



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB5517

by Rep. Camille Y. Lilly

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1020 new
35 ILCS 5/211
35 ILCS 10/5-45
35 ILCS 10/5-77

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department shall establish and implement a Veterans' Economic Center pilot program for the purposes of assisting veterans in finding employment and addressing the problem of veteran homelessness. Amends the Illinois Income Tax Act and the Economic Development for a Growing Economy Tax Credit Act. Provides that the Department of Commerce and Economic Opportunity may enter into new Agreements under the Act until December 31, 2020 (currently, December 31, 2016). Provides that a taxpayer who receives a credit under this Act for a taxable year ending on or before December 31, 2019 pursuant an Agreement entered into on or after the effective date of the amendatory Act may apply only 98% of that credit amount against his or her State income tax liability in any taxable year. Provides that the remaining 2% of the total credit amount awarded shall be transferred from the General Revenue Fund into the Veterans' Economic Center Fund. Provides that moneys in the Veterans' Economic Center Fund shall be used by the Department of Commerce and Economic Opportunity to administer the Veterans' Economic Center pilot program. Amends the State Finance Act to create the Veterans' Economic Center Fund. Effective immediately.

LRB099 19012 HLH 43401 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois is
6 amended by adding Section 605-1020 as follows:

7 (20 ILCS 605/605-1020 new)

8 Sec. 605-1020. Veterans' Economic Center Pilot Program.
9 Beginning on January 1, 2017 and continuing through December
10 31, 2020, Department shall establish and implement a Veterans'
11 Economic Center pilot program for the purposes of assisting
12 veterans in finding employment and addressing the problem of
13 veteran homelessness. In conducting the program, the
14 Department shall partner with local employers in order to
15 better connect veterans with those employers. The Department
16 shall report to the Governor and the General Assembly regarding
17 the effectiveness of the program no later than December 31,
18 2020.

19 This Section is repealed on January 1, 2022.

20 Section 10. The Illinois Income Tax Act is amended by
21 changing Section 211 as follows:

1 (35 ILCS 5/211)

2 Sec. 211. Economic Development for a Growing Economy Tax
3 Credit. For tax years beginning on or after January 1, 1999, a
4 Taxpayer who has entered into an Agreement under the Economic
5 Development for a Growing Economy Tax Credit Act is entitled to
6 a credit against the taxes imposed under subsections (a) and
7 (b) of Section 201 of this Act in an amount to be determined in
8 the Agreement. If the Taxpayer is a partnership or Subchapter S
9 corporation, the credit shall be allowed to the partners or
10 shareholders in accordance with the determination of income and
11 distributive share of income under Sections 702 and 704 and
12 subchapter S of the Internal Revenue Code. The Department, in
13 cooperation with the Department of Commerce and Economic
14 Opportunity, shall prescribe rules to enforce and administer
15 the provisions of this Section. This Section is exempt from the
16 provisions of Section 250 of this Act.

17 The credit shall be subject to the conditions set forth in
18 the Agreement and the following limitations:

19 (1) The tax credit shall not exceed the Incremental
20 Income Tax (as defined in Section 5-5 of the Economic
21 Development for a Growing Economy Tax Credit Act) with
22 respect to the project.

23 (2) The amount of the credit allowed during the tax
24 year plus the sum of all amounts allowed in prior years
25 shall not exceed 100% of the aggregate amount expended by
26 the Taxpayer during all prior tax years on approved costs

1 defined by Agreement.

2 (3) The amount of the credit shall be determined on an
3 annual basis. Except as applied in a carryover year
4 pursuant to Section 211(4) of this Act, the credit may not
5 be applied against any State income tax liability in more
6 than 10 taxable years; provided, however, that (i) an
7 eligible business certified by the Department of Commerce
8 and Economic Opportunity under the Corporate Headquarters
9 Relocation Act may not apply the credit against any of its
10 State income tax liability in more than 15 taxable years
11 and (ii) credits allowed to that eligible business are
12 subject to the conditions and requirements set forth in
13 Sections 5-35 and 5-45 of the Economic Development for a
14 Growing Economy Tax Credit Act.

