



Sen. Terry Link

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1 AMENDMENT TO SENATE BILL 1149

2 AMENDMENT NO. _____. Amend Senate Bill 1149 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Illinois Quality Jobs Act.

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

7 (1) "Approval" means a document submitted by the Department
8 to the qualified company that states the benefits that may be
9 provided by this program.

10 (2) "Average wage" means the new payroll divided by the
11 number of new jobs.

12 (3) "Commencement of operations" means the starting date
13 for the qualified company's first new employee, which must be
14 no later than 12 months from the date of the approval.

15 (4) "County average wage" means the average wage in each
16 county as determined by the Department for the most recently

1 completed full calendar year. However, if the computed county
2 average wage is above the statewide average wage, the statewide
3 average wage shall be deemed the county average wage for such
4 county for the purpose of determining eligibility. The
5 Department shall publish the county average wage for each
6 county at least annually. Notwithstanding the provisions of
7 this Act to the contrary, for any qualified company that in
8 conjunction with its project is relocating employees from an
9 Illinois county with a higher county average wage, the company
10 shall obtain the endorsement of the governing body of the
11 community from which jobs are being relocated or the county
12 average wage for its project shall be the county average wage
13 for the county from which the employees are being relocated.

14 (5) "Department" means the Department of Commerce and
15 Economic Opportunity.

16 (6) "Director" means the Director of Commerce and Economic
17 Opportunity.

18 (7) "Employee" means a person employed by a qualified
19 company.

20 (8) "Full-time employee" means an employee of the qualified
21 company who is scheduled to work an average of at least 35
22 hours per week for a 12-month period, and one for which the
23 qualified company offers health insurance and pays at least 50%
24 of such insurance premiums.

25 (9) "High-impact project" means a qualified company that,
26 within 2 years from commencement of operations, creates 100 or

1 more new jobs.

2 (10) "Local incentives" means the present value of the
3 dollar amount of direct benefit received by a qualified company
4 for a project facility from one or more units of local
5 government, but does not include loans or other funds provided
6 to the qualified company that must be repaid by the qualified
7 company to the unit of local government.

8 (11) "NAICS" means the 1997 edition of the North American
9 Industry Classification System as prepared by the Executive
10 Office of the President, Office of Management and Budget. Any
11 NAICS sector, subsector, industry group or industry identified
12 in this section shall include its corresponding classification
13 in subsequent federal industry classification systems.

14 (12) "New direct local revenue" means the present value of
15 the dollar amount of direct net new tax revenues of the local
16 political subdivisions likely to be produced by the project
17 over a 10-year period, as calculated by the Department,
18 excluding net new utility revenues, provided the local
19 incentives include a discount or other direct incentives from
20 utilities owned or operated by the political subdivision.

21 (13) "New investment" means the purchase or leasing of new
22 tangible assets to be placed in operation at the project
23 facility, which will be directly related to the new jobs.

24 (14) "New job" means the number of full-time employees
25 located at the project facility that exceeds the project
26 facility base employment less any decrease in the number of

1 full-time employees at related facilities below the related
2 facility base employment. No job that was created prior to the
3 date of the notice of intent shall be deemed a new job. An
4 employee that spends less than 50% of the employee's work time
5 at the facility is still considered to be located at a facility
6 if the employee receives his or her directions and control from
7 that facility, the employee is on the facility's payroll, 100%
8 of the employee's income from such employment is Illinois
9 income, and the employee is paid at or above the State average
10 wage.

11 (15) "New payroll" means the amount of taxable wages of
12 full-time employees, excluding owners, located at the project
13 facility that exceeds the project facility base payroll. If
14 full-time employment at related facilities is below the related
15 facility base employment, any decrease in payroll for full-time
16 employees at the related facilities below that related facility
17 base payroll shall also be subtracted to determine new payroll.

18 (16) "Notice of intent" means a form developed by the
19 Department, completed by the qualified company, and submitted
20 to the Department which states the qualified company's intent
21 to hire new jobs and request benefits under this program.

22 (17) "Percent of local incentives" means the amount of
23 local incentives divided by the amount of new direct local
24 revenue.

25 (18) "Program" means the Illinois quality jobs program
26 provided for in this Act.

1 (19) "Project facility" means the building used by a
2 qualified company at which the new jobs and new investment will
3 be located. A project facility may include separate buildings
4 that are located within 15 miles of each other or within the
5 same county such that their purpose and operations are
6 interrelated.

7 (20) "Project facility base employment" means the greater
8 of the number of full-time employees located at the project
9 facility on the date of the notice of intent or for the 12
10 month period prior to the date of the notice of intent, the
11 average number of full-time employees located at the project
12 facility. If the project facility has not been in operation for
13 a full 12 month period, "project facility base employment"
14 means the average number of full-time employees for the number
15 of months the project facility has been in operation prior to
16 the date of the notice of intent.

