



Rep. Lawrence Walsh, Jr.

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1 AMENDMENT TO HOUSE BILL 3437

2 AMENDMENT NO. _____. Amend House Bill 3437, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 1. INVESTING IN ILLINOIS WORKS TAX CREDIT ACT

6 Section 1-1. Short title. This Article may be cited as the
7 Investing in Illinois Works Tax Credit Act. References in this
8 Article to "this Act" mean this Article.

9 Section 1-3. Legislative findings. The General Assembly
10 finds that:

11 Economic research indicates that registered apprenticeship
12 programs have positive economic impacts, and countries with
13 more widespread usage of apprenticeship programs have shown to
14 be more successful at transitioning young workers into stable
15 jobs, resulting in lower youth unemployment rates.

1 The demographics of registered apprenticeship programs in
2 our State do not mirror the diversity of Illinoisans.
3 According to data from the U.S. Department of Labor's Office
4 of Apprenticeship, from 2000 through 2016, only 8.8% of all
5 construction apprentices were African-American, 17.6% were
6 Hispanic or Latino/Latina, while 69.6% were white.

7 In order to work toward a level playing field for all who
8 seek the training and economic stability apprenticeships
9 provide, Illinois created the Illinois Works Preapprenticeship
10 Program, which funds preapprenticeship skills training through
11 community-based organizations serving populations that have,
12 historically, been met with barriers to entry or advancement
13 in the workforce.

14 By targeting historically underutilized communities whose
15 members seek to access the upward mobility and career
16 advancement apprenticeships bring, the Illinois Works
17 Preapprenticeship Program is one part of many State
18 initiatives to increase diversity in apprenticeship programs
19 and careers in the construction and building trades.

20 The Investing in Illinois Works Tax Credit expands the
21 goals of the Illinois Works Preapprenticeship Program to
22 private construction projects and highly skilled training
23 programs by incentivizing contractors to utilize graduates of
24 the Illinois Works Preapprenticeship Program or graduates of
25 the U.S. Department of Labor's Office of Apprenticeship as
26 part of their skilled and trained workforces on projects at

1 high-hazard facilities.

2 Section 1-5. Definitions. As used in this Act:

3 "Apprenticeship program" has the same meaning as provided
4 in Section 10-5 of the Illinois Hazardous Materials Workforce
5 Training Act.

6 "Department" means the Department of Commerce and Economic
7 Opportunity.

8 "Illinois Works Preapprenticeship Program" means a network
9 of community-based, nonprofit organizations throughout
10 Illinois that receive grant funding from the Illinois
11 Department of Commerce and Economic Opportunity to recruit,
12 pre-screen, and provide preapprenticeship skill training to
13 create a qualified, diverse pipeline of workers who are
14 prepared for careers in the construction and building trades
15 as prescribed in Section 20-15 Illinois Works Jobs Program
16 Act.

17 "Inflation adjustment" means for any calendar year the
18 percentage, if any, by which the Consumer Price Index for All
19 Urban Consumers, as issued by the United States Department of
20 Labor, for the preceding calendar year exceeds the Consumer
21 Price Index for All Urban Consumers for calendar year 2021.

22 "Owner or operator" has the meaning provided in Section 5
23 of the Illinois Hazardous Materials Workforce Training Act.

24 "Qualifying employee" means a qualifying graduate who was
25 continuously employed by the owner or operator, or a

1 contractor employed by the owner or operator, in Illinois
2 during all 4 reporting periods occurring in the calendar year
3 directly preceding the calendar year in which the credit is
4 claimed.

5 "Qualifying graduate" means an individual from an
6 underrepresented population who has successfully completed a
7 preapprenticeship program through the Illinois Works
8 Preapprenticeship Program in compliance with the requirements
9 of Section 20-15 of the Illinois Works Jobs Programs Act and
10 who is a registered apprentice as defined under Section 10-5
11 of the Illinois Hazardous Materials Workforce Training Act or
12 has successfully completed an apprenticeship program approved
13 by and registered with the United States Department of Labor's
14 Office of Apprenticeship.

15 "Reporting period" means the quarter for which a return is
16 required to be filed under subsection (b) of Section 704A of
17 the Illinois Income Tax Act.

18 "Skilled and trained workforce" has the same meaning
19 provided in Section 10-5 of the Illinois Hazardous Materials
20 Workforce Training Act.

21 "Tax credit certificate" means the certificate awarded by
22 the Department pursuant to Section 1-20 of this Act.

23 "Underrepresented population" has the meaning provided in
24 Section 20-10 of the Illinois Works Job Program Act.

25 Section 1-10. Credit amount. For reporting periods

1 beginning on or after January 1, 2022, subject to the
2 limitations provided in this Act, an owner or operator may
3 claim as a credit against the tax imposed under Section 704A of
4 the Illinois Income Tax Act an amount equal to \$2,500 for each
5 qualifying employee, plus any applicable inflation adjustment,
6 as certified by the Department on a tax credit certificate
7 awarded pursuant to this Act.

