



Rep. Dave Vella

Filed: 5/14/2024

10300HB0817ham001

LRB103 04410 HLH 72543 a

1 AMENDMENT TO HOUSE BILL 817

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 817 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of Illinois  
6 is amended by adding Section 605-1115 as follows:

7 (20 ILCS 605/605-1115 new)

8 Sec. 605-1115. Quantum computing campus enterprise zone.

9 (a) As used in this Section:

10 "Data center" means a facility: (1) whose primary,  
11 services are the storage, management, and processing of  
12 digital data; and (2) that is used to house (A) computer and  
13 network systems, including associated components such as  
14 servers, network equipment and appliances, telecommunications,  
15 and data storage systems, (B) systems for monitoring and  
16 managing infrastructure performance, (C) Internet-related

1 equipment and services, (D) data communications connections,  
2 (E) environmental controls, (F) fire protection systems, and  
3 (G) security systems and services.

4 "Full-time equivalent job" means a job in which an  
5 employee works for a tenant of the quantum campus at a rate of  
6 at least 35 hours per week. Vacations, paid holidays, and sick  
7 time are included in this computation. Overtime is not  
8 considered a part of regular hours.

9 "Qualified tangible property" means: electrical systems  
10 and equipment; climate control and chilling equipment and  
11 systems; mechanical systems and equipment; monitoring and  
12 secure systems; emergency generators; hardware; computers;  
13 servers; data storage devices; network connectivity equipment;  
14 racks; cabinets; telecommunications cabling infrastructure;  
15 raised floor systems; peripheral components or systems;  
16 software; mechanical, electrical, or plumbing systems; battery  
17 systems; cooling systems and towers; temperature control  
18 systems; other cabling; and other quantum computing  
19 infrastructure equipment and systems necessary to operate  
20 qualified tangible property, including fixtures; and component  
21 parts of any of the foregoing, including installation,  
22 maintenance, repair, refurbishment, and replacement of  
23 qualified tangible property to generate, transform, transmit,  
24 distribute, or manage electricity necessary to operate  
25 qualified tangible property; and all other tangible property  
26 that is essential to the operations of a quantum computing

1 campus. "Qualified tangible property" also includes building  
2 materials physically incorporated into the quantum computing  
3 campus.

4 "Quantum computing campus enterprise zone" or "campus" is  
5 a contiguous area located in the State of Illinois that is  
6 designated by the Department as a quantum computing campus  
7 enterprise zone in order to support the demand for quantum  
8 computing research, development, and implementation for  
9 practical use. A quantum campus enterprise zone may include  
10 educational intuitions, nonprofit research and development  
11 organizations, and for-profit organizations serving as anchor  
12 tenants and joining tenants that, with approval from the  
13 Department, may change. Tenants located at the campus shall  
14 have direct and supporting roles in quantum computing  
15 activities. Eligible tenants include quantum computer  
16 operators and research facilities, data centers, manufacturers  
17 and assemblers of quantum computers and component parts,  
18 cryogenic or refrigeration facilities, and other facilities  
19 determined, by industry and academic leaders, to be  
20 fundamental to the research and development of quantum  
21 computing for practical solutions. Quantum computing shall  
22 include the research, development, and use of computing  
23 methods that generate and manipulate quantum bits in a  
24 controlled quantum state. This includes the use of photons,  
25 semiconductors, superconductors, tapped ions, and other  
26 industry and academically regarded methods for simulating

1 quantum bits. Additionally, a quantum campus shall meet the  
2 following criteria:

3 (1) the campus must comprise a minimum of one-half  
4 square mile and not more than 4 square miles;

5 (2) the campus must contain tenants that demonstrate a  
6 substantial plan for using the designation to encourage  
7 participation by organizations owned by minorities, women,  
8 and persons with disabilities, as those terms are defined  
9 in the Business Enterprise for Minorities, Women, and  
10 Persons with Disabilities Act, and the hiring of  
11 minorities, women, and persons with disabilities;

12 (3) upon being placed in service, within 60 months  
13 after designation or incorporation into a campus, the  
14 owners of property located in a campus shall certify to  
15 the Department that the property is carbon neutral or has  
16 attained certification under one or more of the following  
17 green building standards:

18 (A) BREEAM for New Construction or BREEAM, In-Use;

19 (B) ENERGY STAR;

20 (C) Envision;

21 (D) ISO 50001-energy management;

22 (E) LEED for Building Design and Construction, or  
23 LEED for Operations and Maintenance;

24 (F) Green Globes for New Construction or, Green  
25 Globes for Existing Buildings;

26 (G) UL 3223; or

1                   (H) an equivalent program approved by the  
2                   Department of Commerce and Economic Opportunity.

3           (b) Tenants located in a designated quantum campus  
4           enterprise zone shall qualify for the following exemptions and  
5           credits:

6                   (1) an exemption from the taxes imposed under the Use  
7                   Tax Act, the Service Use Tax Act, the Service Occupation  
8                   Tax Act, and the Retailers' Occupation Tax Act, as  
9                   provided in those Acts;

10                   (2) an exemption from the Chicago non-titled use tax  
11                   and all locally imposed retailers' occupation taxes  
12                   administered and collected by the Department of Revenue;

13                   (3) an exemption from the charges imposed under  
14                   Section 9-222 and 9-222.1 of the Public Utilities Act; and

15                   (4) a credit against the taxes imposed under  
16                   subsections (a) and (b) of Section 201 of the Illinois  
17                   Income Tax Act as provided in Section 241 of the Illinois  
18                   Income Tax Act.

19           (c) Certificates of exemption and credit certificates  
20           under this Section shall be issued by the Department of  
21           Commerce and Economic Opportunity.

22           (d) Entities seeking to form a quantum computing campus  
23           enterprise zone must apply to the Department in the manner  
24           specified by the Department. Entities seeking to join an  
25           established campus must apply for an amendment to the existing  
26           campus. This application for amendment must be submitted to

1 the Department with support from other campus members.

2 The Department shall determine the duration of the  
3 certificate of exemption awarded under this Act. The duration  
4 of the certificate of exemption may not exceed 20 calendar  
5 years and one renewal for an additional 20 years.

6 The Department and any tenant located in a quantum  
7 computing campus enterprise zone seeking the benefits under  
8 this Section must enter into a memorandum of understanding  
9 that, at a minimum, provides:

10 (1) the details for determining the amount of capital  
11 investment to be made;

12 (2) the number of new jobs created;

13 (3) the timeline for achieving the capital investment  
14 and new job goals;

15 (4) the repayment obligation should those goals not be  
16 achieved and any conditions under which repayment by the  
17 tenant or tenants claiming the exemption shall be  
18 required;

19 (5) the duration of the exemptions; and

20 (6) other provisions as deemed necessary by the  
21 Department.

22 The Department shall, within 10 days after the  
23 designation, send a letter of notification to each member of  
24 the General Assembly whose legislative district or  
25 representative district contains all or part of the designated  
26 area.

1       (e) Beginning on July 1, 2025, and each year thereafter,  
2 the Department shall annually report to the Governor and the  
3 General Assembly on the outcomes and effectiveness of this  
4 amendatory Act of the 103rd General Assembly. The report shall  
5 include the following:

6           (1) the names of each tenant located within the  
7 quantum computing campus enterprise zone;

8           (2) the location of each quantum computing campus  
9 enterprise zone;

10          (3) the estimated value of the credits to be issued to  
11 quantum computing campus enterprise zone tenants;

12          (4) the number of new jobs and, if applicable,  
13 retained jobs pledged at each quantum computing campus  
14 enterprise zone; and

15          (5) whether or not the quantum computing campus  
16 enterprise zone is located in an underserved area, an  
17 energy transition zone, or an opportunity zone.

18       (f) Tenants at the quantum computing campus enterprise  
19 zone seeking a certificate of exemption related to the  
20 construction of required facilities shall require the  
21 contractor and all subcontractors to:

22           (1) comply with the requirements of Section 30-22 of  
23 the Illinois Procurement Code as those requirements apply  
24 to responsible bidders and to present satisfactory  
25 evidence of that compliance to the Department; and

26           (2) enter into a project labor agreement submitted to

1       the Department.

2       (g) Any tenants issued a certificate of exemption under  
3 this Section must annually report to the Department of Revenue  
4 the total quantum computing campus enterprise zone benefits  
5 that are received by the tenant. Reports are due no later than  
6 September 30 of each year and shall cover the previous  
7 calendar year. The first report shall cover the 2025 calendar  
8 year and is due no later than September 30, 2026.

9       Failure to file a report under this subsection (g) may  
10 result in suspension or revocation of the certificate of  
11 exemption. Factors to be considered in determining whether a  
12 certificate of exemption shall be suspended or revoked  
13 include, but are not limited to, prior compliance with the  
14 reporting requirements, cooperation in discontinuing and  
15 correcting violations, the extent of the violation, and  
16 whether the violation was willful or inadvertent.

17       (h) The Department shall not issue any new certificates of  
18 exemption under the provisions of this Section after July 1,  
19 2030. This sunset shall not affect any existing certificates  
20 of exemption in effect on July 1, 2030.

21       (i) The Department shall adopt rules to implement and  
22 administer this Section.

23       Section 10. The Illinois Enterprise Zone Act is amended by  
24 changing Sections 5.5 and 13 as follows:



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

2 Sec. 5.5. High Impact Business.

3 (a) In order to respond to unique opportunities to assist  
4 in the encouragement, development, growth, and expansion of  
5 the private sector through large scale investment and  
6 development projects, the Department is authorized to receive  
7 and approve applications for the designation of "High Impact  
8 Businesses" in Illinois, for an initial term of 20 years with  
9 an option for renewal for a term not to exceed 20 years,  
10 subject to the following conditions:

11 (1) such applications may be submitted at any time  
12 during the year;

13 (2) such business is not located, at the time of  
14 designation, in an enterprise zone designated pursuant to  
15 this Act, except for grocery stores defined by the Grocery  
16 Initiative Act;

17 (3) the business intends to do, commits to do, or is  
18 one or more of the following:

19 (A) the business intends to make a minimum  
20 investment of \$12,000,000 which will be placed in  
21 service in qualified property and intends to create  
22 500 full-time equivalent jobs at a designated location  
23 in Illinois or intends to make a minimum investment of  
24 \$30,000,000 which will be placed in service in  
25 qualified property and intends to retain 1,500  
26 full-time retained jobs at a designated location in

1 Illinois. The terms "placed in service" and "qualified  
2 property" have the same meanings as described in  
3 subsection (h) of Section 201 of the Illinois Income  
4 Tax Act; or

5 (B) the business intends to establish a new  
6 electric generating facility at a designated location  
7 in Illinois. "New electric generating facility", for  
8 purposes of this Section, means a newly constructed  
9 electric generation plant or a newly constructed  
10 generation capacity expansion at an existing electric  
11 generation plant, including the transmission lines and  
12 associated equipment that transfers electricity from  
13 points of supply to points of delivery, and for which  
14 such new foundation construction commenced not sooner  
15 than July 1, 2001. Such facility shall be designed to  
16 provide baseload electric generation and shall operate  
17 on a continuous basis throughout the year; and (i)  
18 shall have an aggregate rated generating capacity of  
19 at least 1,000 megawatts for all new units at one site  
20 if it uses natural gas as its primary fuel and  
21 foundation construction of the facility is commenced  
22 on or before December 31, 2004, or shall have an  
23 aggregate rated generating capacity of at least 400  
24 megawatts for all new units at one site if it uses coal  
25 or gases derived from coal as its primary fuel and  
26 shall support the creation of at least 150 new

1 Illinois coal mining jobs, or (ii) shall be funded  
2 through a federal Department of Energy grant before  
3 December 31, 2010 and shall support the creation of  
4 Illinois coal mining ~~coal mining~~ jobs, or (iii) shall  
5 use coal gasification or integrated  
6 gasification-combined cycle units that generate  
7 electricity or chemicals, or both, and shall support  
8 the creation of Illinois coal mining ~~coal mining~~ jobs.  
9 The term "placed in service" has the same meaning as  
10 described in subsection (h) of Section 201 of the  
11 Illinois Income Tax Act; or

12 (B-5) the business intends to establish a new  
13 gasification facility at a designated location in  
14 Illinois. As used in this Section, "new gasification  
15 facility" means a newly constructed coal gasification  
16 facility that generates chemical feedstocks or  
17 transportation fuels derived from coal (which may  
18 include, but are not limited to, methane, methanol,  
19 and nitrogen fertilizer), that supports the creation  
20 or retention of Illinois coal mining ~~coal mining~~ jobs,  
21 and that qualifies for financial assistance from the  
22 Department before December 31, 2010. A new  
23 gasification facility does not include a pilot project  
24 located within Jefferson County or within a county  
25 adjacent to Jefferson County for synthetic natural gas  
26 from coal; or

1 (C) the business intends to establish production  
2 operations at a new coal mine, re-establish production  
3 operations at a closed coal mine, or expand production  
4 at an existing coal mine at a designated location in  
5 Illinois not sooner than July 1, 2001; provided that  
6 the production operations result in the creation of  
7 150 new Illinois coal mining jobs as described in  
8 subdivision (a)(3)(B) of this Section, and further  
9 provided that the coal extracted from such mine is  
10 utilized as the predominant source for a new electric  
11 generating facility. The term "placed in service" has  
12 the same meaning as described in subsection (h) of  
13 Section 201 of the Illinois Income Tax Act; or

14 (D) the business intends to construct new  
15 transmission facilities or upgrade existing  
16 transmission facilities at designated locations in  
17 Illinois, for which construction commenced not sooner  
18 than July 1, 2001. For the purposes of this Section,  
19 "transmission facilities" means transmission lines  
20 with a voltage rating of 115 kilovolts or above,  
21 including associated equipment, that transfer  
22 electricity from points of supply to points of  
23 delivery and that transmit a majority of the  
24 electricity generated by a new electric generating  
25 facility designated as a High Impact Business in  
26 accordance with this Section. The term "placed in

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

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

25 (E-5) the business intends to establish a new  
26 utility-scale solar facility at a designated location

1 in Illinois. For purposes of this Section, "new  
2 utility-scale solar power facility" means a newly  
3 constructed electric generation facility, or a newly  
4 constructed expansion of an existing electric  
5 generation facility, placed in service on or after  
6 July 1, 2021, that (i) generates electricity using  
7 photovoltaic cells and (ii) has a nameplate capacity  
8 that is greater than 5,000 kilowatts, and such  
9 facility shall be deemed to include all associated  
10 transmission lines, substations, energy storage  
11 facilities, and other equipment related to the  
12 generation and storage of electricity from  
13 photovoltaic cells; or

14 (F) the business commits to (i) make a minimum  
15 investment of \$500,000,000, which will be placed in  
16 service in a qualified property, (ii) create 125  
17 full-time equivalent jobs at a designated location in  
18 Illinois, (iii) establish a fertilizer plant at a  
19 designated location in Illinois that complies with the  
20 set-back standards as described in Table 1: Initial  
21 Isolation and Protective Action Distances in the 2012  
22 Emergency Response Guidebook published by the United  
23 States Department of Transportation, (iv) pay a  
24 prevailing wage for employees at that location who are  
25 engaged in construction activities, and (v) secure an  
26 appropriate level of general liability insurance to

1 protect against catastrophic failure of the fertilizer  
2 plant or any of its constituent systems; in addition,  
3 the business must agree to enter into a construction  
4 project labor agreement including provisions  
5 establishing wages, benefits, and other compensation  
6 for employees performing work under the project labor  
7 agreement at that location; for the purposes of this  
8 Section, "fertilizer plant" means a newly constructed  
9 or upgraded plant utilizing gas used in the production  
10 of anhydrous ammonia and downstream nitrogen  
11 fertilizer products for resale; for the purposes of  
12 this Section, "prevailing wage" means the hourly cash  
13 wages plus fringe benefits for training and  
14 apprenticeship programs approved by the U.S.  
15 Department of Labor, Bureau of Apprenticeship and  
16 Training, health and welfare, insurance, vacations and  
17 pensions paid generally, in the locality in which the  
18 work is being performed, to employees engaged in work  
19 of a similar character on public works; this paragraph  
20 (F) applies only to businesses that submit an  
21 application to the Department within 60 days after  
22 July 25, 2013 (the effective date of Public Act  
23 98-109); or

24 (G) the business intends to establish a new  
25 cultured cell material food production facility at a  
26 designated location in Illinois. As used in this

1 paragraph (G):

2 "Cultured cell material food production facility"  
3 means a facility (i) at which cultured animal cell  
4 food is developed using animal cell culture  
5 technology, (ii) at which production processes occur  
6 that include the establishment of cell lines and cell  
7 banks, manufacturing controls, and all components and  
8 inputs, and (iii) that complies with all existing  
9 registrations, inspections, licensing, and approvals  
10 from all applicable and participating State and  
11 federal food agencies, including the Department of  
12 Agriculture, the Department of Public Health, and the  
13 United States Food and Drug Administration, to ensure  
14 that all food production is safe and lawful under  
15 provisions of the Federal Food, Drug and Cosmetic Act  
16 related to the development, production, and storage of  
17 cultured animal cell food.

18 "New cultured cell material food production  
19 facility" means a newly constructed cultured cell  
20 material food production facility that is placed in  
21 service on or after June 7, 2023 (the effective date of  
22 Public Act 103-9) ~~this amendatory Act of the 103rd~~  
23 ~~General Assembly~~ or a newly constructed expansion of  
24 an existing cultured cell material food production  
25 facility, in a controlled environment, when the  
26 improvements are placed in service on or after June 7,



1           2023 (the effective date of Public Act 103-9) ~~this~~  
2           ~~amendatory Act of the 103rd General Assembly; or and~~

3           (H) ~~(G)~~ the business is an existing or planned  
4           grocery store, as that term is defined in Section 5 of  
5           the Grocery Initiative Act, and receives financial  
6           support under that Act within the 10 years before  
7           submitting its application under this Act; and

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

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

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

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

26 (b-6) Businesses designated as High Impact Businesses

1 pursuant to subdivision (a) (3) (E) or (a) (3) (E-5) of this  
2 Section shall qualify for the exemptions described in Section  
3 51 of the Retailers' Occupation Tax Act; any business so  
4 designated as a High Impact Business being, for purposes of  
5 this Section, a "Wind Energy Business".

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

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

20 (d) Except for businesses contemplated under subdivision  
21 (a) (3) (E), (a) (3) (E-5), ~~or~~ (a) (3) (G), or (a) (3) (H) of this  
22 Section, existing Illinois businesses which apply for  
23 designation as a High Impact Business must provide the  
24 Department with the prospective plan for which 1,500 full-time  
25 retained jobs would be eliminated in the event that the  
26 business is not designated.

1           (e) Except for new businesses contemplated under  
2 subdivision (a) (3) (E), ~~or~~ subdivision (a) (3) (G), or  
3 subdivision (a) (3) (H) of this Section, new proposed facilities  
4 which apply for designation as High Impact Business must  
5 provide the Department with proof of alternative non-Illinois  
6 sites which would receive the proposed investment and job  
7 creation in the event that the business is not designated as a  
8 High Impact Business.

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

24           (g) The Department shall revoke a High Impact Business  
25 designation if the participating business fails to comply with  
26 the terms and conditions of the designation.

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

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

20 The Department shall certify to the Department of Revenue:  
21 (1) the identity of taxpayers that are eligible for the High  
22 Impact Business construction jobs credit; and (2) the amount  
23 of High Impact Business construction jobs credits that are  
24 claimed pursuant to subsection (h-5) of Section 201 of the  
25 Illinois Income Tax Act in each taxable year. ~~Any business~~  
26 ~~entity that receives a High Impact Business construction jobs~~

1 ~~credit shall maintain a certified payroll pursuant to~~  
2 ~~subsection (j) of this Section.~~

3 As used in this subsection (i):

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

12 "High Impact Business construction job employee" means a  
13 laborer or worker who is employed by a ~~an Illinois~~ contractor  
14 or subcontractor in the actual construction work on the site  
15 of a High Impact Business construction job project.

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

24 "Incremental income tax" means the total amount withheld  
25 during the taxable year from the compensation of High Impact  
26 Business construction job employees.

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

3 (1) the area has a poverty rate of at least 20%  
4 according to the latest American Community Survey;

5 (2) 35% or more of the families with children in the  
6 area are living below 130% of the poverty line, according  
7 to the latest American Community Survey;

8 (3) at least 20% of the households in the area receive  
9 assistance under the Supplemental Nutrition Assistance  
10 Program (SNAP); or

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

17 (j) (Blank). ~~Each contractor and subcontractor who is~~  
18 ~~engaged in and executing a High Impact Business Construction~~  
19 ~~jobs project, as defined under subsection (i) of this Section,~~  
20 ~~for a business that is entitled to a credit pursuant to~~  
21 ~~subsection (i) of this Section shall:~~

22 ~~(1) make and keep, for a period of 5 years from the~~  
23 ~~date of the last payment made on or after June 5, 2019 (the~~  
24 ~~effective date of Public Act 101-9) on a contract or~~  
25 ~~subcontract for a High Impact Business Construction Jobs~~  
26 ~~Project, records for all laborers and other workers~~

1 ~~employed by the contractor or subcontractor on the~~  
2 ~~project; the records shall include:~~

3 ~~(A) the worker's name;~~

4 ~~(B) the worker's address;~~

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

6 ~~(D) the worker's social security number;~~

7 ~~(E) the worker's classification or~~  
8 ~~classifications;~~

9 ~~(F) the worker's gross and net wages paid in each~~  
10 ~~pay period;~~

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

12 ~~(H) the worker's starting and ending times of work~~  
13 ~~each day;~~

14 ~~(I) the worker's hourly wage rate;~~

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

16 ~~(K) the worker's race and ethnicity; and~~

17 ~~(L) the worker's gender;~~

18 ~~(2) no later than the 15th day of each calendar month,~~  
19 ~~provide a certified payroll for the immediately preceding~~  
20 ~~month to the taxpayer in charge of the High Impact~~  
21 ~~Business construction jobs project; within 5 business days~~  
22 ~~after receiving the certified payroll, the taxpayer shall~~  
23 ~~file the certified payroll with the Department of Labor~~  
24 ~~and the Department of Commerce and Economic Opportunity; a~~  
25 ~~certified payroll must be filed for only those calendar~~  
26 ~~months during which construction on a High Impact Business~~



1 ~~construction jobs project has occurred; the certified~~  
2 ~~payroll shall consist of a complete copy of the records~~  
3 ~~identified in paragraph (1) of this subsection (j), but~~  
4 ~~may exclude the starting and ending times of work each~~  
5 ~~day; the certified payroll shall be accompanied by a~~  
6 ~~statement signed by the contractor or subcontractor or an~~  
7 ~~officer, employee, or agent of the contractor or~~  
8 ~~subcontractor which avers that:~~

9 ~~(A) he or she has examined the certified payroll~~  
10 ~~records required to be submitted by the Act and such~~  
11 ~~records are true and accurate; and~~

12 ~~(B) the contractor or subcontractor is aware that~~  
13 ~~filing a certified payroll that he or she knows to be~~  
14 ~~false is a Class A misdemeanor.~~

15 ~~A general contractor is not prohibited from relying on a~~  
16 ~~certified payroll of a lower tier subcontractor, provided the~~  
17 ~~general contractor does not knowingly rely upon a~~  
18 ~~subcontractor's false certification.~~

19 ~~Any contractor or subcontractor subject to this~~  
20 ~~subsection, and any officer, employee, or agent of such~~  
21 ~~contractor or subcontractor whose duty as an officer,~~  
22 ~~employee, or agent it is to file a certified payroll under this~~  
23 ~~subsection, who willfully fails to file such a certified~~  
24 ~~payroll on or before the date such certified payroll is~~  
25 ~~required by this paragraph to be filed and any person who~~  
26 ~~willfully files a false certified payroll that is false as to~~

1 ~~any material fact is in violation of this Act and guilty of a~~  
2 ~~Class A misdemeanor.~~

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

9 ~~The records submitted in accordance with this subsection~~  
10 ~~shall be considered public records, except an employee's~~  
11 ~~address, telephone number, and social security number, and~~  
12 ~~made available in accordance with the Freedom of Information~~  
13 ~~Act. The Department of Labor shall share the information with~~  
14 ~~the Department in order to comply with the awarding of a High~~  
15 ~~Impact Business construction jobs credit. A contractor,~~  
16 ~~subcontractor, or public body may retain records required~~  
17 ~~under this Section in paper or electronic format.~~

18 (j-5) Annually, until construction is completed, a company  
19 seeking High Impact Business Construction Job credits shall  
20 submit a report that, at a minimum, describes the projected  
21 project scope, timeline, and anticipated budget. Once the  
22 project has commenced, the annual report shall include actual  
23 data for the prior year as well as projections for each  
24 additional year through completion of the project. The  
25 Department shall issue detailed reporting guidelines  
26 prescribing the requirements of construction-related reports.

1       In order to receive credit for construction expenses, the  
2 company must provide the Department of Commerce and Economic  
3 Opportunity with evidence that a certified third-party  
4 executed an Agreed-UpOn Procedure (AUP) verifying the  
5 construction expenses or accept the standard construction wage  
6 expense estimated by the Department of Commerce and Economic  
7 Opportunity.

8       Upon review of the final project scope, timeline, budget,  
9 and AUP, the Department shall issue a tax credit certificate  
10 reflecting a percentage of the total construction job wages  
11 paid throughout the completion of the project.

12       (k) Upon 7 business days' notice, each taxpayer ~~contractor~~  
13 ~~and subcontractor~~ shall make available to each State agency  
14 and to federal, State, or local law enforcement agencies and  
15 prosecutors for inspection and copying at a location within  
16 this State during reasonable hours, the report under this  
17 subsection (j-5) ~~records identified in this subsection (j) to~~  
18 ~~the taxpayer in charge of the High Impact Business~~  
19 ~~construction jobs project, its officers and agents, the~~  
20 ~~Director of the Department of Labor and his or her deputies and~~  
21 ~~agents, and to federal, State, or local law enforcement~~  
22 ~~agencies and prosecutors.~~

23       (l) The changes made to this Section by Public Act  
24 102-1125 ~~this amendatory Act of the 102nd General Assembly,~~  
25 other than the changes in subsection (a), apply to High Impact  
26 Businesses ~~high impact businesses~~ that submit applications on

1 or after February 3, 2023 (the effective date of Public Act  
2 102-1125) ~~this amendatory Act of the 102nd General Assembly.~~

3 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;  
4 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.  
5 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,  
6 eff. 6-7-23; 103-561, eff. 1-1-24; revised 3-15-24.)

7 (20 ILCS 655/13)

8 Sec. 13. Enterprise Zone construction jobs credit.

9 (a) Beginning on January 1, 2021, a business entity in a  
10 certified Enterprise Zone that makes a capital investment of  
11 at least \$10,000,000 in an Enterprise Zone construction jobs  
12 project may receive an Enterprise Zone construction jobs  
13 credit against the tax imposed under subsections (a) and (b)  
14 of Section 201 of the Illinois Income Tax Act in an amount  
15 equal to 50% of the amount of the incremental income tax  
16 attributable to Enterprise Zone construction jobs credit  
17 employees employed in the course of completing an Enterprise  
18 Zone construction jobs project. However, the Enterprise Zone  
19 construction jobs credit may equal 75% of the amount of the  
20 incremental income tax attributable to Enterprise Zone  
21 construction jobs credit employees if the project is located  
22 in an underserved area.

23 (b) A business entity seeking a credit under this Section  
24 must submit an application to the Department and must receive  
25 approval from the designating municipality or county and the

1 Department for the Enterprise Zone construction jobs credit  
2 project. The application must describe the nature and benefit  
3 of the project to the certified Enterprise Zone and its  
4 potential contributors. The total aggregate amount of credits  
5 awarded under the Blue Collar Jobs Act (Article 20 of Public  
6 Act 101-9) shall not exceed \$20,000,000 in any State fiscal  
7 year.

8 Within 45 days after receipt of an application, the  
9 Department shall give notice to the applicant as to whether  
10 the application has been approved or disapproved. If the  
11 Department disapproves the application, it shall specify the  
12 reasons for this decision and allow 60 days for the applicant  
13 to amend and resubmit its application. The Department shall  
14 provide assistance upon request to applicants. Resubmitted  
15 applications shall receive the Department's approval or  
16 disapproval within 30 days after the application is  
17 resubmitted. Those resubmitted applications satisfying initial  
18 Department objectives shall be approved unless reasonable  
19 circumstances warrant disapproval.

20 On an annual basis, the designated zone organization shall  
21 furnish a statement to the Department on the programmatic and  
22 financial status of any approved project and an audited  
23 financial statement of the project.

24 The Department shall certify to the Department of Revenue  
25 the identity of taxpayers who are eligible for the credits and  
26 the amount of credits that are claimed pursuant to

1 subparagraph (8) of subsection (f) of Section 201 the Illinois  
2 Income Tax Act.

3 The Enterprise Zone construction jobs credit project must  
4 be undertaken by the business entity in the course of  
5 completing a project that complies with the criteria contained  
6 in Section 4 of this Act and is undertaken in a certified  
7 Enterprise Zone. The Department shall adopt any necessary  
8 rules for the implementation of this subsection (b).

9 (c) (Blank). ~~Any business entity that receives an~~  
10 ~~Enterprise Zone construction jobs credit shall maintain a~~  
11 ~~certified payroll pursuant to subsection (d) of this Section.~~

12 (d) Annually, until construction is completed, a company  
13 seeking Enterprise Zone construction job credits shall submit  
14 a report that, at a minimum, describes the projected project  
15 scope, timeline, and anticipated budget. Once the project has  
16 commenced, the annual report shall include actual data for the  
17 prior year as well as projections for each additional year  
18 through completion of the project. The Department shall issue  
19 detailed reporting guidelines prescribing the requirements of  
20 construction-related reports.

21 In order to receive credit for construction expenses, the  
22 company must provide the Department of Commerce and Economic  
23 Opportunity with evidence that a certified third-party  
24 executed an Agreed-Upon Procedure (AUP) verifying the  
25 construction expenses or accept the standard construction wage  
26 expense estimated by the Department of Commerce and Economic

1 Opportunity.

2 Upon review of the final project scope, timeline, budget,  
3 and AUP, the Department shall issue a tax credit certificate  
4 reflecting a percentage of the total construction job wages  
5 paid throughout the completion of the project.

6 ~~Each contractor and subcontractor who is engaged in and is~~  
7 ~~executing an Enterprise Zone construction jobs credit project~~  
8 ~~for a business that is entitled to a credit pursuant to this~~  
9 ~~Section shall:~~

10 ~~(1) make and keep, for a period of 5 years from the~~  
11 ~~date of the last payment made on or after June 5, 2019 (the~~  
12 ~~effective date of Public Act 101-9) on a contract or~~  
13 ~~subcontract for an Enterprise Zone construction jobs~~  
14 ~~credit project, records for all laborers and other workers~~  
15 ~~employed by them on the project; the records shall~~  
16 ~~include:~~

17 ~~(A) the worker's name;~~

18 ~~(B) the worker's address;~~

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

20 ~~(D) the worker's social security number;~~

21 ~~(E) the worker's classification or~~  
22 ~~classifications;~~

23 ~~(F) the worker's gross and net wages paid in each~~  
24 ~~pay period;~~

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

26 ~~(H) the worker's starting and ending times of work~~

1 ~~each day;~~

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

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

4 ~~(2) no later than the 15th day of each calendar month,~~  
5 ~~provide a certified payroll for the immediately preceding~~  
6 ~~month to the taxpayer in charge of the project; within 5~~  
7 ~~business days after receiving the certified payroll, the~~  
8 ~~taxpayer shall file the certified payroll with the~~  
9 ~~Department of Labor and the Department of Commerce and~~  
10 ~~Economic Opportunity; a certified payroll must be filed~~  
11 ~~for only those calendar months during which construction~~  
12 ~~on an Enterprise Zone construction jobs project has~~  
13 ~~occurred; the certified payroll shall consist of a~~  
14 ~~complete copy of the records identified in paragraph (1)~~  
15 ~~of this subsection (d), but may exclude the starting and~~  
16 ~~ending times of work each day; the certified payroll shall~~  
17 ~~be accompanied by a statement signed by the contractor or~~  
18 ~~subcontractor or an officer, employee, or agent of the~~  
19 ~~contractor or subcontractor which avers that:~~

20 ~~(A) he or she has examined the certified payroll~~  
21 ~~records required to be submitted by the Act and such~~  
22 ~~records are true and accurate; and~~

23 ~~(B) the contractor or subcontractor is aware that~~  
24 ~~filing a certified payroll that he or she knows to be~~  
25 ~~false is a Class A misdemeanor.~~

26 ~~A general contractor is not prohibited from relying on a~~



1 ~~certified payroll of a lower tier subcontractor, provided the~~  
2 ~~general contractor does not knowingly rely upon a~~  
3 ~~subcontractor's false certification.~~

4 ~~Any contractor or subcontractor subject to this~~  
5 ~~subsection, and any officer, employee, or agent of such~~  
6 ~~contractor or subcontractor whose duty as an officer,~~  
7 ~~employee, or agent it is to file a certified payroll under this~~  
8 ~~subsection, who willfully fails to file such a certified~~  
9 ~~payroll on or before the date such certified payroll is~~  
10 ~~required by this paragraph to be filed and any person who~~  
11 ~~willfully files a false certified payroll that is false as to~~  
12 ~~any material fact is in violation of this Act and guilty of a~~  
13 ~~Class A misdemeanor.~~

14 ~~The taxpayer in charge of the project shall keep the~~  
15 ~~records submitted in accordance with this subsection on or~~  
16 ~~after June 5, 2019 (the effective date of Public Act 101-9) for~~  
17 ~~a period of 5 years from the date of the last payment for work~~  
18 ~~on a contract or subcontract for the project.~~

19 ~~The records submitted in accordance with this subsection~~  
20 ~~shall be considered public records, except an employee's~~  
21 ~~address, telephone number, and social security number, and~~  
22 ~~made available in accordance with the Freedom of Information~~  
23 ~~Act. The Department of Labor shall accept any reasonable~~  
24 ~~submissions by the contractor that meet the requirements of~~  
25 ~~this subsection and shall share the information with the~~  
26 ~~Department in order to comply with the awarding of Enterprise~~

1 ~~Zone construction jobs credits. A contractor, subcontractor,~~  
2 ~~or public body may retain records required under this Section~~  
3 ~~in paper or electronic format.~~

4       Upon 7 business days' notice, the taxpayer ~~contractor and~~  
5 ~~each subcontractor~~ shall make available to any State agency  
6 and to federal, State, or local law enforcement agencies and  
7 prosecutors for inspection and copying at a location within  
8 this State during reasonable hours, the report under this  
9 subsection (d) ~~records identified in paragraph (1) of this~~  
10 ~~subsection to the taxpayer in charge of the project, its~~  
11 ~~officers and agents, the Director of Labor and his or her~~  
12 ~~deputies and agents, and to federal, State, or local law~~  
13 ~~enforcement agencies and prosecutors.~~

14       (e) As used in this Section:

15       "Enterprise Zone construction jobs credit" means an amount  
16 equal to 50% (or 75% if the project is located in an  
17 underserved area) of the incremental income tax attributable  
18 to Enterprise Zone construction jobs credit employees.

