



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1747

Introduced 2/26/2021, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

New Act

5 ILCS 100/5-45	from Ch. 127, par. 1005-45
30 ILCS 105/5.935 new	
30 ILCS 805/8.45 new	
35 ILCS 5/201	
35 ILCS 120/5k-1 new	
65 ILCS 5/8-11-2	from Ch. 24, par. 8-11-2
220 ILCS 5/9-221	from Ch. 111 2/3, par. 9-221
220 ILCS 5/9-222	from Ch. 111 2/3, par. 9-222
220 ILCS 5/9-222.1b new	

Creates the Illinois Energy Transition Zone Act. Provides for the certification by the Department of Commerce and Economic Opportunity of municipal ordinances designating an area as an Energy Transition Zone. Provides that green energy enterprises located in Energy Transition Zones shall be eligible to apply for certain tax incentives. Provides that a green energy enterprise is a company that is engaged in the production of solar energy, wind energy, water energy, geothermal energy, bioenergy, or hydrogen fuel and cells. Contains provisions concerning qualifications and applications. Creates the Energy Transition Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity shall make income tax credit awards under the Act to foster job creation and the development of green energy in Energy Transition Zones. Amends the Illinois Income Tax Act, the Retailers' Occupation Tax Act, and the Public Utilities Act to make conforming changes concerning tax incentives. Effective immediately.

LRB102 12964 HLH 18307 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 Article 1. Illinois Energy Transition Zone Act

5 Section 1-1. Short title. This Article may be cited as the
6 Illinois Energy Transition Zone Act. References in this
7 Article to "this Act" mean this Article.

8 Section 1-5. Findings. The General Assembly finds and
9 declares that the health, safety, and welfare of the people of
10 this State are dependent upon a healthy economy and vibrant
11 communities; that the closure of coal energy plants, coal
12 mines, and nuclear energy plants across the state are
13 detrimental to maintaining a healthy economy and vibrant
14 communities; that the expansion of green energy creates
15 significant job growth and contributes significantly to the
16 health, safety, and welfare of the people of this State; that
17 the continual encouragement, development, growth and expansion
18 of green energy within the State requires a cooperative and
19 continuous partnership between government and the green energy
20 sector; and that there are certain depressed areas in this
21 State that have lost jobs due to the closure of coal energy
22 plants, coal mines, and nuclear energy plants and need the

1 particular attention of government, labor and the citizens of
2 Illinois to help attract green energy investment into these
3 areas and directly aid the local community and its residents.
4 Therefore, it is declared to be the purpose of this Act to
5 explore ways of stimulating the growth of green energy in the
6 State and to foster job growth in areas depressed by the
7 closure of coal energy plants, coal mines and nuclear energy
8 plants.

9 Section 1-10. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Agency" means a "State agency", as defined in Section 1-7
12 of the Illinois State Auditing Act.

13 "Board" means the Energy Transition Zone Board created in
14 Section 1-45.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Depressed area" means an area in which pervasive poverty,
18 unemployment, and economic distress exist.

19 "Energy Transition Zone" means an area of the State
20 certified by the Department as an Energy Transition Zone
21 pursuant to this Act.

22 "Full-time equivalent job" means a job in which the new
23 employee works for the recipient or for a corporation under
24 contract to the recipient at a rate of at least 35 hours per
25 week for a wage that meets or exceeds the prevailing wage for

1 the locality in which the work is performed, as determined
2 under Section 4 of the Prevailing Wage Act. A recipient who
3 employs labor or services at a specific site or facility under
4 contract with another may declare one full-time, permanent job
5 for every 1,820 man hours worked per year under that contract.
6 Vacations, paid holidays, and sick time are included in this
7 computation. Overtime is not considered a part of regular
8 hours.

9 "Full-time retained job" means any employee defined as
10 having a full-time or full-time equivalent job preserved at a
11 specific facility or site, the continuance of which is
12 threatened by a specific and demonstrable threat, which shall
13 be specified in the application for development assistance. A
14 recipient who employs labor or services at a specific site or
15 facility under contract with another may declare one retained
16 employee per year for every 1,750 man hours worked per year
17 under that contract, even if different individuals perform
18 on-site labor or services.

19 "Green energy enterprise" means a company that is engaged
20 in the production of solar energy, wind energy, water energy,
21 geothermal energy, bioenergy, or hydrogen fuel and cells.

22 "Green energy project" means a project conducted by a
23 green energy enterprise for the purpose of generating solar
24 energy, wind energy, water energy, geothermal energy,
25 bioenergy, or hydrogen fuel and cells.

26 "Local labor market area" means an economically integrated

1 area within which individuals can reside and find employment
2 within a reasonable distance or can readily change jobs
3 without changing their place of residence.

4 "Rule" has the meaning provided in Section 1-70 of the
5 Illinois Administrative Procedure Act.

6 Section 1-15. Qualifications for Energy Transition Zones.
7 An area is qualified to become an Energy Transition Zone
8 which:

9 (1) is a contiguous area, provided that a Zone area
10 may exclude wholly surrounded territory within its
11 boundaries;

12 (2) comprises a minimum of one-half square mile and
13 not more than 12 square miles, exclusive of lakes and
14 waterways;

15 (3) is entirely within a single municipality;

16 (4) satisfies any additional criteria established by
17 the Department consistent with the purposes of this Act;
18 and

19 (5) meets one or more of the following:

20 (A) the area contains a coal energy plant that was
21 retired from service within 10 years of application
22 for designation;

23 (B) the area contains a coal mine that was closed
24 within 10 years of application for designation;

25 (C) the area contains a nuclear energy plant that

1 was retired from service within 10 years of
2 application for designation; or

3 (D) the area contains a nuclear plant that was
4 decommissioned but continued storing nuclear waste
5 prior to the effective date of this Act.

6 Section 1-20. Entities eligible to receive tax benefits.
7 Green energy enterprises are eligible to receive certain tax
8 benefits under this Act for green energy projects conducted
9 within an Energy Transition Zone.

10 Section 1-25. Incentives for green energy enterprises
11 located within an Energy Transition Zone.

12 (a) Green energy enterprises located in Energy Transition
13 Zones are eligible to apply for a State income tax credit under
14 the Energy Transition Zone Tax Credit Act.

15 (b) Green energy enterprises located in Energy Transition
16 Zones will be eligible to receive an investment credit subject
17 to the requirements of subsection (f-1) of Section 201 of the
18 Illinois Income Tax Act.

19 (c) Green energy enterprises are eligible to purchase
20 building materials exempt from use and occupation taxes to be
21 incorporated into their green energy projects within the
22 Energy Transition Zone when purchased from a retailer within
23 the Energy Transition Zone pursuant to Section 5k-1 of the
24 Retailers' Occupation Tax Act.

1 (d) Green energy enterprises located in an Energy
2 Transition Zone that meet the qualifications of Section
3 9-222.1B of the Illinois Public Utilities Act are exempt, in
4 part or whole, from State and local taxes on gas and
5 electricity.

6 Section 1-30. Initiation of Energy Transition Zones by
7 municipality or county.

8 (a) No area may be designated as an Energy Transition Zone
9 except pursuant to an initiating ordinance adopted in
10 accordance with this Section.

11 (b) A municipality may by ordinance designate an area
12 within its jurisdiction as an Energy Transition Zone, subject
13 to the certification of the Department in accordance with this
14 Act, if:

15 (1) the area is qualified in accordance with Section
16 1-15; and

17 (2) the municipality has conducted at least one public
18 hearing within the proposed Zone area considering all of
19 the following questions: whether to create the Zone; what
20 local plans, tax incentives and other programs should be
21 established in connection with the Zone; and what the
22 boundaries of the Zone should be; public notice of the
23 hearing shall be published in at least one newspaper of
24 general circulation within the Zone area, not more than 20
25 days nor less than 5 days before the hearing.

1 (c) An ordinance designating an area as an Energy
2 Transition Zone shall set forth:

3 (1) a precise description of the area comprising the
4 Zone, either in the form of a legal description or by
5 reference to roadways, lakes and waterways, and township,
6 county boundaries;

7 (2) a finding that the Zone area meets the
8 qualifications of Section 1-15;

9 (3) provisions for any tax incentives or reimbursement
10 for taxes, which pursuant to State and federal law apply
11 to green energy enterprises within the Zone at the
12 election of the designating municipality, and which are
13 not applicable throughout the municipality;

14 (4) a designation of the area as an Energy Transition
15 Zone, subject to the approval of the Department in
16 accordance with this Act; and

17 (5) the duration or term of the Energy Transition
18 Zone.

19 (d) This Section does not prohibit a municipality from
20 extending additional tax incentives or reimbursement for
21 business enterprises in Energy Transition Zones or throughout
22 their territory by separate ordinance.

23 Section 1-35. Application to Department. A municipality
24 that has adopted an ordinance designating an area as an Energy
25 Transition Zone shall make written application to the

1 Department to have such proposed Energy Transition Zone
2 certified by the Department as an Energy Transition Zone. The
3 application shall include:

4 (1) a certified copy of the ordinance designating the
5 proposed Zone;

6 (2) a map of the proposed Energy Transition Zone,
7 showing existing streets and highways;

8 (3) an analysis, and any appropriate supporting
9 documents and statistics, demonstrating that the proposed
10 Zone area is qualified in accordance with Section 1-15;

11 (4) a statement detailing any tax, grant, and other
12 financial incentives or benefits, and any programs, to be
13 provided by the municipality or county to green energy
14 enterprises within the Zone, other than those provided in
15 the designating ordinance, which are not to be provided
16 throughout the municipality or county;

17 (5) a statement setting forth the economic development
18 and planning objectives for the Zone;

19 (6) an estimate of the economic impact of the Zone,
20 considering all of the tax incentives, financial benefits
21 and programs contemplated, upon the revenues of the
22 municipality or county;

23 (7) a transcript of all public hearings on the Zone;
24 and

25 (8) such additional information as the Department may
26 by rule require.

1 Section 1-40. Department review of Energy Transition Zone
2 applications.

3 (a) All applications that are to be considered and acted
4 upon by the Department during a calendar year must be received
5 by the Department no later than December 31 of the preceding
6 calendar year.

7 Any application received after December 31 of any calendar
8 year shall be held by the Department for consideration and
9 action during the following calendar year. Each Energy
10 Transition Zone application shall include a specific
11 definition of the applicant's local labor market area.

12 (a-5) The Department shall, no later than July 31, 2021,
13 develop an application process for an Energy Transition Zone
14 application. The Department has emergency rulemaking authority
15 for the purpose of application development only until 12
16 months after the effective date of this Act under subsection
17 (ee) of Section 5-45 of the Illinois Administrative Procedure
18 Act.

19 (b) Upon receipt of an application from a municipality,
20 the Department shall review the application to determine
21 whether the designated area qualifies as an Energy Transition
22 Zone under Section 1-15 of this Act.

23 (c) No later than June 30, the Department shall notify all
24 applicant municipalities of the Department's determination of
25 the qualification of their respective designated energy

1 transition Zone areas, along with supporting documentation of
2 the basis for the Department's decision.

3 (d) If any such designated area is found to be qualified to
4 be an Energy Transition Zone by the Department under
5 subsection (c) of this Section, the Department shall, no later
6 than July 15, send a letter of notification to each member of
7 the General Assembly whose legislative district or
8 representative district contains all or part of the designated
9 area and publish a notice in at least one newspaper of general
10 circulation within the proposed Zone area to notify the
11 general public of the application and their opportunity to
12 comment. Such notice shall include a description of the area
13 and a brief summary of the application and shall indicate
14 locations where the applicant has provided copies of the
15 application for public inspection. The notice shall also
16 indicate appropriate procedures for the filing of written
17 comments from Zone residents, business, civic and other
18 organizations and property owners to the Department.

19 Section 1-45. Energy Transition Zone Board.

20 (a) An Energy Transition Zone Board is hereby created
21 within the Department.

22 (b) The Board shall consist of the following 5 members:

23 (1) the Director of Commerce and Economic Opportunity,
24 or his or her designee, who shall serve as chairperson;

25 (2) the Director of Revenue, or his or her designee;

1 and

2 (3) 3 members appointed by the Governor, with the
3 advice and consent of the Senate.

4 Board members shall serve without compensation but may be
5 reimbursed for necessary expenses incurred in the performance
6 of their duties from funds appropriated for that purpose.

7 (c) Each member appointed under paragraph (3) of
8 subsection (b) shall have at least 5 years of experience in
9 business, economic development, or site location.

10 (d) Of the initial members appointed under paragraph (3)
11 of subsection (b): one member shall serve for a term of 2
12 years; one member shall serve for a term of 3 years; and one
13 member shall serve for a term of 4 years. Thereafter, all
14 members appointed under paragraph (3) of subsection (b) shall
15 serve for terms of 4 years. Members appointed under paragraph
16 (3) of subsection (b) may be reappointed. The Governor may
17 remove a member appointed under paragraph (3) of subsection
18 (b) for incompetence, neglect of duty, or malfeasance in
19 office.

20 (e) By September 30, 2021, and September 30 of each year
21 thereafter, all applications filed by December 31 of the
22 preceding calendar year and deemed qualified by the Department
23 shall be approved or denied by the Board. If such application
24 is not approved by September 30, the application shall be
25 considered denied. If an application is denied, the Board
26 shall inform the applicant of the specific reasons for the

1 denial.

2 (f) A majority of the Board shall determine whether an
3 application is approved or denied.

4 Section 1-50. Certification of Energy Transition Zones;
5 effective date.

6 (a) Certification of Board-approved designated Energy
7 Transition Zones shall be made by the Department by
8 certification of the designating ordinance. The Department
9 shall promptly issue a certificate for each Energy Transition
10 Zone upon approval by the Board. The certificate shall be
11 signed by the Director of the Department, shall make specific
12 reference to the designating ordinance, which shall be
13 attached thereto, and shall be filed in the office of the
14 Secretary of State. A certified copy of the Energy Transition
15 Zone Certificate, or a duplicate original thereof, shall be
16 recorded in the office of recorder of deeds of the county in
17 which the Energy Transition Zone lies.

18 (b) An Energy Transition Zone shall be effective on the
19 date of the Department's certification. The Department shall
20 transmit a copy of the certification to the Department of
21 Revenue, and to the designating municipality.

22 (c) Upon certification of an Energy Transition Zone, the
23 terms and provisions of the designating ordinance shall be in
24 effect, and may not be amended or repealed except in
25 accordance with Section 1-55.

1 (d) Energy Transition Zone designation will last for 13
2 years from the effective date of such designation and shall be
3 subject to review by the Board after 13 years for an additional
4 10-year designation beginning on the expiration date of the
5 Energy Transition Zone. During the review process, the Board
6 shall consider the costs incurred by the State and units of
7 local government as a result of tax benefits received by the
8 Energy Transition Zone. Energy Transition Zones shall
9 terminate at midnight of December 31 of the final calendar
10 year of the certified term, except as provided in Section
11 1-55.

12 (e) Each Energy Transition Zone that reapplies for
13 certification but does not receive a new certification shall
14 expire on its scheduled termination date.

15 Section 1-55. Amendment and decertification of Energy
16 Transition Zones.

17 (a) The terms of a certified Energy Transition Zone
18 designating ordinance may be amended to:

19 (1) alter the boundaries of the Energy Transition
20 Zone;

21 (2) expand, limit, or repeal tax incentives or
22 benefits provided in the ordinance;

23 (3) alter the termination date of the Zone;

24 (4) make technical corrections in the Energy
25 Transition Zone designating ordinance; but such amendment

1 shall not be effective unless the Department issues an
2 amended certificate for the Energy Transition Zone
3 approving the amended designating ordinance. Upon the
4 adoption of any ordinance amending or repealing the terms
5 of a certified Energy Transition Zone designating
6 ordinance, the municipality or county shall promptly file
7 with the Department an application for approval thereof,
8 containing substantially the same information as required
9 for an application under Section 1-35 insofar as material
10 to the proposed changes. The municipality or county must
11 hold a public hearing on the proposed changes; or

12 (5) include an area within another municipality or
13 county as part of the designated Energy Transition Zone
14 provided the requirements of Section 1-15 are complied
15 with.

16 (b) The Department shall approve or disapprove a proposed
17 amendment to a certified Energy Transition Zone within 90 days
18 of its receipt of the application from the municipality. The
19 Department may not approve changes in a Zone which are not in
20 conformity with this Act, as now or hereafter amended, or with
21 other applicable laws. If the Department issues an amended
22 certificate for an Energy Transition Zone, the amended
23 certificate, together with the amended Zone designating
24 ordinance, shall be filed, recorded, and transmitted as
25 provided in this Act.

26 (c) An Energy Transition Zone may be decertified by joint

1 action of the Department and the designating municipality in
2 accordance with this Section. The designating municipality
3 shall conduct at least one public hearing within the Zone
4 prior to its adoption of an ordinance of de-designation. The
5 mayor of the designating municipality shall execute a joint
6 decertification agreement with the Department. A
7 decertification of an Energy Transition Zone shall not become
8 effective until at least 6 months after the execution of the
9 decertification agreement, which shall be filed in the office
10 of the Secretary of State.

11 (d) An Energy Transition Zone may be decertified for cause
12 by the Department in accordance with this Section. Prior to
13 decertification: (1) the Department shall notify the chief
14 elected official of the designating municipality in writing of
15 the specific deficiencies which provide cause for
16 decertification; (2) the Department shall place the
17 designating municipality on probationary status for at least 6
18 months during which time corrective action may be achieved in
19 the Energy Transition Zone by the designating municipality;
20 and (3) the Department shall conduct at least one public
21 hearing within the Zone. If such corrective action is not
22 achieved during the probationary period, the Department shall
23 issue an amended certificate signed by the Director of the
24 Department decertifying the Energy Transition Zone, which
25 certificate shall be filed in the office of the Secretary of
26 State. A certified copy of the amended Energy Transition Zone

1 certificate, or a duplicate original thereof, shall be
2 recorded in the office of recorder of the county in which the
3 Energy Transition Zone lies, and shall be provided to the
4 chief elected official of the designating municipality.
5 Decertification of an Energy Transition Zone shall not become
6 effective until 60 days after the date of filing.

