



Rep. Mark L. Walker

Filed: 5/21/2019

10100SB1591ham001

LRB101 08762 HLH 60918 a

1 AMENDMENT TO SENATE BILL 1591

2 AMENDMENT NO. _____. Amend Senate Bill 1591 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 adding Sections 201 and 229 as follows:

6 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

7 Sec. 201. Tax imposed.

8 (a) In general. A tax measured by net income is hereby
9 imposed on every individual, corporation, trust and estate for
10 each taxable year ending after July 31, 1969 on the privilege
11 of earning or receiving income in or as a resident of this
12 State. Such tax shall be in addition to all other occupation or
13 privilege taxes imposed by this State or by any municipal
14 corporation or political subdivision thereof.

15 (b) Rates. The tax imposed by subsection (a) of this
16 Section shall be determined as follows, except as adjusted by

1 subsection (d-1):

2 (1) In the case of an individual, trust or estate, for
3 taxable years ending prior to July 1, 1989, an amount equal
4 to 2 1/2% of the taxpayer's net income for the taxable
5 year.

6 (2) In the case of an individual, trust or estate, for
7 taxable years beginning prior to July 1, 1989 and ending
8 after June 30, 1989, an amount equal to the sum of (i) 2
9 1/2% of the taxpayer's net income for the period prior to
10 July 1, 1989, as calculated under Section 202.3, and (ii)
11 3% of the taxpayer's net income for the period after June
12 30, 1989, as calculated under Section 202.3.

13 (3) In the case of an individual, trust or estate, for
14 taxable years beginning after June 30, 1989, and ending
15 prior to January 1, 2011, an amount equal to 3% of the
16 taxpayer's net income for the taxable year.

17 (4) In the case of an individual, trust, or estate, for
18 taxable years beginning prior to January 1, 2011, and
19 ending after December 31, 2010, an amount equal to the sum
20 of (i) 3% of the taxpayer's net income for the period prior
21 to January 1, 2011, as calculated under Section 202.5, and
22 (ii) 5% of the taxpayer's net income for the period after
23 December 31, 2010, as calculated under Section 202.5.

24 (5) In the case of an individual, trust, or estate, for
25 taxable years beginning on or after January 1, 2011, and
26 ending prior to January 1, 2015, an amount equal to 5% of

1 the taxpayer's net income for the taxable year.

2 (5.1) In the case of an individual, trust, or estate,
3 for taxable years beginning prior to January 1, 2015, and
4 ending after December 31, 2014, an amount equal to the sum
5 of (i) 5% of the taxpayer's net income for the period prior
6 to January 1, 2015, as calculated under Section 202.5, and
7 (ii) 3.75% of the taxpayer's net income for the period
8 after December 31, 2014, as calculated under Section 202.5.

9 (5.2) In the case of an individual, trust, or estate,
10 for taxable years beginning on or after January 1, 2015,
11 and ending prior to July 1, 2017, an amount equal to 3.75%
12 of the taxpayer's net income for the taxable year.

13 (5.3) In the case of an individual, trust, or estate,
14 for taxable years beginning prior to July 1, 2017, and
15 ending after June 30, 2017, an amount equal to the sum of
16 (i) 3.75% of the taxpayer's net income for the period prior
17 to July 1, 2017, as calculated under Section 202.5, and
18 (ii) 4.95% of the taxpayer's net income for the period
19 after June 30, 2017, as calculated under Section 202.5.

20 (5.4) In the case of an individual, trust, or estate,
21 for taxable years beginning on or after July 1, 2017, an
22 amount equal to 4.95% of the taxpayer's net income for the
23 taxable year.

24 (6) In the case of a corporation, for taxable years
25 ending prior to July 1, 1989, an amount equal to 4% of the
26 taxpayer's net income for the taxable year.

1 (7) In the case of a corporation, for taxable years
2 beginning prior to July 1, 1989 and ending after June 30,
3 1989, an amount equal to the sum of (i) 4% of the
4 taxpayer's net income for the period prior to July 1, 1989,
5 as calculated under Section 202.3, and (ii) 4.8% of the
6 taxpayer's net income for the period after June 30, 1989,
7 as calculated under Section 202.3.

8 (8) In the case of a corporation, for taxable years
9 beginning after June 30, 1989, and ending prior to January
10 1, 2011, an amount equal to 4.8% of the taxpayer's net
11 income for the taxable year.

12 (9) In the case of a corporation, for taxable years
13 beginning prior to January 1, 2011, and ending after
14 December 31, 2010, an amount equal to the sum of (i) 4.8%
15 of the taxpayer's net income for the period prior to
16 January 1, 2011, as calculated under Section 202.5, and
17 (ii) 7% of the taxpayer's net income for the period after
18 December 31, 2010, as calculated under Section 202.5.

19 (10) In the case of a corporation, for taxable years
20 beginning on or after January 1, 2011, and ending prior to
21 January 1, 2015, an amount equal to 7% of the taxpayer's
22 net income for the taxable year.

23 (11) In the case of a corporation, for taxable years
24 beginning prior to January 1, 2015, and ending after
25 December 31, 2014, an amount equal to the sum of (i) 7% of
26 the taxpayer's net income for the period prior to January

1 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
2 of the taxpayer's net income for the period after December
3 31, 2014, as calculated under Section 202.5.

4 (12) In the case of a corporation, for taxable years
5 beginning on or after January 1, 2015, and ending prior to
6 July 1, 2017, an amount equal to 5.25% of the taxpayer's
7 net income for the taxable year.

8 (13) In the case of a corporation, for taxable years
9 beginning prior to July 1, 2017, and ending after June 30,
10 2017, an amount equal to the sum of (i) 5.25% of the
11 taxpayer's net income for the period prior to July 1, 2017,
12 as calculated under Section 202.5, and (ii) 7% of the
13 taxpayer's net income for the period after June 30, 2017,
14 as calculated under Section 202.5.

15 (14) In the case of a corporation, for taxable years
16 beginning on or after July 1, 2017, an amount equal to 7%
17 of the taxpayer's net income for the taxable year.

