



## 104TH GENERAL ASSEMBLY

### State of Illinois

### 2025 and 2026

### SB2025

Introduced 2/6/2025, by Sen. Celina Villanueva

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/213  
35 ILCS 5/214  
35 ILCS 5/222  
35 ILCS 5/223  
35 ILCS 5/240  
820 ILCS 130/2

Amends the Illinois Income Tax Act and the Prevailing Wage Act. Provides that certain transferable tax credits are considered public works within the meaning of the Prevailing Wage Act. Effective immediately.

LRB104 09588 HLH 19651 b

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by  
5 changing Sections 213, 214, 222, 223, and 240 as follows:

6 (35 ILCS 5/213)

7 Sec. 213. Film production services credit.

8 (a) For tax years beginning on or after January 1, 2004, a  
9 taxpayer who has been awarded a tax credit under the Film  
10 Production Services Tax Credit Act or under the Film  
11 Production Services Tax Credit Act of 2008 is entitled to a  
12 credit against the taxes imposed under subsections (a) and (b)  
13 of Section 201 of this Act in an amount determined by the  
14 Department of Commerce and Economic Opportunity under those  
15 Acts. If the taxpayer is a partnership or Subchapter S  
16 corporation, the credit is allowed to the partners or  
17 shareholders in accordance with the determination of income  
18 and distributive share of income under Sections 702 and 704  
19 and Subchapter S of the Internal Revenue Code.

20 (b) Beginning July 1, 2024, taxpayers who have been  
21 awarded a tax credit under the Film Production Services Tax  
22 Credit Act of 2008 shall pay to the Department of Commerce and  
23 Economic Opportunity, after determination of the tax credit

1 amount but prior to the issuance of a tax credit certificate  
2 pursuant to Section 35 of the Film Production Services Tax  
3 Credit Act of 2008, a fee equal to 2.5% of the credit amount  
4 awarded to the taxpayer under the Film Production Services Tax  
5 Credit Act of 2008 that is attributable to wages paid to  
6 nonresidents, as described in Section 10 of the Film  
7 Production Services Tax Credit Act of 2008, and an additional  
8 fee equal to 0.25% of the amount generated by subtracting the  
9 credit amount awarded to the taxpayer under the Film  
10 Production Services Tax Credit Act of 2008 that is  
11 attributable to wages paid to nonresidents from the total  
12 credit amount awarded to the taxpayer under that Act. All fees  
13 collected under this subsection shall be deposited into the  
14 Illinois Production Workforce Development Fund. No tax credit  
15 certificate shall be issued by the Department of Commerce and  
16 Economic Opportunity until the total fees owed according to  
17 this subsection have been received by the Department of  
18 Commerce and Economic Opportunity.

19 (c) A transfer of this credit may be made by the taxpayer  
20 earning the credit within one year after the credit is awarded  
21 in accordance with rules adopted by the Department of Commerce  
22 and Economic Opportunity. Beginning July 1, 2023 and through  
23 June 30, 2024, if a credit is transferred under this Section by  
24 the taxpayer, then the transferor taxpayer shall pay to the  
25 Department of Commerce and Economic Opportunity, upon  
26 notification of a transfer, a fee equal to 2.5% of the

1 transferred credit amount eligible for nonresident wages, as  
2 described in Section 10 of the Film Production Services Tax  
3 Credit Act of 2008, and an additional fee of 0.25% of the total  
4 amount of the transferred credit that is not calculated on  
5 nonresident wages, which shall be deposited into the Illinois  
6 Production Workforce Development Fund. Projects funded in  
7 whole or in part by the proceeds of tax credits transferred  
8 pursuant to this subsection shall be considered public works  
9 within the meaning of the Prevailing Wage Act.

10 (d) The Department, in cooperation with the Department of  
11 Commerce and Economic Opportunity, must prescribe rules to  
12 enforce and administer the provisions of this Section. This  
13 Section is exempt from the provisions of Section 250 of this  
14 Act.

15 (e) The credit may not be carried back. If the amount of  
16 the credit exceeds the tax liability for the year, the excess  
17 may be carried forward and applied to the tax liability of the  
18 5 taxable years following the excess credit year. The credit  
19 shall be applied to the earliest year for which there is a tax  
20 liability. If there are credits from more than one tax year  
21 that are available to offset a liability, the earlier credit  
22 shall be applied first. In no event shall a credit under this  
23 Section reduce the taxpayer's liability to less than zero.