7 (e) In the event of a decertification, an amendment
8 reducing the length of the term or the area of an Energy
9 Transition Zone, or the adoption of an ordinance reducing or
10 eliminating tax benefits in an Energy Transition Zone, all
11 benefits previously extended within the Zone pursuant to this
12 Act or pursuant to any other Illinois law providing benefits
13 specifically to or within Energy Transition Zones shall remain
14 in effect for the original stated term of the Energy
15 Transition Zone, with respect to green energy enterprises
16 within the Zone on the effective date of such decertification
17 or amendment.

18 Section 1-60. Powers and duties of Department.

19 (a) The Department shall administer this Act and shall
20 have the following powers and duties:

21 (1) to monitor the implementation of this Act and
22 submit reports evaluating the effectiveness of the program
23 and any suggestions for legislation to the Governor and
24 General Assembly by October 1 of every year preceding a
25 regular Session of the General Assembly and to annually

1 report to the General Assembly initial and current
2 population, employment, per capita income, number of
3 business establishments, dollar value of new construction
4 and improvements, and the aggregate value of each tax
5 incentive, based on information provided by the Department
6 of Revenue for each Energy Transition Zone; and

7 (2) to adopt all necessary rules to carry out the
8 purposes of this Act in accordance with the Illinois
9 Administrative Procedure Act.

10 (b) The Department shall have all of the following
11 specific duties:

12 (1) The Department shall provide information and
13 appropriate assistance to persons desiring to locate and
14 engage in business in an Energy Transition Zone and to
15 persons engaged in green energy in an Energy Transition
16 Zone.

17 (2) The Department shall, in cooperation with
18 appropriate units of local government and State agencies,
19 coordinate and streamline existing State business
20 assistance programs and permit and license application
21 procedures for Energy Transition Zone green energy
22 enterprises.

23 (3) The Department shall publicize existing tax
24 incentives and economic development programs within the
25 Zone and upon request, offer technical assistance in
26 abatement and alternative revenue source development to

1 local units of government which have Energy Transition
2 Zones within their jurisdiction.

3 (4) The Department shall work together with the
4 responsible State and federal agencies to promote the
5 coordination of other relevant programs, including but not
6 limited to housing, community and economic development,
7 small business, banking, financial assistance, and
8 employment training programs which are carried on in an
9 Energy Transition Zone.

10 (5) In order to stimulate employment opportunities for
11 Zone residents, the Department, in cooperation with the
12 Department of Human Services and the Department of
13 Employment Security, is to initiate a test of the
14 following 2 programs within the 12-month period following
15 designation and approval by the Department of the first
16 Energy Transition Zones: (i) the use of aid to families
17 with dependent children benefits payable under Article IV
18 of the Illinois Public Aid Code, General Assistance
19 benefits payable under Article VI of the Illinois Public
20 Aid Code, the unemployment insurance benefits payable
21 under the Unemployment Insurance Act as training or
22 employment subsidies leading to unsubsidized employment;
23 and (ii) a program for voucher reimbursement of the cost
24 of training Zone residents eligible under the Targeted
25 Jobs Tax Credit provisions of the Internal Revenue Code
26 for employment in private industry. These programs shall

1 not be designed to subsidize businesses, but are intended
2 to open up job and training opportunities not otherwise
3 available. Nothing in this paragraph (5) shall be deemed
4 to require Zone businesses to utilize these programs.
5 These programs should be designed (i) for those
6 individuals whose opportunities for job-finding are
7 minimal without program participation, (ii) to minimize
8 the period of benefit collection by such individuals, and
9 (iii) to accelerate the transition of those individuals to
10 unsubsidized employment. The Department is to seek
11 agreement with business, organized labor, and the
12 appropriate State Departments and agencies on the design,
13 operation, and evaluation of the test programs.

14 (c) A report with recommendations including representative
15 comments of these groups shall be submitted by the Department
16 to the county or municipality that designated the area as an
17 Energy Transition Zone, the Governor, and the General Assembly
18 not later than 12 months after such test programs have
19 commenced, or not later than 3 months following the
20 termination of such test programs, whichever first occurs.

21 Section 1-65. State incentives regarding public services
22 and physical infrastructure.

23 (a) This Act does not restrict tax incentive financing
24 pursuant to the Tax Increment Allocation Redevelopment Act in
25 the Illinois Municipal Code.

1 (b) The State Treasurer is authorized and encouraged to
2 place deposits of State funds with financial institutions
3 doing business in an Energy Transition Zone.

4 Section 1-70. Zone administration. The administration of
5 an Energy Transition Zone shall be under the jurisdiction of
6 the designating municipality. Each designating municipality
7 shall, by ordinance, designate a Zone Administrator for the
8 certified Zones within its jurisdiction. A Zone Administrator
9 must be an officer or employee of the municipality. The Zone
10 Administrator shall be the liaison between the designating
11 municipality, the Department, and any designated Zone
12 organizations within zones under his jurisdiction.

13 Section 1-75. Accounting.

14 (a) Any business receiving tax incentives due to its
15 location within an Energy Transition Zone must annually report
16 to the Department of Revenue information reasonably required
17 by the Department of Revenue to enable the Department to
18 verify and calculate the total Energy Transition Zone tax
19 benefits for property taxes and taxes imposed by the State
20 that are received by the business, broken down by incentive
21 category and Energy Transition Zone, if applicable. Reports
22 are due no later than May 31 of each year and shall cover the
23 previous calendar year. The first report will be for the 2021
24 calendar year and is due no later than May 31, 2021.

1 (b) Green energy enterprises shall report their job
2 creation, retention, and capital investment numbers within the
3 Zone annually to the Department of Revenue no later than May 31
4 of each calendar year.

5 (c) The Department of Revenue shall aggregate and collect
6 the tax, job, and capital investment data by Energy Transition
7 Zone and report this information, formatted to exclude
8 company-specific proprietary information, to the Department
9 and the Board by August 1, 2021, and by August 1 of every
10 calendar year thereafter. The Department shall include this
11 information in their required reports under this Act.

12 (d) The Department of Revenue, in its discretion, may
13 require that the reports filed under this Section be submitted
14 electronically.

15 (e) The Department of Revenue shall have the authority to
16 adopt rules as are reasonable and necessary to implement the
17 provisions of this Section.

18 Section 1-80. Zone Administrator.

19 (a) Each Zone Administrator shall post a copy of the
20 boundaries of the Energy Transition Zone on its official
21 Internet website and shall provide an electronic copy to the
22 Department. The Department shall post each copy of the
23 boundaries of an Energy Transition Zone that it receives from
24 a Zone Administrator on its official Internet website.

25 (b) The Zone Administrator shall collect and aggregate the

1 following information:

2 (1) the estimated cost of each building project,
3 broken down into labor and materials; and

4 (2) within 60 days after the end of the project, the
5 estimated cost of each building project, broken down into
6 labor and materials.

7 (c) By April 1 of each year, each Zone Administrator shall
8 file a copy of its fee schedule with the Department, and the
9 Department shall post the fee schedule on its website. Zone
10 Administrators shall charge no more than 0.5% of the cost of
11 building materials of the project associated with the specific
12 Energy Transition Zone, with a maximum fee of no more than
13 \$50,000.

14 Section 1-85. State regulatory exemptions in Energy
15 Transition Zones.

16 (a) The Department shall conduct an ongoing review of such
17 agency rules as may be identified by the Department or
18 representatives of designating municipalities and counties as
19 green energy enterprises and preliminarily appearing to the
20 Department to:

21 (1) affect the conduct of business, industry and
22 commerce;

23 (2) impose excessive costs on either the creation or
24 conduct of such enterprises; and

25 (3) inhibit the development and expansions of

1 enterprises within Energy Transition Zones.

2 The Department shall conduct hearings, pursuant to public
3 notice, to solicit public comment on such identified rules as
4 part of this review process.

5 (b) No later than August 1 of each calendar year, the
6 Department shall publish in the Illinois Register a list of
7 such rules identified pursuant to subsection (a). The
8 Department shall transmit a copy of the list to each agency
9 which has adopted rules on the list.

10 (c) Within 90 days of the publication of the list by the
11 Department, each agency which adopted rules identified therein
12 shall file a written report with the Department detailing for
13 each identified rule:

14 (1) the need or justification;

15 (2) whether the rule is mandated by State or federal
16 law, or is discretionary, and to what extent;

17 (3) a synopsis of the history of the rule, including
18 any internal agency review after its original adoption;
19 and

20 (4) any appropriate explanation of its relationship to
21 other regulatory requirements.

22 The agency that adopted the rules shall also include any
23 available data, analysis and studies concerning the economic
24 impact of the identified rules. The agency responses shall be
25 public records.

26 (d) No later than January 1 of the following calendar

1 year, the Department shall file proposed rules exempting green
2 energy enterprises within Energy Transition Zones from those
3 agency rules contained in the published list, for which the
4 Department finds that the job creation or business development
5 incentives for Energy Transition Zone development engendered
6 by the exemption outweigh the need and justification for the
7 rule. In making its findings, the Department shall consider
8 all information, data, and opinions submitted to it by the
9 public, as well as by adopting agencies, as well as
10 information otherwise available to it.

11 (e) The proposed rules adopted by the Department shall be
12 in the form of amendments to the existing rules to be affected,
13 and shall be subject to the Illinois Administrative Procedure
14 Act.

15 (f) Upon its effective date, any exempting rule of the
16 Department shall supersede the exempted agency rule in
17 accordance with the terms of the exemption. Such exemptions
18 may apply only to green energy enterprises within Energy
19 Transition Zones during the effective term of the respective
20 Zones. Agencies may not adopt emergency rules to circumvent an
21 exemption affected by a Department exemption rule; any such
22 emergency rules shall not be effective within Energy
23 Transition Zones to the extent inconsistent with the terms of
24 such an exemption.

25 Section 1-90. State and local regulatory alternatives.

1 (a) Agencies may provide in their rules for:

2 (1) the exemption of green energy enterprises within
3 Energy Transition Zones; or

4 (2) modifications or alternatives specifically
5 applicable to green energy enterprises within Energy
6 Transition Zones, which impose less stringent standards or
7 alternative standards for compliance (including, but not
8 limited to, performance-based standards as a substitute
9 for specific mandates of methods, procedures or
10 equipment).

11 Such exemptions, modifications, or alternatives shall
12 become effective by rule adopted in accordance with the
13 Illinois Administrative Procedure Act. The Agency adopting
14 such exemptions, modifications or alternatives shall file with
15 its proposed rule its findings that the proposed rule provides
16 economic incentives within Energy Transition Zones which
17 promote the purposes of this Act, and which, to the extent they
18 include any exemptions or reductions in regulatory standards
19 or requirements, outweigh the need or justification for the
20 existing rule.

21 (b) If any agency adopts a rule pursuant to paragraph (a)
22 affecting a rule contained on the list published by the
23 Department, prior to the completion of the rulemaking process
24 for the Department's rules under that Section, the agency
25 shall immediately transmit a copy of its proposed rule to the
26 Department, together with a statement of reasons as to why the

1 Department should defer to the agency's proposed rule. Agency
2 rules adopted under subsection (a) shall, however, be subject
3 to the exemption rules adopted by the Department.

4 (c) Within Energy Transition Zones, the designating
5 municipality may modify all local ordinances and regulations
6 regarding (i) zoning; (ii) licensing; (iii) building codes,
7 excluding however, any regulations treating building defects;
8 or (iv) price controls (except for the minimum wage).
9 Notwithstanding any shorter statute of limitation to the
10 contrary, actions against any contractor or architect who
11 designs, constructs or rehabilitates a building or structure
12 in an Energy Transition Zone in accordance with local
13 standards specifically applicable within Zones which have been
14 relaxed may be commenced within 10 years from the time of
15 beneficial occupancy of the building or use of the structure.

16 Section 1-95. Exemptions from regulatory relaxation.
17 Sections 1-85 and 1-90 do not apply to rules adopted pursuant
18 to:

- 19 (1) the Environmental Protection Act;
- 20 (2) the Illinois Historic Preservation Act;
- 21 (3) the Illinois Human Rights Act;
- 22 (4) any successor Acts to any of the foregoing; or
- 23 (5) any other Acts whose purpose is the protection of
24 the environment, the preservation of historic places and
25 landmarks, or the protection of persons against

1 discrimination on the basis of race, color, religion, sex,
2 marital status, national origin, or physical or mental
3 disability.

4 (b) No exemption, modification, or alternative to any
5 agency rule shall be effective which:

6 (1) presents a significant risk to the health or
7 safety of persons resident in or employed within an Energy
8 Transition Zone;

9 (2) would conflict with federal law such that the
10 State, or any unit of local government or school district,
11 or any area of the State other than Energy Transition
12 Zones, or any business enterprise located outside of an
13 Energy Transition Zone would be disqualified from a
14 federal program or from federal tax or other benefits;

15 (3) would suspend or modify an agency rule mandated by
16 law; or

17 (4) would eliminate or reduce benefits to individuals
18 who are residents of or employed within a Zone.

19 Section 1-100. Business notifications. Any business
20 located within the Energy Transition Zone which has received
21 tax credits or exemptions, regulatory relief or any other
22 benefits under this Act shall notify the Department and the
23 county and municipal officials in which the Energy Transition
24 Zone is located within 60 days of the cessation of any business
25 operations conducted within the Energy Transition Zone. The

1 Department shall adopt rules to carry out this Section.

2 Article 5. Energy Transition Tax Credit Act

3 Section 5-1. Short title. This Article may be cited as the
4 Energy Transition Tax Credit Act. References in this Article
5 to "this Act" mean this Article.

6 Section 5-5. Purpose. The General Assembly finds and
7 declares that the health, safety, and welfare of the people of
8 this State are dependent upon a healthy economy and vibrant
9 communities; that the closure of coal plants, coal mines, and
10 nuclear energy plants across the states are detrimental to
11 maintaining a healthy economy and vibrant communities; that
12 the expansion of green energy creates significant job growth
13 and contributes significantly to the health, safety, and
14 welfare of the people of this State; that the continual
15 encouragement, development, growth and expansion of green
16 energy within the State requires a cooperative and continuous
17 partnership between government and the green energy sector;
18 and that there are certain depressed areas in this State that
19 have lost jobs due to the closure of coal plants, coal mines,
20 and nuclear energy plants and need the particular attention of
21 government, labor and the citizens of Illinois to help attract
22 green energy investment into these areas and directly aid the
23 local community and its residents. Therefore, it is declared

1 to be the purpose of this Act, in conjunction with the Energy
2 Transition Zone Act, to provide green energy enterprises an
3 incentive to stimulate the growth of green energy in the State
4 and to foster job growth in areas depressed by the closure of
5 coal plants, coal mines, and nuclear energy plants.

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

7 "Agreement" means the Agreement between a Taxpayer and the
8 Department under the provisions of Section 5-55 of this Act.

9 "Applicant" means a Taxpayer operating a green energy
10 enterprise, as determined by the Energy Transition Zone Act,
11 located within or that the green energy enterprise plans to
12 locate within an Energy Transition Zone. "Applicant" does not
13 include a Taxpayer who closes or substantially reduces an
14 operation at one location in the State and relocates
15 substantially the same operation to a location in an Energy
16 Transition Zone. This does not prohibit a Taxpayer from
17 expanding its operations at a location in an Energy Transition
18 Zone, provided that existing operations of a similar nature
19 located within the State are not closed or substantially
20 reduced. This also does not prohibit a Taxpayer from moving
21 its operations from one location in the State to an Energy
22 Transition Zone for the purpose of expanding the operation
23 provided that the Department determines that expansion cannot
24 reasonably be accommodated within the municipality in which
25 the business is located, or in the case of a business located

1 in an incorporated area of the county, within the county in
2 which the business is located, after conferring with the chief
3 elected official of the municipality or county and taking into
4 consideration any evidence offered by the municipality or
5 county regarding the ability to accommodate expansion within
6 the municipality or county.

7 "Committee" means the Energy Transition Investment
8 Committee created under Section 5-25 of this Act within the
9 Illinois Economic Development Board.

10 "Credit" means the amount agreed to between the Department
11 and the Applicant under this Act, but not to exceed the lesser
12 of: (1) the sum of (i) 50% of the Incremental Income Tax
13 attributable to New Employees at the Applicant's project and
14 (ii) 10% of the training costs of New Employees; or (2) 100% of
15 the Incremental Income Tax attributable to New Employees at
16 the Applicant's project. However, if the project is located in
17 an underserved area, then the amount of the Credit may not
18 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
19 Income Tax attributable to New Employees at the Applicant's
20 project and (ii) 10% of the training costs of New Employees; or
21 (2) 100% of the Incremental Income Tax attributable to New
22 Employees at the Applicant's project. If an Applicant agrees
23 to hire the required number of New Employees, then the maximum
24 amount of the Credit for that Applicant may be increased by an
25 amount not to exceed 25% of the Incremental Income Tax
26 attributable to retained employees at the Applicant's project;

1 provided that, in order to receive the increase for retained
2 employees, the Applicant must provide the additional evidence
3 required under paragraph (3) of subsection (b) of Section
4 5-30.

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

7 "Director" means the Director of Commerce and Economic
8 Opportunity.

9 "Full-time Employee" means an individual who is employed
10 for consideration for at least 35 hours each week or who
11 renders any other standard of service generally accepted by
12 industry custom or practice as full-time employment. An
13 individual for whom a W-2 is issued by a Professional Employer
14 Organization (PEO) is a full-time employee if employed in the
15 service of the Applicant for consideration for at least 35
16 hours each week or who renders any other standard of service
17 generally accepted by industry custom or practice as full-time
18 employment to Applicant.

19 "Green energy" means solar energy, wind energy, water
20 energy, geothermal energy, bioenergy, or hydrogen fuel and
21 cells.

22 "Green energy production facility" means a facility owned
23 by a green energy enterprise (as defined in the Illinois
24 Energy Transition Zone Act) that is used in the production of
25 solar energy, wind energy, water energy, geothermal energy,
26 bioenergy, or hydrogen fuel and cells."Incremental Income Tax"

1 means the total amount withheld during the taxable year from
2 the compensation of New Employees and, if applicable, retained
3 employees under Article 7 of the Illinois Income Tax Act
4 arising from employment at a project that is the subject of an
5 Agreement.