18 The rates under this subsection (b) are subject to the
19 provisions of Section 201.5.

20 (c) Personal Property Tax Replacement Income Tax.
21 Beginning on July 1, 1979 and thereafter, in addition to such
22 income tax, there is also hereby imposed the Personal Property
23 Tax Replacement Income Tax measured by net income on every
24 corporation (including Subchapter S corporations), partnership
25 and trust, for each taxable year ending after June 30, 1979.
26 Such taxes are imposed on the privilege of earning or receiving

1 income in or as a resident of this State. The Personal Property
2 Tax Replacement Income Tax shall be in addition to the income
3 tax imposed by subsections (a) and (b) of this Section and in
4 addition to all other occupation or privilege taxes imposed by
5 this State or by any municipal corporation or political
6 subdivision thereof.

7 (d) Additional Personal Property Tax Replacement Income
8 Tax Rates. The personal property tax replacement income tax
9 imposed by this subsection and subsection (c) of this Section
10 in the case of a corporation, other than a Subchapter S
11 corporation and except as adjusted by subsection (d-1), shall
12 be an additional amount equal to 2.85% of such taxpayer's net
13 income for the taxable year, except that beginning on January
14 1, 1981, and thereafter, the rate of 2.85% specified in this
15 subsection shall be reduced to 2.5%, and in the case of a
16 partnership, trust or a Subchapter S corporation shall be an
17 additional amount equal to 1.5% of such taxpayer's net income
18 for the taxable year.

19 (d-1) Rate reduction for certain foreign insurers. In the
20 case of a foreign insurer, as defined by Section 35A-5 of the
21 Illinois Insurance Code, whose state or country of domicile
22 imposes on insurers domiciled in Illinois a retaliatory tax
23 (excluding any insurer whose premiums from reinsurance assumed
24 are 50% or more of its total insurance premiums as determined
25 under paragraph (2) of subsection (b) of Section 304, except
26 that for purposes of this determination premiums from

1 reinsurance do not include premiums from inter-affiliate
2 reinsurance arrangements), beginning with taxable years ending
3 on or after December 31, 1999, the sum of the rates of tax
4 imposed by subsections (b) and (d) shall be reduced (but not
5 increased) to the rate at which the total amount of tax imposed
6 under this Act, net of all credits allowed under this Act,
7 shall equal (i) the total amount of tax that would be imposed
8 on the foreign insurer's net income allocable to Illinois for
9 the taxable year by such foreign insurer's state or country of
10 domicile if that net income were subject to all income taxes
11 and taxes measured by net income imposed by such foreign
12 insurer's state or country of domicile, net of all credits
13 allowed or (ii) a rate of zero if no such tax is imposed on such
14 income by the foreign insurer's state of domicile. For the
15 purposes of this subsection (d-1), an inter-affiliate includes
16 a mutual insurer under common management.

17 (1) For the purposes of subsection (d-1), in no event
18 shall the sum of the rates of tax imposed by subsections
19 (b) and (d) be reduced below the rate at which the sum of:

20 (A) the total amount of tax imposed on such foreign
21 insurer under this Act for a taxable year, net of all
22 credits allowed under this Act, plus

23 (B) the privilege tax imposed by Section 409 of the
24 Illinois Insurance Code, the fire insurance company
25 tax imposed by Section 12 of the Fire Investigation
26 Act, and the fire department taxes imposed under

1 Section 11-10-1 of the Illinois Municipal Code,
2 equals 1.25% for taxable years ending prior to December 31,
3 2003, or 1.75% for taxable years ending on or after
4 December 31, 2003, of the net taxable premiums written for
5 the taxable year, as described by subsection (1) of Section
6 409 of the Illinois Insurance Code. This paragraph will in
7 no event increase the rates imposed under subsections (b)
8 and (d).

9 (2) Any reduction in the rates of tax imposed by this
10 subsection shall be applied first against the rates imposed
11 by subsection (b) and only after the tax imposed by
12 subsection (a) net of all credits allowed under this
13 Section other than the credit allowed under subsection (i)
14 has been reduced to zero, against the rates imposed by
15 subsection (d).

16 This subsection (d-1) is exempt from the provisions of
17 Section 250.

18 (e) Investment credit. A taxpayer shall be allowed a credit
19 against the Personal Property Tax Replacement Income Tax for
20 investment in qualified property.

21 (1) A taxpayer shall be allowed a credit equal to .5%
22 of the basis of qualified property placed in service during
23 the taxable year, provided such property is placed in
24 service on or after July 1, 1984. There shall be allowed an
25 additional credit equal to .5% of the basis of qualified
26 property placed in service during the taxable year,

1 provided such property is placed in service on or after
2 July 1, 1986, and the taxpayer's base employment within
3 Illinois has increased by 1% or more over the preceding
4 year as determined by the taxpayer's employment records
5 filed with the Illinois Department of Employment Security.
6 Taxpayers who are new to Illinois shall be deemed to have
7 met the 1% growth in base employment for the first year in
8 which they file employment records with the Illinois
9 Department of Employment Security. The provisions added to
10 this Section by Public Act 85-1200 (and restored by Public
11 Act 87-895) shall be construed as declaratory of existing
12 law and not as a new enactment. If, in any year, the
13 increase in base employment within Illinois over the
14 preceding year is less than 1%, the additional credit shall
15 be limited to that percentage times a fraction, the
16 numerator of which is .5% and the denominator of which is
17 1%, but shall not exceed .5%. The investment credit shall
18 not be allowed to the extent that it would reduce a
19 taxpayer's liability in any tax year below zero, nor may
20 any credit for qualified property be allowed for any year
21 other than the year in which the property was placed in
22 service in Illinois. For tax years ending on or after
23 December 31, 1987, and on or before December 31, 1988, the
24 credit shall be allowed for the tax year in which the
25 property is placed in service, or, if the amount of the
26 credit exceeds the tax liability for that year, whether it

1 exceeds the original liability or the liability as later
2 amended, such excess may be carried forward and applied to
3 the tax liability of the 5 taxable years following the
4 excess credit years if the taxpayer (i) makes investments
5 which cause the creation of a minimum of 2,000 full-time
6 equivalent jobs in Illinois, (ii) is located in an
7 enterprise zone established pursuant to the Illinois
8 Enterprise Zone Act and (iii) is certified by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity) as
11 complying with the requirements specified in clause (i) and
12 (ii) by July 1, 1986. The Department of Commerce and
13 Community Affairs (now Department of Commerce and Economic
14 Opportunity) shall notify the Department of Revenue of all
15 such certifications immediately. For tax years ending
16 after December 31, 1988, the credit shall be allowed for
17 the tax year in which the property is placed in service,
18 or, if the amount of the credit exceeds the tax liability
19 for that year, whether it exceeds the original liability or
20 the liability as later amended, such excess may be carried
21 forward and applied to the tax liability of the 5 taxable
22 years following the excess credit years. The credit shall
23 be applied to the earliest year for which there is a
24 liability. If there is credit from more than one tax year
25 that is available to offset a liability, earlier credit
26 shall be applied first.