24 (Source: P.A. 102-700, eff. 4-19-22; 103-595, eff. 6-26-24.)

1       Sec. 214. Tax credit for affordable housing donations.

2       (a) Beginning with taxable years ending on or after  
3       December 31, 2001 and until the taxable year ending on  
4       December 31, 2026, a taxpayer who makes a donation under  
5       Section 7.28 of the Illinois Housing Development Act is  
6       entitled to a credit against the tax imposed by subsections  
7       (a) and (b) of Section 201 in an amount equal to 50% of the  
8       value of the donation. For taxable years ending before  
9       December 31, 2023, partners, shareholders of subchapter S  
10      corporations, and owners of limited liability companies (if  
11      the limited liability company is treated as a partnership for  
12      purposes of federal and State income taxation) are entitled to  
13      a credit under this Section to be determined in accordance  
14      with the determination of income and distributive share of  
15      income under Sections 702 and 703 and subchapter S of the  
16      Internal Revenue Code. For taxable years ending on or after  
17      December 31, 2023, partners and shareholders of subchapter S  
18      corporations are entitled to a credit under this Section as  
19      provided in Section 251. Persons or entities not subject to  
20      the tax imposed by subsections (a) and (b) of Section 201 and  
21      who make a donation under Section 7.28 of the Illinois Housing  
22      Development Act are entitled to a credit as described in this  
23      subsection and may transfer that credit as described in  
24      subsection (c).

25      (b) If the amount of the credit exceeds the tax liability  
26      for the year, the excess may be carried forward and applied to

1 the tax liability of the 5 taxable years following the excess  
2 credit year. The tax credit shall be applied to the earliest  
3 year for which there is a tax liability. If there are credits  
4 for more than one year that are available to offset a  
5 liability, the earlier credit shall be applied first.

6 (c) The transfer of the tax credit allowed under this  
7 Section may be made (i) to the purchaser of land that has been  
8 designated solely for affordable housing projects in  
9 accordance with the Illinois Housing Development Act or (ii)  
10 to another donor who has also made a donation in accordance  
11 with Section 7.28 of the Illinois Housing Development Act.  
12 Projects funded in whole or in part by the proceeds of tax  
13 credits transferred pursuant to this subsection shall be  
14 considered public works within the meaning of the Prevailing  
15 Wage Act.

16 (d) A taxpayer claiming the credit provided by this  
17 Section must maintain and record any information that the  
18 Department may require by regulation regarding the project for  
19 which the credit is claimed. When claiming the credit provided  
20 by this Section, the taxpayer must provide information  
21 regarding the taxpayer's donation to the project under the  
22 Illinois Housing Development Act.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-175, eff. 7-29-21;  
24 103-396, eff. 1-1-24.)

1       Sec. 222. Live theater production credit.

2       (a) For tax years beginning on or after January 1, 2012 and  
3       beginning prior to January 1, 2027, a taxpayer who has  
4       received a tax credit award under the Live Theater Production  
5       Tax Credit Act for a long-run production, a pre-Broadway  
6       production, or a commercial Broadway touring show is entitled  
7       to a credit against the taxes imposed under subsections (a)  
8       and (b) of Section 201 of this Act in an amount determined  
9       under that Act by the Department of Commerce and Economic  
10      Opportunity.

11      (b) For taxable years ending before December 31, 2023, if  
12      the taxpayer is a partnership, limited liability partnership,  
13      limited liability company, or Subchapter S corporation, the  
14      tax credit award is allowed to the partners, unit holders, or  
15      shareholders in accordance with the determination of income  
16      and distributive share of income under Sections 702 and 704  
17      and Subchapter S of the Internal Revenue Code. For taxable  
18      years ending on or after December 31, 2023, if the taxpayer is  
19      a partnership or Subchapter S corporation, then the provisions  
20      of Section 251 apply.

21      (c) A sale, assignment, or transfer of the tax credit  
22      award may be made by the taxpayer earning the credit within one  
23      year after the credit is awarded in accordance with rules  
24      adopted by the Department of Commerce and Economic  
25      Opportunity. Projects funded in whole or in part by the  
26      proceeds of tax credits transferred pursuant to this

1 subsection shall be considered public works within the meaning  
2 of the Prevailing Wage Act.