19       "Enterprise Zone construction jobs credit employee" means  
20 a laborer or worker who is employed by a ~~an Illinois~~ contractor  
21 or subcontractor in the actual construction work on the site  
22 of an Enterprise Zone construction jobs credit project.

23       "Enterprise Zone construction jobs credit project" means  
24 building a structure or building or making improvements of any  
25 kind to real property commissioned and paid for by a business  
26 that has applied and been approved for an Enterprise Zone

1 construction jobs credit pursuant to this Section. "Enterprise  
2 Zone construction jobs credit project" does not include the  
3 routine operation, routine repair, or routine maintenance of  
4 existing structures, buildings, or real property.

5 "Incremental income tax" means the total amount withheld  
6 during the taxable year from the compensation of Enterprise  
7 Zone construction jobs credit employees.

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

10 (1) the area has a poverty rate of at least 20%  
11 according to the latest American Community Survey;

12 (2) 35% or more of the families with children in the  
13 area are living below 130% of the poverty line, according  
14 to the latest American Community Survey;

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

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

24 (Source: P.A. 101-9, eff. 6-5-19; 102-108, eff. 1-1-22;  
25 102-558, eff. 8-20-21.)

1           Section 15. The Reimagining Energy and Vehicles in  
2 Illinois Act is amended by changing Sections 10, 20, 35, 45,  
3 65, 95, and 105 as follows:

4           (20 ILCS 686/10)

5           Sec. 10. Definitions. As used in this Act:

6           "Advanced battery" means a battery that consists of a  
7 battery cell that can be integrated into a module, pack, or  
8 system to be used in energy storage applications, including a  
9 battery used in an electric vehicle or the electric grid.

10          "Advanced battery component" means a component of an  
11 advanced battery, including materials, enhancements,  
12 enclosures, anodes, cathodes, electrolytes, cells, and other  
13 associated technologies that comprise an advanced battery.

14          "Agreement" means the agreement between a taxpayer and the  
15 Department under the provisions of Section 45 of this Act.

16          "Applicant" means a taxpayer that (i) operates a business  
17 in Illinois or is planning to locate a business within the  
18 State of Illinois and (ii) is engaged in interstate or  
19 intrastate commerce as an electric vehicle manufacturer, an  
20 electric vehicle component parts manufacturer, or an electric  
21 vehicle power supply equipment manufacturer. For applications  
22 for credits under this Act that are submitted on or after the  
23 effective date of this amendatory Act of the 102nd General  
24 Assembly, "applicant" also includes a taxpayer that (i)  
25 operates a business in Illinois or is planning to locate a

1 business within the State of Illinois and (ii) is engaged in  
2 interstate or intrastate commerce as a renewable energy  
3 manufacturer. "Applicant" does not include a taxpayer who  
4 closes or substantially reduces by more than 50% operations at  
5 one location in the State and relocates substantially the same  
6 operation to another location in the State. This does not  
7 prohibit a Taxpayer from expanding its operations at another  
8 location in the State. This also does not prohibit a Taxpayer  
9 from moving its operations from one location in the State to  
10 another location in the State for the purpose of expanding the  
11 operation, provided that the Department determines that  
12 expansion cannot reasonably be accommodated within the  
13 municipality or county in which the business is located, or,  
14 in the case of a business located in an incorporated area of  
15 the county, within the county in which the business is  
16 located, after conferring with the chief elected official of  
17 the municipality or county and taking into consideration any  
18 evidence offered by the municipality or county regarding the  
19 ability to accommodate expansion within the municipality or  
20 county.

21 "Battery raw materials" means the raw and processed form  
22 of a mineral, metal, chemical, or other material used in an  
23 advanced battery component.

24 "Battery raw materials refining service provider" means a  
25 business that operates a facility that filters, sifts, and  
26 treats battery raw materials for use in an advanced battery.

1 "Battery recycling and reuse manufacturer" means a  
2 manufacturer that is primarily engaged in the recovery,  
3 retrieval, processing, recycling, or recirculating of battery  
4 raw materials for new use in electric vehicle batteries.

5 "Capital improvements" means the purchase, renovation,  
6 rehabilitation, or construction of permanent tangible land,  
7 buildings, structures, equipment, and furnishings in an  
8 approved project sited in Illinois and expenditures for goods  
9 or services that are normally capitalized, including  
10 organizational costs and research and development costs  
11 incurred in Illinois. For land, buildings, structures, and  
12 equipment that are leased, the lease must equal or exceed the  
13 term of the agreement, and the cost of the property shall be  
14 determined from the present value, using the corporate  
15 interest rate prevailing at the time of the application, of  
16 the lease payments.

17 "Credit" means either a "REV Illinois Credit" or a "REV  
18 Construction Jobs Credit" agreed to between the Department and  
19 applicant under this Act.

20 "Department" means the Department of Commerce and Economic  
21 Opportunity.

22 "Director" means the Director of Commerce and Economic  
23 Opportunity.

24 "Electric vehicle" means a vehicle that is exclusively  
25 powered by and refueled by electricity, including electricity  
26 generated through a hydrogen fuel cells or solar technology.

1 "Electric vehicle", except when referencing aircraft with  
2 hybrid electric propulsion systems, does not include hybrid  
3 electric vehicles, electric bicycles, or extended-range  
4 electric vehicles that are also equipped with conventional  
5 fueled propulsion or auxiliary engines.

6 "Electric vehicle manufacturer" means a new or existing  
7 manufacturer that is primarily focused on reequipping,  
8 expanding, or establishing a manufacturing facility in  
9 Illinois that produces electric vehicles as defined in this  
10 Section.

11 "Electric vehicle component parts manufacturer" means a  
12 new or existing manufacturer that is focused on reequipping,  
13 expanding, or establishing a manufacturing facility in  
14 Illinois that produces parts or accessories used in electric  
15 vehicles, as defined by this Section, including advanced  
16 battery component parts. The changes to this definition of  
17 "electric vehicle component parts manufacturer" apply to  
18 agreements under this Act that are entered into on or after the  
19 effective date of this amendatory Act of the 102nd General  
20 Assembly.

21 "Electric vehicle power supply equipment" means the  
22 equipment used specifically for the purpose of delivering  
23 electricity to an electric vehicle, including hydrogen fuel  
24 cells or solar refueling infrastructure.

25 "Electric vehicle power supply manufacturer" means a new  
26 or existing manufacturer that is focused on reequipping,

1 expanding, or establishing a manufacturing facility in  
2 Illinois that produces electric vehicle power supply equipment  
3 used for the purpose of delivering electricity to an electric  
4 vehicle, including hydrogen fuel cell or solar refueling  
5 infrastructure.

6 "Electric vehicle powertrain technology" means equipment  
7 used to convert electricity for use in aerospace propulsion.

8 "Electric vehicle powertrain technology manufacturer"  
9 means a new or existing manufacturer that is focused on  
10 reequipping, expanding or establishing a manufacturing  
11 facility in Illinois that develops and validates electric  
12 vehicle powertrain technology for use in aerospace propulsion.

13 "Electric vertical takeoff and landing (eVTOL) aircraft"  
14 means a fully electric aircraft that lands and takes off  
15 vertically.

16 "Energy Transition Area" means a county with less than  
17 100,000 people or a municipality that contains one or more of  
18 the following:

19 (1) a fossil fuel plant that was retired from service  
20 or has significant reduced service within 6 years before  
21 the time of the application or will be retired or have  
22 service significantly reduced within 6 years following the  
23 time of the application; or

24 (2) a coal mine that was closed or had operations  
25 significantly reduced within 6 years before the time of  
26 the application or is anticipated to be closed or have



1 operations significantly reduced within 6 years following  
2 the time of the application.

3 "Full-time employee" means an individual who is employed  
4 for consideration for at least 35 hours each week or who  
5 renders any other standard of service generally accepted by  
6 industry custom or practice as full-time employment. An  
7 individual for whom a W-2 is issued by a Professional Employer  
8 Organization (PEO) is a full-time employee if employed in the  
9 service of the applicant for consideration for at least 35  
10 hours each week.

11 "Green steel manufacturer" means an entity that  
12 manufactures steel without the use of fossil fuels and with  
13 zero net carbon emission.

14 "Incremental income tax" means the total amount withheld  
15 during the taxable year from the compensation of new employees  
16 and, if applicable, retained employees under Article 7 of the  
17 Illinois Income Tax Act arising from employment at a project  
18 that is the subject of an agreement.

19 "Institution of higher education" or "institution" means  
20 any accredited public or private university, college,  
21 community college, business, technical, or vocational school,  
22 or other accredited educational institution offering degrees  
23 and instruction beyond the secondary school level.

24 "Minority person" means a minority person as defined in  
25 the Business Enterprise for Minorities, Women, and Persons  
26 with Disabilities Act.

1 "New employee" means a newly-hired full-time employee  
2 employed to work at the project site and whose work is directly  
3 related to the project.

4 "Noncompliance date" means, in the case of a taxpayer that  
5 is not complying with the requirements of the agreement or the  
6 provisions of this Act, the day following the last date upon  
7 which the taxpayer was in compliance with the requirements of  
8 the agreement and the provisions of this Act, as determined by  
9 the Director, pursuant to Section 70.

10 "Pass-through entity" means an entity that is exempt from  
11 the tax under subsection (b) or (c) of Section 205 of the  
12 Illinois Income Tax Act.

13 "Placed in service" means the state or condition of  
14 readiness, availability for a specifically assigned function,  
15 and the facility is constructed and ready to conduct its  
16 facility operations to manufacture goods.

17 "Professional employer organization" (PEO) means an  
18 employee leasing company, as defined in Section 206.1 of the  
19 Illinois Unemployment Insurance Act.

20 "Program" means the Reimagining Energy and Vehicles in  
21 Illinois Program (the REV Illinois Program) established in  
22 this Act.

23 "Project" or "REV Illinois Project" means a for-profit  
24 economic development activity for the manufacture of electric  
25 vehicles, electric vehicle component parts, electric vehicle  
26 power supply equipment, or renewable energy products, which is

1 designated by the Department as a REV Illinois Project and is  
2 the subject of an agreement.

3 "Recycling facility" means a location at which the  
4 taxpayer disposes of batteries and other component parts in  
5 manufacturing of electric vehicles, electric vehicle component  
6 parts, or electric vehicle power supply equipment.

7 "Related member" means a person that, with respect to the  
8 taxpayer during any portion of the taxable year, is any one of  
9 the following:

10 (1) An individual stockholder, if the stockholder and  
11 the members of the stockholder's family (as defined in  
12 Section 318 of the Internal Revenue Code) own directly,  
13 indirectly, beneficially, or constructively, in the  
14 aggregate, at least 50% of the value of the taxpayer's  
15 outstanding stock.

16 (2) A partnership, estate, trust and any partner or  
17 beneficiary, if the partnership, estate, or trust, and its  
18 partners or beneficiaries own directly, indirectly,  
19 beneficially, or constructively, in the aggregate, at  
20 least 50% of the profits, capital, stock, or value of the  
21 taxpayer.

22 (3) A corporation, and any party related to the  
23 corporation in a manner that would require an attribution  
24 of stock from the corporation under the attribution rules  
25 of Section 318 of the Internal Revenue Code, if the  
26 Taxpayer owns directly, indirectly, beneficially, or

1           constructively at least 50% of the value of the  
2           corporation's outstanding stock.

3           (4) A corporation and any party related to that  
4           corporation in a manner that would require an attribution  
5           of stock from the corporation to the party or from the  
6           party to the corporation under the attribution rules of  
7           Section 318 of the Internal Revenue Code, if the  
8           corporation and all such related parties own in the  
9           aggregate at least 50% of the profits, capital, stock, or  
10          value of the taxpayer.

11          (5) A person to or from whom there is an attribution of  
12          stock ownership in accordance with Section 1563(e) of the  
13          Internal Revenue Code, except, for purposes of determining  
14          whether a person is a related member under this paragraph,  
15          20% shall be substituted for 5% wherever 5% appears in  
16          Section 1563(e) of the Internal Revenue Code.

17          "Renewable energy" means energy produced using the  
18          materials and sources of energy through which renewable energy  
19          resources are generated.

20          "Renewable energy manufacturer" means a manufacturer whose  
21          primary function is to manufacture or assemble: (i) equipment,  
22          systems, or products used to produce renewable or nuclear  
23          energy; (ii) products used for energy ~~conservation~~, storage,  
24          or grid efficiency purposes; or (iii) component parts for that  
25          equipment or those systems or products.

26          "Renewable energy resources" has the meaning ascribed to

1 that term in Section 1-10 of the Illinois Power Agency Act.

2 "Research and development" means work directed toward the  
3 innovation, introduction, and improvement of products and  
4 processes. "Research and development" includes all levels of  
5 research and development that directly result in the potential  
6 manufacturing and marketability of renewable energy, electric  
7 vehicles, electric vehicle component parts, and electric or  
8 hybrid aircraft.

9 "Retained employee" means a full-time employee employed by  
10 the taxpayer prior to the term of the Agreement who continues  
11 to be employed during the term of the agreement whose job  
12 duties are directly related to the project. The term "retained  
13 employee" does not include any individual who has a direct or  
14 an indirect ownership interest of at least 5% in the profits,  
15 equity, capital, or value of the taxpayer or a child,  
16 grandchild, parent, or spouse, other than a spouse who is  
17 legally separated from the individual, of any individual who  
18 has a direct or indirect ownership of at least 5% in the  
19 profits, equity, capital, or value of the taxpayer. The  
20 changes to this definition of "retained employee" apply to  
21 agreements for credits under this Act that are entered into on  
22 or after the effective date of this amendatory Act of the 102nd  
23 General Assembly.

24 "REV Illinois credit" means a credit agreed to between the  
25 Department and the applicant under this Act that is based on  
26 the incremental income tax attributable to new employees and,

1 if applicable, retained employees, and on training costs for  
2 such employees at the applicant's project.

3 "REV construction jobs credit" means a credit agreed to  
4 between the Department and the applicant under this Act that  
5 is based on the incremental income tax attributable to  
6 construction wages paid in connection with construction of the  
7 project facilities.

8 "Statewide baseline" means the total number of full-time  
9 employees of the applicant and any related member employed by  
10 such entities at the time of application for incentives under  
11 this Act.

12 "Taxpayer" means an individual, corporation, partnership,  
13 or other entity that has a legal obligation to pay Illinois  
14 income taxes and file an Illinois income tax return.

15 "Training costs" means costs incurred to upgrade the  
16 technological skills of full-time employees in Illinois and  
17 includes: curriculum development; training materials  
18 (including scrap product costs); trainee domestic travel  
19 expenses; instructor costs (including wages, fringe benefits,  
20 tuition and domestic travel expenses); rent, purchase or lease  
21 of training equipment; and other usual and customary training  
22 costs. "Training costs" do not include costs associated with  
23 travel outside the United States (unless the Taxpayer receives  
24 prior written approval for the travel by the Director based on  
25 a showing of substantial need or other proof the training is  
26 not reasonably available within the United States), wages and

1 fringe benefits of employees during periods of training, or  
2 administrative cost related to full-time employees of the  
3 taxpayer.

4 "Underserved area" means any geographic area ~~areas~~ as  
5 defined in Section 5-5 of the Economic Development for a  
6 Growing Economy Tax Credit Act.

7 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;  
8 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23.)

9 (20 ILCS 686/20)

10 Sec. 20. REV Illinois Program; project applications.

11 (a) The Reimagining Energy and Vehicles in Illinois (REV  
12 Illinois) Program is hereby established and shall be  
13 administered by the Department. The Program will provide  
14 financial incentives to any one or more of the following: (1)  
15 eligible manufacturers of electric vehicles, electric vehicle  
16 component parts, and electric vehicle power supply equipment;  
17 (2) battery recycling and reuse manufacturers; (3) battery raw  
18 materials refining service providers; or (4) renewable energy  
19 manufacturers.

20 (b) Any taxpayer planning a project to be located in  
21 Illinois may request consideration for designation of its  
22 project as a REV Illinois Project, by formal written letter of  
23 request or by formal application to the Department, in which  
24 the applicant states its intent to make at least a specified  
25 level of investment and intends to hire a specified number of

1 full-time employees at a designated location in Illinois. As  
2 circumstances require, the Department shall require a formal  
3 application from an applicant and a formal letter of request  
4 for assistance.

5 (c) In order to qualify for credits under the REV Illinois  
6 Program, an applicant must:

7 (1) if the applicant is an electric vehicle  
8 manufacturer:

9 (A) make an investment of at least \$1,500,000,000  
10 in capital improvements at the project site;

11 (B) to be placed in service within the State  
12 within a 60-month period after approval of the  
13 application; and

14 (C) create at least 500 new full-time employee  
15 jobs; or

16 (2) if the applicant is an electric vehicle component  
17 parts manufacturer, ~~or~~ a renewable energy manufacturer, a  
18 green steel manufacturer, or an entity engaged in  
19 research, development, or manufacturing of eVTOL aircraft  
20 or hybrid-electric or fully electric propulsion systems  
21 for airliners:

22 (A) make an investment of at least \$300,000,000 in  
23 capital improvements at the project site;

24 (B) manufacture one or more parts that are  
25 primarily used for electric vehicle, renewable energy,  
26 or green steel manufacturing;



1 (C) to be placed in service within the State  
2 within a 60-month period after approval of the  
3 application; and

4 (D) create at least 150 new full-time employee  
5 jobs; or

6 (3) if the agreement is entered into before the  
7 effective date of this amendatory Act of the 102nd General  
8 Assembly and the applicant is an electric vehicle  
9 manufacturer, an electric vehicle power supply equipment  
10 manufacturer, an electric vehicle component part  
11 manufacturer, renewable energy manufacturer, or green  
12 steel manufacturer that does not qualify under paragraph  
13 (2) above, a battery recycling and reuse manufacturer, or  
14 a battery raw materials refining service provider:

15 (A) make an investment of at least \$20,000,000 in  
16 capital improvements at the project site;

17 (B) for electric vehicle component part  
18 manufacturers, manufacture one or more parts that are  
19 primarily used for electric vehicle manufacturing;

20 (C) to be placed in service within the State  
21 within a 48-month period after approval of the  
22 application; and

23 (D) create at least 50 new full-time employee  
24 jobs; or

25 (3.1) if the agreement is entered into on or after the  
26 effective date of this amendatory Act of the 102nd General

1 Assembly and the applicant is an electric vehicle  
2 manufacturer, an electric vehicle power supply equipment  
3 manufacturer, an electric vehicle component part  
4 manufacturer, a renewable energy manufacturer, a green  
5 steel manufacturer, or an entity engaged in research,  
6 development, or manufacturing of eVTOL aircraft or  
7 hybrid-electric or fully electric propulsion systems for  
8 airliners that does not qualify under paragraph (2) above,  
9 ~~a renewable energy manufacturer that does not qualify~~  
10 ~~under paragraph (2) above,~~ a battery recycling and reuse  
11 manufacturer, or a battery raw materials refining service  
12 provider:

13 (A) make an investment of at least \$2,500,000 in  
14 capital improvements at the project site;

15 (B) in the case of electric vehicle component part  
16 manufacturers, manufacture one or more parts that are  
17 used for electric vehicle manufacturing;

18 (C) to be placed in service within the State  
19 within a 48-month period after approval of the  
20 application; and

21 (D) create the lesser of 50 new full-time employee  
22 jobs or new full-time employee jobs equivalent to 10%  
23 of the Statewide baseline applicable to the taxpayer  
24 and any related member at the time of application; or

25 (4) if the agreement is entered into before the  
26 effective date of this amendatory Act of the 102nd General

1 Assembly and the applicant is an electric vehicle  
2 manufacturer or electric vehicle component parts  
3 manufacturer with existing operations within Illinois that  
4 intends to convert or expand, in whole or in part, the  
5 existing facility from traditional manufacturing to  
6 primarily electric vehicle manufacturing, electric vehicle  
7 component parts manufacturing, an ~~or~~ electric vehicle  
8 power supply equipment manufacturing, or a green steel  
9 manufacturer:

10 (A) make an investment of at least \$100,000,000 in  
11 capital improvements at the project site;

12 (B) to be placed in service within the State  
13 within a 60-month period after approval of the  
14 application; and

15 (C) create the lesser of 75 new full-time employee  
16 jobs or new full-time employee jobs equivalent to 10%  
17 of the Statewide baseline applicable to the taxpayer  
18 and any related member at the time of application;

19 (4.1) if the agreement is entered into on or after the  
20 effective date of this amendatory Act of the 102nd General  
21 Assembly and the applicant (i) is an electric vehicle  
22 manufacturer, an electric vehicle component parts  
23 manufacturer, ~~or~~ a renewable energy manufacturer, a green  
24 steel manufacturer, or an entity engaged in research,  
25 development, or manufacturing of eVTOL aircraft or hybrid  
26 electric or fully electric propulsion systems for

1        airliners and (ii) has existing operations within Illinois  
2        that the applicant intends to convert or expand, in whole  
3        or in part, from traditional manufacturing to electric  
4        vehicle manufacturing, electric vehicle component parts  
5        manufacturing, renewable energy manufacturing, or electric  
6        vehicle power supply equipment manufacturing:

7                (A) make an investment of at least \$100,000,000 in  
8                capital improvements at the project site;

9                (B) to be placed in service within the State  
10              within a 60-month period after approval of the  
11              application; and

12              (C) create the lesser of 50 new full-time employee  
13              jobs or new full-time employee jobs equivalent to 10%  
14              of the Statewide baseline applicable to the taxpayer  
15              and any related member at the time of application; or

16              (5) if the agreement is entered into on or after the  
17              effective date of the changes made to this Section by this  
18              amendatory Act of the 103rd General Assembly and before  
19              June 1, 2024 and the applicant (i) is an electric vehicle  
20              manufacturer, an electric vehicle component parts  
21              manufacturer, or a renewable energy manufacturer or (ii)  
22              has existing operations within Illinois that the applicant  
23              intends to convert or expand, in whole or in part, from  
24              traditional manufacturing to electric vehicle  
25              manufacturing, electric vehicle component parts  
26              manufacturing, renewable energy manufacturing, or electric

1 vehicle power supply equipment manufacturing:

2 (A) make an investment of at least \$500,000,000 in  
3 capital improvements at the project site;

4 (B) to be placed in service within the State  
5 within a 60-month period after approval of the  
6 application; and

7 (C) retain at least 800 full-time employee jobs at  
8 the project.

9 (d) For agreements entered into prior to April 19, 2022  
10 (the effective date of Public Act 102-700), for any applicant  
11 creating the full-time employee jobs noted in subsection (c),  
12 those jobs must have a total compensation equal to or greater  
13 than 120% of the average wage paid to full-time employees in  
14 the county where the project is located, as determined by the  
15 U.S. Bureau of Labor Statistics. For agreements entered into  
16 on or after April 19, 2022 (the effective date of Public Act  
17 102-700), for any applicant creating the full-time employee  
18 jobs noted in subsection (c), those jobs must have a  
19 compensation equal to or greater than 120% of the average wage  
20 paid to full-time employees in a similar position within an  
21 occupational group in the county where the project is located,  
22 as determined by the Department.

23 (e) For any applicant, within 24 months after being placed  
24 in service, it must certify to the Department that it is carbon  
25 neutral or has attained certification under one of more of the  
26 following green building standards:

1 (1) BREEAM for New Construction or BREEAM In-Use;

2 (2) ENERGY STAR;

3 (3) Envision;

4 (4) ISO 50001 - energy management;

5 (5) LEED for Building Design and Construction or LEED  
6 for Building Operations and Maintenance;

7 (6) Green Globes for New Construction or Green Globes  
8 for Existing Buildings; or

9 (7) UL 3223.

10 (f) Each applicant must outline its hiring plan and  
11 commitment to recruit and hire full-time employee positions at  
12 the project site. The hiring plan may include a partnership  
13 with an institution of higher education to provide  
14 internships, including, but not limited to, internships  
15 supported by the Clean Jobs Workforce Network Program, or  
16 full-time permanent employment for students at the project  
17 site. Additionally, the applicant may create or utilize  
18 participants from apprenticeship programs that are approved by  
19 and registered with the United States Department of Labor's  
20 Bureau of Apprenticeship and Training. The applicant may apply  
21 for apprenticeship education expense credits in accordance  
22 with the provisions set forth in 14 Ill. Adm. Code 522. Each  
23 applicant is required to report annually, on or before April  
24 15, on the diversity of its workforce in accordance with  
25 Section 50 of this Act. For existing facilities of applicants  
26 under paragraph (3) of subsection (b) above, if the taxpayer

1 expects a reduction in force due to its transition to  
2 manufacturing electric vehicle, electric vehicle component  
3 parts, or electric vehicle power supply equipment, the plan  
4 submitted under this Section must outline the taxpayer's plan  
5 to assist with retraining its workforce aligned with the  
6 taxpayer's adoption of new technologies and anticipated  
7 efforts to retrain employees through employment opportunities  
8 within the taxpayer's workforce.

9 (g) Each applicant must demonstrate a contractual or other  
10 relationship with a recycling facility, or demonstrate its own  
11 recycling capabilities, at the time of application and report  
12 annually a continuing contractual or other relationship with a  
13 recycling facility and the percentage of batteries used in  
14 electric vehicles recycled throughout the term of the  
15 agreement.

16 (h) A taxpayer may not enter into more than one agreement  
17 under this Act with respect to a single address or location for  
18 the same period of time. Also, a taxpayer may not enter into an  
19 agreement under this Act with respect to a single address or  
20 location for the same period of time for which the taxpayer  
21 currently holds an active agreement under the Economic  
22 Development for a Growing Economy Tax Credit Act. This  
23 provision does not preclude the applicant from entering into  
24 an additional agreement after the expiration or voluntary  
25 termination of an earlier agreement under this Act or under  
26 the Economic Development for a Growing Economy Tax Credit Act

1 to the extent that the taxpayer's application otherwise  
2 satisfies the terms and conditions of this Act and is approved  
3 by the Department. An applicant with an existing agreement  
4 under the Economic Development for a Growing Economy Tax  
5 Credit Act may submit an application for an agreement under  
6 this Act after it terminates any existing agreement under the  
7 Economic Development for a Growing Economy Tax Credit Act with  
8 respect to the same address or location. If a project that is  
9 subject to an existing agreement under the Economic  
10 Development for a Growing Economy Tax Credit Act meets the  
11 requirements to be designated as a REV Illinois project under  
12 this Act, including for actions undertaken prior to the  
13 effective date of this Act, the taxpayer that is subject to  
14 that existing agreement under the Economic Development for a  
15 Growing Economy Tax Credit Act may apply to the Department to  
16 amend the agreement to allow the project to become a  
17 designated REV Illinois project. Following the amendment, time  
18 accrued during which the project was eligible for credits  
19 under the existing agreement under the Economic Development  
20 for a Growing Economy Tax Credit Act shall count toward the  
21 duration of the credit subject to limitations described in  
22 Section 40 of this Act.

23 (i) If, at any time following the designation of a project  
24 as a REV Illinois Project by the Department and prior to the  
25 termination or expiration of an agreement under this Act, the  
26 project ceases to qualify as a REV Illinois project because



1 the taxpayer is no longer an electric vehicle manufacturer, an  
2 electric vehicle component manufacturer, an electric vehicle  
3 power supply equipment manufacturer, a battery recycling and  
4 reuse manufacturer, ~~or~~ a battery raw materials refining  
5 service provider, or an entity engaged in eVTOL or hybrid  
6 electric or fully electric propulsion systems for airliners  
7 research, development, or manufacturing, that project may  
8 receive tax credit awards as described in Section 5-15 and  
9 Section 5-51 of the Economic Development for a Growing Economy  
10 Tax Credit Act, as long as the project continues to meet  
11 requirements to obtain those credits as described in the  
12 Economic Development for a Growing Economy Tax Credit Act and  
13 remains compliant with terms contained in the Agreement under  
14 this Act not related to their status as an electric vehicle  
15 manufacturer, an electric vehicle component manufacturer, an  
16 electric vehicle power supply equipment manufacturer, a  
17 battery recycling and reuse manufacturer, ~~or~~ a battery raw  
18 materials refining service provider, or an entity engaged in  
19 eVTOL or hybrid-electric or fully electric propulsion systems  
20 for airliners research, development, or manufacturing. Time  
21 accrued during which the project was eligible for credits  
22 under an agreement under this Act shall count toward the  
23 duration of the credit subject to limitations described in  
24 Section 5-45 of the Economic Development for a Growing Economy  
25 Tax Credit Act.

26 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;

1 102-1112, eff. 12-21-22; 102-1125, eff. 2-3-23; 103-9, eff.  
2 6-7-23.)

3 (20 ILCS 686/35)

4 Sec. 35. Relocation of jobs in Illinois. A taxpayer is not  
5 entitled to claim a credit provided by this Act with respect to  
6 any jobs that the Taxpayer relocates from one site in Illinois  
7 to another site in Illinois unless the taxpayer has agreed to  
8 hire the minimum number of new employees and the Department  
9 has determined that the expansion cannot reasonably be  
10 accommodated within the municipality in which the business is  
11 located. Any full-time employee relocated to Illinois in  
12 connection with a qualifying project is deemed to be a new  
13 employee for purposes of this Act. Determinations under this  
14 Section shall be made by the Department.

15 (Source: P.A. 102-669, eff. 11-16-21.)

16 (20 ILCS 686/45)

17 Sec. 45. Contents of agreements with applicants.

18 (a) The Department shall enter into an agreement with an  
19 applicant that is awarded a credit under this Act. The  
20 agreement shall include all of the following:

21 (1) A detailed description of the project that is the  
22 subject of the agreement, including the location and  
23 amount of the investment and jobs created or retained.

24 (2) The duration of the credit, the first taxable year

1 for which the credit may be awarded, and the first taxable  
2 year in which the credit may be used by the taxpayer.

3 (3) The credit amount that will be allowed for each  
4 taxable year.

5 (4) For a project qualified under paragraphs (1), (2),  
6 (4), or (5) of subsection (c) of Section 20, a requirement  
7 that the taxpayer shall maintain operations at the project  
8 location a minimum number of years not to exceed 15. For a  
9 project qualified under paragraph (3) of subsection (c) of  
10 Section 20, a requirement that the taxpayer shall maintain  
11 operations at the project location a minimum number of  
12 years not to exceed 10.

13 (5) A specific method for determining the number of  
14 new employees and if applicable, retained employees,  
15 employed during a taxable year.

16 (6) A requirement that the taxpayer shall annually  
17 report to the Department the number of new employees, the  
18 incremental income tax withheld in connection with the new  
19 employees, and any other information the Department deems  
20 necessary and appropriate to perform its duties under this  
21 Act.

22 (7) A requirement that the Director is authorized to  
23 verify with the appropriate State agencies the amounts  
24 reported under paragraph (6), and after doing so shall  
25 issue a certificate to the taxpayer stating that the  
26 amounts have been verified.

1           (8) A requirement that the taxpayer shall provide  
2 written notification to the Director not more than 30 days  
3 after the taxpayer makes or receives a proposal that would  
4 transfer the taxpayer's State tax liability obligations to  
5 a successor taxpayer.

6           (9) A detailed description of the number of new  
7 employees to be hired, and the occupation and payroll of  
8 full-time jobs to be created or retained because of the  
9 project.

10          (10) The minimum investment the taxpayer will make in  
11 capital improvements, the time period for placing the  
12 property in service, and the designated location in  
13 Illinois for the investment.

14          (11) A requirement that the taxpayer shall provide  
15 written notification to the Director and the Director's  
16 designee not more than 30 days after the taxpayer  
17 determines that the minimum job creation or retention,  
18 employment payroll, or investment no longer is or will be  
19 achieved or maintained as set forth in the terms and  
20 conditions of the agreement. Additionally, the  
21 notification should outline to the Department the number  
22 of layoffs, date of the layoffs, and detail taxpayer's  
23 efforts to provide career and training counseling for the  
24 impacted workers with industry-related certifications and  
25 trainings.

26          (12) If applicable, a provision that, if the total

1 number of new employees falls below a specified level, the  
2 allowance of credit shall be suspended until the number of  
3 new employees equals or exceeds the agreement amount.

4 (13) If applicable, a provision that specifies the  
5 statewide baseline at the time of application for retained  
6 employees. The agreement must have a provision addressing  
7 if the total number of retained employees falls below the  
8 lesser of the statewide baseline or the retention  
9 requirements specified in the agreement, the allowance of  
10 the credit shall be suspended until the number of retained  
11 employees equals or exceeds the agreement amount.

12 (14) A detailed description of the items for which the  
13 costs incurred by the Taxpayer will be included in the  
14 limitation on the Credit provided in Section 40.