17 (21) "Project facility base payroll" means the total amount
18 of taxable wages paid by the qualified company to full-time
19 employees of the qualified company located at the project
20 facility in the 12 months prior to the notice of intent, not
21 including the payroll of the owners of the qualified company
22 unless the qualified company is participating in an employee
23 stock ownership plan. For purposes of calculating the benefits
24 under this program, the amount of base payroll shall increase
25 each year based on an appropriate measure, as determined by the
26 Department.

1 (22) "Project period" means the time period that the
2 benefits are provided to a qualified company.

3 (23) "Qualified company" means a firm, partnership, joint
4 venture, association, private or public corporation whether
5 organized for profit or not, or headquarters of such entity
6 registered to do business in Illinois that is the owner or
7 operator of a project facility that offers health insurance to
8 all full-time employees of all facilities located in this State
9 and pays at least 50% of such insurance premiums. "Qualified
10 company", however, does not include:

11 (A) gambling establishments (NAICS industry group
12 7132);

13 (B) retail trade establishments (NAICS sectors 44 and
14 45);

15 (C) food and drinking places (NAICS subsector 722);

16 (D) public utilities (NAICS 221 including water and
17 sewer services);

18 (E) any company that is delinquent in the payment of
19 any nonprotested taxes or any other amounts due the State
20 or federal government or any other political subdivision of
21 this State;

22 (F) any company that has filed for or has publicly
23 announced its intention to file for bankruptcy protection;
24 however, a company that has filed for or has publicly
25 announced its intention to file for bankruptcy between
26 January 1, 2009, and December 31, 2009, may be a qualified

1 company provided that the company:

2 (i) Certifies to the Department that it plans to
3 reorganize and not to liquidate; and

4 (ii) After its bankruptcy petition has been filed,
5 it produces proof, in a form and at times satisfactory
6 to the Department, that it is not delinquent in filing
7 any tax returns or making any payment due to the State
8 of Illinois, including but not limited to all tax
9 payments due after the filing of the bankruptcy
10 petition and under the terms of the plan of
11 reorganization;

12 any taxpayer who is awarded benefits under this
13 subsection and who files for bankruptcy under Chapter 7 of
14 the United States Bankruptcy Code shall immediately notify
15 the Department and shall forfeit the benefits and shall
16 repay the State an amount equal to any State tax credits
17 already redeemed and any withholding taxes already
18 retained;

19 (G) educational services (NAICS sector 61);

20 (H) religious organizations (NAICS industry group
21 8131);

22 (I) public administration (NAICS sector 92);

23 (J) ethanol distillation or production; or

24 (K) biodiesel production.

25 Notwithstanding any provision of this Section to the
26 contrary, the headquarters or administrative offices of an

1 otherwise excluded business may qualify for benefits if the
2 offices serve a multistate territory. In the event a national,
3 state, or regional headquarters operation is not the
4 predominant activity of a project facility, the new jobs and
5 investment of such headquarters operation is considered
6 eligible for benefits under this Section if the other
7 requirements are satisfied.

8 (24) "Qualified renewable energy sources" shall not be
9 construed to include ethanol distillation or production or
10 biodiesel production; however, it shall include:

11 (A) open-looped biomass;

12 (B) close-looped biomass;

13 (C) solar;

14 (D) wind;

15 (E) geothermal; and

16 (F) hydropower.

17 (25) "Related company" means:

18 (A) a corporation, partnership, trust, or association
19 controlled by the qualified company;

20 (B) an individual, corporation, partnership, trust, or
21 association in control of the qualified company; or

22 (C) corporations, partnerships, trusts, or
23 associations controlled by an individual, corporation,
24 partnership, trust or association in control of the
25 qualified company. As used in this item (C), "control of a
26 corporation" shall mean ownership, directly or indirectly,

1 of stock possessing at least 50% of the total combined
2 voting power of all classes of stock entitled to vote,
3 "control of a partnership or association" shall mean
4 ownership of at least 50% of the capital or profits
5 interest in such partnership or association, "control of a
6 trust" shall mean ownership, directly or indirectly, of at
7 least 50% of the beneficial interest in the principal or
8 income of such trust, and ownership shall be determined as
9 provided in Section 318 of the Internal Revenue Code of
10 1986, as amended.

11 (26) "Related facility" means a facility operated by the
12 qualified company or a related company located in this State
13 that is directly related to the operations of the project
14 facility.

15 (27) "Related facility base employment" means the greater
16 of the number of full-time employees located at all related
17 facilities on the date of the notice of intent or for the 12
18 month period prior to the date of the notice of intent, the
19 average number of full-time employees located at all related
20 facilities of the qualified company or a related company
21 located in this State.