6 "New Employee" means a full-time employee first employed
7 by a taxpayer in the project that is the subject of an
8 agreement and who is hired after the taxpayer enters into the
9 agreement. The term "New Employee" does not include:

10 (1) an employee of the Taxpayer who performs a job
11 that was previously performed by another employee, if that
12 job existed for at least 6 months before hiring the
13 employee;

14 (2) an employee of the Taxpayer who was previously
15 employed in Illinois by a Related Member of the Taxpayer
16 and whose employment was shifted to the Taxpayer after the
17 Taxpayer entered into the Agreement; or

18 (3) a child, grandchild, parent, or spouse, other than
19 a spouse who is legally separated from the individual, of
20 any individual who has a direct or an indirect ownership
21 interest of at least 5% in the profits, capital, or value
22 of the taxpayer.

23 Notwithstanding any other provisions of this Section, an
24 employee may be considered a New Employee under the Agreement
25 if the employee performs a job that was previously performed
26 by an employee who was:

1 (1) treated under the Agreement as a New Employee; and

2 (2) promoted by the Taxpayer to another job.

3 Notwithstanding any other provisions of this Section, the
4 Department may award a Credit to an Applicant with respect to
5 an employee hired prior to the date of the Agreement if:

6 (1) the Applicant is in receipt of a letter from the
7 Department stating an intent to enter into a credit
8 Agreement;

9 (2) the letter described in paragraph (1) is issued by
10 the Department not later than 15 days after the effective
11 date of this Act; and

12 (3) the employee was hired after the date the letter
13 described in paragraph (1) was issued.

14 "Noncompliance Date" means, in the case of a Taxpayer that
15 is not complying with the requirements of the Agreement or the
16 provisions of this Act, the day following the last date upon
17 which the Taxpayer was in compliance with the requirements of
18 the Agreement and the provisions of this Act, as determined by
19 the Director, pursuant to Section 5-75.

20 "Pass through entity" means an entity that is exempt from
21 the tax under subsection (b) or (c) of Section 205 of the
22 Illinois Income Tax Act.

23 "Related Member" means a person that, with respect to the
24 Taxpayer during any portion of the taxable year, is any one of
25 the following:

26 (1) An individual stockholder, if the stockholder and

1 the members of the stockholder's family (as defined in
2 Section 318 of the Internal Revenue Code) own directly,
3 indirectly, beneficially, or constructively, in the
4 aggregate, at least 50% of the value of the Taxpayer's
5 outstanding stock.

6 (2) A partnership, estate, or trust and any partner or
7 beneficiary, if the partnership, estate, or trust, and its
8 partners or beneficiaries own directly, indirectly,
9 beneficially, or constructively, in the aggregate, at
10 least 50% of the profits, capital, stock, or value of the
11 Taxpayer.

12 (3) A corporation, and any party related to the
13 corporation in a manner that would require an attribution
14 of stock from the corporation to the party or from the
15 party to the corporation under the attribution rules of
16 Section 318 of the Internal Revenue Code, if the Taxpayer
17 owns directly, indirectly, beneficially, or constructively
18 at least 50% of the value of the corporation's outstanding
19 stock.

20 (4) A corporation and any party related to that
21 corporation in a manner that would require an attribution
22 of stock from the corporation to the party or from the
23 party to the corporation under the attribution rules of
24 Section 318 of the Internal Revenue Code, if the
25 corporation and all such related parties own in the
26 aggregate at least 50% of the profits, capital, stock, or

1 value of the Taxpayer.

2 (5) A person to or from whom there is attribution of
3 stock ownership in accordance with Section 1563(e) of the
4 Internal Revenue Code, except, for purposes of determining
5 whether a person is a Related Member under this paragraph,
6 20% shall be substituted for 5% wherever 5% appears in
7 Section 1563(e) of the Internal Revenue Code.

8 "Taxpayer" means an individual, corporation, partnership,
9 or other entity that has any Illinois income tax liability.

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

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

14 (2) 75% or more of the children in the area
15 participate in the federal free lunch program according to
16 reported statistics from the State Board of Education;

17 (3) at least 20% of the households in the area receive
18 assistance under the Supplemental Nutrition Assistance
19 Program (SNAP); or

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

1 Section 5-15. Powers of the Department. The Department, in
2 addition to those powers granted under the Civil
3 Administrative Code of Illinois, is granted and shall have all
4 the powers necessary or convenient to carry out and effectuate
5 the purposes and provisions of this Act, including, but not
6 limited to, power and authority to:

7 (1) Adopt rules deemed necessary and appropriate for
8 the administration of the programs; establish forms for
9 applications, notifications, contracts, or any other
10 agreements; and accept applications at any time during the
11 year.

12 (2) Provide and assist Taxpayers pursuant to the
13 provisions of this Act, and cooperate with Taxpayers that
14 are parties to Agreements to promote, foster, and support
15 economic development, capital investment, and job creation
16 or retention within the Energy Transition Zone.

17 (c) Enter into agreements and memoranda of
18 understanding for participation of and engage in
19 cooperation with agencies of the federal government, local
20 units of government, universities, research foundations or
21 institutions, regional economic development corporations,
22 or other organizations for the purposes of this Act.

23 (4) Gather information and conduct inquiries, in the
24 manner and by the methods as it deems desirable, including
25 without limitation, gathering information with respect to
26 Applicants for the purpose of making any designations or

1 certifications necessary or desirable or to gather
2 information to assist the Committee with any
3 recommendation or guidance in the furtherance of the
4 purposes of this Act.

5 (5) Establish, negotiate and effectuate any term,
6 agreement or other document with any person, necessary or
7 appropriate to accomplish the purposes of this Act; and to
8 consent, subject to the provisions of any Agreement with
9 another party, to the modification or restructuring of any
10 Agreement to which the Department is a party.

11 (6) Fix, determine, charge, and collect any premiums,
12 fees, charges, costs, and expenses from Applicants,
13 including, without limitation, any application fees,
14 commitment fees, program fees, financing charges, or
15 publication fees as deemed appropriate to pay expenses
16 necessary or incident to the administration, staffing, or
17 operation in connection with the Department's or
18 Committee's activities under this Act, or for preparation,
19 implementation, and enforcement of the terms of the
20 Agreement, or for consultation, advisory and legal fees,
21 and other costs; however, all fees and expenses incident
22 thereto shall be the responsibility of the Applicant.

23 (7) Provide for sufficient personnel to permit
24 administration, staffing, operation, and related support
25 required to adequately discharge its duties and
26 responsibilities described in this Act from funds made

1 available through charges to Applicants or from funds as
2 may be appropriated by the General Assembly for the
3 administration of this Act.

4 (8) Require Applicants, upon written request, to issue
5 any necessary authorization to the appropriate federal,
6 state, or local authority for the release of information
7 concerning a project being considered under the provisions
8 of this Act, with the information requested to include,
9 but not be limited to, financial reports, returns, or
10 records relating to the Taxpayer or its project.

11 (9) Require that a Taxpayer shall at all times keep
12 proper books of record and account in accordance with
13 generally accepted accounting principles consistently
14 applied, with the books, records, or papers related to the
15 Agreement in the custody or control of the Taxpayer open
16 for reasonable Department inspection and audits, and
17 including, without limitation, the making of copies of the
18 books, records, or papers, and the inspection or appraisal
19 of any of the Taxpayer or project assets.

20 (10) Take whatever actions are necessary or
21 appropriate to protect the State's interest in the event
22 of bankruptcy, default, foreclosure, or noncompliance with
23 the terms and conditions of financial assistance or
24 participation required under this Act, including the power
25 to sell, dispose, lease, or rent, upon terms and
26 conditions determined by the Director to be appropriate,

1 real or personal property that the Department may receive
2 as a result of these actions.

3 Section 5-20. Tax credit awards.

4 (a) Subject to the conditions set forth in this Act, a
5 Taxpayer is entitled to a Credit against or, as described in
6 subsection (f) of this Section, a payment towards taxes
7 imposed pursuant to subsections (a) and (b) of Section 201 of
8 the Illinois Income Tax Act that may be imposed on the Taxpayer
9 for a taxable year beginning on or after January 1, 2021, if
10 the Taxpayer is awarded a Credit by the Department under this
11 Act for that taxable year.

12 The Department shall make Credit awards under this Act to
13 foster job creation and the development of green energy in
14 Energy Transition Zones.

15 (b) A person that proposes a project to create new jobs and
16 to invest in the development of a green energy production
17 facility in an Energy Transition Zone must enter into an
18 Agreement with the Department for the Credit under this Act

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

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

24 (e) Nothing herein shall prohibit a Tax Credit Award to an
25 Applicant that uses a PEO if all other award criteria are

1 satisfied.

2 (f) This Section is exempt from the provisions of Section
3 250 of the Illinois Income Tax Act.

4 Section 5-25. Application for a project to create and
5 retain new jobs and to develop green energy.

6 (a) Any green energy enterprise proposing a project to
7 build a green energy production facility located or planned to
8 be located in an Energy Transition Zone may request
9 consideration for designation of its project, by formal
10 written letter of request or by formal application to the
11 Department, in which the Applicant states its intent to make
12 at least a specified level of investment and intends to hire or
13 retain a specified number of full-time employees at a
14 designated location in Illinois. As circumstances require, the
15 Department may require a formal application from an Applicant
16 and a formal letter of request for assistance.

17 (b) In order to qualify for Credits under this Act, an
18 Applicant's project must:

19 (1) be for the purpose of producing green energy;

20 (2) if the Applicant has more than 100 employees,
21 involve an investment of at least \$2,500,000 in capital
22 improvements to be placed in service within an Energy
23 Transition Zone as a direct result of the project; if the
24 Applicant has 100 or fewer employees, then there is no
25 capital investment requirement; and

1 (3) if the Applicant has more than 100 employees,
2 employ a number of new employees in the Energy Transition
3 Zone equal to the lesser of (A) 10% of the number of
4 full-time employees employed by the applicant world-wide
5 on the date the application is filed with the Department
6 or (B) 50 New Employees; and, if the Applicant has 100 or
7 fewer employees, employ a number of new employees in the
8 State equal to the lesser of (A) 5% of the number of
9 full-time employees employed by the applicant world-wide
10 on the date the application is filed with the Department
11 or (B) 50 New Employees;

12 (c) After receipt of an application, the Department may
13 enter into an Agreement with the Applicant if the application
14 is accepted in accordance with Section 5-25.

15 Section 5-30. Review of application.

16 (a) In addition to those duties granted under the Illinois
17 Economic Development Board Act, the Illinois Economic
18 Development Board shall form an Energy Transition Investment
19 Committee for the purpose of making recommendations for
20 applications. At the request of the Board, the Director of
21 Commerce and Economic Opportunity or his or her designee, the
22 Director of the Governor's Office of Management and Budget or
23 his or her designee, the Director of Revenue or his or her
24 designee, the Director of Employment Security or his or her
25 designee, and an elected official of the affected locality,

1 such as the chair of the county board or the mayor, may serve
2 as members of the Committee to assist with its analysis and
3 deliberations.

4 (b) At the Department's request, the Committee shall
5 convene, make inquiries, and conduct studies in the manner and
6 by the methods as it deems desirable, review information with
7 respect to Applicants, and make recommendations for projects
8 to benefit an Energy Transition Zone. In making its
9 recommendation that an Applicant's application for Credit
10 should or should not be accepted, which shall occur within a
11 reasonable time frame as determined by the nature of the
12 application, the Committee shall determine that all the
13 following conditions exist:

14 (1) The Applicant's project intends, as required by
15 subsection (b) of Section 5 to make the required
16 investment in the Energy Transition Zone and intends to
17 hire the required number of New Employees in the Energy
18 Transition Zone as a result of that project.

19 (2) The Applicant's project is economically sound and
20 will benefit the people of the Energy Transition Zone by
21 increasing opportunities for employment and engaging in
22 the development of green energy.

23 (3) That, if not for the Credit, the project would not
24 occur in Illinois, which may be demonstrated by evidence
25 that receipt of the Credit is essential to the Applicant's
26 decision to create new jobs in the State, such as the

1 magnitude of the cost differential between Illinois and a
2 competing State; in addition, if the Applicant is seeking
3 an increase in the maximum amount of the Credit for
4 retained employees, the Applicant must provide evidence
5 the Applicant has multi-state location options and could
6 reasonably and efficiently locate outside of the State or
7 demonstrate that at least one other state is being
8 considered for the project.

9 (4) A cost differential is identified, using best
10 available data, in the projected costs for the Applicant's
11 project compared to the costs in the competing state,
12 including the impact of the competing state's incentive
13 programs. The competing state's incentive programs shall
14 include state, local, private, and federal funds
15 available.

16 (5) The political subdivisions affected by the project
17 have committed local incentives with respect to the
18 project, considering local ability to assist.

19 (6) Awarding the Credit will result in an overall
20 positive fiscal impact to the State, as certified by the
21 Committee using the best available data.

22 (7) The Credit is not prohibited by Section 5-45 of
23 this Act.

24 Section 5-35. Limitation to amount of costs of specified
25 items. The total amount of the Credit allowed during all tax

1 years may not exceed the aggregate amount of costs incurred by
2 the Taxpayer during all prior tax years for the following
3 items, to the extent provided in the Agreement:

4 (1) capital investment, including, but not limited to,
5 equipment, buildings, or land;

6 (2) infrastructure development;

7 (3) debt service, except refinancing of current debt;

8 (4) research and development;

9 (5) job training and education;

10 (6) lease costs; or

11 (7) relocation costs.

12 Section 5-40. Relocation of jobs to Energy Transition
13 Zone. A taxpayer is not entitled to claim the credit provided
14 by this Act with respect to any jobs that the taxpayer
15 relocates from one site in Illinois to another site in an
16 Energy Transition Zone. A taxpayer with respect to a
17 qualifying project certified under the Corporate Headquarters
18 Relocation Act, however, is not subject to the requirements of
19 this Section but is nevertheless considered an applicant for
20 purposes of this Act. Moreover, any full-time employee of an
21 eligible green energy enterprise relocated to an Energy
22 Transition Zone in connection with that qualifying project is
23 deemed to be a new employee for purposes of this Act.
24 Determinations under this Section shall be made by the
25 Department.

1 Section 5-45. Determination of amount of the Credit. In
2 determining the amount of the Credit that should be awarded,
3 the Committee shall provide guidance on, and the Department
4 shall take into consideration, all of the following factors:

5 (1) The number and location of jobs created and
6 retained in relation to the economy of the Energy
7 Transition Zone where the projected investment is to
8 occur.

9 (2) The potential impact on the economy of the Energy
10 Transition Zone.

11 (3) The advancement of green energy in the Energy
12 Transition Zone.

13 (4) The incremental payroll attributable to the
14 project.

15 (5) The capital investment attributable to the
16 project.

17 (6) The amount of the average wage and benefits paid
18 by the Applicant in relation to the wage and benefits of
19 the Energy Transition Zone.

20 (7) The costs to Illinois and the affected political
21 subdivisions with respect to the project.

22 (8) The financial assistance that is otherwise
23 provided by Illinois and the affected political
24 subdivisions.

1 Section 5-50. Amount and curation of credit.

2 (a) The Department shall determine the amount and duration
3 of the credit awarded under this Act. The duration of the
4 credit may not exceed 10 taxable years. The credit may be
5 stated as a percentage of the Incremental Income Tax
6 attributable to the applicant's project and may include a
7 fixed dollar limitation. An Agreement for the credit must be
8 finalized and signed by all parties while the area in which the
9 project is located is designated an Energy Transition Zone.
10 The credit may last longer than the applicable Energy
11 Transition Zone designation. Agreements entered into prior to
12 the de-designation of an Energy Transition Zone will be
13 honored for the length of the Agreement.

14 (b) Notwithstanding subsection (a), the credit may be
15 applied in more than 10 taxable years but not more than 15
16 taxable years for an eligible green energy enterprise that
17 qualifies under this Act and the Corporate Headquarters
18 Relocation Act and has in fact undertaken a qualifying project
19 within the timeframe specified by the Department of Commerce
20 and Economic Opportunity under that Act. In that case, the
21 Department of Commerce and Economic Opportunity shall extend
22 the tax credit agreement to not more than 15 years and reduce
23 the annual allocation to 60% of the maximum credit that would
24 otherwise be available under this Act.

25 (c) The tax credit may not reduce the taxpayer's liability
26 to less than zero. If the amount of tax credit exceeds the

1 liability for the year, the excess may be carried forward and
2 applied to the tax liability of the 5 taxable years following
3 the excess credit year. The credit must be applied to the
4 earliest year for which there is a tax liability. If there are
5 credits from more than one tax year that are available to
6 offset a liability, then the earlier credit will be applied
7 first.

8 Section 5-55. Contents of Agreements with Applicants. The
9 Department shall enter into an Agreement with an Applicant
10 that is awarded a Credit under this Act. The Agreement must
11 include all of the following:

12 (1) A detailed description of the project that is the
13 subject of the Agreement, including the location and
14 amount of the investment and jobs created or retained.

15 (2) The duration of the Credit and the first taxable
16 year for which the Credit may be claimed.

17 (3) The Credit amount that will be allowed for each
18 taxable year.

19 (4) A requirement that the Taxpayer shall maintain
20 operations at the project location that shall be stated as
21 a minimum number of years not to exceed 10.

22 (5) A specific method for determining the number of
23 New Employees employed during a taxable year.

24 (6) A requirement that the Taxpayer shall annually
25 report to the Department the number of New Employees, the

1 Incremental Income Tax withheld in connection with the New
2 Employees, and any other information the Director needs to
3 perform the Director's duties under this Act.

4 (7) A requirement that the Director is authorized to
5 verify with the appropriate State agencies the amounts
6 reported under paragraph (6), and after doing so shall
7 issue a certificate to the Taxpayer stating that the
8 amounts have been verified.

9 (8) A requirement that the Taxpayer shall provide
10 written notification to the Director not more than 30 days
11 after the Taxpayer makes or receives a proposal that would
12 transfer the Taxpayer's State tax liability obligations to
13 a successor Taxpayer.

14 (9) A detailed description of the number of New
15 Employees to be hired, and the occupation and payroll of
16 the full-time jobs to be created or retained as a result of
17 the project.

18 (10) The minimum investment the green energy
19 enterprise will make in capital improvements, the time
20 period for placing the property in service, and the
21 designated green energy production of the project.

22 (11) A requirement that the Taxpayer shall provide
23 written notification to the Director and the Committee not
24 more than 30 days after the Taxpayer determines that the
25 minimum job creation or retention, employment payroll, or
26 investment no longer is being or will be achieved or

1 maintained as set forth in the terms and conditions of the
2 Agreement.

