

SB1379



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1379

Introduced 2/6/2013, by Sen. David Koehler

SYNOPSIS AS INTRODUCED:

220 ILCS 5/9-222.1

from Ch. 111 2/3, par. 9-222.1

Amends the Public Utilities Act in relation to an exemption from certain municipal utility taxes with respect to enterprises located in an enterprise zone or a Foreign Trade Zone or Sub-Zone. Extends the availability of the exemption from 2013 to 2017 and reduces the requisite job retention requirement from 1,000 jobs to 750 jobs. Effective immediately.

LRB098 09058 JLS 39195 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 5. The Public Utilities Act is amended by changing
5 Section 9-222.1 as follows:

6 (220 ILCS 5/9-222.1) (from Ch. 111 2/3, par. 9-222.1)

7 Sec. 9-222.1. A business enterprise which is located within
8 an area designated by a county or municipality as an enterprise
9 zone pursuant to the Illinois Enterprise Zone Act or located in
10 a federally designated Foreign Trade Zone or Sub-Zone shall be
11 exempt from the additional charges added to the business
12 enterprise's utility bills as a pass-on of municipal and State
13 utility taxes under Sections 9-221 and 9-222 of this Act, to
14 the extent such charges are exempted by ordinance adopted in
15 accordance with paragraph (e) of Section 8-11-2 of the Illinois
16 Municipal Code in the case of municipal utility taxes, and to
17 the extent such charges are exempted by the percentage
18 specified by the Department of Commerce and Economic
19 Opportunity in the case of State utility taxes, provided such
20 business enterprise meets the following criteria:

21 (1) it (i) makes investments which cause the creation
22 of a minimum of 200 full-time equivalent jobs in Illinois;
23 (ii) makes investments of at least \$175,000,000 which cause

1 the creation of a minimum of 150 full-time equivalent jobs
2 in Illinois; (iii) makes investments that cause the
3 retention of a minimum of 300 full-time equivalent jobs in
4 the manufacturing sector, as defined by the North American
5 Industry Classification System, in an area in Illinois in
6 which the unemployment rate is above 9% and makes an
7 application to the Department within 3 months after the
8 effective date of this amendatory Act of the 96th General
9 Assembly and certifies relocation of the 300 full-time
10 equivalent jobs within 48 months after the application;
11 (iv) makes investments which cause the retention of a
12 minimum of 1,000 full-time jobs in Illinois; or (v) makes
13 an application to the Department within 2 months after the
14 effective date of this amendatory Act of the 96th General
15 Assembly and makes investments that cause the retention of
16 a minimum of 500 full-time equivalent jobs in 2009 and
17 2010, 675 full-time jobs in Illinois in 2011, 850 full-time
18 jobs in 2012, and 750 ~~1,000~~ full-time jobs in 2013 through
19 2017, in the manufacturing sector as defined by the North
20 American Industry Classification System; and

21 (2) it is either (i) located in an Enterprise Zone
22 established pursuant to the Illinois Enterprise Zone Act or
23 (ii) located in a federally designated Foreign Trade Zone
24 or Sub-Zone and is designated a High Impact Business by the
25 Department of Commerce and Economic Opportunity; and

26 (3) it is certified by the Department of Commerce and

1 Economic Opportunity as complying with the requirements
2 specified in clauses (1) and (2) of this Section.

3 The Department of Commerce and Economic Opportunity shall
4 determine the period during which such exemption from the
5 charges imposed under Section 9-222 is in effect which shall
6 not exceed 30 years or the certified term of the enterprise
7 zone, whichever period is shorter, except that the exemption
8 period for a business enterprise qualifying under item (iii) of
9 clause (1) of this Section shall not exceed 30 years.

10 The Department of Commerce and Economic Opportunity shall
11 have the power to promulgate rules and regulations to carry out
12 the provisions of this Section including procedures for
13 complying with the requirements specified in clauses (1) and
14 (2) of this Section and procedures for applying for the
15 exemptions authorized under this Section; to define the amounts
16 and types of eligible investments which business enterprises
17 must make in order to receive State utility tax exemptions
18 pursuant to Sections 9-222 and 9-222.1 of this Act; to approve
19 such utility tax exemptions for business enterprises whose
20 investments are not yet placed in service; and to require that
21 business enterprises granted tax exemptions repay the exempted
22 tax should the business enterprise fail to comply with the
23 terms and conditions of the certification. However, no business
24 enterprise shall be required, as a condition for certification
25 under clause (3) of this Section, to attest that its decision
26 to invest under clause (1) of this Section and to locate under

1 clause (2) of this Section is predicated upon the availability
2 of the exemptions authorized by this Section.

3 A business enterprise shall be exempt, in whole or in part,
4 from the pass-on charges of municipal utility taxes imposed
5 under Section 9-221, only if it meets the criteria specified in
6 clauses (1) through (3) of this Section and the municipality
7 has adopted an ordinance authorizing the exemption under
8 paragraph (e) of Section 8-11-2 of the Illinois Municipal Code.
9 Upon certification of the business enterprises by the
10 Department of Commerce and Economic Opportunity, the
11 Department of Commerce and Economic Opportunity shall notify
12 the Department of Revenue of such certification. The Department
13 of Revenue shall notify the public utilities of the exemption
14 status of business enterprises from the pass-on charges of
15 State and municipal utility taxes. Such exemption status shall
16 be effective within 3 months after certification of the
17 business enterprise.

18 (Source: P.A. 96-716, eff. 8-25-09; 96-865, eff. 1-21-10;
19 97-818, eff. 7-16-12.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.