8 Section 1-15. Application process.

9 (a) An owner or operator may apply to the Department for a
10 certificate to receive a credit under Section 1-10.

11 (b) The Department shall establish an application process
12 to certify an owner or operator for the credit under Section
13 1-10 as necessary for implementation of this Act. As part of
14 the application process, the Department shall require the
15 owner or operator to provide:

16 (1) the name, year, and community-based organization
17 or union through which each qualifying employee completed
18 his or her Illinois Works Preapprenticeship Program or
19 apprenticeship program;

20 (2) the certificate of completion from the Department
21 of Labor that the qualifying employee has completed the
22 minimum approved safety training required by the Illinois
23 Hazardous Materials Workforce Training Act;

24 (3) the hours worked by the qualifying employee that
25 go to meeting his or her apprenticeship requirements at

1 the time of the application;

2 (4) a signed affidavit from the owner or operator
3 attesting that: (i) the qualifying employee was employed
4 by the owner and operator or a contractor reemployed by
5 the owner or operator during all 4 reporting periods
6 occurring during the calendar year preceding the calendar
7 year in which the credit will be applied; (ii) the
8 qualifying employee performed work in his or her
9 prevailing wage classification for the duration of his or
10 her employment in the calendar year preceding the calendar
11 year in which the credit will be applied; (iii) the
12 documents provided in the application are true; and (iv)
13 the owner or operator will comply with all applicable
14 laws; and

15 (5) any other material required by the Department.

16 Section 1-20. Credit awards.

17 (a) Upon satisfactory review, the Department shall issue a
18 tax credit certificate stating the amount of the tax credit to
19 which an owner or operator is entitled under this Act. Each
20 certificate shall include a unique identifying number. The
21 credit shall be claimed for the first reporting period
22 beginning on or after the date on which the certificate is
23 issued by the Department. The credit shall be equal to the
24 amount shown on the certificate but may not reduce the
25 taxpayer's obligation for any payment due under Section 704A

1 of the Illinois Income Tax Act to less than zero. If the amount
2 of the credit exceeds the total payments due under this
3 Section with respect to amounts withheld during the reporting
4 period, the excess may be carried forward and applied against
5 the taxpayer's liability under Section 704A of the Illinois
6 Income Tax Act in the 5 succeeding calendar years. The credit
7 shall be applied to the earliest reporting period for which
8 there is a tax liability. If there are credits from more than
9 one reporting period that are available to offset a liability,
10 the earlier credit shall be applied first. No credit awarded
11 under this Act shall be sold or otherwise transferred.

12 (b) This Section is exempt from the provisions of Section
13 250 of the Illinois Income Tax Act.

14 (c) The Department shall award not more than an aggregate
15 of \$20,000,000 in total annual tax credits pursuant to this
16 Act, increased annually by any applicable inflation
17 adjustment. If applications for a greater amount are received,
18 credits shall be allowed on a first-come, first-served basis
19 based on the date on which each properly completed application
20 for certification is received by the Department. If more than
21 one properly completed application for certification is
22 received on the same day, the credits shall be awarded based on
23 the time of submission for that particular day.

24 Section 1-25. Penalties; recapture.

25 (a) False or fraudulent claims for credits under this Act

1 may be subject to penalties as provided under Sections 3-5 or
2 3-6 of the Uniform Penalty and Interest Act, as applicable.

3 (b) If the Department determines that an owner or operator
4 who has received a credit under this Act does not comply with
5 the requirements of this Act or that a certification the owner
6 or operator made in his or her application are false, the
7 Department may initiate recapture procedures against the owner
8 or operator and, after notice and an opportunity for hearing,
9 recapture the entire credit amount awarded pursuant to any tax
10 credit certificate under issued under this Act. The Department
11 shall notify the Department of Revenue of any credits
12 recaptured pursuant to this subsection.

13 (c) If a previously awarded credit is required to be
14 recaptured under subsection (b), the owner or operator shall
15 increase the next withholding payment required under Section
16 704A of the Illinois Income Tax Act by the amount of the
17 recaptured credit.

18 Section 1-30. Rulemaking. The Department shall adopt rules
19 for the implementation and administration of this Act. In
20 order to provide for the expeditious and timely implementation
21 of this Act, the Department, the Department of Labor, and the
22 Department of Revenue may adopt emergency rules. The adoption
23 of emergency rules authorized by this Section is deemed to be
24 necessary for the public interest, safety, and welfare.

ARTICLE 5. ACCESS TO APPRENTICESHIP ACT

Section 5-1. Short title. This Article may be cited as the Access to Apprenticeship Act. References in this Article to "this Act" mean this Article.