15 (15) If the agreement is entered into before the  
16 effective date of the changes made to this Section by this  
17 amendatory Act of the 103rd General Assembly, a provision  
18 stating that if the taxpayer fails to meet either the  
19 investment or job creation and retention requirements  
20 specified in the agreement during the entire 5-year period  
21 beginning on the first day of the first taxable year in  
22 which the agreement is executed and ending on the last day  
23 of the fifth taxable year after the agreement is executed,  
24 then the agreement is automatically terminated on the last  
25 day of the fifth taxable year after the agreement is  
26 executed, and the taxpayer is not entitled to the award of

1 any credits for any of that 5-year period. If the  
2 agreement is entered into on or after the effective date  
3 of the changes made to this Section by this amendatory Act  
4 of the 103rd General Assembly, a provision stating that if  
5 the taxpayer fails to meet either the investment or job  
6 creation and retention requirements specified in the  
7 agreement during the entire 10-year period beginning on  
8 the effective date of the agreement and ending 10 years  
9 after the effective date of the agreement, then the  
10 agreement is automatically terminated, and the taxpayer is  
11 not entitled to the award of any credits for any of that  
12 10-year period.

13 (16) A provision stating that if the taxpayer ceases  
14 principal operations with the intent to permanently shut  
15 down the project in the State during the term of the  
16 Agreement, then the entire credit amount awarded to the  
17 taxpayer prior to the date the taxpayer ceases principal  
18 operations shall be returned to the Department and shall  
19 be reallocated to the local workforce investment area in  
20 which the project was located.

21 (17) A provision stating that the Taxpayer must  
22 provide the reports outlined in Sections 50 and 55 on or  
23 before April 15 each year.

24 (18) A provision requiring the taxpayer to report  
25 annually its contractual obligations or otherwise with a  
26 recycling facility for its operations.

1           (19) Any other performance conditions or contract  
2 provisions the Department determines are necessary or  
3 appropriate.

4           (20) Each taxpayer under paragraph (1) of subsection  
5 (c) of Section 20 above shall maintain labor neutrality  
6 toward any union organizing campaign for any employees of  
7 the taxpayer assigned to work on the premises of the REV  
8 Illinois Project Site. This paragraph shall not apply to  
9 an electric vehicle manufacturer, electric vehicle  
10 component part manufacturer, electric vehicle power supply  
11 manufacturer, or renewable energy manufacturer, or any  
12 joint venture including an electric vehicle manufacturer,  
13 electric vehicle component part manufacturer, electric  
14 vehicle power supply manufacturer, ~~or~~ renewable energy  
15 manufacturer, or an entity engaged in eVTOL or  
16 hybrid-electric or fully electric propulsion systems for  
17 airliners research, development, or manufacturing, who is  
18 subject to collective bargaining agreement entered into  
19 prior to the taxpayer filing an application pursuant to  
20 this Act.

21           (b) The Department shall post on its website the terms of  
22 each agreement entered into under this Act. Such information  
23 shall be posted within 10 days after entering into the  
24 agreement and must include the following:

- 25           (1) the name of the taxpayer;  
26           (2) the location of the project;

1 (3) the estimated value of the credit;

2 (4) the number of new employee jobs and, if  
3 applicable, number of retained employee jobs at the  
4 project; and

5 (5) whether or not the project is in an underserved  
6 area or energy transition area.

7 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23;  
8 103-9, eff. 6-7-23.)

9 (20 ILCS 686/65)

10 Sec. 65. REV Construction Jobs Credits ~~Certified payroll.~~

11 (a) Each REV program participant ~~contractor and~~  
12 ~~subcontractor~~ that is engaged in construction work ~~on project~~  
13 ~~facilities for a taxpayer~~ who seeks to apply for a REV  
14 Construction Jobs credit shall annually, until construction is  
15 completed, submit a report that, at a minimum, describes the  
16 projected project scope, timeline, and anticipated budget.  
17 Once the project has commenced, the annual report shall  
18 include actual data for the prior year as well as projections  
19 for each additional year through completion of the project.  
20 The Department shall issue detailed reporting guidelines  
21 prescribing the requirements of construction related reports.+

22 In order to receive credit for construction expenses, the  
23 company must provide the Department of Commerce and Economic  
24 Opportunity with evidence that a certified third-party  
25 executed an Agreed-Upon Procedure (AUP) verifying the



1 construction expenses or accept the standard construction wage  
2 expense estimated by the Department of Commerce and Economic  
3 Opportunity.

4 Upon review of the final project scope, timeline, budget,  
5 and AUP, the Department shall issue a tax credit certificate  
6 reflecting a percentage of the total construction job wages  
7 paid throughout the completion of the project.

8 ~~(1) make and keep, for a period of 5 years from the~~  
9 ~~date of the last payment made on a contract or subcontract~~  
10 ~~for construction of facilities for a REV Illinois Project~~  
11 ~~pursuant to an agreement, records of all laborers and~~  
12 ~~other workers employed by the contractor or subcontractor~~  
13 ~~on the project; the records shall include:~~

14 ~~(A) the worker's name;~~

15 ~~(B) the worker's address;~~

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

17 ~~(D) the worker's social security number;~~

18 ~~(E) the worker's classification or~~  
19 ~~classifications;~~

20 ~~(F) the worker's gross and net wages paid in each~~  
21 ~~pay period;~~

22 ~~(G) the worker's number of hours worked in each~~  
23 ~~day;~~

24 ~~(H) the worker's starting and ending times of work~~  
25 ~~each day;~~

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

1           ~~(J) the worker's hourly overtime wage rate; and~~  
2           ~~(2) no later than the 15th day of each calendar month,~~  
3           ~~provide a certified payroll for the immediately preceding~~  
4           ~~month to the taxpayer in charge of the project; within 5~~  
5           ~~business days after receiving the certified payroll, the~~  
6           ~~Taxpayer shall file the certified payroll with the~~  
7           ~~Department of Labor and the Department; a certified~~  
8           ~~payroll must be filed for only those calendar months~~  
9           ~~during which construction on the REV Illinois Project~~  
10           ~~facilities has occurred; the certified payroll shall~~  
11           ~~consist of a complete copy of the records identified in~~  
12           ~~paragraph (1), but may exclude the starting and ending~~  
13           ~~times of work each day; the certified payroll shall be~~  
14           ~~accompanied by a statement signed by the contractor or~~  
15           ~~subcontractor or an officer, employee, or agent of the~~  
16           ~~contractor or subcontractor which avers that:~~

17           ~~(A) he or she has examined the certified payroll~~  
18           ~~records required to be submitted by the Act and such~~  
19           ~~records are true and accurate; and~~

20           ~~(B) the contractor or subcontractor is aware that~~  
21           ~~filing a certified payroll that he or she knows to be~~  
22           ~~false is a Class A misdemeanor.~~

23           ~~A general contractor is not prohibited from relying on a~~  
24           ~~certified payroll of a lower tier subcontractor, provided the~~  
25           ~~general contractor does not knowingly rely upon a~~  
26           ~~subcontractor's false certification.~~

1           (b) (Blank). ~~Any contractor or subcontractor subject to~~  
2 ~~this Section, and any officer, employee, or agent of such~~  
3 ~~contractor or subcontractor whose duty as an officer,~~  
4 ~~employee, or agent it is to file a certified payroll under this~~  
5 ~~Section, who willfully fails to file such a certified payroll,~~  
6 ~~on or before the date such certified payroll is required to be~~  
7 ~~filed and any person who willfully files a false certified~~  
8 ~~payroll as to any material fact is in violation of this Act and~~  
9 ~~guilty of a Class A misdemeanor and may be enforced by the~~  
10 ~~Illinois Department of Labor or the Department. The Attorney~~  
11 ~~General shall represented the Illinois Department of Labor or~~  
12 ~~the Department in the proceeding.~~

13           (c) (Blank). ~~The taxpayer in charge of the project shall~~  
14 ~~keep the records submitted in accordance with this Section for~~  
15 ~~a period of 5 years from the date of the last payment for work~~  
16 ~~on a contract or subcontract for the project.~~

17           (d) (Blank). ~~The records submitted in accordance with this~~  
18 ~~Section shall be considered public records, except an~~  
19 ~~employee's address, telephone number, and social security~~  
20 ~~number, which shall be redacted. The records shall be made~~  
21 ~~publicly available in accordance with the Freedom of~~  
22 ~~Information Act. The contractor or subcontractor shall submit~~  
23 ~~reports to the Department of Labor electronically that meet~~  
24 ~~the requirements of this subsection and shall share the~~  
25 ~~information with the Department to comply with the awarding of~~  
26 ~~the REV Construction Jobs Credit. A contractor, subcontractor,~~

1 ~~or public body may retain records required under this Section~~  
2 ~~in paper or electronic format.~~

3 (e) Upon 7 business days' notice, the taxpayer contractor  
4 ~~and each subcontractor~~ shall make available to any State  
5 agency and to federal, State, or local law enforcement  
6 agencies and prosecutors for inspection and copying at a  
7 location within this State during reasonable hours, the report  
8 described in subsection (a) ~~records identified in paragraph~~  
9 ~~(1) of this subsection to the Taxpayer in charge of the~~  
10 ~~Project, its officers and agents, the Director of the~~  
11 ~~Department of Labor and his/her deputies and agents, and to~~  
12 ~~federal, State, or local law enforcement agencies and~~  
13 ~~prosecutors.~~

14 (Source: P.A. 102-669, eff. 11-16-21.)

15 (20 ILCS 686/95)

16 Sec. 95. Utility tax exemptions for REV Illinois Project  
17 sites. The Department may certify a taxpayer with a REV  
18 Illinois credit for a Project that meets the qualifications  
19 under Section paragraphs (1), (2), ~~and~~ (4), (4.1), or (5) of  
20 subsection (c) of Section 20, subject to an agreement under  
21 this Act for an exemption from the tax imposed at the project  
22 site by Section 2-4 of the Electricity Excise Tax Law. To  
23 receive such certification, the taxpayer must be registered to  
24 self-assess that tax. The taxpayer is also exempt from any  
25 additional charges added to the taxpayer's utility bills at

1 the project site as a pass-on of State utility taxes under  
2 Section 9-222 of the Public Utilities Act. The taxpayer must  
3 meet any other ~~the~~ criteria for certification set by the  
4 Department.

5 The Department shall determine the period during which the  
6 exemption from the Electricity Excise Tax Law and the charges  
7 imposed under Section 9-222 of the Public Utilities Act are in  
8 effect, which shall not exceed 30 ~~10~~ years or the life of the  
9 agreement, whichever is less, from the date of the taxpayer's  
10 initial receipt of certification from the Department under  
11 this Section.

12 The Department is authorized to adopt rules to carry out  
13 the provisions of this Section, including procedures to apply  
14 for the exemptions; to define the amounts and types of  
15 eligible investments that an applicant must make in order to  
16 receive electricity excise tax exemptions or exemptions from  
17 the additional charges imposed under Section 9-222 and the  
18 Public Utilities Act; to approve such electricity excise tax  
19 exemptions for applicants whose investments are not yet placed  
20 in service; and to require that an applicant granted an  
21 electricity excise tax exemption or an exemption from  
22 additional charges under Section 9-222 of the Public Utilities  
23 Act repay the exempted amount if the Applicant fails to comply  
24 with the terms and conditions of the agreement.

25 Upon certification by the Department under this Section,  
26 the Department shall notify the Department of Revenue of the

1 certification. The Department of Revenue shall notify the  
2 public utilities of the exempt status of any taxpayer  
3 certified for exemption under this Act from the electricity  
4 excise tax or pass-on charges. The exemption status shall take  
5 effect within 3 months after certification of the taxpayer and  
6 notice to the Department of Revenue by the Department.

7 (Source: P.A. 102-669, eff. 11-16-21.)

8 (20 ILCS 686/105)

9 Sec. 105. Building materials exemptions for REV Illinois  
10 Project sites.

11 (a) The Department may certify a Taxpayer with a REV  
12 Illinois Project that meets the qualifications under  
13 paragraphs (1), (2), ~~or~~ (4), (4.1), or (5) of subsection (c) of  
14 Section 20, subject to an agreement under this Act, for an  
15 exemption from any State or local use tax or retailers'  
16 occupation tax on building materials for the construction of  
17 its project facilities. The taxpayer must meet any criteria  
18 for certification set by the Department under this Act.

19 The Department shall determine the period during which the  
20 exemption from State and local use tax and retailers'  
21 occupation tax are in effect, but in no event shall exceed 5  
22 years in accordance with Section 5m of the Retailers'  
23 Occupation Tax Act.

24 The Department is authorized to promulgate rules and  
25 regulations to carry out the provisions of this Section,

1 including procedures to apply for the exemption; to define the  
2 amounts and types of eligible investments that an applicant  
3 must make in order to receive tax exemption; to approve such  
4 tax exemption for an applicant whose investments are not yet  
5 placed in service; and to require that an applicant granted  
6 exemption repay the exempted amount if the applicant fails to  
7 comply with the terms and conditions of the agreement with the  
8 Department.

9       Upon certification by the Department under this Section,  
10 the Department shall notify the Department of Revenue of the  
11 certification. The exemption status shall take effect within 3  
12 months after certification of the taxpayer and notice to the  
13 Department of Revenue by the Department.

14 (Source: P.A. 102-669, eff. 11-16-21.)

15       Section 20. The Illinois Income Tax Act is amended by  
16 adding Section 241 as follows:

17       (35 ILCS 5/241 new)

18       Sec. 241. Credit for quantum computing campus enterprise  
19 zones.

20       (a) A taxpayer who has been awarded a credit by the  
21 Department of Commerce and Economic Opportunity under Section  
22 605-115 of the Department of Commerce and Economic Opportunity  
23 Law of the Civil Administrative Code of Illinois is entitled  
24 to a credit against the taxes imposed under subsections (a)

1 and (b) of Section 201 of this Act. The amount of the credit  
2 shall be 20% of the wages paid by the taxpayer during the  
3 taxable year to a full-time or part-time employee of a  
4 construction contractor employed in the construction of an  
5 eligible facility located on a quantum computing campus  
6 enterprise zone designated under Section 605-115 of the  
7 Department of Commerce and Economic Opportunity Law of the  
8 Civil Administrative Code of Illinois.

9 (b) In no event shall a credit under this Section reduce  
10 the taxpayer's liability to less than zero. If the amount of  
11 the credit exceeds the tax liability for the year, the excess  
12 may be carried forward and applied to the tax liability of the  
13 5 taxable years following the excess credit year. The tax  
14 credit shall be applied to the earliest year for which there is  
15 a tax liability. If there are credits for more than one year  
16 that are available to offset a liability, the earlier credit  
17 shall be applied first.

18 (c) As used in this Section, "eligible facility" means a  
19 building used primarily to house one or more of the following:  
20 a quantum computer operator; a research facility; a data  
21 center; a manufacturer and assembler of quantum computers and  
22 component parts; a cryogenic or refrigeration facility; or any  
23 other facility determined, by industry and academic leaders,  
24 to be fundamental to the research and development of quantum  
25 computing for practical solutions.

26 (d) This Section is exempt from the provisions of Section



1 250.

2 Section 25. The Economic Development for a Growing Economy  
3 Tax Credit Act is amended by changing Sections 5-5, 5-15,  
4 5-20, 5-35, 5-45, and 5-56 as follows:

5 (35 ILCS 10/5-5)

6 Sec. 5-5. Definitions. As used in this Act:

7 "Agreement" means the Agreement between a Taxpayer and the  
8 Department under the provisions of Section 5-50 of this Act.

9 "Applicant" means a Taxpayer that is operating a business  
10 located or that the Taxpayer plans to locate within the State  
11 of Illinois and that is engaged in interstate or intrastate  
12 commerce for the purpose of manufacturing, processing,  
13 assembling, warehousing, or distributing products, conducting  
14 research and development, providing tourism services, or  
15 providing services in interstate commerce, office industries,  
16 or agricultural processing, but excluding retail, retail food,  
17 health, ~~or~~ professional services, and services delivered to  
18 business customer sites. "Applicant" does not include a  
19 Taxpayer who closes or substantially reduces an operation at  
20 one location in the State and relocates substantially the same  
21 operation to another location in the State. This does not  
22 prohibit a Taxpayer from expanding its operations at another  
23 location in the State, provided that existing operations of a  
24 similar nature located within the State are not closed or

1 substantially reduced. This also does not prohibit a Taxpayer  
2 from moving its operations from one location in the State to  
3 another location in the State for the purpose of expanding the  
4 operation provided that the Department determines that  
5 expansion cannot reasonably be accommodated within the  
6 municipality in which the business is located, or in the case  
7 of a business located in an incorporated area of the county,  
8 within the county in which the business is located, after  
9 conferring with the chief elected official of the municipality  
10 or county and taking into consideration any evidence offered  
11 by the municipality or county regarding the ability to  
12 accommodate expansion within the municipality or county.

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

1 hire the required number of New Employees, then the maximum  
2 amount of the Credit for that Applicant may be increased by an  
3 amount not to exceed 25% of the Incremental Income Tax  
4 attributable to retained employees at the Applicant's project.  
5 If the project is located in an underserved area and the  
6 Applicant agrees to hire the required number of New Employees,  
7 then the maximum amount of the credit for that Applicant may be  
8 increased by an amount not to exceed 50% of the Incremental  
9 Income Tax attributable to retained employees at the  
10 Applicant's project.

11 "Department" means the Department of Commerce and Economic  
12 Opportunity.

13 "Director" means the Director of Commerce and Economic  
14 Opportunity.

15 "Full-time Employee" means an individual who is employed  
16 for consideration for at least 35 hours each week or who  
17 renders any other standard of service generally accepted by  
18 industry custom or practice as full-time employment. An  
19 individual for whom a W-2 is issued by a Professional Employer  
20 Organization (PEO) is a full-time employee if employed in the  
21 service of the Applicant for consideration for at least 35  
22 hours each week or who renders any other standard of service  
23 generally accepted by industry custom or practice as full-time  
24 employment to Applicant. The employee need not be physically  
25 present at the EDGE project location during the entire  
26 full-time workweek; however, the agreement shall set forth a

1 minimum number of hours during which the employee is scheduled  
2 to be present at the EDGE project location.

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

8 "New Construction EDGE Agreement" means the Agreement  
9 between a Taxpayer and the Department under the provisions of  
10 Section 5-51 of this Act.

11 "New Construction EDGE Credit" means an amount agreed to  
12 between the Department and the Applicant under this Act as  
13 part of a New Construction EDGE Agreement that does not exceed  
14 50% of the Incremental Income Tax attributable to New  
15 Construction EDGE Employees at the Applicant's project;  
16 however, if the New Construction EDGE Project is located in an  
17 underserved area, then the amount of the New Construction EDGE  
18 Credit may not exceed 75% of the Incremental Income Tax  
19 attributable to New Construction EDGE Employees at the  
20 Applicant's New Construction EDGE Project.

21 "New Construction EDGE Employee" means a laborer or worker  
22 who is employed by a ~~an Illinois~~ contractor or subcontractor  
23 in the actual construction work on the site of a New  
24 Construction EDGE Project, pursuant to a New Construction EDGE  
25 Agreement.

26 "New Construction EDGE Incremental Income Tax" means the

1 total amount withheld during the taxable year from the  
2 compensation of New Construction EDGE Employees.

3 "New Construction EDGE Project" means the building of a  
4 Taxpayer's structure or building, or making improvements of  
5 any kind to real property. "New Construction EDGE Project"  
6 does not include the routine operation, routine repair, or  
7 routine maintenance of existing structures, buildings, or real  
8 property.

9 "New Employee" means:

10 (a) A Full-time Employee first employed by a Taxpayer  
11 at ~~in~~ the project, or assigned to the project as their  
12 primary work location, that is the subject of an Agreement  
13 and who is hired after the Taxpayer enters into the tax  
14 credit Agreement.

15 (b) The term "New Employee" does not include:

16 (1) an employee of the Taxpayer who performs a job  
17 that was previously performed by another employee, if  
18 that job existed for at least 6 months before hiring  
19 the employee;

20 (2) an employee of the Taxpayer who was previously  
21 employed in Illinois by a Related Member of the  
22 Taxpayer and whose employment was shifted to the  
23 Taxpayer after the Taxpayer entered into the tax  
24 credit Agreement; or

25 (3) a child, grandchild, parent, or spouse, other  
26 than a spouse who is legally separated from the

1 individual, of any individual who has a direct or an  
2 indirect ownership interest of at least 5% in the  
3 profits, capital, or value of the Taxpayer.

4 (c) Notwithstanding paragraph (1) of subsection (b),  
5 an employee may be considered a New Employee under the  
6 Agreement if the employee performs a job that was  
7 previously performed by an employee who was:

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

9 and

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

11 (d) Notwithstanding subsection (a), the Department may  
12 award Credit to an Applicant with respect to an employee  
13 hired prior to the date of the Agreement if:

14 (1) the Applicant is in receipt of a letter from  
15 the Department stating an intent to enter into a  
16 credit Agreement;

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

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

22 "Noncompliance Date" means, in the case of a Taxpayer that  
23 is not complying with the requirements of the Agreement or the  
24 provisions of this Act, the day following the last date upon  
25 which the Taxpayer was in compliance with the requirements of  
26 the Agreement and the provisions of this Act, as determined by

1 the Director, pursuant to Section 5-65.

2 "Pass Through Entity" means an entity that is exempt from  
3 the tax under subsection (b) or (c) of Section 205 of the  
4 Illinois Income Tax Act.

5 "Professional Employer Organization" (PEO) means an  
6 employee leasing company, as defined in Section 206.1(A)(2) of  
7 the Illinois Unemployment Insurance Act.

8 "Related Member" means a person that, with respect to the  
9 Taxpayer during any portion of the taxable year, is any one of  
10 the following:

11 (1) An individual stockholder, if the stockholder and  
12 the members of the stockholder's family (as defined in  
13 Section 318 of the Internal Revenue Code) own directly,  
14 indirectly, beneficially, or constructively, in the  
15 aggregate, at least 50% of the value of the Taxpayer's  
16 outstanding stock.

17 (2) A partnership, estate, or trust and any partner or  
18 beneficiary, if the partnership, estate, or trust, and its  
19 partners or beneficiaries own directly, indirectly,  
20 beneficially, or constructively, in the aggregate, at  
21 least 50% of the profits, capital, stock, or value of the  
22 Taxpayer.

23 (3) A corporation, and any party related to the  
24 corporation in a manner that would require an attribution  
25 of stock from the corporation to the party or from the  
26 party to the corporation under the attribution rules of

1 Section 318 of the Internal Revenue Code, if the Taxpayer  
2 owns directly, indirectly, beneficially, or constructively  
3 at least 50% of the value of the corporation's outstanding  
4 stock.

5 (4) A corporation and any party related to that  
6 corporation in a manner that would require an attribution  
7 of stock from the corporation to the party or from the  
8 party to the corporation under the attribution rules of  
9 Section 318 of the Internal Revenue Code, if the  
10 corporation and all such related parties own in the  
11 aggregate at least 50% of the profits, capital, stock, or  
12 value of the Taxpayer.

13 (5) A person to or from whom there is attribution of  
14 stock ownership in accordance with Section 1563(e) of the  
15 Internal Revenue Code, except, for purposes of determining  
16 whether a person is a Related Member under this paragraph,  
17 20% shall be substituted for 5% wherever 5% appears in  
18 Section 1563(e) of the Internal Revenue Code.

19 "Startup taxpayer" means, for Agreements that are executed  
20 before the effective date of the changes made to this Section  
21 by this amendatory Act of the 103rd General Assembly, a  
22 corporation, partnership, or other entity incorporated or  
23 organized no more than 5 years before the filing of an  
24 application for an Agreement that has never had any Illinois  
25 income tax liability, excluding any Illinois income tax  
26 liability of a Related Member which shall not be attributed to



1 the startup taxpayer. "Startup taxpayer" means, for Agreements  
2 that are executed on or after the effective date of this  
3 amendatory Act of the 103rd General Assembly, a corporation,  
4 partnership, or other entity that is incorporated or organized  
5 no more than 10 years before the filing of an application for  
6 an Agreement and that has never had any Illinois income tax  
7 liability. For the purpose of determining whether the taxpayer  
8 has had any Illinois income tax liability, the Illinois income  
9 tax liability of a Related Member shall not be attributed to  
10 the startup taxpayer.

11 "Taxpayer" means an individual, corporation, partnership,  
12 or other entity that has any Illinois Income Tax liability.

13 Until July 1, 2022, "underserved area" means a geographic  
14 area that meets one or more of the following conditions:

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

17 (2) 75% or more of the children in the area  
18 participate in the federal free lunch program according to  
19 reported statistics from the State Board of Education;

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

23 (4) the area has an average unemployment rate, as  
24 determined by the Illinois Department of Employment  
25 Security, that is more than 120% of the national  
26 unemployment average, as determined by the U.S. Department

1 of Labor, for a period of at least 2 consecutive calendar  
2 years preceding the date of the application.

3 On and after July 1, 2022, "underserved area" means a  
4 geographic area that meets one or more of the following  
5 conditions:

6 (1) the area has a poverty rate of at least 20%  
7 according to the latest American Community Survey;

8 (2) 35% or more of the families with children in the  
9 area are living below 130% of the poverty line, according  
10 to the latest American Community Survey;

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

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

20 (Source: P.A. 102-330, eff. 1-1-22; 102-700, eff. 4-19-22;  
21 102-1125, eff. 2-3-23; 103-9, eff. 6-7-23.)

22 (35 ILCS 10/5-15)

23 Sec. 5-15. Tax Credit Awards. Subject to the conditions  
24 set forth in this Act, a Taxpayer is entitled to a Credit  
25 against or, as described in subsection (g) of this Section, a

1 payment towards taxes imposed pursuant to subsections (a) and  
2 (b) of Section 201 of the Illinois Income Tax Act that may be  
3 imposed on the Taxpayer for a taxable year beginning on or  
4 after January 1, 1999, if the Taxpayer is awarded a Credit by  
5 the Department under this Act for that taxable year.

6 (a) The Department shall make Credit awards under this Act  
7 to foster job creation and retention in Illinois.

8 (b) A person that proposes a project to create new jobs in  
9 Illinois must enter into an Agreement with the Department for  
10 the Credit under this Act.

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

13 (d) The Credit shall not exceed the Incremental Income Tax  
14 attributable to the project that is the subject of the  
15 Agreement.

16 (e) Nothing herein shall prohibit a Tax Credit Award to an  
17 Applicant that uses a PEO if all other award criteria are  
18 satisfied.

19 (f) In lieu of the Credit allowed under this Act against  
20 the taxes imposed pursuant to subsections (a) and (b) of  
21 Section 201 of the Illinois Income Tax Act for any taxable year  
22 ending on or after December 31, 2009, for Taxpayers that  
23 entered into Agreements prior to January 1, 2015 and otherwise  
24 meet the criteria set forth in this subsection (f), the  
25 Taxpayer may elect to claim the Credit against its obligation  
26 to pay over withholding under Section 704A of the Illinois

1 Income Tax Act.

2 (1) The election under this subsection (f) may be made  
3 only by a Taxpayer that (i) is primarily engaged in one of  
4 the following business activities: water purification and  
5 treatment, motor vehicle metal stamping, automobile  
6 manufacturing, automobile and light duty motor vehicle  
7 manufacturing, motor vehicle manufacturing, light truck  
8 and utility vehicle manufacturing, heavy duty truck  
9 manufacturing, motor vehicle body manufacturing, cable  
10 television infrastructure design or manufacturing, or  
11 wireless telecommunication or computing terminal device  
12 design or manufacturing for use on public networks and  
13 (ii) meets the following criteria:

14 (A) the Taxpayer (i) had an Illinois net loss or an  
15 Illinois net loss deduction under Section 207 of the  
16 Illinois Income Tax Act for the taxable year in which  
17 the Credit is awarded, (ii) employed a minimum of  
18 1,000 full-time employees in this State during the  
19 taxable year in which the Credit is awarded, (iii) has  
20 an Agreement under this Act on December 14, 2009 (the  
21 effective date of Public Act 96-834), and (iv) is in  
22 compliance with all provisions of that Agreement;

23 (B) the Taxpayer (i) had an Illinois net loss or an  
24 Illinois net loss deduction under Section 207 of the  
25 Illinois Income Tax Act for the taxable year in which  
26 the Credit is awarded, (ii) employed a minimum of

1           1,000 full-time employees in this State during the  
2           taxable year in which the Credit is awarded, and (iii)  
3           has applied for an Agreement within 365 days after  
4           December 14, 2009 (the effective date of Public Act  
5           96-834);

6           (C) the Taxpayer (i) had an Illinois net operating  
7           loss carryforward under Section 207 of the Illinois  
8           Income Tax Act in a taxable year ending during  
9           calendar year 2008, (ii) has applied for an Agreement  
10          within 150 days after the effective date of this  
11          amendatory Act of the 96th General Assembly, (iii)  
12          creates at least 400 new jobs in Illinois, (iv)  
13          retains at least 2,000 jobs in Illinois that would  
14          have been at risk of relocation out of Illinois over a  
15          10-year period, and (v) makes a capital investment of  
16          at least \$75,000,000;

17          (D) the Taxpayer (i) had an Illinois net operating  
18          loss carryforward under Section 207 of the Illinois  
19          Income Tax Act in a taxable year ending during  
20          calendar year 2009, (ii) has applied for an Agreement  
21          within 150 days after the effective date of this  
22          amendatory Act of the 96th General Assembly, (iii)  
23          creates at least 150 new jobs, (iv) retains at least  
24          1,000 jobs in Illinois that would have been at risk of  
25          relocation out of Illinois over a 10-year period, and  
26          (v) makes a capital investment of at least

1           \$57,000,000; or

2           (E) the Taxpayer (i) employed at least 2,500  
3 full-time employees in the State during the year in  
4 which the Credit is awarded, (ii) commits to make at  
5 least \$500,000,000 in combined capital improvements  
6 and project costs under the Agreement, (iii) applies  
7 for an Agreement between January 1, 2011 and June 30,  
8 2011, (iv) executes an Agreement for the Credit during  
9 calendar year 2011, and (v) was incorporated no more  
10 than 5 years before the filing of an application for an  
11 Agreement.

12           (1.5) The election under this subsection (f) may also  
13 be made by a Taxpayer for any Credit awarded pursuant to an  
14 agreement that was executed between January 1, 2011 and  
15 June 30, 2011, if the Taxpayer (i) is primarily engaged in  
16 the manufacture of inner tubes or tires, or both, from  
17 natural and synthetic rubber, (ii) employs a minimum of  
18 2,400 full-time employees in Illinois at the time of  
19 application, (iii) creates at least 350 full-time jobs and  
20 retains at least 250 full-time jobs in Illinois that would  
21 have been at risk of being created or retained outside of  
22 Illinois, and (iv) makes a capital investment of at least  
23 \$200,000,000 at the project location.

24           (1.6) The election under this subsection (f) may also  
25 be made by a Taxpayer for any Credit awarded pursuant to an  
26 agreement that was executed within 150 days after the

1 effective date of this amendatory Act of the 97th General  
2 Assembly, if the Taxpayer (i) is primarily engaged in the  
3 operation of a discount department store, (ii) maintains  
4 its corporate headquarters in Illinois, (iii) employs a  
5 minimum of 4,250 full-time employees at its corporate  
6 headquarters in Illinois at the time of application, (iv)  
7 retains at least 4,250 full-time jobs in Illinois that  
8 would have been at risk of being relocated outside of  
9 Illinois, (v) had a minimum of \$40,000,000,000 in total  
10 revenue in 2010, and (vi) makes a capital investment of at  
11 least \$300,000,000 at the project location.

12 (1.7) Notwithstanding any other provision of law, the  
13 election under this subsection (f) may also be made by a  
14 Taxpayer for any Credit awarded pursuant to an agreement  
15 that was executed or applied for on or after July 1, 2011  
16 and on or before March 31, 2012, if the Taxpayer is  
17 primarily engaged in the manufacture of original and  
18 aftermarket filtration parts and products for automobiles,  
19 motor vehicles, light duty motor vehicles, light trucks  
20 and utility vehicles, and heavy duty trucks, (ii) employs  
21 a minimum of 1,000 full-time employees in Illinois at the  
22 time of application, (iii) creates at least 250 full-time  
23 jobs in Illinois, (iv) relocates its corporate  
24 headquarters to Illinois from another state, and (v) makes  
25 a capital investment of at least \$4,000,000 at the project  
26 location.

1           (1.8) Notwithstanding any other provision of law, the  
2 election under this subsection (f) may also be made by a  
3 startup taxpayer for any Credit awarded pursuant to an  
4 Agreement that was executed on or after the effective date  
5 of this amendatory Act of the 102nd General Assembly. Any  
6 such election under this paragraph (1.8) shall be  
7 effective unless and until such startup taxpayer has any  
8 Illinois income tax liability. This election under this  
9 paragraph (1.8) shall automatically terminate when the  
10 startup taxpayer has any Illinois income tax liability at  
11 the end of any taxable year during the term of the  
12 Agreement. Thereafter, the startup taxpayer may receive a  
13 Credit, taking into account any benefits previously  
14 enjoyed or received by way of the election under this  
15 paragraph (1.8), so long as the startup taxpayer remains  
16 in compliance with the terms and conditions of the  
17 Agreement.

18           (1.9) Notwithstanding any other provision of law, the  
19 election under this subsection (f) may also be made by an  
20 applicant qualified under paragraph (1.7) of subsection  
21 (b) of Section 5-20 for any Credit awarded pursuant to an  
22 Agreement that was executed on or after the effective date  
23 of this amendatory Act of the 103rd General Assembly. Any  
24 such election under this paragraph (1.9) shall be  
25 effective unless and until such taxpayer has any Illinois  
26 income tax liability. This election under this paragraph



1       (1.9) shall automatically terminate when the taxpayer has  
2       any Illinois income tax liability at the end of any  
3       taxable year during the term of the Agreement. Thereafter,  
4       the startup taxpayer may receive a Credit, taking into  
5       account any benefits previously enjoyed or received by way  
6       of the election under this paragraph (1.9), so long as the  
7       startup taxpayer remains in compliance with the terms and  
8       conditions of the Agreement.

9           (2) An election under this subsection shall allow the  
10       credit to be taken against payments otherwise due under  
11       Section 704A of the Illinois Income Tax Act during the  
12       first calendar quarter beginning after the end of the  
13       taxable quarter in which the credit is awarded under this  
14       Act.

15           (3) The election shall be made in the form and manner  
16       required by the Illinois Department of Revenue and, once  
17       made, shall be irrevocable.

