

AN ACT concerning revenue.

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

Section 1. Short title. This Act may be cited as the Invest in Illinois Act.

Section 5. Purpose. The General Assembly finds that the State must encourage and promote the retention and expansion of existing businesses and industry within the State and recruit and attract new businesses and industry to the State by providing businesses with ready access to the capital and incentives needed to stimulate economic activity and create new jobs.

Section 10. Definitions. As used in this Act:

"Agreement" means an agreement between an applicant and the Department under Section 30 of this Act.

"Applicant" means a taxpayer that operates or plans to operate an eligible business in the State.

"Business" means a sole proprietorship, partnership, corporation, or limited liability company.

"Capital improvement" means (i) the purchase, renovation, rehabilitation, or construction, at an approved project site in the State, of land, buildings, structures, equipment, or

furnishings and (ii) goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. "Capital improvement" does not include land, buildings, structures, and equipment that are leased, unless the term of the lease equals or exceeds the term of the agreement. For land, buildings, structures, and equipment that are leased and are considered capital improvements, the cost of the property shall be determined from the present value of the lease payments, using the corporate interest rate prevailing at the time of the application.

"Capital investment" means the expenditure of money for capital improvements.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Eligible business" means a business that is engaged in manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing commercial services in office industries or agricultural processing. "Eligible business" does not include a retailer or a provider of health services or professional services.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who

renders any other standard of service generally accepted by industry custom or practice as full-time employment. Annually scheduled periods for inventory or repairs, vacations, holidays, and paid time for sick leave, vacation, or other leave shall be included in this computation of full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

"Project" means for-profit economic development activity or activities at a single site. For-profit economic development activity or activities of one or more taxpayers at multiple sites may be considered a project if the economic activities are vertically integrated and designated by the Department as a project and as the subject of an agreement that includes capital improvement requirements and job creation requirements and, if applicable, job retention requirements for the project location or locations. The employees subject to the agreement must be assigned to a specific project location and work there as their primary location.

"Qualified investment" means investment in this State related to a project subject to an agreement under this Act.

"Taxpayer" means a business that is subject to any tax or fee collected by the Department of Revenue or that will be subject to any tax or fee collected by the Department of Revenue upon the location of the business in the State.

Section 15. Eligibility.

(a) The Department may make non-competitive economic incentive awards, including, but not limited to, grants and loans, to assist applicants that pledge to make capital investments and create new jobs in this State or retain jobs in this State.

(b) To qualify for economic incentives under this Act, an applicant must:

(1) be in good standing under the laws of this State and the laws of all other states where the applicant was formed or is organized; and

(2) owe no delinquent taxes to the State.

(c) The Department may not award economic incentives to an applicant that (i) closes operations at one location in the State or reduces those operations by more than 50% and (ii) relocates substantially the same operations to another location in the State. This prohibition does not apply if (i) the applicant moves its operations from one location in the State to another location in the State for the purpose of expanding its operations in the State and (ii) the Department determines that expansion could not reasonably be accommodated within the municipality or county where the business was located prior to the relocation. In making its determination, the Department shall confer with the chief executive officer of the municipality or county where the business was located

prior to the relocation and take into consideration any evidence offered by the municipality or county regarding its ability to accommodate expansion within the municipality or county.

(d) Notwithstanding subsection (c), the Department shall not award economic incentives to a professional sports organization that moves its operations from one location in the State to another location in the State.

(e) Nothing in this Act will diminish or remove diversity, equity, inclusion, or jobs goals and commitments in other State Programs related to any development project supported by this Act.

Section 20. Application. An applicant seeking an economic incentive under this Act shall submit a detailed application to the Department. The application must, at a minimum, contain the following information:

- (1) the location of the project;
- (2) the amount of the capital investment the applicant will make in the project;
- (3) the number of new jobs that will be created as a result of the project;
- (4) the number of jobs retained by an existing applicant; and
- (5) the average salary of the jobs to be created or retained.

Section 25. Review of application. The Department shall determine which projects will benefit the State and are eligible to receive an economic incentive under this Act. In making this determination, the Department may consider:

- (1) the number of jobs to be created by the applicant;
- (2) the number of jobs to be retained by the applicant;
- (3) the average salary of jobs created by the applicant;
- (4) the average salary of jobs retained by the applicant;
- (5) the total capital investment to be made by the applicant;
- (6) the likelihood of other businesses locating within the same vicinity or within the State as a result of the business activity to be conducted by the applicant receiving the economic incentive;
- (7) the impact on the economy of the area or community where the project is located; and
- (8) any other factors the Department determines to be relevant to accomplish the purposes of this Act.

Section 30. Agreement.

(a) Upon approval of an application under this Act, the Department shall enter into an agreement with the applicant

that shall include, at a minimum, the following:

(1) a detailed description of the project that is the subject of the agreement, as well as the performance conditions, including the required amount of capital investment and the number of jobs required to be created or retained;

(2) the performance conditions that must be met to obtain the award, including, but not limited to, the number of new jobs created, the average salary, and the total capital investment;

(3) the schedule of payments;

(4) a requirement that the applicant maintain operations at the project location for a minimum number of years;

(5) a specific method for determining the number of new employees and, if applicable, the number of retained employees, to be employed during each taxable year covered by the agreement;

(6) a requirement that the taxpayer annually report to the Department the number of new employees and any other information the Department deems necessary and appropriate to perform its duties under this Act;

(7) a detailed description of the number of new employees to be hired and the occupation and payroll of full-time jobs to be created or retained because of the project;

(8) the minimum capital investment the taxpayer will make, the time period for placing the property in service, and the designated location in Illinois for the capital investment;

(9) a requirement that the taxpayer provide written notice to the Director and the Director's designee not more than 30 days after the taxpayer determines that the minimum job creation, job retention, employment payroll, or capital investment is no longer or will no longer be achieved or maintained as required in the agreement and include in that notice the number of layoffs, the date of the layoffs, and the taxpayer's efforts to provide career and training counseling to the impacted workers with industry-related certifications and trainings;

(10) a claw-back provision to recapture incentive amounts for failure to meet the provisions contained in the agreement; and

(11) a provision that the agreement shall not take effect, nor may any funds be expended or transferred under the agreement, if the Department fails to comply with the notification requirements under Section 32 or if the Speaker of the House of Representatives or the Senate President (or their designees, if applicable) submit a letter of rejection under Section 32.

(b) Subject to the provisions of Section 32, the Department may issue the incentive to the applicant within the

time period the Department deems appropriate in order to ensure that the applicant achieves the performance conditions set forth in the agreement.

Section 32. General Assembly notification. The Department shall notify the President of the Senate, or his or her designee, and the Speaker of the House of Representatives, or his or her designee, when awards for the purposes of this Act are nearing final negotiation with an applicant. The notification shall include the prospective amount of the award and other relevant information related to the application. The President of the Senate and the Speaker of the House, or their designees, if applicable, shall certify that they have been notified of the planned awards and that they do not object. If there is no objection certified from the President of the Senate and the Speaker of the House, the Department may enter into an agreement under this Act for the award amount contained in the notification. If the Department enters into an agreement under this Act for an award in an amount that is different than the amount contained in the notification, it shall deliver a copy of the agreement to both the Speaker of the House of Representatives, or his or her designee, and the Senate President, or his or her designee, within 2 days after the agreement is executed. Notwithstanding any other provision of this Act, an agreement entered into under this Act shall not take effect, nor may any funds be expended or transferred

under that agreement, if the Speaker of the House of Representatives and the Senate President, or their designees, if applicable, submit a letter to the Department noting an objection to the agreement in writing within 2 days after the notification is delivered to the Speaker of the House of Representatives and the Senate President, or their designees, if applicable.

Section 35. Penalties.

(a) If the applicant fails to comply with the performance conditions set forth in an agreement entered into under this Act, then the applicant may be required to repay some or all of the grant, loan, or other economic incentive awarded to the applicant, along with any applicable interest to the State at the agreed upon rate and on the agreed terms set forth in the agreement.

(b) The Department may also assess specified penalties for noncompliance against the applicant. Those penalties shall be contained in the Agreement.

(c) If the applicant fails to comply with the terms of an agreement, then the State may:

(1) obtain a lien or other interest in the capital improvements in proportion to the percentage of the incentive amount used to pay for those capital improvements; and

(2) require the recipient of the incentive, if the

capital improvements are sold, to:

(A) repay to the State the funds used to pay for the capital improvement, with interest at the rate and according to the other terms provided by the agreement; and

(B) share with the State a proportionate amount of any profit realized from the sale.

Section 40. Powers of the Department. The Department, in addition to those powers granted under the Civil Administrative Code of Illinois, is granted and shall have all the powers necessary or convenient to administer the program established under this Act and to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, the power and authority to:

(1) adopt emergency and permanent rules deemed necessary and appropriate for the administration of this Act;

(2) establish forms for applications, notifications, contracts, or any other agreements and accept applications at any time during the year;

(3) assist applicants pursuant to the provisions of this Act and cooperate with taxpayers that are parties to agreements under this Act to promote, foster, and support economic development, capital investment, and job creation and retention within the State;

(4) establish, negotiate, and effectuate agreements and other documents and terms with any person as necessary or appropriate to accomplish the purposes of this Act and to consent, subject to the provisions of an agreement with another party, to the modification or restructuring of any agreement to which the Department is a party;

(5) provide for sufficient personnel to permit administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act;

(6) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance or participation required under this Act, including the power to sell, dispose, lease, or rent, upon terms and conditions determined by the Director to be appropriate, real or personal property that the Department may receive as a result of these actions.

Section 45. Annual report. On or before July 1 of each year, the Department shall submit to the General Assembly and the Governor a report on the program established under this

Act. The report shall include information on the number of agreements that were entered into under this Act during the preceding calendar year, a description of the project that is the subject of each agreement, an update on the status of projects under agreements entered into before the preceding calendar year, and the amount of funds awarded under this Act.

The report must include, for each agreement:

- (1) the number of new jobs to be created and, if applicable, the number of retained jobs;
- (2) any relevant modifications to existing agreements;
- (3) a statement of the progress made by each applicant in meeting the terms of the original agreement;
- (4) a statement of wages paid to full-time employees and, if applicable, retained employees in the State; and
- (5) a copy of the original agreement or a link to the agreement on the Department's website.

Section 50. Statutory exemptions. Awards of economic incentives made pursuant to this Act are exempt from the Corporate Accountability for Tax Expenditures Act, the Illinois Works Jobs Program Act, and Section 45 of the State Finance Act, and any rules adopted under those authorities. In addition, non-competitive awards of economic incentives made pursuant to this Act are exempt from the public notice of funding opportunity (NOFO), merit review, audit, and grant payment method provisions of the Grant Accountability and

Transparency Act (GATA) and the corresponding GATA rules associated with NOFOs, merit reviews, audits, and grant payment methods.

Section 55. Vendor diversity report. Each applicant shall, no later than April 15 of each taxable year for which an agreement under this Act between the applicant and the Department is in effect, report on the diversity of the vendors used by the applicant. The report shall be published on the Department's website and shall include the following information:

(1) a point of contact for potential vendors to register with the applicant's project;

(2) certifications that the applicant accepts or recognizes for minority-owned businesses and women-owned businesses as entities;

(3) the applicant's goals to contract with diverse vendors, if any, for the next fiscal year for the entire budget of the applicant's project;

(4) for the last fiscal year, the actual contractual spending for the entire budget of the project and the actual spending for minority-owned businesses and women-owned businesses, expressed as a percentage of the total budget for actual spending for the project;

(5) a narrative explaining the results of the report and the applicant's plan to address the voluntary goals

for the next fiscal year; and

(6) a copy of the applicant's submission of vendor diversity information to the federal government, including but not limited to vendor diversity goals and actual contractual spending for minority-owned businesses and women-owned businesses, if the applicant is a federal contractor and is required by the federal government to submit that information to the federal government.

Section 900. The Illinois Administrative Procedure Act is amended by adding Section 5-45.35 as follows:

(5 ILCS 100/5-45.35 new)

Sec. 5-45.35. Emergency rulemaking. To provide for the expeditious and timely implementation of the Invest in Illinois Act, emergency rules implementing the Invest in Illinois Act may be adopted in accordance with Section 5-45 by the Department of Commerce and Economic Opportunity. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and welfare.

This Section is repealed one year after the effective date of this amendatory Act of the 102nd General Assembly.

Section 905. The Illinois Enterprise Zone Act is amended by changing Sections 4, 5.5, and 6 as follows:

(20 ILCS 655/4) (from Ch. 67 1/2, par. 604)

Sec. 4. Qualifications for enterprise zones.

(1) An area is qualified to become an enterprise zone which:

(a) is a contiguous area, provided that a zone area may exclude wholly surrounded territory within its boundaries;

(b) comprises a minimum of one-half square mile and not more than 14 ~~12~~ square miles, or 20 ~~15~~ square miles if the zone is located within the jurisdiction of 4 or more counties or municipalities, in total area, exclusive of lakes and waterways; however, in such cases where the enterprise zone is a joint effort of three or more units of government, or two or more units of government if situated in a township which is divided by a municipality of 1,000,000 or more inhabitants, and where the certification has been in effect at least one year, the total area shall comprise a minimum of one-half square mile and not more than 16 ~~thirteen~~ square miles in total area exclusive of lakes and waterways;

(c) (blank);

(d) (blank);

(e) is (1) entirely within a municipality or (2) entirely within the unincorporated areas of a county, except where reasonable need is established for such zone

to cover portions of more than one municipality or county or (3) both comprises (i) all or part of a municipality and (ii) an unincorporated area of a county; and

(f) meets 3 or more of the following criteria:

(1) all or part of the local labor market area has had an annual average unemployment rate of at least 120% of the State's annual average unemployment rate for the most recent calendar year or the most recent fiscal year as reported by the Department of Employment Security;

(2) designation will result in the development of substantial employment opportunities by creating or retaining a minimum aggregate of 1,000 full-time equivalent jobs due to an aggregate investment of \$100,000,000 or more, and will help alleviate the effects of poverty and unemployment within the local labor market area;

(3) all or part of the local labor market area has a poverty rate of at least 20% according to American Community Survey; 35% or more of families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey; or 20% or more households in the local labor market area receive food stamps or assistance under Supplemental Nutrition Assistance Program ("SNAP") according to the latest American

Community Survey;

(4) an abandoned coal mine, a brownfield (as defined in Section 58.2 of the Environmental Protection Act), or an inactive nuclear-powered electrical generation facility where spent nuclear fuel is stored on-site is located in the proposed zone area, or all or a portion of the proposed zone was declared a federal disaster area in the 3 years preceding the date of application;

(5) the local labor market area contains a presence of large employers that have downsized over the years, the labor market area has experienced plant closures in the 5 years prior to the date of application affecting more than 50 workers, or the local labor market area has experienced State or federal facility closures in the 5 years prior to the date of application affecting more than 50 workers;

(6) based on data from Multiple Listing Service information or other suitable sources, the local labor market area contains a high floor vacancy rate of industrial or commercial properties, vacant or demolished commercial and industrial structures are prevalent in the local labor market area, or industrial structures in the local labor market area are not used because of age, deterioration, relocation of the former occupants, or cessation of operation;

(7) the applicant demonstrates a substantial plan for using the designation to improve the State and local government tax base, including income, sales, and property taxes, including a plan for disposal of publicly-owned real property by the methods described in Section 10 of this Act;

(8) significant public infrastructure is present in the local labor market area in addition to a plan for infrastructure development and improvement;

(9) high schools or community colleges located within the local labor market area are engaged in ACT Work Keys, Manufacturing Skills Standard Certification, or other industry-based credentials that prepare students for careers;

(10) (blank); or

(11) the applicant demonstrates a substantial plan for using the designation to encourage: (i) participation by businesses owned by minorities, women, and persons with disabilities, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act; and (ii) the hiring of minorities, women, and persons with disabilities.

As provided in Section 10-5.3 of the River Edge Redevelopment Zone Act, upon the expiration of the term of each River Edge Redevelopment Zone in existence on August 7,

2012 (the effective date of Public Act 97-905), that River Edge Redevelopment Zone will become available for its previous designee or a new applicant to compete for designation as an enterprise zone. No preference for designation will be given to the previous designee of the zone.

(2) Any criteria established by the Department or by law which utilize the rate of unemployment for a particular area shall provide that all persons who are not presently employed and have exhausted all unemployment benefits shall be considered unemployed, whether or not such persons are actively seeking employment.

(Source: P.A. 101-81, eff. 7-12-19; 102-108, eff. 1-1-22.)

(20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

Sec. 5.5. High Impact Business.