1 (2) The term "qualified property" means property
2 which:

3 (A) is tangible, whether new or used, including
4 buildings and structural components of buildings and
5 signs that are real property, but not including land or
6 improvements to real property that are not a structural
7 component of a building such as landscaping, sewer
8 lines, local access roads, fencing, parking lots, and
9 other appurtenances;

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

15 (C) is acquired by purchase as defined in Section
16 179(d) of the Internal Revenue Code;

17 (D) is used in Illinois by a taxpayer who is
18 primarily engaged in manufacturing, or in mining coal
19 or fluorite, or in retailing, or was placed in service
20 on or after July 1, 2006 in a River Edge Redevelopment
21 Zone established pursuant to the River Edge
22 Redevelopment Zone Act; and

23 (E) has not previously been used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (e) or
26 subsection (f).

1 (3) For purposes of this subsection (e),
2 "manufacturing" means the material staging and production
3 of tangible personal property by procedures commonly
4 regarded as manufacturing, processing, fabrication, or
5 assembling which changes some existing material into new
6 shapes, new qualities, or new combinations. For purposes of
7 this subsection (e) the term "mining" shall have the same
8 meaning as the term "mining" in Section 613(c) of the
9 Internal Revenue Code. For purposes of this subsection (e),
10 the term "retailing" means the sale of tangible personal
11 property for use or consumption and not for resale, or
12 services rendered in conjunction with the sale of tangible
13 personal property for use or consumption and not for
14 resale. For purposes of this subsection (e), "tangible
15 personal property" has the same meaning as when that term
16 is used in the Retailers' Occupation Tax Act, and, for
17 taxable years ending after December 31, 2008, does not
18 include the generation, transmission, or distribution of
19 electricity.

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

23 (5) If the basis of the property for federal income tax
24 depreciation purposes is increased after it has been placed
25 in service in Illinois by the taxpayer, the amount of such
26 increase shall be deemed property placed in service on the

1 date of such increase in basis.

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

4 (7) If during any taxable year, any property ceases to
5 be qualified property in the hands of the taxpayer within
6 48 months after being placed in service, or the situs of
7 any qualified property is moved outside Illinois within 48
8 months after being placed in service, the Personal Property
9 Tax Replacement Income Tax for such taxable year shall be
10 increased. Such increase shall be determined by (i)
11 recomputing the investment credit which would have been
12 allowed for the year in which credit for such property was
13 originally allowed by eliminating such property from such
14 computation and, (ii) subtracting such recomputed credit
15 from the amount of credit previously allowed. For the
16 purposes of this paragraph (7), a reduction of the basis of
17 qualified property resulting from a redetermination of the
18 purchase price shall be deemed a disposition of qualified
19 property to the extent of such reduction.

20 (8) Unless the investment credit is extended by law,
21 the basis of qualified property shall not include costs
22 incurred after December 31, 2018, except for costs incurred
23 pursuant to a binding contract entered into on or before
24 December 31, 2018.

25 (9) Each taxable year ending before December 31, 2000,
26 a partnership may elect to pass through to its partners the

1 credits to which the partnership is entitled under this
2 subsection (e) for the taxable year. A partner may use the
3 credit allocated to him or her under this paragraph only
4 against the tax imposed in subsections (c) and (d) of this
5 Section. If the partnership makes that election, those
6 credits shall be allocated among the partners in the
7 partnership in accordance with the rules set forth in
8 Section 704(b) of the Internal Revenue Code, and the rules
9 promulgated under that Section, and the allocated amount of
10 the credits shall be allowed to the partners for that
11 taxable year. The partnership shall make this election on
12 its Personal Property Tax Replacement Income Tax return for
13 that taxable year. The election to pass through the credits
14 shall be irrevocable.

15 For taxable years ending on or after December 31, 2000,
16 a partner that qualifies its partnership for a subtraction
17 under subparagraph (I) of paragraph (2) of subsection (d)
18 of Section 203 or a shareholder that qualifies a Subchapter
19 S corporation for a subtraction under subparagraph (S) of
20 paragraph (2) of subsection (b) of Section 203 shall be
21 allowed a credit under this subsection (e) equal to its
22 share of the credit earned under this subsection (e) during
23 the taxable year by the partnership or Subchapter S
24 corporation, determined in accordance with the
25 determination of income and distributive share of income
26 under Sections 702 and 704 and Subchapter S of the Internal

1 Revenue Code. This paragraph is exempt from the provisions
2 of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge
4 Redevelopment Zone.

5 (1) A taxpayer shall be allowed a credit against the
6 tax imposed by subsections (a) and (b) of this Section for
7 investment in qualified property which is placed in service
8 in an Enterprise Zone created pursuant to the Illinois
9 Enterprise Zone Act or, for property placed in service on
10 or after July 1, 2006, a River Edge Redevelopment Zone
11 established pursuant to the River Edge Redevelopment Zone
12 Act. For partners, shareholders of Subchapter S
13 corporations, and owners of limited liability companies,
14 if the liability company is treated as a partnership for
15 purposes of federal and State income taxation, there shall
16 be allowed a credit under this subsection (f) to be
17 determined in accordance with the determination of income
18 and distributive share of income under Sections 702 and 704
19 and Subchapter S of the Internal Revenue Code. The credit
20 shall be .5% of the basis for such property. The credit
21 shall be available only in the taxable year in which the
22 property is placed in service in the Enterprise Zone or
23 River Edge Redevelopment Zone and shall not be allowed to
24 the extent that it would reduce a taxpayer's liability for
25 the tax imposed by subsections (a) and (b) of this Section
26 to below zero. For tax years ending on or after December

1 31, 1985, the credit shall be allowed for the tax year in
2 which the property is placed in service, or, if the amount
3 of the credit exceeds the tax liability for that year,
4 whether it exceeds the original liability or the liability
5 as later amended, such excess may be carried forward and
6 applied to the tax liability of the 5 taxable years
7 following the excess credit year. The credit shall be
8 applied to the earliest year for which there is a
9 liability. If there is credit from more than one tax year
10 that is available to offset a liability, the credit
11 accruing first in time shall be applied first.