18           (4) If a Taxpayer who meets the requirements of  
19       subparagraph (A) of paragraph (1) of this subsection (f)  
20       elects to claim the Credit against its withholdings as  
21       provided in this subsection (f), then, on and after the  
22       date of the election, the terms of the Agreement between  
23       the Taxpayer and the Department may not be further amended  
24       during the term of the Agreement.

25           (g) A pass-through entity that has been awarded a credit  
26       under this Act, its shareholders, or its partners may treat

1 some or all of the credit awarded pursuant to this Act as a tax  
2 payment for purposes of the Illinois Income Tax Act. The term  
3 "tax payment" means a payment as described in Article 6 or  
4 Article 8 of the Illinois Income Tax Act or a composite payment  
5 made by a pass-through entity on behalf of any of its  
6 shareholders or partners to satisfy such shareholders' or  
7 partners' taxes imposed pursuant to subsections (a) and (b) of  
8 Section 201 of the Illinois Income Tax Act. In no event shall  
9 the amount of the award credited pursuant to this Act exceed  
10 the Illinois income tax liability of the pass-through entity  
11 or its shareholders or partners for the taxable year.

12 (Source: P.A. 102-700, eff. 4-19-22; 103-9, eff. 6-7-23.)

13 (35 ILCS 10/5-20)

14 Sec. 5-20. Application for a project to create and retain  
15 new jobs.

16 (a) Any Taxpayer proposing a project located or planned to  
17 be located in Illinois may request consideration for  
18 designation of its project, by formal written letter of  
19 request or by formal application to the Department, in which  
20 the Applicant states its intent to make at least a specified  
21 level of investment and intends to hire or retain a specified  
22 number of full-time employees at a designated location in  
23 Illinois. As circumstances require, the Department may require  
24 a formal application from an Applicant and a formal letter of  
25 request for assistance.

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

3 (1) if the Applicant has more than 100 employees,  
4 involve an investment of at least \$2,500,000 in capital  
5 improvements to be placed in service within the State as a  
6 direct result of the project; if the Applicant has 100 or  
7 fewer employees, then there is no capital investment  
8 requirement;

9 (1.5) if the Applicant has more than 100 employees,  
10 employ a number of new employees in the State equal to the  
11 lesser of (A) 10% of the number of full-time employees  
12 employed by the applicant world-wide on the date the  
13 application is filed with the Department or (B) 50 New  
14 Employees; and, if the Applicant has 100 or fewer  
15 employees, employ a number of new employees in the State  
16 equal to the lesser of (A) 5% of the number of full-time  
17 employees employed by the applicant world-wide on the date  
18 the application is filed with the Department or (B) 50 New  
19 Employees;

20 (1.6) if the Applicant is a startup taxpayer, the  
21 employees employed by Related Members shall not be  
22 attributed to the Applicant for purposes of determining  
23 the capital investment or job creation requirements under  
24 this subsection (b);

25 (1.7) if the agreement is entered into on or after the  
26 effective date of this amendatory Act of the 103rd General

1       Assembly and the Applicant's project:

2               (A) makes an investment of at least \$50,000,000 in  
3               capital improvements at the project site;

4               (B) is placed in service after approval of the  
5               application; and

6               (C) creates jobs for at least 100 new full-time  
7               employees.

8               (2) (blank);

9               (3) (blank); and

10              (4) include an annual sexual harassment policy report  
11              as provided under Section 5-58.

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              (Source: P.A. 101-81, eff. 7-12-19; 102-700, eff. 4-19-22.)

16              (35 ILCS 10/5-35)

17              Sec. 5-35. Relocation of jobs in Illinois. A taxpayer is  
18              not entitled to claim the credit provided by this Act with  
19              respect to any jobs that the taxpayer relocates from one site  
20              in Illinois unless the taxpayer has agreed to hire the minimum  
21              number of new employees and the Department has determined that  
22              the expansion cannot reasonably be accommodated within the  
23              municipality in which the business is located ~~to another site~~  
24              ~~in Illinois. A taxpayer with respect to a qualifying project~~  
25              ~~certified under the Corporate Headquarters Relocation Act,~~

1 ~~however, is not subject to the requirements of this Section~~  
2 ~~but is nevertheless considered an applicant for purposes of~~  
3 ~~this Act. Moreover, any full-time employee of an eligible~~  
4 ~~business relocated to Illinois in connection with that~~  
5 ~~qualifying project is deemed to be a new employee for purposes~~  
6 ~~of this Act.~~ Determinations under this Section shall be made  
7 by the Department.

8 (Source: P.A. 91-476, eff. 8-11-99; 92-207, eff. 8-1-01.)

9 (35 ILCS 10/5-45)

10 Sec. 5-45. Amount and duration of the credit.

11 (a) The Department shall determine the amount and duration  
12 of the credit awarded under this Act. The duration of the  
13 credit may not exceed 10 taxable years for projects qualified  
14 under paragraph (1), (1.5), or (1.6) of subsection (b) of  
15 Section 5-20 or 15 taxable years for projects qualified under  
16 paragraph (1.7) of subsection (b) of Section 5-20. The credit  
17 may be stated as a percentage of the Incremental Income Tax  
18 attributable to the applicant's project and may include a  
19 fixed dollar limitation.

20 (b) Notwithstanding subsection (a), and except as the  
21 credit may be applied in a carryover year pursuant to Section  
22 211(4) of the Illinois Income Tax Act, the credit may be  
23 applied against the State income tax liability in more than 10  
24 taxable years but not in more than 15 taxable years for an  
25 eligible business that (i) qualifies under this Act and the

1 Corporate Headquarters Relocation Act and has in fact  
2 undertaken a qualifying project within the time frame  
3 specified by the Department of Commerce and Economic  
4 Opportunity under that Act, and (ii) applies against its State  
5 income tax liability, during the entire 15-year period, no  
6 more than 60% of the maximum credit per year that would  
7 otherwise be available under this Act.

8 (c) Nothing in this Section shall prevent the Department,  
9 in consultation with the Department of Revenue, from adopting  
10 rules to extend the sunset of any earned, existing, and unused  
11 tax credit or credits a taxpayer may be in possession of, as  
12 provided for in Section 605-1070 of the Department of Commerce  
13 and Economic Opportunity Law of the Civil Administrative Code  
14 of Illinois, notwithstanding the carry-forward provisions  
15 pursuant to paragraph (4) of Section 211 of the Illinois  
16 Income Tax Act.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-813, eff. 5-13-22.)

18 (35 ILCS 10/5-56)

19 Sec. 5-56. Annual report. Certified payroll. Annually,  
20 until construction is completed, a company seeking New  
21 Construction EDGE Credits shall submit a report that, at a  
22 minimum, describes the projected project scope, timeline, and  
23 anticipated budget. Once the project has commenced, the annual  
24 report shall include actual data for the prior year as well as  
25 projections for each additional year through completion of the

1 project. The Department shall issue detailed reporting  
2 guidelines prescribing the requirements of construction  
3 related reports. In order to receive credit for construction  
4 expenses, the company must provide the Department of Commerce  
5 and Economic Opportunity with evidence that a certified  
6 third-party executed an Agreed-Upon Procedure (AUP) verifying  
7 the construction expenses or accept the standard construction  
8 wage expense estimated by the Department of Commerce and  
9 Economic Opportunity.

10 Upon review of the final project scope, timeline, budget,  
11 and AUP, the Department shall issue a tax credit certificate  
12 reflecting a percentage of the total construction job wages  
13 paid throughout the completion of the project.

14 ~~Each contractor and subcontractor that is engaged in and is~~  
15 ~~executing a New Construction EDGE Project for a Taxpayer,~~  
16 ~~pursuant to a New Construction EDGE Agreement shall:~~

17 ~~(1) make and keep, for a period of 5 years from the~~  
18 ~~date of the last payment made on or after June 5, 2019 (the~~  
19 ~~effective date of Public Act 101-9) on a contract or~~  
20 ~~subcontract for a New Construction EDGE Project pursuant~~  
21 ~~to a New Construction EDGE Agreement, records of all~~  
22 ~~laborers and other workers employed by the contractor or~~  
23 ~~subcontractor on the project; the records shall include:~~

24 ~~(A) the worker's name;~~

25 ~~(B) the worker's address;~~

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

1 ~~(D) the worker's social security number;~~

2 ~~(E) the worker's classification or~~  
3 ~~classifications;~~

4 ~~(F) the worker's gross and net wages paid in each~~  
5 ~~pay period;~~

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

7 ~~(H) the worker's starting and ending times of work~~  
8 ~~each day;~~

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

10 ~~(J) the worker's hourly overtime wage rate; and~~

11 ~~(2) no later than the 15th day of each calendar month,~~  
12 ~~provide a certified payroll for the immediately preceding~~  
13 ~~month to the taxpayer in charge of the project; within 5~~  
14 ~~business days after receiving the certified payroll, the~~  
15 ~~taxpayer shall file the certified payroll with the~~  
16 ~~Department of Labor and the Department of Commerce and~~  
17 ~~Economic Opportunity; a certified payroll must be filed~~  
18 ~~for only those calendar months during which construction~~  
19 ~~on a New Construction EDGE Project has occurred; the~~  
20 ~~certified payroll shall consist of a complete copy of the~~  
21 ~~records identified in paragraph (1), but may exclude the~~  
22 ~~starting and ending times of work each day; the certified~~  
23 ~~payroll shall be accompanied by a statement signed by the~~  
24 ~~contractor or subcontractor or an officer, employee, or~~  
25 ~~agent of the contractor or subcontractor which avers that:~~

26 ~~(A) he or she has examined the certified payroll~~



1 ~~records required to be submitted by the Act and such~~  
2 ~~records are true and accurate; and~~

3 ~~(B) the contractor or subcontractor is aware that~~  
4 ~~filing a certified payroll that he or she knows to be~~  
5 ~~false is a Class A misdemeanor.~~

6 ~~A general contractor is not prohibited from relying on a~~  
7 ~~certified payroll of a lower tier subcontractor, provided the~~  
8 ~~general contractor does not knowingly rely upon a~~  
9 ~~subcontractor's false certification.~~

10 ~~Any contractor or subcontractor subject to this Section,~~  
11 ~~and any officer, employee, or agent of such contractor or~~  
12 ~~subcontractor whose duty as an officer, employee, or agent it~~  
13 ~~is to file a certified payroll under this Section, who~~  
14 ~~willfully fails to file such a certified payroll on or before~~  
15 ~~the date such certified payroll is required to be filed and any~~  
16 ~~person who willfully files a false certified payroll that is~~  
17 ~~false as to any material fact is in violation of this Act and~~  
18 ~~guilty of a Class A misdemeanor.~~

19 ~~The taxpayer in charge of the project shall keep the~~  
20 ~~records submitted in accordance with this Section on or after~~  
21 ~~June 5, 2019 (the effective date of Public Act 101-9) for a~~  
22 ~~period of 5 years from the date of the last payment for work on~~  
23 ~~a contract or subcontract for the project.~~

24 ~~The records submitted in accordance with this Section~~  
25 ~~shall be considered public records, except an employee's~~  
26 ~~address, telephone number, and social security number, and~~

1 ~~made available in accordance with the Freedom of Information~~  
2 ~~Act. The Department of Labor shall accept any reasonable~~  
3 ~~submissions by the contractor that meet the requirements of~~  
4 ~~this Section and shall share the information with the~~  
5 ~~Department in order to comply with the awarding of New~~  
6 ~~Construction EDGE Credits. A contractor, subcontractor, or~~  
7 ~~public body may retain records required under this Section in~~  
8 ~~paper or electronic format.~~

9       Upon 7 business days' notice, the taxpayer ~~contractor and~~  
10 ~~each subcontractor~~ shall make available for inspection and  
11 copying at a location within this State during reasonable  
12 hours, the records identified in paragraph (1) of this Section  
13 to the taxpayer in charge of the project, its officers and  
14 agents, ~~the Director of Labor and his or her deputies and~~  
15 ~~agents,~~ and to federal, State, or local law enforcement  
16 agencies and prosecutors.

17 (Source: P.A. 101-9, eff. 6-5-19; 102-558, eff. 8-20-21.)

18       Section 30. The Manufacturing Illinois Chips for Real  
19 Opportunity (MICRO) Act is amended by changing Sections  
20 110-10, 110-20, 110-35, 110-65, and 110-95 as follows:

21       (35 ILCS 45/110-10)

22       Sec. 110-10. Definitions. As used in this Act:

23       "Agreement" means the agreement between a taxpayer and the  
24 Department under the provisions of this Act.

1           "Applicant" means a taxpayer that: (i) operates a business  
2 in Illinois as a semiconductor manufacturer, a microchip  
3 manufacturer, or a manufacturer of semiconductor or microchip  
4 component parts, or focuses on research and development and  
5 innovation in the space of semiconductor manufacturing,  
6 microchip manufacturing, and the manufacturing of  
7 semiconductor or microchip component parts; or (ii) is  
8 planning to locate a business within the State of Illinois as a  
9 semiconductor manufacturer, a microchip manufacturer, or a  
10 manufacturer of semiconductor or microchip component parts, or  
11 focuses on research and development and innovation in the  
12 space of semiconductor manufacturing, microchip manufacturing,  
13 and the manufacturing of semiconductor or microchip component  
14 parts. "Applicant" does not include a taxpayer who closes or  
15 substantially reduces by more than 50% operations at one  
16 location in the State and relocates substantially the same  
17 operation to another location in the State. This does not  
18 prohibit a taxpayer from expanding its operations at another  
19 location in the State. This also does not prohibit a taxpayer  
20 from moving its operations from one location in the State to  
21 another location in the State for the purpose of expanding the  
22 operation, provided that the Department determines that  
23 expansion cannot reasonably be accommodated within the  
24 municipality or county in which the business is located, or,  
25 in the case of a business located in an incorporated area of  
26 the county, within the county in which the business is

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

6 "Capital improvements" means the purchase, renovation,  
7 rehabilitation, or construction of permanent tangible land,  
8 buildings, structures, equipment, and furnishings in an  
9 approved project sited in Illinois and expenditures for goods  
10 or services that are normally capitalized, including  
11 organizational costs and research and development costs  
12 incurred in Illinois. For land, buildings, structures, and  
13 equipment that are leased, the lease must equal or exceed the  
14 term of the agreement, and the cost of the property shall be  
15 determined from the present value, using the corporate  
16 interest rate prevailing at the time of the application, of  
17 the lease payments.

18 "Credit" or "MICRO credit" means a credit agreed to  
19 between the Department and applicant under this Act.

20 "Department" means the Department of Commerce and Economic  
21 Opportunity.

22 "Director" means the Director of Commerce and Economic  
23 Opportunity.

24 "Energy Transition Area" means a county with less than  
25 100,000 people or a municipality that contains one or more of  
26 the following:

1           (1) a fossil fuel plant that was retired from service  
2           or has significant reduced service within 6 years before  
3           the time of the application or will be retired or have  
4           service significantly reduced within 6 years following the  
5           time of the application; or

6           (2) a coal mine that was closed or had operations  
7           significantly reduced within 6 years before the time of  
8           the application or is anticipated to be closed or have  
9           operations significantly reduced within 6 years following  
10          the time of the application.

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

19          "Incremental income tax" means the total amount withheld  
20          during the taxable year from the compensation of new employees  
21          and, if applicable, retained employees under Article 7 of the  
22          Illinois Income Tax Act arising from employment at a project  
23          that is the subject of an agreement.

24          "Institution of higher education" or "institution" means  
25          any accredited public or private university, college,  
26          community college, business, technical, or vocational school,

1 or other accredited educational institution offering degrees  
2 and instruction beyond the secondary school level.

3 "MICRO construction jobs credit" means a credit agreed to  
4 between the Department and the applicant under this Act that  
5 is based on the incremental income tax attributable to  
6 construction wages paid in connection with construction of the  
7 project facilities.

8 "MICRO credit" means a credit agreed to between the  
9 Department and the applicant under this Act that is based on  
10 the incremental income tax attributable to new employees and,  
11 if applicable, retained employees, and on training costs for  
12 such employees at the applicant's project.

13 "Microchip" means a wafer of semiconducting material that  
14 is less than 15 millimeters long and less than 5 millimeters  
15 wide and is used to make an integrated circuit.

16 "Microchip manufacturer" means a new or existing  
17 manufacturer that is focused on reequipping, expanding, or  
18 establishing a manufacturing facility in Illinois that  
19 produces microchips or ~~key~~ components that directly support  
20 the functions of microchips.

21 "Minority person" means a minority person as defined in  
22 the Business Enterprise for Minorities, Women, and Persons  
23 with Disabilities Act.

24 "New employee" means a newly-hired full-time employee  
25 employed to work at the project site and whose work is directly  
26 related to the project.

1 "Noncompliance date" means, in the case of a taxpayer that  
2 is not complying with the requirements of the agreement or the  
3 provisions of this Act, the day following the last date upon  
4 which the taxpayer was in compliance with the requirements of  
5 the agreement and the provisions of this Act, as determined by  
6 the Director.

7 "Pass-through entity" means an entity that is exempt from  
8 the tax under subsection (b) or (c) of Section 205 of the  
9 Illinois Income Tax Act.

10 "Placed in service" means the state or condition of  
11 readiness, availability for a specifically assigned function,  
12 and the facility is constructed and ready to conduct its  
13 facility operations to manufacture goods.

14 "Professional employer organization" (PEO) means an  
15 employee leasing company, as defined in Section 206.1 of the  
16 Illinois Unemployment Insurance Act.

17 "Program" means the Manufacturing Illinois Chips for Real  
18 Opportunity (MICRO) program established in this Act.

19 "Project" means a for-profit economic development activity  
20 for the manufacture of semiconductors and microchips.

21 "Related member" means a person that, with respect to the  
22 taxpayer during any portion of the taxable year, is any one of  
23 the following:

- 24 (1) An individual stockholder, if the stockholder and  
25 the members of the stockholder's family (as defined in  
26 Section 318 of the Internal Revenue Code) own directly,

1 indirectly, beneficially, or constructively, in the  
2 aggregate, at least 50% of the value of the taxpayer's  
3 outstanding stock.

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

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

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

25 (5) A person to or from whom there is an attribution of  
26 stock ownership in accordance with Section 1563(e) of the



1 Internal Revenue Code, except, for purposes of determining  
2 whether a person is a related member under this paragraph,  
3 20% shall be substituted for 5% wherever 5% appears in  
4 Section 1563(e) of the Internal Revenue Code.

5 "Research and development" means work directed toward the  
6 innovation, introduction, and improvement of products and  
7 processes in the space of semiconductor manufacturing,  
8 microchip manufacturing, and the manufacturing of  
9 semiconductor or microchip component parts.

10 "Retained employee" means a full-time employee employed by  
11 the taxpayer prior to the term of the agreement who continues  
12 to be employed during the term of the agreement whose job  
13 duties are directly and substantially related to the project.  
14 For purposes of this definition, "directly and substantially  
15 related to the project" means at least two-thirds of the  
16 employee's job duties must be directly related to the project  
17 and the employee must devote at least two-thirds of his or her  
18 time to the project. The term "retained employee" does not  
19 include any individual who has a direct or an indirect  
20 ownership interest of at least 5% in the profits, equity,  
21 capital, or value of the taxpayer or a child, grandchild,  
22 parent, or spouse, other than a spouse who is legally  
23 separated from the individual, of any individual who has a  
24 direct or indirect ownership of at least 5% in the profits,  
25 equity, capital, or value of the taxpayer.

26 "Semiconductor" means any class of crystalline solids

1 intermediate in electrical conductivity between a conductor  
2 and an insulator.

3 "Semiconductor manufacturer" means a new or existing  
4 manufacturer that is focused on reequipping, expanding, or  
5 establishing a manufacturing facility in Illinois that  
6 produces semiconductors or ~~key~~ components that directly  
7 support the functions of semiconductors. Semiconductor  
8 manufacturing also includes the manufacturing of component  
9 parts that are required for the development and operation of  
10 quantum computers and quantum computing facilities.

11 "Statewide baseline" means the total number of full-time  
12 employees of the applicant and any related member employed by  
13 such entities at the time of application for incentives under  
14 this Act.

15 "Taxpayer" means an individual, corporation, partnership,  
16 or other entity that has a legal obligation to pay Illinois  
17 income taxes and file an Illinois income tax return.

18 "Training costs" means costs incurred to upgrade the  
19 technological skills of full-time employees in Illinois and  
20 includes: curriculum development; training materials  
21 (including scrap product costs); trainee domestic travel  
22 expenses; instructor costs (including wages, fringe benefits,  
23 tuition and domestic travel expenses); rent, purchase or lease  
24 of training equipment; and other usual and customary training  
25 costs. "Training costs" do not include costs associated with  
26 travel outside the United States (unless the taxpayer receives

1 prior written approval for the travel by the Director based on  
2 a showing of substantial need or other proof the training is  
3 not reasonably available within the United States), wages and  
4 fringe benefits of employees during periods of training, or  
5 administrative cost related to full-time employees of the  
6 taxpayer.

7 "Underserved area" means any geographic area ~~areas~~ as  
8 defined in Section 5-5 of the Economic Development for a  
9 Growing Economy Tax Credit Act.

10 (Source: P.A. 102-700, eff. 4-19-22.)

11 (35 ILCS 45/110-20)

12 Sec. 110-20. Manufacturing Illinois Chips for Real  
13 Opportunity (MICRO) Program; project applications.

14 (a) The Manufacturing Illinois Chips for Real Opportunity  
15 (MICRO) Program is hereby established and shall be  
16 administered by the Department. The Program will provide  
17 financial incentives to eligible semiconductor manufacturers,  
18 ~~and~~ microchip manufacturers, and companies focusing on  
19 research and development and innovation in the space of  
20 semiconductor manufacturing, microchip manufacturing, and the  
21 manufacturing of semiconductor or microchip component parts.

22 (b) Any taxpayer planning a project to be located in  
23 Illinois may request consideration for designation of its  
24 project as a MICRO project, by formal written letter of  
25 request or by formal application to the Department, in which

1 the applicant states its intent to make at least a specified  
2 level of investment and intends to hire a specified number of  
3 full-time employees at a designated location in Illinois. As  
4 circumstances require, the Department shall require a formal  
5 application from an applicant and a formal letter of request  
6 for assistance.

7 (c) In order to qualify for credits under the program, an  
8 applicant must:

9 (1) for a semiconductor manufacturer or microchip  
10 manufacturer:

11 (A) make an investment of at least \$1,500,000,000  
12 in capital improvements at the project site;

13 (B) to be placed in service within the State  
14 within a 60-month period after approval of the  
15 application; and

16 (C) create at least 500 new full-time employee  
17 jobs; or

18 (2) for a semiconductor or microchip component parts  
19 manufacturer:

20 (A) make an investment of at least \$300,000,000 in  
21 capital improvements at the project site;

22 (B) manufacture one or more parts that are  
23 primarily used for the manufacture of semiconductors  
24 or microchips;

25 (C) to be placed in service within the State  
26 within a 60-month period after approval of the

1 application; and

2 (D) create at least 150 new full-time employee  
3 jobs; or

4 (3) for a semiconductor manufacturer or microchip  
5 manufacturer or a semiconductor or microchip component  
6 parts manufacturer that does not qualify under paragraph  
7 (2) above:

8 (A) make an investment of at least \$2,500,000  
9 ~~\$20,000,000~~ in capital improvements at the project  
10 site;

11 (B) to be placed in service within the State  
12 within a 48-month period after approval of the  
13 application; and

14 (C) create at least 50 new full-time employee jobs  
15 or new full-time employees equivalent to 10% of the  
16 number of full-time employees employed by the  
17 applicant world-wide on the date the application is  
18 filed with the Department; or

19 (4) for a semiconductor manufacturer or microchip  
20 manufacturer or a semiconductor or microchip component  
21 parts manufacturer with existing operations in Illinois  
22 that intends to convert or expand, in whole or in part, the  
23 existing facility from traditional manufacturing to  
24 semiconductor manufacturing or microchip manufacturing or  
25 semiconductor or microchip component parts manufacturing,  
26 or a company focusing on research and development and

1       innovation in the space of semiconductor manufacturing,  
2       microchip manufacturing, and the manufacturing of  
3       semiconductor or microchip component parts:

4               (A) make an investment of at least \$100,000,000 in  
5       capital improvements at the project site;

6               (B) to be placed in service within the State  
7       within a 60-month period after approval of the  
8       application; and

9               (C) create the lesser of 75 new full-time employee  
10       jobs or new full-time employee jobs equivalent to 10%  
11       of the Statewide baseline applicable to the taxpayer  
12       and any related member at the time of application.

13       (d) For any applicant creating the full-time employee jobs  
14       noted in subsection (c), those jobs must have a total  
15       compensation equal to or greater than 120% of the average wage  
16       paid to full-time employees in the county where the project is  
17       located, as determined by the Department.

18       (e) Each applicant must outline its hiring plan and  
19       commitment to recruit and hire full-time employee positions at  
20       the project site. The hiring plan may include a partnership  
21       with an institution of higher education to provide  
22       internships, including, but not limited to, internships  
23       supported by the Clean Jobs Workforce Network Program, or  
24       full-time permanent employment for students at the project  
25       site. Additionally, the applicant may create or utilize  
26       participants from apprenticeship programs that are approved by

1 and registered with the United States Department of Labor's  
2 Bureau of Apprenticeship and Training. The Applicant may apply  
3 for apprenticeship education expense credits in accordance  
4 with the provisions set forth in 14 Ill. Admin. Code 522. Each  
5 applicant is required to report annually, on or before April  
6 15, on the diversity of its workforce in accordance with  
7 Section 110-50 of this Act. For existing facilities of  
8 applicants under paragraph (3) of subsection (b) above, if the  
9 taxpayer expects a reduction in force due to its transition to  
10 manufacturing semiconductors, microchips, or semiconductor or  
11 microchip component parts, the plan submitted under this  
12 Section must outline the taxpayer's plan to assist with  
13 retraining its workforce aligned with the taxpayer's adoption  
14 of new technologies and anticipated efforts to retrain  
15 employees through employment opportunities within the  
16 taxpayer's workforce.

17 (f) A taxpayer may not enter into more than one agreement  
18 under this Act with respect to a single address or location for  
19 the same period of time. Also, a taxpayer may not enter into an  
20 agreement under this Act with respect to a single address or  
21 location for the same period of time for which the taxpayer  
22 currently holds an active agreement under the Economic  
23 Development for a Growing Economy Tax Credit Act. This  
24 provision does not preclude the applicant from entering into  
25 an additional agreement after the expiration or voluntary  
26 termination of an earlier agreement under this Act or under

1 the Economic Development for a Growing Economy Tax Credit Act  
2 to the extent that the taxpayer's application otherwise  
3 satisfies the terms and conditions of this Act and is approved  
4 by the Department. An applicant with an existing agreement  
5 under the Economic Development for a Growing Economy Tax  
6 Credit Act may submit an application for an agreement under  
7 this Act after it terminates any existing agreement under the  
8 Economic Development for a Growing Economy Tax Credit Act with  
9 respect to the same address or location.

10 (Source: P.A. 102-700, eff. 4-19-22; 102-1125, eff. 2-3-23.)

11 (35 ILCS 45/110-35)

12 Sec. 110-35. Relocation of jobs in Illinois. A taxpayer is  
13 not entitled to claim a credit provided by this Act with  
14 respect to any jobs that the taxpayer relocates from one site  
15 in Illinois to another site in Illinois unless the taxpayer  
16 has agreed to hire the minimum number of new employees and the  
17 Department has determined that the expansion cannot reasonably  
18 be accommodated within the municipality in which the business  
19 is located. Any full-time employee relocated to Illinois in  
20 connection with a qualifying project is deemed to be a new  
21 employee for purposes of this Act. Determinations under this  
22 Section shall be made by the Department.

23 (Source: P.A. 102-700, eff. 4-19-22.)

24 (35 ILCS 45/110-65)



1           Sec. 110-65. Certified payroll.

2           (a) Annually, until construction is completed, a company  
3 seeking MICRO Construction Job Credits shall submit a report  
4 that, at a minimum, describes the projected project scope,  
5 timeline, and anticipated budget. Once the project has  
6 commenced, the annual report shall include actual data for the  
7 prior year as well as projections for each additional year  
8 through completion of the project. The Department shall issue  
9 detailed reporting guidelines prescribing the requirements of  
10 construction-related reports.   ~~Each contractor and~~  
11 ~~subcontractor that is engaged in construction work on project~~  
12 ~~facilities for a taxpayer who seeks to apply for a MICRO~~  
13 ~~Construction Jobs Credit shall:~~

14           ~~(1) make and keep, for a period of 5 years from the~~  
15 ~~date of the last payment made on a contract or subcontract~~  
16 ~~for construction of facilities for a project pursuant to~~  
17 ~~an agreement, records of all laborers and other workers~~  
18 ~~employed by the contractor or subcontractor on the~~  
19 ~~project; the records shall include:~~

20           ~~(A) the worker's name;~~

21           ~~(B) the worker's address;~~

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

23           ~~(D) the worker's social security number;~~

24           ~~(E) the worker's classification or~~  
25 ~~classifications;~~

26           ~~(F) the worker's gross and net wages paid in each~~

1 ~~pay period;~~

2 ~~(G) the worker's number of hours worked in each~~  
3 ~~day;~~

4 ~~(H) the worker's starting and ending times of work~~  
5 ~~each day;~~

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

7 ~~(J) the worker's hourly overtime wage rate; and~~

8 ~~(2) no later than the 15th day of each calendar month,~~  
9 ~~provide a certified payroll for the immediately preceding~~  
10 ~~month to the taxpayer in charge of the project; within 5~~  
11 ~~business days after receiving the certified payroll, the~~  
12 ~~taxpayer shall file the certified payroll with the~~  
13 ~~Department of Labor and the Department; a certified~~  
14 ~~payroll must be filed for only those calendar months~~  
15 ~~during which construction on the project facilities has~~  
16 ~~occurred; the certified payroll shall consist of a~~  
17 ~~complete copy of the records identified in paragraph (1),~~  
18 ~~but may exclude the starting and ending times of work each~~  
19 ~~day; the certified payroll shall be accompanied by a~~  
20 ~~statement signed by the contractor or subcontractor or an~~  
21 ~~officer, employee, or agent of the contractor or~~  
22 ~~subcontractor which avers that:~~

23 ~~(A) he or she has examined the certified payroll~~  
24 ~~records required to be submitted by the Act and such~~  
25 ~~records are true and accurate; and~~

26 ~~(B) the contractor or subcontractor is aware that~~

1 ~~filing a certified payroll that he or she knows to be~~  
2 ~~false is a Class A misdemeanor.~~

3 ~~A general contractor is not prohibited from relying on a~~  
4 ~~certified payroll of a lower tier subcontractor, provided the~~  
5 ~~general contractor does not knowingly rely upon a~~  
6 ~~subcontractor's false certification.~~

7 (b) In order to receive credit for construction expenses,  
8 the company must provide the Department of Commerce and  
9 Economic Opportunity with evidence that a certified third  
10 party executed an Agreed-Upon Procedure (AUP) verifying the  
11 construction expenses or accept the standard construction wage  
12 expense estimated by the Department of Commerce and Economic  
13 Opportunity. ~~Any contractor or subcontractor subject to this~~  
14 ~~Section, and any officer, employee, or agent of such~~  
15 ~~contractor or subcontractor whose duty as an officer,~~  
16 ~~employee, or agent it is to file a certified payroll under this~~  
17 ~~Section, who willfully fails to file such a certified payroll,~~  
18 ~~on or before the date such certified payroll is required to be~~  
19 ~~filed and any person who willfully files a false certified~~  
20 ~~payroll as to any material fact is in violation of this Act and~~  
21 ~~guilty of a Class A misdemeanor and may be enforced by the~~  
22 ~~Illinois Department of Labor or the Department. The Attorney~~  
23 ~~General shall represented the Illinois Department of Labor or~~  
24 ~~the Department in the proceeding.~~

25 (c) Upon review of the final project scope, timeline,  
26 budget, and AUP, the Department shall issue a tax credit

1 certificate reflecting a percentage of the total construction  
2 job wages paid throughout the completion of the project. ~~The~~  
3 ~~taxpayer in charge of the project shall keep the records~~  
4 ~~submitted in accordance with this Section for a period of 5~~  
5 ~~years from the date of the last payment for work on a contract~~  
6 ~~or subcontract for the project.~~

7 (d) (Blank). ~~The records submitted in accordance with this~~  
8 ~~Section shall be considered public records, except an~~  
9 ~~employee's address, telephone number, and social security~~  
10 ~~number, which shall be redacted. The records shall be made~~  
11 ~~publicly available in accordance with the Freedom of~~  
12 ~~Information Act. The contractor or subcontractor shall submit~~  
13 ~~reports to the Department of Labor electronically that meet~~  
14 ~~the requirements of this subsection and shall share the~~  
15 ~~information with the Department to comply with the awarding of~~  
16 ~~the MICRO Construction Jobs Credit. A contractor,~~  
17 ~~subcontractor, or public body may retain records required~~  
18 ~~under this Section in paper or electronic format.~~

19 (e) Upon 7 business days' notice, the taxpayer contractor  
20 ~~and each subcontractor~~ shall make available to each State  
21 agency and to federal, State, or local law enforcement  
22 agencies and prosecutors for inspection and copying at a  
23 location within this State during reasonable hours, the report  
24 described in subsection (a) ~~records identified in paragraph~~  
25 ~~(1) of this subsection to the taxpayer in charge of the~~  
26 ~~Project, its officers and agents, the Director of the~~

1 ~~Department of Labor and his/her deputies and agents, and to~~  
2 ~~federal, State, or local law enforcement agencies and~~  
3 ~~prosecutors.~~

4 (Source: P.A. 102-700, eff. 4-19-22.)