(a) In order to respond to unique opportunities to assist in the encouragement, development, growth, and expansion of the private sector through large scale investment and development projects, the Department is authorized to receive and approve applications for the designation of "High Impact Businesses" in Illinois, for an initial term of 20 years with an option for renewal for a term not to exceed 20 years, subject to the following conditions:

(1) such applications may be submitted at any time during the year;

(2) such business is not located, at the time of

designation, in an enterprise zone designated pursuant to this Act;

(3) the business intends to do one or more of the following:

(A) the business intends to make a minimum investment of \$12,000,000 which will be placed in service in qualified property and intends to create 500 full-time equivalent jobs at a designated location in Illinois or intends to make a minimum investment of \$30,000,000 which will be placed in service in qualified property and intends to retain 1,500 full-time retained jobs at a designated location in Illinois. ~~The business must certify in writing that the investments would not be placed in service in qualified property and the job creation or job retention would not occur without the tax credits and exemptions set forth in subsection (b) of this Section.~~ The terms "placed in service" and "qualified property" have the same meanings as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B) the business intends to establish a new electric generating facility at a designated location in Illinois. "New electric generating facility", for purposes of this Section, means a newly constructed electric generation plant or a newly constructed

generation capacity expansion at an existing electric generation plant, including the transmission lines and associated equipment that transfers electricity from points of supply to points of delivery, and for which such new foundation construction commenced not sooner than July 1, 2001. Such facility shall be designed to provide baseload electric generation and shall operate on a continuous basis throughout the year; and (i) shall have an aggregate rated generating capacity of at least 1,000 megawatts for all new units at one site if it uses natural gas as its primary fuel and foundation construction of the facility is commenced on or before December 31, 2004, or shall have an aggregate rated generating capacity of at least 400 megawatts for all new units at one site if it uses coal or gases derived from coal as its primary fuel and shall support the creation of at least 150 new Illinois coal mining jobs, or (ii) shall be funded through a federal Department of Energy grant before December 31, 2010 and shall support the creation of Illinois coal-mining jobs, or (iii) shall use coal gasification or integrated gasification-combined cycle units that generate electricity or chemicals, or both, and shall support the creation of Illinois coal-mining jobs. ~~The business must certify in writing that the investments necessary to establish a new electric~~

~~generating facility would not be placed in service and the job creation in the case of a coal-fueled plant would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section.~~ The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(B-5) the business intends to establish a new gasification facility at a designated location in Illinois. As used in this Section, "new gasification facility" means a newly constructed coal gasification facility that generates chemical feedstocks or transportation fuels derived from coal (which may include, but are not limited to, methane, methanol, and nitrogen fertilizer), that supports the creation or retention of Illinois coal-mining jobs, and that qualifies for financial assistance from the Department before December 31, 2010. A new gasification facility does not include a pilot project located within Jefferson County or within a county adjacent to Jefferson County for synthetic natural gas from coal; or

(C) the business intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in

Illinois not sooner than July 1, 2001; provided that the production operations result in the creation of 150 new Illinois coal mining jobs as described in subdivision (a)(3)(B) of this Section, and further provided that the coal extracted from such mine is utilized as the predominant source for a new electric generating facility. ~~The business must certify in writing that the investments necessary to establish a new, expanded, or reopened coal mine would not be placed in service and the job creation would not occur without the tax credits and exemptions set forth in subsection (b-5) of this Section.~~ The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(D) the business intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois, for which construction commenced not sooner than July 1, 2001. For the purposes of this Section, "transmission facilities" means transmission lines with a voltage rating of 115 kilovolts or above, including associated equipment, that transfer electricity from points of supply to points of delivery and that transmit a majority of the electricity generated by a new electric generating

facility designated as a High Impact Business in accordance with this Section. ~~The business must certify in writing that the investments necessary to construct new transmission facilities or upgrade existing transmission facilities would not be placed in service without the tax credits and exemptions set forth in subsection (b 5) of this Section.~~ The term "placed in service" has the same meaning as described in subsection (h) of Section 201 of the Illinois Income Tax Act; or

(E) the business intends to establish a new wind power facility at a designated location in Illinois. For purposes of this Section, "new wind power facility" means a newly constructed electric generation facility, a newly constructed expansion of an existing electric generation facility, or the replacement of an existing electric generation facility, including the demolition and removal of an electric generation facility irrespective of whether it will be replaced, placed in service or replaced on or after July 1, 2009, that generates electricity using wind energy devices, and such facility shall be deemed to include any permanent structures associated with the electric generation facility and all associated transmission lines, substations, and other equipment related to the generation of electricity

from wind energy devices. For purposes of this Section, "wind energy device" means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity; or

(E-5) the business intends to establish a new utility-scale solar facility at a designated location in Illinois. For purposes of this Section, "new utility-scale solar power facility" means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2021, that (i) generates electricity using photovoltaic cells and (ii) has a nameplate capacity that is greater than 5,000 kilowatts, and such facility shall be deemed to include all associated transmission lines, substations, energy storage facilities, and other equipment related to the generation and storage of electricity from photovoltaic cells; or

(F) the business commits to (i) make a minimum investment of \$500,000,000, which will be placed in service in a qualified property, (ii) create 125 full-time equivalent jobs at a designated location in Illinois, (iii) establish a fertilizer plant at a designated location in Illinois that complies with the

set-back standards as described in Table 1: Initial Isolation and Protective Action Distances in the 2012 Emergency Response Guidebook published by the United States Department of Transportation, (iv) pay a prevailing wage for employees at that location who are engaged in construction activities, and (v) secure an appropriate level of general liability insurance to protect against catastrophic failure of the fertilizer plant or any of its constituent systems; in addition, the business must agree to enter into a construction project labor agreement including provisions establishing wages, benefits, and other compensation for employees performing work under the project labor agreement at that location; for the purposes of this Section, "fertilizer plant" means a newly constructed or upgraded plant utilizing gas used in the production of anhydrous ammonia and downstream nitrogen fertilizer products for resale; for the purposes of this Section, "prevailing wage" means the hourly cash wages plus fringe benefits for training and apprenticeship programs approved by the U.S. Department of Labor, Bureau of Apprenticeship and Training, health and welfare, insurance, vacations and pensions paid generally, in the locality in which the work is being performed, to employees engaged in work of a similar character on public works; this paragraph

(F) applies only to businesses that submit an application to the Department within 60 days after July 25, 2013 (the effective date of Public Act 98-109); and

(4) no later than 90 days after an application is submitted, the Department shall notify the applicant of the Department's determination of the qualification of the proposed High Impact Business under this Section.

(b) Businesses designated as High Impact Businesses pursuant to subdivision (a)(3)(A) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 9-222 and Section 9-222.1A of the Public Utilities Act, subsection (h) of Section 201 of the Illinois Income Tax Act, and Section 1d of the Retailers' Occupation Tax Act; provided that these credits and exemptions described in these Acts shall not be authorized until the minimum investments set forth in subdivision (a)(3)(A) of this Section have been placed in service in qualified properties and, in the case of the exemptions described in the Public Utilities Act and Section 1d of the Retailers' Occupation Tax Act, the minimum full-time equivalent jobs or full-time retained jobs set forth in subdivision (a)(3)(A) of this Section have been created or retained. Businesses designated as High Impact Businesses under this Section shall also qualify for the exemption described in Section 51 of the Retailers' Occupation Tax Act. The credit provided in

subsection (h) of Section 201 of the Illinois Income Tax Act shall be applicable to investments in qualified property as set forth in subdivision (a) (3) (A) of this Section.

(b-5) Businesses designated as High Impact Businesses pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C), and (a) (3) (D) of this Section shall qualify for the credits and exemptions described in the following Acts: Section 51 of the Retailers' Occupation Tax Act, Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act; however, the credits and exemptions authorized under Section 9-222 and Section 9-222.1A of the Public Utilities Act, and subsection (h) of Section 201 of the Illinois Income Tax Act shall not be authorized until the new electric generating facility, the new gasification facility, the new transmission facility, or the new, expanded, or reopened coal mine is operational, except that a new electric generating facility whose primary fuel source is natural gas is eligible only for the exemption under Section 51 of the Retailers' Occupation Tax Act.

(b-6) Businesses designated as High Impact Businesses pursuant to subdivision (a) (3) (E) or (a) (3) (E-5) of this Section shall qualify for the exemptions described in Section 51 of the Retailers' Occupation Tax Act; any business so designated as a High Impact Business being, for purposes of this Section, a "Wind Energy Business".

(b-7) Beginning on January 1, 2021, businesses designated

as High Impact Businesses by the Department shall qualify for the High Impact Business construction jobs credit under subsection (h-5) of Section 201 of the Illinois Income Tax Act if the business meets the criteria set forth in subsection (i) of this Section. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not exceed \$20,000,000 in any State fiscal year.

(c) High Impact Businesses located in federally designated foreign trade zones or sub-zones are also eligible for additional credits, exemptions and deductions as described in the following Acts: Section 9-221 and Section 9-222.1 of the Public Utilities Act; and subsection (g) of Section 201, and Section 203 of the Illinois Income Tax Act.

(d) Except for businesses contemplated under subdivision (a) (3) (E) or (a) (3) (E-5) of this Section, existing Illinois businesses which apply for designation as a High Impact Business must provide the Department with the prospective plan for which 1,500 full-time retained jobs would be eliminated in the event that the business is not designated.

(e) Except for new wind power facilities contemplated under subdivision (a) (3) (E) of this Section, new proposed facilities which apply for designation as High Impact Business must provide the Department with proof of alternative non-Illinois sites which would receive the proposed investment and job creation in the event that the business is not designated as a High Impact Business.

(f) Except for businesses contemplated under subdivision (a) (3) (E) of this Section, in the event that a business is designated a High Impact Business and it is later determined after reasonable notice and an opportunity for a hearing as provided under the Illinois Administrative Procedure Act, that the business would have placed in service in qualified property the investments and created or retained the requisite number of jobs without the benefits of the High Impact Business designation, the Department shall be required to immediately revoke the designation and notify the Director of the Department of Revenue who shall begin proceedings to recover all wrongfully exempted State taxes with interest. The business shall also be ineligible for all State funded Department programs for a period of 10 years.

(g) The Department shall revoke a High Impact Business designation if the participating business fails to comply with the terms and conditions of the designation.

(h) Prior to designating a business, the Department shall provide the members of the General Assembly and Commission on Government Forecasting and Accountability with a report setting forth the terms and conditions of the designation and guarantees that have been received by the Department in relation to the proposed business being designated.

(i) High Impact Business construction jobs credit. Beginning on January 1, 2021, a High Impact Business may receive a tax credit against the tax imposed under subsections

(a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees employed in the course of completing a High Impact Business construction jobs project. However, the High Impact Business construction jobs credit may equal 75% of the amount of the incremental income tax attributable to High Impact Business construction jobs credit employees if the High Impact Business construction jobs credit project is located in an underserved area.

The Department shall certify to the Department of Revenue: (1) the identity of taxpayers that are eligible for the High Impact Business construction jobs credit; and (2) the amount of High Impact Business construction jobs credits that are claimed pursuant to subsection (h-5) of Section 201 of the Illinois Income Tax Act in each taxable year. Any business entity that receives a High Impact Business construction jobs credit shall maintain a certified payroll pursuant to subsection (j) of this Section.

As used in this subsection (i):

"High Impact Business construction jobs credit" means an amount equal to 50% (or 75% if the High Impact Business construction project is located in an underserved area) of the incremental income tax attributable to High Impact Business construction job employees. The total aggregate amount of credits awarded under the Blue Collar Jobs Act (Article 20 of

Public Act 101-9) shall not exceed \$20,000,000 in any State fiscal year

"High Impact Business construction job employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a High Impact Business construction job project.

"High Impact Business construction jobs project" means building a structure or building or making improvements of any kind to real property, undertaken and commissioned by a business that was designated as a High Impact Business by the Department. The term "High Impact Business construction jobs project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of High Impact Business construction job employees.

"Underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey;

(2) 35% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance

Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(j) Each contractor and subcontractor who is engaged in and executing a High Impact Business Construction jobs project, as defined under subsection (i) of this Section, for a business that is entitled to a credit pursuant to subsection (i) of this Section shall:

(1) make and keep, for a period of 5 years from the date of the last payment made on or after June 5, 2019 (the effective date of Public Act 101-9) on a contract or subcontract for a High Impact Business Construction Jobs Project, records for all laborers and other workers employed by the contractor or subcontractor on the project; the records shall include:

(A) the worker's name;

(B) the worker's address;

(C) the worker's telephone number, if available;

(D) the worker's social security number;

(E) the worker's classification or classifications;

(F) the worker's gross and net wages paid in each

pay period;

(G) the worker's number of hours worked each day;

(H) the worker's starting and ending times of work each day;

(I) the worker's hourly wage rate;

(J) the worker's hourly overtime wage rate;

(K) the worker's race and ethnicity; and

(L) the worker's gender;

(2) no later than the 15th day of each calendar month, provide a certified payroll for the immediately preceding month to the taxpayer in charge of the High Impact Business construction jobs project; within 5 business days after receiving the certified payroll, the taxpayer shall file the certified payroll with the Department of Labor and the Department of Commerce and Economic Opportunity; a certified payroll must be filed for only those calendar months during which construction on a High Impact Business construction jobs project has occurred; the certified payroll shall consist of a complete copy of the records identified in paragraph (1) of this subsection (j), but may exclude the starting and ending times of work each day; the certified payroll shall be accompanied by a statement signed by the contractor or subcontractor or an officer, employee, or agent of the contractor or subcontractor which avers that:

(A) he or she has examined the certified payroll

records required to be submitted by the Act and such records are true and accurate; and

(B) the contractor or subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.

A general contractor is not prohibited from relying on a certified payroll of a lower-tier subcontractor, provided the general contractor does not knowingly rely upon a subcontractor's false certification.

Any contractor or subcontractor subject to this subsection, and any officer, employee, or agent of such contractor or subcontractor whose duty as an officer, employee, or agent it is to file a certified payroll under this subsection, who willfully fails to file such a certified payroll on or before the date such certified payroll is required by this paragraph to be filed and any person who willfully files a false certified payroll that is false as to any material fact is in violation of this Act and guilty of a Class A misdemeanor.

The taxpayer in charge of the project shall keep the records submitted in accordance with this subsection on or after June 5, 2019 (the effective date of Public Act 101-9) for a period of 5 years from the date of the last payment for work on a contract or subcontract for the High Impact Business construction jobs project.

The records submitted in accordance with this subsection

shall be considered public records, except an employee's address, telephone number, and social security number, and made available in accordance with the Freedom of Information Act. The Department of Labor shall share the information with the Department in order to comply with the awarding of a High Impact Business construction jobs credit. A contractor, subcontractor, or public body may retain records required under this Section in paper or electronic format.

(k) Upon 7 business days' notice, each contractor and subcontractor shall make available for inspection and copying at a location within this State during reasonable hours, the records identified in this subsection (j) to the taxpayer in charge of the High Impact Business construction jobs project, its officers and agents, the Director of the Department of Labor and his or her deputies and agents, and to federal, State, or local law enforcement agencies and prosecutors.

(l) The changes made to this Section by this amendatory Act of the 102nd General Assembly, other than the changes in subsection (a), apply to high impact businesses that submit applications on or after the effective date of this amendatory Act of the 102nd General Assembly.

(Source: P.A. 101-9, eff. 6-5-19; 102-108, eff. 1-1-22; 102-558, eff. 8-20-21; 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff. 11-30-21; 102-813, eff. 5-13-22.)

(20 ILCS 655/6) (from Ch. 67 1/2, par. 610)

Sec. 6. Powers and Duties of Department.

(A) General Powers. The Department shall administer this Act and shall have the following powers and duties:

(1) To monitor the implementation of this Act and submit reports evaluating the effectiveness of the program and any suggestions for legislation to the Governor and General Assembly by October 1 of every year preceding a regular Session of the General Assembly and to annually report to the General Assembly initial and current population, employment, per capita income, number of business establishments, dollar value of new construction and improvements, and the aggregate value of each tax incentive, based on information provided by the Department of Revenue, for each Enterprise Zone.

(2) To promulgate all necessary rules and regulations to carry out the purposes of this Act in accordance with The Illinois Administrative Procedure Act.

(3) To assist municipalities and counties in obtaining Federal status as an Enterprise Zone.

(4) To determine the conditions and processes for renewal of high impact business designations, and any incentives associated with that designation, awarded under this Act in accordance with Section 5.5 of this Act.

(B) Specific Duties:

(1) The Department shall provide information and appropriate assistance to persons desiring to locate and

engage in business in an enterprise zone, to persons engaged in business in an enterprise zone and to designated zone organizations operating there.

(2) The Department shall, in cooperation with appropriate units of local government and State agencies, coordinate and streamline existing State business assistance programs and permit and license application procedures for Enterprise Zone businesses.

(3) The Department shall publicize existing tax incentives and economic development programs within the Zone and upon request, offer technical assistance in abatement and alternative revenue source development to local units of government which have enterprise Zones within their jurisdiction.

(4) The Department shall work together with the responsible State and Federal agencies to promote the coordination of other relevant programs, including but not limited to housing, community and economic development, small business, banking, financial assistance, and employment training programs which are carried on in an Enterprise Zone.

(5) In order to stimulate employment opportunities for Zone residents, the Department, in cooperation with the Department of Human Services and the Department of Employment Security, is to initiate a test of the following 2 programs within the 12 month period following

designation and approval by the Department of the first enterprise zones: (i) the use of aid to families with dependent children benefits payable under Article IV of the Illinois Public Aid Code, General Assistance benefits payable under Article VI of the Illinois Public Aid Code, the unemployment insurance benefits payable under the Unemployment Insurance Act as training or employment subsidies leading to unsubsidized employment; and (ii) a program for voucher reimbursement of the cost of training zone residents eligible under the Targeted Jobs Tax Credit provisions of the Internal Revenue Code for employment in private industry. These programs shall not be designed to subsidize businesses, but are intended to open up job and training opportunities not otherwise available. Nothing in this paragraph (5) shall be deemed to require zone businesses to utilize these programs. These programs should be designed (i) for those individuals whose opportunities for job-finding are minimal without program participation, (ii) to minimize the period of benefit collection by such individuals, and (iii) to accelerate the transition of those individuals to unsubsidized employment. The Department is to seek agreement with business, organized labor and the appropriate State Department and agencies on the design, operation and evaluation of the test programs.

A report with recommendations including representative

comments of these groups shall be submitted by the Department to the county or municipality which designated the area as an Enterprise Zone, Governor and General Assembly not later than 12 months after such test programs have commenced, or not later than 3 months following the termination of such test programs, whichever first occurs.

(Source: P.A. 97-905, eff. 8-7-12.)

Section 910. The Reimagining Electric Vehicles in Illinois Act is amended by changing Sections 1, 5, 10, 20, 30, 40, and 45 as follows:

(20 ILCS 686/1)

Sec. 1. Short title. This Act may be cited as the Reimagining Energy and Electric Vehicles in Illinois Act.

(Source: P.A. 102-669, eff. 11-16-21.)

(20 ILCS 686/5)

Sec. 5. Purpose. It is the intent of the General Assembly that Illinois should lead the nation in the production of electric vehicles and other products essential to the growth of the renewable energy sector. The General Assembly finds that, through investments in electric vehicle manufacturing and renewable energy manufacturing, Illinois will be on the forefront of emerging technologies that are currently transforming those industries ~~the auto manufacturing industry~~.

This Act will reduce carbon emissions, create good paying jobs, and generate long-term economic investment in the Illinois business economy. Illinois must aggressively adopt new business development investment tools so that Illinois is more competitive in site location decision-making for manufacturing facilities directly related to the electric vehicle and renewable energy industry. Illinois' long-term development benefits from rational, strategic use of State resources in support of development and growth in the electric vehicle and renewable energy industry.

The General Assembly finds that workers are essential to the prosperity of our State's economy and play a critical role in Illinois becoming leader in manufacturing. The General Assembly further finds that, for the prosperity of our State, workers in this industry must be afforded high quality jobs that honor the dignity of work. Therefore, the General Assembly finds that it is in the best interest of Illinois to protect the work conditions, worker safety, and worker rights in the manufacturing industry and further finds that employer workplace policies shall be interpreted broadly to protect employees.

(Source: P.A. 102-669, eff. 11-16-21.)