3 (12) A provision that, if the total number of New
4 Employees falls below a specified level, the allowance of
5 Credit shall be suspended until the number of New
6 Employees equals or exceeds the Agreement amount.

7 (13) A detailed description of the items for which the
8 costs incurred by the Taxpayer will be included in the
9 limitation on the Credit provided in Section 5-40.

10 (14) A provision that, if the Taxpayer never meets
11 either the investment or job creation and retention
12 requirements specified in the Agreement during the entire
13 5-year period beginning on the first day of the first
14 taxable year in which the Agreement is executed and ending
15 on the last day of the fifth taxable year after the
16 Agreement is executed, then the Agreement is automatically
17 terminated on the last day of the fifth taxable year after
18 the Agreement is executed and the Taxpayer is not entitled
19 to the award of any credits for any of that 5-year period.

20 (15) A provision specifying that, if the Taxpayer
21 ceases principal operations with the intent to shut down
22 the project in the Energy Transition Zone permanently
23 during the term of the Agreement, then the entire credit
24 amount awarded to the Taxpayer prior to the date the
25 Taxpayer ceases principal operations shall be returned to
26 the Department.

1 (16) Any other performance conditions or contract
2 provisions as the Department determines are appropriate.
3 The Department shall post on its website the terms of each
4 Agreement entered into under this Act. Such information
5 shall be posted within 10 days after entering into the
6 Agreement and must include the following:

7 (A) the name of the recipient business;

8 (B) the location of the project;

9 (C) the estimated value of the credit;

10 (C) the number of new jobs and, if applicable,
11 retained jobs pledged as a result of the project; and

12 (E) whether or not the project is located in an
13 underserved area.

14 Section 5-60. Certificate of verification; submission to
15 the Department of Revenue. A Taxpayer claiming a Credit under
16 this Act shall submit to the Department of Revenue a copy of
17 the Director's certificate of verification under this Act for
18 the taxable year. However, failure to submit a copy of the
19 certificate with the Taxpayer's tax return shall not
20 invalidate a claim for a Credit.

21 For a Taxpayer to be eligible for a certificate of
22 verification, the Taxpayer shall provide proof as required by
23 the Department prior to the end of each calendar year,
24 including, but not limited to, attestation by the Taxpayer
25 that:

1 (1) The project has substantially achieved the level
2 of new full-time jobs in the Energy Transition Zone, as
3 specified in its Agreement.

4 (2) The project has substantially achieved the level
5 of annual payroll in the Energy Transition Zone, as
6 specified in its Agreement.

7 (3) The project has substantially achieved the level
8 of capital investment in the Energy Transition Zone, as
9 specified in its Agreement;

10 (4) The project has assisted in the development of
11 green energy production in the Energy Transition Zone, as
12 specified in its Agreement.

13 Section 5-65. Supplier diversity. Each taxpayer claiming
14 a credit under this Act shall, no later than April 15 of each
15 taxable year for which the taxpayer claims a credit under this
16 Act, submit to the Department of Commerce and Economic
17 Opportunity an annual report containing the information
18 described in subsections (b), (c), (d), and (e) of Section
19 5-117 of the Public Utilities Act. Those reports shall be
20 submitted in the form and manner required by the Department of
21 Commerce and Economic Opportunity.

22 Section 5-70. Pass through entities.

23 (a) For partners, shareholders of Subchapter S
24 corporations, and owners of limited liability companies, if

1 the liability company is treated as a partnership for purposes
2 of federal and State income taxation, there is 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 (b) The Credit provided under subsection (a) is in
8 addition to any Credit to which a shareholder or partner is
9 otherwise entitled under a separate Agreement under this Act.
10 A pass through entity and a shareholder or partner of the pass
11 through entity may not claim more than one Credit under the
12 same Agreement.

13 Section 5-75. Noncompliance; notice; assessment. If the
14 Director determines that a Taxpayer who has received a Credit
15 under this Act is not complying with the requirements of the
16 Agreement or all of the provisions of this Act, the Director
17 shall provide notice to the Taxpayer of the alleged
18 noncompliance, and allow the Taxpayer a hearing under the
19 provisions of the Illinois Administrative Procedure Act. If,
20 after such notice and any hearing, the Director determines
21 that a noncompliance exists, the Director shall issue to the
22 Department of Revenue notice to that effect, stating the
23 Noncompliance Date. If, during the term of an Agreement, the
24 Taxpayer ceases operations at a project location that is the
25 subject of that Agreement with the intent to terminate

1 operations in the Energy Transition Zone, the Department and
2 the Department of Revenue shall recapture from the Taxpayer
3 the entire Credit amount awarded under that Agreement prior to
4 the date the taxpayer ceases operations. The Department shall,
5 subject to appropriation, reallocate the recaptured amounts to
6 the local workforce investment area in which the project was
7 located for the purposes of workforce development, expanded
8 opportunities for unemployed persons, and expanded
9 opportunities for women and minorities in the workforce.

10 Section 5-80. Annual report. On or before July 1 each
11 year, the Committee shall submit a report to the Department on
12 the tax credit program under this Act to the Governor and the
13 General Assembly. The report shall include information on the
14 number of Agreements that were entered into under this Act
15 during the preceding calendar year, a description of the
16 project that is the subject of each Agreement, an update on the
17 status of projects under Agreements entered into before the
18 preceding calendar year, and the sum of the Credits awarded
19 under this Act. A copy of the report shall be delivered to the
20 Governor and to each member of the General Assembly.

21 The report must include, for each Agreement:

22 (1) the original estimates of the value of the Credit
23 and the number of new jobs to be created and, if
24 applicable, the number of retained jobs;

25 (2) any relevant modifications to existing Agreements;

1 (3) a statement of the progress made by each Taxpayer
2 in meeting the terms of the original Agreement;

3 (4) a statement of wages paid to New Employees and, if
4 applicable, retained employees in the State;

5 (5) any information reported under Section 5-65 of
6 this Act; and

7 (6) a copy of the original Agreement.

8 Section 5-85. Evaluation of tax credit program. On a
9 biennial basis, the Department shall evaluate the tax credit
10 program. The evaluation shall include an assessment of the
11 effectiveness of the program in creating new jobs in Illinois
12 and of the revenue impact of the program, and may include a
13 review of the practices and experiences of other states with
14 similar programs. The Director shall submit a report on the
15 evaluation to the Governor and the General Assembly after June
16 30 and before November 1 in each odd-numbered year.

17 Section 5-90. Adoption of rules. The Department may adopt
18 rules necessary to implement this Act. The rules may provide
19 for recipients of Credits under this Act to be charged fees to
20 cover administrative costs of the tax credit program. Fees
21 collected shall be deposited into the Energy Transition Fund.

22 Section 5-95. The Energy Transition Fund.

23 (a) The Energy Transition Fund is established as a special

1 fund within the State treasury to be used exclusively for the
2 purposes of this Act, including paying for the costs of
3 administering this Act. The Fund shall be administered by the
4 Department.

5 (b) The Fund consists of collected fees, appropriations
6 from the General Assembly, and gifts and grants to the Fund.

7 (c) The State Treasurer shall invest the money in the Fund
8 not currently needed to meet the obligations of the Fund in the
9 same manner as other public funds may be invested. Interest
10 that accrues from these investments shall be deposited into
11 the Fund.

12 (d) The money in the Fund at the end of a State fiscal year
13 remains in the Fund to be used exclusively for the purposes of
14 this Act. Expenditures from the Fund are subject to
15 appropriation by the General Assembly.

16 Section 5-100. Program terms and conditions.

17 (a) Any documentary materials or data made available or
18 received by any member of a Committee or any agent or employee
19 of the Department shall be deemed confidential and shall not
20 be deemed public records to the extent that the materials or
21 data consists of trade secrets, commercial or financial
22 information regarding the operation of the business conducted
23 by the Applicant for or recipient of any tax credit under this
24 Act, or any information regarding the competitive position of
25 a business in a particular field of endeavor.

1 (b) Nothing in this Act shall be construed as creating any
2 rights in any Applicant to enter into an Agreement or in any
3 person to challenge the terms of any Agreement.

4 Article 10. Amendatory Provisions

5 Section 10-5. The Illinois Administrative Procedure Act is
6 amended by changing Section 5-45 as follows:

7 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

8 Sec. 5-45. Emergency rulemaking.

9 (a) "Emergency" means the existence of any situation that
10 any agency finds reasonably constitutes a threat to the public
11 interest, safety, or welfare.

12 (b) If any agency finds that an emergency exists that
13 requires adoption of a rule upon fewer days than is required by
14 Section 5-40 and states in writing its reasons for that
15 finding, the agency may adopt an emergency rule without prior
16 notice or hearing upon filing a notice of emergency rulemaking
17 with the Secretary of State under Section 5-70. The notice
18 shall include the text of the emergency rule and shall be
19 published in the Illinois Register. Consent orders or other
20 court orders adopting settlements negotiated by an agency may
21 be adopted under this Section. Subject to applicable
22 constitutional or statutory provisions, an emergency rule
23 becomes effective immediately upon filing under Section 5-65

1 or at a stated date less than 10 days thereafter. The agency's
2 finding and a statement of the specific reasons for the
3 finding shall be filed with the rule. The agency shall take
4 reasonable and appropriate measures to make emergency rules
5 known to the persons who may be affected by them.

6 (c) An emergency rule may be effective for a period of not
7 longer than 150 days, but the agency's authority to adopt an
8 identical rule under Section 5-40 is not precluded. No
9 emergency rule may be adopted more than once in any 24-month
10 period, except that this limitation on the number of emergency
11 rules that may be adopted in a 24-month period does not apply
12 to (i) emergency rules that make additions to and deletions
13 from the Drug Manual under Section 5-5.16 of the Illinois
14 Public Aid Code or the generic drug formulary under Section
15 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
16 emergency rules adopted by the Pollution Control Board before
17 July 1, 1997 to implement portions of the Livestock Management
18 Facilities Act, (iii) emergency rules adopted by the Illinois
19 Department of Public Health under subsections (a) through (i)
20 of Section 2 of the Department of Public Health Act when
21 necessary to protect the public's health, (iv) emergency rules
22 adopted pursuant to subsection (n) of this Section, (v)
23 emergency rules adopted pursuant to subsection (o) of this
24 Section, or (vi) emergency rules adopted pursuant to
25 subsection (c-5) of this Section. Two or more emergency rules
26 having substantially the same purpose and effect shall be

1 deemed to be a single rule for purposes of this Section.

2 (c-5) To facilitate the maintenance of the program of
3 group health benefits provided to annuitants, survivors, and
4 retired employees under the State Employees Group Insurance
5 Act of 1971, rules to alter the contributions to be paid by the
6 State, annuitants, survivors, retired employees, or any
7 combination of those entities, for that program of group
8 health benefits, shall be adopted as emergency rules. The
9 adoption of those rules shall be considered an emergency and
10 necessary for the public interest, safety, and welfare.

11 (d) In order to provide for the expeditious and timely
12 implementation of the State's fiscal year 1999 budget,
13 emergency rules to implement any provision of Public Act
14 90-587 or 90-588 or any other budget initiative for fiscal
15 year 1999 may be adopted in accordance with this Section by the
16 agency charged with administering that provision or
17 initiative, except that the 24-month limitation on the
18 adoption of emergency rules and the provisions of Sections
19 5-115 and 5-125 do not apply to rules adopted under this
20 subsection (d). The adoption of emergency rules authorized by
21 this subsection (d) shall be deemed to be necessary for the
22 public interest, safety, and welfare.

23 (e) In order to provide for the expeditious and timely
24 implementation of the State's fiscal year 2000 budget,
25 emergency rules to implement any provision of Public Act 91-24
26 or any other budget initiative for fiscal year 2000 may be

1 adopted in accordance with this Section by the agency charged
2 with administering that provision or initiative, except that
3 the 24-month limitation on the adoption of emergency rules and
4 the provisions of Sections 5-115 and 5-125 do not apply to
5 rules adopted under this subsection (e). The adoption of
6 emergency rules authorized by this subsection (e) shall be
7 deemed to be necessary for the public interest, safety, and
8 welfare.

9 (f) In order to provide for the expeditious and timely
10 implementation of the State's fiscal year 2001 budget,
11 emergency rules to implement any provision of Public Act
12 91-712 or any other budget initiative for fiscal year 2001 may
13 be adopted in accordance with this Section by the agency
14 charged with administering that provision or initiative,
15 except that the 24-month limitation on the adoption of
16 emergency rules and the provisions of Sections 5-115 and 5-125
17 do not apply to rules adopted under this subsection (f). The
18 adoption of emergency rules authorized by this subsection (f)
19 shall be deemed to be necessary for the public interest,
20 safety, and welfare.

21 (g) In order to provide for the expeditious and timely
22 implementation of the State's fiscal year 2002 budget,
23 emergency rules to implement any provision of Public Act 92-10
24 or any other budget initiative for fiscal year 2002 may be
25 adopted in accordance with this Section by the agency charged
26 with administering that provision or initiative, except that

1 the 24-month limitation on the adoption of emergency rules and
2 the provisions of Sections 5-115 and 5-125 do not apply to
3 rules adopted under this subsection (g). The adoption of
4 emergency rules authorized by this subsection (g) shall be
5 deemed to be necessary for the public interest, safety, and
6 welfare.

7 (h) In order to provide for the expeditious and timely
8 implementation of the State's fiscal year 2003 budget,
9 emergency rules to implement any provision of Public Act
10 92-597 or any other budget initiative for fiscal year 2003 may
11 be adopted in accordance with this Section by the agency
12 charged with administering that provision or initiative,
13 except that the 24-month limitation on the adoption of
14 emergency rules and the provisions of Sections 5-115 and 5-125
15 do not apply to rules adopted under this subsection (h). The
16 adoption of emergency rules authorized by this subsection (h)
17 shall be deemed to be necessary for the public interest,
18 safety, and welfare.

19 (i) In order to provide for the expeditious and timely
20 implementation of the State's fiscal year 2004 budget,
21 emergency rules to implement any provision of Public Act 93-20
22 or any other budget initiative for fiscal year 2004 may be
23 adopted in accordance with this Section by the agency charged
24 with administering that provision or initiative, except that
25 the 24-month limitation on the adoption of emergency rules and
26 the provisions of Sections 5-115 and 5-125 do not apply to

1 rules adopted under this subsection (i). The adoption of
2 emergency rules authorized by this subsection (i) shall be
3 deemed to be necessary for the public interest, safety, and
4 welfare.

5 (j) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2005 budget as provided under the Fiscal Year 2005 Budget
8 Implementation (Human Services) Act, emergency rules to
9 implement any provision of the Fiscal Year 2005 Budget
10 Implementation (Human Services) Act may be adopted in
11 accordance with this Section by the agency charged with
12 administering that provision, except that the 24-month
13 limitation on the adoption of emergency rules and the
14 provisions of Sections 5-115 and 5-125 do not apply to rules
15 adopted under this subsection (j). The Department of Public
16 Aid may also adopt rules under this subsection (j) necessary
17 to administer the Illinois Public Aid Code and the Children's
18 Health Insurance Program Act. The adoption of emergency rules
19 authorized by this subsection (j) shall be deemed to be
20 necessary for the public interest, safety, and welfare.

21 (k) In order to provide for the expeditious and timely
22 implementation of the provisions of the State's fiscal year
23 2006 budget, emergency rules to implement any provision of
24 Public Act 94-48 or any other budget initiative for fiscal
25 year 2006 may be adopted in accordance with this Section by the
26 agency charged with administering that provision or

1 initiative, except that the 24-month limitation on the
2 adoption of emergency rules and the provisions of Sections
3 5-115 and 5-125 do not apply to rules adopted under this
4 subsection (k). The Department of Healthcare and Family
5 Services may also adopt rules under this subsection (k)
6 necessary to administer the Illinois Public Aid Code, the
7 Senior Citizens and Persons with Disabilities Property Tax
8 Relief Act, the Senior Citizens and Disabled Persons
9 Prescription Drug Discount Program Act (now the Illinois
10 Prescription Drug Discount Program Act), and the Children's
11 Health Insurance Program Act. The adoption of emergency rules
12 authorized by this subsection (k) shall be deemed to be
13 necessary for the public interest, safety, and welfare.

14 (l) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2007 budget, the Department of Healthcare and Family Services
17 may adopt emergency rules during fiscal year 2007, including
18 rules effective July 1, 2007, in accordance with this
19 subsection to the extent necessary to administer the
20 Department's responsibilities with respect to amendments to
21 the State plans and Illinois waivers approved by the federal
22 Centers for Medicare and Medicaid Services necessitated by the
23 requirements of Title XIX and Title XXI of the federal Social
24 Security Act. The adoption of emergency rules authorized by
25 this subsection (l) shall be deemed to be necessary for the
26 public interest, safety, and welfare.

1 (m) In order to provide for the expeditious and timely
2 implementation of the provisions of the State's fiscal year
3 2008 budget, the Department of Healthcare and Family Services
4 may adopt emergency rules during fiscal year 2008, including
5 rules effective July 1, 2008, in accordance with this
6 subsection to the extent necessary to administer the
7 Department's responsibilities with respect to amendments to
8 the State plans and Illinois waivers approved by the federal
9 Centers for Medicare and Medicaid Services necessitated by the
10 requirements of Title XIX and Title XXI of the federal Social
11 Security Act. The adoption of emergency rules authorized by
12 this subsection (m) shall be deemed to be necessary for the
13 public interest, safety, and welfare.

14 (n) In order to provide for the expeditious and timely
15 implementation of the provisions of the State's fiscal year
16 2010 budget, emergency rules to implement any provision of
17 Public Act 96-45 or any other budget initiative authorized by
18 the 96th General Assembly for fiscal year 2010 may be adopted
19 in accordance with this Section by the agency charged with
20 administering that provision or initiative. The adoption of
21 emergency rules authorized by this subsection (n) shall be
22 deemed to be necessary for the public interest, safety, and
23 welfare. The rulemaking authority granted in this subsection
24 (n) shall apply only to rules promulgated during Fiscal Year
25 2010.

26 (o) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2011 budget, emergency rules to implement any provision of
3 Public Act 96-958 or any other budget initiative authorized by
4 the 96th General Assembly for fiscal year 2011 may be adopted
5 in accordance with this Section by the agency charged with
6 administering that provision or initiative. The adoption of
7 emergency rules authorized by this subsection (o) is deemed to
8 be necessary for the public interest, safety, and welfare. The
9 rulemaking authority granted in this subsection (o) applies
10 only to rules promulgated on or after July 1, 2010 (the
11 effective date of Public Act 96-958) through June 30, 2011.