12 (2) The term qualified property means property which:

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

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

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

22 (D) is used in the Enterprise Zone or River Edge
23 Redevelopment Zone by the taxpayer; and

24 (E) has not been previously used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (f) or

1 subsection (e).

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

5 (4) If the basis of the property for federal income tax
6 depreciation purposes is increased after it has been placed
7 in service in the Enterprise Zone or River Edge
8 Redevelopment Zone by the taxpayer, the amount of such
9 increase shall be deemed property placed in service on the
10 date of such increase in basis.

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

13 (6) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside the Enterprise Zone
17 or River Edge Redevelopment Zone within 48 months after
18 being placed in service, the tax imposed under subsections
19 (a) and (b) of this Section for such taxable year shall be
20 increased. Such increase shall be determined by (i)
21 recomputing the investment credit which would have been
22 allowed for the year in which credit for such property was
23 originally allowed by eliminating such property from such
24 computation, and (ii) subtracting such recomputed credit
25 from the amount of credit previously allowed. For the
26 purposes of this paragraph (6), a reduction of the basis of

1 qualified property resulting from a redetermination of the
2 purchase price shall be deemed a disposition of qualified
3 property to the extent of such reduction.

4 (7) There shall be allowed an additional credit equal
5 to 0.5% of the basis of qualified property placed in
6 service during the taxable year in a River Edge
7 Redevelopment Zone, provided such property is placed in
8 service on or after July 1, 2006, and the taxpayer's base
9 employment within Illinois has increased by 1% or more over
10 the preceding year as determined by the taxpayer's
11 employment records filed with the Illinois Department of
12 Employment Security. Taxpayers who are new to Illinois
13 shall be deemed to have met the 1% growth in base
14 employment for the first year in which they file employment
15 records with the Illinois Department of Employment
16 Security. If, in any year, the increase in base employment
17 within Illinois over the preceding year is less than 1%,
18 the additional credit shall be limited to that percentage
19 times a fraction, the numerator of which is 0.5% and the
20 denominator of which is 1%, but shall not exceed 0.5%.

21 (g) (Blank).

22 (h) Investment credit; High Impact Business.

23 (1) Subject to subsections (b) and (b-5) of Section 5.5
24 of the Illinois Enterprise Zone Act, a taxpayer shall be
25 allowed a credit against the tax imposed by subsections (a)
26 and (b) of this Section for investment in qualified

1 property which is placed in service by a Department of
2 Commerce and Economic Opportunity designated High Impact
3 Business. The credit shall be .5% of the basis for such
4 property. The credit shall not be available (i) until the
5 minimum investments in qualified property set forth in
6 subdivision (a)(3)(A) of Section 5.5 of the Illinois
7 Enterprise Zone Act have been satisfied or (ii) until the
8 time authorized in subsection (b-5) of the Illinois
9 Enterprise Zone Act for entities designated as High Impact
10 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
11 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
12 Act, and shall not be allowed to the extent that it would
13 reduce a taxpayer's liability for the tax imposed by
14 subsections (a) and (b) of this Section to below zero. The
15 credit applicable to such investments shall be taken in the
16 taxable year in which such investments have been completed.
17 The credit for additional investments beyond the minimum
18 investment by a designated high impact business authorized
19 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
20 Enterprise Zone Act shall be available only in the taxable
21 year in which the property is placed in service and shall
22 not be allowed to the extent that it would reduce a
23 taxpayer's liability for the tax imposed by subsections (a)
24 and (b) of this Section to below zero. For tax years ending
25 on or after December 31, 1987, the credit shall be allowed
26 for the tax year in which the property is placed in

1 service, or, if the amount of the credit exceeds the tax
2 liability for that year, whether it exceeds the original
3 liability or the liability as later amended, such excess
4 may be carried forward and applied to the tax liability of
5 the 5 taxable years following the excess credit year. The
6 credit shall be applied to the earliest year for which
7 there is a liability. If there is credit from more than one
8 tax year that is available to offset a liability, the
9 credit accruing first in time shall be applied first.

10 Changes made in this subdivision (h) (1) by Public Act
11 88-670 restore changes made by Public Act 85-1182 and
12 reflect existing law.

13 (2) The term qualified property means property which:

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

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

21 (C) is acquired by purchase as defined in Section
22 179(d) of the Internal Revenue Code; and

23 (D) is not eligible for the Enterprise Zone
24 Investment Credit provided by subsection (f) of this
25 Section.

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income tax
4 depreciation purposes is increased after it has been placed
5 in service in a federally designated Foreign Trade Zone or
6 Sub-Zone located in Illinois by the taxpayer, the amount of
7 such increase shall be deemed property placed in service on
8 the date of such increase in basis.

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

11 (6) If during any taxable year ending on or before
12 December 31, 1996, any property ceases to be qualified
13 property in the hands of the taxpayer within 48 months
14 after being placed in service, or the situs of any
15 qualified property is moved outside Illinois within 48
16 months after being placed in service, the tax imposed under
17 subsections (a) and (b) of this Section for such taxable
18 year shall be increased. Such increase shall be determined
19 by (i) recomputing the investment credit which would have
20 been allowed for the year in which credit for such property
21 was originally allowed by eliminating such property from
22 such computation, and (ii) subtracting such recomputed
23 credit from the amount of credit previously allowed. For
24 the purposes of this paragraph (6), a reduction of the
25 basis of qualified property resulting from a
26 redetermination of the purchase price shall be deemed a

1 disposition of qualified property to the extent of such
2 reduction.

3 (7) Beginning with tax years ending after December 31,
4 1996, if a taxpayer qualifies for the credit under this
5 subsection (h) and thereby is granted a tax abatement and
6 the taxpayer relocates its entire facility in violation of
7 the explicit terms and length of the contract under Section
8 18-183 of the Property Tax Code, the tax imposed under
9 subsections (a) and (b) of this Section shall be increased
10 for the taxable year in which the taxpayer relocated its
11 facility by an amount equal to the amount of credit
12 received by the taxpayer under this subsection (h).