Section 5-5. Restrictions on application requirements. Notwithstanding any law to the contrary, in order to ensure fair and equal access to apprenticeship programs, no application for a preapprenticeship or apprenticeship program, whether run by the State, a community-based organization, a community college, a public university, a private employer, a union, or joint labor-management program, may require a recommendation from a union member or any other person as a condition of acceptance to the preapprenticeship or apprenticeship program. An intent to hire letter from a signatory contractor shall not be considered a recommendation for purposes of this Act.

Section 5-97. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

ARTICLE 10. ILLINOIS HAZARDOUS MATERIALS WORKFORCE TRAINING
ACT

Section 10-1. Short title. This Article may be cited as

1 the Illinois Hazardous Materials Workforce Training Act.
2 References in this Article to "this Act" mean this Article.

3 Section 10-5. Definitions. As used in this Act:

4 "Apprenticeable occupation" means an occupation in the
5 building and construction trades for which training and
6 apprenticeship programs have been approved by and registered
7 with the U.S. Department of Labor's Office of Apprenticeship.

8 "Apprenticeship program" means an applicable training and
9 apprenticeship program approved by and registered with the
10 U.S. Department of Labor's Office of Apprenticeship.

11 "Building and construction trades council" means any labor
12 organization that represents multiple construction trades and
13 monitors or is attentive to compliance with public or workers'
14 safety laws, wage and hour requirements, or other statutory
15 requirements and negotiates and maintains collective
16 bargaining agreements.

17 "Construction" means all work at a stationary source
18 involving laborers, workers, or mechanics, including any
19 maintenance, repair, assembly, or disassembly work performed
20 on equipment whether owned, leased, or rented.

21 "Department" means the Department of Labor.

22 "Director" means the Director of Labor.

23 "Labor agreement" means a form of prehire collective
24 bargaining agreement covering all terms and conditions of
25 employment.

1 "Labor organization" means an organization that is the
2 exclusive representative of an employer's employees recognized
3 or certified under the federal National Labor Relations Act of
4 1935.

5 "Minimum approved safety training for workers at high
6 hazard facilities" means a minimum 30-hour OSHA Outreach
7 Training Program for the Construction class consisting of a
8 curriculum of OSHA-designated training topics with training
9 performed by an authorized OSHA Outreach Training Program
10 Trainer and that is intended to provide workers with
11 information about their rights, employer responsibilities,
12 safety and health hazards a worker may encounter on a work
13 site, as well as how to identify, abate, avoid, and prevent
14 job-related hazards by emphasizing hazard identification,
15 avoidance, control, and prevention.

16 "OSHA" means the United States Department of Labor's
17 Occupational Safety and Health Administration.

18 "Owner or operator" means an owner or operator of a
19 stationary source that is engaged in activities described in
20 Code 324110, 325110, 325193, or 325199 of the 2017 North
21 American Industry Classification System (NAICS), and has one
22 or more covered processes that are required to prepare and
23 submit a Risk Management Plan. "Owner or operator" does not
24 include oil and gas extraction operations.

25 "Prevailing hourly wage rate" has the same meaning as
26 "general prevailing rate of hourly wages" as defined in

1 Section 2 of the Prevailing Wage Act.

2 "Registered apprentice" means an apprentice registered in
3 an applicable apprenticeship program for an apprenticeable
4 occupation approved by and registered with the U.S. Department
5 of Labor's Office of Apprenticeship.

6 "Shift" means a set standard period of time an employer
7 requires its employees to perform his or her work-related
8 duties on a daily basis. For purposes of this definition,
9 there may be multiple shifts per day.

10 "Skilled journeyperson" means a worker who meets all of
11 the following criteria:

12 (1) the worker either graduated from an approved
13 apprenticeship and training program approved by and
14 registered with the U.S. Department of Labor's Office of
15 Apprenticeship for the applicable occupation, or has at
16 least as many hours of on-the-job experience in the
17 applicable occupation that would be required to graduate
18 from an apprenticeship program approved by and registered
19 with the U.S. Department of Labor's Office of
20 Apprenticeship for the applicable occupation;

21 (2) the worker is being paid at least a rate
22 equivalent to the prevailing hourly wage rate for a
23 journeyperson in the applicable occupation and locality;
24 and

25 (3) beginning on or after July 1, 2024, the worker has
26 completed, within the prior 3 calendar years, minimum

1 approved safety training for workers at high hazard
2 facilities and has filed a certificate of completion with
3 the Department.