5 (35 ILCS 45/110-95)

6 Sec. 110-95. Utility tax exemptions for MICRO projects.  
7 The Department may certify a taxpayer with a credit for a  
8 project that meets the qualifications under paragraphs (1),  
9 (2), and (4) of subsection (c) of Section 110-20, subject to an  
10 agreement under this Act, for an exemption from the tax  
11 imposed at the project site by Section 2-4 of the Electricity  
12 Excise Tax Law. To receive such certification, the taxpayer  
13 must be registered to self-assess that tax. The taxpayer is  
14 also exempt from any additional charges added to the  
15 taxpayer's utility bills at the project site as a pass-on of  
16 State utility taxes under Section 9-222 of the Public  
17 Utilities Act. The taxpayer must meet any other ~~the~~ criteria  
18 for certification set by the Department.

19 The Department shall determine the period during which the  
20 exemption from the Electricity Excise Tax Law and the charges  
21 imposed under Section 9-222 of the Public Utilities Act are in  
22 effect, which shall not exceed 30 ~~10~~ years or the life of the  
23 agreement, whichever is lesser, from the date of the  
24 taxpayer's initial receipt of certification from the  
25 Department under this Section.

1           The Department is authorized to adopt rules to carry out  
2 the provisions of this Section, including procedures to apply  
3 for the exemptions; to define the amounts and types of  
4 eligible investments that an applicant must make in order to  
5 receive electricity excise tax exemptions or exemptions from  
6 the additional charges imposed under Section 9-222 and the  
7 Public Utilities Act; to approve such electricity excise tax  
8 exemptions for applicants whose investments are not yet placed  
9 in service; and to require that an applicant granted an  
10 electricity excise tax exemption or an exemption from  
11 additional charges under Section 9-222 of the Public Utilities  
12 Act repay the exempted amount if the applicant fails to comply  
13 with the terms and conditions of the agreement.

14           Upon certification by the Department under this Section,  
15 the Department shall notify the Department of Revenue of the  
16 certification. The Department of Revenue shall notify the  
17 public utilities of the exempt status of any taxpayer  
18 certified for exemption under this Act from the electricity  
19 excise tax or pass-on charges. The exemption status shall take  
20 effect within 3 months after certification of the taxpayer and  
21 notice to the Department of Revenue by the Department.

22           (Source: P.A. 102-700, eff. 4-19-22.)

23           Section 35. The Use Tax Act is amended by changing Section  
24 3-5 as follows:

1 (35 ILCS 105/3-5)

2 Sec. 3-5. Exemptions. Use of the following tangible  
3 personal property is exempt from the tax imposed by this Act:

4 (1) Personal property purchased from a corporation,  
5 society, association, foundation, institution, or  
6 organization, other than a limited liability company, that is  
7 organized and operated as a not-for-profit service enterprise  
8 for the benefit of persons 65 years of age or older if the  
9 personal property was not purchased by the enterprise for the  
10 purpose of resale by the enterprise.

11 (2) Personal property purchased by a not-for-profit  
12 Illinois county fair association for use in conducting,  
13 operating, or promoting the county fair.

14 (3) Personal property purchased by a not-for-profit arts  
15 or cultural organization that establishes, by proof required  
16 by the Department by rule, that it has received an exemption  
17 under Section 501(c)(3) of the Internal Revenue Code and that  
18 is organized and operated primarily for the presentation or  
19 support of arts or cultural programming, activities, or  
20 services. These organizations include, but are not limited to,  
21 music and dramatic arts organizations such as symphony  
22 orchestras and theatrical groups, arts and cultural service  
23 organizations, local arts councils, visual arts organizations,  
24 and media arts organizations. On and after July 1, 2001 (the  
25 effective date of Public Act 92-35), however, an entity  
26 otherwise eligible for this exemption shall not make tax-free

1 purchases unless it has an active identification number issued  
2 by the Department.

3 (4) Except as otherwise provided in this Act, personal  
4 property purchased by a governmental body, by a corporation,  
5 society, association, foundation, or institution organized and  
6 operated exclusively for charitable, religious, or educational  
7 purposes, or by a not-for-profit corporation, society,  
8 association, foundation, institution, or organization that has  
9 no compensated officers or employees and that is organized and  
10 operated primarily for the recreation of persons 55 years of  
11 age or older. A limited liability company may qualify for the  
12 exemption under this paragraph only if the limited liability  
13 company is organized and operated exclusively for educational  
14 purposes. On and after July 1, 1987, however, no entity  
15 otherwise eligible for this exemption shall make tax-free  
16 purchases unless it has an active exemption identification  
17 number issued by the Department.

18 (5) Until July 1, 2003, a passenger car that is a  
19 replacement vehicle to the extent that the purchase price of  
20 the car is subject to the Replacement Vehicle Tax.

21 (6) Until July 1, 2003 and beginning again on September 1,  
22 2004 through August 30, 2014, graphic arts machinery and  
23 equipment, including repair and replacement parts, both new  
24 and used, and including that manufactured on special order,  
25 certified by the purchaser to be used primarily for graphic  
26 arts production, and including machinery and equipment



1 purchased for lease. Equipment includes chemicals or chemicals  
2 acting as catalysts but only if the chemicals or chemicals  
3 acting as catalysts effect a direct and immediate change upon  
4 a graphic arts product. Beginning on July 1, 2017, graphic  
5 arts machinery and equipment is included in the manufacturing  
6 and assembling machinery and equipment exemption under  
7 paragraph (18).

8 (7) Farm chemicals.

9 (8) Legal tender, currency, medallions, or gold or silver  
10 coinage issued by the State of Illinois, the government of the  
11 United States of America, or the government of any foreign  
12 country, and bullion.

13 (9) Personal property purchased from a teacher-sponsored  
14 student organization affiliated with an elementary or  
15 secondary school located in Illinois.

16 (10) A motor vehicle that is used for automobile renting,  
17 as defined in the Automobile Renting Occupation and Use Tax  
18 Act.

19 (11) Farm machinery and equipment, both new and used,  
20 including that manufactured on special order, certified by the  
21 purchaser to be used primarily for production agriculture or  
22 State or federal agricultural programs, including individual  
23 replacement parts for the machinery and equipment, including  
24 machinery and equipment purchased for lease, and including  
25 implements of husbandry defined in Section 1-130 of the  
26 Illinois Vehicle Code, farm machinery and agricultural

1 chemical and fertilizer spreaders, and nurse wagons required  
2 to be registered under Section 3-809 of the Illinois Vehicle  
3 Code, but excluding other motor vehicles required to be  
4 registered under the Illinois Vehicle Code. Horticultural  
5 polyhouses or hoop houses used for propagating, growing, or  
6 overwintering plants shall be considered farm machinery and  
7 equipment under this item (11). Agricultural chemical tender  
8 tanks and dry boxes shall include units sold separately from a  
9 motor vehicle required to be licensed and units sold mounted  
10 on a motor vehicle required to be licensed if the selling price  
11 of the tender is separately stated.

12 Farm machinery and equipment shall include precision  
13 farming equipment that is installed or purchased to be  
14 installed on farm machinery and equipment, including, but not  
15 limited to, tractors, harvesters, sprayers, planters, seeders,  
16 or spreaders. Precision farming equipment includes, but is not  
17 limited to, soil testing sensors, computers, monitors,  
18 software, global positioning and mapping systems, and other  
19 such equipment.

20 Farm machinery and equipment also includes computers,  
21 sensors, software, and related equipment used primarily in the  
22 computer-assisted operation of production agriculture  
23 facilities, equipment, and activities such as, but not limited  
24 to, the collection, monitoring, and correlation of animal and  
25 crop data for the purpose of formulating animal diets and  
26 agricultural chemicals.

1           Beginning on January 1, 2024, farm machinery and equipment  
2 also includes electrical power generation equipment used  
3 primarily for production agriculture.

4           This item (11) is exempt from the provisions of Section  
5 3-90.

6           (12) Until June 30, 2013, fuel and petroleum products sold  
7 to or used by an air common carrier, certified by the carrier  
8 to be used for consumption, shipment, or storage in the  
9 conduct of its business as an air common carrier, for a flight  
10 destined for or returning from a location or locations outside  
11 the United States without regard to previous or subsequent  
12 domestic stopovers.

13           Beginning July 1, 2013, fuel and petroleum products sold  
14 to or used by an air carrier, certified by the carrier to be  
15 used for consumption, shipment, or storage in the conduct of  
16 its business as an air common carrier, for a flight that (i) is  
17 engaged in foreign trade or is engaged in trade between the  
18 United States and any of its possessions and (ii) transports  
19 at least one individual or package for hire from the city of  
20 origination to the city of final destination on the same  
21 aircraft, without regard to a change in the flight number of  
22 that aircraft.

23           (13) Proceeds of mandatory service charges separately  
24 stated on customers' bills for the purchase and consumption of  
25 food and beverages purchased at retail from a retailer, to the  
26 extent that the proceeds of the service charge are in fact

1 turned over as tips or as a substitute for tips to the  
2 employees who participate directly in preparing, serving,  
3 hosting or cleaning up the food or beverage function with  
4 respect to which the service charge is imposed.

5 (14) Until July 1, 2003, oil field exploration, drilling,  
6 and production equipment, including (i) rigs and parts of  
7 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
8 pipe and tubular goods, including casing and drill strings,  
9 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
10 lines, (v) any individual replacement part for oil field  
11 exploration, drilling, and production equipment, and (vi)  
12 machinery and equipment purchased for lease; but excluding  
13 motor vehicles required to be registered under the Illinois  
14 Vehicle Code.

15 (15) Photoprocessing machinery and equipment, including  
16 repair and replacement parts, both new and used, including  
17 that manufactured on special order, certified by the purchaser  
18 to be used primarily for photoprocessing, and including  
19 photoprocessing machinery and equipment purchased for lease.

20 (16) Until July 1, 2028, coal and aggregate exploration,  
21 mining, off-highway hauling, processing, maintenance, and  
22 reclamation equipment, including replacement parts and  
23 equipment, and including equipment purchased for lease, but  
24 excluding motor vehicles required to be registered under the  
25 Illinois Vehicle Code. The changes made to this Section by  
26 Public Act 97-767 apply on and after July 1, 2003, but no claim

1 for credit or refund is allowed on or after August 16, 2013  
2 (the effective date of Public Act 98-456) for such taxes paid  
3 during the period beginning July 1, 2003 and ending on August  
4 16, 2013 (the effective date of Public Act 98-456).

5 (17) Until July 1, 2003, distillation machinery and  
6 equipment, sold as a unit or kit, assembled or installed by the  
7 retailer, certified by the user to be used only for the  
8 production of ethyl alcohol that will be used for consumption  
9 as motor fuel or as a component of motor fuel for the personal  
10 use of the user, and not subject to sale or resale.

11 (18) Manufacturing and assembling machinery and equipment  
12 used primarily in the process of manufacturing or assembling  
13 tangible personal property for wholesale or retail sale or  
14 lease, whether that sale or lease is made directly by the  
15 manufacturer or by some other person, whether the materials  
16 used in the process are owned by the manufacturer or some other  
17 person, or whether that sale or lease is made apart from or as  
18 an incident to the seller's engaging in the service occupation  
19 of producing machines, tools, dies, jigs, patterns, gauges, or  
20 other similar items of no commercial value on special order  
21 for a particular purchaser. The exemption provided by this  
22 paragraph (18) includes production related tangible personal  
23 property, as defined in Section 3-50, purchased on or after  
24 July 1, 2019. The exemption provided by this paragraph (18)  
25 does not include machinery and equipment used in (i) the  
26 generation of electricity for wholesale or retail sale; (ii)

1 the generation or treatment of natural or artificial gas for  
2 wholesale or retail sale that is delivered to customers  
3 through pipes, pipelines, or mains; or (iii) the treatment of  
4 water for wholesale or retail sale that is delivered to  
5 customers through pipes, pipelines, or mains. The provisions  
6 of Public Act 98-583 are declaratory of existing law as to the  
7 meaning and scope of this exemption. Beginning on July 1,  
8 2017, the exemption provided by this paragraph (18) includes,  
9 but is not limited to, graphic arts machinery and equipment,  
10 as defined in paragraph (6) of this Section.

11 (19) Personal property delivered to a purchaser or  
12 purchaser's donee inside Illinois when the purchase order for  
13 that personal property was received by a florist located  
14 outside Illinois who has a florist located inside Illinois  
15 deliver the personal property.

16 (20) Semen used for artificial insemination of livestock  
17 for direct agricultural production.

18 (21) Horses, or interests in horses, registered with and  
19 meeting the requirements of any of the Arabian Horse Club  
20 Registry of America, Appaloosa Horse Club, American Quarter  
21 Horse Association, United States Trotting Association, or  
22 Jockey Club, as appropriate, used for purposes of breeding or  
23 racing for prizes. This item (21) is exempt from the  
24 provisions of Section 3-90, and the exemption provided for  
25 under this item (21) applies for all periods beginning May 30,  
26 1995, but no claim for credit or refund is allowed on or after

1 January 1, 2008 for such taxes paid during the period  
2 beginning May 30, 2000 and ending on January 1, 2008.

3 (22) Computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients purchased by a  
6 lessor who leases the equipment, under a lease of one year or  
7 longer executed or in effect at the time the lessor would  
8 otherwise be subject to the tax imposed by this Act, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of  
11 the Retailers' Occupation Tax Act. If the equipment is leased  
12 in a manner that does not qualify for this exemption or is used  
13 in any other non-exempt manner, the lessor shall be liable for  
14 the tax imposed under this Act or the Service Use Tax Act, as  
15 the case may be, based on the fair market value of the property  
16 at the time the non-qualifying use occurs. No lessor shall  
17 collect or attempt to collect an amount (however designated)  
18 that purports to reimburse that lessor for the tax imposed by  
19 this Act or the Service Use Tax Act, as the case may be, if the  
20 tax has not been paid by the lessor. If a lessor improperly  
21 collects any such amount from the lessee, the lessee shall  
22 have a legal right to claim a refund of that amount from the  
23 lessor. If, however, that amount is not refunded to the lessee  
24 for any reason, the lessor is liable to pay that amount to the  
25 Department.

26 (23) Personal property purchased by a lessor who leases

1 the property, under a lease of one year or longer executed or  
2 in effect at the time the lessor would otherwise be subject to  
3 the tax imposed by this Act, to a governmental body that has  
4 been issued an active sales tax exemption identification  
5 number by the Department under Section 1g of the Retailers'  
6 Occupation Tax Act. If the property is leased in a manner that  
7 does not qualify for this exemption or used in any other  
8 non-exempt manner, the lessor shall be liable for the tax  
9 imposed under this Act or the Service Use Tax Act, as the case  
10 may be, based on the fair market value of the property at the  
11 time the non-qualifying use occurs. No lessor shall collect or  
12 attempt to collect an amount (however designated) that  
13 purports to reimburse that lessor for the tax imposed by this  
14 Act or the Service Use Tax Act, as the case may be, if the tax  
15 has not been paid by the lessor. If a lessor improperly  
16 collects any such amount from the lessee, the lessee shall  
17 have a legal right to claim a refund of that amount from the  
18 lessor. If, however, that amount is not refunded to the lessee  
19 for any reason, the lessor is liable to pay that amount to the  
20 Department.

21 (24) Beginning with taxable years ending on or after  
22 December 31, 1995 and ending with taxable years ending on or  
23 before December 31, 2004, personal property that is donated  
24 for disaster relief to be used in a State or federally declared  
25 disaster area in Illinois or bordering Illinois by a  
26 manufacturer or retailer that is registered in this State to a



1 corporation, society, association, foundation, or institution  
2 that has been issued a sales tax exemption identification  
3 number by the Department that assists victims of the disaster  
4 who reside within the declared disaster area.

5 (25) Beginning with taxable years ending on or after  
6 December 31, 1995 and ending with taxable years ending on or  
7 before December 31, 2004, personal property that is used in  
8 the performance of infrastructure repairs in this State,  
9 including, but not limited to, municipal roads and streets,  
10 access roads, bridges, sidewalks, waste disposal systems,  
11 water and sewer line extensions, water distribution and  
12 purification facilities, storm water drainage and retention  
13 facilities, and sewage treatment facilities, resulting from a  
14 State or federally declared disaster in Illinois or bordering  
15 Illinois when such repairs are initiated on facilities located  
16 in the declared disaster area within 6 months after the  
17 disaster.

18 (26) Beginning July 1, 1999, game or game birds purchased  
19 at a "game breeding and hunting preserve area" as that term is  
20 used in the Wildlife Code. This paragraph is exempt from the  
21 provisions of Section 3-90.

22 (27) A motor vehicle, as that term is defined in Section  
23 1-146 of the Illinois Vehicle Code, that is donated to a  
24 corporation, limited liability company, society, association,  
25 foundation, or institution that is determined by the  
26 Department to be organized and operated exclusively for

1 educational purposes. For purposes of this exemption, "a  
2 corporation, limited liability company, society, association,  
3 foundation, or institution organized and operated exclusively  
4 for educational purposes" means all tax-supported public  
5 schools, private schools that offer systematic instruction in  
6 useful branches of learning by methods common to public  
7 schools and that compare favorably in their scope and  
8 intensity with the course of study presented in tax-supported  
9 schools, and vocational or technical schools or institutes  
10 organized and operated exclusively to provide a course of  
11 study of not less than 6 weeks duration and designed to prepare  
12 individuals to follow a trade or to pursue a manual,  
13 technical, mechanical, industrial, business, or commercial  
14 occupation.

15 (28) Beginning January 1, 2000, personal property,  
16 including food, purchased through fundraising events for the  
17 benefit of a public or private elementary or secondary school,  
18 a group of those schools, or one or more school districts if  
19 the events are sponsored by an entity recognized by the school  
20 district that consists primarily of volunteers and includes  
21 parents and teachers of the school children. This paragraph  
22 does not apply to fundraising events (i) for the benefit of  
23 private home instruction or (ii) for which the fundraising  
24 entity purchases the personal property sold at the events from  
25 another individual or entity that sold the property for the  
26 purpose of resale by the fundraising entity and that profits

1 from the sale to the fundraising entity. This paragraph is  
2 exempt from the provisions of Section 3-90.

3 (29) Beginning January 1, 2000 and through December 31,  
4 2001, new or used automatic vending machines that prepare and  
5 serve hot food and beverages, including coffee, soup, and  
6 other items, and replacement parts for these machines.  
7 Beginning January 1, 2002 and through June 30, 2003, machines  
8 and parts for machines used in commercial, coin-operated  
9 amusement and vending business if a use or occupation tax is  
10 paid on the gross receipts derived from the use of the  
11 commercial, coin-operated amusement and vending machines. This  
12 paragraph is exempt from the provisions of Section 3-90.

13 (30) Beginning January 1, 2001 and through June 30, 2016,  
14 food for human consumption that is to be consumed off the  
15 premises where it is sold (other than alcoholic beverages,  
16 soft drinks, and food that has been prepared for immediate  
17 consumption) and prescription and nonprescription medicines,  
18 drugs, medical appliances, and insulin, urine testing  
19 materials, syringes, and needles used by diabetics, for human  
20 use, when purchased for use by a person receiving medical  
21 assistance under Article V of the Illinois Public Aid Code who  
22 resides in a licensed long-term care facility, as defined in  
23 the Nursing Home Care Act, or in a licensed facility as defined  
24 in the ID/DD Community Care Act, the MC/DD Act, or the  
25 Specialized Mental Health Rehabilitation Act of 2013.

26 (31) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), computers and communications equipment  
2 utilized for any hospital purpose and equipment used in the  
3 diagnosis, analysis, or treatment of hospital patients  
4 purchased by a lessor who leases the equipment, under a lease  
5 of one year or longer executed or in effect at the time the  
6 lessor would otherwise be subject to the tax imposed by this  
7 Act, to a hospital that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of  
9 the Retailers' Occupation Tax Act. If the equipment is leased  
10 in a manner that does not qualify for this exemption or is used  
11 in any other nonexempt manner, the lessor shall be liable for  
12 the tax imposed under this Act or the Service Use Tax Act, as  
13 the case may be, based on the fair market value of the property  
14 at the time the nonqualifying use occurs. No lessor shall  
15 collect or attempt to collect an amount (however designated)  
16 that purports to reimburse that lessor for the tax imposed by  
17 this Act or the Service Use Tax Act, as the case may be, if the  
18 tax has not been paid by the lessor. If a lessor improperly  
19 collects any such amount from the lessee, the lessee shall  
20 have a legal right to claim a refund of that amount from the  
21 lessor. If, however, that amount is not refunded to the lessee  
22 for any reason, the lessor is liable to pay that amount to the  
23 Department. This paragraph is exempt from the provisions of  
24 Section 3-90.

25 (32) Beginning on August 2, 2001 (the effective date of  
26 Public Act 92-227), personal property purchased by a lessor

1 who leases the property, under a lease of one year or longer  
2 executed or in effect at the time the lessor would otherwise be  
3 subject to the tax imposed by this Act, to a governmental body  
4 that has been issued an active sales tax exemption  
5 identification number by the Department under Section 1g of  
6 the Retailers' Occupation Tax Act. If the property is leased  
7 in a manner that does not qualify for this exemption or used in  
8 any other nonexempt manner, the lessor shall be liable for the  
9 tax imposed under this Act or the Service Use Tax Act, as the  
10 case may be, based on the fair market value of the property at  
11 the time the nonqualifying use occurs. No lessor shall collect  
12 or attempt to collect an amount (however designated) that  
13 purports to reimburse that lessor for the tax imposed by this  
14 Act or the Service Use Tax Act, as the case may be, if the tax  
15 has not been paid by the lessor. If a lessor improperly  
16 collects any such amount from the lessee, the lessee shall  
17 have a legal right to claim a refund of that amount from the  
18 lessor. If, however, that amount is not refunded to the lessee  
19 for any reason, the lessor is liable to pay that amount to the  
20 Department. This paragraph is exempt from the provisions of  
21 Section 3-90.

22 (33) On and after July 1, 2003 and through June 30, 2004,  
23 the use in this State of motor vehicles of the second division  
24 with a gross vehicle weight in excess of 8,000 pounds and that  
25 are subject to the commercial distribution fee imposed under  
26 Section 3-815.1 of the Illinois Vehicle Code. Beginning on

1 July 1, 2004 and through June 30, 2005, the use in this State  
2 of motor vehicles of the second division: (i) with a gross  
3 vehicle weight rating in excess of 8,000 pounds; (ii) that are  
4 subject to the commercial distribution fee imposed under  
5 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that  
6 are primarily used for commercial purposes. Through June 30,  
7 2005, this exemption applies to repair and replacement parts  
8 added after the initial purchase of such a motor vehicle if  
9 that motor vehicle is used in a manner that would qualify for  
10 the rolling stock exemption otherwise provided for in this  
11 Act. For purposes of this paragraph, the term "used for  
12 commercial purposes" means the transportation of persons or  
13 property in furtherance of any commercial or industrial  
14 enterprise, whether for-hire or not.

15 (34) Beginning January 1, 2008, tangible personal property  
16 used in the construction or maintenance of a community water  
17 supply, as defined under Section 3.145 of the Environmental  
18 Protection Act, that is operated by a not-for-profit  
19 corporation that holds a valid water supply permit issued  
20 under Title IV of the Environmental Protection Act. This  
21 paragraph is exempt from the provisions of Section 3-90.

22 (35) Beginning January 1, 2010 and continuing through  
23 December 31, 2029, materials, parts, equipment, components,  
24 and furnishings incorporated into or upon an aircraft as part  
25 of the modification, refurbishment, completion, replacement,  
26 repair, or maintenance of the aircraft. This exemption

1 includes consumable supplies used in the modification,  
2 refurbishment, completion, replacement, repair, and  
3 maintenance of aircraft. However, until January 1, 2024, this  
4 exemption excludes any materials, parts, equipment,  
5 components, and consumable supplies used in the modification,  
6 replacement, repair, and maintenance of aircraft engines or  
7 power plants, whether such engines or power plants are  
8 installed or uninstalled upon any such aircraft. "Consumable  
9 supplies" include, but are not limited to, adhesive, tape,  
10 sandpaper, general purpose lubricants, cleaning solution,  
11 latex gloves, and protective films.

12 Beginning January 1, 2010 and continuing through December  
13 31, 2023, this exemption applies only to the use of qualifying  
14 tangible personal property by persons who modify, refurbish,  
15 complete, repair, replace, or maintain aircraft and who (i)  
16 hold an Air Agency Certificate and are empowered to operate an  
17 approved repair station by the Federal Aviation  
18 Administration, (ii) have a Class IV Rating, and (iii) conduct  
19 operations in accordance with Part 145 of the Federal Aviation  
20 Regulations. From January 1, 2024 through December 31, 2029,  
21 this exemption applies only to the use of qualifying tangible  
22 personal property by: (A) persons who modify, refurbish,  
23 complete, repair, replace, or maintain aircraft and who (i)  
24 hold an Air Agency Certificate and are empowered to operate an  
25 approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation  
2 Regulations; and (B) persons who engage in the modification,  
3 replacement, repair, and maintenance of aircraft engines or  
4 power plants without regard to whether or not those persons  
5 meet the qualifications of item (A).

6 The exemption does not include aircraft operated by a  
7 commercial air carrier providing scheduled passenger air  
8 service pursuant to authority issued under Part 121 or Part  
9 129 of the Federal Aviation Regulations. The changes made to  
10 this paragraph (35) by Public Act 98-534 are declarative of  
11 existing law. It is the intent of the General Assembly that the  
12 exemption under this paragraph (35) applies continuously from  
13 January 1, 2010 through December 31, 2024; however, no claim  
14 for credit or refund is allowed for taxes paid as a result of  
15 the disallowance of this exemption on or after January 1, 2015  
16 and prior to February 5, 2020 (the effective date of Public Act  
17 101-629).

18 (36) Tangible personal property purchased by a  
19 public-facilities corporation, as described in Section  
20 11-65-10 of the Illinois Municipal Code, for purposes of  
21 constructing or furnishing a municipal convention hall, but  
22 only if the legal title to the municipal convention hall is  
23 transferred to the municipality without any further  
24 consideration by or on behalf of the municipality at the time  
25 of the completion of the municipal convention hall or upon the  
26 retirement or redemption of any bonds or other debt



1 instruments issued by the public-facilities corporation in  
2 connection with the development of the municipal convention  
3 hall. This exemption includes existing public-facilities  
4 corporations as provided in Section 11-65-25 of the Illinois  
5 Municipal Code. This paragraph is exempt from the provisions  
6 of Section 3-90.

7 (37) Beginning January 1, 2017 and through December 31,  
8 2026, menstrual pads, tampons, and menstrual cups.

9 (38) Merchandise that is subject to the Rental Purchase  
10 Agreement Occupation and Use Tax. The purchaser must certify  
11 that the item is purchased to be rented subject to a  
12 rental-purchase ~~rental-purchase~~ agreement, as defined in the  
13 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide  
14 proof of registration under the Rental Purchase Agreement  
15 Occupation and Use Tax Act. This paragraph is exempt from the  
16 provisions of Section 3-90.

17 (39) Tangible personal property purchased by a purchaser  
18 who is exempt from the tax imposed by this Act by operation of  
19 federal law. This paragraph is exempt from the provisions of  
20 Section 3-90.

21 (40) Qualified tangible personal property used in the  
22 construction or operation of a data center that has been  
23 granted a certificate of exemption by the Department of  
24 Commerce and Economic Opportunity, whether that tangible  
25 personal property is purchased by the owner, operator, or  
26 tenant of the data center or by a contractor or subcontractor

1 of the owner, operator, or tenant. Data centers that would  
2 have qualified for a certificate of exemption prior to January  
3 1, 2020 had Public Act 101-31 been in effect may apply for and  
4 obtain an exemption for subsequent purchases of computer  
5 equipment or enabling software purchased or leased to upgrade,  
6 supplement, or replace computer equipment or enabling software  
7 purchased or leased in the original investment that would have  
8 qualified.

9 The Department of Commerce and Economic Opportunity shall  
10 grant a certificate of exemption under this item (40) to  
11 qualified data centers as defined by Section 605-1025 of the  
12 Department of Commerce and Economic Opportunity Law of the  
13 Civil Administrative Code of Illinois.

14 For the purposes of this item (40):

15 "Data center" means a building or a series of  
16 buildings rehabilitated or constructed to house working  
17 servers in one physical location or multiple sites within  
18 the State of Illinois.

19 "Qualified tangible personal property" means:  
20 electrical systems and equipment; climate control and  
21 chilling equipment and systems; mechanical systems and  
22 equipment; monitoring and secure systems; emergency  
23 generators; hardware; computers; servers; data storage  
24 devices; network connectivity equipment; racks; cabinets;  
25 telecommunications cabling infrastructure; raised floor  
26 systems; peripheral components or systems; software;

1 mechanical, electrical, or plumbing systems; battery  
2 systems; cooling systems and towers; temperature control  
3 systems; other cabling; and other data center  
4 infrastructure equipment and systems necessary to operate  
5 qualified tangible personal property, including fixtures;  
6 and component parts of any of the foregoing, including  
7 installation, maintenance, repair, refurbishment, and  
8 replacement of qualified tangible personal property to  
9 generate, transform, transmit, distribute, or manage  
10 electricity necessary to operate qualified tangible  
11 personal property; and all other tangible personal  
12 property that is essential to the operations of a computer  
13 data center. The term "qualified tangible personal  
14 property" also includes building materials physically  
15 incorporated into ~~in to~~ the qualifying data center. To  
16 document the exemption allowed under this Section, the  
17 retailer must obtain from the purchaser a copy of the  
18 certificate of eligibility issued by the Department of  
19 Commerce and Economic Opportunity.

20 This item (40) is exempt from the provisions of Section  
21 3-90.

22 (41) Beginning July 1, 2022, breast pumps, breast pump  
23 collection and storage supplies, and breast pump kits. This  
24 item (41) is exempt from the provisions of Section 3-90. As  
25 used in this item (41):

26 "Breast pump" means an electrically controlled or

1 manually controlled pump device designed or marketed to be  
2 used to express milk from a human breast during lactation,  
3 including the pump device and any battery, AC adapter, or  
4 other power supply unit that is used to power the pump  
5 device and is packaged and sold with the pump device at the  
6 time of sale.

7 "Breast pump collection and storage supplies" means  
8 items of tangible personal property designed or marketed  
9 to be used in conjunction with a breast pump to collect  
10 milk expressed from a human breast and to store collected  
11 milk until it is ready for consumption.

12 "Breast pump collection and storage supplies"  
13 includes, but is not limited to: breast shields and breast  
14 shield connectors; breast pump tubes and tubing adapters;  
15 breast pump valves and membranes; backflow protectors and  
16 backflow protector adaptors; bottles and bottle caps  
17 specific to the operation of the breast pump; and breast  
18 milk storage bags.

19 "Breast pump collection and storage supplies" does not  
20 include: (1) bottles and bottle caps not specific to the  
21 operation of the breast pump; (2) breast pump travel bags  
22 and other similar carrying accessories, including ice  
23 packs, labels, and other similar products; (3) breast pump  
24 cleaning supplies; (4) nursing bras, bra pads, breast  
25 shells, and other similar products; and (5) creams,  
26 ointments, and other similar products that relieve

1 breastfeeding-related symptoms or conditions of the  
2 breasts or nipples, unless sold as part of a breast pump  
3 kit that is pre-packaged by the breast pump manufacturer  
4 or distributor.

5 "Breast pump kit" means a kit that: (1) contains no  
6 more than a breast pump, breast pump collection and  
7 storage supplies, a rechargeable battery for operating the  
8 breast pump, a breastmilk cooler, bottle stands, ice  
9 packs, and a breast pump carrying case; and (2) is  
10 pre-packaged as a breast pump kit by the breast pump  
11 manufacturer or distributor.

12 (42) Tangible personal property sold by or on behalf of  
13 the State Treasurer pursuant to the Revised Uniform Unclaimed  
14 Property Act. This item (42) is exempt from the provisions of  
15 Section 3-90.

16 (43) Beginning on January 1, 2024, tangible personal  
17 property purchased by an active duty member of the armed  
18 forces of the United States who presents valid military  
19 identification and purchases the property using a form of  
20 payment where the federal government is the payor. The member  
21 of the armed forces must complete, at the point of sale, a form  
22 prescribed by the Department of Revenue documenting that the  
23 transaction is eligible for the exemption under this  
24 paragraph. Retailers must keep the form as documentation of  
25 the exemption in their records for a period of not less than 6  
26 years. "Armed forces of the United States" means the United

1 States Army, Navy, Air Force, Marine Corps, or Coast Guard.

2 This paragraph is exempt from the provisions of Section 3-90.

3 (44) Tangible personal property to be used or consumed  
4 within a quantum computing campus enterprise zone designated  
5 by the Department of Commerce and Economic Opportunity under  
6 Section 605-1115 of the Department of Commerce and Economic  
7 Opportunity Law of the Civil Administrative Code of Illinois.

8 This paragraph is exempt from the provisions of Section 3-90.

9 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
10 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
11 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
12 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
13 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
14 revised 12-12-23.)

15 Section 40. The Service Use Tax Act is amended by changing  
16 Section 3-5 as follows:

17 (35 ILCS 110/3-5)

18 Sec. 3-5. Exemptions. Use of the following tangible  
19 personal property is exempt from the tax imposed by this Act:

20 (1) Personal property purchased from a corporation,  
21 society, association, foundation, institution, or  
22 organization, other than a limited liability company, that is  
23 organized and operated as a not-for-profit service enterprise  
24 for the benefit of persons 65 years of age or older if the

1 personal property was not purchased by the enterprise for the  
2 purpose of resale by the enterprise.

3 (2) Personal property purchased by a non-profit Illinois  
4 county fair association for use in conducting, operating, or  
5 promoting the county fair.

6 (3) Personal property purchased by a not-for-profit arts  
7 or cultural organization that establishes, by proof required  
8 by the Department by rule, that it has received an exemption  
9 under Section 501(c)(3) of the Internal Revenue Code and that  
10 is organized and operated primarily for the presentation or  
11 support of arts or cultural programming, activities, or  
12 services. These organizations include, but are not limited to,  
13 music and dramatic arts organizations such as symphony  
14 orchestras and theatrical groups, arts and cultural service  
15 organizations, local arts councils, visual arts organizations,  
16 and media arts organizations. On and after July 1, 2001 (the  
17 effective date of Public Act 92-35), however, an entity  
18 otherwise eligible for this exemption shall not make tax-free  
19 purchases unless it has an active identification number issued  
20 by the Department.

