as a result
21 of any of the following:

22 (A) bankruptcy, a receivership, or a debt
23 adjustment initiated by or against the initial
24 registration or the substantial owners of the initial
25 registration;

26 (B) cancellation, revocation, or termination of

1 any registration by the Illinois Department of Public
2 Health;

3 (C) a determination by the Illinois Department of
4 Public Health that transfer of the registration is in
5 the best interests of Illinois qualifying patients as
6 defined by the Compassionate Use of Medical Cannabis
7 Program Act;

8 (D) the death of an owner of the equity interest in
9 a registrant;

10 (E) the acquisition of a controlling interest in
11 the stock or substantially all of the assets of a
12 publicly traded company;

13 (F) a transfer by a parent company to a wholly
14 owned subsidiary; or

15 (G) the transfer or sale to or by one person to
16 another person where both persons were initial owners
17 of the registration when the registration was issued;
18 or

19 (2) the cannabis cultivation center registration,
20 medical cannabis dispensary registration, or the
21 controlling interest in a registrant's property is
22 transferred in a transaction to lineal descendants in
23 which no gain or loss is recognized or as a result of a
24 transaction in accordance with Section 351 of the Internal
25 Revenue Code in which no gain or loss is recognized.

26 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for

1 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
2 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

3 Section 15. The Public Utilities Act is amended by
4 changing Section 9-222.1A as follows:

5 (220 ILCS 5/9-222.1A)

6 Sec. 9-222.1A. High impact business. Beginning on August
7 1, 1998 and thereafter, a business enterprise that is
8 certified as a High Impact Business by the Department of
9 Commerce and Economic Opportunity (formerly Department of
10 Commerce and Community Affairs) is exempt from the tax imposed
11 by Section 2-4 of the Electricity Excise Tax Law, if the High
12 Impact Business is registered to self-assess that tax, and is
13 exempt from any additional charges added to the business
14 enterprise's utility bills as a pass-on of State utility taxes
15 under Section 9-222 of this Act, to the extent the tax or
16 charges are exempted by the percentage specified by the
17 Department of Commerce and Economic Opportunity for State
18 utility taxes, provided the business enterprise meets the
19 following criteria:

20 (1) (A) it intends either (i) to make a minimum
21 eligible investment of \$12,000,000 that will be placed
22 in service in qualified property in Illinois and is
23 intended to create at least 500 full-time equivalent
24 jobs at a designated location in Illinois; or (ii) to

1 make a minimum eligible investment of \$30,000,000 that
2 will be placed in service in qualified property in
3 Illinois and is intended to retain at least 1,500
4 full-time equivalent jobs at a designated location in
5 Illinois; or

6 (B) it meets the criteria of subdivision
7 (a) (3) (B), (a) (3) (C), (a) (3) (D), ~~or~~ (a) (3) (F), or
8 (a) (3) (G) of Section 5.5 of the Illinois Enterprise
9 Zone Act;

10 (2) it is designated as a High Impact Business by the
11 Department of Commerce and Economic Opportunity; and

12 (3) it is certified by the Department of Commerce and
13 Economic Opportunity as complying with the requirements
14 specified in clauses (1) and (2) of this Section.

15 The Department of Commerce and Economic Opportunity shall
16 determine the period during which the exemption from the
17 Electricity Excise Tax Law and the charges imposed under
18 Section 9-222 are in effect, which shall not exceed 20 years
19 from the date of initial certification, and shall specify the
20 percentage of the exemption from those taxes or additional
21 charges.

22 The Department of Commerce and Economic Opportunity is
23 authorized to promulgate rules and regulations to carry out
24 the provisions of this Section, including procedures for
25 complying with the requirements specified in clauses (1) and
26 (2) of this Section and procedures for applying for the

1 exemptions authorized under this Section; to define the
2 amounts and types of eligible investments that business
3 enterprises must make in order to receive State utility tax
4 exemptions or exemptions from the additional charges imposed
5 under Section 9-222 and this Section; to approve such utility
6 tax exemptions for business enterprises whose investments are
7 not yet placed in service; and to require that business
8 enterprises granted tax exemptions or exemptions from
9 additional charges under Section 9-222 repay the exempted
10 amount if the business enterprise fails to comply with the
11 terms and conditions of the certification.

12 Upon certification of the business enterprises by the
13 Department of Commerce and Economic Opportunity, the
14 Department of Commerce and Economic Opportunity shall notify
15 the Department of Revenue of the certification. The Department
16 of Revenue shall notify the public utilities of the exemption
17 status of business enterprises from the tax or pass-on charges
18 of State utility taxes. The exemption status shall take effect
19 within 3 months after certification of the business
20 enterprise.

21 (Source: P.A. 98-109, eff. 7-25-13.)

22 Section 95. No acceleration or delay. Where this Act makes
23 changes in a statute that is represented in this Act by text
24 that is not yet or no longer in effect (for example, a Section
25 represented by multiple versions), the use of that text does

1 not accelerate or delay the taking effect of (i) the changes
2 made by this Act or (ii) provisions derived from any other
3 Public Act.

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.