



Rep. Curtis J. Tarver, II

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10400HB1819ham001

LRB104 08829 HLH 22874 a

1 AMENDMENT TO HOUSE BILL 1819

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1819 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Small Business Job Creation Tax Credit Act  
5 is amended by changing Sections 10, 25, and 35 as follows:

6 (35 ILCS 25/10)

7 Sec. 10. Definitions. In this Act:

8 "Applicant" means a person that is operating a business  
9 located within the State of Illinois that is engaged in  
10 interstate or intrastate commerce and either:

11 (1) has no more than 50 full-time employees, without  
12 regard to the location of employment of such employees at  
13 the beginning of the incentive period; or

14 (2) for incentive periods ending on or before June 30,  
15 2016, hired within the incentive period an employee who  
16 had participated as worker-trainee in the Put Illinois to

1 Work Program during 2010.

2 In the case of any person that is a member of a unitary  
3 business group within the meaning of subdivision (a)(27) of  
4 Section 1501 of the Illinois Income Tax Act, "applicant"  
5 refers to the unitary business group.

6 "Certificate" means the tax credit certificate issued by  
7 the Department under Section 35 of this Act.

8 "Certificate of eligibility" means the certificate issued  
9 by the Department under Section 20 of this Act.

10 "Credit" means the amount awarded by the Department to an  
11 applicant by issuance of a certificate under Section 35 of  
12 this Act for each new full-time equivalent employee hired or  
13 job created.

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

16 "Director" means the Director of the Department.

17 "Full-time employee" means an individual who is employed  
18 for a basic wage for at least 35 hours each week ~~or who renders~~  
19 ~~any other standard of service generally accepted by industry~~  
20 ~~custom or practice as full-time employment.~~ An individual for  
21 whom a W-2 is issued by a Professional Employer Organization  
22 is a full-time employee if he or she is employed in the service  
23 of the applicant for a basic wage for at least 35 hours each  
24 week ~~or renders any other standard of service generally~~  
25 ~~accepted by industry custom or practice as full time~~  
26 ~~employment.~~ For the purposes of this Act, such an individual

1 shall be considered a full-time employee of the applicant.

2 "Professional Employer Organization" (PEO) shall have the  
3 same meaning as defined in Section 5-5 of the Economic  
4 Development for a Growing Economy Tax Credit Act. As used in  
5 this Section, "Professional Employer Organization" does not  
6 include a day and temporary labor service agency regulated  
7 under the Day and Temporary Labor Services Act.

8 "Incentive period" means the period beginning on July 1  
9 and ending on June 30 of the following year. The first series  
10 of incentive periods ~~period~~ shall begin on July 1, 2010 and ~~the~~  
11 ~~last incentive period shall~~ end on June 30, 2016. The second  
12 series of incentive periods shall begin on July 1, 2025 and end  
13 on June 30, 2032.

14 "Basic wage" means compensation for employment that is no  
15 less than \$10 per hour or the equivalent salary for a new  
16 employee.

17 "New employee" means a full-time employee who first became  
18 employed by an applicant with less than 50 full-time employees  
19 within the incentive period, whose hire results in a net  
20 increase in the applicant's full-time Illinois employees, and  
21 who is receiving a basic wage as compensation. ÷

22 ~~(1) who first became employed by an applicant with~~  
23 ~~less than 50 full-time employees within the incentive~~  
24 ~~period whose hire results in a net increase in the~~  
25 ~~applicant's full time Illinois employees and who is~~  
26 ~~receiving a basic wage as compensation; or~~

1           ~~(2) who participated as a worker trainee in the Put~~  
2           ~~Illinois to Work Program during 2010 and who is~~  
3           ~~subsequently hired during the incentive period by an~~  
4           ~~applicant and who is receiving a basic wage as~~  
5           ~~compensation.~~

6           The term "new employee" does not include:

7           (1) a person who was previously employed in Illinois  
8           by the applicant or a related member prior to the onset of  
9           the incentive period; or

10          (2) any individual who has a direct or indirect  
11          ownership interest of at least 5% in the profits, capital,  
12          or value of the applicant or a related member.

13          "Noncompliance date" means, in the case of an applicant  
14          that is not complying with the requirements of the provisions  
15          of this Act, the day following the last date upon which the  
16          taxpayer was in compliance with the requirements of the  
17          provisions of this Act, as determined by the Director,  
18          pursuant to Section 45 of this Act.

