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JB Pritzker  
Governor

David Harris  
Director

STATE OF ILLINOIS  
**DEPARTMENT OF REVENUE**

**MEMORANDUM**

**To:** The Honorable Don Harmon  
Senate President

The Honorable Michael J. Madigan  
Speaker of the House

The Honorable William E. Brady  
Senate Republican Leader

The Honorable Jim Durkin  
House Republican Leader

**From:** David Harris, Director  
Department of Revenue

**Date:** September 30, 2020

**RE:** Unified Economic Development Budget

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Pursuant to the Corporate Accountability for Tax Expenditures Act, the Department of Revenue is submitting the annual Unified Economic Development Budget (UEDB), as found in 20 ILCS 715/10.

Public Act 100-0721 revised the reporting requirements for tax incentives under 20 ILCS 715/10. These changes allow the Department of Revenue more time to collect and process tax returns before publishing this report, which will result in a more accurate and complete accounting of uncollected or diverted state tax revenues. Therefore, UEDBs published under these new requirements are not strictly comparable to reports published prior to 2018. Tax incentive amounts reported in this year's UEDB are derived from tax returns for tax year 2017, while state development assistance amounts pertain to fiscal year 2020.

The following information is provided to aid in the interpretation of this revised report:

- 1) To the extent possible, tax credit amounts reflect actual reductions in state tax revenues.
- 2) Subtractions reduce income that is subject to tax rather than tax liability. The amounts reported reflect Illinois-apportioned reductions in income, not reductions in tax liability. Subtractions are presented in this manner because pass-through entities have no direct income tax liability.
- 3) The appropriated spending costs for the Department of Commerce and Economic Opportunity (DCEO) and Department of Transportation (DOT) incentives were provided by DCEO and DOT, respectively, and represent actual amounts obligated during fiscal year 2020. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during fiscal year 2020.

# Tax Incentives and State Development Assistance

## Tax Incentives for Tax Year 2017

### CREDITS APPLIED AGAINST INCOME TAX LIABILITY

<i>Form IL-1120, Corporation Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	15	41,628,088
Enterprise Zone Investment Credit	222	10,523,543
High Impact Business Investment Credit	*	*
EDGE Credit	87	72,610,585
Research and Development Expense Credit	462	59,477,473
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	*	*
<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	10	847,265
Enterprise Zone Investment Credit	200	249,797
High Impact Business Investment Credit	*	*
EDGE Credit	152	5,847,741
Research and Development Expense Credit	273	672,676
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	0	0
<i>Form IL-990-T, Exempt Organization Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	0	0
Enterprise Zone Investment Credit	*	*
High Impact Business Investment Credit	0	0
EDGE Credit	*	*
Research and Development Expense Credit	*	*
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	0	0
<i>Form IL-1040, Individual Income Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	62	1,180,244
High Impact Business Investment Credit	*	*
Enterprise Zone Investment Credit	1,138	1,177,001
EDGE Tax Credit <sup>1</sup>	1,215	18,637,380
Research and Development Expense Credit	3,269	17,600,665
Angel Investment Credit	16	801,650
River Edge Historic Preservation Credit	63	5,567,063
	<u>Taxpayers</u>	<u>Amounts</u>
<b>Total Credits Excluded from Above to Protect Taxpayer Privacy</b>	<b>33</b>	<b>2,748,029</b>

\* Pursuant to the Illinois Income Tax Act, information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

<sup>1</sup> EDGE Credit "Amounts" include amounts from form IL-941 applied against withholding liability.

## SUBTRACTIONS<sup>2</sup>

### *Form IL-1120, Corporation Income and Replacement Tax Return*

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
River Edge Redevelopment Zone Interest Subtraction	0	0
High Impact Business Dividend Subtraction	26	2,653,772
High Impact Business Interest Subtraction	0	0
Contribution Subtraction	14	27,926

### *Form IL-1041, Fiduciary Income and Replacement Tax Return*

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	2,158	7,906,828

### *Form IL-1040, Individual Income Tax Return*

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	2,674	23,141,577
High Impact Business Dividend Subtraction	22,957	165,696,344

### *Form IL-1065, Partnership Replacement Tax Return*

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	189	2,172,263

### *Form IL-1120-ST, Small Business Corporation Replacement Tax Return*

	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	*	*
River Edge Redevelopment Zone Interest Subtraction	0	0
Contribution Subtraction	13	14,901
High Impact Business Dividend Subtraction	49	430,198
High Impact Business Interest Subtraction	*	*

	<u>Taxpayers</u>	<u>Amounts</u>
<i>Total Subtractions Excluded from Above to Protect Taxpayer Privacy</i>	6	200

\* Pursuant to the Illinois Income Tax Act, information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

<sup>2</sup> The figures in the "Amounts" column for SUBTRACTIONS reflect reductions in income after apportionment, not reductions in tax liability.

## State Development Assistance for Fiscal Year 2020

### APPROPRIATED SPENDING<sup>3</sup>

#### Amounts

#### Department of Commerce and Economic Opportunity

##### Program Type

Business Development Public Infrastructure Grants	0
Illinois ETIP/IP Incentive Grants	2,138,982
Large Business Development Grants	0

#### Department of Transportation

##### Program Type

Economic Development Program	3,822,011
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### LOANS<sup>3</sup>

#### Illinois Treasurer

##### Program Type

Annual Agriculture Investment Program	96,909,000
Long Term Agriculture Investment Program	2,435,875

<sup>3</sup> This information is provided by the respective agencies.