22 (28) "Related facility base payroll" means the total amount
23 of taxable wages paid by the qualified company to full-time
24 employees of the qualified company located at a related
25 facility in the 12 months prior to the filing of the notice of
26 intent, not including the payroll of the owners of the

1 qualified company unless the qualified company is
2 participating in an employee stock ownership plan. For purposes
3 of calculating the benefits under this program, the amount of
4 related facility base payroll shall increase each year based on
5 an appropriate measure, as determined by the Department.

6 (29) "Rural area" means a county in Illinois with a
7 population less than 75,000 or that does not contain an
8 individual city with a population greater than 50,000 according
9 to the most recent federal decennial census.

10 (30) "Small and expanding business project" means a
11 qualified company that within 2 years of the date of the
12 approval creates a minimum of 20 new jobs if the project
13 facility is located in a rural area or a minimum of 40 new jobs
14 if the project facility is not located in a rural area and
15 creates fewer than 100 new jobs regardless of the location of
16 the project facility.

17 (31) "Tax credits" means tax credits issued by the
18 Department to offset the State income taxes imposed by the
19 Illinois Income Tax Act, or which may be refunded as provided
20 for in this program.

21 (32) "Technology business project" means a qualified
22 company that within 2 years of the date of the approval creates
23 a minimum of 10 new jobs involved in the operations of a
24 company that:

25 (A) is a technology company, as determined by a rule
26 adopted by the Department under the provisions of Section

1 15 or classified by NAICS codes;

2 (B) owns or leases a facility which produces
3 electricity derived from qualified renewable energy
4 sources, or produces fuel for the generation of electricity
5 from qualified renewable energy sources, but does not
6 include any company that has received the alcohol mixture
7 credit, alcohol credit, or small ethanol producer credit
8 pursuant to Section 40 of the Internal Revenue Code of 1986
9 in the previous tax year;

10 (C) researches, develops, or manufactures power system
11 technology for: aerospace; space; defense; hybrid
12 vehicles; or implantable or wearable medical devices; or

13 (D) is a clinical molecular diagnostic laboratory
14 focused on detecting and monitoring infections in
15 immunocompromised patient populations.

16 (33) "Withholding tax" means the State tax imposed by
17 Article 7 of the Illinois Income Tax Act. For purposes of this
18 program, the withholding tax shall be computed using a schedule
19 as determined by the Department based on average wages.

20 Section 10. Notice of intent; benefits.

21 (a) The Department shall respond within 30 days to a
22 company that provides a notice of intent with either an
23 approval or a rejection of the notice of intent. The Department
24 shall give preference to qualified companies and projects
25 targeted at an area of the State which has recently been

1 classified as a disaster area by the federal government.
2 Failure to respond on behalf of the Department shall result in
3 the notice of intent being deemed an approval for the purposes
4 of this Section. A qualified company that is provided an
5 approval for a project shall be allowed a benefit as provided
6 in this program in the amount and duration provided in this
7 Section. A qualified company may receive additional periods for
8 subsequent new jobs at the same facility after the full initial
9 period if the minimum thresholds are met as set forth in this
10 Act. There is no limit on the number of periods a qualified
11 company may participate in the program, as long as the minimum
12 thresholds are achieved and the qualified company provides the
13 Department with the required reporting and is in proper
14 compliance for this program or other State programs. A
15 qualified company may elect to file a notice of intent to start
16 a new project period concurrently with an existing project
17 period if the minimum thresholds are achieved and the qualified
18 company provides the Department with the required reporting and
19 is in proper compliance for this program and other State
20 programs; however, the qualified company may not receive any
21 further benefit under the original approval for jobs created
22 after the date of the new notice of intent, and any jobs
23 created before the new notice of intent may not be included as
24 new jobs for the purpose of benefit calculation in relation to
25 the new approval. When a qualified company has filed and
26 received approval of a notice of intent and subsequently files

1 another notice of intent, the Department shall apply the
2 definition of project facility under subdivision (19) of
3 Section 5 to the new notice of intent as well as all previously
4 approved notices of intent and shall determine the application
5 of the definitions of new job, new payroll, project facility
6 base employment, and project facility base payroll
7 accordingly.

8 (b) Notwithstanding any provision of law to the contrary,
9 any qualified company that is awarded benefits under this
10 program may not simultaneously receive tax credits or
11 exemptions under the Economic Development for a Growing Economy
12 Tax Credit Act, the Business Location Efficiency Incentive Act,
13 and the Small Business Job Creation Tax Credit Act. Any
14 taxpayer who is awarded benefits under this program who
15 knowingly hires individuals who are not allowed to work legally
16 in the United States shall immediately forfeit those benefits
17 and shall repay the State an amount equal to any State tax
18 credits already redeemed and any withholding taxes already
19 retained.