13 (i) Credit for Personal Property Tax Replacement Income
14 Tax. For tax years ending prior to December 31, 2003, a credit
15 shall be allowed against the tax imposed by subsections (a) and
16 (b) of this Section for the tax imposed by subsections (c) and
17 (d) of this Section. This credit shall be computed by
18 multiplying the tax imposed by subsections (c) and (d) of this
19 Section by a fraction, the numerator of which is base income
20 allocable to Illinois and the denominator of which is Illinois
21 base income, and further multiplying the product by the tax
22 rate imposed by subsections (a) and (b) of this Section.

23 Any credit earned on or after December 31, 1986 under this
24 subsection which is unused in the year the credit is computed
25 because it exceeds the tax liability imposed by subsections (a)
26 and (b) for that year (whether it exceeds the original

1 liability or the liability as later amended) may be carried
2 forward and applied to the tax liability imposed by subsections
3 (a) and (b) of the 5 taxable years following the excess credit
4 year, provided that no credit may be carried forward to any
5 year ending on or after December 31, 2003. This credit shall be
6 applied first to the earliest year for which there is a
7 liability. If there is a credit under this subsection from more
8 than one tax year that is available to offset a liability the
9 earliest credit arising under this subsection shall be applied
10 first.

11 If, during any taxable year ending on or after December 31,
12 1986, the tax imposed by subsections (c) and (d) of this
13 Section for which a taxpayer has claimed a credit under this
14 subsection (i) is reduced, the amount of credit for such tax
15 shall also be reduced. Such reduction shall be determined by
16 recomputing the credit to take into account the reduced tax
17 imposed by subsections (c) and (d). If any portion of the
18 reduced amount of credit has been carried to a different
19 taxable year, an amended return shall be filed for such taxable
20 year to reduce the amount of credit claimed.

21 (j) Training expense credit. Beginning with tax years
22 ending on or after December 31, 1986 and prior to December 31,
23 2003, a taxpayer shall be allowed a credit against the tax
24 imposed by subsections (a) and (b) under this Section for all
25 amounts paid or accrued, on behalf of all persons employed by
26 the taxpayer in Illinois or Illinois residents employed outside

1 of Illinois by a taxpayer, for educational or vocational
2 training in semi-technical or technical fields or semi-skilled
3 or skilled fields, which were deducted from gross income in the
4 computation of taxable income. The credit against the tax
5 imposed by subsections (a) and (b) shall be 1.6% of such
6 training expenses. For partners, shareholders of subchapter S
7 corporations, and owners of limited liability companies, if the
8 liability company is treated as a partnership for purposes of
9 federal and State income taxation, there shall be allowed a
10 credit under this subsection (j) to be determined in accordance
11 with the determination of income and distributive share of
12 income under Sections 702 and 704 and subchapter S of the
13 Internal Revenue Code.

14 Any credit allowed under this subsection which is unused in
15 the year the credit is earned may be carried forward to each of
16 the 5 taxable years following the year for which the credit is
17 first computed until it is used. This credit shall be applied
18 first to the earliest year for which there is a liability. If
19 there is a credit under this subsection from more than one tax
20 year that is available to offset a liability the earliest
21 credit arising under this subsection shall be applied first. No
22 carryforward credit may be claimed in any tax year ending on or
23 after December 31, 2003.

24 (k) Research and development credit. For tax years ending
25 after July 1, 1990 and prior to December 31, 2003, and
26 beginning again for tax years ending on or after December 31,

1 2004, and ending prior to January 1, 2027 ~~January 1, 2022~~, a
2 taxpayer shall be allowed a credit against the tax imposed by
3 subsections (a) and (b) of this Section for increasing research
4 activities in this State. The credit allowed against the tax
5 imposed by subsections (a) and (b) shall be equal to 6 1/2% of
6 the qualifying expenditures for increasing research activities
7 in this State. For partners, shareholders of subchapter S
8 corporations, and owners of limited liability companies, if the
9 liability company is treated as a partnership for purposes of
10 federal and State income taxation, there shall be allowed a
11 credit under this subsection to be determined in accordance
12 with the determination of income and distributive share of
13 income under Sections 702 and 704 and subchapter S of the
14 Internal Revenue Code.

15 For purposes of this subsection, "qualifying expenditures"
16 means the qualifying expenditures as defined for the federal
17 credit for increasing research activities which would be
18 allowable under Section 41 of the Internal Revenue Code and
19 which are conducted in this State, "qualifying expenditures for
20 increasing research activities in this State" means the excess
21 of qualifying expenditures for the taxable year in which
22 incurred over qualifying expenditures for the base period,
23 "qualifying expenditures for the base period" means the average
24 of the qualifying expenditures for each year in the base
25 period, and "base period" means the 3 taxable years immediately
26 preceding the taxable year for which the determination is being

1 made.

2 Any credit in excess of the tax liability for the taxable
3 year may be carried forward. A taxpayer may elect to have the
4 unused credit shown on its final completed return carried over
5 as a credit against the tax liability for the following 5
6 taxable years or until it has been fully used, whichever occurs
7 first; provided that no credit earned in a tax year ending
8 prior to December 31, 2003 may be carried forward to any year
9 ending on or after December 31, 2003.

10 If an unused credit is carried forward to a given year from
11 2 or more earlier years, that credit arising in the earliest
12 year will be applied first against the tax liability for the
13 given year. If a tax liability for the given year still
14 remains, the credit from the next earliest year will then be
15 applied, and so on, until all credits have been used or no tax
16 liability for the given year remains. Any remaining unused
17 credit or credits then will be carried forward to the next
18 following year in which a tax liability is incurred, except
19 that no credit can be carried forward to a year which is more
20 than 5 years after the year in which the expense for which the
21 credit is given was incurred.

22 No inference shall be drawn from this amendatory Act of the
23 91st General Assembly in construing this Section for taxable
24 years beginning before January 1, 1999.

25 It is the intent of the General Assembly that the research
26 and development credit under this subsection (k) shall apply

1 continuously for all tax years ending on or after December 31,
2 2004 and ending prior to January 1, 2027 ~~January 1, 2022~~,
3 including, but not limited to, the period beginning on January
4 1, 2016 and ending on the effective date of this amendatory Act
5 of the 100th General Assembly. All actions taken in reliance on
6 the continuation of the credit under this subsection (k) by any
7 taxpayer are hereby validated.

8 (l) Environmental Remediation Tax Credit.