3 (d) The Department of Revenue, in cooperation with the  
4 Department of Commerce and Economic Opportunity, shall adopt  
5 rules to enforce and administer the provisions of this  
6 Section.

7 (e) The tax credit award may not be carried back. If the  
8 amount of the credit exceeds the tax liability for the year,  
9 the excess may be carried forward and applied to the tax  
10 liability of the 5 tax years following the excess credit year.  
11 The tax credit award shall be applied to the earliest year for  
12 which there is a tax liability. If there are credits from more  
13 than one tax year that are available to offset liability, the  
14 earlier credit shall be applied first. In no event may a credit  
15 under this Section reduce the taxpayer's liability to less  
16 than zero.

17 (Source: P.A. 102-16, eff. 6-17-21; 103-396, eff. 1-1-24;  
18 103-592, eff. 6-7-24.)

19 (35 ILCS 5/223)

20 Sec. 223. Hospital credit.

21 (a) For tax years ending on or after December 31, 2012 and  
22 ending on or before December 31, 2027, a taxpayer that is the  
23 owner of a hospital licensed under the Hospital Licensing Act,  
24 but not including an organization that is exempt from federal  
25 income taxes under the Internal Revenue Code, is entitled to a



1 credit against the taxes imposed under subsections (a) and (b)  
2 of Section 201 of this Act in an amount equal to the lesser of  
3 the amount of real property taxes paid during the tax year on  
4 real property used for hospital purposes during the prior tax  
5 year or the cost of free or discounted services provided  
6 during the tax year pursuant to the hospital's charitable  
7 financial assistance policy, measured at cost.

8 (b) If the taxpayer is a partnership or Subchapter S  
9 corporation, the credit is allowed to the partners or  
10 shareholders in accordance with the determination of income  
11 and distributive share of income under Sections 702 and 704  
12 and Subchapter S of the Internal Revenue Code. A transfer of  
13 this credit may be made by the taxpayer earning the credit  
14 within one year after the credit is earned in accordance with  
15 rules adopted by the Department. Projects funded in whole or  
16 in part by the proceeds of tax credits transferred pursuant to  
17 this subsection shall be considered public works within the  
18 meaning of the Prevailing Wage Act. The Department shall  
19 prescribe rules to enforce and administer provisions of this  
20 Section. If the amount of the credit exceeds the tax liability  
21 for the year, then the excess credit may be carried forward and  
22 applied to the tax liability of the 5 taxable years following  
23 the excess credit year. The credit shall be applied to the  
24 earliest year for which there is a tax liability. If there are  
25 credits from more than one tax year that are available to  
26 offset a liability, the earlier credit shall be applied first.

1 In no event shall a credit under this Section reduce the  
2 taxpayer's liability to less than zero.

3 (Source: P.A. 102-700, eff. 4-19-22; 102-886, eff. 5-17-22.)

4 (35 ILCS 5/240)

5 Sec. 240. Hydrogen fuel replacement tax credits.

6 (a) For tax years ending on or after December 31, 2027 and  
7 beginning before January 1, 2029, an eligible taxpayer who  
8 qualifies for a credit under the Hydrogen Fuel Replacement Tax  
9 Credit Act is entitled to a credit against the taxes imposed  
10 under subsections (a) and (b) of Section 201 of this Act as  
11 provided in that Act. If the eligible taxpayer is a  
12 partnership or Subchapter S corporation, the credit shall be  
13 allowed to the partners or shareholders in accordance with the  
14 determination of income and distributive share of income under  
15 Sections 702 and 704 and Subchapter S of the Internal Revenue  
16 Code.

17 (b) If the amount of the credit exceeds the tax liability  
18 for the year, the excess may be carried forward and applied to  
19 the tax liability of the 5 taxable years following the excess  
20 credit year. The credit shall be applied to the earliest year  
21 for which there is a tax liability. If there are credits from  
22 more than one tax year that are available to offset a  
23 liability, the earlier credit shall be applied first. In no  
24 event shall a credit under this Section reduce the taxpayer's  
25 liability to less than zero.

1 (c) A sale, assignment, or transfer of the tax credit may  
2 be made by the taxpayer earning the credit within one year  
3 after the credit is awarded in accordance with rules adopted  
4 by the Department of Commerce and Economic Opportunity.  
5 Projects funded in whole or in part by the proceeds of tax  
6 credits transferred pursuant to this subsection shall be  
7 considered public works within the meaning of the Prevailing  
8 Wage Act.