20 (c) The types of projects and the amount of benefits to be
21 provided are:

22 (1) Small and expanding business projects. In exchange
23 for the consideration provided by the new tax revenues and
24 other economic stimuli that will be generated by the new
25 jobs created by the program, a qualified company engaged in
26 a small and expanding business project may retain from the

1 amounts required to be withheld and remitted under Article
2 7 of the Illinois Income Tax Act an amount equal to the
3 withholding tax, as calculated under item (33) of Section 5,
4 attributable to the new jobs created by the program. Those
5 amounts may be retained for a period of 3 years from the
6 date the required number of new jobs were created if the
7 average wage of the new payroll equals or exceeds the
8 county average wage or for a period of 5 years from the
9 date the required number of new jobs were created if the
10 average wage of the new payroll equals or exceeds 120% of
11 the county average wage.

12 (2) Technology business projects. In exchange for the
13 consideration provided by the new tax revenues and other
14 economic stimuli that will be generated by the new jobs
15 created by the program, a qualified company engaged in a
16 technology business project may retain an amount equal to a
17 maximum of 5% of new payroll for a period of 5 years from
18 the date the required number of jobs were created from the
19 withholding tax of the new jobs that would otherwise be
20 required to be withheld and remitted by the qualified
21 company under the provisions of Article 7 of the Illinois
22 Income Tax Act if the average wage of the new payroll
23 equals or exceeds the county average wage. An additional
24 one-half percent of new payroll may be added to the 5%
25 maximum if the average wage of the new payroll in any year
26 exceeds 120% of the county average wage in the county in

1 which the project facility is located, plus an additional
2 one-half percent of new payroll may be added if the average
3 wage of the new payroll in any year exceeds 140% of the
4 average wage in the county in which the project facility is
5 located. The Department shall issue a refundable tax credit
6 for any difference between the amount of benefit allowed
7 under this item and the amount of withholding tax retained
8 by the company, in the event the withholding tax is not
9 sufficient to provide the entire amount of benefit due to
10 the qualified company under this subdivision.

11 (3) High impact projects. In exchange for the
12 consideration provided by the new tax revenues and other
13 economic stimuli that will be generated by the new jobs
14 created by the program, a qualified company engaged in a
15 high impact project may retain, from the withholding tax of
16 the new jobs that would otherwise be required to be
17 withheld and remitted by the qualified company under the
18 provisions of Article 7 of the Illinois Income Tax Act, an
19 amount equal to 3% of new payroll for a period of 5 years
20 from the date the required number of jobs were created if
21 the average wage of the new payroll equals or exceeds the
22 county average wage of the county in which the project
23 facility is located. For high-impact projects in a facility
24 located within 2 adjacent counties, the new payroll shall
25 equal or exceed the higher county average wage of the
26 adjacent counties. The percentage of payroll allowed under

1 this subdivision shall be 3.5% of new payroll if the
2 average wage of the new payroll in any year exceeds 120% of
3 the county average wage in the county in which the project
4 facility is located. The percentage of payroll allowed
5 under this subdivision shall be 4% of new payroll if the
6 average wage of the new payroll in any year exceeds 140% of
7 the county average wage in the county in which the project
8 facility is located. An additional 1% of new payroll may be
9 added to these percentages if local incentives equal
10 between 10% and 24% of the new direct local revenue; an
11 additional 2% of new payroll is added to these percentages
12 if the local incentives equal between 25% and 49% of the
13 new direct local revenue; and an additional 3% of payroll
14 is added to these percentages if the local incentives equal
15 50% or more of the new direct local revenue. The Department
16 shall issue a refundable tax credit for any difference
17 between the amount of benefit allowed under this item and
18 the amount of withholding tax retained by the company, in
19 the event the withholding tax is not sufficient to provide
20 the entire amount of benefit due to the qualified company
21 under this subdivision.

22 (4) Job retention projects. A qualified company may
23 receive a tax credit for the retention of jobs in this
24 State, provided that the qualified company and the project
25 meets all of the following conditions:

26 (A) for each of the 24 months preceding the year in

1 which application for the program is made the qualified
2 company must have maintained at least 1,000 full-time
3 employees at the employer's site in the State at which
4 the jobs are based, and the average wage of such
5 employees must meet or exceed the county average wage;

6 (B) the qualified company retained at the project
7 facility the level of full-time employees that existed
8 in the taxable year immediately preceding the year in
9 which application for the program is made;

