



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB1608

Introduced 2/9/2007, by Sen. Dave Syverson - Pamela J. Althoff
- Frank C. Watson - John O. Jones - Todd Sieben, et al.

SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-25

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that an Applicant for the tax credit under the Act may demonstrate that the project would not occur in Illinois by presenting evidence that the Applicant, currently located in the State, is in competition for production or for a contract to provide goods or services to a vendee who has the option of awarding the production or contract, instead, to a vendor in another state.

LRB095 10901 BDD 31186 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by changing Section 5-25 as follows:

6 (35 ILCS 10/5-25)

7 Sec. 5-25. Review of Application.

8 (a) In addition to those duties granted under the Illinois
9 Economic Development Board Act, the Illinois Economic
10 Development Board shall form a Business Investment Committee
11 for the purpose of making recommendations for applications. At
12 the request of the Board, the Director of Commerce and Economic
13 Opportunity or his or her designee, the Director of the
14 Governor's Office of Management and Budget or his or her
15 designee, the Director of Revenue or his or her designee, the
16 Director of Employment Security or his or her designee, and an
17 elected official of the affected locality, such as the chair of
18 the county board or the mayor, may serve as members of the
19 Committee to assist with its analysis and deliberations.

20 (b) At the Department's request, the Committee shall
21 convene, make inquiries, and conduct studies in the manner and
22 by the methods as it deems desirable, review information with
23 respect to Applicants, and make recommendations for projects to

1 benefit the State. In making its recommendation that an
2 Applicant's application for Credit should or should not be
3 accepted, which shall occur within a reasonable time frame as
4 determined by the nature of the application, the Committee
5 shall determine that all the following conditions exist:

6 (1) The Applicant's project intends, as required by
7 subsection (b) of Section 5-20 to make the required
8 investment in the State and intends to hire the required
9 number of New Employees in Illinois as a result of that
10 project.

11 (2) The Applicant's project is economically sound and
12 will benefit the people of the State of Illinois by
13 increasing opportunities for employment and strengthen the
14 economy of Illinois.

15 (3) That, if not for the Credit, the project would not
16 occur in Illinois, which may be demonstrated by any means
17 including, but not limited to:~~;~~

18 (A) evidence the Applicant has multi-state
19 location options and could reasonably and efficiently
20 locate outside of the State;~~;~~

21 (B) a demonstration that at least one other state
22 is being considered for the project;~~;~~

23 (C) evidence the receipt of the Credit is a major
24 factor in the Applicant's decision and that, l without
25 the Credit, the Applicant likely would not create new
26 jobs in Illinois;~~;~~

1 (D) evidence that the Applicant, currently located
2 in the State, is in competition for production or for a
3 contract to provide goods or services to a vendee who
4 has the option of awarding the production or contract,
5 instead, to a vendor in another state; or

6 (E) a demonstration that receiving the Credit is
7 essential to the Applicant's decision to create or
8 retain new jobs in the State.

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

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

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

22 (7) The Credit is not prohibited by Section 5-35 of
23 this Act.

24 (Source: P.A. 94-793, eff. 5-19-06.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.