21 (4) Legal tender, currency, medallions, or gold or silver  
22 coinage issued by the State of Illinois, the government of the  
23 United States of America, or the government of any foreign  
24 country, and bullion.

25 (5) Until July 1, 2003 and beginning again on September 1,  
26 2004 through August 30, 2014, graphic arts machinery and

1 equipment, including repair and replacement parts, both new  
2 and used, and including that manufactured on special order or  
3 purchased for lease, certified by the purchaser to be used  
4 primarily for graphic arts production. Equipment includes  
5 chemicals or chemicals acting as catalysts but only if the  
6 chemicals or chemicals acting as catalysts effect a direct and  
7 immediate change upon a graphic arts product. Beginning on  
8 July 1, 2017, graphic arts machinery and equipment is included  
9 in the manufacturing and assembling machinery and equipment  
10 exemption under Section 2 of this Act.

11 (6) Personal property purchased from a teacher-sponsored  
12 student organization affiliated with an elementary or  
13 secondary school located in Illinois.

14 (7) Farm machinery and equipment, both new and used,  
15 including that manufactured on special order, certified by the  
16 purchaser to be used primarily for production agriculture or  
17 State or federal agricultural programs, including individual  
18 replacement parts for the machinery and equipment, including  
19 machinery and equipment purchased for lease, and including  
20 implements of husbandry defined in Section 1-130 of the  
21 Illinois Vehicle Code, farm machinery and agricultural  
22 chemical and fertilizer spreaders, and nurse wagons required  
23 to be registered under Section 3-809 of the Illinois Vehicle  
24 Code, but excluding other motor vehicles required to be  
25 registered under the Illinois Vehicle Code. Horticultural  
26 polyhouses or hoop houses used for propagating, growing, or



1 overwintering plants shall be considered farm machinery and  
2 equipment under this item (7). Agricultural chemical tender  
3 tanks and dry boxes shall include units sold separately from a  
4 motor vehicle required to be licensed and units sold mounted  
5 on a motor vehicle required to be licensed if the selling price  
6 of the tender is separately stated.

7 Farm machinery and equipment shall include precision  
8 farming equipment that is installed or purchased to be  
9 installed on farm machinery and equipment, including, but not  
10 limited to, tractors, harvesters, sprayers, planters, seeders,  
11 or spreaders. Precision farming equipment includes, but is not  
12 limited to, soil testing sensors, computers, monitors,  
13 software, global positioning and mapping systems, and other  
14 such equipment.

15 Farm machinery and equipment also includes computers,  
16 sensors, software, and related equipment used primarily in the  
17 computer-assisted operation of production agriculture  
18 facilities, equipment, and activities such as, but not limited  
19 to, the collection, monitoring, and correlation of animal and  
20 crop data for the purpose of formulating animal diets and  
21 agricultural chemicals.

22 Beginning on January 1, 2024, farm machinery and equipment  
23 also includes electrical power generation equipment used  
24 primarily for production agriculture.

25 This item (7) is exempt from the provisions of Section  
26 3-75.

1           (8) Until June 30, 2013, fuel and petroleum products sold  
2 to or used by an air common carrier, certified by the carrier  
3 to be used for consumption, shipment, or storage in the  
4 conduct of its business as an air common carrier, for a flight  
5 destined for or returning from a location or locations outside  
6 the United States without regard to previous or subsequent  
7 domestic stopovers.

8           Beginning July 1, 2013, fuel and petroleum products sold  
9 to or used by an air carrier, certified by the carrier to be  
10 used for consumption, shipment, or storage in the conduct of  
11 its business as an air common carrier, for a flight that (i) is  
12 engaged in foreign trade or is engaged in trade between the  
13 United States and any of its possessions and (ii) transports  
14 at least one individual or package for hire from the city of  
15 origination to the city of final destination on the same  
16 aircraft, without regard to a change in the flight number of  
17 that aircraft.

18           (9) Proceeds of mandatory service charges separately  
19 stated on customers' bills for the purchase and consumption of  
20 food and beverages acquired as an incident to the purchase of a  
21 service from a serviceman, to the extent that the proceeds of  
22 the service charge are in fact turned over as tips or as a  
23 substitute for tips to the employees who participate directly  
24 in preparing, serving, hosting or cleaning up the food or  
25 beverage function with respect to which the service charge is  
26 imposed.

1           (10) Until July 1, 2003, oil field exploration, drilling,  
2 and production equipment, including (i) rigs and parts of  
3 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
4 pipe and tubular goods, including casing and drill strings,  
5 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
6 lines, (v) any individual replacement part for oil field  
7 exploration, drilling, and production equipment, and (vi)  
8 machinery and equipment purchased for lease; but excluding  
9 motor vehicles required to be registered under the Illinois  
10 Vehicle Code.

11           (11) Proceeds from the sale of photoprocessing machinery  
12 and equipment, including repair and replacement parts, both  
13 new and used, including that manufactured on special order,  
14 certified by the purchaser to be used primarily for  
15 photoprocessing, and including photoprocessing machinery and  
16 equipment purchased for lease.

17           (12) Until July 1, 2028, coal and aggregate exploration,  
18 mining, off-highway hauling, processing, maintenance, and  
19 reclamation equipment, including replacement parts and  
20 equipment, and including equipment purchased for lease, but  
21 excluding motor vehicles required to be registered under the  
22 Illinois Vehicle Code. The changes made to this Section by  
23 Public Act 97-767 apply on and after July 1, 2003, but no claim  
24 for credit or refund is allowed on or after August 16, 2013  
25 (the effective date of Public Act 98-456) for such taxes paid  
26 during the period beginning July 1, 2003 and ending on August

1 16, 2013 (the effective date of Public Act 98-456).

2 (13) Semen used for artificial insemination of livestock  
3 for direct agricultural production.

4 (14) Horses, or interests in horses, registered with and  
5 meeting the requirements of any of the Arabian Horse Club  
6 Registry of America, Appaloosa Horse Club, American Quarter  
7 Horse Association, United States Trotting Association, or  
8 Jockey Club, as appropriate, used for purposes of breeding or  
9 racing for prizes. This item (14) is exempt from the  
10 provisions of Section 3-75, and the exemption provided for  
11 under this item (14) applies for all periods beginning May 30,  
12 1995, but no claim for credit or refund is allowed on or after  
13 January 1, 2008 (the effective date of Public Act 95-88) for  
14 such taxes paid during the period beginning May 30, 2000 and  
15 ending on January 1, 2008 (the effective date of Public Act  
16 95-88).

17 (15) Computers and communications equipment utilized for  
18 any hospital purpose and equipment used in the diagnosis,  
19 analysis, or treatment of hospital patients purchased by a  
20 lessor who leases the equipment, under a lease of one year or  
21 longer executed or in effect at the time the lessor would  
22 otherwise be subject to the tax imposed by this Act, to a  
23 hospital that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of  
25 the Retailers' Occupation Tax Act. If the equipment is leased  
26 in a manner that does not qualify for this exemption or is used

1 in any other non-exempt manner, the lessor shall be liable for  
2 the tax imposed under this Act or the Use Tax Act, as the case  
3 may be, based on the fair market value of the property at the  
4 time the non-qualifying use occurs. No lessor shall collect or  
5 attempt to collect an amount (however designated) that  
6 purports to reimburse that lessor for the tax imposed by this  
7 Act or the Use Tax Act, as the case may be, if the tax has not  
8 been paid by the lessor. If a lessor improperly collects any  
9 such amount from the lessee, the lessee shall have a legal  
10 right to claim a refund of that amount from the lessor. If,  
11 however, that amount is not refunded to the lessee for any  
12 reason, the lessor is liable to pay that amount to the  
13 Department.

14 (16) Personal property purchased by a lessor who leases  
15 the property, under a lease of one year or longer executed or  
16 in effect at the time the lessor would otherwise be subject to  
17 the tax imposed by this Act, to a governmental body that has  
18 been issued an active tax exemption identification number by  
19 the Department under Section 1g of the Retailers' Occupation  
20 Tax Act. If the property is leased in a manner that does not  
21 qualify for this exemption or is used in any other non-exempt  
22 manner, the lessor shall be liable for the tax imposed under  
23 this Act or the Use Tax Act, as the case may be, based on the  
24 fair market value of the property at the time the  
25 non-qualifying use occurs. No lessor shall collect or attempt  
26 to collect an amount (however designated) that purports to

1 reimburse that lessor for the tax imposed by this Act or the  
2 Use Tax Act, as the case may be, if the tax has not been paid  
3 by the lessor. If a lessor improperly collects any such amount  
4 from the lessee, the lessee shall have a legal right to claim a  
5 refund of that amount from the lessor. If, however, that  
6 amount is not refunded to the lessee for any reason, the lessor  
7 is liable to pay that amount to the Department.

8 (17) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is donated  
11 for disaster relief to be used in a State or federally declared  
12 disaster area in Illinois or bordering Illinois by a  
13 manufacturer or retailer that is registered in this State to a  
14 corporation, society, association, foundation, or institution  
15 that has been issued a sales tax exemption identification  
16 number by the Department that assists victims of the disaster  
17 who reside within the declared disaster area.

18 (18) Beginning with taxable years ending on or after  
19 December 31, 1995 and ending with taxable years ending on or  
20 before December 31, 2004, personal property that is used in  
21 the performance of infrastructure repairs in this State,  
22 including, but not limited to, municipal roads and streets,  
23 access roads, bridges, sidewalks, waste disposal systems,  
24 water and sewer line extensions, water distribution and  
25 purification facilities, storm water drainage and retention  
26 facilities, and sewage treatment facilities, resulting from a

1 State or federally declared disaster in Illinois or bordering  
2 Illinois when such repairs are initiated on facilities located  
3 in the declared disaster area within 6 months after the  
4 disaster.

5 (19) Beginning July 1, 1999, game or game birds purchased  
6 at a "game breeding and hunting preserve area" as that term is  
7 used in the Wildlife Code. This paragraph is exempt from the  
8 provisions of Section 3-75.

9 (20) A motor vehicle, as that term is defined in Section  
10 1-146 of the Illinois Vehicle Code, that is donated to a  
11 corporation, limited liability company, society, association,  
12 foundation, or institution that is determined by the  
13 Department to be organized and operated exclusively for  
14 educational purposes. For purposes of this exemption, "a  
15 corporation, limited liability company, society, association,  
16 foundation, or institution organized and operated exclusively  
17 for educational purposes" means all tax-supported public  
18 schools, private schools that offer systematic instruction in  
19 useful branches of learning by methods common to public  
20 schools and that compare favorably in their scope and  
21 intensity with the course of study presented in tax-supported  
22 schools, and vocational or technical schools or institutes  
23 organized and operated exclusively to provide a course of  
24 study of not less than 6 weeks duration and designed to prepare  
25 individuals to follow a trade or to pursue a manual,  
26 technical, mechanical, industrial, business, or commercial

1 occupation.

2 (21) Beginning January 1, 2000, personal property,  
3 including food, purchased through fundraising events for the  
4 benefit of a public or private elementary or secondary school,  
5 a group of those schools, or one or more school districts if  
6 the events are sponsored by an entity recognized by the school  
7 district that consists primarily of volunteers and includes  
8 parents and teachers of the school children. This paragraph  
9 does not apply to fundraising events (i) for the benefit of  
10 private home instruction or (ii) for which the fundraising  
11 entity purchases the personal property sold at the events from  
12 another individual or entity that sold the property for the  
13 purpose of resale by the fundraising entity and that profits  
14 from the sale to the fundraising entity. This paragraph is  
15 exempt from the provisions of Section 3-75.

16 (22) Beginning January 1, 2000 and through December 31,  
17 2001, new or used automatic vending machines that prepare and  
18 serve hot food and beverages, including coffee, soup, and  
19 other items, and replacement parts for these machines.  
20 Beginning January 1, 2002 and through June 30, 2003, machines  
21 and parts for machines used in commercial, coin-operated  
22 amusement and vending business if a use or occupation tax is  
23 paid on the gross receipts derived from the use of the  
24 commercial, coin-operated amusement and vending machines. This  
25 paragraph is exempt from the provisions of Section 3-75.

26 (23) Beginning August 23, 2001 and through June 30, 2016,



1 food for human consumption that is to be consumed off the  
2 premises where it is sold (other than alcoholic beverages,  
3 soft drinks, and food that has been prepared for immediate  
4 consumption) and prescription and nonprescription medicines,  
5 drugs, medical appliances, and insulin, urine testing  
6 materials, syringes, and needles used by diabetics, for human  
7 use, when purchased for use by a person receiving medical  
8 assistance under Article V of the Illinois Public Aid Code who  
9 resides in a licensed long-term care facility, as defined in  
10 the Nursing Home Care Act, or in a licensed facility as defined  
11 in the ID/DD Community Care Act, the MC/DD Act, or the  
12 Specialized Mental Health Rehabilitation Act of 2013.

13 (24) Beginning on August 2, 2001 (the effective date of  
14 Public Act 92-227), computers and communications equipment  
15 utilized for any hospital purpose and equipment used in the  
16 diagnosis, analysis, or treatment of hospital patients  
17 purchased by a lessor who leases the equipment, under a lease  
18 of one year or longer executed or in effect at the time the  
19 lessor would otherwise be subject to the tax imposed by this  
20 Act, to a hospital that has been issued an active tax exemption  
21 identification number by the Department under Section 1g of  
22 the Retailers' Occupation Tax Act. If the equipment is leased  
23 in a manner that does not qualify for this exemption or is used  
24 in any other nonexempt manner, the lessor shall be liable for  
25 the tax imposed under this Act or the Use Tax Act, as the case  
26 may be, based on the fair market value of the property at the

1 time the nonqualifying use occurs. No lessor shall collect or  
2 attempt to collect an amount (however designated) that  
3 purports to reimburse that lessor for the tax imposed by this  
4 Act or the Use Tax Act, as the case may be, if the tax has not  
5 been paid by the lessor. If a lessor improperly collects any  
6 such amount from the lessee, the lessee shall have a legal  
7 right to claim a refund of that amount from the lessor. If,  
8 however, that amount is not refunded to the lessee for any  
9 reason, the lessor is liable to pay that amount to the  
10 Department. This paragraph is exempt from the provisions of  
11 Section 3-75.

12 (25) Beginning on August 2, 2001 (the effective date of  
13 Public Act 92-227), personal property purchased by a lessor  
14 who leases the property, under a lease of one year or longer  
15 executed or in effect at the time the lessor would otherwise be  
16 subject to the tax imposed by this Act, to a governmental body  
17 that has been issued an active tax exemption identification  
18 number by the Department under Section 1g of the Retailers'  
19 Occupation Tax Act. If the property is leased in a manner that  
20 does not qualify for this exemption or is used in any other  
21 nonexempt manner, the lessor shall be liable for the tax  
22 imposed under this Act or the Use Tax Act, as the case may be,  
23 based on the fair market value of the property at the time the  
24 nonqualifying use occurs. No lessor shall collect or attempt  
25 to collect an amount (however designated) that purports to  
26 reimburse that lessor for the tax imposed by this Act or the

1 Use Tax Act, as the case may be, if the tax has not been paid  
2 by the lessor. If a lessor improperly collects any such amount  
3 from the lessee, the lessee shall have a legal right to claim a  
4 refund of that amount from the lessor. If, however, that  
5 amount is not refunded to the lessee for any reason, the lessor  
6 is liable to pay that amount to the Department. This paragraph  
7 is exempt from the provisions of Section 3-75.

8 (26) Beginning January 1, 2008, tangible personal property  
9 used in the construction or maintenance of a community water  
10 supply, as defined under Section 3.145 of the Environmental  
11 Protection Act, that is operated by a not-for-profit  
12 corporation that holds a valid water supply permit issued  
13 under Title IV of the Environmental Protection Act. This  
14 paragraph is exempt from the provisions of Section 3-75.

15 (27) Beginning January 1, 2010 and continuing through  
16 December 31, 2029, materials, parts, equipment, components,  
17 and furnishings incorporated into or upon an aircraft as part  
18 of the modification, refurbishment, completion, replacement,  
19 repair, or maintenance of the aircraft. This exemption  
20 includes consumable supplies used in the modification,  
21 refurbishment, completion, replacement, repair, and  
22 maintenance of aircraft. However, until January 1, 2024, this  
23 exemption excludes any materials, parts, equipment,  
24 components, and consumable supplies used in the modification,  
25 replacement, repair, and maintenance of aircraft engines or  
26 power plants, whether such engines or power plants are

1 installed or uninstalled upon any such aircraft. "Consumable  
2 supplies" include, but are not limited to, adhesive, tape,  
3 sandpaper, general purpose lubricants, cleaning solution,  
4 latex gloves, and protective films.

5 Beginning January 1, 2010 and continuing through December  
6 31, 2023, this exemption applies only to the use of qualifying  
7 tangible personal property transferred incident to the  
8 modification, refurbishment, completion, replacement, repair,  
9 or maintenance of aircraft by persons who (i) hold an Air  
10 Agency Certificate and are empowered to operate an approved  
11 repair station by the Federal Aviation Administration, (ii)  
12 have a Class IV Rating, and (iii) conduct operations in  
13 accordance with Part 145 of the Federal Aviation Regulations.  
14 From January 1, 2024 through December 31, 2029, this exemption  
15 applies only to the use of qualifying tangible personal  
16 property by: (A) persons who modify, refurbish, complete,  
17 repair, replace, or maintain aircraft and who (i) hold an Air  
18 Agency Certificate and are empowered to operate an approved  
19 repair station by the Federal Aviation Administration, (ii)  
20 have a Class IV Rating, and (iii) conduct operations in  
21 accordance with Part 145 of the Federal Aviation Regulations;  
22 and (B) persons who engage in the modification, replacement,  
23 repair, and maintenance of aircraft engines or power plants  
24 without regard to whether or not those persons meet the  
25 qualifications of item (A).

26 The exemption does not include aircraft operated by a

1 commercial air carrier providing scheduled passenger air  
2 service pursuant to authority issued under Part 121 or Part  
3 129 of the Federal Aviation Regulations. The changes made to  
4 this paragraph (27) by Public Act 98-534 are declarative of  
5 existing law. It is the intent of the General Assembly that the  
6 exemption under this paragraph (27) applies continuously from  
7 January 1, 2010 through December 31, 2024; however, no claim  
8 for credit or refund is allowed for taxes paid as a result of  
9 the disallowance of this exemption on or after January 1, 2015  
10 and prior to February 5, 2020 (the effective date of Public Act  
11 101-629).

12 (28) Tangible personal property purchased by a  
13 public-facilities corporation, as described in Section  
14 11-65-10 of the Illinois Municipal Code, for purposes of  
15 constructing or furnishing a municipal convention hall, but  
16 only if the legal title to the municipal convention hall is  
17 transferred to the municipality without any further  
18 consideration by or on behalf of the municipality at the time  
19 of the completion of the municipal convention hall or upon the  
20 retirement or redemption of any bonds or other debt  
21 instruments issued by the public-facilities corporation in  
22 connection with the development of the municipal convention  
23 hall. This exemption includes existing public-facilities  
24 corporations as provided in Section 11-65-25 of the Illinois  
25 Municipal Code. This paragraph is exempt from the provisions  
26 of Section 3-75.

1           (29) Beginning January 1, 2017 and through December 31,  
2 2026, menstrual pads, tampons, and menstrual cups.

3           (30) Tangible personal property transferred to a purchaser  
4 who is exempt from the tax imposed by this Act by operation of  
5 federal law. This paragraph is exempt from the provisions of  
6 Section 3-75.

7           (31) Qualified tangible personal property used in the  
8 construction or operation of a data center that has been  
9 granted a certificate of exemption by the Department of  
10 Commerce and Economic Opportunity, whether that tangible  
11 personal property is purchased by the owner, operator, or  
12 tenant of the data center or by a contractor or subcontractor  
13 of the owner, operator, or tenant. Data centers that would  
14 have qualified for a certificate of exemption prior to January  
15 1, 2020 had Public Act 101-31 been in effect, may apply for and  
16 obtain an exemption for subsequent purchases of computer  
17 equipment or enabling software purchased or leased to upgrade,  
18 supplement, or replace computer equipment or enabling software  
19 purchased or leased in the original investment that would have  
20 qualified.

21           The Department of Commerce and Economic Opportunity shall  
22 grant a certificate of exemption under this item (31) to  
23 qualified data centers as defined by Section 605-1025 of the  
24 Department of Commerce and Economic Opportunity Law of the  
25 Civil Administrative Code of Illinois.

26           For the purposes of this item (31):

1           "Data center" means a building or a series of  
2 buildings rehabilitated or constructed to house working  
3 servers in one physical location or multiple sites within  
4 the State of Illinois.

5           "Qualified tangible personal property" means:  
6 electrical systems and equipment; climate control and  
7 chilling equipment and systems; mechanical systems and  
8 equipment; monitoring and secure systems; emergency  
9 generators; hardware; computers; servers; data storage  
10 devices; network connectivity equipment; racks; cabinets;  
11 telecommunications cabling infrastructure; raised floor  
12 systems; peripheral components or systems; software;  
13 mechanical, electrical, or plumbing systems; battery  
14 systems; cooling systems and towers; temperature control  
15 systems; other cabling; and other data center  
16 infrastructure equipment and systems necessary to operate  
17 qualified tangible personal property, including fixtures;  
18 and component parts of any of the foregoing, including  
19 installation, maintenance, repair, refurbishment, and  
20 replacement of qualified tangible personal property to  
21 generate, transform, transmit, distribute, or manage  
22 electricity necessary to operate qualified tangible  
23 personal property; and all other tangible personal  
24 property that is essential to the operations of a computer  
25 data center. The term "qualified tangible personal  
26 property" also includes building materials physically

1 incorporated into ~~in to~~ the qualifying data center. To  
2 document the exemption allowed under this Section, the  
3 retailer must obtain from the purchaser a copy of the  
4 certificate of eligibility issued by the Department of  
5 Commerce and Economic Opportunity.

6 This item (31) is exempt from the provisions of Section  
7 3-75.

8 (32) Beginning July 1, 2022, breast pumps, breast pump  
9 collection and storage supplies, and breast pump kits. This  
10 item (32) is exempt from the provisions of Section 3-75. As  
11 used in this item (32):

12 "Breast pump" means an electrically controlled or  
13 manually controlled pump device designed or marketed to be  
14 used to express milk from a human breast during lactation,  
15 including the pump device and any battery, AC adapter, or  
16 other power supply unit that is used to power the pump  
17 device and is packaged and sold with the pump device at the  
18 time of sale.

19 "Breast pump collection and storage supplies" means  
20 items of tangible personal property designed or marketed  
21 to be used in conjunction with a breast pump to collect  
22 milk expressed from a human breast and to store collected  
23 milk until it is ready for consumption.

24 "Breast pump collection and storage supplies"  
25 includes, but is not limited to: breast shields and breast  
26 shield connectors; breast pump tubes and tubing adapters;



1 breast pump valves and membranes; backflow protectors and  
2 backflow protector adaptors; bottles and bottle caps  
3 specific to the operation of the breast pump; and breast  
4 milk storage bags.

5 "Breast pump collection and storage supplies" does not  
6 include: (1) bottles and bottle caps not specific to the  
7 operation of the breast pump; (2) breast pump travel bags  
8 and other similar carrying accessories, including ice  
9 packs, labels, and other similar products; (3) breast pump  
10 cleaning supplies; (4) nursing bras, bra pads, breast  
11 shells, and other similar products; and (5) creams,  
12 ointments, and other similar products that relieve  
13 breastfeeding-related symptoms or conditions of the  
14 breasts or nipples, unless sold as part of a breast pump  
15 kit that is pre-packaged by the breast pump manufacturer  
16 or distributor.

17 "Breast pump kit" means a kit that: (1) contains no  
18 more than a breast pump, breast pump collection and  
19 storage supplies, a rechargeable battery for operating the  
20 breast pump, a breastmilk cooler, bottle stands, ice  
21 packs, and a breast pump carrying case; and (2) is  
22 pre-packaged as a breast pump kit by the breast pump  
23 manufacturer or distributor.

24 (33) Tangible personal property sold by or on behalf of  
25 the State Treasurer pursuant to the Revised Uniform Unclaimed  
26 Property Act. This item (33) is exempt from the provisions of

1 Section 3-75.

2 (34) Beginning on January 1, 2024, tangible personal  
3 property purchased by an active duty member of the armed  
4 forces of the United States who presents valid military  
5 identification and purchases the property using a form of  
6 payment where the federal government is the payor. The member  
7 of the armed forces must complete, at the point of sale, a form  
8 prescribed by the Department of Revenue documenting that the  
9 transaction is eligible for the exemption under this  
10 paragraph. Retailers must keep the form as documentation of  
11 the exemption in their records for a period of not less than 6  
12 years. "Armed forces of the United States" means the United  
13 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
14 This paragraph is exempt from the provisions of Section 3-75.

15 (35) Tangible personal property to be used or consumed  
16 within a quantum computing campus enterprise zone designated  
17 by the Department of Commerce and Economic Opportunity under  
18 Section 605-1115 of the Department of Commerce and Economic  
19 Opportunity Law of the Civil Administrative Code of Illinois.  
20 This paragraph is exempt from the provisions of Section 3-75.

21 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
22 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
23 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
24 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
25 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
26 revised 12-12-23.)

1           Section 45. The Service Occupation Tax Act is amended by  
2 changing Section 3-5 as follows:

3           (35 ILCS 115/3-5)

4           Sec. 3-5. Exemptions. The following tangible personal  
5 property is exempt from the tax imposed by this Act:

6           (1) Personal property sold by a corporation, society,  
7 association, foundation, institution, or organization, other  
8 than a limited liability company, that is organized and  
9 operated as a not-for-profit service enterprise for the  
10 benefit of persons 65 years of age or older if the personal  
11 property was not purchased by the enterprise for the purpose  
12 of resale by the enterprise.

13           (2) Personal property purchased by a not-for-profit  
14 Illinois county fair association for use in conducting,  
15 operating, or promoting the county fair.

16           (3) Personal property purchased by any not-for-profit arts  
17 or cultural organization that establishes, by proof required  
18 by the Department by rule, that it has received an exemption  
19 under Section 501(c)(3) of the Internal Revenue Code and that  
20 is organized and operated primarily for the presentation or  
21 support of arts or cultural programming, activities, or  
22 services. These organizations include, but are not limited to,  
23 music and dramatic arts organizations such as symphony  
24 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts organizations,  
2 and media arts organizations. On and after July 1, 2001 (the  
3 effective date of Public Act 92-35), however, an entity  
4 otherwise eligible for this exemption shall not make tax-free  
5 purchases unless it has an active identification number issued  
6 by the Department.

7 (4) Legal tender, currency, medallions, or gold or silver  
8 coinage issued by the State of Illinois, the government of the  
9 United States of America, or the government of any foreign  
10 country, and bullion.

11 (5) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new  
14 and used, and including that manufactured on special order or  
15 purchased for lease, certified by the purchaser to be used  
16 primarily for graphic arts production. Equipment includes  
17 chemicals or chemicals acting as catalysts but only if the  
18 chemicals or chemicals acting as catalysts effect a direct and  
19 immediate change upon a graphic arts product. Beginning on  
20 July 1, 2017, graphic arts machinery and equipment is included  
21 in the manufacturing and assembling machinery and equipment  
22 exemption under Section 2 of this Act.

23 (6) Personal property sold by a teacher-sponsored student  
24 organization affiliated with an elementary or secondary school  
25 located in Illinois.

26 (7) Farm machinery and equipment, both new and used,

1 including that manufactured on special order, certified by the  
2 purchaser to be used primarily for production agriculture or  
3 State or federal agricultural programs, including individual  
4 replacement parts for the machinery and equipment, including  
5 machinery and equipment purchased for lease, and including  
6 implements of husbandry defined in Section 1-130 of the  
7 Illinois Vehicle Code, farm machinery and agricultural  
8 chemical and fertilizer spreaders, and nurse wagons required  
9 to be registered under Section 3-809 of the Illinois Vehicle  
10 Code, but excluding other motor vehicles required to be  
11 registered under the Illinois Vehicle Code. Horticultural  
12 polyhouses or hoop houses used for propagating, growing, or  
13 overwintering plants shall be considered farm machinery and  
14 equipment under this item (7). Agricultural chemical tender  
15 tanks and dry boxes shall include units sold separately from a  
16 motor vehicle required to be licensed and units sold mounted  
17 on a motor vehicle required to be licensed if the selling price  
18 of the tender is separately stated.

19 Farm machinery and equipment shall include precision  
20 farming equipment that is installed or purchased to be  
21 installed on farm machinery and equipment, including, but not  
22 limited to, tractors, harvesters, sprayers, planters, seeders,  
23 or spreaders. Precision farming equipment includes, but is not  
24 limited to, soil testing sensors, computers, monitors,  
25 software, global positioning and mapping systems, and other  
26 such equipment.

1 Farm machinery and equipment also includes computers,  
2 sensors, software, and related equipment used primarily in the  
3 computer-assisted operation of production agriculture  
4 facilities, equipment, and activities such as, but not limited  
5 to, the collection, monitoring, and correlation of animal and  
6 crop data for the purpose of formulating animal diets and  
7 agricultural chemicals.

8 Beginning on January 1, 2024, farm machinery and equipment  
9 also includes electrical power generation equipment used  
10 primarily for production agriculture.

11 This item (7) is exempt from the provisions of Section  
12 3-55.

13 (8) Until June 30, 2013, fuel and petroleum products sold  
14 to or used by an air common carrier, certified by the carrier  
15 to be used for consumption, shipment, or storage in the  
16 conduct of its business as an air common carrier, for a flight  
17 destined for or returning from a location or locations outside  
18 the United States without regard to previous or subsequent  
19 domestic stopovers.

20 Beginning July 1, 2013, fuel and petroleum products sold  
21 to or used by an air carrier, certified by the carrier to be  
22 used for consumption, shipment, or storage in the conduct of  
23 its business as an air common carrier, for a flight that (i) is  
24 engaged in foreign trade or is engaged in trade between the  
25 United States and any of its possessions and (ii) transports  
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same  
2 aircraft, without regard to a change in the flight number of  
3 that aircraft.

4 (9) Proceeds of mandatory service charges separately  
5 stated on customers' bills for the purchase and consumption of  
6 food and beverages, to the extent that the proceeds of the  
7 service charge are in fact turned over as tips or as a  
8 substitute for tips to the employees who participate directly  
9 in preparing, serving, hosting or cleaning up the food or  
10 beverage function with respect to which the service charge is  
11 imposed.

12 (10) Until July 1, 2003, oil field exploration, drilling,  
13 and production equipment, including (i) rigs and parts of  
14 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
15 pipe and tubular goods, including casing and drill strings,  
16 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
17 lines, (v) any individual replacement part for oil field  
18 exploration, drilling, and production equipment, and (vi)  
19 machinery and equipment purchased for lease; but excluding  
20 motor vehicles required to be registered under the Illinois  
21 Vehicle Code.

22 (11) Photoprocessing machinery and equipment, including  
23 repair and replacement parts, both new and used, including  
24 that manufactured on special order, certified by the purchaser  
25 to be used primarily for photoprocessing, and including  
26 photoprocessing machinery and equipment purchased for lease.

1           (12) Until July 1, 2028, coal and aggregate exploration,  
2 mining, off-highway hauling, processing, maintenance, and  
3 reclamation equipment, including replacement parts and  
4 equipment, and including equipment purchased for lease, but  
5 excluding motor vehicles required to be registered under the  
6 Illinois Vehicle Code. The changes made to this Section by  
7 Public Act 97-767 apply on and after July 1, 2003, but no claim  
8 for credit or refund is allowed on or after August 16, 2013  
9 (the effective date of Public Act 98-456) for such taxes paid  
10 during the period beginning July 1, 2003 and ending on August  
11 16, 2013 (the effective date of Public Act 98-456).

12           (13) Beginning January 1, 1992 and through June 30, 2016,  
13 food for human consumption that is to be consumed off the  
14 premises where it is sold (other than alcoholic beverages,  
15 soft drinks and food that has been prepared for immediate  
16 consumption) and prescription and non-prescription medicines,  
17 drugs, medical appliances, and insulin, urine testing  
18 materials, syringes, and needles used by diabetics, for human  
19 use, when purchased for use by a person receiving medical  
20 assistance under Article V of the Illinois Public Aid Code who  
21 resides in a licensed long-term care facility, as defined in  
22 the Nursing Home Care Act, or in a licensed facility as defined  
23 in the ID/DD Community Care Act, the MC/DD Act, or the  
24 Specialized Mental Health Rehabilitation Act of 2013.

25           (14) Semen used for artificial insemination of livestock  
26 for direct agricultural production.



1           (15) Horses, or interests in horses, registered with and  
2 meeting the requirements of any of the Arabian Horse Club  
3 Registry of America, Appaloosa Horse Club, American Quarter  
4 Horse Association, United States Trotting Association, or  
5 Jockey Club, as appropriate, used for purposes of breeding or  
6 racing for prizes. This item (15) is exempt from the  
7 provisions of Section 3-55, and the exemption provided for  
8 under this item (15) applies for all periods beginning May 30,  
9 1995, but no claim for credit or refund is allowed on or after  
10 January 1, 2008 (the effective date of Public Act 95-88) for  
11 such taxes paid during the period beginning May 30, 2000 and  
12 ending on January 1, 2008 (the effective date of Public Act  
13 95-88).

14           (16) Computers and communications equipment utilized for  
15 any hospital purpose and equipment used in the diagnosis,  
16 analysis, or treatment of hospital patients sold to a lessor  
17 who leases the equipment, under a lease of one year or longer  
18 executed or in effect at the time of the purchase, to a  
19 hospital that has been issued an active tax exemption  
20 identification number by the Department under Section 1g of  
21 the Retailers' Occupation Tax Act.

22           (17) Personal property sold to a lessor who leases the  
23 property, under a lease of one year or longer executed or in  
24 effect at the time of the purchase, to a governmental body that  
25 has been issued an active tax exemption identification number  
26 by the Department under Section 1g of the Retailers'

1 Occupation Tax Act.

2 (18) Beginning with taxable years ending on or after  
3 December 31, 1995 and ending with taxable years ending on or  
4 before December 31, 2004, personal property that is donated  
5 for disaster relief to be used in a State or federally declared  
6 disaster area in Illinois or bordering Illinois by a  
7 manufacturer or retailer that is registered in this State to a  
8 corporation, society, association, foundation, or institution  
9 that has been issued a sales tax exemption identification  
10 number by the Department that assists victims of the disaster  
11 who reside within the declared disaster area.