10 (C) the qualified company is considered to have a
11 significant statewide effect on the economy, and has
12 been determined to represent a substantial risk of
13 relocation from the State by the Quality Jobs Advisory
14 Task Force established in Section 20; provided,
15 however, that until such time as the initial at-large
16 members of the Quality Jobs Advisory Task Force are
17 appointed, this determination shall be made by the
18 Director;

19 (D) the qualified company in the project facility
20 shall cause to be invested a minimum of \$70,000,000 in
21 new investment prior to the end of 2 years or shall
22 cause to be invested a minimum of \$30,000,000 in new
23 investment prior to the end of 2 years and maintain an
24 annual payroll of at least \$70,000,000 during each of
25 the years for which a credit is claimed; and

26 (E) the local taxing entities shall provide local

1 incentives of at least 50% of the new direct local
2 revenues created by the project over a 10-year period.
3 The Quality Jobs Advisory Task Force may recommend to
4 the Department that appropriate penalties be applied
5 to the company for violating the agreement. The amount
6 of the job retention credit granted may be equal to up
7 to 50% of the amount of withholding tax generated by
8 the full-time jobs at the project facility for a period
9 of 5 years. The calendar year annual maximum amount of
10 tax credit that may be issued to any qualified company
11 for a job retention project or combination of job
12 retention projects shall be \$750,000 per year, but the
13 maximum amount may be increased up to \$1,000,000 if the
14 increase is proposed by the Department and approved by
15 the Quality Jobs Advisory Task Force established in
16 Section 20; until such time as the initial at-large
17 members of the Quality Jobs Advisory Task Force are
18 appointed, this determination shall be made by the
19 Director; in considering such a request, the Task Force
20 shall rely on economic modeling and other information
21 supplied by the Department when requesting the
22 increased limit on behalf of the job retention project;
23 in no event shall the total amount of all tax credits
24 issued for the entire job retention program under this
25 item exceed \$3,000,000 annually; no tax credits shall
26 be issued for job retention projects approved by the

1 Department after August 30, 2014.

2 (5) Small business job retention and flood survivor
3 relief. A qualified company may receive a tax credit under
4 this Act for the retention of jobs and flood survivor
5 relief in this State for each job retained over a 3 year
6 period, provided that:

7 (A) the qualified company did not receive any State
8 or federal benefits, incentives, or tax relief or
9 abatement in locating its facility in a flood plain;

10 (B) the qualified company and related companies
11 have fewer than 100 employees at the time an
12 application for the program is made;

13 (C) the average wage of the qualified company's and
14 related companies' employees must meet or exceed the
15 county average wage;

16 (D) all of the qualified company's and related
17 companies' facilities are located in this State;

18 (E) the facilities at the primary business site in
19 this State have been directly damaged by floodwater
20 rising above the level of a 500-year flood at least 2
21 years, but fewer than 8 years, prior to the time
22 application is made;

23 (F) the qualified company made significant efforts
24 to protect the facilities prior to any impending danger
25 from rising floodwaters;

26 (G) for each year it receives tax credits under

1 this Act, the qualified company and related companies
2 retained, at the company's facilities in this State, at
3 least the level of full-time, year-round employees
4 that existed in the taxable year immediately preceding
5 the year in which application for the program is made;
6 and

7 (H) in the years it receives tax credits under this
8 Act, the company cumulatively invests at least
9 \$2,000,000 in capital improvements in facilities and
10 equipment located at those facilities that are not
11 located within a 500 year flood plain as designated by
12 the Federal Emergency Management Agency, and amended
13 from time to time. The amount of the small business job
14 retention and flood survivor relief credit granted may
15 be equal to up to 100% of the amount of withholding tax
16 generated by the full-time jobs at the project facility
17 for a period of 3 years; the calendar year annual
18 maximum amount of tax credit that may be issued to any
19 qualified company for a small business job retention
20 and survivor relief project shall be \$250,000 per year,
21 but the maximum amount may be increased up to \$500,000
22 if the increase is proposed by the Department and
23 approved by the Quality Jobs Advisory Task Force
24 established in Section 20; in considering such a
25 request, the Task Force shall rely on economic modeling
26 and other information supplied by the Department when

1 requesting an increase in the limit on behalf of the
2 small business job retention and flood survivor relief
3 project; in no event shall the total amount of all tax
4 credits issued for the entire small business job
5 retention and flood survivor relief program under this
6 item exceed \$500,000 annually; notwithstanding the
7 provisions of this item to the contrary, no tax credits
8 shall be issued for small business job retention and
9 flood survivor relief projects approved by the
10 Department after August 30, 2014.