4 "Skilled and trained workforce" means a workforce that
5 meets all of the following criteria:

6 (1) all the workers are either registered apprentices
7 or skilled journeypersons;

8 (2) beginning on July 1, 2022, at least 45% of the
9 skilled journeypersons are graduates of an apprenticeship
10 program for the applicable occupation;

11 (3) beginning on July 1, 2023, at least 60% of the
12 skilled journeypersons are graduates of an apprenticeship
13 program for the applicable occupation; and

14 (4) beginning on July 1, 2024, at least 80% of the
15 skilled journeypersons are graduates of an apprenticeship
16 program for the applicable occupation.

17 "Stationary source" means that term as it is defined under
18 Section 39.5 of the Environmental Protection Act.

19 Section 10-10. Minimum approved safety training.

20 (a) A person who has completed minimum approved safety
21 training for workers at high hazard facilities shall file his
22 or her certificate of completion with the Department in a
23 manner prescribed by the Department.

24 (b) The owner or operator, when contracting for the
25 performance of construction work at the stationary source,

1 shall require that its contractors and any subcontractors use
2 a skilled and trained workforce to perform all onsite work
3 within an apprenticeable occupation in the building and
4 construction trades.

5 (c) The requirements of this Section shall not immediately
6 apply to contracts awarded before July 1, 2022, unless the
7 contract is extended or renewed after that date. Contracts
8 awarded before July 1, 2022 shall meet the requirements of
9 this Section no later than July 1, 2023.

10 (d) The requirements of this Section shall only apply to
11 the skilled and trained workforce, contracted with an owner or
12 operator to perform construction work at the stationary source
13 site.

14 (e) The skilled and trained workforce requirements under
15 this Section shall not apply to:

16 (1) Contractors that have requested qualified workers
17 from the local hiring halls that dispatch workers in the
18 apprenticeable occupation and, due to workforce shortages,
19 the contractor is unable to obtain sufficient qualified
20 workers within 48 hours of the request, Saturdays,
21 Sundays, and holidays excepted. This Act shall not prevent
22 contractors from obtaining workers from any source.

23 (2) An emergency where compliance is impracticable;
24 namely, an emergency requires immediate action to prevent
25 imminent harm to public health or safety or to the
26 environment. Within 14 days of an emergency, the Illinois

1 Department of Labor must certify that the emergency
2 warranted noncompliance with this Act. The employer must
3 provide necessary documentation of the emergency to the
4 Illinois Department of Labor.

5 Section 10-15. Enforcement. Any interested party may file
6 a complaint with the Department of Labor against an owner,
7 operator, or construction contractor covered under this Act if
8 there is reasonable belief that the owner, operator, or
9 construction contractor is in violation of this Act. Upon
10 receiving the complaint, the Department of Labor shall request
11 a copy of any contract at issue that was entered into between
12 the owner, operator, or construction contractor to ensure that
13 training requirements under this Act were included in the
14 contract's terms. The Department of Labor shall request from
15 the construction contractor a copy of the construction
16 contractor's payroll, broken down by any registered apprentice
17 and skilled journeyperson on the job site. If the Department
18 of Labor finds that an owner, operator, or construction
19 contractor has not complied with this Act, the Department
20 shall refer the matter to the Attorney General for
21 enforcement.

22 Section 10-20. Exemptions. This Act does not apply to any
23 owner or operator that has an executed national or local labor
24 agreement in effect pertaining to the performance of

1 construction work at a given facility or site under the terms
2 of the agreement. The labor agreement must be negotiated with
3 and approved by a local building and construction trades
4 council that has geographic jurisdiction over the stationary
5 source.

6 Section 10-21. Reporting.

7 (a) Any applicable apprenticeship and training program
8 approved by and registered with the U.S. Department of Labor's
9 Office of Apprenticeship providing minimum approved safety
10 training for workers in high hazard facilities and any
11 contractor who employs workers operating at high hazard
12 facilities shall file an annual report with the Department and
13 the Illinois Works Review Panel, in the form and manner
14 required by the Department, within 6 months after the
15 effective date of this Act and on January 31 of each year
16 thereafter. The report shall contain the following
17 information:

18 (1) A description of the applicable apprenticeship and
19 training program, approved by and registered with the U.S.
20 Department of Labor's Office of Apprenticeship, or the
21 contractor's recruitment efforts, screening efforts, and a
22 general description of training efforts.

23 (2) The applicable apprenticeship and training
24 program, approved by and registered with the U.S.
25 Department of Labor's Office of Apprenticeship, shall

1 provide the number of individuals who apply to,
2 participate in, and complete the minimum approved safety
3 training for workers at high hazard facilities, broken
4 down by race, gender, jurisdiction, age, and veteran
5 status. A contractor under this paragraph shall provide
6 the number of workers who the contractor employs to work
7 at high hazard facilities, within the last calendar year,
8 broken down by race, gender, jurisdiction, age, and
9 veteran status.

10 (3) The demographic data of the jurisdiction.