12 (p) In order to provide for the expeditious and timely
13 implementation of the provisions of Public Act 97-689,
14 emergency rules to implement any provision of Public Act
15 97-689 may be adopted in accordance with this subsection (p)
16 by the agency charged with administering that provision or
17 initiative. The 150-day limitation of the effective period of
18 emergency rules does not apply to rules adopted under this
19 subsection (p), and the effective period may continue through
20 June 30, 2013. The 24-month limitation on the adoption of
21 emergency rules does not apply to rules adopted under this
22 subsection (p). The adoption of emergency rules authorized by
23 this subsection (p) is deemed to be necessary for the public
24 interest, safety, and welfare.

25 (q) In order to provide for the expeditious and timely
26 implementation of the provisions of Articles 7, 8, 9, 11, and

1 12 of Public Act 98-104, emergency rules to implement any
2 provision of Articles 7, 8, 9, 11, and 12 of Public Act 98-104
3 may be adopted in accordance with this subsection (q) by the
4 agency charged with administering that provision or
5 initiative. The 24-month limitation on the adoption of
6 emergency rules does not apply to rules adopted under this
7 subsection (q). The adoption of emergency rules authorized by
8 this subsection (q) is deemed to be necessary for the public
9 interest, safety, and welfare.

10 (r) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 98-651,
12 emergency rules to implement Public Act 98-651 may be adopted
13 in accordance with this subsection (r) by the Department of
14 Healthcare and Family Services. The 24-month limitation on the
15 adoption of emergency rules does not apply to rules adopted
16 under this subsection (r). The adoption of emergency rules
17 authorized by this subsection (r) is deemed to be necessary
18 for the public interest, safety, and welfare.

19 (s) In order to provide for the expeditious and timely
20 implementation of the provisions of Sections 5-5b.1 and 5A-2
21 of the Illinois Public Aid Code, emergency rules to implement
22 any provision of Section 5-5b.1 or Section 5A-2 of the
23 Illinois Public Aid Code may be adopted in accordance with
24 this subsection (s) by the Department of Healthcare and Family
25 Services. The rulemaking authority granted in this subsection
26 (s) shall apply only to those rules adopted prior to July 1,

1 2015. Notwithstanding any other provision of this Section, any
2 emergency rule adopted under this subsection (s) shall only
3 apply to payments made for State fiscal year 2015. The
4 adoption of emergency rules authorized by this subsection (s)
5 is deemed to be necessary for the public interest, safety, and
6 welfare.

7 (t) In order to provide for the expeditious and timely
8 implementation of the provisions of Article II of Public Act
9 99-6, emergency rules to implement the changes made by Article
10 II of Public Act 99-6 to the Emergency Telephone System Act may
11 be adopted in accordance with this subsection (t) by the
12 Department of State Police. The rulemaking authority granted
13 in this subsection (t) shall apply only to those rules adopted
14 prior to July 1, 2016. The 24-month limitation on the adoption
15 of emergency rules does not apply to rules adopted under this
16 subsection (t). The adoption of emergency rules authorized by
17 this subsection (t) is deemed to be necessary for the public
18 interest, safety, and welfare.

19 (u) In order to provide for the expeditious and timely
20 implementation of the provisions of the Burn Victims Relief
21 Act, emergency rules to implement any provision of the Act may
22 be adopted in accordance with this subsection (u) by the
23 Department of Insurance. The rulemaking authority granted in
24 this subsection (u) shall apply only to those rules adopted
25 prior to December 31, 2015. The adoption of emergency rules
26 authorized by this subsection (u) is deemed to be necessary

1 for the public interest, safety, and welfare.

2 (v) In order to provide for the expeditious and timely
3 implementation of the provisions of Public Act 99-516,
4 emergency rules to implement Public Act 99-516 may be adopted
5 in accordance with this subsection (v) by the Department of
6 Healthcare and Family Services. The 24-month limitation on the
7 adoption of emergency rules does not apply to rules adopted
8 under this subsection (v). The adoption of emergency rules
9 authorized by this subsection (v) is deemed to be necessary
10 for the public interest, safety, and welfare.

11 (w) In order to provide for the expeditious and timely
12 implementation of the provisions of Public Act 99-796,
13 emergency rules to implement the changes made by Public Act
14 99-796 may be adopted in accordance with this subsection (w)
15 by the Adjutant General. The adoption of emergency rules
16 authorized by this subsection (w) is deemed to be necessary
17 for the public interest, safety, and welfare.

18 (x) In order to provide for the expeditious and timely
19 implementation of the provisions of Public Act 99-906,
20 emergency rules to implement subsection (i) of Section
21 16-115D, subsection (g) of Section 16-128A, and subsection (a)
22 of Section 16-128B of the Public Utilities Act may be adopted
23 in accordance with this subsection (x) by the Illinois
24 Commerce Commission. The rulemaking authority granted in this
25 subsection (x) shall apply only to those rules adopted within
26 180 days after June 1, 2017 (the effective date of Public Act

1 99-906). The adoption of emergency rules authorized by this
2 subsection (x) is deemed to be necessary for the public
3 interest, safety, and welfare.

4 (y) In order to provide for the expeditious and timely
5 implementation of the provisions of Public Act 100-23,
6 emergency rules to implement the changes made by Public Act
7 100-23 to Section 4.02 of the Illinois Act on the Aging,
8 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
9 Section 55-30 of the Alcoholism and Other Drug Abuse and
10 Dependency Act, and Sections 74 and 75 of the Mental Health and
11 Developmental Disabilities Administrative Act may be adopted
12 in accordance with this subsection (y) by the respective
13 Department. The adoption of emergency rules authorized by this
14 subsection (y) is deemed to be necessary for the public
15 interest, safety, and welfare.

16 (z) In order to provide for the expeditious and timely
17 implementation of the provisions of Public Act 100-554,
18 emergency rules to implement the changes made by Public Act
19 100-554 to Section 4.7 of the Lobbyist Registration Act may be
20 adopted in accordance with this subsection (z) by the
21 Secretary of State. The adoption of emergency rules authorized
22 by this subsection (z) is deemed to be necessary for the public
23 interest, safety, and welfare.

24 (aa) In order to provide for the expeditious and timely
25 initial implementation of the changes made to Articles 5, 5A,
26 12, and 14 of the Illinois Public Aid Code under the provisions

1 of Public Act 100-581, the Department of Healthcare and Family
2 Services may adopt emergency rules in accordance with this
3 subsection (aa). The 24-month limitation on the adoption of
4 emergency rules does not apply to rules to initially implement
5 the changes made to Articles 5, 5A, 12, and 14 of the Illinois
6 Public Aid Code adopted under this subsection (aa). The
7 adoption of emergency rules authorized by this subsection (aa)
8 is deemed to be necessary for the public interest, safety, and
9 welfare.

10 (bb) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 100-587,
12 emergency rules to implement the changes made by Public Act
13 100-587 to Section 4.02 of the Illinois Act on the Aging,
14 Sections 5.5.4 and 5-5.4i of the Illinois Public Aid Code,
15 subsection (b) of Section 55-30 of the Alcoholism and Other
16 Drug Abuse and Dependency Act, Section 5-104 of the
17 Specialized Mental Health Rehabilitation Act of 2013, and
18 Section 75 and subsection (b) of Section 74 of the Mental
19 Health and Developmental Disabilities Administrative Act may
20 be adopted in accordance with this subsection (bb) by the
21 respective Department. The adoption of emergency rules
22 authorized by this subsection (bb) is deemed to be necessary
23 for the public interest, safety, and welfare.

24 (cc) In order to provide for the expeditious and timely
25 implementation of the provisions of Public Act 100-587,
26 emergency rules may be adopted in accordance with this

1 subsection (cc) to implement the changes made by Public Act
2 100-587 to: Sections 14-147.5 and 14-147.6 of the Illinois
3 Pension Code by the Board created under Article 14 of the Code;
4 Sections 15-185.5 and 15-185.6 of the Illinois Pension Code by
5 the Board created under Article 15 of the Code; and Sections
6 16-190.5 and 16-190.6 of the Illinois Pension Code by the
7 Board created under Article 16 of the Code. The adoption of
8 emergency rules authorized by this subsection (cc) is deemed
9 to be necessary for the public interest, safety, and welfare.

10 (dd) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 100-864,
12 emergency rules to implement the changes made by Public Act
13 100-864 to Section 3.35 of the Newborn Metabolic Screening Act
14 may be adopted in accordance with this subsection (dd) by the
15 Secretary of State. The adoption of emergency rules authorized
16 by this subsection (dd) is deemed to be necessary for the
17 public interest, safety, and welfare.

18 (ee) In order to provide for the expeditious and timely
19 implementation of the provisions of Public Act 100-1172,
20 emergency rules implementing the Illinois Underground Natural
21 Gas Storage Safety Act may be adopted in accordance with this
22 subsection by the Department of Natural Resources. The
23 adoption of emergency rules authorized by this subsection is
24 deemed to be necessary for the public interest, safety, and
25 welfare.

26 (ff) In order to provide for the expeditious and timely

1 initial implementation of the changes made to Articles 5A and
2 14 of the Illinois Public Aid Code under the provisions of
3 Public Act 100-1181, the Department of Healthcare and Family
4 Services may on a one-time-only basis adopt emergency rules in
5 accordance with this subsection (ff). The 24-month limitation
6 on the adoption of emergency rules does not apply to rules to
7 initially implement the changes made to Articles 5A and 14 of
8 the Illinois Public Aid Code adopted under this subsection
9 (ff). The adoption of emergency rules authorized by this
10 subsection (ff) is deemed to be necessary for the public
11 interest, safety, and welfare.

12 (gg) In order to provide for the expeditious and timely
13 implementation of the provisions of Public Act 101-1,
14 emergency rules may be adopted by the Department of Labor in
15 accordance with this subsection (gg) to implement the changes
16 made by Public Act 101-1 to the Minimum Wage Law. The adoption
17 of emergency rules authorized by this subsection (gg) is
18 deemed to be necessary for the public interest, safety, and
19 welfare.

20 (hh) In order to provide for the expeditious and timely
21 implementation of the provisions of Public Act 101-10,
22 emergency rules may be adopted in accordance with this
23 subsection (hh) to implement the changes made by Public Act
24 101-10 to subsection (j) of Section 5-5.2 of the Illinois
25 Public Aid Code. The adoption of emergency rules authorized by
26 this subsection (hh) is deemed to be necessary for the public

1 interest, safety, and welfare.

2 (ii) In order to provide for the expeditious and timely
3 implementation of the provisions of Public Act 101-10,
4 emergency rules to implement the changes made by Public Act
5 101-10 to Sections 5-5.4 and 5-5.4i of the Illinois Public Aid
6 Code may be adopted in accordance with this subsection (ii) by
7 the Department of Public Health. The adoption of emergency
8 rules authorized by this subsection (ii) is deemed to be
9 necessary for the public interest, safety, and welfare.

10 (jj) In order to provide for the expeditious and timely
11 implementation of the provisions of Public Act 101-10,
12 emergency rules to implement the changes made by Public Act
13 101-10 to Section 74 of the Mental Health and Developmental
14 Disabilities Administrative Act may be adopted in accordance
15 with this subsection (jj) by the Department of Human Services.
16 The adoption of emergency rules authorized by this subsection
17 (jj) is deemed to be necessary for the public interest,
18 safety, and welfare.

19 (kk) In order to provide for the expeditious and timely
20 implementation of the Cannabis Regulation and Tax Act and
21 Public Act 101-27, the Department of Revenue, the Department
22 of Public Health, the Department of Agriculture, the
23 Department of State Police, and the Department of Financial
24 and Professional Regulation may adopt emergency rules in
25 accordance with this subsection (kk). The rulemaking authority
26 granted in this subsection (kk) shall apply only to rules

1 adopted before December 31, 2021. Notwithstanding the
2 provisions of subsection (c), emergency rules adopted under
3 this subsection (kk) shall be effective for 180 days. The
4 adoption of emergency rules authorized by this subsection (kk)
5 is deemed to be necessary for the public interest, safety, and
6 welfare.

7 (ll) In order to provide for the expeditious and timely
8 implementation of the provisions of the Leveling the Playing
9 Field for Illinois Retail Act, emergency rules may be adopted
10 in accordance with this subsection (ll) to implement the
11 changes made by the Leveling the Playing Field for Illinois
12 Retail Act. The adoption of emergency rules authorized by this
13 subsection (ll) is deemed to be necessary for the public
14 interest, safety, and welfare.

15 (mm) In order to provide for the expeditious and timely
16 implementation of the provisions of Section 25-70 of the
17 Sports Wagering Act, emergency rules to implement Section
18 25-70 of the Sports Wagering Act may be adopted in accordance
19 with this subsection (mm) by the Department of the Lottery as
20 provided in the Sports Wagering Act. The adoption of emergency
21 rules authorized by this subsection (mm) is deemed to be
22 necessary for the public interest, safety, and welfare.

23 (nn) In order to provide for the expeditious and timely
24 implementation of the Sports Wagering Act, emergency rules to
25 implement the Sports Wagering Act may be adopted in accordance
26 with this subsection (nn) by the Illinois Gaming Board. The

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

4 (oo) In order to provide for the expeditious and timely
5 implementation of the provisions of subsection (c) of Section
6 20 of the Video Gaming Act, emergency rules to implement the
7 provisions of subsection (c) of Section 20 of the Video Gaming
8 Act may be adopted in accordance with this subsection (oo) by
9 the Illinois Gaming Board. The adoption of emergency rules
10 authorized by this subsection (oo) is deemed to be necessary
11 for the public interest, safety, and welfare.

12 (pp) In order to provide for the expeditious and timely
13 implementation of the provisions of Section 50 of the Sexual
14 Assault Evidence Submission Act, emergency rules to implement
15 Section 50 of the Sexual Assault Evidence Submission Act may
16 be adopted in accordance with this subsection (pp) by the
17 Department of State Police. The adoption of emergency rules
18 authorized by this subsection (pp) is deemed to be necessary
19 for the public interest, safety, and welfare.

20 (qq) In order to provide for the expeditious and timely
21 implementation of the provisions of the Illinois Works Jobs
22 Program Act, emergency rules may be adopted in accordance with
23 this subsection (qq) to implement the Illinois Works Jobs
24 Program Act. The adoption of emergency rules authorized by
25 this subsection (qq) is deemed to be necessary for the public
26 interest, safety, and welfare.

1 (rr) In order to provide for the expeditious and timely
2 implementation of the Illinois Energy Transition Zone Act,
3 emergency rules to implement the provisions of subsection
4 (a-5) of Section 1-40 of the Illinois Energy Transition Zone
5 Act may be adopted in accordance with this subsection (aa) by
6 the Department of Commerce and Economic Opportunity for period
7 of 12 months after the effective date of the Illinois Energy
8 Transition Zone Act. The adoption of emergency rules
9 authorized by this subsection (aa) is deemed to be necessary
10 for the public interest, safety, and welfare.

11 (Source: P.A. 100-23, eff. 7-6-17; 100-554, eff. 11-16-17;
12 100-581, eff. 3-12-18; 100-587, Article 95, Section 95-5, eff.
13 6-4-18; 100-587, Article 110, Section 110-5, eff. 6-4-18;
14 100-864, eff. 8-14-18; 100-1172, eff. 1-4-19; 100-1181, eff.
15 3-8-19; 101-1, eff. 2-19-19; 101-10, Article 20, Section 20-5,
16 eff. 6-5-19; 101-10, Article 35, Section 35-5, eff. 6-5-19;
17 101-27, eff. 6-25-19; 101-31, Article 15, Section 15-5, eff.
18 6-28-19; 101-31, Article 25, Section 25-900, eff. 6-28-19;
19 101-31, Article 35, Section 35-3, eff. 6-28-19; 101-377, eff.
20 8-16-19; 101-601, eff. 12-10-19.)

21 Section 10-10. The State Finance Act is amended by adding
22 Section 5.935 as follows:

23 (30 ILCS 105/5.935 new)

24 Sec. 5.935. The Energy Transition Fund.

1 Section 10-15. The State Mandates Act is amended by adding
2 Section 8.45 as follows:

3 (30 ILCS 805/8.45 new)

4 Sec. 8.45. Exempt mandate. Notwithstanding Sections 6 and
5 8 of this Act, no reimbursement by the State is required for
6 the implementation of any mandate created by this amendatory
7 Act of the 102nd General Assembly.

8 Section 10-20. The Illinois Income Tax Act is amended by
9 changing Section 201 as follows:

10 (35 ILCS 5/201)

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

13 Sec. 201. Tax imposed.

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

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

1 subsection (d-1):

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

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

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

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

24 (5) In the case of an individual, trust, or estate,
25 for taxable years beginning on or after January 1, 2011,
26 and ending prior to January 1, 2015, an amount equal to 5%

1 of the taxpayer's net income for the taxable year.

2 (5.1) In the case of an individual, trust, or estate,
3 for taxable years beginning prior to January 1, 2015, and
4 ending after December 31, 2014, an amount equal to the sum
5 of (i) 5% of the taxpayer's net income for the period prior
6 to January 1, 2015, as calculated under Section 202.5, and
7 (ii) 3.75% of the taxpayer's net income for the period
8 after December 31, 2014, as calculated under Section
9 202.5.

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

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

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

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1,
6 1989, as calculated under Section 202.3, and (ii) 4.8% of
7 the taxpayer's net income for the period after June 30,
8 1989, as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

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

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

24 (11) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2015, and ending after
26 December 31, 2014, an amount equal to the sum of (i) 7% of

1 the taxpayer's net income for the period prior to January
2 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
3 of the taxpayer's net income for the period after December
4 31, 2014, as calculated under Section 202.5.

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

9 (13) In the case of a corporation, for taxable years
10 beginning prior to July 1, 2017, and ending after June 30,
11 2017, an amount equal to the sum of (i) 5.25% of the
12 taxpayer's net income for the period prior to July 1,
13 2017, as calculated under Section 202.5, and (ii) 7% of
14 the taxpayer's net income for the period after June 30,
15 2017, as calculated under Section 202.5.