9 (i) For tax years ending after December 31, 1997 and on
10 or before December 31, 2001, a taxpayer shall be allowed a
11 credit against the tax imposed by subsections (a) and (b)
12 of this Section for certain amounts paid for unreimbursed
13 eligible remediation costs, as specified in this
14 subsection. For purposes of this Section, "unreimbursed
15 eligible remediation costs" means costs approved by the
16 Illinois Environmental Protection Agency ("Agency") under
17 Section 58.14 of the Environmental Protection Act that were
18 paid in performing environmental remediation at a site for
19 which a No Further Remediation Letter was issued by the
20 Agency and recorded under Section 58.10 of the
21 Environmental Protection Act. The credit must be claimed
22 for the taxable year in which Agency approval of the
23 eligible remediation costs is granted. The credit is not
24 available to any taxpayer if the taxpayer or any related
25 party caused or contributed to, in any material respect, a
26 release of regulated substances on, in, or under the site

1 that was identified and addressed by the remedial action
2 pursuant to the Site Remediation Program of the
3 Environmental Protection Act. After the Pollution Control
4 Board rules are adopted pursuant to the Illinois
5 Administrative Procedure Act for the administration and
6 enforcement of Section 58.9 of the Environmental
7 Protection Act, determinations as to credit availability
8 for purposes of this Section shall be made consistent with
9 those rules. For purposes of this Section, "taxpayer"
10 includes a person whose tax attributes the taxpayer has
11 succeeded to under Section 381 of the Internal Revenue Code
12 and "related party" includes the persons disallowed a
13 deduction for losses by paragraphs (b), (c), and (f)(1) of
14 Section 267 of the Internal Revenue Code by virtue of being
15 a related taxpayer, as well as any of its partners. The
16 credit allowed against the tax imposed by subsections (a)
17 and (b) shall be equal to 25% of the unreimbursed eligible
18 remediation costs in excess of \$100,000 per site, except
19 that the \$100,000 threshold shall not apply to any site
20 contained in an enterprise zone as determined by the
21 Department of Commerce and Community Affairs (now
22 Department of Commerce and Economic Opportunity). The
23 total credit allowed shall not exceed \$40,000 per year with
24 a maximum total of \$150,000 per site. For partners and
25 shareholders of subchapter S corporations, there shall be
26 allowed a credit under this subsection to be determined in

1 accordance with the determination of income and
2 distributive share of income under Sections 702 and 704 and
3 subchapter S of the Internal Revenue Code.

4 (ii) A credit allowed under this subsection that is
5 unused in the year the credit is earned may be carried
6 forward to each of the 5 taxable years following the year
7 for which the credit is first earned until it is used. The
8 term "unused credit" does not include any amounts of
9 unreimbursed eligible remediation costs in excess of the
10 maximum credit per site authorized under paragraph (i).
11 This credit shall be applied first to the earliest year for
12 which there is a liability. If there is a credit under this
13 subsection from more than one tax year that is available to
14 offset a liability, the earliest credit arising under this
15 subsection shall be applied first. A credit allowed under
16 this subsection may be sold to a buyer as part of a sale of
17 all or part of the remediation site for which the credit
18 was granted. The purchaser of a remediation site and the
19 tax credit shall succeed to the unused credit and remaining
20 carry-forward period of the seller. To perfect the
21 transfer, the assignor shall record the transfer in the
22 chain of title for the site and provide written notice to
23 the Director of the Illinois Department of Revenue of the
24 assignor's intent to sell the remediation site and the
25 amount of the tax credit to be transferred as a portion of
26 the sale. In no event may a credit be transferred to any

1 taxpayer if the taxpayer or a related party would not be
2 eligible under the provisions of subsection (i).

3 (iii) For purposes of this Section, the term "site"
4 shall have the same meaning as under Section 58.2 of the
5 Environmental Protection Act.

6 (m) Education expense credit. Beginning with tax years
7 ending after December 31, 1999, a taxpayer who is the custodian
8 of one or more qualifying pupils shall be allowed a credit
9 against the tax imposed by subsections (a) and (b) of this
10 Section for qualified education expenses incurred on behalf of
11 the qualifying pupils. The credit shall be equal to 25% of
12 qualified education expenses, but in no event may the total
13 credit under this subsection claimed by a family that is the
14 custodian of qualifying pupils exceed (i) \$500 for tax years
15 ending prior to December 31, 2017, and (ii) \$750 for tax years
16 ending on or after December 31, 2017. In no event shall a
17 credit under this subsection reduce the taxpayer's liability
18 under this Act to less than zero. Notwithstanding any other
19 provision of law, for taxable years beginning on or after
20 January 1, 2017, no taxpayer may claim a credit under this
21 subsection (m) if the taxpayer's adjusted gross income for the
22 taxable year exceeds (i) \$500,000, in the case of spouses
23 filing a joint federal tax return or (ii) \$250,000, in the case
24 of all other taxpayers. This subsection is exempt from the
25 provisions of Section 250 of this Act.

26 For purposes of this subsection:

1 "Qualifying pupils" means individuals who (i) are
2 residents of the State of Illinois, (ii) are under the age of
3 21 at the close of the school year for which a credit is
4 sought, and (iii) during the school year for which a credit is
5 sought were full-time pupils enrolled in a kindergarten through
6 twelfth grade education program at any school, as defined in
7 this subsection.

8 "Qualified education expense" means the amount incurred on
9 behalf of a qualifying pupil in excess of \$250 for tuition,
10 book fees, and lab fees at the school in which the pupil is
11 enrolled during the regular school year.

12 "School" means any public or nonpublic elementary or
13 secondary school in Illinois that is in compliance with Title
14 VI of the Civil Rights Act of 1964 and attendance at which
15 satisfies the requirements of Section 26-1 of the School Code,
16 except that nothing shall be construed to require a child to
17 attend any particular public or nonpublic school to qualify for
18 the credit under this Section.

19 "Custodian" means, with respect to qualifying pupils, an
20 Illinois resident who is a parent, the parents, a legal
21 guardian, or the legal guardians of the qualifying pupils.

22 (n) River Edge Redevelopment Zone site remediation tax
23 credit.