11 (4) For the applicable apprenticeship and training
12 program, approved by and registered with the U.S.
13 Department of Labor's Office of Apprenticeship, a
14 statement of the minimum diversity goal that participation
15 in the minimum approved safety training for workers in
16 high hazard facilities is equal to the demographics of its
17 jurisdiction. For a contractor under this paragraph, a
18 statement of the minimum diversity goal that the workers
19 employed by the contractor to work at high hazard
20 facilities are equal to of the demographics of the
21 contractor's jurisdiction.

22 (5) An action plan to increase diversity and meet or
23 exceed the stated minimum diversity goal, inclusive of,
24 but not limited to, the following actions if the diversity
25 goal is not met:

26 (A) Providing information on this Act for all high

1 schools and field offices of the Department of
2 Employment Security in the jurisdiction.

3 (B) Entering into a joint agreement with the
4 Department of Employment Security for outreach and
5 employment.

6 (C) Entering into a joint agreement with
7 educational institutions or approved Illinois Works
8 Preapprenticeship Programs established under
9 subsection (a) of Section 20-15 of the Illinois Works
10 Jobs Program Act in the jurisdiction to enhance
11 recruitment efforts.

12 (D) Eliminating experience requirements, when
13 feasible, to permit increased participation by
14 minorities.

15 (b) If the Department and the Illinois Works Review Panel
16 conclude that the report submitted under this Section does not
17 meet or is unlikely to meet the minimum diversity goal under
18 paragraph (4) of subsection (a) within 12 months after filing
19 its report, or that the action plan was not followed, the
20 Department and the Illinois Works Review Panel shall recommend
21 that the action plan be revised to provide additional steps
22 and opportunities for minority participation.

23 (c) An applicable apprenticeship and training program,
24 approved by and registered with the U.S. Department of Labor's
25 Office of Apprenticeship, providing workers in a high hazard
26 facility or a contractor operating at high hazard facility

1 shall be deemed unfit to provide workers or operate at high
2 hazard facilities and may be subject to a penalty of up to one
3 year's prohibition from providing workers or operating at high
4 hazard facilities. If the Department and the Illinois Works
5 Review Panel conclude that the applicable apprenticeship and
6 training program, approved by and registered with the U.S.
7 Department of Labor's Office of Apprenticeship, providing
8 workers in a high hazard facility or the contractor operating
9 at a high hazard facility failed to follow its action plan
10 under paragraph (5) of subsection (a) or the recommendations
11 to its action plan provided by the Department and the Illinois
12 Works Review Panel under subsection (b) within 12 months after
13 filing the entity's report, then the applicable apprenticeship
14 and training program or contractor shall be deemed unfit to
15 provide workers or operate at high hazard facilities and may
16 be subject to a penalty of up to one year's prohibition from
17 providing workers or operating at high hazard facilities.

18 (d) For reporting purposes, the jurisdiction is the
19 Illinois county where the applicable apprenticeship and
20 training program, approved by and registered with the U.S.
21 Department of Labor's Office of Apprenticeship, is located.
22 For a contractor, the jurisdiction is the county where the
23 contractor's workers perform the majority of work in a high
24 hazard facility within the last calendar year.

25 Section 10-25. Penalties; noncompliant reporting;

1 reinstatement.

2 (a) Except as provided in subsection (b), an owner or
3 operator who violates the requirements of this Act shall be
4 subject to a minimum civil penalty of \$10,000 for each
5 violation. Each shift a violation of this Act occurs shall be
6 considered a separate violation. The penalty may be recovered
7 in a civil action brought by the Director in any circuit court.
8 In the civil action, the Director shall be represented by the
9 Attorney General. All moneys received by the Department as
10 fees and civil penalties under this Act shall be deposited
11 into the Illinois Works Fund to be used to recruit, prescreen,
12 and provide preapprenticeship skills training for which
13 participants may attend free of charge and receive a stipend
14 to create a qualified, diverse pipeline of workers who are
15 prepared to work in high hazard facilities.

16 (b) Notwithstanding subsection (a), if the Department and
17 the Illinois Works Review Panel determine that there is a
18 violation of Section 10-21, the Department and the Illinois
19 Works Review Panel shall provide reasonable notice of
20 noncompliance to the violator within 90 days after the
21 violation and inform the violator that the violator has 45
22 days to comply with Section 10-21 without penalty. If the
23 noncompliance is not remedied, the violator may be deemed
24 unfit to provide workers or operate at high hazard facilities
25 for a period of up to one year. If the Department and the
26 Illinois Works Review Panel determine that the violator has

1 remedied the violation and is in compliance with Section
2 10-21, the Department shall have 45 days to reinstate the
3 authorization for the violator to provide workers or operate
4 at high hazard facilities. The Department and the Illinois
5 Works Review Panel may not unreasonably withhold reinstatement
6 under this subsection when the applicable apprenticeship and
7 training program, approved by and registered with the U.S.
8 Department of Labor's Office of Apprenticeship, providing
9 workers in high hazard facilities or the contractor operating
10 at high hazard facilities is found to be in compliance with
11 Section 10-21.