12 (19) Beginning with taxable years ending on or after  
13 December 31, 1995 and ending with taxable years ending on or  
14 before December 31, 2004, personal property that is used in  
15 the performance of infrastructure repairs in this State,  
16 including, but not limited to, municipal roads and streets,  
17 access roads, bridges, sidewalks, waste disposal systems,  
18 water and sewer line extensions, water distribution and  
19 purification facilities, storm water drainage and retention  
20 facilities, and sewage treatment facilities, resulting from a  
21 State or federally declared disaster in Illinois or bordering  
22 Illinois when such repairs are initiated on facilities located  
23 in the declared disaster area within 6 months after the  
24 disaster.

25 (20) Beginning July 1, 1999, game or game birds sold at a  
26 "game breeding and hunting preserve area" as that term is used

1 in the Wildlife Code. This paragraph is exempt from the  
2 provisions of Section 3-55.

3 (21) A motor vehicle, as that term is defined in Section  
4 1-146 of the Illinois Vehicle Code, that is donated to a  
5 corporation, limited liability company, society, association,  
6 foundation, or institution that is determined by the  
7 Department to be organized and operated exclusively for  
8 educational purposes. For purposes of this exemption, "a  
9 corporation, limited liability company, society, association,  
10 foundation, or institution organized and operated exclusively  
11 for educational purposes" means all tax-supported public  
12 schools, private schools that offer systematic instruction in  
13 useful branches of learning by methods common to public  
14 schools and that compare favorably in their scope and  
15 intensity with the course of study presented in tax-supported  
16 schools, and vocational or technical schools or institutes  
17 organized and operated exclusively to provide a course of  
18 study of not less than 6 weeks duration and designed to prepare  
19 individuals to follow a trade or to pursue a manual,  
20 technical, mechanical, industrial, business, or commercial  
21 occupation.

22 (22) Beginning January 1, 2000, personal property,  
23 including food, purchased through fundraising events for the  
24 benefit of a public or private elementary or secondary school,  
25 a group of those schools, or one or more school districts if  
26 the events are sponsored by an entity recognized by the school

1 district that consists primarily of volunteers and includes  
2 parents and teachers of the school children. This paragraph  
3 does not apply to fundraising events (i) for the benefit of  
4 private home instruction or (ii) for which the fundraising  
5 entity purchases the personal property sold at the events from  
6 another individual or entity that sold the property for the  
7 purpose of resale by the fundraising entity and that profits  
8 from the sale to the fundraising entity. This paragraph is  
9 exempt from the provisions of Section 3-55.

10 (23) Beginning January 1, 2000 and through December 31,  
11 2001, new or used automatic vending machines that prepare and  
12 serve hot food and beverages, including coffee, soup, and  
13 other items, and replacement parts for these machines.  
14 Beginning January 1, 2002 and through June 30, 2003, machines  
15 and parts for machines used in commercial, coin-operated  
16 amusement and vending business if a use or occupation tax is  
17 paid on the gross receipts derived from the use of the  
18 commercial, coin-operated amusement and vending machines. This  
19 paragraph is exempt from the provisions of Section 3-55.

20 (24) Beginning on August 2, 2001 (the effective date of  
21 Public Act 92-227), computers and communications equipment  
22 utilized for any hospital purpose and equipment used in the  
23 diagnosis, analysis, or treatment of hospital patients sold to  
24 a lessor who leases the equipment, under a lease of one year or  
25 longer executed or in effect at the time of the purchase, to a  
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of  
2 the Retailers' Occupation Tax Act. This paragraph is exempt  
3 from the provisions of Section 3-55.

4 (25) Beginning on August 2, 2001 (the effective date of  
5 Public Act 92-227), personal property sold to a lessor who  
6 leases the property, under a lease of one year or longer  
7 executed or in effect at the time of the purchase, to a  
8 governmental body that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of  
10 the Retailers' Occupation Tax Act. This paragraph is exempt  
11 from the provisions of Section 3-55.

12 (26) Beginning on January 1, 2002 and through June 30,  
13 2016, tangible personal property purchased from an Illinois  
14 retailer by a taxpayer engaged in centralized purchasing  
15 activities in Illinois who will, upon receipt of the property  
16 in Illinois, temporarily store the property in Illinois (i)  
17 for the purpose of subsequently transporting it outside this  
18 State for use or consumption thereafter solely outside this  
19 State or (ii) for the purpose of being processed, fabricated,  
20 or manufactured into, attached to, or incorporated into other  
21 tangible personal property to be transported outside this  
22 State and thereafter used or consumed solely outside this  
23 State. The Director of Revenue shall, pursuant to rules  
24 adopted in accordance with the Illinois Administrative  
25 Procedure Act, issue a permit to any taxpayer in good standing  
26 with the Department who is eligible for the exemption under

1 this paragraph (26). The permit issued under this paragraph  
2 (26) shall authorize the holder, to the extent and in the  
3 manner specified in the rules adopted under this Act, to  
4 purchase tangible personal property from a retailer exempt  
5 from the taxes imposed by this Act. Taxpayers shall maintain  
6 all necessary books and records to substantiate the use and  
7 consumption of all such tangible personal property outside of  
8 the State of Illinois.

9 (27) Beginning January 1, 2008, tangible personal property  
10 used in the construction or maintenance of a community water  
11 supply, as defined under Section 3.145 of the Environmental  
12 Protection Act, that is operated by a not-for-profit  
13 corporation that holds a valid water supply permit issued  
14 under Title IV of the Environmental Protection Act. This  
15 paragraph is exempt from the provisions of Section 3-55.

16 (28) Tangible personal property sold to a  
17 public-facilities corporation, as described in Section  
18 11-65-10 of the Illinois Municipal Code, for purposes of  
19 constructing or furnishing a municipal convention hall, but  
20 only if the legal title to the municipal convention hall is  
21 transferred to the municipality without any further  
22 consideration by or on behalf of the municipality at the time  
23 of the completion of the municipal convention hall or upon the  
24 retirement or redemption of any bonds or other debt  
25 instruments issued by the public-facilities corporation in  
26 connection with the development of the municipal convention

1 hall. This exemption includes existing public-facilities  
2 corporations as provided in Section 11-65-25 of the Illinois  
3 Municipal Code. This paragraph is exempt from the provisions  
4 of Section 3-55.

5 (29) Beginning January 1, 2010 and continuing through  
6 December 31, 2029, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft. However, until January 1, 2024, this  
13 exemption excludes any materials, parts, equipment,  
14 components, and consumable supplies used in the modification,  
15 replacement, repair, and maintenance of aircraft engines or  
16 power plants, whether such engines or power plants are  
17 installed or uninstalled upon any such aircraft. "Consumable  
18 supplies" include, but are not limited to, adhesive, tape,  
19 sandpaper, general purpose lubricants, cleaning solution,  
20 latex gloves, and protective films.

21 Beginning January 1, 2010 and continuing through December  
22 31, 2023, this exemption applies only to the transfer of  
23 qualifying tangible personal property incident to the  
24 modification, refurbishment, completion, replacement, repair,  
25 or maintenance of an aircraft by persons who (i) hold an Air  
26 Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)  
2 have a Class IV Rating, and (iii) conduct operations in  
3 accordance with Part 145 of the Federal Aviation Regulations.  
4 The exemption does not include aircraft operated by a  
5 commercial air carrier providing scheduled passenger air  
6 service pursuant to authority issued under Part 121 or Part  
7 129 of the Federal Aviation Regulations. From January 1, 2024  
8 through December 31, 2029, this exemption applies only to the  
9 use of qualifying tangible personal property by: (A) persons  
10 who modify, refurbish, complete, repair, replace, or maintain  
11 aircraft and who (i) hold an Air Agency Certificate and are  
12 empowered to operate an approved repair station by the Federal  
13 Aviation Administration, (ii) have a Class IV Rating, and  
14 (iii) conduct operations in accordance with Part 145 of the  
15 Federal Aviation Regulations; and (B) persons who engage in  
16 the modification, replacement, repair, and maintenance of  
17 aircraft engines or power plants without regard to whether or  
18 not those persons meet the qualifications of item (A).

19 The changes made to this paragraph (29) by Public Act  
20 98-534 are declarative of existing law. It is the intent of the  
21 General Assembly that the exemption under this paragraph (29)  
22 applies continuously from January 1, 2010 through December 31,  
23 2024; however, no claim for credit or refund is allowed for  
24 taxes paid as a result of the disallowance of this exemption on  
25 or after January 1, 2015 and prior to February 5, 2020 (the  
26 effective date of Public Act 101-629).



1           (30) Beginning January 1, 2017 and through December 31,  
2 2026, menstrual pads, tampons, and menstrual cups.

3           (31) Tangible personal property transferred to a purchaser  
4 who is exempt from tax by operation of federal law. This  
5 paragraph is exempt from the provisions of Section 3-55.

6           (32) Qualified tangible personal property used in the  
7 construction or operation of a data center that has been  
8 granted a certificate of exemption by the Department of  
9 Commerce and Economic Opportunity, whether that tangible  
10 personal property is purchased by the owner, operator, or  
11 tenant of the data center or by a contractor or subcontractor  
12 of the owner, operator, or tenant. Data centers that would  
13 have qualified for a certificate of exemption prior to January  
14 1, 2020 had Public Act 101-31 been in effect, may apply for and  
15 obtain an exemption for subsequent purchases of computer  
16 equipment or enabling software purchased or leased to upgrade,  
17 supplement, or replace computer equipment or enabling software  
18 purchased or leased in the original investment that would have  
19 qualified.

20           The Department of Commerce and Economic Opportunity shall  
21 grant a certificate of exemption under this item (32) to  
22 qualified data centers as defined by Section 605-1025 of the  
23 Department of Commerce and Economic Opportunity Law of the  
24 Civil Administrative Code of Illinois.

25           For the purposes of this item (32):

26           "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house working  
2 servers in one physical location or multiple sites within  
3 the State of Illinois.

4 "Qualified tangible personal property" means:  
5 electrical systems and equipment; climate control and  
6 chilling equipment and systems; mechanical systems and  
7 equipment; monitoring and secure systems; emergency  
8 generators; hardware; computers; servers; data storage  
9 devices; network connectivity equipment; racks; cabinets;  
10 telecommunications cabling infrastructure; raised floor  
11 systems; peripheral components or systems; software;  
12 mechanical, electrical, or plumbing systems; battery  
13 systems; cooling systems and towers; temperature control  
14 systems; other cabling; and other data center  
15 infrastructure equipment and systems necessary to operate  
16 qualified tangible personal property, including fixtures;  
17 and component parts of any of the foregoing, including  
18 installation, maintenance, repair, refurbishment, and  
19 replacement of qualified tangible personal property to  
20 generate, transform, transmit, distribute, or manage  
21 electricity necessary to operate qualified tangible  
22 personal property; and all other tangible personal  
23 property that is essential to the operations of a computer  
24 data center. The term "qualified tangible personal  
25 property" also includes building materials physically  
26 incorporated into ~~in to~~ the qualifying data center. To

1 document the exemption allowed under this Section, the  
2 retailer must obtain from the purchaser a copy of the  
3 certificate of eligibility issued by the Department of  
4 Commerce and Economic Opportunity.

5 This item (32) is exempt from the provisions of Section  
6 3-55.

7 (33) Beginning July 1, 2022, breast pumps, breast pump  
8 collection and storage supplies, and breast pump kits. This  
9 item (33) is exempt from the provisions of Section 3-55. As  
10 used in this item (33):

11 "Breast pump" means an electrically controlled or  
12 manually controlled pump device designed or marketed to be  
13 used to express milk from a human breast during lactation,  
14 including the pump device and any battery, AC adapter, or  
15 other power supply unit that is used to power the pump  
16 device and is packaged and sold with the pump device at the  
17 time of sale.

18 "Breast pump collection and storage supplies" means  
19 items of tangible personal property designed or marketed  
20 to be used in conjunction with a breast pump to collect  
21 milk expressed from a human breast and to store collected  
22 milk until it is ready for consumption.

23 "Breast pump collection and storage supplies"  
24 includes, but is not limited to: breast shields and breast  
25 shield connectors; breast pump tubes and tubing adapters;  
26 breast pump valves and membranes; backflow protectors and

1 backflow protector adaptors; bottles and bottle caps  
2 specific to the operation of the breast pump; and breast  
3 milk storage bags.

4 "Breast pump collection and storage supplies" does not  
5 include: (1) bottles and bottle caps not specific to the  
6 operation of the breast pump; (2) breast pump travel bags  
7 and other similar carrying accessories, including ice  
8 packs, labels, and other similar products; (3) breast pump  
9 cleaning supplies; (4) nursing bras, bra pads, breast  
10 shells, and other similar products; and (5) creams,  
11 ointments, and other similar products that relieve  
12 breastfeeding-related symptoms or conditions of the  
13 breasts or nipples, unless sold as part of a breast pump  
14 kit that is pre-packaged by the breast pump manufacturer  
15 or distributor.

16 "Breast pump kit" means a kit that: (1) contains no  
17 more than a breast pump, breast pump collection and  
18 storage supplies, a rechargeable battery for operating the  
19 breast pump, a breastmilk cooler, bottle stands, ice  
20 packs, and a breast pump carrying case; and (2) is  
21 pre-packaged as a breast pump kit by the breast pump  
22 manufacturer or distributor.

23 (34) Tangible personal property sold by or on behalf of  
24 the State Treasurer pursuant to the Revised Uniform Unclaimed  
25 Property Act. This item (34) is exempt from the provisions of  
26 Section 3-55.

1           (35) Beginning on January 1, 2024, tangible personal  
2 property purchased by an active duty member of the armed  
3 forces of the United States who presents valid military  
4 identification and purchases the property using a form of  
5 payment where the federal government is the payor. The member  
6 of the armed forces must complete, at the point of sale, a form  
7 prescribed by the Department of Revenue documenting that the  
8 transaction is eligible for the exemption under this  
9 paragraph. Retailers must keep the form as documentation of  
10 the exemption in their records for a period of not less than 6  
11 years. "Armed forces of the United States" means the United  
12 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
13 This paragraph is exempt from the provisions of Section 3-55.

14           (36) Tangible personal property to be used or consumed  
15 within a quantum computing campus enterprise zone designated  
16 by the Department of Commerce and Economic Opportunity under  
17 Section 605-1115 of the Department of Commerce and Economic  
18 Opportunity Law of the Civil Administrative Code of Illinois.  
19 This paragraph is exempt from the provisions of Section 3-55.

20           (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
21 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
22 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
23 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
24 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
25 revised 12-12-23.)

1 Section 50. The Retailers' Occupation Tax Act is amended  
2 by changing Section 2-5 as follows:

3 (35 ILCS 120/2-5)

4 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
5 the sale of the following tangible personal property are  
6 exempt from the tax imposed by this Act:

7 (1) Farm chemicals.

8 (2) Farm machinery and equipment, both new and used,  
9 including that manufactured on special order, certified by  
10 the purchaser to be used primarily for production  
11 agriculture or State or federal agricultural programs,  
12 including individual replacement parts for the machinery  
13 and equipment, including machinery and equipment purchased  
14 for lease, and including implements of husbandry defined  
15 in Section 1-130 of the Illinois Vehicle Code, farm  
16 machinery and agricultural chemical and fertilizer  
17 spreaders, and nurse wagons required to be registered  
18 under Section 3-809 of the Illinois Vehicle Code, but  
19 excluding other motor vehicles required to be registered  
20 under the Illinois Vehicle Code. Horticultural polyhouses  
21 or hoop houses used for propagating, growing, or  
22 overwintering plants shall be considered farm machinery  
23 and equipment under this item (2). Agricultural chemical  
24 tender tanks and dry boxes shall include units sold  
25 separately from a motor vehicle required to be licensed

1 and units sold mounted on a motor vehicle required to be  
2 licensed, if the selling price of the tender is separately  
3 stated.

4 Farm machinery and equipment shall include precision  
5 farming equipment that is installed or purchased to be  
6 installed on farm machinery and equipment including, but  
7 not limited to, tractors, harvesters, sprayers, planters,  
8 seeders, or spreaders. Precision farming equipment  
9 includes, but is not limited to, soil testing sensors,  
10 computers, monitors, software, global positioning and  
11 mapping systems, and other such equipment.

12 Farm machinery and equipment also includes computers,  
13 sensors, software, and related equipment used primarily in  
14 the computer-assisted operation of production agriculture  
15 facilities, equipment, and activities such as, but not  
16 limited to, the collection, monitoring, and correlation of  
17 animal and crop data for the purpose of formulating animal  
18 diets and agricultural chemicals.

19 Beginning on January 1, 2024, farm machinery and  
20 equipment also includes electrical power generation  
21 equipment used primarily for production agriculture.

22 This item (2) is exempt from the provisions of Section  
23 2-70.

24 (3) Until July 1, 2003, distillation machinery and  
25 equipment, sold as a unit or kit, assembled or installed  
26 by the retailer, certified by the user to be used only for

1 the production of ethyl alcohol that will be used for  
2 consumption as motor fuel or as a component of motor fuel  
3 for the personal use of the user, and not subject to sale  
4 or resale.

5 (4) Until July 1, 2003 and beginning again September  
6 1, 2004 through August 30, 2014, graphic arts machinery  
7 and equipment, including repair and replacement parts,  
8 both new and used, and including that manufactured on  
9 special order or purchased for lease, certified by the  
10 purchaser to be used primarily for graphic arts  
11 production. Equipment includes chemicals or chemicals  
12 acting as catalysts but only if the chemicals or chemicals  
13 acting as catalysts effect a direct and immediate change  
14 upon a graphic arts product. Beginning on July 1, 2017,  
15 graphic arts machinery and equipment is included in the  
16 manufacturing and assembling machinery and equipment  
17 exemption under paragraph (14).

18 (5) A motor vehicle that is used for automobile  
19 renting, as defined in the Automobile Renting Occupation  
20 and Use Tax Act. This paragraph is exempt from the  
21 provisions of Section 2-70.

22 (6) Personal property sold by a teacher-sponsored  
23 student organization affiliated with an elementary or  
24 secondary school located in Illinois.

25 (7) Until July 1, 2003, proceeds of that portion of  
26 the selling price of a passenger car the sale of which is



1 subject to the Replacement Vehicle Tax.

2 (8) Personal property sold to an Illinois county fair  
3 association for use in conducting, operating, or promoting  
4 the county fair.

5 (9) Personal property sold to a not-for-profit arts or  
6 cultural organization that establishes, by proof required  
7 by the Department by rule, that it has received an  
8 exemption under Section 501(c)(3) of the Internal Revenue  
9 Code and that is organized and operated primarily for the  
10 presentation or support of arts or cultural programming,  
11 activities, or services. These organizations include, but  
12 are not limited to, music and dramatic arts organizations  
13 such as symphony orchestras and theatrical groups, arts  
14 and cultural service organizations, local arts councils,  
15 visual arts organizations, and media arts organizations.  
16 On and after July 1, 2001 (the effective date of Public Act  
17 92-35), however, an entity otherwise eligible for this  
18 exemption shall not make tax-free purchases unless it has  
19 an active identification number issued by the Department.

20 (10) Personal property sold by a corporation, society,  
21 association, foundation, institution, or organization,  
22 other than a limited liability company, that is organized  
23 and operated as a not-for-profit service enterprise for  
24 the benefit of persons 65 years of age or older if the  
25 personal property was not purchased by the enterprise for  
26 the purpose of resale by the enterprise.

1           (11) Except as otherwise provided in this Section,  
2           personal property sold to a governmental body, to a  
3           corporation, society, association, foundation, or  
4           institution organized and operated exclusively for  
5           charitable, religious, or educational purposes, or to a  
6           not-for-profit corporation, society, association,  
7           foundation, institution, or organization that has no  
8           compensated officers or employees and that is organized  
9           and operated primarily for the recreation of persons 55  
10          years of age or older. A limited liability company may  
11          qualify for the exemption under this paragraph only if the  
12          limited liability company is organized and operated  
13          exclusively for educational purposes. On and after July 1,  
14          1987, however, no entity otherwise eligible for this  
15          exemption shall make tax-free purchases unless it has an  
16          active identification number issued by the Department.

17          (12) (Blank).

18          (12-5) On and after July 1, 2003 and through June 30,  
19          2004, motor vehicles of the second division with a gross  
20          vehicle weight in excess of 8,000 pounds that are subject  
21          to the commercial distribution fee imposed under Section  
22          3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
23          2004 and through June 30, 2005, the use in this State of  
24          motor vehicles of the second division: (i) with a gross  
25          vehicle weight rating in excess of 8,000 pounds; (ii) that  
26          are subject to the commercial distribution fee imposed

1 under Section 3-815.1 of the Illinois Vehicle Code; and  
2 (iii) that are primarily used for commercial purposes.  
3 Through June 30, 2005, this exemption applies to repair  
4 and replacement parts added after the initial purchase of  
5 such a motor vehicle if that motor vehicle is used in a  
6 manner that would qualify for the rolling stock exemption  
7 otherwise provided for in this Act. For purposes of this  
8 paragraph, "used for commercial purposes" means the  
9 transportation of persons or property in furtherance of  
10 any commercial or industrial enterprise whether for-hire  
11 or not.

12 (13) Proceeds from sales to owners, lessors, or  
13 shippers of tangible personal property that is utilized by  
14 interstate carriers for hire for use as rolling stock  
15 moving in interstate commerce and equipment operated by a  
16 telecommunications provider, licensed as a common carrier  
17 by the Federal Communications Commission, which is  
18 permanently installed in or affixed to aircraft moving in  
19 interstate commerce.

20 (14) Machinery and equipment that will be used by the  
21 purchaser, or a lessee of the purchaser, primarily in the  
22 process of manufacturing or assembling tangible personal  
23 property for wholesale or retail sale or lease, whether  
24 the sale or lease is made directly by the manufacturer or  
25 by some other person, whether the materials used in the  
26 process are owned by the manufacturer or some other

1 person, or whether the sale or lease is made apart from or  
2 as an incident to the seller's engaging in the service  
3 occupation of producing machines, tools, dies, jigs,  
4 patterns, gauges, or other similar items of no commercial  
5 value on special order for a particular purchaser. The  
6 exemption provided by this paragraph (14) does not include  
7 machinery and equipment used in (i) the generation of  
8 electricity for wholesale or retail sale; (ii) the  
9 generation or treatment of natural or artificial gas for  
10 wholesale or retail sale that is delivered to customers  
11 through pipes, pipelines, or mains; or (iii) the treatment  
12 of water for wholesale or retail sale that is delivered to  
13 customers through pipes, pipelines, or mains. The  
14 provisions of Public Act 98-583 are declaratory of  
15 existing law as to the meaning and scope of this  
16 exemption. Beginning on July 1, 2017, the exemption  
17 provided by this paragraph (14) includes, but is not  
18 limited to, graphic arts machinery and equipment, as  
19 defined in paragraph (4) of this Section.

20 (15) Proceeds of mandatory service charges separately  
21 stated on customers' bills for purchase and consumption of  
22 food and beverages, to the extent that the proceeds of the  
23 service charge are in fact turned over as tips or as a  
24 substitute for tips to the employees who participate  
25 directly in preparing, serving, hosting or cleaning up the  
26 food or beverage function with respect to which the

1 service charge is imposed.

2 (16) Tangible personal property sold to a purchaser if  
3 the purchaser is exempt from use tax by operation of  
4 federal law. This paragraph is exempt from the provisions  
5 of Section 2-70.

6 (17) Tangible personal property sold to a common  
7 carrier by rail or motor that receives the physical  
8 possession of the property in Illinois and that transports  
9 the property, or shares with another common carrier in the  
10 transportation of the property, out of Illinois on a  
11 standard uniform bill of lading showing the seller of the  
12 property as the shipper or consignor of the property to a  
13 destination outside Illinois, for use outside Illinois.

14 (18) Legal tender, currency, medallions, or gold or  
15 silver coinage issued by the State of Illinois, the  
16 government of the United States of America, or the  
17 government of any foreign country, and bullion.

18 (19) Until July 1, 2003, oil field exploration,  
19 drilling, and production equipment, including (i) rigs and  
20 parts of rigs, rotary rigs, cable tool rigs, and workover  
21 rigs, (ii) pipe and tubular goods, including casing and  
22 drill strings, (iii) pumps and pump-jack units, (iv)  
23 storage tanks and flow lines, (v) any individual  
24 replacement part for oil field exploration, drilling, and  
25 production equipment, and (vi) machinery and equipment  
26 purchased for lease; but excluding motor vehicles required

1 to be registered under the Illinois Vehicle Code.

2 (20) Photoprocessing machinery and equipment,  
3 including repair and replacement parts, both new and used,  
4 including that manufactured on special order, certified by  
5 the purchaser to be used primarily for photoprocessing,  
6 and including photoprocessing machinery and equipment  
7 purchased for lease.

8 (21) Until July 1, 2028, coal and aggregate  
9 exploration, mining, off-highway hauling, processing,  
10 maintenance, and reclamation equipment, including  
11 replacement parts and equipment, and including equipment  
12 purchased for lease, but excluding motor vehicles required  
13 to be registered under the Illinois Vehicle Code. The  
14 changes made to this Section by Public Act 97-767 apply on  
15 and after July 1, 2003, but no claim for credit or refund  
16 is allowed on or after August 16, 2013 (the effective date  
17 of Public Act 98-456) for such taxes paid during the  
18 period beginning July 1, 2003 and ending on August 16,  
19 2013 (the effective date of Public Act 98-456).

20 (22) Until June 30, 2013, fuel and petroleum products  
21 sold to or used by an air carrier, certified by the carrier  
22 to be used for consumption, shipment, or storage in the  
23 conduct of its business as an air common carrier, for a  
24 flight destined for or returning from a location or  
25 locations outside the United States without regard to  
26 previous or subsequent domestic stopovers.

1           Beginning July 1, 2013, fuel and petroleum products  
2           sold to or used by an air carrier, certified by the carrier  
3           to be used for consumption, shipment, or storage in the  
4           conduct of its business as an air common carrier, for a  
5           flight that (i) is engaged in foreign trade or is engaged  
6           in trade between the United States and any of its  
7           possessions and (ii) transports at least one individual or  
8           package for hire from the city of origination to the city  
9           of final destination on the same aircraft, without regard  
10          to a change in the flight number of that aircraft.

11          (23) A transaction in which the purchase order is  
12          received by a florist who is located outside Illinois, but  
13          who has a florist located in Illinois deliver the property  
14          to the purchaser or the purchaser's donee in Illinois.

15          (24) Fuel consumed or used in the operation of ships,  
16          barges, or vessels that are used primarily in or for the  
17          transportation of property or the conveyance of persons  
18          for hire on rivers bordering on this State if the fuel is  
19          delivered by the seller to the purchaser's barge, ship, or  
20          vessel while it is afloat upon that bordering river.

21          (25) Except as provided in item (25-5) of this  
22          Section, a motor vehicle sold in this State to a  
23          nonresident even though the motor vehicle is delivered to  
24          the nonresident in this State, if the motor vehicle is not  
25          to be titled in this State, and if a drive-away permit is  
26          issued to the motor vehicle as provided in Section 3-603

1 of the Illinois Vehicle Code or if the nonresident  
2 purchaser has vehicle registration plates to transfer to  
3 the motor vehicle upon returning to his or her home state.  
4 The issuance of the drive-away permit or having the  
5 out-of-state registration plates to be transferred is  
6 prima facie evidence that the motor vehicle will not be  
7 titled in this State.

8 (25-5) The exemption under item (25) does not apply if  
9 the state in which the motor vehicle will be titled does  
10 not allow a reciprocal exemption for a motor vehicle sold  
11 and delivered in that state to an Illinois resident but  
12 titled in Illinois. The tax collected under this Act on  
13 the sale of a motor vehicle in this State to a resident of  
14 another state that does not allow a reciprocal exemption  
15 shall be imposed at a rate equal to the state's rate of tax  
16 on taxable property in the state in which the purchaser is  
17 a resident, except that the tax shall not exceed the tax  
18 that would otherwise be imposed under this Act. At the  
19 time of the sale, the purchaser shall execute a statement,  
20 signed under penalty of perjury, of his or her intent to  
21 title the vehicle in the state in which the purchaser is a  
22 resident within 30 days after the sale and of the fact of  
23 the payment to the State of Illinois of tax in an amount  
24 equivalent to the state's rate of tax on taxable property  
25 in his or her state of residence and shall submit the  
26 statement to the appropriate tax collection agency in his



1 or her state of residence. In addition, the retailer must  
2 retain a signed copy of the statement in his or her  
3 records. Nothing in this item shall be construed to  
4 require the removal of the vehicle from this state  
5 following the filing of an intent to title the vehicle in  
6 the purchaser's state of residence if the purchaser titles  
7 the vehicle in his or her state of residence within 30 days  
8 after the date of sale. The tax collected under this Act in  
9 accordance with this item (25-5) shall be proportionately  
10 distributed as if the tax were collected at the 6.25%  
11 general rate imposed under this Act.

12 (25-7) Beginning on July 1, 2007, no tax is imposed  
13 under this Act on the sale of an aircraft, as defined in  
14 Section 3 of the Illinois Aeronautics Act, if all of the  
15 following conditions are met:

16 (1) the aircraft leaves this State within 15 days  
17 after the later of either the issuance of the final  
18 billing for the sale of the aircraft, or the  
19 authorized approval for return to service, completion  
20 of the maintenance record entry, and completion of the  
21 test flight and ground test for inspection, as  
22 required by 14 CFR 91.407;

23 (2) the aircraft is not based or registered in  
24 this State after the sale of the aircraft; and

25 (3) the seller retains in his or her books and  
26 records and provides to the Department a signed and

1           dated certification from the purchaser, on a form  
2           prescribed by the Department, certifying that the  
3           requirements of this item (25-7) are met. The  
4           certificate must also include the name and address of  
5           the purchaser, the address of the location where the  
6           aircraft is to be titled or registered, the address of  
7           the primary physical location of the aircraft, and  
8           other information that the Department may reasonably  
9           require.

10          For purposes of this item (25-7):

11           "Based in this State" means hangared, stored, or  
12          otherwise used, excluding post-sale customizations as  
13          defined in this Section, for 10 or more days in each  
14          12-month period immediately following the date of the sale  
15          of the aircraft.

16           "Registered in this State" means an aircraft  
17          registered with the Department of Transportation,  
18          Aeronautics Division, or titled or registered with the  
19          Federal Aviation Administration to an address located in  
20          this State.

21          This paragraph (25-7) is exempt from the provisions of  
22          Section 2-70.

23           (26) Semen used for artificial insemination of  
24          livestock for direct agricultural production.

25           (27) Horses, or interests in horses, registered with  
26          and meeting the requirements of any of the Arabian Horse

1 Club Registry of America, Appaloosa Horse Club, American  
2 Quarter Horse Association, United States Trotting  
3 Association, or Jockey Club, as appropriate, used for  
4 purposes of breeding or racing for prizes. This item (27)  
5 is exempt from the provisions of Section 2-70, and the  
6 exemption provided for under this item (27) applies for  
7 all periods beginning May 30, 1995, but no claim for  
8 credit or refund is allowed on or after January 1, 2008  
9 (the effective date of Public Act 95-88) for such taxes  
10 paid during the period beginning May 30, 2000 and ending  
11 on January 1, 2008 (the effective date of Public Act  
12 95-88).

13 (28) Computers and communications equipment utilized  
14 for any hospital purpose and equipment used in the  
15 diagnosis, analysis, or treatment of hospital patients  
16 sold to a lessor who leases the equipment, under a lease of  
17 one year or longer executed or in effect at the time of the  
18 purchase, to a hospital that has been issued an active tax  
19 exemption identification number by the Department under  
20 Section 1g of this Act.

21 (29) Personal property sold to a lessor who leases the  
22 property, under a lease of one year or longer executed or  
23 in effect at the time of the purchase, to a governmental  
24 body that has been issued an active tax exemption  
25 identification number by the Department under Section 1g  
26 of this Act.

1           (30) Beginning with taxable years ending on or after  
2           December 31, 1995 and ending with taxable years ending on  
3           or before December 31, 2004, personal property that is  
4           donated for disaster relief to be used in a State or  
5           federally declared disaster area in Illinois or bordering  
6           Illinois by a manufacturer or retailer that is registered  
7           in this State to a corporation, society, association,  
8           foundation, or institution that has been issued a sales  
9           tax exemption identification number by the Department that  
10          assists victims of the disaster who reside within the  
11          declared disaster area.

12          (31) Beginning with taxable years ending on or after  
13          December 31, 1995 and ending with taxable years ending on  
14          or before December 31, 2004, personal property that is  
15          used in the performance of infrastructure repairs in this  
16          State, including, but not limited to, municipal roads and  
17          streets, access roads, bridges, sidewalks, waste disposal  
18          systems, water and sewer line extensions, water  
19          distribution and purification facilities, storm water  
20          drainage and retention facilities, and sewage treatment  
21          facilities, resulting from a State or federally declared  
22          disaster in Illinois or bordering Illinois when such  
23          repairs are initiated on facilities located in the  
24          declared disaster area within 6 months after the disaster.

25          (32) Beginning July 1, 1999, game or game birds sold  
26          at a "game breeding and hunting preserve area" as that

1 term is used in the Wildlife Code. This paragraph is  
2 exempt from the provisions of Section 2-70.

3 (33) A motor vehicle, as that term is defined in  
4 Section 1-146 of the Illinois Vehicle Code, that is  
5 donated to a corporation, limited liability company,  
6 society, association, foundation, or institution that is  
7 determined by the Department to be organized and operated  
8 exclusively for educational purposes. For purposes of this  
9 exemption, "a corporation, limited liability company,  
10 society, association, foundation, or institution organized  
11 and operated exclusively for educational purposes" means  
12 all tax-supported public schools, private schools that  
13 offer systematic instruction in useful branches of  
14 learning by methods common to public schools and that  
15 compare favorably in their scope and intensity with the  
16 course of study presented in tax-supported schools, and  
17 vocational or technical schools or institutes organized  
18 and operated exclusively to provide a course of study of  
19 not less than 6 weeks duration and designed to prepare  
20 individuals to follow a trade or to pursue a manual,  
21 technical, mechanical, industrial, business, or commercial  
22 occupation.