24 (i) For tax years ending on or after December 31, 2006,
25 a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) of this Section for

1 certain amounts paid for unreimbursed eligible remediation
2 costs, as specified in this subsection. For purposes of
3 this Section, "unreimbursed eligible remediation costs"
4 means costs approved by the Illinois Environmental
5 Protection Agency ("Agency") under Section 58.14a of the
6 Environmental Protection Act that were paid in performing
7 environmental remediation at a site within a River Edge
8 Redevelopment Zone for which a No Further Remediation
9 Letter was issued by the Agency and recorded under Section
10 58.10 of the Environmental Protection Act. The credit must
11 be claimed for the taxable year in which Agency approval of
12 the eligible remediation costs is granted. The credit is
13 not available to any taxpayer if the taxpayer or any
14 related party caused or contributed to, in any material
15 respect, a release of regulated substances on, in, or under
16 the site that was identified and addressed by the remedial
17 action pursuant to the Site Remediation Program of the
18 Environmental Protection Act. Determinations as to credit
19 availability for purposes of this Section shall be made
20 consistent with rules adopted by the Pollution Control
21 Board pursuant to the Illinois Administrative Procedure
22 Act for the administration and enforcement of Section 58.9
23 of the Environmental Protection Act. For purposes of this
24 Section, "taxpayer" includes a person whose tax attributes
25 the taxpayer has succeeded to under Section 381 of the
26 Internal Revenue Code and "related party" includes the

1 persons disallowed a deduction for losses by paragraphs
2 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
3 Code by virtue of being a related taxpayer, as well as any
4 of its partners. The credit allowed against the tax imposed
5 by subsections (a) and (b) shall be equal to 25% of the
6 unreimbursed eligible remediation costs in excess of
7 \$100,000 per site.

8 (ii) A credit allowed under this subsection that is
9 unused in the year the credit is earned may be carried
10 forward to each of the 5 taxable years following the year
11 for which the credit is first earned until it is used. This
12 credit shall be applied first to the earliest year for
13 which there is a liability. If there is a credit under this
14 subsection from more than one tax year that is available to
15 offset a liability, the earliest credit arising under this
16 subsection shall be applied first. A credit allowed under
17 this subsection may be sold to a buyer as part of a sale of
18 all or part of the remediation site for which the credit
19 was granted. The purchaser of a remediation site and the
20 tax credit shall succeed to the unused credit and remaining
21 carry-forward period of the seller. To perfect the
22 transfer, the assignor shall record the transfer in the
23 chain of title for the site and provide written notice to
24 the Director of the Illinois Department of Revenue of the
25 assignor's intent to sell the remediation site and the
26 amount of the tax credit to be transferred as a portion of

1 the sale. In no event may a credit be transferred to any
2 taxpayer if the taxpayer or a related party would not be
3 eligible under the provisions of subsection (i).

4 (iii) For purposes of this Section, the term "site"
5 shall have the same meaning as under Section 58.2 of the
6 Environmental Protection Act.

7 (o) For each of taxable years during the Compassionate Use
8 of Medical Cannabis Pilot Program, a surcharge is imposed on
9 all taxpayers on income arising from the sale or exchange of
10 capital assets, depreciable business property, real property
11 used in the trade or business, and Section 197 intangibles of
12 an organization registrant under the Compassionate Use of
13 Medical Cannabis Pilot Program Act. The amount of the surcharge
14 is equal to the amount of federal income tax liability for the
15 taxable year attributable to those sales and exchanges. The
16 surcharge imposed does not apply if:

17 (1) the medical cannabis cultivation center
18 registration, medical cannabis dispensary registration, or
19 the property of a registration is transferred as a result
20 of any of the following:

21 (A) bankruptcy, a receivership, or a debt
22 adjustment initiated by or against the initial
23 registration or the substantial owners of the initial
24 registration;

25 (B) cancellation, revocation, or termination of
26 any registration by the Illinois Department of Public

1 Health;

2 (C) a determination by the Illinois Department of
3 Public Health that transfer of the registration is in
4 the best interests of Illinois qualifying patients as
5 defined by the Compassionate Use of Medical Cannabis
6 Pilot Program Act;

7 (D) the death of an owner of the equity interest in
8 a registrant;

9 (E) the acquisition of a controlling interest in
10 the stock or substantially all of the assets of a
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly
13 owned subsidiary; or

14 (G) the transfer or sale to or by one person to
15 another person where both persons were initial owners
16 of the registration when the registration was issued;
17 or

18 (2) the cannabis cultivation center registration,
19 medical cannabis dispensary registration, or the
20 controlling interest in a registrant's property is
21 transferred in a transaction to lineal descendants in which
22 no gain or loss is recognized or as a result of a
23 transaction in accordance with Section 351 of the Internal
24 Revenue Code in which no gain or loss is recognized.

25 (Source: P.A. 100-22, eff. 7-6-17.)

1 (35 ILCS 5/229 new)

2 Sec. 229. Apprenticeship education expense credit.

3 (a) As used in this Section:

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

6 "Employer" means an Illinois taxpayer who is the employer
7 of the qualifying apprentice.

8 "Qualifying apprentice" means an individual who: (i) is a
9 resident of the State of Illinois; (ii) is at least 16 years
10 old at the close of the school year for which a credit is
11 sought; (iii) during the school year for which a credit is
12 sought, was a full-time apprentice enrolled in an
13 apprenticeship program which is registered with the United
14 States Department of Labor, Office of Apprenticeship; and (iv)
15 is employed in Illinois by the taxpayer who is the employer.

16 "Qualified education expense" means the amount incurred on
17 behalf of a qualifying apprentice not to exceed \$3,500 for
18 tuition, book fees, and lab fees at the school or community
19 college in which the apprentice is enrolled during the regular
20 school year.