(20 ILCS 686/10)

Sec. 10. Definitions. As used in this Act:

"Advanced battery" means a battery that consists of a

battery cell that can be integrated into a module, pack, or system to be used in energy storage applications, including a battery used in an electric vehicle or the electric grid.

"Advanced battery component" means a component of an advanced battery, including materials, enhancements, enclosures, anodes, cathodes, electrolytes, cells, and other associated technologies that comprise an advanced battery.

"Agreement" means the agreement between a taxpayer and the Department under the provisions of Section 45 of this Act.

"Applicant" means a taxpayer that (i) operates a business in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce as an ~~for the purpose of manufacturing~~ electric vehicle manufacturer ~~vehicles,~~ an electric vehicle component parts manufacturer, or an electric vehicle power supply equipment manufacturer. For applications for credits under this Act that are submitted on or after the effective date of this amendatory Act of the 102nd General Assembly,

"applicant" also includes a taxpayer that (i) operates a business in Illinois or is planning to locate a business within the State of Illinois and (ii) is engaged in interstate or intrastate commerce as a renewable energy manufacturer.

"Applicant" does not include a taxpayer who closes or substantially reduces by more than 50% operations at one location in the State and relocates substantially the same operation to another location in the State. This does not

prohibit a Taxpayer from expanding its operations at another location in the State. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation, provided that the Department determines that expansion cannot reasonably be accommodated within the municipality or county in which the business is located, or, in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Battery raw materials" means the raw and processed form of a mineral, metal, chemical, or other material used in an advanced battery component.

"Battery raw materials refining service provider" means a business that operates a facility that filters, sifts, and treats battery raw materials for use in an advanced battery.

"Battery recycling and reuse manufacturer" means a manufacturer that is primarily engaged in the recovery, retrieval, processing, recycling, or recirculating of battery raw materials for new use in electric vehicle batteries.

"Capital improvements" means the purchase, renovation, rehabilitation, or construction of permanent tangible land,

buildings, structures, equipment, and furnishings in an approved project sited in Illinois and expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the agreement, and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments.

"Credit" means either a "REV Illinois Credit" or a "REV Construction Jobs Credit" agreed to between the Department and applicant under this Act.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Electric vehicle" means a vehicle that is exclusively powered by and refueled by electricity, including electricity generated through a hydrogen fuel cells or solar technology. "Electric vehicle" does not include hybrid electric vehicles, electric bicycles, or extended-range electric vehicles that are also equipped with conventional fueled propulsion or auxiliary engines.

"Electric vehicle manufacturer" means a new or existing manufacturer that is primarily focused on reequipping,

expanding, or establishing a manufacturing facility in Illinois that produces electric vehicles as defined in this Section.

"Electric vehicle component parts manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces parts or accessories used in electric vehicles, as defined by this Section, including advanced battery component parts. The changes to this definition of "electric vehicle component parts manufacturer" apply to agreements under this Act that are entered into on or after the effective date of this amendatory Act of the 102nd General Assembly.

"Electric vehicle power supply equipment" means the equipment used specifically for the purpose of delivering electricity to an electric vehicle, including hydrogen fuel cells or solar refueling infrastructure.

"Electric vehicle power supply manufacturer" means a new or existing manufacturer that is focused on reequipping, expanding, or establishing a manufacturing facility in Illinois that produces electric vehicle power supply equipment used for the purpose of delivering electricity to an electric vehicle, including hydrogen fuel cell or solar refueling infrastructure.

"Energy Transition Area" means a county with less than 100,000 people or a municipality that contains one or more of

the following:

(1) a fossil fuel plant that was retired from service or has significant reduced service within 6 years before the time of the application or will be retired or have service significantly reduced within 6 years following the time of the application; or

(2) a coal mine that was closed or had operations significantly reduced within 6 years before the time of the application or is anticipated to be closed or have operations significantly reduced within 6 years following the time of the application.

"Full-time employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the applicant for consideration for at least 35 hours each week.

"Incremental income tax" means the total amount withheld during the taxable year from the compensation of new employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an agreement.

"Institution of higher education" or "institution" means any accredited public or private university, college,

community college, business, technical, or vocational school, or other accredited educational institution offering degrees and instruction beyond the secondary school level.

"Minority person" means a minority person as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"New employee" means a newly-hired full-time employee employed to work at the project site and whose work is directly related to the project.

"Noncompliance date" means, in the case of a taxpayer that is not complying with the requirements of the agreement or the provisions of this Act, the day following the last date upon which the taxpayer was in compliance with the requirements of the agreement and the provisions of this Act, as determined by the Director, pursuant to Section 70.

"Pass-through entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Placed in service" means the state or condition of readiness, availability for a specifically assigned function, and the facility is constructed and ready to conduct its facility operations to manufacture goods.

"Professional employer organization" (PEO) means an employee leasing company, as defined in Section 206.1 of the Illinois Unemployment Insurance Act.

"Program" means the Reimagining Energy and Electric

Vehicles in Illinois Program (the REV Illinois Program) established in this Act.

"Project" or "REV Illinois Project" means a for-profit economic development activity for the manufacture of electric vehicles, electric vehicle component parts, ~~or~~ electric vehicle power supply equipment, or renewable energy products, which is designated by the Department as a REV Illinois Project and is the subject of an agreement.

"Recycling facility" means a location at which the taxpayer disposes of batteries and other component parts in manufacturing of electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment.

"Related member" means a person that, with respect to the taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the taxpayer's outstanding stock.

(2) A partnership, estate, trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the

taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the taxpayer.

(5) A person to or from whom there is an attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a related member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Renewable energy" means energy produced using the materials and sources of energy through which renewable energy resources are generated.

"Renewable energy manufacturer" means a manufacturer whose

primary function is to manufacture or assemble: (i) equipment, systems, or products used to produce renewable or nuclear energy; (ii) products used for energy conservation, storage, or grid efficiency purposes; or (iii) component parts for that equipment or those systems or products.

"Renewable energy resources" has the meaning ascribed to that term in Section 1-10 of the Illinois Power Agency Act.

"Retained employee" means a full-time employee employed by the taxpayer prior to the term of the Agreement who continues to be employed during the term of the agreement whose job duties are directly related to the project. The term "retained employee" does not include any individual who has a direct or an indirect ownership interest of at least 5% in the profits, equity, capital, or value of the taxpayer or a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership of at least 5% in the profits, equity, capital, or value of the taxpayer. The changes to this definition of "retained employee" apply to agreements for credits under this Act that are entered into on or after the effective date of this amendatory Act of the 102nd General Assembly.

"REV Illinois credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to new employees and, if applicable, retained employees, and on training costs for

such employees at the applicant's project.

"REV construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities.

"Statewide baseline" means the total number of full-time employees of the applicant and any related member employed by such entities at the time of application for incentives under this Act.

"Taxpayer" means an individual, corporation, partnership, or other entity that has a legal obligation to pay Illinois income taxes and file an Illinois income tax return.

"Training costs" means costs incurred to upgrade the technological skills of full-time employees in Illinois and includes: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs. "Training costs" do not include costs associated with travel outside the United States (unless the Taxpayer receives prior written approval for the travel by the Director based on a showing of substantial need or other proof the training is not reasonably available within the United States), wages and fringe benefits of employees during periods of training, or

administrative cost related to full-time employees of the taxpayer.

"Underserved area" means any geographic areas as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22; 102-1112, eff. 12-21-22.)

(20 ILCS 686/20)

Sec. 20. REV Illinois Program; project applications.

(a) The Reimagining Energy and Electric Vehicles in Illinois (REV Illinois) Program is hereby established and shall be administered by the Department. The Program will provide financial incentives to any one or more of the following: (1) eligible manufacturers of electric vehicles, electric vehicle component parts, and electric vehicle power supply equipment; (2) battery recycling and reuse manufacturers; ~~or~~ (3) battery raw materials refining service providers; or (4) renewable energy manufacturers.

(b) Any taxpayer planning a project to be located in Illinois may request consideration for designation of its project as a REV Illinois Project, by formal written letter of request or by formal application to the Department, in which the applicant states its intent to make at least a specified level of investment and intends to hire a specified number of full-time employees at a designated location in Illinois. As

circumstances require, the Department shall require a formal application from an applicant and a formal letter of request for assistance.

(c) In order to qualify for credits under the REV Illinois Program, an applicant must:

(1) if the applicant is ~~for~~ an electric vehicle manufacturer:

(A) make an investment of at least \$1,500,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create at least 500 new full-time employee jobs; or

(2) if the applicant is ~~for~~ an electric vehicle component parts manufacturer or a renewable energy manufacturer:

(A) make an investment of at least \$300,000,000 in capital improvements at the project site;

(B) manufacture one or more parts that are primarily used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 60-month period after approval of the application; and

(D) create at least 150 new full-time employee jobs; or

(3) if the agreement is entered into before the effective date of this amendatory Act of the 102nd General Assembly and the applicant is ~~for~~ an electric vehicle manufacturer, an electric vehicle power supply equipment manufacturer, an electric vehicle component part manufacturer that does not qualify under paragraph (2) above, a battery recycling and reuse manufacturer, or a battery raw materials refining service provider:

(A) make an investment of at least \$20,000,000 in capital improvements at the project site;

(B) for electric vehicle component part manufacturers, manufacture one or more parts that are primarily used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 48-month period after approval of the application; and

(D) create at least 50 new full-time employee jobs; or

(3.1) if the agreement is entered into on or after the effective date of this amendatory Act of the 102nd General Assembly and the applicant is an electric vehicle manufacturer, an electric vehicle power supply equipment manufacturer, an electric vehicle component part manufacturer that does not qualify under paragraph (2) above, a renewable energy manufacturer that does not qualify under paragraph (2) above, a battery recycling and

reuse manufacturer, or a battery raw materials refining service provider:

(A) make an investment of at least \$2,500,000 in capital improvements at the project site;

(B) in the case of electric vehicle component part manufacturers, manufacture one or more parts that are used for electric vehicle manufacturing;

(C) to be placed in service within the State within a 48-month period after approval of the application; and

(D) create the lesser of 50 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer and any related member at the time of application; or

(4) if the agreement is entered into before the effective date of this amendatory Act of the 102nd General Assembly and the applicant is ~~for~~ an electric vehicle manufacturer or electric vehicle component parts manufacturer with existing operations within Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to primarily electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply equipment manufacturing:

(A) make an investment of at least \$100,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer and any related member at the time of application; or -
(4.1) if the agreement is entered into on or after the effective date of this amendatory Act of the 102nd General Assembly and the applicant (i) is an electric vehicle manufacturer, an electric vehicle component parts manufacturer, or a renewable energy manufacturer and (ii) has existing operations within Illinois that the applicant intends to convert or expand, in whole or in part, from traditional manufacturing to electric vehicle manufacturing, electric vehicle component parts manufacturing, renewable energy manufacturing, or electric vehicle power supply equipment manufacturing:

(A) make an investment of at least \$100,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create the lesser of 50 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer

and any related member at the time of application.

(d) For agreements entered into prior to April 19, 2022 (the effective date of Public Act 102-700), for any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a total compensation equal to or greater than 120% of the average wage paid to full-time employees in the county where the project is located, as determined by the U.S. Bureau of Labor Statistics. For agreements entered into on or after April 19, 2022 (the effective date of Public Act 102-700), for any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a compensation equal to or greater than 120% of the average wage paid to full-time employees in a similar position within an occupational group in the county where the project is located, as determined by the Department.

(e) For any applicant, within 24 months after being placed in service, it must certify to the Department that it is carbon neutral or has attained certification under one of more of the following green building standards:

- (1) BREEAM for New Construction or BREEAM In-Use;
- (2) ENERGY STAR;
- (3) Envision;
- (4) ISO 50001 - energy management;
- (5) LEED for Building Design and Construction or LEED for Building Operations and Maintenance;
- (6) Green Globes for New Construction or Green Globes

for Existing Buildings; or

(7) UL 3223.

(f) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize participants from apprenticeship programs that are approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. The applicant may apply for apprenticeship education expense credits in accordance with the provisions set forth in 14 Ill. Adm. Code 522. Each applicant is required to report annually, on or before April 15, on the diversity of its workforce in accordance with Section 50 of this Act. For existing facilities of applicants under paragraph (3) of subsection (b) above, if the taxpayer expects a reduction in force due to its transition to manufacturing electric vehicle, electric vehicle component parts, or electric vehicle power supply equipment, the plan submitted under this Section must outline the taxpayer's plan to assist with retraining its workforce aligned with the taxpayer's adoption of new technologies and anticipated efforts to retrain employees through employment opportunities

within the taxpayer's workforce.

(g) Each applicant must demonstrate a contractual or other relationship with a recycling facility, or demonstrate its own recycling capabilities, at the time of application and report annually a continuing contractual or other relationship with a recycling facility and the percentage of batteries used in electric vehicles recycled throughout the term of the agreement.

(h) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for the same period of time. Also, a taxpayer may not enter into an agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with

respect to the same address or location. If a project that is subject to an existing agreement under the Economic Development for a Growing Economy Tax Credit Act meets the requirements to be designated as a REV Illinois project under this Act, including for actions undertaken prior to the effective date of this Act, the taxpayer that is subject to that existing agreement under the Economic Development for a Growing Economy Tax Credit Act may apply to the Department to amend the agreement to allow the project to become a designated REV Illinois project. Following the amendment, time accrued during which the project was eligible for credits under the existing agreement under the Economic Development for a Growing Economy Tax Credit Act shall count toward the duration of the credit subject to limitations described in Section 40 of this Act.

(i) If, at any time following the designation of a project as a REV Illinois Project by the Department and prior to the termination or expiration of an agreement under this Act, the project ceases to qualify as a REV Illinois project because the taxpayer is no longer an electric vehicle manufacturer, an electric vehicle component manufacturer, an electric vehicle power supply equipment manufacturer, a battery recycling and reuse manufacturer, or a battery raw materials refining service provider, that project may receive tax credit awards as described in Section 5-15 and Section 5-51 of the Economic Development for a Growing Economy Tax Credit Act, as long as

the project continues to meet requirements to obtain those credits as described in the Economic Development for a Growing Economy Tax Credit Act and remains compliant with terms contained in the Agreement under this Act not related to their status as an electric vehicle manufacturer, an electric vehicle component manufacturer, an electric vehicle power supply equipment manufacturer, a battery recycling and reuse manufacturer, or a battery raw materials refining service provider. Time accrued during which the project was eligible for credits under an agreement under this Act shall count toward the duration of the credit subject to limitations described in Section 5-45 of the Economic Development for a Growing Economy Tax Credit Act.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22; 102-1112, eff. 12-21-22.)

(20 ILCS 686/30)

Sec. 30. Tax credit awards.

(a) Subject to the conditions set forth in this Act, a taxpayer is entitled to a credit against the tax imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year beginning on or after January 1, 2025 if the taxpayer is awarded a credit by the Department in accordance with an agreement under this Act. The Department has authority to award credits under this Act on and after January 1, 2022.

(b) REV Illinois Credits. A taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, not to exceed the sum of (i) 75% of the incremental income tax attributable to new employees at the applicant's project and (ii) 10% of the training costs of the new employees. If the project is located in an underserved area or an energy transition area, then the amount of the credit may not exceed the sum of (i) 100% of the incremental income tax attributable to new employees at the applicant's project; and (ii) 10% of the training costs of the new employees. The percentage of training costs includable in the calculation may be increased by an additional 15% for training costs associated with new employees that are recent (2 years or less) graduates, certificate holders, or credential recipients from an institution of higher education in Illinois, or, if the training is provided by an institution of higher education in Illinois, the Clean Jobs Workforce Network Program, or an apprenticeship and training program located in Illinois and approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. An applicant is also eligible for a training credit that shall not exceed 10% of the training costs of retained employees for the purpose of upskilling to meet the operational needs of the applicant or the REV Illinois Project. The percentage of training costs includable in the calculation shall not exceed a total of 25%. If an applicant

agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 75% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must, if applicable, meet or exceed the statewide baseline. If the Project is in an underserved area or an energy transition area, the maximum amount of the credit attributable to retained employees for the applicant may be increased to an amount not to exceed 100% of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must meet or exceed the statewide baseline. REV Illinois Credits awarded may include credit earned for incremental income tax withheld and training costs incurred by the taxpayer beginning on or after January 1, 2022. Credits so earned and certified by the Department may be applied against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(c) REV Construction Jobs Credit. For construction wages associated with a project that qualified for a REV Illinois Credit under subsection (b), the taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount

equal to 50% of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities, as a jobs credit for workers hired to construct the project.

The REV Construction Jobs Credit may not exceed 75% of the amount of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities if the project is in an underserved area or an energy transition area.

(d) The Department shall certify to the Department of Revenue: (1) the identity of Taxpayers that are eligible for the REV Illinois Credit and REV Construction Jobs Credit; (2) the amount of the REV Illinois Credits and REV Construction Jobs Credits awarded in each calendar year; and (3) the amount of the REV Illinois Credit and REV Construction Jobs Credit claimed in each calendar year. REV Illinois Credits awarded may include credit earned for Incremental Income Tax withheld and Training Costs incurred by the Taxpayer beginning on or after January 1, 2022. Credits so earned and certified by the Department may be applied against the tax imposed by Section 201(a) and (b) of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(e) Applicants seeking certification for a tax credits related to the construction of the project facilities in the State shall require the contractor to enter into a project labor agreement that conforms with the Project Labor

Agreements Act.

(f) Any applicant issued a certificate for a tax credit or tax exemption under this Act must annually report to the Department the total project tax benefits received. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2022 calendar year and is due no later than May 31, 2023. For applicants issued a certificate of exemption under Section 105 of this Act, the report shall be the same as required for a High Impact Business under subsection (a-5) of Section 8.1 of the Illinois Enterprise Zone Act. Each person required to file a return under the Gas Revenue Tax Act, the Electricity Excise Tax Law, or the Telecommunications Excise Tax Act shall file a report containing information about customers that are issued an exemption certificate under Section 95 of this Act in the same manner and form as they are required to report under subsection (b) of Section 8.1 of the Illinois Enterprise Zone Act.

(g) Nothing in this Act shall prohibit an award of credit to an applicant that uses a PEO if all other award criteria are satisfied.

(h) With respect to any portion of a REV Illinois Credit that is based on the incremental income tax attributable to new employees or retained employees, in lieu of the Credit allowed under this Act against the taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income

Tax Act, a taxpayer that otherwise meets the criteria set forth in this Section, the taxpayer may elect to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. The election shall be made in the manner prescribed by the Department of Revenue and once made shall be irrevocable.