11 (d) The qualified company shall provide an annual report of
12 the number of jobs and such other information as may be
13 required by the Department to document the basis for the
14 benefits of this program. The Department may withhold the
15 approval of any benefits until it is satisfied that proper
16 documentation has been provided, and shall reduce the benefits
17 to reflect any reduction in full-time employees or new payroll.
18 Upon approval by the Department, the qualified company may
19 begin the retention of the withholding taxes when it reaches
20 the minimum number of new jobs and the average wage exceeds the
21 county average wage. Tax credits, if any, may be issued upon
22 satisfaction by the Department that the qualified company has
23 exceeded the county average wage and the minimum number of new
24 jobs. In such annual report, if the average wage is below the
25 county average wage, the qualified company has not maintained
26 the employee insurance as required, or if the number of new

1 jobs is below the minimum, the qualified company shall not
2 receive tax credits or retain the withholding tax for the
3 balance of the benefit period. In the case of a qualified
4 company that initially filed a notice of intent and received an
5 approval from the Department for high-impact benefits and the
6 minimum number of new jobs in an annual report is below the
7 minimum for high-impact projects, the company shall not receive
8 tax credits for the balance of the benefit period but may
9 continue to retain the withholding taxes if it otherwise meets
10 the requirements of a small and expanding business under this
11 program.

12 (e) The maximum calendar year annual tax credits issued for
13 the entire program shall not exceed \$80,000,000. There shall be
14 no limit on the amount of withholding taxes that may be
15 retained by approved companies under this program.

16 (f) The Department shall allocate the annual tax credits
17 based on the date of the approval, reserving such tax credits
18 based on the Department's best estimate of new jobs and new
19 payroll of the project, and the other factors in the
20 determination of benefits of this program. However, the annual
21 issuance of tax credits is subject to the annual verification
22 of the actual new payroll. The allocation of tax credits for
23 the period assigned to a project shall expire if, within 2
24 years from the date of commencement of operations, or approval
25 if applicable, the minimum thresholds have not been achieved.
26 The qualified company may retain authorized amounts from the

1 withholding tax under this Section once the minimum new jobs
2 thresholds are met for the duration of the project period. No
3 benefits shall be provided under this program until the
4 qualified company meets the minimum new jobs thresholds. In the
5 event the qualified company does not meet the minimum new job
6 threshold, the qualified company may submit a new notice of
7 intent or the Department may provide a new approval for a new
8 project of the qualified company at the project facility or
9 other facilities.

10 (g) For a qualified company with flow-through tax treatment
11 to its members, partners, or shareholders, the tax credit shall
12 be allowed to members, partners, or shareholders in proportion
13 to their share of ownership on the last day of the qualified
14 company's tax period.

15 (h) Tax credits may be claimed against taxes otherwise
16 imposed by the Illinois Income Tax Act, and may not be carried
17 forward but shall be claimed within one year of the close of
18 the taxable year for which they were issued, except as provided
19 under item (4) of subsection (c) of this Section.

20 (i) Prior to the issuance of tax credits, the Department
21 shall verify through the Department of Revenue, or any other
22 State agency, that the tax credit applicant does not owe any
23 delinquent income, sales, or use tax, or interest or penalties
24 on such taxes, or any delinquent fees or assessments levied by
25 any State agency. Such delinquency shall not affect the
26 authorization of the application for such tax credits, except

1 that at issuance credits shall be first applied to the
2 delinquency and any amount issued shall be reduced by the
3 applicant's tax delinquency. If the Department of Revenue or
4 any other State agency, concludes that a taxpayer is delinquent
5 after June 15 but before July 1 of any year and the application
6 of tax credits to such delinquency causes a tax deficiency on
7 behalf of the taxpayer to arise, then the taxpayer shall be
8 granted 30 days to satisfy the deficiency, during which time
9 interest, penalties, and additions to tax shall be tolled.
10 After applying all available credits toward a tax delinquency,
11 the administering agency shall notify the appropriate agency
12 and that agency shall update the amount of outstanding
13 delinquent tax owed by the applicant. If any credits remain
14 after satisfying all insurance, income, sales, and use tax
15 delinquencies, the remaining credits shall be issued to the
16 applicant, subject to the restrictions of other provisions of
17 law.

18 (j) Except as provided under subdivision (4) of subsection
19 (c) of this Section, the Department of Revenue shall issue a
20 refund to the qualified company to the extent that the amount
21 of credits allowed in this Section exceeds the amount of the
22 qualified company's income tax.

23 (k) An employee of a qualified company shall receive full
24 credit for the amount of tax withheld as provided in Article 7
25 of the Illinois Income Tax Act.

26 (l) If any provision of this Act or application thereof to

1 any person or circumstance is held invalid, the invalidity
2 shall not affect other provisions or application of this Act
3 which can be given effect without the invalid provision or
4 application, and to this end, the provisions of this Act are
5 hereby declared severable.