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

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

21 (b-5) Surcharge; sale or exchange of assets, properties,
22 and intangibles of organization gaming licensees. For each of
23 taxable years 2019 through 2027, a surcharge is imposed on all
24 taxpayers on income arising from the sale or exchange of
25 capital assets, depreciable business property, real property
26 used in the trade or business, and Section 197 intangibles (i)

1 of an organization licensee under the Illinois Horse Racing
2 Act of 1975 and (ii) of an organization gaming licensee under
3 the Illinois Gambling Act. The amount of the surcharge is
4 equal to the amount of federal income tax liability for the
5 taxable year attributable to those sales and exchanges. The
6 surcharge imposed shall not apply if:

7 (1) the organization gaming license, organization
8 license, or racetrack property is transferred as a result
9 of any of the following:

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

14 (B) cancellation, revocation, or termination of
15 any such license by the Illinois Gaming Board or the
16 Illinois Racing Board;

17 (C) a determination by the Illinois Gaming Board
18 that transfer of the license is in the best interests
19 of Illinois gaming;

20 (D) the death of an owner of the equity interest in
21 a licensee;

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

25 (F) a transfer by a parent company to a wholly
26 owned subsidiary; or

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

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

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

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

21 (c) Personal Property Tax Replacement Income Tax.
22 Beginning on July 1, 1979 and thereafter, in addition to such
23 income tax, there is also hereby imposed the Personal Property
24 Tax Replacement Income Tax measured by net income on every
25 corporation (including Subchapter S corporations), partnership
26 and trust, for each taxable year ending after June 30, 1979.

1 Such taxes are imposed on the privilege of earning or
2 receiving income in or as a resident of this State. The
3 Personal Property Tax Replacement Income Tax shall be in
4 addition to the income tax imposed by subsections (a) and (b)
5 of this Section and in addition to all other occupation or
6 privilege taxes imposed by this State or by any municipal
7 corporation or political subdivision thereof.

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

20 (d-1) Rate reduction for certain foreign insurers. In the
21 case of a foreign insurer, as defined by Section 35A-5 of the
22 Illinois Insurance Code, whose state or country of domicile
23 imposes on insurers domiciled in Illinois a retaliatory tax
24 (excluding any insurer whose premiums from reinsurance assumed
25 are 50% or more of its total insurance premiums as determined
26 under paragraph (2) of subsection (b) of Section 304, except

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

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

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

24 (B) the privilege tax imposed by Section 409 of
25 the Illinois Insurance Code, the fire insurance
26 company tax imposed by Section 12 of the Fire

1 Investigation Act, and the fire department taxes
2 imposed under Section 11-10-1 of the Illinois
3 Municipal Code,
4 equals 1.25% for taxable years ending prior to December
5 31, 2003, or 1.75% for taxable years ending on or after
6 December 31, 2003, of the net taxable premiums written for
7 the taxable year, as described by subsection (1) of
8 Section 409 of the Illinois Insurance Code. This paragraph
9 will in no event increase the rates imposed under
10 subsections (b) and (d).

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

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

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

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

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

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

1 tax year that is available to offset a liability, earlier
2 credit shall be applied first.

3 (2) The term "qualified property" means property
4 which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings and
7 signs that are real property, but not including land
8 or improvements to real property that are not a
9 structural component of a building such as
10 landscaping, sewer lines, local access roads, fencing,
11 parking lots, and other appurtenances;

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

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is
20 primarily engaged in manufacturing, or in mining coal
21 or fluorite, or in retailing, or was placed in service
22 on or after July 1, 2006 in a River Edge Redevelopment
23 Zone established pursuant to the River Edge
24 Redevelopment Zone Act; and

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

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

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

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

25 (5) If the basis of the property for federal income
26 tax depreciation purposes is increased after it has been

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

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

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

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

1 before December 31, 2018.

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

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

1 partnership or Subchapter S corporation, determined in
2 accordance with the determination of income and
3 distributive share of income under Sections 702 and 704
4 and Subchapter S of the Internal Revenue Code. This
5 paragraph is exempt from the provisions of Section 250.

6 (f) Investment credit; Enterprise Zone; River Edge
7 Redevelopment Zone.

8 (1) A taxpayer shall be allowed a credit against the
9 tax imposed by subsections (a) and (b) of this Section for
10 investment in qualified property which is placed in
11 service in an Enterprise Zone created pursuant to the
12 Illinois Enterprise Zone Act or, for property placed in
13 service on or after July 1, 2006, a River Edge
14 Redevelopment Zone established pursuant to the River Edge
15 Redevelopment Zone Act. For partners, shareholders of
16 Subchapter S corporations, and owners of limited liability
17 companies, if the liability company is treated as a
18 partnership for purposes of federal and State income
19 taxation, there shall be allowed a credit under this
20 subsection (f) to be determined in accordance with the
21 determination of income and distributive share of income
22 under Sections 702 and 704 and Subchapter S of the
23 Internal Revenue Code. The credit shall be .5% of the
24 basis for such property. The credit shall be available
25 only in the taxable year in which the property is placed in
26 service in the Enterprise Zone or River Edge Redevelopment

1 Zone and shall not be allowed to the extent that it would
2 reduce a taxpayer's liability for the tax imposed by
3 subsections (a) and (b) of this Section to below zero. For
4 tax years ending on or after December 31, 1985, the credit
5 shall be allowed for the tax year in which the property is
6 placed in service, or, if the amount of the credit exceeds
7 the tax liability for that year, whether it exceeds the
8 original liability or the liability as later amended, such
9 excess may be carried forward and applied to the tax
10 liability of the 5 taxable years following the excess
11 credit year. The credit shall be applied to the earliest
12 year for which there is a liability. If there is credit
13 from more than one tax year that is available to offset a
14 liability, the credit accruing first in time shall be
15 applied first.

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

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

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

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code;

26 (D) is used in the Enterprise Zone or River Edge

1 Redevelopment Zone by the taxpayer; and

2 (E) has not been previously used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (f) or
5 subsection (e).

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

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

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

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

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

9 (7) There shall be allowed an additional credit equal
10 to 0.5% of the basis of qualified property placed in
11 service during the taxable year in a River Edge
12 Redevelopment Zone, provided such property is placed in
13 service on or after July 1, 2006, and the taxpayer's base
14 employment within Illinois has increased by 1% or more
15 over the preceding year as determined by the taxpayer's
16 employment records filed with the Illinois Department of
17 Employment Security. Taxpayers who are new to Illinois
18 shall be deemed to have met the 1% growth in base
19 employment for the first year in which they file
20 employment records with the Illinois Department of
21 Employment Security. If, in any year, the increase in base
22 employment within Illinois over the preceding year is less
23 than 1%, the additional credit shall be limited to that
24 percentage times a fraction, the numerator of which is
25 0.5% and the denominator of which is 1%, but shall not
26 exceed 0.5%.

1 (8) For taxable years beginning on or after January 1,
2 2021, there shall be allowed an Enterprise Zone
3 construction jobs credit against the taxes imposed under
4 subsections (a) and (b) of this Section as provided in
5 Section 13 of the Illinois Enterprise Zone Act.

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

17 For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies,
19 if the liability company is treated as a partnership for
20 the purposes of federal and State income taxation, there
21 shall be allowed a credit under this Section to be
22 determined in accordance with the determination of income
23 and distributive share of income under Sections 702 and
24 704 and Subchapter S of the Internal Revenue Code.

25 The total aggregate amount of credits awarded under
26 the Blue Collar Jobs Act (Article 20 of Public Act 101-9

1 ~~this amendatory Act of the 101st General Assembly~~) shall
2 not exceed \$20,000,000 in any State fiscal year.

3 This paragraph (8) is exempt from the provisions of
4 Section 250.

5 (f-1) Investment credit; Energy Transition Zone.

6 (1) For tax years beginning on or after January 1,
7 2021, a taxpayer shall be allowed a credit against the tax
8 imposed by subsections (a) and (b) of this Section for
9 investment in qualified property which is placed in
10 service for the use of the production of green energy by a
11 green energy enterprise in an Energy Transition Zone
12 created pursuant to the Illinois Energy Transition Zone
13 Act. For partners, shareholders of Subchapter S
14 corporations, and owners of limited liability companies,
15 if the liability company is treated as a partnership for
16 purposes of federal and State income taxation, there shall
17 be allowed a credit under this subsection (f-1) to be
18 determined in accordance with the determination of income
19 and distributive share of income under Sections 702 and
20 704 and Subchapter S of the Internal Revenue Code. The
21 credit shall be 0.5% of the basis for such property. The
22 credit shall be available only in the taxable year in
23 which the property is placed in service in the Energy
24 Transition Zone and shall not be allowed to the extent
25 that it would reduce a taxpayer's liability for the tax
26 imposed by subsections (a) and (b) of this Section to

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

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

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

15 (B) is depreciable pursuant to Section 167 of the
16 Internal Revenue Code, except that "3-year property"
17 as defined in Section 168(c)(2)(A) of that Code is not
18 eligible for the credit provided by this subsection
19 (f-1);

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

22 (D) is used in the Energy Transition Zone by the
23 taxpayer in relation to producing green energy; and

24 (E) has not been previously used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (f-1).

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

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

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

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

1 the purchase price shall be deemed a disposition of
2 qualified property to the extent of such reduction.

3 (g) (Blank).

4 (h) Investment credit; High Impact Business.

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

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

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

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

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

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (h);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code; and

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

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

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

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

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

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

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

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

1 subsections (i) and (j) of Section 5.5 of the Illinois
2 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 be
6 carried forward and applied against the taxpayer's liability
7 in succeeding calendar years in the manner provided under
8 paragraph (4) of Section 211 of this Act. The credit or credits
9 shall be applied to the earliest year for which there is a tax
10 liability. If there are credits from more than one taxable
11 year that are available to offset a liability, the earlier
12 credit shall be applied first.

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

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

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

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

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

25 If, during any taxable year ending on or after December
26 31, 1986, the tax imposed by subsections (c) and (d) of this

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

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

1 subchapter S of the Internal Revenue Code.

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

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

1 income under Sections 702 and 704 and subchapter S of the
2 Internal Revenue Code.

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

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

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

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

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

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

22 (l) Environmental Remediation Tax Credit.

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

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

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

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

1 this subsection from more than one tax year that is
2 available to offset a liability, the earliest credit
3 arising under this subsection shall be applied first. A
4 credit allowed under this subsection may be sold to a
5 buyer as part of a sale of all or part of the remediation
6 site for which the credit was granted. The purchaser of a
7 remediation site and the tax credit shall succeed to the
8 unused credit and remaining carry-forward period of the
9 seller. To perfect the transfer, the assignor shall record
10 the transfer in the chain of title for the site and provide
11 written notice to the Director of the Illinois Department
12 of Revenue of the assignor's intent to sell the
13 remediation site and the amount of the tax credit to be
14 transferred as a portion of the sale. In no event may a
15 credit be transferred to any taxpayer if the taxpayer or a
16 related party would not be eligible under the provisions
17 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 (m) Education expense credit. Beginning with tax years
22 ending after December 31, 1999, a taxpayer who is the
23 custodian of one or more qualifying pupils shall be allowed a
24 credit against the tax imposed by subsections (a) and (b) of
25 this Section for qualified education expenses incurred on
26 behalf of the qualifying pupils. The credit shall be equal to

1 25% of qualified education expenses, but in no event may the
2 total credit under this subsection claimed by a family that is
3 the custodian of qualifying pupils exceed (i) \$500 for tax
4 years ending prior to December 31, 2017, and (ii) \$750 for tax
5 years ending on or after December 31, 2017. In no event shall a
6 credit under this subsection reduce the taxpayer's liability
7 under this Act to less than zero. Notwithstanding any other
8 provision of law, for taxable years beginning on or after
9 January 1, 2017, no taxpayer may claim a credit under this
10 subsection (m) if the taxpayer's adjusted gross income for the
11 taxable year exceeds (i) \$500,000, in the case of spouses
12 filing a joint federal tax return or (ii) \$250,000, in the case
13 of all other taxpayers. This subsection is exempt from the
14 provisions of Section 250 of this Act.

15 For purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (F) a transfer by a parent company to a wholly
2 owned subsidiary; or

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

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

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

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

19 Sec. 201. Tax imposed.

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

1 corporation or political subdivision thereof.

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

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

9 (2) In the case of an individual, trust or estate, for
10 taxable years beginning prior to July 1, 1989 and ending
11 after June 30, 1989, an amount equal to the sum of (i) 2
12 1/2% of the taxpayer's net income for the period prior to
13 July 1, 1989, as calculated under Section 202.3, and (ii)
14 3% of the taxpayer's net income for the period after June
15 30, 1989, as calculated under Section 202.3.

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

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

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

5 (5.1) In the case of an individual, trust, or estate,
6 for taxable years beginning prior to January 1, 2015, and
7 ending after December 31, 2014, an amount equal to the sum
8 of (i) 5% of the taxpayer's net income for the period prior
9 to January 1, 2015, as calculated under Section 202.5, and
10 (ii) 3.75% of the taxpayer's net income for the period
11 after December 31, 2014, as calculated under Section
12 202.5.

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

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

24 (5.4) In the case of an individual, trust, or estate,
25 for taxable years beginning on or after July 1, 2017 ~~and~~
26 ~~beginning prior to January 1, 2021,~~ an amount equal to

1 4.95% of the taxpayer's net income for the taxable year.

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

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

9 (7) In the case of a corporation, for taxable years
10 beginning prior to July 1, 1989 and ending after June 30,
11 1989, an amount equal to the sum of (i) 4% of the
12 taxpayer's net income for the period prior to July 1,
13 1989, as calculated under Section 202.3, and (ii) 4.8% of
14 the taxpayer's net income for the period after June 30,
15 1989, as calculated under Section 202.3.

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

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

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

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

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

16 (13) In the case of a corporation, for taxable years
17 beginning prior to July 1, 2017, and ending after June 30,
18 2017, an amount equal to the sum of (i) 5.25% of the
19 taxpayer's net income for the period prior to July 1,
20 2017, as calculated under Section 202.5, and (ii) 7% of
21 the taxpayer's net income for the period after June 30,
22 2017, as calculated under Section 202.5.

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

1 ~~(15) In the case of a corporation, for taxable years~~
2 ~~beginning on or after January 1, 2021, an amount equal to~~
3 ~~7.99% of the taxpayer's net income for the taxable year.~~

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

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

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

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

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

1 Illinois Racing Board;

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

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

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

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

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

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

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

26 The transfer of an organization gaming license,

1 organization license, or racetrack property by a person other
2 than the initial licensee to receive the organization gaming
3 license is not subject to a surcharge. The Department shall
4 adopt rules necessary to implement and administer this
5 subsection.

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

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

1 subsection shall be reduced to 2.5%, and in the case of a
2 partnership, trust or a Subchapter S corporation shall be an
3 additional amount equal to 1.5% of such taxpayer's net income
4 for the taxable year.

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

1 the purposes of this subsection (d-1), an inter-affiliate
2 includes a mutual insurer under common management.

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

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

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

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

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

1 has been reduced to zero, against the rates imposed by
2 subsection (d).

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

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

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

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

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

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

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

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

1 (e);

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

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

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

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

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

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

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

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

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

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

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

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

1 Income Tax return for that taxable year. The election to
2 pass through the credits shall be irrevocable.

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

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

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

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

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

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

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

9 (C) is acquired by purchase as defined in Section
10 179(d) of the Internal Revenue Code;

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

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

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

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

26 (5) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (6) If during any taxable year, any property ceases to
3 be qualified property in the hands of the taxpayer within
4 48 months after being placed in service, or the situs of
5 any qualified property is moved outside the Enterprise
6 Zone or River Edge Redevelopment Zone within 48 months
7 after being placed in service, the tax imposed under
8 subsections (a) and (b) of this Section for such taxable
9 year shall be increased. Such increase shall be determined
10 by (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 (6), 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 (7) There shall be allowed an additional credit equal
21 to 0.5% of the basis of qualified property placed in
22 service during the taxable year in a River Edge
23 Redevelopment Zone, provided such property is placed in
24 service on or after July 1, 2006, and the taxpayer's base
25 employment within Illinois has increased by 1% or more
26 over the preceding year as determined by the taxpayer's

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

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

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

1 first.

2 For partners, shareholders of Subchapter S
3 corporations, and owners of limited liability companies,
4 if the liability company is treated as a partnership for
5 the purposes of federal and State income taxation, there
6 shall be allowed a credit under this Section to be
7 determined in accordance with the determination of income
8 and distributive share of income under Sections 702 and
9 704 and Subchapter S of the Internal Revenue Code.

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

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

16 (f-1) Investment credit; Energy Transition Zone.

17 (1) For tax years beginning on or after January 1,
18 2021, a taxpayer shall be allowed a credit against the tax
19 imposed by subsections (a) and (b) of this Section for
20 investment in qualified property which is placed in
21 service for the use of the production of green energy by a
22 green energy enterprise in an Energy Transition Zone
23 created pursuant to the Illinois Energy Transition Zone
24 Act. For partners, shareholders of Subchapter S
25 corporations, and owners of limited liability companies,
26 if the liability company is treated as a partnership for

1 purposes of federal and State income taxation, there shall
2 be allowed a credit under this subsection (f-1) to be
3 determined in accordance with the determination of income
4 and distributive share of income under Sections 702 and
5 704 and Subchapter S of the Internal Revenue Code. The
6 credit shall be 0.5% of the basis for such property. The
7 credit shall be available only in the taxable year in
8 which the property is placed in service in the Energy
9 Transition Zone and shall not be allowed to the extent
10 that it would reduce a taxpayer's liability for the tax
11 imposed by subsections (a) and (b) of this Section to
12 below zero. The credit shall be allowed for the tax year in
13 which the property is placed in service, or, if the amount
14 of the credit exceeds the tax liability for that year,
15 whether it exceeds the original liability or the liability
16 as later amended, such excess may be carried forward and
17 applied to the tax liability of the 5 taxable years
18 following the excess credit year. The credit shall be
19 applied to the earliest year for which there is a
20 liability. If there is credit from more than one tax year
21 that is available to offset a liability, the credit
22 accruing first in time shall be applied first.

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

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

26 (B) is depreciable pursuant to Section 167 of the

1 Internal Revenue Code, except that "3-year property"
2 as defined in Section 168(c)(2)(A) of that Code is not
3 eligible for the credit provided by this subsection
4 (f-1);

5 (C) is acquired by purchase as defined in Section
6 179(d) of the Internal Revenue Code;

7 (D) is used in the Energy Transition Zone by the
8 taxpayer in relation to producing green energy; and

9 (E) has not been previously used in Illinois in
10 such a manner and by such a person as would qualify for
11 the credit provided by this subsection (f-1).

