

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 1. Short title. This Act may be cited as the
5 Efficient and Green Illinois Tax Credit Act.

6 Section 5. Purpose. The General Assembly finds that the
7 Illinois economy and environment are greatly enhanced by the
8 installation of energy efficiency measures and by the support
9 of renewable energy resources. The purpose of this Act is to
10 expand the adoption of energy efficiency measures in the
11 private sector, as well as to encourage use of renewable energy
12 resources. It is the policy of this State to promote and
13 encourage the adoption of energy efficiency measures as well as
14 the voluntary use of renewable energy resources.

15 Section 10. Definitions. As used in this Act:

16 "Energy efficiency project" includes any of the following:

17 (A) Solar energy equipment that uses solar
18 radiation as a substitute for traditional energy for
19 water heating, active space heating and cooling,
20 passive heating, day-lighting, generating electricity,
21 distillation, desalinization, or the production of
22 industrial or commercial process heat, as well as

1 related devices necessary for collecting, storing,
2 exchanging, conditioning, or converting solar energy
3 to other useful forms of energy.

4 (B) Energy Star certified geothermal heat pump
5 systems.

6 (C) Lighting retrofit projects. "Lighting retrofit
7 project" means a lighting retrofit system that employs
8 dual switching (ability to switch roughly half the
9 lights off and still have fairly uniform light
10 distribution), de-lamping, day-lighting, re-lamping,
11 or other controls or processes that reduce annual
12 energy and power consumption by 30% compared to the
13 American Society of Heating, Refrigerating, and Air
14 Conditioning Engineers 2004 standard (ASHRAE
15 90.1.2004).

16 (D) Wind equipment required to capture and convert
17 wind energy into electricity or mechanical power as
18 well as related devices that may be required for
19 converting, conditioning, and storing the electricity
20 produced by wind equipment.

21 (E) Green roofs and other environmentally
22 sustainable landscaping.

23 (F) WaterSense certified products for indoor and
24 outdoor non-agricultural water use.

25 "Cost" means, in the case of clean energy property owned by
26 the taxpayer, the aggregate funds actually invested and

1 expended by the taxpayer to put into service the clean energy
2 property. For purposes of this Section, all funds so invested
3 and expended shall be classified as invested and expended in
4 the taxable year during which the property is put into service.

5 "Credit" means:

6 (A) For an energy efficiency project approved by
7 the Department, the amount equal to 25% of the cost of
8 that project.

9 (B) For renewable energy resources usage approved
10 by the Department, an amount equal to 25% of the cost
11 paid for the environmental attributes of those
12 renewable energy resources during the tax year.

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

15 "Renewable energy resources" means the same as it does in
16 Section 1-10 of the Illinois Power Agency Act.

17 Section 15. Powers of the Department. The Department, in
18 addition to those powers granted under the Civil Administrative
19 Code of Illinois, is granted and has all the powers necessary
20 or convenient to carry out and effectuate the purposes and
21 provisions of this Act, including, but not limited to, power
22 and authority to:

23 (1) Adopt rules deemed necessary and appropriate for
24 the administration of the tax credit program; establish
25 forms for applications, notifications, contracts, or any

1 other agreements; and accept applications at any time
2 during the year.

3 (2) Assist applicants pursuant to the provisions of
4 this Act to promote, foster, and support energy efficiency
5 measures and renewable energy resources and related job
6 creation or retention within the State.

7 (3) Provide for sufficient personnel to permit
8 administration, staffing, operation, and related support
9 required to adequately discharge its duties and
10 responsibilities described in this Act from funds as may be
11 appropriated to the Department for the administration of
12 this Act.

13 (4) Require that an applicant must at all times keep
14 proper books of record and account in accordance with
15 generally accepted accounting principles consistently
16 applied, with the books, records, or papers related to the
17 accredited production in the custody or control of the
18 taxpayer open for reasonable Department inspection and
19 audits.

20 Section 20. Tax credit awards. Subject to the conditions
21 set forth in this Act, for taxable years beginning on or after
22 January 1, 2010, an applicant is entitled to a credit against
23 the tax imposed under subsections (a) and (b) of Section 201 of
24 the Illinois Income Tax Act, in an amount approved by the
25 Department under Section 40 of this Act.

1 Section 35. Issuance of tax credit certificate.

2 (a) In order to qualify for a tax credit under this Act, an
3 applicant must file an application, on forms prescribed by the
4 Department, providing information necessary to calculate the
5 tax credit, and any additional information as required by the
6 Department.

7 (b) Upon satisfactory review of the application, the
8 Department shall issue a tax credit certificate.

9 Section 40. Amount and duration of the credit. The amount
10 of the credit awarded under this Act is based on the cost of
11 the qualifying expenditures under this Act. The credit shall be
12 awarded for the taxable year in which the project is put into
13 service. The tax credit may not reduce the taxpayer's liability
14 to less than zero. If the amount of the tax credit exceeds the
15 taxpayer's Illinois income tax liability for the year, the
16 excess may be carried forward and applied to the tax liability
17 of the 5 taxable years following the excess credit year. The
18 credit must be applied to the earliest year for which there is
19 a tax liability. If there are credits from more than one tax
20 year that are available to offset a liability, then the earlier
21 credit must be applied first. The Department may not approve
22 more than \$40,000,000 in credits under this Act in any one
23 taxable year. This Act is exempt from the provisions of Section
24 250 of the Illinois Income Tax Act.

1 Section 80. The Illinois Income Tax Act is amended by
2 adding Section 219 as follows:

3 (35 ILCS 5/219 new)

4 Sec. 219. Efficient and Green Illinois Tax Credit Act. For
5 tax years beginning on or after January 1, 2010, a taxpayer who
6 has been awarded a credit under the Efficient and Green
7 Illinois Tax Credit Act is entitled to a credit against the
8 taxes imposed under subsections (a) and (b) of Section 201 of
9 this Act in an amount to be determined under that Act. If the
10 taxpayer is a partnership or Subchapter S corporation, the
11 credit shall be allowed to the partners or shareholders in
12 accordance with the determination of income and distributive
13 share of income under Sections 702 and 704 and Subchapter S of
14 the Internal Revenue Code. This Section is exempt from the
15 provisions of Section 250 of this Act.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.