6 Section 15. Rulemaking authority. The Department may adopt
7 such rules as may be necessary to carry out the provisions of
8 this Act.

9 Section 20. Quality Jobs Advisory Task Force. There is
10 hereby created a volunteer task force, to be known as the
11 Quality Jobs Advisory Task Force, which shall consist of the
12 Chairperson of the Commerce Committee of the Senate or his or
13 her designee, a member of the Commerce Committee of the Senate
14 appointed by the Minority Leader of the Senate, the Chairperson
15 of the Small Business Empowerment & Workforce Development
16 Committee of the House of Representatives or his or her
17 designee, a member of the Small Business Empowerment &
18 Workforce Development Committee of the House of
19 Representatives appointed by the Minority Leader of the House
20 of Representatives, the Director of the Department of Commerce
21 and Economic Opportunity or his or her designee, and 2 members
22 to be appointed by the Governor with the advice and consent of
23 the Senate.

1 Section 25. Report to the General Assembly. Prior to March
2 1 of each year, the Department shall provide a report on the
3 program to the General Assembly including the names of
4 participating companies, location of such companies, the
5 annual amount of benefits provided, the estimated net State
6 fiscal impact (direct and indirect new State taxes derived from
7 the project), the number of new jobs created or jobs retained,
8 the average wages of each project, and the types of qualified
9 companies using the program.

10 Section 80. The Illinois Income Tax Act is amended by
11 changing Section 704A and by adding Section 221 as follows:

12 (35 ILCS 5/221 new)

13 Sec. 221. Illinois Quality Jobs Tax Credit. A taxpayer is
14 entitled to a credit against the tax imposed by subsections (a)
15 and (b) of Section 201 of this Act as provided in the Illinois
16 Quality Jobs Act.

17 (35 ILCS 5/704A)

18 Sec. 704A. Employer's return and payment of tax withheld.

19 (a) In general, every employer who deducts and withholds or
20 is required to deduct and withhold tax under this Act on or
21 after January 1, 2008 shall make those payments and returns as
22 provided in this Section.

23 (b) Returns. Every employer shall, in the form and manner

1 required by the Department, make returns with respect to taxes
2 withheld or required to be withheld under this Article 7 for
3 each quarter beginning on or after January 1, 2008, on or
4 before the last day of the first month following the close of
5 that quarter.

6 (c) Payments. With respect to amounts withheld or required
7 to be withheld on or after January 1, 2008:

8 (1) Semi-weekly payments. For each calendar year, each
9 employer who withheld or was required to withhold more than
10 \$12,000 during the one-year period ending on June 30 of the
11 immediately preceding calendar year, payment must be made:

12 (A) on or before each Friday of the calendar year,
13 for taxes withheld or required to be withheld on the
14 immediately preceding Saturday, Sunday, Monday, or
15 Tuesday;

16 (B) on or before each Wednesday of the calendar
17 year, for taxes withheld or required to be withheld on
18 the immediately preceding Wednesday, Thursday, or
19 Friday.

20 Beginning with calendar year 2011, payments ~~payment~~
21 made under this paragraph (1) of subsection (c) must be
22 made by electronic funds transfer.

23 (2) Semi-weekly payments. Any employer who withholds
24 or is required to withhold more than \$12,000 in any quarter
25 of a calendar year is required to make payments on the
26 dates set forth under item (1) of this subsection (c) for

1 each remaining quarter of that calendar year and for the
2 subsequent calendar year.

3 (3) Monthly payments. Each employer, other than an
4 employer described in items (1) or (2) of this subsection,
5 shall pay to the Department, on or before the 15th day of
6 each month the taxes withheld or required to be withheld
7 during the immediately preceding month.

8 (4) Payments with returns. Each employer shall pay to
9 the Department, on or before the due date for each return
10 required to be filed under this Section, any tax withheld
11 or required to be withheld during the period for which the
12 return is due and not previously paid to the Department.

13 (d) Regulatory authority. The Department may, by rule:

14 (1) Permit employers, in lieu of the requirements of
15 subsections (b) and (c), to file annual returns due on or
16 before January 31 of the year for taxes withheld or
17 required to be withheld during the previous calendar year
18 and, if the aggregate amounts required to be withheld by
19 the employer under this Article 7 (other than amounts
20 required to be withheld under Section 709.5) do not exceed
21 \$1,000 for the previous calendar year, to pay the taxes
22 required to be shown on each such return no later than the
23 due date for such return.

24 (2) Provide that any payment required to be made under
25 subsection (c)(1) or (c)(2) is deemed to be timely to the
26 extent paid by electronic funds transfer on or before the

1 due date for deposit of federal income taxes withheld from,
2 or federal employment taxes due with respect to, the wages
3 from which the Illinois taxes were withheld.