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

15 (4) If the basis of the property for federal income
16 tax depreciation purposes is increased after it has been
17 placed in service in the Energy Transition Zone by the
18 taxpayer, the amount of such increase shall be deemed
19 property placed in service on the date of such increase in
20 basis.

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

23 (6) If during any taxable year, any property ceases to
24 be qualified property in the hands of the taxpayer within
25 48 months after being placed in service, or the situs of
26 any qualified property is moved outside the Energy

1 Transition Zone within 48 months after being placed in
2 service, the tax imposed under subsections (a) and (b) of
3 this Section for such taxable year shall be increased.
4 Such increase shall be determined by (i) recomputing the
5 investment credit which would have been allowed for the
6 year in which credit for such property was originally
7 allowed by eliminating such property from such
8 computation, and (ii) subtracting such recomputed credit
9 from the amount of credit previously allowed. For the
10 purposes of this paragraph (6), a reduction of the basis
11 of qualified property resulting from a redetermination of
12 the purchase price shall be deemed a disposition of
13 qualified property to the extent of such reduction.

14 (g) (Blank).

15 (h) Investment credit; High Impact Business.

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

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

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

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

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

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

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

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

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

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

23 (4) If the basis of the property for federal income
24 tax depreciation purposes is increased after it has been
25 placed in service in a federally designated Foreign Trade
26 Zone or Sub-Zone located in Illinois by the taxpayer, the

1 amount of such increase shall be deemed property placed in
2 service on the date of such increase in basis.

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

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

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

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

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

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

24 For partners, shareholders of Subchapter S corporations,
25 and owners of limited liability companies, if the liability
26 company is treated as a partnership for the purposes of

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

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

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

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

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

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

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

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

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

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

23 (k) Research and development credit. For tax years ending
24 after July 1, 1990 and prior to December 31, 2003, and
25 beginning again for tax years ending on or after December 31,
26 2004, and ending prior to January 1, 2027, a taxpayer shall be

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

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

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

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

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

24 It is the intent of the General Assembly that the research
25 and development credit under this subsection (k) shall apply
26 continuously for all tax years ending on or after December 31,

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

7 (l) Environmental Remediation Tax Credit.

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

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

1 distributive share of income under Sections 702 and 704
2 and subchapter S of the Internal Revenue Code.

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

1 related party would not be eligible under the provisions
2 of subsection (i).

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

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

26 For purposes of this subsection:

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

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

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

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

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

24 (i) For tax years ending on or after December 31,
25 2006, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) of this Section for

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

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

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

1 the sale. In no event may a credit be transferred to any
2 taxpayer if the taxpayer or a related party would not be
3 eligible under the provisions 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 (o) For each of taxable years during the Compassionate Use
8 of Medical Cannabis Program, a surcharge is imposed on all
9 taxpayers on income arising from the sale or exchange of
10 capital assets, depreciable business property, real property
11 used in the trade or business, and Section 197 intangibles of
12 an organization registrant under the Compassionate Use of
13 Medical Cannabis Program 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 does not apply if:

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

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

25 (B) cancellation, revocation, or termination of
26 any registration by the Illinois Department of Public

1 Health;

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

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

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

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

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

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

25 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
26 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;

1 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

2 Section 10-25. The Retailers' Occupation Tax Act is
3 amended by adding Section 5k-1 as follows:

4 (35 ILCS 120/5k-1 new)

5 Sec. 5k-1. Building materials exemption; Energy Transition
6 Zone.

7 (a) Each retailer who makes a qualified sale of building
8 materials to be incorporated into a green energy project, as
9 defined in the Energy Transition Zone Act, being built by a
10 green energy enterprise in an Energy Transition Zone
11 established by or municipality under the Illinois Energy
12 Transition Zone Act by remodeling, rehabilitation or new
13 construction, may deduct receipts from such sales when
14 calculating the tax imposed by this Act. For purposes of this
15 Section, "qualified sale" means a sale of building materials
16 that will be incorporated into real estate as part of a
17 building project for which an Energy Transition Zone Building
18 Materials Exemption Certificate has been issued to the
19 purchaser by the Department. A construction contractor or
20 other entity shall not make tax-free purchases unless it has
21 an active Energy Transition Zone Building Materials Exemption
22 Certificate issued by the Department at the time of the
23 purchase.

24 (b) To document the exemption allowed under this Section,

1 the retailer must obtain from the purchaser the certification
2 required under subsection (c), which must contain the Energy
3 Transition Zone Building Materials Exemption Certificate
4 number issued to the purchaser by the Department. Upon request
5 from the Energy Transition Zone Administrator, the Department
6 shall issue an Energy Transition Zone Building Materials
7 Exemption Certificate for each construction contractor or
8 other entity identified by the Energy Transition Zone
9 Administrator. The Department shall make the Energy Transition
10 Zone Building Materials Exemption Certificates available
11 directly to each Energy Transition Zone Administrator,
12 construction contractor, or other entity. The request for
13 Energy Transition Zone Building Materials Exemption
14 Certificates from the Energy Transition Zone Administrator to
15 the Department must include the following information:

16 (1) the name and address of the construction
17 contractor or other entity;

18 (2) the name and number of the Energy Transition Zone;

19 (3) the name and location or address of the green
20 energy enterprise;

21 (4) the estimated amount of the exemption for each
22 construction contractor or other entity for which a
23 request for Energy Transition Zone Building Materials
24 Exemption Certificate is made, based on a stated estimated
25 average tax rate and the percentage of the contract that
26 consists of materials;

1 (5) the period of time over which supplies for the
2 project are expected to be purchased; and

3 (6) other reasonable information as the Department may
4 require, including, but not limited to FEIN numbers, to
5 determine if the contractor or other entity, or any
6 partner, or a corporate officer, and in the case of a
7 limited liability company, any manager or member, of the
8 construction contractor or other entity, is or has been
9 the owner, a partner, a corporate officer, and in the case
10 of a limited liability company, a manager or member, of a
11 person that is in default for moneys due to the Department
12 under this Act or any other tax or fee Act administered by
13 the Department.

14 The Department shall issue the Energy Transition Zone
15 Building Materials Exemption Certificates within 3 business
16 days after receipt of request from the Zone Administrator.
17 This requirement does not apply in circumstances where the
18 Department, for reasonable cause, is unable to issue the
19 Energy Transition Zone Building Materials Exemption
20 Certificate within 3 business days. The Department may refuse
21 to issue an Energy Transition Zone Building Materials
22 Exemption Certificate if the owner, any partner, or a
23 corporate officer, and in the case of a limited liability
24 company, any manager or member, of the construction contractor
25 or other entity is or has been the owner, a partner, a
26 corporate officer, and in the case of a limited liability

1 company, a manager or member, of a person that is in default
2 for moneys due to the Department under this Act or any other
3 tax or fee Act administered by the Department. The Energy
4 Transition Zone Building Materials Exemption Certificate shall
5 contain language stating that if the construction contractor
6 or other entity who is issued the Energy Transition Zone
7 Building Materials Exemption Certificate makes a tax-exempt
8 purchase, as described in this Section, that is not eligible
9 for exemption under this Section or allows another person to
10 make a tax-exempt purchase, as described in this Section, that
11 is not eligible for exemption under this Section, then, in
12 addition to any tax or other penalty imposed, the construction
13 contractor or other entity is subject to a penalty equal to the
14 tax that would have been paid by the retailer under this Act as
15 well as any applicable local retailers' occupation tax on the
16 purchase that is not eligible for the exemption.

17 The Department, in its discretion, may require that the
18 request for Energy Transition Zone Building Materials
19 Exemption Certificates be submitted electronically. The
20 Department may, in its discretion, issue the Energy Transition
21 Zone Building Materials Exemption Certificates electronically.
22 The Energy Transition Zone Building Materials Exemption
23 Certificate number shall be designed in such a way that the
24 Department can identify from the unique number on the Energy
25 Transition Zone Building Materials Exemption Certificate
26 issued to a given construction contractor or other entity, the

1 name of the Energy Transition Zone, the project for which the
2 Energy Transition Zone Building Materials Exemption
3 Certificate is issued, and the construction contractor or
4 other entity to whom the Energy Transition Zone Building
5 Materials Exemption Certificate is issued. The Energy
6 Transition Zone Building Materials Exemption Certificate shall
7 contain an expiration date, which shall be no more than 2 years
8 after the date of issuance. At the request of the Zone
9 Administrator, the Department may renew an Energy Transition
10 Zone Building Materials Exemption Certificate. After the
11 Department issues Energy Transition Zone Building Materials
12 Exemption Certificates for a given Energy Transition Zone
13 project, the Energy Transition Zone Administrator may notify
14 the Department of additional construction contractors or other
15 entities eligible for an Energy Transition Zone Building
16 Materials Exemption Certificate. Upon notification by the
17 Energy Transition Zone Administrator and subject to the other
18 provisions of this subsection (b), the Department shall issue
19 an Energy Transition Zone Building Materials Exemption
20 Certificate to each additional construction contractor or
21 other entity identified by the Energy Transition Zone
22 Administrator. An Energy Transition Zone Administrator may
23 notify the Department to rescind an Energy Transition Zone
24 Building Materials Exemption Certificate previously issued by
25 the Department but that has not yet expired. Upon notification
26 by the Energy Transition Zone Administrator and subject to the

1 other provisions of this subsection (b), the Department shall
2 issue the rescission of the Energy Transition Zone Building
3 Materials Exemption Certificate to the construction contractor
4 or other entity identified by the Energy Transition Zone
5 Administrator and provide a copy to the Energy Transition Zone
6 Administrator.

7 If the Department of Revenue determines that a
8 construction contractor or other entity that was issued an
9 Energy Transition Zone Building Materials Exemption
10 Certificate under this subsection (b) made a tax-exempt
11 purchase, as described in this Section, that was not eligible
12 for exemption under this Section or allowed another person to
13 make a tax-exempt purchase, as described in this Section, that
14 was not eligible for exemption under this Section, then, in
15 addition to any tax or other penalty imposed, the construction
16 contractor or other entity is subject to a penalty equal to the
17 tax that would have been paid by the retailer under this Act as
18 well as any applicable local retailers' occupation tax on the
19 purchase that was not eligible for the exemption.

20 (c) In addition, the retailer must obtain certification
21 from the purchaser that contains:

22 (1) a statement that the building materials are being
23 purchased for incorporation into a green energy project
24 located in an Illinois Energy Transition Zone;

25 (2) the location or address of the real estate into
26 which the building materials will be incorporated;

1 (3) the name of the Energy Transition Zone in which
2 that real estate is located;

3 (4) a description of the building materials being
4 purchased;

5 (5) the purchaser's Energy Transition Zone Building
6 Materials Exemption Certificate number issued by the
7 Department; and

8 (6) the purchaser's signature and date of purchase.

9 (d) The deduction allowed by this Section for the sale of
10 building materials may be limited, to the extent authorized by
11 ordinance by the municipality or county that created the
12 Energy Transition Zone into which the building materials will
13 be incorporated. The ordinance, however, may neither require
14 nor prohibit the purchase of building materials from any
15 retailer or class of retailers in order to qualify for the
16 exemption allowed under this Section. The provisions of this
17 Section are exempt from Section 2-70.

18 Section 10-30. The Illinois Municipal Code is amended by
19 changing Section 8-11-2 as follows:

20 (65 ILCS 5/8-11-2) (from Ch. 24, par. 8-11-2)

21 Sec. 8-11-2. The corporate authorities of any municipality
22 may tax any or all of the following occupations or privileges:

23 1. (Blank).

24 2. Persons engaged in the business of distributing,

1 supplying, furnishing, or selling gas for use or
2 consumption within the corporate limits of a municipality
3 of 500,000 or fewer population, and not for resale, at a
4 rate not to exceed 5% of the gross receipts therefrom.

5 2a. Persons engaged in the business of distributing,
6 supplying, furnishing, or selling gas for use or
7 consumption within the corporate limits of a municipality
8 of over 500,000 population, and not for resale, at a rate
9 not to exceed 8% of the gross receipts therefrom. If
10 imposed, this tax shall be paid in monthly payments.

11 3. The privilege of using or consuming electricity
12 acquired in a purchase at retail and used or consumed
13 within the corporate limits of the municipality at rates
14 not to exceed the following maximum rates, calculated on a
15 monthly basis for each purchaser:

16 (i) For the first 2,000 kilowatt-hours used or
17 consumed in a month; 0.61 cents per kilowatt-hour;

18 (ii) For the next 48,000 kilowatt-hours used or
19 consumed in a month; 0.40 cents per kilowatt-hour;

20 (iii) For the next 50,000 kilowatt-hours used or
21 consumed in a month; 0.36 cents per kilowatt-hour;

22 (iv) For the next 400,000 kilowatt-hours used or
23 consumed in a month; 0.35 cents per kilowatt-hour;

24 (v) For the next 500,000 kilowatt-hours used or
25 consumed in a month; 0.34 cents per kilowatt-hour;

26 (vi) For the next 2,000,000 kilowatt-hours used or

1 consumed in a month; 0.32 cents per kilowatt-hour;

2 (vii) For the next 2,000,000 kilowatt-hours used
3 or consumed in a month; 0.315 cents per kilowatt-hour;

4 (viii) For the next 5,000,000 kilowatt-hours used
5 or consumed in a month; 0.31 cents per kilowatt-hour;

6 (ix) For the next 10,000,000 kilowatt-hours used
7 or consumed in a month; 0.305 cents per kilowatt-hour;

8 and

9 (x) For all electricity used or consumed in excess
10 of 20,000,000 kilowatt-hours in a month, 0.30 cents
11 per kilowatt-hour.

12 If a municipality imposes a tax at rates lower than
13 either the maximum rates specified in this Section or the
14 alternative maximum rates promulgated by the Illinois
15 Commerce Commission, as provided below, the tax rates
16 shall be imposed upon the kilowatt-hour categories set
17 forth above with the same proportional relationship as
18 that which exists among such maximum rates.
19 Notwithstanding the foregoing, until December 31, 2008, no
20 municipality shall establish rates that are in excess of
21 rates reasonably calculated to produce revenues that equal
22 the maximum total revenues such municipality could have
23 received under the tax authorized by this subparagraph in
24 the last full calendar year prior to August 1, 1998 (the
25 effective date of Section 65 of Public Act 90-561);
26 provided that this shall not be a limitation on the amount

1 of tax revenues actually collected by such municipality.

2 Upon the request of the corporate authorities of a
3 municipality, the Illinois Commerce Commission shall,
4 within 90 days after receipt of such request, promulgate
5 alternative rates for each of these kilowatt-hour
6 categories that will reflect, as closely as reasonably
7 practical for that municipality, the distribution of the
8 tax among classes of purchasers as if the tax were based on
9 a uniform percentage of the purchase price of electricity.

10 A municipality that has adopted an ordinance imposing a
11 tax pursuant to subparagraph 3 as it existed prior to
12 August 1, 1998 (the effective date of Section 65 of Public
13 Act 90-561) may, rather than imposing the tax permitted by
14 Public Act 90-561, continue to impose the tax pursuant to
15 that ordinance with respect to gross receipts received
16 from residential customers through July 31, 1999, and with
17 respect to gross receipts from any non-residential
18 customer until the first bill issued to such customer for
19 delivery services in accordance with Section 16-104 of the
20 Public Utilities Act but in no case later than the last
21 bill issued to such customer before December 31, 2000. No
22 ordinance imposing the tax permitted by Public Act 90-561
23 shall be applicable to any non-residential customer until
24 the first bill issued to such customer for delivery
25 services in accordance with Section 16-104 of the Public
26 Utilities Act but in no case later than the last bill

1 issued to such non-residential customer before December
2 31, 2000.

3 4. Persons engaged in the business of distributing,
4 supplying, furnishing, or selling water for use or
5 consumption within the corporate limits of the
6 municipality, and not for resale, at a rate not to exceed
7 5% of the gross receipts therefrom.

8 None of the taxes authorized by this Section may be
9 imposed with respect to any transaction in interstate commerce
10 or otherwise to the extent to which the business or privilege
11 may not, under the constitution and statutes of the United
12 States, be made the subject of taxation by this State or any
13 political sub-division thereof; nor shall any persons engaged
14 in the business of distributing, supplying, furnishing,
15 selling or transmitting gas, water, or electricity, or using
16 or consuming electricity acquired in a purchase at retail, be
17 subject to taxation under the provisions of this Section for
18 those transactions that are or may become subject to taxation
19 under the provisions of the Municipal Retailers' Occupation
20 Tax Act authorized by Section 8-11-1; nor shall any tax
21 authorized by this Section be imposed upon any person engaged
22 in a business or on any privilege unless the tax is imposed in
23 like manner and at the same rate upon all persons engaged in
24 businesses of the same class in the municipality, whether
25 privately or municipally owned or operated, or exercising the
26 same privilege within the municipality.

1 Any of the taxes enumerated in this Section may be in
2 addition to the payment of money, or value of products or
3 services furnished to the municipality by the taxpayer as
4 compensation for the use of its streets, alleys, or other
5 public places, or installation and maintenance therein,
6 thereon or thereunder of poles, wires, pipes, or other
7 equipment used in the operation of the taxpayer's business.

8 (a) If the corporate authorities of any home rule
9 municipality have adopted an ordinance that imposed a tax on
10 public utility customers, between July 1, 1971, and October 1,
11 1981, on the good faith belief that they were exercising
12 authority pursuant to Section 6 of Article VII of the 1970
13 Illinois Constitution, that action of the corporate
14 authorities shall be declared legal and valid, notwithstanding
15 a later decision of a judicial tribunal declaring the
16 ordinance invalid. No municipality shall be required to
17 rebate, refund, or issue credits for any taxes described in
18 this paragraph, and those taxes shall be deemed to have been
19 levied and collected in accordance with the Constitution and
20 laws of this State.