12 Section 10-97. Severability. The provisions of this Act
13 are severable under Section 1.31 of the Statute on Statutes.

14 ARTICLE 15. AMENDATORY PROVISIONS

15 Section 15-5. The Illinois Administrative Procedure Act is
16 amended by adding Section 5-45.8 as follows:

17 (5 ILCS 100/5-45.8 new)

18 Sec. 5-45.8. Emergency rulemaking. To provide for the
19 expeditious and timely implementation of this amendatory Act
20 of the 102nd General Assembly, the Department of Commerce and
21 Economic Opportunity shall, and the Department of Labor and
22 the Department of Revenue may, adopt emergency rules. The

1 adoption of emergency rules authorized by this Section is
2 deemed to be necessary for the public interest, safety, and
3 welfare.

4 This Section is repealed on January 1, 2026.

5 Section 15-10. The Illinois Income Tax Act is amended by
6 changing Section 704A as follows:

7 (35 ILCS 5/704A)

8 Sec. 704A. Employer's return and payment of tax withheld.

9 (a) In general, every employer who deducts and withholds
10 or is required to deduct and withhold tax under this Act on or
11 after January 1, 2008 shall make those payments and returns as
12 provided in this Section.

13 (b) Returns. Every employer shall, in the form and manner
14 required by the Department, make returns with respect to taxes
15 withheld or required to be withheld under this Article 7 for
16 each quarter beginning on or after January 1, 2008, on or
17 before the last day of the first month following the close of
18 that quarter.

19 (c) Payments. With respect to amounts withheld or required
20 to be withheld on or after January 1, 2008:

21 (1) Semi-weekly payments. For each calendar year, each
22 employer who withheld or was required to withhold more
23 than \$12,000 during the one-year period ending on June 30
24 of the immediately preceding calendar year, payment must

1 be made:

2 (A) on or before each Friday of the calendar year,
3 for taxes withheld or required to be withheld on the
4 immediately preceding Saturday, Sunday, Monday, or
5 Tuesday;

6 (B) on or before each Wednesday of the calendar
7 year, for taxes withheld or required to be withheld on
8 the immediately preceding Wednesday, Thursday, or
9 Friday.

10 Beginning with calendar year 2011, payments made under
11 this paragraph (1) of subsection (c) must be made by
12 electronic funds transfer.

13 (2) Semi-weekly payments. Any employer who withholds
14 or is required to withhold more than \$12,000 in any
15 quarter of a calendar year is required to make payments on
16 the dates set forth under item (1) of this subsection (c)
17 for each remaining quarter of that calendar year and for
18 the subsequent calendar year.

19 (3) Monthly payments. Each employer, other than an
20 employer described in items (1) or (2) of this subsection,
21 shall pay to the Department, on or before the 15th day of
22 each month the taxes withheld or required to be withheld
23 during the immediately preceding month.

24 (4) Payments with returns. Each employer shall pay to
25 the Department, on or before the due date for each return
26 required to be filed under this Section, any tax withheld

1 or required to be withheld during the period for which the
2 return is due and not previously paid to the Department.

3 (d) Regulatory authority. The Department may, by rule:

4 (1) Permit employers, in lieu of the requirements of
5 subsections (b) and (c), to file annual returns due on or
6 before January 31 of the year for taxes withheld or
7 required to be withheld during the previous calendar year
8 and, if the aggregate amounts required to be withheld by
9 the employer under this Article 7 (other than amounts
10 required to be withheld under Section 709.5) do not exceed
11 \$1,000 for the previous calendar year, to pay the taxes
12 required to be shown on each such return no later than the
13 due date for such return.

14 (2) Provide that any payment required to be made under
15 subsection (c)(1) or (c)(2) is deemed to be timely to the
16 extent paid by electronic funds transfer on or before the
17 due date for deposit of federal income taxes withheld
18 from, or federal employment taxes due with respect to, the
19 wages from which the Illinois taxes were withheld.

20 (3) Designate one or more depositories to which
21 payment of taxes required to be withheld under this
22 Article 7 must be paid by some or all employers.

23 (4) Increase the threshold dollar amounts at which
24 employers are required to make semi-weekly payments under
25 subsection (c)(1) or (c)(2).

26 (e) Annual return and payment. Every employer who deducts

1 and withholds or is required to deduct and withhold tax from a
2 person engaged in domestic service employment, as that term is
3 defined in Section 3510 of the Internal Revenue Code, may
4 comply with the requirements of this Section with respect to
5 such employees by filing an annual return and paying the taxes
6 required to be deducted and withheld on or before the 15th day
7 of the fourth month following the close of the employer's
8 taxable year. The Department may allow the employer's return
9 to be submitted with the employer's individual income tax
10 return or to be submitted with a return due from the employer
11 under Section 1400.2 of the Unemployment Insurance Act.