9 (d) A person claiming the credit allowed under this  
10 Section shall attach to its Illinois income tax return a copy  
11 of the tax credit certificate or the transfer certificate  
12 issued by the Department of Commerce and Economic Opportunity.  
13 (Source: P.A. 103-268, eff. 7-25-23.)

14 Section 20. The Prevailing Wage Act is amended by changing  
15 Section 2 as follows:

16 (820 ILCS 130/2)

17 Sec. 2. This Act applies to the wages of laborers,  
18 mechanics and other workers employed in any public works, as  
19 hereinafter defined, by any public body and to anyone under  
20 contracts for public works. This includes any maintenance,  
21 repair, assembly, or disassembly work performed on equipment  
22 whether owned, leased, or rented.

23 As used in this Act, unless the context indicates  
24 otherwise:

1 "Public works" means all fixed works constructed or  
2 demolished by any public body, or paid for wholly or in part  
3 out of public funds. "Public works" as defined herein includes  
4 all projects financed in whole or in part with bonds, grants,  
5 loans, or other funds made available by or through the State or  
6 any of its political subdivisions, including but not limited  
7 to: bonds issued under the Industrial Project Revenue Bond Act  
8 (Article 11, Division 74 of the Illinois Municipal Code), the  
9 Industrial Building Revenue Bond Act, the Illinois Finance  
10 Authority Act, the Illinois Sports Facilities Authority Act,  
11 or the Build Illinois Bond Act; loans or other funds made  
12 available pursuant to the Build Illinois Act; loans or other  
13 funds made available pursuant to the Riverfront Development  
14 Fund under Section 10-15 of the River Edge Redevelopment Zone  
15 Act; funds received from the sale or transfer of tax credits  
16 awarded by the State; or funds from the Fund for Illinois'  
17 Future under Section 6z-47 of the State Finance Act, funds for  
18 school construction under Section 5 of the General Obligation  
19 Bond Act, funds authorized under Section 3 of the School  
20 Construction Bond Act, funds for school infrastructure under  
21 Section 6z-45 of the State Finance Act, and funds for  
22 transportation purposes under Section 4 of the General  
23 Obligation Bond Act. "Public works" also includes (i) all  
24 projects financed in whole or in part with funds from the  
25 Environmental Protection Agency under the Illinois Renewable  
26 Fuels Development Program Act for which there is no project

1 labor agreement; (ii) all work performed pursuant to a public  
2 private agreement under the Public Private Agreements for the  
3 Illiana Expressway Act or the Public-Private Agreements for  
4 the South Suburban Airport Act; (iii) all projects undertaken  
5 under a public-private agreement under the Public-Private  
6 Partnerships for Transportation Act or the Department of  
7 Natural Resources World Shooting and Recreational Complex Act;  
8 and (iv) all transportation facilities undertaken under a  
9 design-build contract or a Construction Manager/General  
10 Contractor contract under the Innovations for Transportation  
11 Infrastructure Act. "Public works" also includes all projects  
12 at leased facility property used for airport purposes under  
13 Section 35 of the Local Government Facility Lease Act. "Public  
14 works" also includes the construction of a new wind power  
15 facility by a business designated as a High Impact Business  
16 under Section 5.5(a)(3)(E) and the construction of a new  
17 utility-scale solar power facility by a business designated as  
18 a High Impact Business under Section 5.5(a)(3)(E-5) of the  
19 Illinois Enterprise Zone Act. "Public works" also includes  
20 electric vehicle charging station projects financed pursuant  
21 to the Electric Vehicle Act and renewable energy projects  
22 required to pay the prevailing wage pursuant to the Illinois  
23 Power Agency Act. "Public works" also includes power washing  
24 projects by a public body or paid for wholly or in part out of  
25 public funds in which steam or pressurized water, with or  
26 without added abrasives or chemicals, is used to remove paint