(Source: P.A. 102-669, eff. 11-16-21; 102-1112, eff. 12-21-22.)

(20 ILCS 686/40)

Sec. 40. Amount and duration of the credits; limitation to amount of costs of specified items. The Department shall determine the amount and duration of the REV Illinois Credit awarded under this Act, subject to the limitations set forth in this Act. For a project that qualified under paragraph (1), (2), ~~or~~ (4), or (4.1) of subsection (c) of Section 20, the duration of the credit may not exceed 15 taxable years, with an option to renew the agreement for no more than one term not to exceed an additional 15 taxable years. For project that qualified under paragraph (3) or (3.1) of subsection (c) of Section 20, the duration of the credit may not exceed 10 taxable years, with an option to renew the agreement for no more than one term not to exceed an additional 10 taxable years. The credit may be stated as a percentage of the incremental income tax and training costs attributable to the applicant's project and may include a fixed dollar limitation.

Nothing in this Section shall prevent the Department, in consultation with the Department of Revenue, from adopting rules to extend the sunset of any earned, existing, and unused tax credit or credits a taxpayer may be in possession of, as provided for in Section 605-1055 of the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois, notwithstanding the carry-forward provisions pursuant to paragraph (4) of Section 211 of the Illinois Income Tax Act.

(Source: P.A. 102-669, eff. 11-16-21; 102-1112, eff. 12-21-22.)

(20 ILCS 686/45)

Sec. 45. Contents of agreements with applicants.

(a) The Department shall enter into an agreement with an applicant that is awarded a credit under this Act. The agreement shall include all of the following:

(1) A detailed description of the project that is the subject of the agreement, including the location and amount of the investment and jobs created or retained.

(2) The duration of the credit, the first taxable year for which the credit may be awarded, and the first taxable year in which the credit may be used by the taxpayer.

(3) The credit amount that will be allowed for each taxable year.

(4) For a project qualified under paragraphs (1), (2),

or (4) of subsection (c) of Section 20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 15. For project qualified under paragraph (3) of subsection (c) of Section 20, a requirement that the taxpayer shall maintain operations at the project location a minimum number of years not to exceed 10.

(5) A specific method for determining the number of new employees and if applicable, retained employees, employed during a taxable year.

(6) A requirement that the taxpayer shall annually report to the Department the number of new employees, the incremental income tax withheld in connection with the new employees, and any other information the Department deems necessary and appropriate to perform its duties under this Act.

(7) A requirement that the Director is authorized to verify with the appropriate State agencies the amounts reported under paragraph (6), and after doing so shall issue a certificate to the taxpayer stating that the amounts have been verified.

(8) A requirement that the taxpayer shall provide written notification to the Director not more than 30 days after the taxpayer makes or receives a proposal that would transfer the taxpayer's State tax liability obligations to a successor taxpayer.

(9) A detailed description of the number of new employees to be hired, and the occupation and payroll of full-time jobs to be created or retained because of the project.

(10) The minimum investment the taxpayer will make in capital improvements, the time period for placing the property in service, and the designated location in Illinois for the investment.

(11) A requirement that the taxpayer shall provide written notification to the Director and the Director's designee not more than 30 days after the taxpayer determines that the minimum job creation or retention, employment payroll, or investment no longer is or will be achieved or maintained as set forth in the terms and conditions of the agreement. Additionally, the notification should outline to the Department the number of layoffs, date of the layoffs, and detail taxpayer's efforts to provide career and training counseling for the impacted workers with industry-related certifications and trainings.

(12) A provision that, if the total number of new employees falls below a specified level, the allowance of credit shall be suspended until the number of new employees equals or exceeds the agreement amount.

(13) If applicable, a provision that specifies the statewide baseline at the time of application for retained

employees. Additionally, the agreement must have a provision addressing if the total number retained employees falls below the statewide baseline, the allowance of the credit shall be suspended until the number of retained employees equals or exceeds the agreement amount.

(14) A detailed description of the items for which the costs incurred by the Taxpayer will be included in the limitation on the Credit provided in Section 40.

(15) A provision stating that if the taxpayer fails to meet either the investment or job creation and retention requirements specified in the agreement during the entire 5-year period beginning on the first day of the first taxable year in which the agreement is executed and ending on the last day of the fifth taxable year after the agreement is executed, then the agreement is automatically terminated on the last day of the fifth taxable year after the agreement is executed, and the taxpayer is not entitled to the award of any credits for any of that 5-year period.

(16) A provision stating that if the taxpayer ceases principal operations with the intent to permanently shut down the project in the State during the term of the Agreement, then the entire credit amount awarded to the taxpayer prior to the date the taxpayer ceases principal operations shall be returned to the Department and shall

be reallocated to the local workforce investment area in which the project was located.

(17) A provision stating that the Taxpayer must provide the reports outlined in Sections 50 and 55 on or before April 15 each year.

(18) A provision requiring the taxpayer to report annually its contractual obligations or otherwise with a recycling facility for its operations.

(19) Any other performance conditions or contract provisions the Department determines are necessary or appropriate.

(20) Each taxpayer under paragraph (1) of subsection (c) of Section 20 above shall maintain labor neutrality toward any union organizing campaign for any employees of the taxpayer assigned to work on the premises of the REV Illinois Project Site. This paragraph shall not apply to an electric vehicle manufacturer, electric vehicle component part manufacturer, electric vehicle power supply manufacturer, or renewable energy manufacturer, or any joint venture including an electric vehicle manufacturer, electric vehicle component part manufacturer, ~~and~~ electric vehicle power supply manufacturer, or renewable energy manufacturer, who is subject to collective bargaining agreement entered into prior to the taxpayer filing an application pursuant to this Act.

(b) The Department shall post on its website the terms of

each agreement entered into under this Act. Such information shall be posted within 10 days after entering into the agreement and must include the following:

- (1) the name of the taxpayer;
- (2) the location of the project;
- (3) the estimated value of the credit;
- (4) the number of new employee jobs and, if applicable, number of retained employee jobs at the project; and
- (5) whether or not the project is in an underserved area or energy transition area.

(Source: P.A. 102-669, eff. 11-16-21.)

Section 915. The Build Illinois Act is amended by changing Section 10-6 as follows:

(30 ILCS 750/10-6) (from Ch. 127, par. 2710-6)

Sec. 10-6. Large Business Attraction Fund.

(a) There is created the Large Business Attraction Fund to be held as part of the State Treasury. The Department is authorized to make loans from the Fund for the purposes established under this Article. The State Treasurer shall have custody of the Fund and may invest in securities constituting direct obligations of the United States Government, in obligations the principal of and interest on which are guaranteed by the United States Government, or in certificates

of deposit of any State or national bank that are fully secured by obligations guaranteed as to principal and interest by the United States Government. The purpose of the Fund is to offer loans to finance large firms considering the location of a proposed plant in the State and to provide financing to carry out the purposes and provisions of paragraph (h) of Section 10-3. Financing shall be in the form of a loan, mortgage, or other debt instrument. All loans shall be conditioned on the project receiving financing from participating lenders or other sources. Loan proceeds shall be available for project costs associated with an expansion of business capacity and employment, except for debt refinancing. Targeted companies for the program shall primarily consist of established industrial and service companies with proven records of earnings that will sell their product to markets beyond Illinois and have proven multistate location options. New ventures shall be considered only if the entity is protected with adequate security with regard to its financing and operation. The limitations and conditions with respect to the use of this Fund shall not apply in carrying out the purposes and provisions of paragraph (h) of Section 10-3.

(b) Deposits into the Fund shall include, but are not limited to:

(1) Any appropriations, grants, or gifts made to the Fund.

(2) Any income received from interest on investments

of amounts from the Fund not currently needed to meet the obligations of the Fund.

(c) The State Comptroller and the State Treasurer shall from time to time, upon the written direction of the Governor, transfer from the Fund to the General Revenue Fund those amounts that the Governor determines are in excess of the amounts required to meet the obligations of the Fund.

(d) Notwithstanding subsection (a) of this Section, the Large Business Attraction Fund may be used for the purposes established under the Invest in Illinois Act, including for awards, grants, loans, contracts, and administrative expenses.

(Source: P.A. 90-372, eff. 7-1-98.)

Section 920. The Illinois Income Tax Act is amended by changing Sections 236, 237, and 704A as follows:

(35 ILCS 5/236)

Sec. 236. Reimagining Energy and Electric Vehicles in Illinois Tax credits.

(a) For tax years beginning on or after January 1, 2025, a taxpayer who has entered into an agreement under the Reimagining Energy and Electric Vehicles in Illinois Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act in an amount to be determined in the Agreement. The taxpayer may elect to claim the credit, on or after January 1, 2025, against its

obligation to pay over withholding under Section 704A of this Act as provided in paragraph (6) of subsection (b). If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The Department, in cooperation with the Department of Commerce and Economic Opportunity, shall adopt rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

(b) The credit is subject to the conditions set forth in the agreement and the following limitations:

(1) The tax credit may be in the form of either or both the REV Illinois Credit or the REV Construction Jobs Credit (as defined in the Reimagining Energy and Electric Vehicles in Illinois Act) and shall not exceed the percentage of incremental income tax and percentage of training costs permitted in that Act and in the agreement with respect to the project.

(2) The amount of the credit allowed during a tax year plus the sum of all amounts allowed in prior tax years shall not exceed the maximum amount of credit established in the agreement.

(3) The amount of the credit shall be determined on an annual basis. Except as applied in a carryover year

pursuant to paragraph (4), the credit may not be applied against any State income tax liability in more than 15 taxable years.

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

(5) No credit shall be allowed with respect to any agreement for any taxable year ending after the noncompliance date. Upon receiving notification by the Department of Commerce and Economic Opportunity of the noncompliance of a taxpayer with an agreement, the Department shall notify the taxpayer that no credit is allowed with respect to that agreement for any taxable year ending after the noncompliance date, as stated in such notification. If any credit has been allowed with respect to an agreement for a taxable year ending after the noncompliance date for that agreement, any refund paid to the taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the

meaning of Section 912 of this Act.

If, during any taxable year, a taxpayer ceases operations at a project location that is the subject of that agreement with the intent to terminate operations in the State, the tax imposed under subsections (a) and (b) of Section 201 of this Act for such taxable year shall be increased by the amount of any credit allowed under the Agreement for that Project location prior to the date the Taxpayer ceases operations.

(6) Instead of claiming the credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act, with respect to the portion of a REV Illinois Credit that is calculated based on the Incremental Income Tax attributable to new employees and retained employees, the taxpayer may elect, in accordance with the Reimagining Energy and Electric Vehicles in Illinois Act, to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. Any credit for which a Taxpayer makes such an election shall not be claimed against the taxes imposed under subsections (a) and (b) of Section 201 of this Act.

(Source: P.A. 102-669, eff. 11-16-21.)

(35 ILCS 5/237)

Sec. 237. REV Illinois Investment Tax credits.

(a) For tax years beginning on or after the effective date of this amendatory Act of the 102nd General Assembly, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 for investment in qualified property which is placed in service at the site of a REV Illinois Project subject to an agreement between the taxpayer and the Department of Commerce and Economic Opportunity pursuant to the Reimagining Energy and Electric Vehicles in Illinois Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be 0.5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of Section 201 to below zero. The credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability

of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(b) The term qualified property means property which:

(1) is tangible, whether new or used, including buildings and structural components of buildings;

(2) is depreciable pursuant to Section 167 of the Internal Revenue Code, except that "3-year property" as defined in Section 168(c)(2)(A) of that Code is not eligible for the credit provided by this Section;

(3) is acquired by purchase as defined in Section 179(d) of the Internal Revenue Code;

(4) is used at the site of the REV Illinois Project by the taxpayer; and

(5) has not been previously used in Illinois in such a manner and by such a person as would qualify for the credit provided by this Section.

(c) The basis of qualified property shall be the basis used to compute the depreciation deduction for federal income tax purposes.

(d) If the basis of the property for federal income tax depreciation purposes is increased after it has been placed in service at the site of the REV Illinois Project by the taxpayer, the amount of such increase shall be deemed property

placed in service on the date of such increase in basis.

(e) The term "placed in service" shall have the same meaning as under Section 46 of the Internal Revenue Code.

(f) If during any taxable year, any property ceases to be qualified property in the hands of the taxpayer within 48 months after being placed in service, or the situs of any qualified property is moved from the REV Illinois Project site within 48 months after being placed in service, the tax imposed under subsections (a) and (b) of Section 201 for such taxable year shall be increased. Such increase shall be determined by (i) recomputing the investment credit which would have been allowed for the year in which credit for such property was originally allowed by eliminating such property from such computation, and (ii) subtracting such recomputed credit from the amount of credit previously allowed. For the purposes of this subsection (f), a reduction of the basis of qualified property resulting from a redetermination of the purchase price shall be deemed a disposition of qualified property to the extent of such reduction.

(Source: P.A. 102-669, eff. 11-16-21.)

(35 ILCS 5/704A)

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

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

provided in this Section.

(b) Returns. Every employer shall, in the form and manner required by the Department, make returns with respect to taxes withheld or required to be withheld under this Article 7 for each quarter beginning on or after January 1, 2008, on or before the last day of the first month following the close of that quarter.

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

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

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

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

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

(2) Semi-weekly payments. Any employer who withholds

or is required to withhold more than \$12,000 in any quarter of a calendar year is required to make payments on the dates set forth under item (1) of this subsection (c) for each remaining quarter of that calendar year and for the subsequent calendar year.

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

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

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

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

(2) Provide that any payment required to be made under subsection (c)(1) or (c)(2) is deemed to be timely to the extent paid by electronic funds transfer on or before the due date for deposit of federal income taxes withheld from, or federal employment taxes due with respect to, the wages from which the Illinois taxes were withheld.

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

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

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

(f) Magnetic media and electronic filing. With respect to taxes withheld in calendar years prior to 2017, any W-2 Form

that, under the Internal Revenue Code and regulations promulgated thereunder, is required to be submitted to the Internal Revenue Service on magnetic media or electronically must also be submitted to the Department on magnetic media or electronically for Illinois purposes, if required by the Department.

With respect to taxes withheld in 2017 and subsequent calendar years, the Department may, by rule, require that any return (including any amended return) under this Section and any W-2 Form that is required to be submitted to the Department must be submitted on magnetic media or electronically.

The due date for submitting W-2 Forms shall be as prescribed by the Department by rule.

(g) For amounts deducted or withheld after December 31, 2009, a taxpayer who makes an election under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act for a taxable year shall be allowed a credit against payments due under this Section for amounts withheld during the first calendar year beginning after the end of that taxable year equal to the amount of the credit for the incremental income tax attributable to full-time employees of the taxpayer awarded to the taxpayer by the Department of Commerce and Economic Opportunity under the Economic Development for a Growing Economy Tax Credit Act for the taxable year and credits not previously claimed and allowed to be carried forward under Section 211(4) of this Act as

provided in subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding calendar years as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one taxable year that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under subsection (f) of Section 5-15 of the Economic Development for a Growing Economy Tax Credit Act must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from

the provisions of Section 250 of this Act. No credit awarded under the Economic Development for a Growing Economy Tax Credit Act for agreements entered into on or after January 1, 2015 may be credited against payments due under this Section.

(g-1) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Reimagining Energy and Electric Vehicles in Illinois Act shall be allowed a credit against payments due under this Section for amounts withheld during the first quarterly reporting period beginning after the certificate is issued equal to the portion of the REV Illinois Credit attributable to the incremental income tax attributable to new employees and retained employees as certified by the Department of Commerce and Economic Opportunity pursuant to an agreement with the taxpayer under the Reimagining Energy and Electric Vehicles in Illinois Act for the taxable year. The credit or credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the quarterly reporting period, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding quarterly reporting period as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest quarterly reporting period for which there is a tax liability. If there are credits

from more than one quarterly reporting period that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection (g-1), the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(g-2) For amounts deducted or withheld after December 31, 2024, a taxpayer who makes an election under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act shall be allowed a credit against payments due under this Section for amounts withheld during the first quarterly reporting period beginning after the certificate is issued equal to the portion of the MICRO Illinois Credit attributable to the incremental income tax attributable to new employees and retained employees as certified by the Department of Commerce and Economic Opportunity pursuant to an agreement with the taxpayer under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act for the taxable year. The credit or

credits may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit or credits exceeds the total payments due under this Section with respect to amounts withheld during the quarterly reporting period, the excess may be carried forward and applied against the taxpayer's liability under this Section in the succeeding quarterly reporting period as allowed to be carried forward under paragraph (4) of Section 211 of this Act. The credit or credits shall be applied to the earliest quarterly reporting period for which there is a tax liability. If there are credits from more than one quarterly reporting period that are available to offset a liability, the earlier credit shall be applied first. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the taxpayer. For purposes of this subsection, the term taxpayer shall include taxpayer and members of the taxpayer's unitary business group as defined under paragraph (27) of subsection (a) of Section 1501 of this Act. This Section is exempt from the provisions of Section 250 of this Act.

(h) An employer may claim a credit against payments due

under this Section for amounts withheld during the first calendar year ending after the date on which a tax credit certificate was issued under Section 35 of the Small Business Job Creation Tax Credit Act. The credit shall be equal to the amount shown on the certificate, but may not reduce the taxpayer's obligation for any payment due under this Section to less than zero. If the amount of the credit exceeds the total payments due under this Section with respect to amounts withheld during the calendar year, the excess may be carried forward and applied against the taxpayer's liability under this Section in the 5 succeeding calendar years. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one calendar year that are available to offset a liability, the earlier credit shall be applied first. This Section is exempt from the provisions of Section 250 of this Act.

(i) Each employer with 50 or fewer full-time equivalent employees during the reporting period may claim a credit against the payments due under this Section for each qualified employee in an amount equal to the maximum credit allowable. The credit may be taken against payments due for reporting periods that begin on or after January 1, 2020, and end on or before December 31, 2027. An employer may not claim a credit for an employee who has worked fewer than 90 consecutive days immediately preceding the reporting period; however, such credits may accrue during that 90-day period and be claimed

against payments under this Section for future reporting periods after the employee has worked for the employer at least 90 consecutive days. In no event may the credit exceed the employer's liability for the reporting period. Each employer who deducts and withholds or is required to deduct and withhold tax under this Act and who retains income tax withholdings under this subsection must make a return with respect to such taxes and retained amounts in the form and manner that the Department, by rule, requires and pay to the Department or to a depository designated by the Department those withheld taxes not retained by the employer.