21 "School" means any public or nonpublic secondary school in
22 Illinois that is: (i) an institution of higher education that
23 provides a program that leads to an industry-recognized
24 postsecondary credential or degree; (ii) an entity that carries
25 out programs registered under the federal National
26 Apprenticeship Act; or (iii) another public or private provider

1 of a program of training services, which may include a joint
2 labor-management organization

3 (b) For taxable years beginning on or after January 1,
4 2020, and beginning on or before January 1, 2025, the employer
5 of one or more qualifying apprentices shall be allowed a credit
6 against the tax imposed by subsections (a) and (b) of Section
7 201 of the Illinois Income Tax Act for qualified education
8 expenses incurred on behalf of a qualifying apprentice. The
9 credit shall be equal to 100% of the qualified education
10 expenses, but in no event may the total credit amount awarded
11 to a single taxpayer in a single taxable year exceed \$3,500 per
12 qualifying apprentice. A taxpayer shall be entitled to an
13 additional \$1,500 credit against the tax imposed by subsections
14 (a) and (b) of Section 201 of the Illinois Income Tax Act if
15 (i) the qualifying apprentice resides in an underserved area as
16 defined in Section 5-5 of the Economic Development for a
17 Growing Economy Tax Credit Act during the school year for which
18 a credit is sought by an employer or (ii) the employer's
19 principal place of business is located in an underserved area,
20 as defined in Section 5-5 of the Economic Development for
21 Growing Economic Tax Credit Act. In no event shall a credit
22 under this Section reduce the taxpayer's liability under this
23 Act to less than zero. For partners, shareholders of Subchapter
24 S corporations, and owners of limited liability companies, if
25 the liability company is treated as a partnership for purposes
26 of federal and State income taxation, there shall be allowed a

1 credit under this Section to be determined in accordance with
2 the determination of income and distributive share of income
3 under Sections 702 and 704 and Subchapter S of the Internal
4 Revenue Code.

5 (c) The Department shall implement a program to certify
6 applicants for an apprenticeship credit under this Section.
7 Upon satisfactory review, the Department shall issue a tax
8 credit certificate to an employer incurring costs on behalf of
9 a qualifying apprentice stating the amount of the tax credit to
10 which the employer is entitled. If the employer is seeking a
11 tax credit for multiple qualifying apprentices, the Department
12 may issue a single tax credit certificate that encompasses the
13 aggregate total of tax credits for qualifying apprentices for a
14 single employer.

15 (d) The Department, in addition to those powers granted
16 under the Civil Administrative Code of Illinois, is granted and
17 shall have all the powers necessary or convenient to carry out
18 and effectuate the purposes and provisions of this Section,
19 including, but not limited to, power and authority to:

20 (1) Adopt rules deemed necessary and appropriate for
21 the administration of this Section; establish forms for
22 applications, notifications, contracts, or any other
23 agreements; and accept applications at any time during the
24 year and require that all applications be submitted via the
25 Internet. The Department shall require that applications
26 be submitted in electronic form.

1 (2) Provide guidance and assistance to applicants
2 pursuant to the provisions of this Section and cooperate
3 with applicants to promote, foster, and support job
4 creation within the State.

5 (3) Enter into agreements and memoranda of
6 understanding for participation of and engage in
7 cooperation with agencies of the federal government, units
8 of local government, universities, research foundations or
9 institutions, regional economic development corporations,
10 or other organizations for the purposes of this Section.

11 (4) Gather information and conduct inquiries, in the
12 manner and by the methods it deems desirable, including,
13 without limitation, gathering information with respect to
14 applicants for the purpose of making any designations or
15 certifications necessary or desirable or to gather
16 information in furtherance of the purposes of this Act.

17 (5) Establish, negotiate, and effectuate any term,
18 agreement, or other document with any person necessary or
19 appropriate to accomplish the purposes of this Section, and
20 consent, subject to the provisions of any agreement with
21 another party, to the modification or restructuring of any
22 agreement to which the Department is a party.

23 (6) Provide for sufficient personnel to permit
24 administration, staffing, operation, and related support
25 required to adequately discharge its duties and
26 responsibilities described in this Section from funds made

1 available through charges to applicants or from funds as
2 may be appropriated by the General Assembly for the
3 administration of this Section.

4 (7) Require applicants, upon written request, to issue
5 any necessary authorization to the appropriate federal,
6 State, or local authority or any other person for the
7 release to the Department of information requested by the
8 Department, including, but not be limited to, financial
9 reports, returns, or records relating to the applicant or
10 to the amount of credit allowable under this Section.

11 (8) Require that an applicant shall, at all times, keep
12 proper books of record and account in accordance with
13 generally accepted accounting principles consistently
14 applied, with the books, records, or papers related to the
15 agreement in the custody or control of the applicant open
16 for reasonable Department inspection and audits,
17 including, without limitation, the making of copies of the
18 books, records, or papers.

19 (9) Take whatever actions are necessary or appropriate
20 to protect the State's interest in the event of bankruptcy,
21 default, foreclosure, or noncompliance with the terms and
22 conditions of financial assistance or participation
23 required under this Section or any agreement entered into
24 under this Section, including the power to sell, dispose
25 of, lease, or rent, upon terms and conditions determined by
26 the Department to be appropriate, real or personal property

1 that the Department may recover as a result of these
2 actions.

3 (e) The Department, in consultation with the Department of
4 Revenue, shall adopt rules to administer this Section. The
5 aggregate amount of the tax credits that may be claimed under
6 this Section for qualified education expenses incurred by an
7 employer on behalf of a qualifying apprentice shall be limited
8 to \$5,000,000 per calendar year. If applications for a greater
9 amount are received, credits shall be allowed on a first-come
10 first-served basis, based on the date on which each properly
11 completed application for a certificate of eligibility is
12 received by the Department. If more than one certificate is
13 received on the same day, the credits will be awarded based on
14 the time of submission for that particular day.

15 (f) An employer may not sell or otherwise transfer a credit
16 awarded under this Section to another person or taxpayer.

17 (g) The employer shall provide the Department such
18 information as the Department may require, including but not
19 limited to: (i) the name, age, and taxpayer identification
20 number of each qualifying apprentice employed by the taxpayer
21 during the taxable year; (ii) the amount of qualified education
22 expenses incurred with respect to each qualifying apprentice;
23 and (iii) the name of the school at which the qualifying
24 apprentice is enrolled and the qualified education expenses are
25 incurred.

26 (h) On or before July 1 of each year, the Department shall

1 report to the Governor and the General Assembly on the tax
2 credit certificates awarded under this Section for the prior
3 calendar year. The report must include:

4 (1) the name of each employer awarded or allocated a
5 credit;

6 (2) the number of qualifying apprentices for whom the
7 employer has incurred qualified education expenses;

8 (3) the North American Industry Classification System
9 (NAICS) code applicable to each employer awarded or
10 allocated a credit;

11 (4) the amount of the credit awarded or allocated to
12 each employer;

13 (5) the total number of employers awarded or allocated
14 a credit;

15 (6) the total number of qualifying apprentices for whom
16 employers receiving credits under this Section incurred
17 qualified education expenses; and

18 (7) the average cost to the employer of all
19 apprenticeships receiving credits under this Section.

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