1 or other coatings, oils or grease, corrosion, or debris from a  
2 surface or to prepare a surface for a coating. "Public works"  
3 does not include work done directly by any public utility  
4 company, whether or not done under public supervision or  
5 direction, or paid for wholly or in part out of public funds.  
6 "Public works" also includes construction projects performed  
7 by a third party contracted by any public utility, as  
8 described in subsection (a) of Section 2.1, in public  
9 rights-of-way, as defined in Section 21-201 of the Public  
10 Utilities Act, whether or not done under public supervision or  
11 direction, or paid for wholly or in part out of public funds.  
12 "Public works" also includes construction projects that exceed  
13 15 aggregate miles of new fiber optic cable, performed by a  
14 third party contracted by any public utility, as described in  
15 subsection (b) of Section 2.1, in public rights-of-way, as  
16 defined in Section 21-201 of the Public Utilities Act, whether  
17 or not done under public supervision or direction, or paid for  
18 wholly or in part out of public funds. "Public works" also  
19 includes any corrective action performed pursuant to Title XVI  
20 of the Environmental Protection Act for which payment from the  
21 Underground Storage Tank Fund is requested. "Public works"  
22 also includes all construction projects involving fixtures or  
23 permanent attachments affixed to light poles that are owned by  
24 a public body, including street light poles, traffic light  
25 poles, and other lighting fixtures, whether or not done under  
26 public supervision or direction, or paid for wholly or in part

1 out of public funds, unless the project is performed by  
2 employees employed directly by the public body. "Public works"  
3 also includes work performed subject to the Mechanical  
4 Insulation Energy and Safety Assessment Act. "Public works"  
5 also includes the removal, hauling, and transportation of  
6 biosolids, lime sludge, and lime residue from a water  
7 treatment plant or facility and the disposal of biosolids,  
8 lime sludge, and lime residue removed from a water treatment  
9 plant or facility at a landfill. "Public works" does not  
10 include projects undertaken by the owner at an owner-occupied  
11 single-family residence or at an owner-occupied unit of a  
12 multi-family residence. "Public works" does not include work  
13 performed for soil and water conservation purposes on  
14 agricultural lands, whether or not done under public  
15 supervision or paid for wholly or in part out of public funds,  
16 done directly by an owner or person who has legal control of  
17 those lands.

18 "Construction" means all work on public works involving  
19 laborers, workers or mechanics. This includes any maintenance,  
20 repair, assembly, or disassembly work performed on equipment  
21 whether owned, leased, or rented.

22 "Locality" means the county where the physical work upon  
23 public works is performed, except (1) that if there is not  
24 available in the county a sufficient number of competent  
25 skilled laborers, workers and mechanics to construct the  
26 public works efficiently and properly, "locality" includes any

1 other county nearest the one in which the work or construction  
2 is to be performed and from which such persons may be obtained  
3 in sufficient numbers to perform the work and (2) that, with  
4 respect to contracts for highway work with the Department of  
5 Transportation of this State, "locality" may at the discretion  
6 of the Secretary of the Department of Transportation be  
7 construed to include two or more adjacent counties from which  
8 workers may be accessible for work on such construction.

9 "Public body" means the State or any officer, board or  
10 commission of the State or any political subdivision or  
11 department thereof, or any institution supported in whole or  
12 in part by public funds, and includes every county, city,  
13 town, village, township, school district, irrigation, utility,  
14 reclamation improvement or other district and every other  
15 political subdivision, district or municipality of the state  
16 whether such political subdivision, municipality or district  
17 operates under a special charter or not.

18 "Labor organization" means an organization that is the  
19 exclusive representative of an employer's employees recognized  
20 or certified pursuant to the National Labor Relations Act.

21 The terms "general prevailing rate of hourly wages",  
22 "general prevailing rate of wages" or "prevailing rate of  
23 wages" when used in this Act mean the hourly cash wages plus  
24 annualized fringe benefits for training and apprenticeship  
25 programs approved by the U.S. Department of Labor, Bureau of  
26 Apprenticeship and Training, health and welfare, insurance,



1 vacations and pensions paid generally, in the locality in  
2 which the work is being performed, to employees engaged in  
3 work of a similar character on public works.

4 (Source: P.A. 102-9, eff. 1-1-22; 102-444, eff. 8-20-21;  
5 102-673, eff. 11-30-21; 102-813, eff. 5-13-22; 102-1094, eff.  
6 6-15-22; 103-8, eff. 6-7-23; 103-327, eff. 1-1-24; 103-346,  
7 eff. 1-1-24; 103-359, eff. 7-28-23; 103-447, eff. 8-4-23;  
8 103-605, eff. 7-1-24.)

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