4 (3) Designate one or more depositories to which payment
5 of taxes required to be withheld under this Article 7 must
6 be paid by some or all employers.

7 (4) Increase the threshold dollar amounts at which
8 employers are required to make semi-weekly payments under
9 subsection (c) (1) or (c) (2).

10 (e) Annual return and payment. Every employer who deducts
11 and withholds or is required to deduct and withhold tax from a
12 person engaged in domestic service employment, as that term is
13 defined in Section 3510 of the Internal Revenue Code, may
14 comply with the requirements of this Section with respect to
15 such employees by filing an annual return and paying the taxes
16 required to be deducted and withheld on or before the 15th day
17 of the fourth month following the close of the employer's
18 taxable year. The Department may allow the employer's return to
19 be submitted with the employer's individual income tax return
20 or to be submitted with a return due from the employer under
21 Section 1400.2 of the Unemployment Insurance Act.

22 (f) Magnetic media and electronic filing. Any W-2 Form
23 that, under the Internal Revenue Code and regulations
24 promulgated thereunder, is required to be submitted to the
25 Internal Revenue Service on magnetic media or electronically
26 must also be submitted to the Department on magnetic media or

1 electronically for Illinois purposes, if required by the
2 Department.

3 (g) For amounts deducted or withheld after December 31,
4 2009, a taxpayer who makes an election under subsection (f) of
5 Section 5-15 of the Economic Development for a Growing Economy
6 Tax Credit Act for a taxable year shall be allowed a credit
7 against payments due under this Section for amounts withheld
8 during the first calendar year beginning after the end of that
9 taxable year equal to the amount of the credit for the
10 incremental income tax attributable to full-time employees of
11 the taxpayer awarded to the taxpayer by the Department of
12 Commerce and Economic Opportunity under the Economic
13 Development for a Growing Economy Tax Credit Act for the
14 taxable year and credits not previously claimed and allowed to
15 be carried forward under Section 211(4) of this Act as provided
16 in subsection (f) of Section 5-15 of the Economic Development
17 for a Growing Economy Tax Credit Act. The credit or credits may
18 not reduce the taxpayer's obligation for any payment due under
19 this Section to less than zero. If the amount of the credit or
20 credits exceeds the total payments due under this Section with
21 respect to amounts withheld during the calendar year, the
22 excess may be carried forward and applied against the
23 taxpayer's liability under this Section in the succeeding
24 calendar years as allowed to be carried forward under paragraph
25 (4) of Section 211 of this Act. The credit or credits shall be
26 applied to the earliest year for which there is a tax

1 liability. If there are credits from more than one taxable year
2 that are available to offset a liability, the earlier credit
3 shall be applied first. Each employer who deducts and withholds
4 or is required to deduct and withhold tax under this Act and
5 who retains income tax withholdings under subsection (f) of
6 Section 5-15 of the Economic Development for a Growing Economy
7 Tax Credit Act must make a return with respect to such taxes
8 and retained amounts in the form and manner that the
9 Department, by rule, requires and pay to the Department or to a
10 depository designated by the Department those withheld taxes
11 not retained by the taxpayer. For purposes of this subsection
12 (g), the term taxpayer shall include taxpayer and members of
13 the taxpayer's unitary business group as defined under
14 paragraph (27) of subsection (a) of Section 1501 of this Act.
15 This Section is exempt from the provisions of Section 250 of
16 this Act.

17 (h) An employer may claim a credit against payments due
18 under this Section for amounts withheld during the first
19 calendar year ending after date on which a tax credit
20 certificate was issued under Section 35 of the Small Business
21 Job Creation Tax Credit Act. The credit shall be equal to the
22 amount shown on the certificate, but may not reduce the
23 taxpayer's obligation for any payment due under this Section to
24 less than zero. If the amount of the credit exceeds the total
25 payments due under this Section with respect to amounts
26 withheld during the calendar year, the excess may be carried

1 forward and applied against the taxpayer's liability under this
2 Section in the 5 succeeding calendar years. The credit shall be
3 applied to the earliest year for which there is a tax
4 liability. If there are credits from more than one calendar
5 year that are available to offset a liability, the earlier
6 credit shall be applied first. This Section is exempt from the
7 provisions of Section 250 of this Act.

8 (i) An employer may claim a credit against payments due
9 under this Article for the amount of credit awarded under
10 Section 10 of the Illinois Quality Jobs Act. This Section is
11 exempt from the provisions of Section 250 of this Act.

12 (Source: P.A. 95-8, eff. 6-29-07; 95-707, eff. 1-11-08; 96-834,
13 eff. 12-14-09; 96-888, eff. 4-13-10; 96-905, eff. 6-4-10;
14 96-1027, eff. 7-12-10; revised 9-16-10.)".