21 (b) In any case in which (i) prior to October 19, 1979, the
22 corporate authorities of any municipality have adopted an
23 ordinance imposing a tax authorized by this Section (or by the
24 predecessor provision of the Revised Cities and Villages Act)
25 and have explicitly or in practice interpreted gross receipts
26 to include either charges added to customers' bills pursuant

1 to the provision of paragraph (a) of Section 36 of the Public
2 Utilities Act or charges added to customers' bills by
3 taxpayers who are not subject to rate regulation by the
4 Illinois Commerce Commission for the purpose of recovering any
5 of the tax liabilities or other amounts specified in such
6 paragraph (a) of Section 36 of that Act, and (ii) on or after
7 October 19, 1979, a judicial tribunal has construed gross
8 receipts to exclude all or part of those charges, then neither
9 that municipality nor any taxpayer who paid the tax shall be
10 required to rebate, refund, or issue credits for any tax
11 imposed or charge collected from customers pursuant to the
12 municipality's interpretation prior to October 19, 1979. This
13 paragraph reflects a legislative finding that it would be
14 contrary to the public interest to require a municipality or
15 its taxpayers to refund taxes or charges attributable to the
16 municipality's more inclusive interpretation of gross receipts
17 prior to October 19, 1979, and is not intended to prescribe or
18 limit judicial construction of this Section. The legislative
19 finding set forth in this subsection does not apply to taxes
20 imposed after January 1, 1996 (the effective date of Public
21 Act 89-325).

22 (c) The tax authorized by subparagraph 3 shall be
23 collected from the purchaser by the person maintaining a place
24 of business in this State who delivers the electricity to the
25 purchaser. This tax shall constitute a debt of the purchaser
26 to the person who delivers the electricity to the purchaser

1 and if unpaid, is recoverable in the same manner as the
2 original charge for delivering the electricity. Any tax
3 required to be collected pursuant to an ordinance authorized
4 by subparagraph 3 and any such tax collected by a person
5 delivering electricity shall constitute a debt owed to the
6 municipality by such person delivering the electricity,
7 provided, that the person delivering electricity shall be
8 allowed credit for such tax related to deliveries of
9 electricity the charges for which are written off as
10 uncollectible, and provided further, that if such charges are
11 thereafter collected, the delivering supplier shall be
12 obligated to remit such tax. For purposes of this subsection
13 (c), any partial payment not specifically identified by the
14 purchaser shall be deemed to be for the delivery of
15 electricity. Persons delivering electricity shall collect the
16 tax from the purchaser by adding such tax to the gross charge
17 for delivering the electricity, in the manner prescribed by
18 the municipality. Persons delivering electricity shall also be
19 authorized to add to such gross charge an amount equal to 3% of
20 the tax to reimburse the person delivering electricity for the
21 expenses incurred in keeping records, billing customers,
22 preparing and filing returns, remitting the tax and supplying
23 data to the municipality upon request. If the person
24 delivering electricity fails to collect the tax from the
25 purchaser, then the purchaser shall be required to pay the tax
26 directly to the municipality in the manner prescribed by the

1 municipality. Persons delivering electricity who file returns
2 pursuant to this paragraph (c) shall, at the time of filing
3 such return, pay the municipality the amount of the tax
4 collected pursuant to subparagraph 3.

5 (d) For the purpose of the taxes enumerated in this
6 Section:

7 "Gross receipts" means the consideration received for
8 distributing, supplying, furnishing or selling gas for use or
9 consumption and not for resale, and the consideration received
10 for distributing, supplying, furnishing or selling water for
11 use or consumption and not for resale, and for all services
12 rendered in connection therewith valued in money, whether
13 received in money or otherwise, including cash, credit,
14 services and property of every kind and material and for all
15 services rendered therewith, and shall be determined without
16 any deduction on account of the cost of the service, product or
17 commodity supplied, the cost of materials used, labor or
18 service cost, or any other expenses whatsoever. "Gross
19 receipts" shall not include that portion of the consideration
20 received for distributing, supplying, furnishing, or selling
21 gas or water to business enterprises or green energy
22 enterprises described in paragraph (e) of this Section to the
23 extent and during the period in which the exemption authorized
24 by paragraph (e) is in effect or for school districts or units
25 of local government described in paragraph (f) during the
26 period in which the exemption authorized in paragraph (f) is

1 in effect.

2 For utility bills issued on or after May 1, 1996, but
3 before May 1, 1997, and for receipts from those utility bills,
4 "gross receipts" does not include one-third of (i) amounts
5 added to customers' bills under Section 9-222 of the Public
6 Utilities Act, or (ii) amounts added to customers' bills by
7 taxpayers who are not subject to rate regulation by the
8 Illinois Commerce Commission for the purpose of recovering any
9 of the tax liabilities described in Section 9-222 of the
10 Public Utilities Act. For utility bills issued on or after May
11 1, 1997, but before May 1, 1998, and for receipts from those
12 utility bills, "gross receipts" does not include two-thirds of
13 (i) amounts added to customers' bills under Section 9-222 of
14 the Public Utilities Act, or (ii) amount added to customers'
15 bills by taxpayers who are not subject to rate regulation by
16 the Illinois Commerce Commission for the purpose of recovering
17 any of the tax liabilities described in Section 9-222 of the
18 Public Utilities Act. For utility bills issued on or after May
19 1, 1998, and for receipts from those utility bills, "gross
20 receipts" does not include (i) amounts added to customers'
21 bills under Section 9-222 of the Public Utilities Act, or (ii)
22 amounts added to customers' bills by taxpayers who are not
23 subject to rate regulation by the Illinois Commerce Commission
24 for the purpose of recovering any of the tax liabilities
25 described in Section 9-222 of the Public Utilities Act.

26 For purposes of this Section "gross receipts" shall not

1 include amounts added to customers' bills under Section 9-221
2 of the Public Utilities Act. This paragraph is not intended to
3 nor does it make any change in the meaning of "gross receipts"
4 for the purposes of this Section, but is intended to remove
5 possible ambiguities, thereby confirming the existing meaning
6 of "gross receipts" prior to January 1, 1996 (the effective
7 date of Public Act 89-325).

8 "Person" as used in this Section means any natural
9 individual, firm, trust, estate, partnership, association,
10 joint stock company, joint adventure, corporation, limited
11 liability company, municipal corporation, the State or any of
12 its political subdivisions, any State university created by
13 statute, or a receiver, trustee, guardian or other
14 representative appointed by order of any court.

15 "Person maintaining a place of business in this State"
16 shall mean any person having or maintaining within this State,
17 directly or by a subsidiary or other affiliate, an office,
18 generation facility, distribution facility, transmission
19 facility, sales office or other place of business, or any
20 employee, agent, or other representative operating within this
21 State under the authority of the person or its subsidiary or
22 other affiliate, irrespective of whether such place of
23 business or agent or other representative is located in this
24 State permanently or temporarily, or whether such person,
25 subsidiary or other affiliate is licensed or qualified to do
26 business in this State.

1 "Public utility" shall have the meaning ascribed to it in
2 Section 3-105 of the Public Utilities Act and shall include
3 alternative retail electric suppliers as defined in Section
4 16-102 of that Act.

5 "Purchase at retail" shall mean any acquisition of
6 electricity by a purchaser for purposes of use or consumption,
7 and not for resale, but shall not include the use of
8 electricity by a public utility directly in the generation,
9 production, transmission, delivery or sale of electricity.

10 "Purchaser" shall mean any person who uses or consumes,
11 within the corporate limits of the municipality, electricity
12 acquired in a purchase at retail.

13 (e) Any municipality that imposes taxes upon public
14 utilities or upon the privilege of using or consuming
15 electricity pursuant to this Section whose territory includes
16 any part of an enterprise zone, Energy Transition Zone, or
17 federally designated Foreign Trade Zone or Sub-Zone may, by a
18 majority vote of its corporate authorities, exempt from those
19 taxes for a period not exceeding 20 years any specified
20 percentage of gross receipts of public utilities received
21 from, or electricity used or consumed by, business enterprises
22 or green energy enterprises that:

23 (1) either (i) make investments that cause the
24 creation of a minimum of 200 full-time equivalent jobs in
25 Illinois, (ii) make investments of at least \$175,000,000
26 that cause the creation of a minimum of 150 full-time

1 equivalent jobs in Illinois, or (iii) make investments
2 that cause the retention of a minimum of 1,000 full-time
3 jobs in Illinois; and

4 (2) are either (i) located in an Enterprise Zone
5 established pursuant to the Illinois Enterprise Zone Act
6 or (ii) Department of Commerce and Economic Opportunity
7 designated High Impact Businesses located in a federally
8 designated Foreign Trade Zone or Sub-Zone; or (iii)
9 located in an Energy Transition Zone established pursuant
10 to the Illinois Energy Transition Zone Act; and

11 (3) are certified by the Department of Commerce and
12 Economic Opportunity as complying with the requirements
13 specified in clauses (1) and (2) of this paragraph (e).

14 Upon adoption of the ordinance authorizing the exemption,
15 the municipal clerk shall transmit a copy of that ordinance to
16 the Department of Commerce and Economic Opportunity. The
17 Department of Commerce and Economic Opportunity shall
18 determine whether the business enterprises or green energy
19 enterprises located in the municipality meet the criteria
20 prescribed in this paragraph. If the Department of Commerce
21 and Economic Opportunity determines that the business
22 enterprises or green energy enterprises meet the criteria, it
23 shall grant certification. The Department of Commerce and
24 Economic Opportunity shall act upon certification requests
25 within 30 days after receipt of the ordinance.

26 Upon certification of the business enterprise or green

1 energy enterprises by the Department of Commerce and Economic
2 Opportunity, the Department of Commerce and Economic
3 Opportunity shall notify the Department of Revenue of the
4 certification. The Department of Revenue shall notify the
5 public utilities of the exemption status of the gross receipts
6 received from, and the electricity used or consumed by, the
7 certified business enterprises and certified green energy
8 enterprises. Such exemption status shall be effective within 3
9 months after certification.

10 (f) A municipality that imposes taxes upon public
11 utilities or upon the privilege of using or consuming
12 electricity under this Section and whose territory includes
13 part of another unit of local government or a school district
14 may by ordinance exempt the other unit of local government or
15 school district from those taxes.

16 (g) The amendment of this Section by Public Act 84-127
17 shall take precedence over any other amendment of this Section
18 by any other amendatory Act passed by the 84th General
19 Assembly before August 1, 1985 (the effective date of Public
20 Act 84-127).

21 (h) In any case in which, before July 1, 1992, a person
22 engaged in the business of transmitting messages through the
23 use of mobile equipment, such as cellular phones and paging
24 systems, has determined the municipality within which the
25 gross receipts from the business originated by reference to
26 the location of its transmitting or switching equipment, then

1 (i) neither the municipality to which tax was paid on that
2 basis nor the taxpayer that paid tax on that basis shall be
3 required to rebate, refund, or issue credits for any such tax
4 or charge collected from customers to reimburse the taxpayer
5 for the tax and (ii) no municipality to which tax would have
6 been paid with respect to those gross receipts if the
7 provisions of Public Act 87-773 had been in effect before July
8 1, 1992, shall have any claim against the taxpayer for any
9 amount of the tax.

10 (Source: P.A. 100-201, eff. 8-18-17.)

11 Section 10-35. The Public Utilities Act is amended by
12 changing Sections 9-221 and 9-222 and by adding Section
13 9-222.1b as follows:

14 (220 ILCS 5/9-221) (from Ch. 111 2/3, par. 9-221)

15 Sec. 9-221. Whenever a municipality pursuant to Section
16 8-11-2 of the Illinois Municipal Code, as heretofore and
17 hereafter amended, imposes a tax on any public utility, such
18 utility may charge its customers, other than customers who are
19 certified business enterprises or certified green energy
20 enterprises under paragraph (e) of Section 8-11-2 of the
21 Illinois Municipal Code or are exempted from those taxes under
22 paragraph (f) of that Section, to the extent of such exemption
23 and during the period in which such exemption is in effect, in
24 addition to any rate authorized by this Act, an additional

1 charge equal to the sum of (1) an amount equal to such
2 municipal tax, or any part thereof (2) 3% of such tax, or any
3 part thereof, as the case may be, to cover costs of accounting,
4 and (3) an amount equal to the increase in taxes and other
5 payments to governmental bodies resulting from the amount of
6 such additional charge. Such utility shall file with the
7 Commission a true and correct copy of the municipal ordinance
8 imposing such tax; and also shall file with the Commission a
9 supplemental schedule applicable to such municipality which
10 shall specify such additional charge and which shall become
11 effective upon filing without further notice. Such additional
12 charge shall be shown separately on the utility bill to each
13 customer. The Commission shall have power to investigate
14 whether or not such supplemental schedule correctly specifies
15 such additional charge, but shall have no power to suspend
16 such supplemental schedule. If the Commission finds, after a
17 hearing, that such supplemental schedule does not correctly
18 specify such additional charge, it shall by order require a
19 refund to the appropriate customers of the excess, if any,
20 with interest, in such manner as it shall deem just and
21 reasonable, and in and by such order shall require the utility
22 to file an amended supplemental schedule corresponding to the
23 finding and order of the Commission.

24 (Source: P.A. 87-895; 88-132.)

25 (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

1 Sec. 9-222. Whenever a tax is imposed upon a public
2 utility engaged in the business of distributing, supplying,
3 furnishing, or selling gas for use or consumption pursuant to
4 Section 2 of the Gas Revenue Tax Act, or whenever a tax is
5 required to be collected by a delivering supplier pursuant to
6 Section 2-7 of the Electricity Excise Tax Act, or whenever a
7 tax is imposed upon a public utility pursuant to Section 2-202
8 of this Act, such utility may charge its customers, other than
9 customers who are high impact businesses under Section 5.5 of
10 the Illinois Enterprise Zone Act, or certified business
11 enterprises under Section 9-222.1 of this Act, or certified
12 green energy enterprises under Section 9-221.B, to the extent
13 of such exemption and during the period in which such
14 exemption is in effect, in addition to any rate authorized by
15 this Act, an additional charge equal to the total amount of
16 such taxes. The exemption of this Section relating to high
17 impact businesses shall be subject to the provisions of
18 subsections (a), (b), and (b-5) of Section 5.5 of the Illinois
19 Enterprise Zone Act. This requirement shall not apply to taxes
20 on invested capital imposed pursuant to the Messages Tax Act,
21 the Gas Revenue Tax Act and the Public Utilities Revenue Act.
22 Such utility shall file with the Commission a supplemental
23 schedule which shall specify such additional charge and which
24 shall become effective upon filing without further notice.
25 Such additional charge shall be shown separately on the
26 utility bill to each customer. The Commission shall have the

1 power to investigate whether or not such supplemental schedule
2 correctly specifies such additional charge, but shall have no
3 power to suspend such supplemental schedule. If the Commission
4 finds, after a hearing, that such supplemental schedule does
5 not correctly specify such additional charge, it shall by
6 order require a refund to the appropriate customers of the
7 excess, if any, with interest, in such manner as it shall deem
8 just and reasonable, and in and by such order shall require the
9 utility to file an amended supplemental schedule corresponding
10 to the finding and order of the Commission. Except with
11 respect to taxes imposed on invested capital, such tax
12 liabilities shall be recovered from customers solely by means
13 of the additional charges authorized by this Section.

14 (Source: P.A. 91-914, eff. 7-7-00; 92-12, eff. 7-1-01.)

15 (220 ILCS 5/9-222.1b new)

16 Sec. 9-222.1b. Green energy enterprises. A green energy
17 enterprise as defined in the Illinois Energy Transition Zone
18 Act, which is located within an area designated by a county or
19 municipality as an Energy Transition Zone pursuant to the
20 Illinois Energy Transition Zone Act shall be exempt from the
21 additional charges added to the green energy enterprise's
22 utility bills as a pass-on of municipal and State utility
23 taxes under Sections 9-221 and 9-222 of this Act, to the extent
24 such charges are exempted by ordinance adopted in accordance
25 with paragraph (e) of Section 8-11-2 of the Illinois Municipal

1 Code in the case of municipal utility taxes, and to the extent
2 such charges are exempted by the percentage specified by the
3 Department of Commerce and Economic Opportunity in the case of
4 State utility taxes, provided such green energy enterprise
5 meets the following criteria:

6 (1) it (i) makes investments which cause the creation
7 of a minimum of 200 full-time equivalent jobs in an Energy
8 Transition Zone; (ii) makes investments of at least
9 \$175,000,000 which cause the creation of a minimum of 150
10 full-time equivalent jobs in an Energy Transition Zone; or
11 (iii) makes investments which cause the retention of a
12 minimum of 1,000 full-time jobs in an Energy Transition
13 Zone; and

14 (2) it is located in an Energy Transition Zone
15 established pursuant to the Illinois Energy Transition
16 Zone Act; and

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

20 The Department of Commerce and Economic Opportunity shall
21 determine the period during which such exemption from the
22 charges imposed under Section 9-222 is in effect which shall
23 not exceed 30 years or the certified term of the energy
24 transition Zone, whichever period is shorter.

25 The Department of Commerce and Economic Opportunity shall
26 have the power to adopt rules to carry out the provisions of

1 this Section including procedures for complying with the
2 requirements specified in clauses (1) and (2) of this Section
3 and procedures for applying for the exemptions authorized
4 under this Section; to define the amounts and types of
5 eligible investments which green energy enterprises must make
6 in order to receive State utility tax exemptions pursuant to
7 Sections 9-222 and 9-222.1B of this Act; to approve such
8 utility tax exemptions for green energy enterprises whose
9 investments are not yet placed in service; and to require that
10 green energy enterprises granted tax exemptions repay the
11 exempted tax should the green energy enterprise fail to comply
12 with the terms and conditions of the certification. However,
13 no green energy enterprise shall be required, as a condition
14 for certification under clause (3) of this Section, to attest
15 that its decision to invest under clause (1) of this Section
16 and to locate under clause (2) of this Section is predicated
17 upon the availability of the exemptions authorized by this
18 Section.

19 A green energy enterprise shall be exempt, in whole or in
20 part, from the pass-on charges of municipal utility taxes
21 imposed under Section 9-221, only if it meets the criteria
22 specified in clauses (1) through (3) of this Section and the
23 municipality has adopted an ordinance authorizing the
24 exemption under paragraph (e) of Section 8-11-2 of the
25 Illinois Municipal Code. Upon certification of the green
26 energy enterprises by the Department of Commerce and Economic

1 Opportunity, the Department of Commerce and Economic
2 Opportunity shall notify the Department of Revenue of such
3 certification. The Department of Revenue shall notify the
4 public utilities of the exemption status of green energy
5 enterprises from the pass-on charges of State and municipal
6 utility taxes. Such exemption status shall be effective within
7 3 months after certification of the green energy enterprise.

8 Article 99. Effective date

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