19          "Put Illinois to Work Program" means a worker training and  
20          employment program that was established by the State of  
21          Illinois with funding from the United States Department of  
22          Health and Human Services of Emergency Temporary Assistance  
23          for Needy Families funds authorized by the American Recovery  
24          and Reinvestment Act of 2009 (ARRA TANF Funds). These ARRA  
25          TANF funds were in turn used by the State of Illinois to fund  
26          the Put Illinois to Work Program.

1 "Related member" means a person that, with respect to the  
2 applicant during any portion of the incentive period, is any  
3 one of the following,

4 (1) An individual, if the individual and the members  
5 of the individual's family (as defined in Section 318 of  
6 the Internal Revenue Code) own directly, indirectly,  
7 beneficially, or constructively, in the aggregate, at  
8 least 50% of the value of the outstanding profits,  
9 capital, stock, or other ownership interest in the  
10 applicant.

11 (2) A partnership, estate, or trust and any partner or  
12 beneficiary, if the partnership, estate, or trust and its  
13 partners or beneficiaries own directly, indirectly,  
14 beneficially, or constructively, in the aggregate, at  
15 least 50% of the profits, capital, stock, or other  
16 ownership interest in the applicant.

17 (3) A corporation, and any party related to the  
18 corporation in a manner that would require an attribution  
19 of stock from the corporation under the attribution rules  
20 of Section 318 of the Internal Revenue Code, if the  
21 applicant and any other related member own, in the  
22 aggregate, directly, indirectly, beneficially, or  
23 constructively, at least 50% of the value of the  
24 corporation's outstanding stock.

25 (4) A corporation and any party related to that  
26 corporation in a manner that would require an attribution

1 of stock from the corporation to the party or from the  
2 party to the corporation under the attribution rules of  
3 Section 318 of the Internal Revenue Code, if the  
4 corporation and all such related parties own, in the  
5 aggregate, at least 50% of the profits, capital, stock, or  
6 other ownership interest in the applicant.

7 (5) A person to or from whom there is attribution of  
8 stock ownership in accordance with Section 1563(e) of the  
9 Internal Revenue Code, except that for purposes of  
10 determining whether a person is a related member under  
11 this paragraph, "20%" shall be substituted for "5%"  
12 whenever "5%" appears in Section 1563(e) of the Internal  
13 Revenue Code.

14 (Source: P.A. 100-863, eff. 8-14-18.)

15 (35 ILCS 25/25)

16 Sec. 25. Tax credit.

17 (a) Subject to the conditions set forth in this Act, an  
18 applicant is entitled to a credit against payment of taxes  
19 withheld under Section 704A of the Illinois Income Tax Act:

20 (1) for new employees who participated as  
21 worker-trainees in the Put Illinois to Work Program during  
22 2010, for incentive periods ending on or before June 30,  
23 2016:

24 (A) in the first calendar year ending on or after  
25 the date that is 6 months after December 31, 2010, or

1           the date of hire, whichever is later. Under this  
2           subparagraph, the applicant is entitled to one-half of  
3           the credit allowable for each new employee who is  
4           employed for at least 6 months after the date of hire;  
5           and

6           (B) in the first calendar year ending on or after  
7           the date that is 12 months after December 31, 2010, or  
8           the date of hire, whichever is later. Under this  
9           subparagraph, the applicant is entitled to one-half of  
10          the credit allowable for each new employee who is  
11          employed for at least 12 months after the date of hire;

12          (2) for all other new employees, in the first  
13          calendar year ending on or after the date that is 12 months  
14          after the date of hire of a new employee. The credit shall  
15          be allowed as a credit to an applicant for each full-time  
16          employee hired during the incentive period that results in  
17          a net increase in full-time Illinois employees, where the  
18          net increase in the employer's full-time Illinois  
19          employees is maintained for at least 12 months.

20          (b) The Department shall make credit awards under this Act  
21          to further job creation.

22          (c) The credit shall be claimed for the first calendar  
23          year ending on or after the date on which the certificate is  
24          issued by the Department.

25          (d) The credit shall not exceed \$2,500 per new employee  
26          hired.