For each reporting period, the employer may not claim a credit or credits for more employees than the number of employees making less than the minimum or reduced wage for the current calendar year during the last reporting period of the preceding calendar year. Notwithstanding any other provision of this subsection, an employer shall not be eligible for credits for a reporting period unless the average wage paid by the employer per employee for all employees making less than \$55,000 during the reporting period is greater than the average wage paid by the employer per employee for all employees making less than \$55,000 during the same reporting period of the prior calendar year.

For purposes of this subsection (i):

"Compensation paid in Illinois" has the meaning ascribed to that term under Section 304(a)(2)(B) of this Act.

"Employer" and "employee" have the meaning ascribed to those terms in the Minimum Wage Law, except that "employee" also includes employees who work for an employer with fewer than 4 employees. Employers that operate more than one establishment pursuant to a franchise agreement or that constitute members of a unitary business group shall aggregate their employees for purposes of determining eligibility for the credit.

"Full-time equivalent employees" means the ratio of the number of paid hours during the reporting period and the number of working hours in that period.

"Maximum credit" means the percentage listed below of the difference between the amount of compensation paid in Illinois to employees who are paid not more than the required minimum wage reduced by the amount of compensation paid in Illinois to employees who were paid less than the current required minimum wage during the reporting period prior to each increase in the required minimum wage on January 1. If an employer pays an employee more than the required minimum wage and that employee previously earned less than the required minimum wage, the employer may include the portion that does not exceed the required minimum wage as compensation paid in Illinois to employees who are paid not more than the required minimum wage.

- (1) 25% for reporting periods beginning on or after January 1, 2020 and ending on or before December 31, 2020;

(2) 21% for reporting periods beginning on or after January 1, 2021 and ending on or before December 31, 2021;

(3) 17% for reporting periods beginning on or after January 1, 2022 and ending on or before December 31, 2022;

(4) 13% for reporting periods beginning on or after January 1, 2023 and ending on or before December 31, 2023;

(5) 9% for reporting periods beginning on or after January 1, 2024 and ending on or before December 31, 2024;

(6) 5% for reporting periods beginning on or after January 1, 2025 and ending on or before December 31, 2025.

The amount computed under this subsection may continue to be claimed for reporting periods beginning on or after January 1, 2026 and:

(A) ending on or before December 31, 2026 for employers with more than 5 employees; or

(B) ending on or before December 31, 2027 for employers with no more than 5 employees.

"Qualified employee" means an employee who is paid not more than the required minimum wage and has an average wage paid per hour by the employer during the reporting period equal to or greater than his or her average wage paid per hour by the employer during each reporting period for the immediately preceding 12 months. A new qualified employee is deemed to have earned the required minimum wage in the preceding reporting period.

"Reporting period" means the quarter for which a return is

required to be filed under subsection (b) of this Section.

(j) For reporting periods beginning on or after January 1, 2023, if a private employer grants all of its employees the option of taking a paid leave of absence of at least 30 days for the purpose of serving as an organ donor or bone marrow donor, then the private employer may take a credit against the payments due under this Section in an amount equal to the amount withheld under this Section with respect to wages paid while the employee is on organ donation leave, not to exceed \$1,000 in withholdings for each employee who takes organ donation leave. To be eligible for the credit, such a leave of absence must be taken without loss of pay, vacation time, compensatory time, personal days, or sick time for at least the first 30 days of the leave of absence. The private employer shall adopt rules governing organ donation leave, including rules that (i) establish conditions and procedures for requesting and approving leave and (ii) require medical documentation of the proposed organ or bone marrow donation before leave is approved by the private employer. A private employer must provide, in the manner required by the Department, documentation from the employee's medical provider, which the private employer receives from the employee, that verifies the employee's organ donation. The private employer must also provide, in the manner required by the Department, documentation that shows that a qualifying organ donor leave policy was in place and offered to all

qualifying employees at the time the leave was taken. For the private employer to receive the tax credit, the employee taking organ donor leave must allow for the applicable medical records to be disclosed to the Department. If the private employer cannot provide the required documentation to the Department, then the private employer is ineligible for the credit under this Section. A private employer must also provide, in the form required by the Department, any additional documentation or information required by the Department to administer the credit under this Section. The credit under this subsection (j) shall be taken within one year after the date upon which the organ donation leave begins. If the leave taken spans into a second tax year, the employer qualifies for the allowable credit in the later of the 2 years. If the amount of credit exceeds the tax liability for the year, the excess may be carried and applied to the tax liability for the 3 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset liability, the earlier credit shall be applied first.

Nothing in this subsection (j) prohibits a private employer from providing an unpaid leave of absence to its employees for the purpose of serving as an organ donor or bone marrow donor; however, if the employer's policy provides for fewer than 30 days of paid leave for organ or bone marrow

donation, then the employer shall not be eligible for the credit under this Section.

As used in this subsection (j):

"Organ" means any biological tissue of the human body that may be donated by a living donor, including, but not limited to, the kidney, liver, lung, pancreas, intestine, bone, skin, or any subpart of those organs.

"Organ donor" means a person from whose body an organ is taken to be transferred to the body of another person.

"Private employer" means a sole proprietorship, corporation, partnership, limited liability company, or other entity with one or more employees. "Private employer" does not include a municipality, county, State agency, or other public employer.

This subsection (j) is exempt from the provisions of Section 250 of this Act.

(Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21; 102-700, Article 30, Section 30-5, eff. 4-19-22; 102-700, Article 110, Section 110-905, eff. 4-19-22; revised 6-1-22.)

Section 925. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Sections 5-5, 5-25, and 5-50 as follows:

(35 ILCS 10/5-5)

Sec. 5-5. Definitions. As used in this Act:

"Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-50 of this Act.

"Applicant" means a Taxpayer that is operating a business located or that the Taxpayer plans to locate within the State of Illinois and that is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, assembling, warehousing, or distributing products, conducting research and development, providing tourism services, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, retail food, health, or professional services. "Applicant" does not include a Taxpayer who closes or substantially reduces an operation at one location in the State and relocates substantially the same operation to another location in the State. This does not prohibit a Taxpayer from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State are not closed or substantially reduced. This also does not prohibit a Taxpayer from moving its operations from one location in the State to another location in the State for the purpose of expanding the operation provided that the Department determines that expansion cannot reasonably be accommodated within the municipality in which the business is located, or in the case of a business located in an incorporated area of the county, within the county in which the business is located, after conferring with the chief elected official of the municipality

or county and taking into consideration any evidence offered by the municipality or county regarding the ability to accommodate expansion within the municipality or county.

"Credit" means the amount agreed to between the Department and Applicant under this Act, but not to exceed the lesser of:

(1) the sum of (i) 50% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. However, if the project is located in an underserved area, then the amount of the Credit may not exceed the lesser of: (1) the sum of (i) 75% of the Incremental Income Tax attributable to New Employees at the Applicant's project and (ii) 10% of the training costs of New Employees; or (2) 100% of the Incremental Income Tax attributable to New Employees at the Applicant's project. If the project is not located in an underserved area and the Applicant agrees to hire the required number of New Employees, then the maximum amount of the Credit for that Applicant may be increased by an amount not to exceed 25% of the Incremental Income Tax attributable to retained employees at the Applicant's project, ~~provided that, in order to receive the increase for retained employees, the Applicant must provide the additional evidence required under paragraph (3) of subsection (b) of Section 5-25.~~ If the project is located in an underserved area and the Applicant agrees to hire the required number of New Employees,

then the maximum amount of the credit for that Applicant may be increased by an amount not to exceed 50% of the Incremental Income Tax attributable to retained employees at the Applicant's project.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Full-time Employee" means an individual who is employed for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment. An individual for whom a W-2 is issued by a Professional Employer Organization (PEO) is a full-time employee if employed in the service of the Applicant for consideration for at least 35 hours each week or who renders any other standard of service generally accepted by industry custom or practice as full-time employment to Applicant.

"Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Employees and, if applicable, retained employees under Article 7 of the Illinois Income Tax Act arising from employment at a project that is the subject of an Agreement.

"New Construction EDGE Agreement" means the Agreement between a Taxpayer and the Department under the provisions of Section 5-51 of this Act.

"New Construction EDGE Credit" means an amount agreed to between the Department and the Applicant under this Act as part of a New Construction EDGE Agreement that does not exceed 50% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's project; however, if the New Construction EDGE Project is located in an underserved area, then the amount of the New Construction EDGE Credit may not exceed 75% of the Incremental Income Tax attributable to New Construction EDGE Employees at the Applicant's New Construction EDGE Project.

"New Construction EDGE Employee" means a laborer or worker who is employed by an Illinois contractor or subcontractor in the actual construction work on the site of a New Construction EDGE Project, pursuant to a New Construction EDGE Agreement.

"New Construction EDGE Incremental Income Tax" means the total amount withheld during the taxable year from the compensation of New Construction EDGE Employees.

"New Construction EDGE Project" means the building of a Taxpayer's structure or building, or making improvements of any kind to real property. "New Construction EDGE Project" does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

"New Employee" means:

(a) A Full-time Employee first employed by a Taxpayer in the project that is the subject of an Agreement and who

is hired after the Taxpayer enters into the tax credit Agreement.

(b) The term "New Employee" does not include:

(1) an employee of the Taxpayer who performs a job that was previously performed by another employee, if that job existed for at least 6 months before hiring the employee;

(2) an employee of the Taxpayer who was previously employed in Illinois by a Related Member of the Taxpayer and whose employment was shifted to the Taxpayer after the Taxpayer entered into the tax credit Agreement; or

(3) a child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or an indirect ownership interest of at least 5% in the profits, capital, or value of the Taxpayer.

(c) Notwithstanding paragraph (1) of subsection (b), an employee may be considered a New Employee under the Agreement if the employee performs a job that was previously performed by an employee who was:

(1) treated under the Agreement as a New Employee;
and

(2) promoted by the Taxpayer to another job.

(d) Notwithstanding subsection (a), the Department may award Credit to an Applicant with respect to an employee

hired prior to the date of the Agreement if:

(1) the Applicant is in receipt of a letter from the Department stating an intent to enter into a credit Agreement;

(2) the letter described in paragraph (1) is issued by the Department not later than 15 days after the effective date of this Act; and

(3) the employee was hired after the date the letter described in paragraph (1) was issued.

"Noncompliance Date" means, in the case of a Taxpayer that is not complying with the requirements of the Agreement or the provisions of this Act, the day following the last date upon which the Taxpayer was in compliance with the requirements of the Agreement and the provisions of this Act, as determined by the Director, pursuant to Section 5-65.

"Pass Through Entity" means an entity that is exempt from the tax under subsection (b) or (c) of Section 205 of the Illinois Income Tax Act.

"Professional Employer Organization" (PEO) means an employee leasing company, as defined in Section 206.1(A)(2) of the Illinois Unemployment Insurance Act.

"Related Member" means a person that, with respect to the Taxpayer during any portion of the taxable year, is any one of the following:

(1) An individual stockholder, if the stockholder and the members of the stockholder's family (as defined in

Section 318 of the Internal Revenue Code) own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the value of the Taxpayer's outstanding stock.

(2) A partnership, estate, or trust and any partner or beneficiary, if the partnership, estate, or trust, and its partners or beneficiaries own directly, indirectly, beneficially, or constructively, in the aggregate, at least 50% of the profits, capital, stock, or value of the Taxpayer.

(3) A corporation, and any party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the Taxpayer owns directly, indirectly, beneficially, or constructively at least 50% of the value of the corporation's outstanding stock.

(4) A corporation and any party related to that corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under the attribution rules of Section 318 of the Internal Revenue Code, if the corporation and all such related parties own in the aggregate at least 50% of the profits, capital, stock, or value of the Taxpayer.

(5) A person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code, except, for purposes of determining whether a person is a Related Member under this paragraph, 20% shall be substituted for 5% wherever 5% appears in Section 1563(e) of the Internal Revenue Code.

"Startup taxpayer" means a corporation, partnership, or other entity incorporated or organized no more than 5 years before the filing of an application for an Agreement that has never had any Illinois income tax liability, excluding any Illinois income tax liability of a Related Member which shall not be attributed to the startup taxpayer.

"Taxpayer" means an individual, corporation, partnership, or other entity that has any Illinois Income Tax liability.

Until July 1, 2022, "underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest federal decennial census;

(2) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment

Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

On and after July 1, 2022, "underserved area" means a geographic area that meets one or more of the following conditions:

(1) the area has a poverty rate of at least 20% according to the latest American Community Survey;

(2) 35% or more of the families with children in the area are living below 130% of the poverty line, according to the latest American Community Survey;

(3) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program (SNAP); or

(4) the area has an average unemployment rate, as determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the U.S. Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application.

(Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22; 102-700, eff. 4-19-22.)

(35 ILCS 10/5-25)

Sec. 5-25. Review of Application.

(a) (Blank).

(b) The Department shall determine which projects will benefit the State. In making its recommendation that an Applicant's application for Credit should or should not be accepted, which shall occur within a reasonable time frame as determined by the nature of the application, the Department shall determine that all the following conditions exist:

(1) The Applicant's project intends, as required by subsection (b) of Section 5-20 to make the required investment in the State and intends to hire the required number of New Employees in Illinois as a result of that project.

(2) The Applicant's project is economically sound and will benefit the people of the State of Illinois by increasing opportunities for employment and strengthen the economy of Illinois.

(3) The Applicant has certified that ~~That~~, if not for the Credit, the project would not occur in Illinois, ~~which may be demonstrated by evidence that receipt of the Credit is essential to the Applicant's decision to create new jobs in the State, such as the magnitude of the cost differential between Illinois and a competing State; in addition, if the Applicant is seeking an increase in the maximum amount of the Credit for retained employees, the Applicant must provide evidence the Applicant has multi state location options and could reasonably and~~

~~efficiently locate outside of the State or demonstrate that at least one other state is being considered for the project.~~

(4) A cost differential is identified, using best available data, in the projected costs for the Applicant's project compared to the costs in the competing state, including the impact of the competing state's incentive programs. The competing state's incentive programs shall include state, local, private, and federal funds available. This paragraph (4) applies only to agreements entered into before the effective date of this amendatory Act of the 102nd General Assembly.

(5) The political subdivisions affected by the project have committed local incentives with respect to the project, considering local ability to assist.

(6) Awarding the Credit will result in an overall positive fiscal impact to the State, as certified by the Department using the best available data.

(7) The Credit is not prohibited by Section 5-35 of this Act.

(Source: P.A. 102-330, eff. 1-1-22.)

(35 ILCS 10/5-50)

Sec. 5-50. Contents of Agreements with Applicants. The Department shall enter into an Agreement with an Applicant that is awarded a Credit under this Act. The Agreement must

include all of the following:

(1) A detailed description of the project that is the subject of the Agreement, including the location and amount of the investment and jobs created or retained.

(2) The duration of the Credit and the first taxable year for which the Credit may be claimed.

(3) The Credit amount that will be allowed for each taxable year.

(4) A requirement that the Taxpayer shall maintain operations at the project location that shall be stated as a minimum number of years not to exceed 10.

(5) A specific method for determining the number of New Employees employed during a taxable year.

(6) A requirement that the Taxpayer shall annually report to the Department the number of New Employees, the Incremental Income Tax withheld in connection with the New Employees, and any other information the Director needs to perform the Director's duties under this Act.

(7) A requirement that the Director is authorized to verify with the appropriate State agencies the amounts reported under paragraph (6), and after doing so shall issue a certificate to the Taxpayer stating that the amounts have been verified.

(8) A requirement that the Taxpayer shall provide written notification to the Director not more than 30 days after the Taxpayer makes or receives a proposal that would

transfer the Taxpayer's State tax liability obligations to a successor Taxpayer.

(9) A detailed description of the number of New Employees to be hired, and the occupation and payroll of the full-time jobs to be created or retained as a result of the project.

(10) The minimum investment the business enterprise will make in capital improvements, the time period for placing the property in service, and the designated location in Illinois for the investment.

(11) A requirement that the Taxpayer shall provide written notification to the Director and the Committee not more than 30 days after the Taxpayer determines that the minimum job creation or retention, employment payroll, or investment no longer is being or will be achieved or maintained as set forth in the terms and conditions of the Agreement.

(12) A provision that, if the total number of New Employees falls below a specified level, the allowance of Credit shall be suspended until the number of New Employees equals or exceeds the Agreement amount.

(13) A detailed description of the items for which the costs incurred by the Taxpayer will be included in the limitation on the Credit provided in Section 5-30.

(13.5) A provision that, if the Taxpayer never meets either the investment or job creation and retention

requirements specified in the Agreement during the entire 5-year period beginning on the effective date of ~~first day of the first taxable year in which the Agreement is executed~~ and ending 5 years after the effective date of the Agreement ~~on the last day of the fifth taxable year after the Agreement is executed~~, then the Agreement is automatically terminated on the last day of the fifth taxable year after the Agreement is executed and the Taxpayer is not entitled to the award of any credits for any of that 5-year period.

(13.7) A provision specifying that, if the Taxpayer ceases principal operations with the intent to shut down the project in the State permanently during the term of the Agreement, then the entire credit amount awarded to the Taxpayer prior to the date the Taxpayer ceases principal operations shall be returned to the Department and shall be reallocated to the local workforce investment area in which the project was located.

(14) Any other performance conditions or contract provisions as the Department determines are appropriate.

The Department shall post on its website the terms of each Agreement entered into under this Act on or after the effective date of this amendatory Act of the 97th General Assembly. Such information shall be posted within 10 days after entering into the Agreement and must include the following:

- (1) the name of the recipient business;
- (2) the location of the project;
- (3) the estimated value of the credit;
- (4) the number of new jobs and, if applicable, retained jobs pledged as a result of the project; and
- (5) whether or not the project is located in an underserved area.

(Source: P.A. 100-511, eff. 9-18-17.)

Section 930. The Film Production Services Tax Credit Act of 2008 is amended by changing Sections 10 and 42 as follows:

(35 ILCS 16/10)

Sec. 10. Definitions. As used in this Act:

"Accredited production" means: (i) for productions commencing before May 1, 2006, a film, video, or television production that has been certified by the Department in which the aggregate Illinois labor expenditures included in the cost of the production, in the period that ends 12 months after the time principal filming or taping of the production began, exceed \$100,000 for productions of 30 minutes or longer, or \$50,000 for productions of less than 30 minutes; and (ii) for productions commencing on or after May 1, 2006, a film, video, or television production that has been certified by the Department in which the Illinois production spending included in the cost of production in the period that ends 12 months

after the time principal filming or taping of the production began exceeds \$100,000 for productions of 30 minutes or longer or exceeds \$50,000 for productions of less than 30 minutes.