15 (4) The credit may not exceed the amount of taxes
16 imposed pursuant to subsections (a) and (b) of Section 201
17 of this Act. Any credit that is unused in the year the
18 credit is computed may be carried forward and applied to
19 the tax liability of the 5 taxable years following the
20 excess credit year. The credit shall be applied to the
21 earliest year for which there is a tax liability. If there
22 are credits from more than one tax year that are available
23 to offset a liability, the earlier credit shall be applied
24 first.

25 (5) No credit shall be allowed with respect to any
26 Agreement for any taxable year ending after the

1 Noncompliance Date. Upon receiving notification by the
2 Department of Commerce and Economic Opportunity of the
3 noncompliance of a Taxpayer with an Agreement, the
4 Department shall notify the Taxpayer that no credit is
5 allowed with respect to that Agreement for any taxable year
6 ending after the Noncompliance Date, as stated in such
7 notification. If any credit has been allowed with respect
8 to an Agreement for a taxable year ending after the
9 Noncompliance Date for that Agreement, any refund paid to
10 the Taxpayer for that taxable year shall, to the extent of
11 that credit allowed, be an erroneous refund within the
12 meaning of Section 912 of this Act.

13 (6) For purposes of this Section, the terms
14 "Agreement", "Incremental Income Tax", and "Noncompliance
15 Date" have the same meaning as when used in the Economic
16 Development for a Growing Economy Tax Credit Act.

17 (7) Agreements entered into on or after the effective
18 date of this amendatory Act of the 99th General Assembly
19 are subject to the limitations set forth in subsection (c)
20 of Section 5-45 of the Economic Development for a Growing
21 Economy Tax Credit Act.

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

23 Section 15. The Economic Development for a Growing Economy
24 Tax Credit Act is amended by changing Sections 5-45 and 5-77 as
25 follows:

1 (35 ILCS 10/5-45)

2 Sec. 5-45. Amount and duration of the credit.

3 (a) The Department shall determine the amount and duration
4 of the credit awarded under this Act. The duration of the
5 credit may not exceed 10 taxable years. The credit may be
6 stated as a percentage of the Incremental Income Tax
7 attributable to the applicant's project and may include a fixed
8 dollar limitation.

9 (b) Notwithstanding subsection (a), and except as the
10 credit may be applied in a carryover year pursuant to Section
11 211(4) of the Illinois Income Tax Act, the credit may be
12 applied against the State income tax liability in more than 10
13 taxable years but not in more than 15 taxable years for an
14 eligible business that (i) qualifies under this Act and the
15 Corporate Headquarters Relocation Act and has in fact
16 undertaken a qualifying project within the time frame specified
17 by the Department of Commerce and Economic Opportunity under
18 that Act, and (ii) applies against its State income tax
19 liability, during the entire 15-year period, no more than 60%
20 of the maximum credit per year that would otherwise be
21 available under this Act.

22 (c) Notwithstanding any other provision of law, a taxpayer
23 who receives a credit under this Act for a taxable year ending
24 on or before December 31, 2019 pursuant an Agreement entered
25 into on or after the effective date of this amendatory Act of

1 the 99th General Assembly may apply only 98% of that credit
2 amount against his or her State income tax liability in any
3 taxable year. By July 1, 2017, and by July 1 of each calendar
4 year thereafter through calendar year 2020, the Department
5 shall certify to the Comptroller an amount equal to 2% of the
6 total credits awarded under this Section pursuant to an
7 Agreement entered into on or after the effective date of this
8 amendatory Act of the 99th General Assembly for a taxable year
9 ending during the previous calendar year. Immediately upon
10 receipt of the certification, the State Comptroller shall
11 direct and the State Treasurer shall transfer the certified
12 amount from the General Revenue Fund into the Veterans'
13 Economic Center Fund, a special fund created in the State
14 treasury. Moneys in the Veterans' Economic Center Fund shall be
15 used by the Department of Commerce and Economic Opportunity to
16 administer the Veterans' Economic Center pilot program
17 established under Section 605-1020 of the Department of
18 Commerce and Economic Opportunity Law of the Civil
19 Administrative Code of Illinois.

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

21 (35 ILCS 10/5-77)

22 Sec. 5-77. Sunset of new Agreements. The Department shall
23 not enter into any new Agreements under the provisions of
24 Section 5-50 of this Act after December 31, 2020 ~~December 31,~~
25 ~~2016.~~

1 (Source: P.A. 97-2, eff. 5-6-11.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.