1           (e) The net increase in full-time Illinois employees,  
2 measured on an annual full-time equivalent basis, shall be the  
3 total number of full-time Illinois employees of the applicant  
4 on the final day of the incentive period, minus the number of  
5 full-time Illinois employees employed by the employer on the  
6 first day of that same incentive period. For purposes of the  
7 calculation, an employer that begins doing business in this  
8 State during the incentive period, as determined by the  
9 Director, shall be treated as having zero Illinois employees  
10 on the first day of the incentive period.

11           (f) The net increase in the number of full-time Illinois  
12 employees of the applicant under subsection (e) must be  
13 sustained continuously for at least 12 months, starting with  
14 the date of hire of a new employee during the incentive period.  
15 Eligibility for the credit does not depend on the continuous  
16 employment of any particular individual. For purposes of this  
17 subsection (f), if a new employee ceases to be employed before  
18 the completion of the 12-month period for any reason, the net  
19 increase in the number of full-time Illinois employees shall  
20 be treated as continuous if a different new employee is hired  
21 as a replacement ~~within a reasonable time~~ for the same  
22 position within 8 weeks after the position becomes vacant.

23           (g) The Department shall promulgate rules to enable an  
24 applicant for which a PEO has been contracted to issue W-2s and  
25 make payment of taxes withheld under Section 704A of the  
26 Illinois Income Tax Act for new employees to retain the

1 benefit of tax credits to which the applicant is otherwise  
2 entitled under this Act.

3 (Source: P.A. 96-888, eff. 4-13-10; 96-1498, eff. 1-18-11;  
4 97-636, eff. 6-1-12; 97-1052, eff. 8-23-12.)

5 (35 ILCS 25/35)

6 Sec. 35. Application for award of tax credit; tax credit  
7 certificate.

8 (a) On or after the conclusion of the 12-month period (or  
9 6-month period, for purposes of subparagraph (A) of item (1)  
10 of subsection (a) of Section 25) after a new employee has been  
11 hired, an applicant shall file with the Department an  
12 application for award of a credit. The application shall  
13 include the following:

14 (1) The names, Social Security numbers, job  
15 descriptions, salary or wage rates, and dates of hire of  
16 the new employees with respect to whom the credit is being  
17 requested, ~~and an indication of whether each new employee~~  
18 ~~listed participated as a worker trainee in the Put~~  
19 ~~Illinois to Work Program.~~

20 (2) A certification that each new employee listed has  
21 been retained on the job for one year (or 6 months, for  
22 purposes of subparagraph (A) of item (1) of subsection (a)  
23 of Section 25) from the date of hire.

24 (3) The number of new employees hired by the applicant  
25 during the incentive period.

1           (4) The net increase in the number of full-time  
2 Illinois employees of the applicant (including the new  
3 employees listed in the request) between the beginning of  
4 the incentive period and the dates on which the new  
5 employees listed in the request were hired. This  
6 requirement does not apply for tax credits the applicant  
7 is seeking because the new employee had participated as a  
8 worker-trainee in the Put Illinois to Work Program.

9           (5) An agreement that the Director is authorized to  
10 verify with the appropriate State agencies the information  
11 contained in the request before issuing a certificate to  
12 the applicant.

13           (6) Any other information the Department determines to  
14 be appropriate.

15           (b) Although an application may be filed at any time after  
16 the conclusion of the 12-month period (or 6-month period, for  
17 purposes of subparagraph (A) of item (1) of subsection (a) of  
18 Section 25) after a new employee was hired, an application  
19 filed more than 90 days after the earliest date on which it  
20 could have been filed shall not be awarded any credit if, prior  
21 to the date it is filed, the Department has received  
22 applications under this Section for credits totaling more than  
23 \$50,000,000.

24           (c) The Department shall issue a certificate to each  
25 applicant awarded a credit under this Act. The certificate  
26 shall include the following:

1           (1) The name and taxpayer identification number of the  
2           applicant.

3           (2) The date on which the certificate is issued.

4           (3) The credit amount that will be allowed.

5           (4) Any other information the Department determines to  
6           be appropriate.

7           (Source: P.A. 96-888, eff. 4-13-10; 96-1498, eff. 1-18-11.)

8           Section 99. Effective date. This Act takes effect upon  
9           becoming law.".