"Accredited production" does not include a production that:

(1) is news, current events, or public programming, or a program that includes weather or market reports;

(2) is a talk show;

(3) is a production in respect of a game, questionnaire, or contest;

(4) is a sports event or activity;

(5) is a gala presentation or awards show;

(6) is a finished production that solicits funds;

(7) is a production produced by a film production company if records, as required by 18 U.S.C. 2257, are to be maintained by that film production company with respect to any performer portrayed in that single media or multimedia program; or

(8) is a production produced primarily for industrial, corporate, or institutional purposes.

"Accredited animated production" means an accredited production in which movement and characters' performances are created using a frame-by-frame technique and a significant number of major characters are animated. Motion capture by itself is not an animation technique.

"Accredited production certificate" means a certificate issued by the Department certifying that the production is an

accredited production that meets the guidelines of this Act.

"Applicant" means a taxpayer that is a film production company that is operating or has operated an accredited production located within the State of Illinois and that (i) owns the copyright in the accredited production throughout the Illinois production period or (ii) has contracted directly with the owner of the copyright in the accredited production or a person acting on behalf of the owner to provide services for the production, where the owner of the copyright is not an eligible production corporation.

"Credit" means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department, in an accredited production commencing before May 1, 2006 and approved by the Department after January 1, 2005, the applicant shall receive an enhanced credit of 10% in addition to the 25% credit; and

(2) for an accredited production commencing on or

after May 1, 2006 and before January 1, 2009, the amount equal to:

(i) 20% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; and

(3) for an accredited production commencing on or after January 1, 2009, the amount equal to:

(i) 30% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Illinois labor expenditure" means salary or wages paid to employees of the applicant for services on the accredited production.

To qualify as an Illinois labor expenditure, the expenditure must be:

(1) Reasonable in the circumstances.

(2) Included in the federal income tax basis of the property.

(3) Incurred by the applicant for services on or after January 1, 2004.

(4) Incurred for the production stages of the accredited production, from the final script stage to the end of the post-production stage.

(5) Limited to the first \$25,000 of wages paid or incurred to each employee of a production commencing before May 1, 2006 and the first \$100,000 of wages paid or incurred to each employee of a production commencing on or after May 1, 2006 and prior to July 1, 2022. For productions commencing on or after July 1, 2022, limited to the first \$500,000 of wages paid or incurred to each eligible nonresident or resident employee of a production company or loan out company that provides in-State services to a production, whether those wages are paid or incurred by the production company, loan out company, or both, subject to withholding payments provided for in Article 7 of the Illinois Income Tax Act. For purposes of calculating Illinois labor expenditures for a television series, the eligible nonresident wage limitations provided under this subparagraph are applied to the entire season. For the purpose of this paragraph (5), an eligible nonresident is a nonresident whose wages qualify as an Illinois labor expenditure under the provisions of

paragraph (9) that apply to that production.

(6) For a production commencing before May 1, 2006, exclusive of the salary or wages paid to or incurred for the 2 highest paid employees of the production.

(7) Directly attributable to the accredited production.

(8) (Blank).

(9) Prior to July 1, 2022, paid to persons resident in Illinois at the time the payments were made. For a production commencing on or after July 1, 2022, paid to persons resident in Illinois and nonresidents at the time the payments were made.

For purposes of this subparagraph, if the production is accredited by the Department before the effective date of this amendatory Act of the 102nd General Assembly, only wages paid to nonresidents working in the following positions shall be considered Illinois labor expenditures: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, and Actor, subject to the limitations set forth under this subparagraph. For an accredited Illinois production spending of \$25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as an Illinois labor expenditure. For an accredited production with Illinois production spending of more than \$25,000,000, no more than 4 nonresident actor's

wages shall qualify as Illinois labor expenditures.

For purposes of this subparagraph, if the production is accredited by the Department on or after the effective date of this amendatory Act of the 102nd General Assembly, wages paid to nonresidents shall qualify as Illinois labor expenditures only under the following conditions:

(A) the nonresident must be employed in a qualified position;

(B) for each of those accredited productions, the wages of not more than 9 nonresidents who are employed in a qualified position other than Actor shall qualify as Illinois labor expenditures;

(C) for an accredited production with Illinois production spending of \$25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as Illinois labor expenditures; and

(D) for an accredited production with Illinois production spending of more than \$25,000,000, no more than 4 nonresident actors' wages shall qualify as Illinois labor expenditures.

As used in this paragraph (9), "qualified position" means: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, or Actor.

(10) Paid for services rendered in Illinois.

"Illinois production spending" means the expenses incurred

by the applicant for an accredited production, including, without limitation, all of the following:

(1) expenses to purchase, from vendors within Illinois, tangible personal property that is used in the accredited production;

(2) expenses to acquire services, from vendors in Illinois, for film production, editing, or processing; and

(3) for a production commencing before July 1, 2022, the compensation, not to exceed \$100,000 for any one employee, for contractual or salaried employees who are Illinois residents performing services with respect to the accredited production. For a production commencing on or after July 1, 2022, the compensation, not to exceed \$500,000 for any one employee, for contractual or salaried employees who are Illinois residents or nonresident employees, subject to the limitations set forth under Section 10 of this Act.

"Loan out company" means a personal service corporation or other entity that is under contract with the taxpayer to provide specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production. "Loan out company" does not include entities contracted with by the taxpayer to provide goods or ancillary contractor services such as catering, construction, trailers, equipment, or transportation.

"Qualified production facility" means stage facilities in the State in which television shows and films are or are intended to be regularly produced and that contain at least one sound stage of at least 15,000 square feet.

Rulemaking authority to implement Public Act 95-1006, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22.)

(35 ILCS 16/42)

Sec. 42. Sunset of credits. The application of credits awarded pursuant to this Act shall be limited by a reasonable and appropriate sunset date. A taxpayer shall not be awarded any new credits pursuant to this Act for tax years beginning on or after January 1, 2033 ~~January 1, 2027~~.

(Source: P.A. 101-178, eff. 8-1-19; 102-700, eff. 4-19-22.)

Section 935. The Manufacturing Illinois Chips for Real Opportunity (MICRO) Act is amended by changing Sections 110-15, 110-20, 110-30, and 110-40 as follows:

(35 ILCS 45/110-15)

Sec. 110-15. Powers of the Department. The Department, in

addition to those powers granted under the Civil Administrative Code of Illinois, is granted and shall have all the powers necessary or convenient to administer the program under this Act and to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, the power and authority to:

(1) adopt rules deemed necessary and appropriate for the administration of the program, the designation of projects, and the awarding of credits;

(2) establish forms for applications, notifications, contracts, or any other agreements and accept applications at any time during the year;

(3) assist taxpayers pursuant to the provisions of this Act and cooperate with taxpayers that are parties to agreements under this Act to promote, foster, and support economic development, capital investment, and job creation or retention within the State;

(4) enter into agreements and memoranda of understanding for participation of, and engage in cooperation with, agencies of the federal government, units of local government, universities, research foundations or institutions, regional economic development corporations, or other organizations to implement the requirements and purposes of this Act;

(5) gather information and conduct inquiries, in the manner and by the methods it deems desirable, including

without limitation, gathering information with respect to applicants for the purpose of making any designations or certifications necessary or desirable or to gather information to assist the Department with any recommendation or guidance in the furtherance of the purposes of this Act;

(6) establish, negotiate and effectuate agreements and any term, agreement, or other document with any person, necessary or appropriate to accomplish the purposes of this Act; and to consent, subject to the provisions of any agreement with another party, to the modification or restructuring of any agreement to which the Department is a party;

(7) fix, determine, charge, and collect any premiums, fees, charges, costs, and expenses from applicants, including, without limitation, any application fees, commitment fees, program fees, financing charges, or publication fees as deemed appropriate to pay expenses necessary or incident to the administration, staffing, or operation in connection with the Department's activities under this Act, or for preparation, implementation, and enforcement of the terms of the agreement, or for consultation, advisory and legal fees, and other costs; however, all fees and expenses incident thereto shall be the responsibility of the applicant;

(8) provide for sufficient personnel to permit

administration, staffing, operation, and related support required to adequately discharge its duties and responsibilities described in this Act from funds made available through charges to applicants or from funds as may be appropriated by the General Assembly for the administration of this Act;

(9) require applicants, upon written request, to issue any necessary authorization to the appropriate federal, State, or local authority for the release of information concerning a project being considered under the provisions of this Act, with the information requested to include, but not be limited to, financial reports, returns, or records relating to the taxpayer or its project;

(10) require that a taxpayer shall at all times keep proper books of record and account in accordance with generally accepted accounting principles consistently applied, with the books, records, or papers related to the agreement in the custody or control of the taxpayer open for reasonable Department inspection and audits, and including, without limitation, the making of copies of the books, records, or papers, and the inspection or appraisal of any of the taxpayer or project assets;

(11) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of financial assistance or

participation required under this Act, including the power to sell, dispose, lease, or rent, upon terms and conditions determined by the Director to be appropriate, real or personal property that the Department may receive as a result of these actions; and-

(12) determine the conditions and process for renewal of the Manufacturing Illinois Chips for Real Opportunity incentives awarded under this Act in accordance with Section 110-40 of this Act.

(Source: P.A. 102-700, eff. 4-19-22.)

(35 ILCS 45/110-20)

Sec. 110-20. Manufacturing Illinois Chips for Real Opportunity (MICRO) Program; project applications.

(a) The Manufacturing Illinois Chips for Real Opportunity (MICRO) Program is hereby established and shall be administered by the Department. The Program will provide financial incentives to eligible semiconductor manufacturers and microchip manufacturers.

(b) Any taxpayer planning a project to be located in Illinois may request consideration for designation of its project as a MICRO project, by formal written letter of request or by formal application to the Department, in which the applicant states its intent to make at least a specified level of investment and intends to hire a specified number of full-time employees at a designated location in Illinois. As

circumstances require, the Department shall require a formal application from an applicant and a formal letter of request for assistance.

(c) In order to qualify for credits under the program, an applicant must:

(1) for a semiconductor manufacturer or microchip manufacturer:

(A) make an investment of at least \$1,500,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create at least 500 new full-time employee jobs; or

(2) for a semiconductor or microchip component parts manufacturer:

(A) make an investment of at least \$300,000,000 in capital improvements at the project site;

(B) manufacture one or more parts that are primarily used for the manufacture of semiconductors or microchips;

(C) to be placed in service within the State within a 60-month period after approval of the application; and

(D) create at least 150 new full-time employee jobs; or

(3) for a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer that does not qualify under paragraph (2) above:

(A) make an investment of at least \$20,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 48-month period after approval of the application; and

(C) create at least 50 new full-time employee jobs; or

(4) for a semiconductor manufacturer or microchip manufacturer or a semiconductor or microchip component parts manufacturer with existing operations in Illinois that intends to convert or expand, in whole or in part, the existing facility from traditional manufacturing to semiconductor manufacturing or microchip manufacturing or semiconductor or microchip component parts manufacturing:

(A) make an investment of at least \$100,000,000 in capital improvements at the project site;

(B) to be placed in service within the State within a 60-month period after approval of the application; and

(C) create the lesser of 75 new full-time employee jobs or new full-time employee jobs equivalent to 10% of the Statewide baseline applicable to the taxpayer

and any related member at the time of application.

(d) For any applicant creating the full-time employee jobs noted in subsection (c), those jobs must have a total compensation equal to or greater than 120% of the average wage paid to full-time employees in the county where the project is located, as determined by the Department ~~U.S. Bureau of Labor Statistics~~.

(e) Each applicant must outline its hiring plan and commitment to recruit and hire full-time employee positions at the project site. The hiring plan may include a partnership with an institution of higher education to provide internships, including, but not limited to, internships supported by the Clean Jobs Workforce Network Program, or full-time permanent employment for students at the project site. Additionally, the applicant may create or utilize participants from apprenticeship programs that are approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. The Applicant may apply for apprenticeship education expense credits in accordance with the provisions set forth in 14 Ill. Admin. Code 522. Each applicant is required to report annually, on or before April 15, on the diversity of its workforce in accordance with Section 110-50 of this Act. For existing facilities of applicants under paragraph (3) of subsection (b) above, if the taxpayer expects a reduction in force due to its transition to manufacturing semiconductors, microchips, or semiconductor or

microchip component parts, the plan submitted under this Section must outline the taxpayer's plan to assist with retraining its workforce aligned with the taxpayer's adoption of new technologies and anticipated efforts to retrain employees through employment opportunities within the taxpayer's workforce.

(f) A taxpayer may not enter into more than one agreement under this Act with respect to a single address or location for the same period of time. Also, a taxpayer may not enter into an agreement under this Act with respect to a single address or location for the same period of time for which the taxpayer currently holds an active agreement under the Economic Development for a Growing Economy Tax Credit Act. This provision does not preclude the applicant from entering into an additional agreement after the expiration or voluntary termination of an earlier agreement under this Act or under the Economic Development for a Growing Economy Tax Credit Act to the extent that the taxpayer's application otherwise satisfies the terms and conditions of this Act and is approved by the Department. An applicant with an existing agreement under the Economic Development for a Growing Economy Tax Credit Act may submit an application for an agreement under this Act after it terminates any existing agreement under the Economic Development for a Growing Economy Tax Credit Act with respect to the same address or location.

(Source: P.A. 102-700, eff. 4-19-22.)

(35 ILCS 45/110-30)

Sec. 110-30. Tax credit awards.

(a) Subject to the conditions set forth in this Act, a taxpayer is entitled to a credit against the tax imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for a taxable year beginning on or after January 1, 2025 if the taxpayer is awarded a credit by the Department in accordance with an agreement under this Act. The Department has authority to award credits under this Act on and after January 1, 2023.

(b) A taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, not to exceed the sum of (i) 75% of the incremental income tax attributable to new employees at the applicant's project and (ii) 10% of the training costs of the new employees. If the project is located in an underserved area or an energy transition area, then the amount of the credit may not exceed the sum of (i) 100% of the incremental income tax attributable to new employees at the applicant's project; and (ii) 10% of the training costs of the new employees. The percentage of training costs includable in the calculation may be increased by an additional 15% for training costs associated with new employees that are recent (2 years or less) graduates, certificate holders, or credential recipients from an institution of higher education in

Illinois, or, if the training is provided by an institution of higher education in Illinois, the Clean Jobs Workforce Network Program, or an apprenticeship and training program located in Illinois and approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. An applicant is also eligible for a training credit that shall not exceed 10% of the training costs of retained employees for the purpose of upskilling to meet the operational needs of the applicant or the project. The percentage of training costs includable in the calculation shall not exceed a total of 25%. If an applicant agrees to hire the required number of new employees, then the maximum amount of the credit for that applicant may be increased by an amount not to exceed 75% ~~25%~~ of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must, if applicable, meet or exceed the statewide baseline. If the Project is in an underserved area or an energy transition area, the maximum amount of the credit attributable to retained employees for the applicant may be increased to an amount not to exceed 100% ~~50%~~ of the incremental income tax attributable to retained employees at the applicant's project; provided that, in order to receive the increase for retained employees, the applicant must meet or exceed the statewide baseline. Credits awarded may include credit earned for incremental income tax withheld and training costs incurred by

the taxpayer beginning on or after January 1, 2023. Credits so earned and certified by the Department may be applied against the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(c) MICRO Construction Jobs Credit. For construction wages associated with a project that qualified for a credit under subsection (b), the taxpayer may receive a tax credit against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act in an amount equal to 50% of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities, as a jobs credit for workers hired to construct the project.

The MICRO Construction Jobs Credit may not exceed 75% of the amount of the incremental income tax attributable to construction wages paid in connection with construction of the project facilities if the project is in an underserved area or an energy transition area.

(d) The Department shall certify to the Department of Revenue: (1) the identity of taxpayers that are eligible for the MICRO Credit and MICRO Construction Jobs Credit; (2) the amount of the MICRO Credits and MICRO Construction Jobs Credits awarded in each calendar year; and (3) the amount of the MICRO Credit and MICRO Construction Jobs Credit claimed in each calendar year. MICRO Credits awarded may include credit earned for incremental income tax withheld and training costs

incurred by the taxpayer beginning on or after January 1, 2023. Credits so earned and certified by the Department may be applied against the tax imposed by Section 201(a) and (b) of the Illinois Income Tax Act for taxable years beginning on or after January 1, 2025.

(e) Applicants seeking certification for a tax credits related to the construction of the project facilities in the State shall require the contractor to enter into a project labor agreement that conforms with the Project Labor Agreements Act.

(f) Any applicant issued a certificate for a tax credit or tax exemption under this Act must annually report to the Department the total project tax benefits received. Reports are due no later than May 31 of each year and shall cover the previous calendar year. The first report is for the 2023 calendar year and is due no later than May 31, 2023. For applicants issued a certificate of exemption under Section 110-105 of this Act, the report shall be the same as required for a High Impact Business under subsection (a-5) of Section 8.1 of the Illinois Enterprise Zone Act. Each person required to file a return under the Gas Revenue Tax Act, the Electricity Excise Tax Act, or the Telecommunications Excise Tax Act shall file a report on customers issued an exemption certificate under Section 110-95 of this Act in the same manner and form as they are required to report under subsection (b) of Section 8.1 of the Illinois Enterprise Zone Act.

(g) Nothing in this Act shall prohibit an award of credit to an applicant that uses a PEO if all other award criteria are satisfied.

(h) With respect to any portion of a credit that is based on the incremental income tax attributable to new employees or retained employees, in lieu of the credit allowed under this Act against the taxes imposed pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, a taxpayer that otherwise meets the criteria set forth in this Section, the taxpayer may elect to claim the credit, on or after January 1, 2025, against its obligation to pay over withholding under Section 704A of the Illinois Income Tax Act. The election shall be made in the manner prescribed by the Department of Revenue and once made shall be irrevocable.

(Source: P.A. 102-700, eff. 4-19-22.)

(35 ILCS 45/110-40)

Sec. 110-40. Amount and duration of the credits; limitation to amount of costs of specified items. The Department shall determine the amount and duration of the credit awarded under this Act, subject to the limitations set forth in this Act. For a project that qualified under paragraph (1), (2), or (4) of subsection (c) of Section 110-20, the duration of the credit may not exceed 15 taxable years, with an option to renew the agreement for no more than one term not to exceed an additional 15 taxable years. For

project that qualified under paragraph (3) of subsection (c) of Section 110-20, the duration of the credit may not exceed 10 taxable years, with an option to renew the agreement for no more than one term not to exceed an additional 10 taxable years. The credit may be stated as a percentage of the incremental income tax and training costs attributable to the applicant's project and may include a fixed dollar limitation.