12 (f) Magnetic media and electronic filing. With respect to
13 taxes withheld in calendar years prior to 2017, any W-2 Form
14 that, under the Internal Revenue Code and regulations
15 promulgated thereunder, is required to be submitted to the
16 Internal Revenue Service on magnetic media or electronically
17 must also be submitted to the Department on magnetic media or
18 electronically for Illinois purposes, if required by the
19 Department.

20 With respect to taxes withheld in 2017 and subsequent
21 calendar years, the Department may, by rule, require that any
22 return (including any amended return) under this Section and
23 any W-2 Form that is required to be submitted to the Department
24 must be submitted on magnetic media or electronically.

25 The due date for submitting W-2 Forms shall be as
26 prescribed by the Department by rule.

1 (g) For amounts deducted or withheld after December 31,
2 2009, a taxpayer who makes an election under subsection (f) of
3 Section 5-15 of the Economic Development for a Growing Economy
4 Tax Credit Act for a taxable year shall be allowed a credit
5 against payments due under this Section for amounts withheld
6 during the first calendar year beginning after the end of that
7 taxable year equal to the amount of the credit for the
8 incremental income tax attributable to full-time employees of
9 the taxpayer awarded to the taxpayer by the Department of
10 Commerce and Economic Opportunity under the Economic
11 Development for a Growing Economy Tax Credit Act for the
12 taxable year and credits not previously claimed and allowed to
13 be carried forward under Section 211(4) of this Act as
14 provided in subsection (f) of Section 5-15 of the Economic
15 Development for a Growing Economy Tax Credit Act. The credit
16 or credits may not reduce the taxpayer's obligation for any
17 payment due under this Section to less than zero. If the amount
18 of the credit or credits exceeds the total payments due under
19 this Section with respect to amounts withheld during the
20 calendar year, the excess may be carried forward and applied
21 against the taxpayer's liability under this Section in the
22 succeeding calendar years as allowed to be carried forward
23 under paragraph (4) of Section 211 of this Act. The credit or
24 credits shall be applied to the earliest year for which there
25 is a tax liability. If there are credits from more than one
26 taxable year that are available to offset a liability, the

1 earlier credit shall be applied first. Each employer who
2 deducts and withholds or is required to deduct and withhold
3 tax under this Act and who retains income tax withholdings
4 under subsection (f) of Section 5-15 of the Economic
5 Development for a Growing Economy Tax Credit Act must make a
6 return with respect to such taxes and retained amounts in the
7 form and manner that the Department, by rule, requires and pay
8 to the Department or to a depository designated by the
9 Department those withheld taxes not retained by the taxpayer.
10 For purposes of this subsection (g), the term taxpayer shall
11 include taxpayer and members of the taxpayer's unitary
12 business group as defined under paragraph (27) of subsection
13 (a) of Section 1501 of this Act. This Section is exempt from
14 the provisions of Section 250 of this Act. No credit awarded
15 under the Economic Development for a Growing Economy Tax
16 Credit Act for agreements entered into on or after January 1,
17 2015 may be credited against payments due under this Section.

18 (h) An employer may claim a credit against payments due
19 under this Section for amounts withheld during the first
20 calendar year ending after the date on which a tax credit
21 certificate was issued under Section 35 of the Small Business
22 Job Creation Tax Credit Act. The credit shall be equal to the
23 amount shown on the certificate, but may not reduce the
24 taxpayer's obligation for any payment due under this Section
25 to less than zero. If the amount of the credit exceeds the
26 total payments due under this Section with respect to amounts

1 withheld during the calendar year, the excess may be carried
2 forward and applied against the taxpayer's liability under
3 this Section in the 5 succeeding calendar years. The credit
4 shall be applied to the earliest year for which there is a tax
5 liability. If there are credits from more than one calendar
6 year that are available to offset a liability, the earlier
7 credit shall be applied first. This Section is exempt from the
8 provisions of Section 250 of this Act.

9 (i) Each employer with 50 or fewer full-time equivalent
10 employees during the reporting period may claim a credit
11 against the payments due under this Section for each qualified
12 employee in an amount equal to the maximum credit allowable.
13 The credit may be taken against payments due for reporting
14 periods that begin on or after January 1, 2020, and end on or
15 before December 31, 2027. An employer may not claim a credit
16 for an employee who has worked fewer than 90 consecutive days
17 immediately preceding the reporting period; however, such
18 credits may accrue during that 90-day period and be claimed
19 against payments under this Section for future reporting
20 periods after the employee has worked for the employer at
21 least 90 consecutive days. In no event may the credit exceed
22 the employer's liability for the reporting period. Each
23 employer who deducts and withholds or is required to deduct
24 and withhold tax under this Act and who retains income tax
25 withholdings under this subsection must make a return with
26 respect to such taxes and retained amounts in the form and

1 manner that the Department, by rule, requires and pay to the
2 Department or to a depository designated by the Department
3 those withheld taxes not retained by the employer.

