



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB4155

Introduced 10/19/2021, by Rep. Dave Vella

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new  
35 ILCS 5/233 new  
35 ILCS 5/234 new  
35 ILCS 5/235 new

Amends the Illinois Income Tax Act. Creates the following credits for taxpayers who manufacture electric vehicles, batteries for electric vehicles, or both: (1) a credit for capital expenditures for electric vehicle facilities or electric vehicle battery facilities; (2) a credit for educational or vocational training; and (3) a credit for qualified utility payments. Creates a credit for certain automobile manufacturers in an amount equal to 75% of withholding payments for new employees. Effective immediately.

LRB102 19610 HLH 28961 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by  
5 adding Sections 232, 233, 234, and 235 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Capital expenditures for electric vehicle  
8 facilities or electric vehicle battery facilities.

9 (a) For tax years ending on or after December 31, 2022,  
10 each taxpayer that makes a capital investment during the  
11 taxable year for the construction of a new qualified facility  
12 or the renovation of an existing qualified facility is  
13 entitled to a credit against the taxes imposed by subsections  
14 (a) and (b) of Section 201 in an amount equal to those capital  
15 investments.

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

1       (c) The tax credit may not reduce the taxpayer's liability  
2 to less than zero. If the amount of the tax credit exceeds the  
3 taxpayer's tax liability for the year, then the excess may be  
4 carried forward and applied to the tax liability of the 5  
5 taxable years following the excess credit year or the excess  
6 may be refunded to the taxpayer, at the taxpayer's election.  
7 Excess credit amounts that are carried forward must be applied  
8 to the earliest year for which there is a tax liability. If the  
9 excess credit amounts are carried forward and there are  
10 credits from more than one tax year that are available to  
11 offset a liability, then the earlier credit must be applied  
12 first.

13       (d) As used in this Section, "qualified facility" means a  
14 facility that is or will be used primarily for manufacturing  
15 electric vehicles, manufacturing batteries for use in electric  
16 vehicles, or both.

17       (e) This Section is exempt from the provisions of Section  
18 250.

19       (35 ILCS 5/233 new)

20       Sec. 233. Credit for employee withholdings.

21       (a) For tax years ending on or after December 31, 2022,  
22 each qualified taxpayer shall be allowed a credit against the  
23 tax imposed by subsections (a) and (b) of Section 201 in an  
24 amount equal to 75% of the incremental income tax paid during  
25 the taxable year for each new employee of the qualified

1 taxpayer. The credit shall be allowed for a period of 10  
2 consecutive taxable years after the taxpayer meets the capital  
3 investment requirements needed to be considered a qualified  
4 taxpayer under this Section; however, no credit may be claimed  
5 for any taxable year in which the taxpayer does not conduct  
6 business operations at a location in this State.

7 (b) 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 Section to be determined in accordance with  
12 the determination of income and distributive share of income  
13 under Sections 702 and 704 and subchapter S of the Internal  
14 Revenue Code.

15 (c) The tax credit may not reduce the taxpayer's liability  
16 to less than zero. If the amount of the tax credit exceeds the  
17 taxpayer's tax liability for the year, the excess may be  
18 carried forward and applied to the tax liability of the 5  
19 taxable years following the excess credit year. Excess credit  
20 amounts that are carried forward must be applied to the  
21 earliest year for which there is a tax liability. If there are  
22 credits from more than one tax year that are available to  
23 offset a liability, then the earlier credit must be applied  
24 first.

25 (d) As used in this Section:

26 "Full-time employee" means an individual who is employed

1 for consideration for at least 35 hours each week or who  
2 renders any other standard of service generally accepted by  
3 industry custom or practice as full-time employment.

4 "Incremental income tax" means the total amount withheld  
5 during the taxable year from the compensation of new employees  
6 under Article 7 of this Act.

7 "New employee" means a full-time employee that is first  
8 hired during the taxable year.

9 "Qualified taxpayer" means an automobile manufacturer that  
10 makes a capital investment of at least \$100,000,000 and hires  
11 or retains at least 1,000 new employees for the purpose of  
12 building electric vehicles at a location in the State.

13 (35 ILCS 5/234 new)

14 Sec. 234. Electric vehicle technical training credit.

15 (a) For tax years ending on or after December 31, 2022, in  
16 addition to any other income tax credit provided by law, each  
17 qualified taxpayer shall be allowed a credit against the tax  
18 imposed by subsections (a) and (b) of Section 201 in an amount  
19 equal to 25% of the amount paid or accrued during the taxable  
20 year on behalf of all persons employed by the qualified  
21 taxpayer in Illinois or Illinois residents employed outside of  
22 Illinois by the qualified taxpayer, for educational or  
23 vocational training in semi-technical or technical fields or  
24 semi-skilled or skilled fields, which were deducted from gross  
25 income in the computation of taxable income.

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

9       (c) The tax credit may not reduce the taxpayer's liability  
10 to less than zero. If the amount of the tax credit exceeds the  
11 taxpayer's tax liability for the year, the excess may be  
12 carried forward and applied to the tax liability of the 5  
13 taxable years following the excess credit year. Excess credit  
14 amounts that are carried forward must be applied to the  
15 earliest year for which there is a tax liability. If there are  
16 credits from more than one tax year that are available to  
17 offset a liability, then the earlier credit must be applied  
18 first.

19       (d) As used in this Section, "qualified taxpayer" means a  
20 person or entity that is primarily engaged in the business of  
21 manufacturing electric cars, batteries for electric cars, or  
22 both.

23       (e) This Section is exempt from the provisions of Section  
24 250.

1       Sec. 235. Credit for qualified utility payments.

2       (a) For tax years ending on or after December 31, 2022,  
3 each qualified taxpayer shall be allowed a credit against the  
4 tax imposed by subsections (a) and (b) of Section 201 in an  
5 amount equal to 25% of the amount paid during the taxable year  
6 for electricity and natural gas used in the process of  
7 manufacturing electric vehicles, batteries for electric  
8 vehicles, or both.

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

17       (c) The tax credit may not reduce the taxpayer's liability  
18 to less than zero. If the amount of the tax credit exceeds the  
19 taxpayer's tax liability for the year, then the excess may be  
20 carried forward and applied to the tax liability of the 5  
21 taxable years following the excess credit year or the excess  
22 may be refunded to the taxpayer, at the taxpayer's election.  
23 Excess credit amounts that are carried forward must be applied  
24 to the earliest year for which there is a tax liability. If the  
25 excess credit amounts are carried forward and there are  
26 credits from more than one tax year that are available to

1 offset a liability, then the earlier credit must be applied  
2 first.

3 (d) As used in this Section, "qualified taxpayer" means a  
4 person or entity that is primarily engaged in manufacturing  
5 electric cars, batteries for electric cars, or both.

6 (e) This Section is exempt from the provisions of Section  
7 250.

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.