Nothing in this Section shall prevent the Department, in consultation with the Department of Revenue, from adopting rules to extend the sunset of any earned, existing, and unused tax credit or credits a taxpayer may be in possession of.

(Source: P.A. 102-700, eff. 4-19-22.)

Section 940. The Use Tax Act is amended by adding Section 3-87 as follows:

(35 ILCS 105/3-87 new)

Sec. 3-87. Sustainable Aviation Fuel Purchase Credit.

(a) From June 1, 2023 through January 1, 2033, sustainable aviation fuel sold to or used by an air carrier, certified by the carrier to the Department to be used in Illinois, earns a credit in the amount of \$1.50 per gallon of sustainable aviation fuel purchased. The credit earned shall be referred to as the Sustainable Aviation Fuel Credit.

The purchaser of sustainable aviation fuel shall certify to the seller of the aviation fuel that the purchaser is

satisfying all or part of its liability under the Use Tax Act or the Service Use Tax Act that is due on the purchase of aviation fuel by use of the sustainable aviation fuel purchase credit.

The Sustainable Aviation Fuel Purchase Credit certification must be dated and shall include the name and address of the purchaser, the purchaser's registration number, if registered, the credit being applied, and a statement that the State use tax or service use tax liability is being satisfied with the air carrier's accumulated sustainable aviation fuel purchase credit.

Until July 1, 2033, on an annual basis, no credit may be earned by an air carrier for soybean oil-derived sustainable aviation fuel once air carriers in this State have collectively purchased sustainable aviation fuel containing 10,000,000 gallons of soybean oil feedstock.

A Sustainable Aviation Fuel Purchase Credit certification provided by the air carrier may be used to satisfy the retailer's or serviceman's liability on aviation fuel under the Retailers' Occupation Tax Act or Service Occupation Tax Act for the credit claimed.

(b) As used in this Section, "sustainable aviation fuel" means liquid fuel that meets the criteria set forth in subsections (d) and (e) of Section 40B of the federal Internal Revenue Code of 1986 or:

(1) consists of synthesized hydrocarbons and meets the

requirements of:

(A) the American Society for Testing and Materials International Standard D7566; or

(B) the Fischer-Tropsch provisions of American Society for Testing and Materials International Standard D1655, Annex A1;

(2) prior to June 1, 2028, is derived from biomass resources, waste streams, renewable energy sources, or gaseous carbon oxides, and beginning on June 1, 2028 is derived from domestic biomass resources;

(3) is not derived from any palm derivatives; and

(4) achieves at least a 50% lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows:

(A) that the fuel production pathway achieves at least a 50% reduction of the aggregate attributional core lifecycle emissions and the positive induced land use change values under the lifecycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States; or

(B) that the fuel production pathway achieves at least a 50% reduction of the aggregate attributional core lifecycle greenhouse gas emissions values utilizing the most recent version of Argonne National Laboratory's GREET model, inclusive of agricultural

practices and carbon capture and sequestration.

Section 950. The Service Use Tax Act is amended by adding Section 3-72 as follows:

(35 ILCS 110/3-72 new)

Sec. 3-72. Sustainable Aviation Fuel Purchase Credit.

(a) From June 1, 2023 through January 1, 2033, sustainable aviation fuel sold to or used by an air carrier, certified by the carrier to the Department to be used in Illinois, earns a credit in the amount of \$1.50 per gallon of sustainable aviation fuel purchased. The credit earned shall be referred to as the Sustainable Aviation Fuel Credit.

The purchaser of sustainable aviation fuel shall certify to the seller of the aviation fuel that the purchaser is satisfying all or part of its liability under the Use Tax Act or the Service Use Tax Act that is due on the purchase of aviation fuel by use of the sustainable aviation fuel purchase credit.

The Sustainable Aviation Fuel Purchase Credit certification must be dated and shall include the name and address of the purchaser, the purchaser's registration number, if registered, the credit being applied, and a statement that the State use tax or service use tax liability is being satisfied with the air carrier's accumulated sustainable aviation fuel purchase credit.

Until July 1, 2033, on an annual basis, no credit may be earned by an air carrier for soybean oil-derived sustainable aviation fuel once air carriers in this State have collectively purchased sustainable aviation fuel containing 10,000,000 gallons of soybean oil feedstock.

A Sustainable Aviation Fuel Purchase Credit certification provided by the air carrier may be used to satisfy the retailer's or serviceman's liability on aviation fuel under the Retailers' Occupation Tax Act or Service Occupation Tax Act for the credit claimed.

(b) As used in this Section, "sustainable aviation fuel" means liquid fuel that meets the criteria set forth in subsections (d) and (e) of Section 40B of the federal Internal Revenue Code of 1986 or:

(1) consists of synthesized hydrocarbons and meets the requirements of:

(A) the American Society for Testing and Materials International Standard D7566; or

(B) the Fischer-Tropsch provisions of American Society for Testing and Materials International Standard D1655, Annex A1;

(2) prior to June 1, 2028, is derived from biomass resources, waste streams, renewable energy sources, or gaseous carbon oxides, and beginning on June 1, 2028 is derived from domestic biomass resources;

(3) is not derived from any palm derivatives; and

(4) achieves at least a 50% lifecycle greenhouse gas emissions reduction in comparison with petroleum-based jet fuel, as determined by a test that shows:

(A) that the fuel production pathway achieves at least a 50% reduction of the aggregate attributional core lifecycle emissions and the positive induced land use change values under the lifecycle methodology for sustainable aviation fuels adopted by the International Civil Aviation Organization with the agreement of the United States; or

(B) that the fuel production pathway achieves at least a 50% reduction of the aggregate attributional core lifecycle greenhouse gas emissions values utilizing the most recent version of Argonne National Laboratory's GREET model, inclusive of agricultural practices and carbon capture and sequestration.

Section 965. The Retailers' Occupation Tax Act is amended by changing Section 5m as follows:

(35 ILCS 120/5m)

Sec. 5m. Building materials exemption; REV Illinois projects ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, and electric vehicle power supply manufacturer.~~ Each retailer who makes a sale of building materials that will be incorporated into a real ~~real~~

~~estate in an electric vehicle manufacturing facility, an electric vehicle component parts manufacturing facility, or an electric vehicle power supply manufacturing facility~~ REV Illinois Project ~~which meets the qualifications under paragraphs (1), (2), or (4) of subsection (c) of Section 20 of the Reimagining Electric Vehicles in Illinois Act~~ for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity under Section 105 of the Reimagining Energy and Electric Vehicles in Illinois Act, may deduct receipts from those ~~such~~ sales when calculating any State or local use and occupation taxes. No retailer who is eligible for the deduction or credit under Section 5k of this Act related to enterprise zones or Section 5l of this Act related to High Impact Businesses for a given sale shall be eligible for the deduction or credit authorized under this Section for that same sale.

In addition to any other requirements to document the exemption allowed under this Section, the retailer must obtain ~~from~~ the purchaser's REV Illinois Building Materials Exemption certificate number issued by the Department. A construction contractor or other entity shall not make tax-free purchases under this Section unless it has an active REV Illinois Building Materials Exemption Certificate issued by the Department at the time of purchase.

Upon request from the certified manufacturer ~~electric vehicle manufacturer, electric vehicle component parts~~

~~manufacturer, or electric vehicle power supply manufacturer certified by the Department of Commerce and Economic Opportunity under REV Illinois Act,~~ the Department shall issue a REV Illinois Building Materials Exemption Certificate for each construction contractor or other entity identified by the certified manufacturer ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~. The Department shall make the REV Illinois Building Materials Exemption Certificates available to each construction contractor or other entity identified by the certified manufacturer and to the certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~. The request for REV Illinois Building Materials Exemption Certificates under this Section ~~from the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer to the Department~~ must include the following information:

(1) the name and address of the construction contractor or other entity;

(2) the name and location or address of the building project site;

(3) the estimated amount of the exemption for each construction contractor or other entity for which a request for a REV Illinois Building Materials Exemption Certificate is made, based on a stated estimated average

tax rate and the percentage of the contract that consists of materials;

(4) the period of time over which supplies for the project are expected to be purchased; and

(5) other reasonable information as the Department may require, including but not limited to FEIN numbers, to determine if the contractor or other entity, or any partner, or a corporate officer, and in the case of a limited liability company, any manager or member, of the construction contractor or other entity, is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The Department shall issue the REV Illinois Building Materials Exemption Certificates within 3 business days after receipt of the request from the certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer.~~ This requirement does not apply in circumstances where the Department, for reasonable cause, is unable to issue the Exemption Certificate within 3 business days. The Department may refuse to issue a REV Illinois Building Materials Exemption Certificate if the owner, any partner, or a corporate officer, and in the case of a limited liability

company, any manager or member, of the construction contractor or other entity is or has been the owner, a partner, a corporate officer, and in the case of a limited liability company, a manager or member, of a person that is in default for moneys due to the Department under this Act or any other tax or fee Act administered by the Department.

The REV Illinois Building Materials Exemption Certificate shall contain language stating that if the construction contractor or other entity who is issued the Exemption Certificate makes a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section or allows another person to make a tax-exempt purchase, as described in this Section, that is not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that is not eligible for the exemption.

The Department, in its discretion, may require that the request for REV Illinois Building Materials Exemption Certificates be submitted electronically. The Department may, in its discretion, issue the Exemption Certificates electronically. The REV Illinois Building Materials Exemption Certificate number shall be designed in such a way that the Department can identify from the unique number on the

Exemption Certificate issued to a given construction contractor or other entity, the name of the REV Illinois project ~~designated electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply manufacturing~~ site and the construction contractor or other entity to whom the Exemption Certificate is issued. The REV Illinois Building Materials Exemption Certificate shall contain an expiration date, which shall be no more than 5 years after the date of issuance. At the request of the ~~designated~~ certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer,~~ the Department may renew a REV Illinois Building Materials Exemption Certificate. After the Department issues Exemption Certificates for a given REV Illinois project ~~designated electric vehicle manufacturing, electric vehicle component parts manufacturing, or electric vehicle power supply manufacturing~~ site, the certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~ may notify the Department of additional construction contractors or other entities that are eligible for a REV Illinois Building Materials Exemption Certificate. Upon receiving such a notification ~~by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~ and subject to the other provisions of this Section, the

Department shall issue a REV Illinois Building Materials Exemption Certificate to each additional construction contractor or other entity so identified ~~by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer.~~ A certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~ may ask notify the Department to rescind a REV Illinois Building Materials Exemption Certificate previously issued by the Department to a construction contractor or other entity working at that certified manufacturer's REV Illinois project site if that REV Illinois Building Materials Exemption Certificate ~~but that~~ has not yet expired. Upon receiving such a request ~~notification by the certified electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~ and subject to the other provisions of this Section, the Department shall issue the rescission of the REV Illinois Building Materials Exemption Certificate to the construction contractor or other entity identified by the certified manufacturer ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply manufacturer~~ and provide a copy of the rescission to the construction contractor or other entity and to the certified ~~electric vehicle manufacturer, electric vehicle component parts manufacturer, or electric vehicle power supply~~

manufacturer.

If the Department of Revenue determines that a construction contractor or other entity that was issued an Exemption Certificate under this Section made a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section or allowed another person to make a tax-exempt purchase, as described in this Section, that was not eligible for exemption under this Section, then, in addition to any tax or other penalty imposed, the construction contractor or other entity is subject to a penalty equal to the tax that would have been paid by the retailer under this Act as well as any applicable local retailers' occupation tax on the purchase that was not eligible for the exemption.

This Section is exempt from the provisions of Section 2-70.

As used in this Section, "certified manufacturer" means a person certified by the Department of Commerce and Economic Opportunity under Section 105 of the Reimagining Energy and Vehicles in Illinois Act.

(Source: P.A. 102-669, eff. 11-16-21.)

Section 975. The Property Tax Code is amended by changing Section 18-184.15 as follows:

(35 ILCS 200/18-184.15)

Sec. 18-184.15. REV Illinois project facilities for

electric vehicles, electric vehicle component parts, or electric vehicle power supply equipment; abatement. Any taxing district, upon a majority vote of its governing body, may, after determination of the assessed value as set forth in this Code, order the clerk of the appropriate municipality or county to abate any portion of real property taxes otherwise levied or extended by the taxing district on a REV Illinois Project facility owned by an electric vehicle manufacturer, electric vehicle component parts manufacturer, or an electric vehicle power supply manufacturer that is subject to an agreement with the Department of Commerce and Economic Opportunity under Section 45 of the Reimagining Energy and Electric Vehicles in Illinois Act, during the period of time such agreement is in effect as specified by the Department of Commerce and Economic Opportunity.

(Source: P.A. 102-669, eff. 11-16-21.)

Section 980. The Telecommunications Excise Tax Act is amended by changing Section 2 as follows:

(35 ILCS 630/2) (from Ch. 120, par. 2002)

Sec. 2. As used in this Article, unless the context clearly requires otherwise:

(a) "Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in this State and for all services and equipment provided in

connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows: (i) for interstate inter-office channels having 2 channel termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office

channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to (i) the tax imposed by this Article; (ii) charges added to customers' bills pursuant to the provisions of Sections 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in such provisions of such Act; (iii) the tax imposed by Section 4251 of the Internal Revenue Code; (iv) 911 surcharges; or (v) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication received outside of the State.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment

or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act, as amended, ~~or to electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply manufacturers at REV Illinois Project sites for which a certificate of exemption has been issued by the Department of Commerce and Economic Opportunity~~ under Section 95 of the Reimagining Energy and Electric Vehicles in Illinois Act, to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed

under this Article has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts. Bad debt means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectable, as determined under applicable federal income tax standards. If the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made.

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Municipal Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of

business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(b) "Amount paid" means the amount charged to the taxpayer's service address in this State regardless of where such amount is billed or paid.

(c) "Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll and wide area telephone service; private line services; channel services; telegraph services; teletypewriter; computer exchange services; cellular mobile telecommunications service; specialized mobile radio; stationary two way radio; paging service; or any other form of mobile and portable one-way or two-way communications; or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber-optics, laser, microwave, radio, satellite or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more

specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by him to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into end-to-end telecommunications service shall be non-taxable as sales for resale.

(d) "Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

(e) "Intrastate telecommunications" means all telecommunications that originate and terminate within this State.

(f) "Department" means the Department of Revenue of the State of Illinois.

(g) "Director" means the Director of Revenue for the Department of Revenue of the State of Illinois.

(h) "Taxpayer" means a person who individually or through

his agents, employees or permittees engages in the act or privilege of originating or receiving telecommunications in this State and who incurs a tax liability under this Article.

(i) "Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute or any city, town, county or other political subdivision of this State.

(j) "Purchase at retail" means the acquisition, consumption or use of telecommunication through a sale at retail.

(k) "Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a consideration to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

(l) "Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Article. The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business

within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

(m) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(n) "Service address" means the location of telecommunications equipment from which the telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, maritime systems, service address means the

customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, service address shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in Illinois where bills are sent.

(o) "Prepaid telephone calling arrangements" mean the right to exclusively purchase telephone or telecommunications services that must be paid for in advance and enable the origination of one or more intrastate, interstate, or international telephone calls or other telecommunications using an access number, an authorization code, or both, whether manually or electronically dialed, for which payment to a retailer must be made in advance, provided that, unless recharged, no further service is provided once that prepaid amount of service has been consumed. Prepaid telephone calling arrangements include the recharge of a prepaid calling arrangement. For purposes of this subsection, "recharge" means the purchase of additional prepaid telephone or telecommunications services whether or not the purchaser acquires a different access number or authorization code. "Prepaid telephone calling arrangement" does not include an arrangement whereby a customer purchases a payment card and pursuant to which the service provider reflects the amount of such purchase as a credit on an invoice issued to that customer under an existing subscription plan.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

Section 985. The Telecommunications Infrastructure Maintenance Fee Act is amended by changing Section 10 as follows:

(35 ILCS 635/10)

Sec. 10. Definitions.

(a) "Gross charges" means the amount paid to a telecommunications retailer for the act or privilege of originating or receiving telecommunications in this State and for all services rendered in connection therewith, valued in money whether paid in money or otherwise, including cash, credits, services, and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs, or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within this State, charges for the channel mileage between each channel termination point within this State, and charges for that portion of the interstate inter-office channel provided within Illinois. Charges for that portion of the interstate inter-office channel provided in Illinois shall be determined by the retailer as follows:

(i) for interstate inter-office channels having 2 channel termination points, only one of which is in Illinois, 50% of the total charge imposed; or (ii) for interstate inter-office channels having more than 2 channel termination points, one or more of which are in Illinois, an amount equal to the total charge multiplied by a fraction, the numerator of which is the number of channel termination points within Illinois and the denominator of which is the total number of channel termination points. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for interstate inter-office channels among the states in which channel terminations points are located shall be accepted as a reasonable method to determine the charges for that portion of the interstate inter-office channel provided within Illinois for that period. However, "gross charges" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made under: (i) the fee imposed by this Section, (ii) additional charges added to a purchaser's bill under Section 9-221 or 9-222 of the Public Utilities Act, (iii) the tax imposed by the Telecommunications Excise Tax Act, (iv) 911 surcharges, (v) the tax imposed by Section 4251 of the Internal Revenue Code, or (vi) the tax imposed by the Simplified Municipal Telecommunications Tax Act.

(2) Charges for a sent collect telecommunication

received outside of this State.

(3) Charges for leased time on equipment or charges for the storage of data or information or subsequent retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment, or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.2) Charges to business enterprises certified under Section 110-95 of the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the

Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit other than a regulatory required profit for the corporation rendering such services.

(7) Bad debts ("bad debt" means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made).

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can

reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

(a-5) "Department" means the Illinois Department of Revenue.