4 For each reporting period, the employer may not claim a
5 credit or credits for more employees than the number of
6 employees making less than the minimum or reduced wage for the
7 current calendar year during the last reporting period of the
8 preceding calendar year. Notwithstanding any other provision
9 of this subsection, an employer shall not be eligible for
10 credits for a reporting period unless the average wage paid by
11 the employer per employee for all employees making less than
12 \$55,000 during the reporting period is greater than the
13 average wage paid by the employer per employee for all
14 employees making less than \$55,000 during the same reporting
15 period of the prior calendar year.

16 For purposes of this subsection (i):

17 "Compensation paid in Illinois" has the meaning ascribed
18 to that term under Section 304(a)(2)(B) of this Act.

19 "Employer" and "employee" have the meaning ascribed to
20 those terms in the Minimum Wage Law, except that "employee"
21 also includes employees who work for an employer with fewer
22 than 4 employees. Employers that operate more than one
23 establishment pursuant to a franchise agreement or that
24 constitute members of a unitary business group shall aggregate
25 their employees for purposes of determining eligibility for
26 the credit.

1 "Full-time equivalent employees" means the ratio of the
2 number of paid hours during the reporting period and the
3 number of working hours in that period.

4 "Maximum credit" means the percentage listed below of the
5 difference between the amount of compensation paid in Illinois
6 to employees who are paid not more than the required minimum
7 wage reduced by the amount of compensation paid in Illinois to
8 employees who were paid less than the current required minimum
9 wage during the reporting period prior to each increase in the
10 required minimum wage on January 1. If an employer pays an
11 employee more than the required minimum wage and that employee
12 previously earned less than the required minimum wage, the
13 employer may include the portion that does not exceed the
14 required minimum wage as compensation paid in Illinois to
15 employees who are paid not more than the required minimum
16 wage.

17 (1) 25% for reporting periods beginning on or after
18 January 1, 2020 and ending on or before December 31, 2020;

19 (2) 21% for reporting periods beginning on or after
20 January 1, 2021 and ending on or before December 31, 2021;

21 (3) 17% for reporting periods beginning on or after
22 January 1, 2022 and ending on or before December 31, 2022;

23 (4) 13% for reporting periods beginning on or after
24 January 1, 2023 and ending on or before December 31, 2023;

25 (5) 9% for reporting periods beginning on or after
26 January 1, 2024 and ending on or before December 31, 2024;

1 (6) 5% for reporting periods beginning on or after
2 January 1, 2025 and ending on or before December 31, 2025.

3 The amount computed under this subsection may continue to
4 be claimed for reporting periods beginning on or after January
5 1, 2026 and:

6 (A) ending on or before December 31, 2026 for
7 employers with more than 5 employees; or

8 (B) ending on or before December 31, 2027 for
9 employers with no more than 5 employees.

10 "Qualified employee" means an employee who is paid not
11 more than the required minimum wage and has an average wage
12 paid per hour by the employer during the reporting period
13 equal to or greater than his or her average wage paid per hour
14 by the employer during each reporting period for the
15 immediately preceding 12 months. A new qualified employee is
16 deemed to have earned the required minimum wage in the
17 preceding reporting period.

18 "Reporting period" means the quarter for which a return is
19 required to be filed under subsection (b) of this Section.

20 (j) An employer may claim a credit against payments due
21 under this Section for amounts withheld during the first
22 reporting period beginning after the date on which a tax
23 credit certificate was issued under the Investing in Illinois
24 Works Tax Credit Act. The credit shall be equal to the amount
25 shown on the certificate but may not reduce the taxpayer's
26 obligation for any payment due under this Section to less than

1 zero. If the amount of the credit exceeds the total payments
2 due under this Section with respect to amounts withheld during
3 the reporting period, the excess may be carried forward and
4 applied against the taxpayer's liability under this Section in
5 the 5 succeeding calendar years. The credit shall be applied
6 to the earliest reporting period for which there is a tax
7 liability. If there are credits from more than one reporting
8 period that are available to offset a liability, the earlier
9 credit shall be applied first. This Section is exempt from the
10 provisions of Section 250 of this Act.

11 (Source: P.A. 100-303, eff. 8-24-17; 100-511, eff. 9-18-17;
12 100-863, eff. 8-14-18; 101-1, eff. 2-19-19.)

13 ARTICLE 99. EFFECTIVE DATE

14 Section 99-99. Effective date. This Act takes effect
15 January 1, 2022."