23 (34) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for  
25 the benefit of a public or private elementary or secondary  
26 school, a group of those schools, or one or more school

1 districts if the events are sponsored by an entity  
2 recognized by the school district that consists primarily  
3 of volunteers and includes parents and teachers of the  
4 school children. This paragraph does not apply to  
5 fundraising events (i) for the benefit of private home  
6 instruction or (ii) for which the fundraising entity  
7 purchases the personal property sold at the events from  
8 another individual or entity that sold the property for  
9 the purpose of resale by the fundraising entity and that  
10 profits from the sale to the fundraising entity. This  
11 paragraph is exempt from the provisions of Section 2-70.

12 (35) Beginning January 1, 2000 and through December  
13 31, 2001, new or used automatic vending machines that  
14 prepare and serve hot food and beverages, including  
15 coffee, soup, and other items, and replacement parts for  
16 these machines. Beginning January 1, 2002 and through June  
17 30, 2003, machines and parts for machines used in  
18 commercial, coin-operated amusement and vending business  
19 if a use or occupation tax is paid on the gross receipts  
20 derived from the use of the commercial, coin-operated  
21 amusement and vending machines. This paragraph is exempt  
22 from the provisions of Section 2-70.

23 (35-5) Beginning August 23, 2001 and through June 30,  
24 2016, food for human consumption that is to be consumed  
25 off the premises where it is sold (other than alcoholic  
26 beverages, soft drinks, and food that has been prepared

1 for immediate consumption) and prescription and  
2 nonprescription medicines, drugs, medical appliances, and  
3 insulin, urine testing materials, syringes, and needles  
4 used by diabetics, for human use, when purchased for use  
5 by a person receiving medical assistance under Article V  
6 of the Illinois Public Aid Code who resides in a licensed  
7 long-term care facility, as defined in the Nursing Home  
8 Care Act, or a licensed facility as defined in the ID/DD  
9 Community Care Act, the MC/DD Act, or the Specialized  
10 Mental Health Rehabilitation Act of 2013.

11 (36) Beginning August 2, 2001, computers and  
12 communications equipment utilized for any hospital purpose  
13 and equipment used in the diagnosis, analysis, or  
14 treatment of hospital patients sold to a lessor who leases  
15 the equipment, under a lease of one year or longer  
16 executed or in effect at the time of the purchase, to a  
17 hospital that has been issued an active tax exemption  
18 identification number by the Department under Section 1g  
19 of this Act. This paragraph is exempt from the provisions  
20 of Section 2-70.

21 (37) Beginning August 2, 2001, personal property sold  
22 to a lessor who leases the property, under a lease of one  
23 year or longer executed or in effect at the time of the  
24 purchase, to a governmental body that has been issued an  
25 active tax exemption identification number by the  
26 Department under Section 1g of this Act. This paragraph is

1 exempt from the provisions of Section 2-70.

2 (38) Beginning on January 1, 2002 and through June 30,  
3 2016, tangible personal property purchased from an  
4 Illinois retailer by a taxpayer engaged in centralized  
5 purchasing activities in Illinois who will, upon receipt  
6 of the property in Illinois, temporarily store the  
7 property in Illinois (i) for the purpose of subsequently  
8 transporting it outside this State for use or consumption  
9 thereafter solely outside this State or (ii) for the  
10 purpose of being processed, fabricated, or manufactured  
11 into, attached to, or incorporated into other tangible  
12 personal property to be transported outside this State and  
13 thereafter used or consumed solely outside this State. The  
14 Director of Revenue shall, pursuant to rules adopted in  
15 accordance with the Illinois Administrative Procedure Act,  
16 issue a permit to any taxpayer in good standing with the  
17 Department who is eligible for the exemption under this  
18 paragraph (38). The permit issued under this paragraph  
19 (38) shall authorize the holder, to the extent and in the  
20 manner specified in the rules adopted under this Act, to  
21 purchase tangible personal property from a retailer exempt  
22 from the taxes imposed by this Act. Taxpayers shall  
23 maintain all necessary books and records to substantiate  
24 the use and consumption of all such tangible personal  
25 property outside of the State of Illinois.

26 (39) Beginning January 1, 2008, tangible personal



1 property used in the construction or maintenance of a  
2 community water supply, as defined under Section 3.145 of  
3 the Environmental Protection Act, that is operated by a  
4 not-for-profit corporation that holds a valid water supply  
5 permit issued under Title IV of the Environmental  
6 Protection Act. This paragraph is exempt from the  
7 provisions of Section 2-70.

8 (40) Beginning January 1, 2010 and continuing through  
9 December 31, 2029, materials, parts, equipment,  
10 components, and furnishings incorporated into or upon an  
11 aircraft as part of the modification, refurbishment,  
12 completion, replacement, repair, or maintenance of the  
13 aircraft. This exemption includes consumable supplies used  
14 in the modification, refurbishment, completion,  
15 replacement, repair, and maintenance of aircraft. However,  
16 until January 1, 2024, this exemption excludes any  
17 materials, parts, equipment, components, and consumable  
18 supplies used in the modification, replacement, repair,  
19 and maintenance of aircraft engines or power plants,  
20 whether such engines or power plants are installed or  
21 uninstalled upon any such aircraft. "Consumable supplies"  
22 include, but are not limited to, adhesive, tape,  
23 sandpaper, general purpose lubricants, cleaning solution,  
24 latex gloves, and protective films.

25 Beginning January 1, 2010 and continuing through  
26 December 31, 2023, this exemption applies only to the sale

1 of qualifying tangible personal property to persons who  
2 modify, refurbish, complete, replace, or maintain an  
3 aircraft and who (i) hold an Air Agency Certificate and  
4 are empowered to operate an approved repair station by the  
5 Federal Aviation Administration, (ii) have a Class IV  
6 Rating, and (iii) conduct operations in accordance with  
7 Part 145 of the Federal Aviation Regulations. The  
8 exemption does not include aircraft operated by a  
9 commercial air carrier providing scheduled passenger air  
10 service pursuant to authority issued under Part 121 or  
11 Part 129 of the Federal Aviation Regulations. From January  
12 1, 2024 through December 31, 2029, this exemption applies  
13 only to the use of qualifying tangible personal property  
14 by: (A) persons who modify, refurbish, complete, repair,  
15 replace, or maintain aircraft and who (i) hold an Air  
16 Agency Certificate and are empowered to operate an  
17 approved repair station by the Federal Aviation  
18 Administration, (ii) have a Class IV Rating, and (iii)  
19 conduct operations in accordance with Part 145 of the  
20 Federal Aviation Regulations; and (B) persons who engage  
21 in the modification, replacement, repair, and maintenance  
22 of aircraft engines or power plants without regard to  
23 whether or not those persons meet the qualifications of  
24 item (A).

25 The changes made to this paragraph (40) by Public Act  
26 98-534 are declarative of existing law. It is the intent

1 of the General Assembly that the exemption under this  
2 paragraph (40) applies continuously from January 1, 2010  
3 through December 31, 2024; however, no claim for credit or  
4 refund is allowed for taxes paid as a result of the  
5 disallowance of this exemption on or after January 1, 2015  
6 and prior to February 5, 2020 (the effective date of  
7 Public Act 101-629).

8 (41) Tangible personal property sold to a  
9 public-facilities corporation, as described in Section  
10 11-65-10 of the Illinois Municipal Code, for purposes of  
11 constructing or furnishing a municipal convention hall,  
12 but only if the legal title to the municipal convention  
13 hall is transferred to the municipality without any  
14 further consideration by or on behalf of the municipality  
15 at the time of the completion of the municipal convention  
16 hall or upon the retirement or redemption of any bonds or  
17 other debt instruments issued by the public-facilities  
18 corporation in connection with the development of the  
19 municipal convention hall. This exemption includes  
20 existing public-facilities corporations as provided in  
21 Section 11-65-25 of the Illinois Municipal Code. This  
22 paragraph is exempt from the provisions of Section 2-70.

23 (42) Beginning January 1, 2017 and through December  
24 31, 2026, menstrual pads, tampons, and menstrual cups.

25 (43) Merchandise that is subject to the Rental  
26 Purchase Agreement Occupation and Use Tax. The purchaser

1 must certify that the item is purchased to be rented  
2 subject to a rental-purchase ~~rental-purchase~~ agreement, as  
3 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement  
4 Act, and provide proof of registration under the Rental  
5 Purchase Agreement Occupation and Use Tax Act. This  
6 paragraph is exempt from the provisions of Section 2-70.

7 (44) Qualified tangible personal property used in the  
8 construction or operation of a data center that has been  
9 granted a certificate of exemption by the Department of  
10 Commerce and Economic Opportunity, whether that tangible  
11 personal property is purchased by the owner, operator, or  
12 tenant of the data center or by a contractor or  
13 subcontractor of the owner, operator, or tenant. Data  
14 centers that would have qualified for a certificate of  
15 exemption prior to January 1, 2020 had Public Act 101-31  
16 been in effect, may apply for and obtain an exemption for  
17 subsequent purchases of computer equipment or enabling  
18 software purchased or leased to upgrade, supplement, or  
19 replace computer equipment or enabling software purchased  
20 or leased in the original investment that would have  
21 qualified.

22 The Department of Commerce and Economic Opportunity  
23 shall grant a certificate of exemption under this item  
24 (44) to qualified data centers as defined by Section  
25 605-1025 of the Department of Commerce and Economic  
26 Opportunity Law of the Civil Administrative Code of

1 Illinois.

2 For the purposes of this item (44):

3 "Data center" means a building or a series of  
4 buildings rehabilitated or constructed to house  
5 working servers in one physical location or multiple  
6 sites within the State of Illinois.

7 "Qualified tangible personal property" means:  
8 electrical systems and equipment; climate control and  
9 chilling equipment and systems; mechanical systems and  
10 equipment; monitoring and secure systems; emergency  
11 generators; hardware; computers; servers; data storage  
12 devices; network connectivity equipment; racks;  
13 cabinets; telecommunications cabling infrastructure;  
14 raised floor systems; peripheral components or  
15 systems; software; mechanical, electrical, or plumbing  
16 systems; battery systems; cooling systems and towers;  
17 temperature control systems; other cabling; and other  
18 data center infrastructure equipment and systems  
19 necessary to operate qualified tangible personal  
20 property, including fixtures; and component parts of  
21 any of the foregoing, including installation,  
22 maintenance, repair, refurbishment, and replacement of  
23 qualified tangible personal property to generate,  
24 transform, transmit, distribute, or manage electricity  
25 necessary to operate qualified tangible personal  
26 property; and all other tangible personal property

1           that is essential to the operations of a computer data  
2           center. The term "qualified tangible personal  
3           property" also includes building materials physically  
4           incorporated into the qualifying data center. To  
5           document the exemption allowed under this Section, the  
6           retailer must obtain from the purchaser a copy of the  
7           certificate of eligibility issued by the Department of  
8           Commerce and Economic Opportunity.

9           This item (44) is exempt from the provisions of  
10          Section 2-70.

11          (45) Beginning January 1, 2020 and through December  
12          31, 2020, sales of tangible personal property made by a  
13          marketplace seller over a marketplace for which tax is due  
14          under this Act but for which use tax has been collected and  
15          remitted to the Department by a marketplace facilitator  
16          under Section 2d of the Use Tax Act are exempt from tax  
17          under this Act. A marketplace seller claiming this  
18          exemption shall maintain books and records demonstrating  
19          that the use tax on such sales has been collected and  
20          remitted by a marketplace facilitator. Marketplace sellers  
21          that have properly remitted tax under this Act on such  
22          sales may file a claim for credit as provided in Section 6  
23          of this Act. No claim is allowed, however, for such taxes  
24          for which a credit or refund has been issued to the  
25          marketplace facilitator under the Use Tax Act, or for  
26          which the marketplace facilitator has filed a claim for

1 credit or refund under the Use Tax Act.

2 (46) Beginning July 1, 2022, breast pumps, breast pump  
3 collection and storage supplies, and breast pump kits.  
4 This item (46) is exempt from the provisions of Section  
5 2-70. As used in this item (46):

6 "Breast pump" means an electrically controlled or  
7 manually controlled pump device designed or marketed to be  
8 used to express milk from a human breast during lactation,  
9 including the pump device and any battery, AC adapter, or  
10 other power supply unit that is used to power the pump  
11 device and is packaged and sold with the pump device at the  
12 time of sale.

13 "Breast pump collection and storage supplies" means  
14 items of tangible personal property designed or marketed  
15 to be used in conjunction with a breast pump to collect  
16 milk expressed from a human breast and to store collected  
17 milk until it is ready for consumption.

18 "Breast pump collection and storage supplies"  
19 includes, but is not limited to: breast shields and breast  
20 shield connectors; breast pump tubes and tubing adapters;  
21 breast pump valves and membranes; backflow protectors and  
22 backflow protector adaptors; bottles and bottle caps  
23 specific to the operation of the breast pump; and breast  
24 milk storage bags.

25 "Breast pump collection and storage supplies" does not  
26 include: (1) bottles and bottle caps not specific to the

1 operation of the breast pump; (2) breast pump travel bags  
2 and other similar carrying accessories, including ice  
3 packs, labels, and other similar products; (3) breast pump  
4 cleaning supplies; (4) nursing bras, bra pads, breast  
5 shells, and other similar products; and (5) creams,  
6 ointments, and other similar products that relieve  
7 breastfeeding-related symptoms or conditions of the  
8 breasts or nipples, unless sold as part of a breast pump  
9 kit that is pre-packaged by the breast pump manufacturer  
10 or distributor.

11 "Breast pump kit" means a kit that: (1) contains no  
12 more than a breast pump, breast pump collection and  
13 storage supplies, a rechargeable battery for operating the  
14 breast pump, a breastmilk cooler, bottle stands, ice  
15 packs, and a breast pump carrying case; and (2) is  
16 pre-packaged as a breast pump kit by the breast pump  
17 manufacturer or distributor.

18 (47) Tangible personal property sold by or on behalf  
19 of the State Treasurer pursuant to the Revised Uniform  
20 Unclaimed Property Act. This item (47) is exempt from the  
21 provisions of Section 2-70.

22 (48) Beginning on January 1, 2024, tangible personal  
23 property purchased by an active duty member of the armed  
24 forces of the United States who presents valid military  
25 identification and purchases the property using a form of  
26 payment where the federal government is the payor. The



1 member of the armed forces must complete, at the point of  
2 sale, a form prescribed by the Department of Revenue  
3 documenting that the transaction is eligible for the  
4 exemption under this paragraph. Retailers must keep the  
5 form as documentation of the exemption in their records  
6 for a period of not less than 6 years. "Armed forces of the  
7 United States" means the United States Army, Navy, Air  
8 Force, Marine Corps, or Coast Guard. This paragraph is  
9 exempt from the provisions of Section 2-70.

10 (49) Tangible personal property to be used or consumed  
11 within a quantum computing campus enterprise zone  
12 designated by the Department of Commerce and Economic  
13 Opportunity under Section 605-1115 of the Department of  
14 Commerce and Economic Opportunity Law of the Civil  
15 Administrative Code of Illinois. This paragraph is exempt  
16 from the provisions of Section 2-70.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
18 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
19 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
20 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
21 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
22 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
23 12-12-23.)

24 Section 55. The Property Tax Code is amended by changing  
25 Section 18-184.15 as follows:

1 (35 ILCS 200/18-184.15)

2 Sec. 18-184.15. REV Illinois project facilities for  
3 electric vehicles, electric vehicle component parts, or  
4 electric vehicle power supply equipment; abatement.

5 (a) Any taxing district, upon a majority vote of its  
6 governing body, may, after determination of the assessed value  
7 as set forth in this Code, order the clerk of the appropriate  
8 municipality or county to abate, for a period not to exceed 30  
9 consecutive years, any portion of real property taxes  
10 otherwise levied or extended by the taxing district on a REV  
11 Illinois Project facility owned by an electric vehicle  
12 manufacturer, electric vehicle component parts manufacturer,  
13 or an electric vehicle power supply manufacturer, or renewable  
14 energy manufacturer that is subject to an agreement with the  
15 Department of Commerce and Economic Opportunity under Section  
16 45 of the Reimagining Energy and Vehicles in Illinois Act,  
17 during the period of time such agreement is in effect as  
18 specified by the Department of Commerce and Economic  
19 Opportunity.

20 (b) Two or more taxing districts, upon a majority vote of  
21 each of their respective governing bodies, may agree to abate,  
22 for a period not to exceed 30 consecutive tax years, a portion  
23 of the real property taxes otherwise levied or extended by  
24 those taxing districts on a REV Illinois Project facility  
25 owned by an electric vehicle manufacturer, electric vehicle

1 component parts manufacturer, electric vehicle power supply  
2 manufacturer, or a renewable energy manufacturer that is  
3 subject to an agreement with the Department of Commerce and  
4 Economic Opportunity under Section 45 of the Reimagining  
5 Energy and Vehicles in Illinois Act. The agreement entered  
6 into by the taxing districts under this subsection (b) shall  
7 be filed with the county clerk who shall, for the period the  
8 agreement remains in effect, abate the portion of the real  
9 estate taxes levied or extended by those taxing districts as  
10 directed in the agreement. Any such agreement entered into by  
11 2 or more taxing districts before the effective date of this  
12 amendatory Act of the 103rd General Assembly that is not  
13 inconsistent with the provisions of this subsection (b) is  
14 hereby declared valid and enforceable for the effective period  
15 of that agreement.

16 (Source: P.A. 102-669, eff. 11-16-21; 102-1125, eff. 2-3-23.)

17 Section 60. The River Edge Redevelopment Zone Act is  
18 amended by changing Sections 10-4, 10-5.3, 10-10.3, and  
19 10-10.4 as follows:

20 (65 ILCS 115/10-4)

21 Sec. 10-4. Qualifications for River Edge Redevelopment  
22 Zones. An area is qualified to become a zone if it:

23 (1) is a contiguous area adjacent to or surrounding a  
24 river;

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

4 (3) satisfies any additional criteria established by  
5 the Department consistent with the purposes of this Act;

6 (4) is entirely within a single municipality; and

7 (5) has at least 100 acres of environmentally  
8 challenged land within 1500 yards of the riverfront.

9 Any River Edge Redevelopment Zone may have an overlapping  
10 geographic area with an Enterprise Zone. If a taxpayer is  
11 located in an area with an overlapping Enterprise Zone and  
12 River Edge Redevelopment Zone, the taxpayer must elect, in the  
13 form and manner required by the Department, from which program  
14 it would like to request benefits.

15 (Source: P.A. 94-1021, eff. 7-12-06; 94-1022, eff. 7-12-06.)

16 (65 ILCS 115/10-5.3)

17 Sec. 10-5.3. Certification of River Edge Redevelopment  
18 Zones.

19 (a) Approval of designated River Edge Redevelopment Zones  
20 shall be made by the Department by certification of the  
21 designating ordinance. The Department shall promptly issue a  
22 certificate for each zone upon its approval. The certificate  
23 shall be signed by the Director of the Department, shall make  
24 specific reference to the designating ordinance, which shall  
25 be attached thereto, and shall be filed in the office of the

1 Secretary of State. A certified copy of the River Edge  
2 Redevelopment Zone Certificate, or a duplicate original  
3 thereof, shall be recorded in the office of the recorder of  
4 deeds of the county in which the River Edge Redevelopment Zone  
5 lies.

6 (b) A River Edge Redevelopment Zone shall be effective  
7 upon its certification. The Department shall transmit a copy  
8 of the certification to the Department of Revenue, and to the  
9 designating municipality. Upon certification of a River Edge  
10 Redevelopment Zone, the terms and provisions of the  
11 designating ordinance shall be in effect, and may not be  
12 amended or repealed except in accordance with Section 10-5.4.

13 (c) A River Edge Redevelopment Zone shall be in effect for  
14 the period stated in the certificate, which shall in no event  
15 exceed 30 calendar years. Zones shall terminate at midnight of  
16 December 31 of the final calendar year of the certified term,  
17 except as provided in Section 10-5.4.

18 (d) In calendar years 2006 and 2007, the Department may  
19 certify one pilot River Edge Redevelopment Zone in the City of  
20 East St. Louis, one pilot River Edge Redevelopment Zone in the  
21 City of Rockford, and one pilot River Edge Redevelopment Zone  
22 in the City of Aurora.

23 In calendar year 2009, the Department may certify one  
24 pilot River Edge Redevelopment Zone in the City of Elgin.

25 On or after the effective date of this amendatory Act of  
26 the 97th General Assembly, the Department may certify one

1 additional pilot River Edge Redevelopment Zone in the City of  
2 Peoria.

3 On or after the effective date of this amendatory Act of  
4 the 103rd General Assembly, the Department may certify 2  
5 additional pilot River Edge Redevelopment Zones, including one  
6 in the City of Joliet and one in the City of Kankakee.

7 On or after the effective date of this amendatory Act of  
8 the 103rd General Assembly, the Department may certify 7  
9 additional pilot River Edge Redevelopment Zones, including one  
10 in the City of East Moline, one in the City of Moline, one in  
11 the City of Ottawa, one in the City of LaSalle, one in the City  
12 of Peru, one in the city of Rock Island, and one in the City of  
13 Quincy.

14 After certifying the additional pilot River Edge  
15 Redevelopment Zones authorized by the above paragraphs, the  
16 Department may not certify any additional River Edge  
17 Redevelopment Zones, but it may amend and rescind  
18 certifications of existing River Edge Redevelopment Zones in  
19 accordance with Section 10-5.4, except that no River Edge  
20 Redevelopment Zone may be extended on or after the effective  
21 date of this amendatory Act of the 97th General Assembly. Each  
22 River Edge Redevelopment Zone in existence on the effective  
23 date of this amendatory Act of the 97th General Assembly shall  
24 continue until its scheduled termination under this Act,  
25 unless the Zone is decertified sooner. At the time of its term  
26 expiration each River Edge Redevelopment Zone will become an

1 open enterprise zone, available for the previously designated  
2 area or a different area to compete for designation as an  
3 enterprise zone. No preference for designation as a Zone will  
4 be given to the previously designated area.

5 (e) A municipality in which a River Edge Redevelopment  
6 Zone has been certified must submit to the Department, within  
7 60 days after the certification, a plan for encouraging the  
8 participation by minority persons, women, persons with  
9 disabilities, and veterans in the zone. The Department may  
10 assist the municipality in developing and implementing the  
11 plan. The terms "minority person", "woman", and "person with a  
12 disability" have the meanings set forth under Section 2 of the  
13 Business Enterprise for Minorities, Women, and Persons with  
14 Disabilities Act. "Veteran" means an Illinois resident who is  
15 a veteran as defined in subsection (h) of Section 1491 of Title  
16 10 of the United States Code.

17 (Source: P.A. 103-9, eff. 6-7-23.)

18 (65 ILCS 115/10-10.3)

19 Sec. 10-10.3. River Edge Construction Jobs Credit.

20 (a) Beginning on January 1, 2021, a business entity may  
21 receive a tax credit against the tax imposed under subsections  
22 (a) and (b) of Section 201 in an amount equal to 50% (or 75% if  
23 the project is located in an underserved area) of the amount of  
24 the incremental income tax attributable to River Edge  
25 construction jobs employees employed in the course of

1 completing a River Edge construction jobs project. The credit  
2 allowed under this Section shall apply only to taxpayers that  
3 make a capital investment of at least \$1,000,000 in a  
4 qualified rehabilitation plan.

5 (b) A business entity seeking a credit under this Section  
6 must submit an application to the Department describing the  
7 nature and benefit of the River Edge construction jobs project  
8 to the qualified rehabilitation project and the River Edge  
9 Redevelopment Zone. The Department may adopt any necessary  
10 rules in order to administer the provisions of this Section.

11 (c) Within 45 days after the receipt of an application,  
12 the Department shall give notice to the applicant as to  
13 whether the application has been approved or disapproved. If  
14 the Department disapproves the application, it shall specify  
15 the reasons for this decision and allow 60 days for the  
16 applicant to amend and resubmit its application. The  
17 Department shall provide assistance upon request to  
18 applicants. Resubmitted applications shall receive the  
19 Department's approval or disapproval within 30 days of  
20 resubmission. Those resubmitted applications satisfying  
21 initial Department objectives shall be approved unless  
22 reasonable circumstances warrant disapproval.

23 (d) On an annual basis, the designated zone organization  
24 shall furnish a statement to the Department on the  
25 programmatic and financial status of any approved project and  
26 an audited financial statement of the project.



1 (e) The Department shall certify to the Department of  
2 Revenue the identity of the taxpayers who are eligible for  
3 River Edge construction jobs credits and the amounts of River  
4 Edge construction jobs credits awarded in each taxable year.

5 (f) (Blank). ~~The Department, in collaboration with the~~  
6 ~~Department of Labor, shall require certified payroll~~  
7 ~~reporting, pursuant to Section 10-10.4 of this Act, be~~  
8 ~~completed in order to verify the wages and any other necessary~~  
9 ~~information which the Department may deem necessary to~~  
10 ~~ascertain and certify the total number of River Edge~~  
11 ~~construction jobs employees and determine the amount of a~~  
12 ~~River Edge construction jobs credit.~~

13 (g) The total aggregate amount of credits awarded under  
14 the Blue Collar Jobs Act (Article 20 of this amendatory Act of  
15 the 101st General Assembly) shall not exceed \$20,000,000 in  
16 any State fiscal year.

17 (Source: P.A. 101-9, eff. 6-5-19.)

18 (65 ILCS 115/10-10.4)

19 Sec. 10-10.4. Certified payroll. Any taxpayer seeking Any  
20 ~~contractor and each subcontractor who is engaged in and is~~  
21 ~~executing a River Edge construction job tax credits must jobs~~  
22 ~~project for a taxpayer that is entitled to a credit pursuant to~~  
23 ~~Section 10-10.3 of this Act shall:~~

24 (1) annually, until construction is completed, submit  
25 a report that, at a minimum, describes the projected

1 project scope, timeline, and anticipated budget; once the  
2 project has commenced, the annual report shall include  
3 actual data for the prior year as well as projections for  
4 each additional year through completion of the project;  
5 the Department shall issue detailed reporting guidelines  
6 prescribing the requirements of construction-related  
7 reports; and

8 (2) provide the Department of Commerce and Economic  
9 Opportunity with evidence that a certified third-party  
10 executed an Agreed-Upon Procedure (AUP) verifying the  
11 construction expenses or accept the standard construction  
12 wage expense estimated by the Department of Commerce and  
13 Economic Opportunity; upon review of the final project  
14 scope, timeline, budget, and AUP, the Department shall  
15 issue a tax credit certificate reflecting a percentage of  
16 the total construction job wages paid throughout the  
17 completion of the project.

18 ~~(1) make and keep, for a period of 5 years from the~~  
19 ~~date of the last payment made on or after June 5, 2019 (the~~  
20 ~~effective date of Public Act 101-9) on a contract or~~  
21 ~~subcontract for a River Edge Construction Jobs Project in~~  
22 ~~a River Edge Redevelopment Zone records of all laborers~~  
23 ~~and other workers employed by them on the project; the~~  
24 ~~records shall include:~~

25 ~~(A) the worker's name;~~

26 ~~(B) the worker's address;~~

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

2 ~~(D) the worker's social security number;~~

3 ~~(E) the worker's classification or~~  
4 ~~classifications;~~

5 ~~(F) the worker's gross and net wages paid in each~~  
6 ~~pay period;~~

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

8 ~~(H) the worker's starting and ending times of work~~  
9 ~~each day;~~

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

11 ~~(J) the worker's hourly overtime wage rate; and~~

12 ~~(2) no later than the 15th day of each calendar month,~~  
13 ~~provide a certified payroll for the immediately preceding~~  
14 ~~month to the taxpayer in charge of the project; within 5~~  
15 ~~business days after receiving the certified payroll, the~~  
16 ~~taxpayer shall file the certified payroll with the~~  
17 ~~Department of Labor and the Department of Commerce and~~  
18 ~~Economic Opportunity; a certified payroll must be filed~~  
19 ~~for only those calendar months during which construction~~  
20 ~~on a River Edge Construction Jobs Project has occurred;~~  
21 ~~the certified payroll shall consist of a complete copy of~~  
22 ~~the records identified in paragraph (1), but may exclude~~  
23 ~~the starting and ending times of work each day; the~~  
24 ~~certified payroll shall be accompanied by a statement~~  
25 ~~signed by the contractor or subcontractor or an officer,~~  
26 ~~employee, or agent of the contractor or subcontractor~~

1 ~~which avers that:~~

2 ~~(A) he or she has examined the certified payroll~~  
3 ~~records required to be submitted and such records are~~  
4 ~~true and accurate; and~~

5 ~~(B) the contractor or subcontractor is aware that~~  
6 ~~filing a certified payroll that he or she knows to be~~  
7 ~~false is a Class A misdemeanor.~~

8 ~~A general contractor is not prohibited from relying on a~~  
9 ~~certified payroll of a lower tier subcontractor, provided the~~  
10 ~~general contractor does not knowingly rely upon a~~  
11 ~~subcontractor's false certification.~~

12 ~~Any contractor or subcontractor subject to this Section,~~  
13 ~~and any officer, employee, or agent of such contractor or~~  
14 ~~subcontractor whose duty as an officer, employee, or agent it~~  
15 ~~is to file a certified payroll under this Section, who~~  
16 ~~willfully fails to file such a certified payroll on or before~~  
17 ~~the date such certified payroll is required to be filed and any~~  
18 ~~person who willfully files a false certified payroll that is~~  
19 ~~false as to any material fact is in violation of this Act and~~  
20 ~~guilty of a Class A misdemeanor.~~

21 ~~The taxpayer in charge of the project shall keep the~~  
22 ~~records submitted in accordance with this Section on or after~~  
23 ~~June 5, 2019 (the effective date of Public Act 101-9) for a~~  
24 ~~period of 5 years from the date of the last payment for work on~~  
25 ~~a contract or subcontract for the project.~~

26 ~~The records submitted in accordance with this Section~~

1 ~~shall be considered public records, except an employee's~~  
2 ~~address, telephone number, and social security number, and~~  
3 ~~made available in accordance with the Freedom of Information~~  
4 ~~Act. The Department of Labor shall accept any reasonable~~  
5 ~~submissions by the contractor that meet the requirements of~~  
6 ~~this Section and shall share the information with the~~  
7 ~~Department in order to comply with the awarding of River Edge~~  
8 ~~construction jobs credits. A contractor, subcontractor, or~~  
9 ~~public body may retain records required under this Section in~~  
10 ~~paper or electronic format.~~

11       Upon 7 business days' notice, the taxpayer ~~contractor and~~  
12 ~~each subcontractor~~ shall make available for inspection and  
13 copying at a location within this State during reasonable  
14 hours, the records identified in paragraph (1) of this Section  
15 to the taxpayer in charge of the project, its officers and  
16 agents, ~~the Director of Labor and his or her deputies and~~  
17 ~~agents,~~ and to federal, State, or local law enforcement  
18 agencies and prosecutors.

19 (Source: P.A. 101-9, eff. 6-5-19; 102-558, eff. 8-20-21.)

20       Section 65. The Public Utilities Act is amended by  
21 changing Section 9-222 as follows:

22       (220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

23       Sec. 9-222. Whenever a tax is imposed upon a public  
24 utility engaged in the business of distributing, supplying,

1 furnishing, or selling gas for use or consumption pursuant to  
2 Section 2 of the Gas Revenue Tax Act, or whenever a tax is  
3 required to be collected by a delivering supplier pursuant to  
4 Section 2-7 of the Electricity Excise Tax Act, or whenever a  
5 tax is imposed upon a public utility pursuant to Section 2-202  
6 of this Act, such utility may charge its customers, other than  
7 customers who are high impact businesses under Section 5.5 of  
8 the Illinois Enterprise Zone Act, customers who are certified  
9 under Section 95 of the Reimagining Energy and Vehicles in  
10 Illinois Act, manufacturers under the Manufacturing Illinois  
11 Chips for Real Opportunity (MICRO) Act, customers who are  
12 tenants in a quantum computing campus enterprise zone under  
13 Section 605-1115 of the Department of Commerce and Economic  
14 Opportunity Law of the Civil Administrative Code of Illinois,  
15 or certified business enterprises under Section 9-222.1 of  
16 this Act, to the extent of such exemption and during the period  
17 in which such exemption is in effect, in addition to any rate  
18 authorized by this Act, an additional charge equal to the  
19 total amount of such taxes. The exemption of this Section  
20 relating to high impact businesses shall be subject to the  
21 provisions of subsections (a), (b), and (b-5) of Section 5.5  
22 of the Illinois Enterprise Zone Act. This requirement shall  
23 not apply to taxes on invested capital imposed pursuant to the  
24 Messages Tax Act, the Gas Revenue Tax Act and the Public  
25 Utilities Revenue Act. Such utility shall file with the  
26 Commission a supplemental schedule which shall specify such

1 additional charge and which shall become effective upon filing  
2 without further notice. Such additional charge shall be shown  
3 separately on the utility bill to each customer. The  
4 Commission shall have the power to investigate whether or not  
5 such supplemental schedule correctly specifies such additional  
6 charge, but shall have no power to suspend such supplemental  
7 schedule. If the Commission finds, after a hearing, that such  
8 supplemental schedule does not correctly specify such  
9 additional charge, it shall by order require a refund to the  
10 appropriate customers of the excess, if any, with interest, in  
11 such manner as it shall deem just and reasonable, and in and by  
12 such order shall require the utility to file an amended  
13 supplemental schedule corresponding to the finding and order  
14 of the Commission. Except with respect to taxes imposed on  
15 invested capital, such tax liabilities shall be recovered from  
16 customers solely by means of the additional charges authorized  
17 by this Section.

18 (Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22;  
19 102-1125, eff. 2-3-23.)".