(b) "Telecommunications" includes, but is not limited to, messages or information transmitted through use of local, toll, and wide area telephone service, channel services, telegraph services, teletypewriter service, computer exchange services, private line services, specialized mobile radio services, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. Unless the context clearly requires otherwise, "telecommunications" shall also include wireless telecommunications as hereinafter defined. "Telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code, and protocol of the information for purposes other than transmission. "Telecommunications" shall

not include purchase of telecommunications by a telecommunications service provider for use as a component part of the service provided by him or her to the ultimate retail consumer who originates or terminates the end-to-end communications. Retailer access charges, right of access charges, charges for use of intercompany facilities, and all telecommunications resold in the subsequent provision and used as a component of, or integrated into, end-to-end telecommunications service shall not be included in gross charges as sales for resale. "Telecommunications" shall not include the provision of cable services through a cable system as defined in the Cable Communications Act of 1984 (47 U.S.C. Sections 521 and following) as now or hereafter amended or through an open video system as defined in the Rules of the Federal Communications Commission (47 C.D.F. 76.1550 and following) as now or hereafter amended. Beginning January 1, 2001, prepaid telephone calling arrangements shall not be considered "telecommunications" subject to the tax imposed under this Act. For purposes of this Section, "prepaid telephone calling arrangements" means that term as defined in Section 2-27 of the Retailers' Occupation Tax Act.

(c) "Wireless telecommunications" includes cellular mobile telephone services, personal wireless services as defined in Section 704(C) of the Telecommunications Act of 1996 (Public Law No. 104-104) as now or hereafter amended, including all commercial mobile radio services, and paging services.

(d) "Telecommunications retailer" or "retailer" or "carrier" means and includes every person engaged in the business of making sales of telecommunications at retail as defined in this Section. The Department may, in its discretion, upon applications, authorize the collection of the fee hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the fee. When so authorized, it shall be the duty of such retailer to pay the fee upon all of the gross charges for telecommunications in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State.

(e) "Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse, or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

(f) "Sale of telecommunications at retail" means the transmitting, supplying, or furnishing of telecommunications

and all services rendered in connection therewith for a consideration, other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries, when the gross charge made by one such corporation to another such corporation is not greater than the gross charge paid to the retailer for their use or consumption and not for sale.

(g) "Service address" means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received. If this is not a defined location, as in the case of wireless telecommunications, paging systems, maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems, and the like, "service address" shall mean the location of the customer's primary use of the telecommunications equipment as defined by the location in Illinois where bills are sent.

(Source: P.A. 93-286, eff. 1-1-04; 94-793, eff. 5-19-06.)

Section 990. The Simplified Municipal Telecommunications Tax Act is amended by changing Section 5-7 as follows:

(35 ILCS 636/5-7)

Sec. 5-7. Definitions. For purposes of the taxes authorized by this Act:

"Amount paid" means the amount charged to the taxpayer's service address in such municipality regardless of where such amount is billed or paid.

"Department" means the Illinois Department of Revenue.

"Gross charge" means the amount paid for the act or privilege of originating or receiving telecommunications in such municipality and for all services and equipment provided in connection therewith by a retailer, valued in money whether paid in money or otherwise, including cash, credits, services and property of every kind or nature, and shall be determined without any deduction on account of the cost of such telecommunications, the cost of the materials used, labor or service costs or any other expense whatsoever. In case credit is extended, the amount thereof shall be included only as and when paid. "Gross charges" for private line service shall include charges imposed at each channel termination point within a municipality that has imposed a tax under this Section and charges for the portion of the inter-office channels provided within that municipality. Charges for that portion of the inter-office channel connecting 2 or more channel termination points, one or more of which is located within the jurisdictional boundary of such municipality, shall be determined by the retailer by multiplying an amount equal to the total charge for the inter-office channel by a fraction, the numerator of which is the number of channel termination points that are located within the jurisdictional

boundary of the municipality and the denominator of which is the total number of channel termination points connected by the inter-office channel. Prior to January 1, 2004, any method consistent with this paragraph or other method that reasonably apportions the total charges for inter-office channels among the municipalities in which channel termination points are located shall be accepted as a reasonable method to determine the taxable portion of an inter-office channel provided within a municipality for that period. However, "gross charge" shall not include any of the following:

(1) Any amounts added to a purchaser's bill because of a charge made pursuant to: (i) the tax imposed by this Act, (ii) the tax imposed by the Telecommunications Excise Tax Act, (iii) the tax imposed by Section 4251 of the Internal Revenue Code, (iv) 911 surcharges, or (v) charges added to customers' bills pursuant to the provisions of Section 9-221 or 9-222 of the Public Utilities Act, as amended, or any similar charges added to customers' bills by retailers who are not subject to rate regulation by the Illinois Commerce Commission for the purpose of recovering any of the tax liabilities or other amounts specified in those provisions of the Public Utilities Act.

(2) Charges for a sent collect telecommunication received outside of such municipality.

(3) Charges for leased time on equipment or charges for the storage of data or information for subsequent

retrieval or the processing of data or information intended to change its form or content. Such equipment includes, but is not limited to, the use of calculators, computers, data processing equipment, tabulating equipment or accounting equipment and also includes the usage of computers under a time-sharing agreement.

(4) Charges for customer equipment, including such equipment that is leased or rented by the customer from any source, wherein such charges are disaggregated and separately identified from other charges.

(5) Charges to business enterprises certified as exempt under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.1) Charges to business enterprises certified under Section 95 of the Reimagining Energy and Vehicles in Illinois Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(5.2) Charges to business enterprises certified under Section 110-95 of the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of the exemption and during the period of time specified by the Department of Commerce and Economic Opportunity.

(6) Charges for telecommunications and all services

and equipment provided in connection therewith between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries when the tax imposed under this Act has already been paid to a retailer and only to the extent that the charges between the parent corporation and wholly owned subsidiaries or between wholly owned subsidiaries represent expense allocation between the corporations and not the generation of profit for the corporation rendering such service.

(7) Bad debts ("bad debt" means any portion of a debt that is related to a sale at retail for which gross charges are not otherwise deductible or excludable that has become worthless or uncollectible, as determined under applicable federal income tax standards; if the portion of the debt deemed to be bad is subsequently paid, the retailer shall report and pay the tax on that portion during the reporting period in which the payment is made).

(8) Charges paid by inserting coins in coin-operated telecommunication devices.

(9) Amounts paid by telecommunications retailers under the Telecommunications Infrastructure Maintenance Fee Act.

(10) Charges for nontaxable services or telecommunications if (i) those charges are aggregated with other charges for telecommunications that are taxable, (ii) those charges are not separately stated on the customer bill or invoice, and (iii) the retailer can

reasonably identify the nontaxable charges on the retailer's books and records kept in the regular course of business. If the nontaxable charges cannot reasonably be identified, the gross charge from the sale of both taxable and nontaxable services or telecommunications billed on a combined basis shall be attributed to the taxable services or telecommunications. The burden of proving nontaxable charges shall be on the retailer of the telecommunications.

"Interstate telecommunications" means all telecommunications that either originate or terminate outside this State.

"Intrastate telecommunications" means all telecommunications that originate and terminate within this State.

"Person" means any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, limited liability company, or a receiver, trustee, guardian, or other representative appointed by order of any court, the Federal and State governments, including State universities created by statute, or any city, town, county, or other political subdivision of this State.

"Purchase at retail" means the acquisition, consumption or use of telecommunications through a sale at retail.

"Retailer" means and includes every person engaged in the business of making sales at retail as defined in this Section.

The Department may, in its discretion, upon application, authorize the collection of the tax hereby imposed by any retailer not maintaining a place of business within this State, who, to the satisfaction of the Department, furnishes adequate security to insure collection and payment of the tax. Such retailer shall be issued, without charge, a permit to collect such tax. When so authorized, it shall be the duty of such retailer to collect the tax upon all of the gross charges for telecommunications in this State in the same manner and subject to the same requirements as a retailer maintaining a place of business within this State. The permit may be revoked by the Department at its discretion.

"Retailer maintaining a place of business in this State", or any like term, means and includes any retailer having or maintaining within this State, directly or by a subsidiary, an office, distribution facilities, transmission facilities, sales office, warehouse or other place of business, or any agent or other representative operating within this State under the authority of the retailer or its subsidiary, irrespective of whether such place of business or agent or other representative is located here permanently or temporarily, or whether such retailer or subsidiary is licensed to do business in this State.

"Sale at retail" means the transmitting, supplying or furnishing of telecommunications and all services and equipment provided in connection therewith for a

consideration, to persons other than the Federal and State governments, and State universities created by statute and other than between a parent corporation and its wholly owned subsidiaries or between wholly owned subsidiaries for their use or consumption and not for resale.

"Service address" means the location of telecommunications equipment from which telecommunications services are originated or at which telecommunications services are received by a taxpayer. In the event this may not be a defined location, as in the case of mobile phones, paging systems, and maritime systems, service address means the customer's place of primary use as defined in the Mobile Telecommunications Sourcing Conformity Act. For air-to-ground systems and the like, "service address" shall mean the location of a taxpayer's primary use of the telecommunications equipment as defined by telephone number, authorization code, or location in Illinois where bills are sent.

"Taxpayer" means a person who individually or through his or her agents, employees, or permittees engages in the act or privilege of originating or receiving telecommunications in a municipality and who incurs a tax liability as authorized by this Act.

"Telecommunications", in addition to the meaning ordinarily and popularly ascribed to it, includes, without limitation, messages or information transmitted through use of local, toll, and wide area telephone service, private line

services, channel services, telegraph services, teletypewriter, computer exchange services, cellular mobile telecommunications service, specialized mobile radio, stationary two-way radio, paging service, or any other form of mobile and portable one-way or two-way communications, or any other transmission of messages or information by electronic or similar means, between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite, or similar facilities. As used in this Act, "private line" means a dedicated non-traffic sensitive service for a single customer, that entitles the customer to exclusive or priority use of a communications channel or group of channels, from one or more specified locations to one or more other specified locations. The definition of "telecommunications" shall not include value added services in which computer processing applications are used to act on the form, content, code, and protocol of the information for purposes other than transmission. "Telecommunications" shall not include purchases of telecommunications by a telecommunications service provider for use as a component part of the service provided by such provider to the ultimate retail consumer who originates or terminates the taxable end-to-end communications. Carrier access charges, right of access charges, charges for use of inter-company facilities, and all telecommunications resold in the subsequent provision of, used as a component of, or integrated into, end-to-end telecommunications service shall

be non-taxable as sales for resale. Prepaid telephone calling arrangements shall not be considered "telecommunications" subject to the tax imposed under this Act. For purposes of this Section, "prepaid telephone calling arrangements" means that term as defined in Section 2-27 of the Retailers' Occupation Tax Act.

(Source: P.A. 93-286, eff. 1-1-04; 94-793, eff. 5-19-06.)

Section 995. The Electricity Excise Tax Law is amended by changing Section 2-4 as follows:

(35 ILCS 640/2-4)

Sec. 2-4. Tax imposed.

(a) Except as provided in subsection (b), a tax is imposed on the privilege of using in this State electricity purchased for use or consumption and not for resale, other than by municipal corporations owning and operating a local transportation system for public service, at the following rates per kilowatt-hour delivered to the purchaser:

(i) For the first 2000 kilowatt-hours used or consumed in a month: 0.330 cents per kilowatt-hour;

(ii) For the next 48,000 kilowatt-hours used or consumed in a month: 0.319 cents per kilowatt-hour;

(iii) For the next 50,000 kilowatt-hours used or consumed in a month: 0.303 cents per kilowatt-hour;

(iv) For the next 400,000 kilowatt-hours used or

consumed in a month: 0.297 cents per kilowatt-hour;

(v) For the next 500,000 kilowatt-hours used or consumed in a month: 0.286 cents per kilowatt-hour;

(vi) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.270 cents per kilowatt-hour;

(vii) For the next 2,000,000 kilowatt-hours used or consumed in a month: 0.254 cents per kilowatt-hour;

(viii) For the next 5,000,000 kilowatt-hours used or consumed in a month: 0.233 cents per kilowatt-hour;

(ix) For the next 10,000,000 kilowatt-hours used or consumed in a month: 0.207 cents per kilowatt-hour;

(x) For all electricity in excess of 20,000,000 kilowatt-hours used or consumed in a month: 0.202 cents per kilowatt-hour.

Provided, that in lieu of the foregoing rates, the tax is imposed on a self-assessing purchaser at the rate of 5.1% of the self-assessing purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted and delivered to the self-assessing purchaser in a month.

(b) A tax is imposed on the privilege of using in this State electricity purchased from a municipal system or electric cooperative, as defined in Article XVII of the Public Utilities Act, which has not made an election as permitted by either Section 17-200 or Section 17-300 of such Act, at the lesser of 0.32 cents per kilowatt hour of all electricity

distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser or 5% of each such purchaser's purchase price for all electricity distributed, supplied, furnished, sold, transmitted, and delivered by such municipal system or electric cooperative to the purchaser, whichever is the lower rate as applied to each purchaser in each billing period.

(c) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity by business enterprises certified under Section 9-222.1 or 9-222.1A of the Public Utilities Act, as amended, to the extent of such exemption and during the time specified by the Department of Commerce and Economic Opportunity; or with respect to any transaction in interstate commerce, or otherwise, to the extent to which such transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.

(d) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a REV Illinois Project site that has received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to Section 95 of the Reimagining Energy and Electric Vehicles in Illinois Act, to the extent of such exemption, which shall be no more than 10 years.

(e) The tax imposed by this Section 2-4 is not imposed with respect to any use of electricity at a project site that has

received a certification for tax exemption from the Department of Commerce and Economic Opportunity pursuant to the Manufacturing Illinois Chips for Real Opportunity (MICRO) Act, to the extent of such exemption, which shall be no more than 10 years.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

Section 1000. The Public Utilities Act is amended by changing Sections 9-222 and 9-222.1A as follows:

(220 ILCS 5/9-222) (from Ch. 111 2/3, par. 9-222)

Sec. 9-222. Whenever a tax is imposed upon a public utility engaged in the business of distributing, supplying, furnishing, or selling gas for use or consumption pursuant to Section 2 of the Gas Revenue Tax Act, or whenever a tax is required to be collected by a delivering supplier pursuant to Section 2-7 of the Electricity Excise Tax Act, or whenever a tax is imposed upon a public utility pursuant to Section 2-202 of this Act, such utility may charge its customers, other than customers who are high impact businesses under Section 5.5 of the Illinois Enterprise Zone Act, customers who are ~~electric vehicle manufacturers, electric vehicle component parts manufacturers, or electric vehicle power supply equipment manufacturers at REV Illinois Project sites as certified under~~ Section 95 of the Reimagining Energy and ~~Electric~~ Vehicles in Illinois Act, manufacturers under the Manufacturing Illinois

Chips for Real Opportunity (MICRO) Act, or certified business enterprises under Section 9-222.1 of this Act, to the extent of such exemption and during the period in which such exemption is in effect, in addition to any rate authorized by this Act, an additional charge equal to the total amount of such taxes. The exemption of this Section relating to high impact businesses shall be subject to the provisions of subsections (a), (b), and (b-5) of Section 5.5 of the Illinois Enterprise Zone Act. This requirement shall not apply to taxes on invested capital imposed pursuant to the Messages Tax Act, the Gas Revenue Tax Act and the Public Utilities Revenue Act. Such utility shall file with the Commission a supplemental schedule which shall specify such additional charge and which shall become effective upon filing without further notice. Such additional charge shall be shown separately on the utility bill to each customer. The Commission shall have the power to investigate whether or not such supplemental schedule correctly specifies such additional charge, but shall have no power to suspend such supplemental schedule. If the Commission finds, after a hearing, that such supplemental schedule does not correctly specify such additional charge, it shall by order require a refund to the appropriate customers of the excess, if any, with interest, in such manner as it shall deem just and reasonable, and in and by such order shall require the utility to file an amended supplemental schedule corresponding to the finding and order of the Commission. Except with

respect to taxes imposed on invested capital, such tax liabilities shall be recovered from customers solely by means of the additional charges authorized by this Section.

(Source: P.A. 102-669, eff. 11-16-21; 102-700, eff. 4-19-22.)

(220 ILCS 5/9-222.1A)

Sec. 9-222.1A. High impact business. Beginning on August 1, 1998 and thereafter, a business enterprise that is certified as a High Impact Business by the Department of Commerce and Economic Opportunity (formerly Department of Commerce and Community Affairs) is exempt from the tax imposed by Section 2-4 of the Electricity Excise Tax Law, if the High Impact Business is registered to self-assess that tax, and is exempt from any additional charges added to the business enterprise's utility bills as a pass-on of State utility taxes under Section 9-222 of this Act, to the extent the tax or charges are exempted by the percentage specified by the Department of Commerce and Economic Opportunity for State utility taxes, provided the business enterprise meets the following criteria:

- (1) (A) it intends either (i) to make a minimum eligible investment of \$12,000,000 that will be placed in service in qualified property in Illinois and is intended to create at least 500 full-time equivalent jobs at a designated location in Illinois; or (ii) to make a minimum eligible investment of \$30,000,000 that

will be placed in service in qualified property in Illinois and is intended to retain at least 1,500 full-time equivalent jobs at a designated location in Illinois; or

(B) it meets the criteria of subdivision (a) (3) (B), (a) (3) (C), (a) (3) (D), or (a) (3) (F) of Section 5.5 of the Illinois Enterprise Zone Act;

(2) it is designated as a High Impact Business by the Department of Commerce and Economic Opportunity; and

(3) it is certified by the Department of Commerce and Economic Opportunity as complying with the requirements specified in clauses (1) and (2) of this Section.

The Department of Commerce and Economic Opportunity shall determine the period during which the exemption from the Electricity Excise Tax Law and the charges imposed under Section 9-222 are in effect, ~~which shall not exceed 20 years from the date of initial certification,~~ and shall specify the percentage of the exemption from those taxes or additional charges.

The Department of Commerce and Economic Opportunity is authorized to promulgate rules and regulations to carry out the provisions of this Section, including procedures for complying with the requirements specified in clauses (1) and (2) of this Section and procedures for applying for the exemptions authorized under this Section; to define the amounts and types of eligible investments that business

enterprises must make in order to receive State utility tax exemptions or exemptions from the additional charges imposed under Section 9-222 and this Section; to approve such utility tax exemptions for business enterprises whose investments are not yet placed in service; and to require that business enterprises granted tax exemptions or exemptions from additional charges under Section 9-222 repay the exempted amount if the business enterprise fails to comply with the terms and conditions of the certification.

Upon certification of the business enterprises by the Department of Commerce and Economic Opportunity, the Department of Commerce and Economic Opportunity shall notify the Department of Revenue of the certification. The Department of Revenue shall notify the public utilities of the exemption status of business enterprises from the tax or pass-on charges of State utility taxes. The exemption status shall take effect within 3 months after certification of the business enterprise.

(Source: P.A. 98-109, eff. 7-25-13.)

Section 9999. Effective date. This Act takes effect upon becoming law.