



## Illinois Department of Revenue

101 West Jefferson Street  
Springfield, Illinois 62702

### MEMORANDUM

**To:** The Honorable John J. Cullerton  
Senate President

The Honorable Michael J. Madigan  
Speaker of the House

The Honorable William E. Brady  
Senate Republican Leader

The Honorable Jim Durkin  
House Republican Leader

**From:** Connie Beard, Director   
Department of Revenue

**Date:** September 28, 2018

**RE:** Unified Economic Development Budget

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

Public Act 100-0721 revised the reporting requirements for tax incentives under 20 ILCS 715/10. These changes allow the Department of Revenue more time to collect and process tax returns before publishing this report, which will result in a more accurate and complete accounting of uncollected or diverted state tax revenues. Therefore, this UEDB and all future UEDBs published under these new requirements are not strictly comparable to past reports. Tax incentive amounts reported in this year's UEDB are derived from tax returns for tax year 2015, while state development assistance amounts pertain to fiscal year 2018.

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

- 1) To the extent possible, tax credit amounts reflect actual reductions in state tax revenues.
  - 2) Subtractions reduce income that is subject to tax rather than tax liability. The amounts reported reflect Illinois-apportioned reductions in income, not reductions in tax liability. Subtractions are presented in this manner because pass-through entities have no direct income tax liability.
  - 3) The appropriated spending costs for the Department of Commerce and Economic Opportunity (DCEO) and Department of Transportation (DOT) incentives were provided by DCEO and DOT, respectively, and represent actual amounts obligated during fiscal year 2018. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during fiscal year 2018.
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# Tax Incentives and State Development Assistance

## Tax Incentives for Tax Year 2015

### Credits Applied Against Income Tax Liability

<i>Form IL-1120, Corporation Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	11	26,632,083
Enterprise Zone Investment Credit	255	9,515,468
River Edge Redevelopment Investment Credit	*	*
High Impact Business Investment Credit	*	*
EDGE Credit	97	73,767,142
Research and Development Expense Credit	302	32,238,520
River Edge Redevelopment Zone Remediation Credit	*	*
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	*	*

<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	*	*
Enterprise Zone Investment Credit	178	59,120
River Edge Redevelopment Investment Credit	8	2,959
High Impact Business Investment Credit	*	*
EDGE Credit	115	3,122,547
Research and Development Expense Credit	310	447,056
River Edge Redevelopment Zone Remediation Credit	*	*
Angel Investment Credit	122	225,571
River Edge Historic Preservation Credit	0	0

<i>Form IL-990-T, Exempt Organization Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	0	0
Enterprise Zone Investment Credit	*	*
River Edge Redevelopment Investment Credit	0	0
High Impact Business Investment Credit	0	0
EDGE Credit	*	*
Research and Development Expense Credit	*	*
River Edge Redevelopment Zone Remediation Credit	0	0
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	0	0

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

	<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	130	1,328,881
High Impact Business Investment Credit	9	1,738
Enterprise Zone Investment Credit	1,382	1,961,778
River Edge Redevelopment Zone Investment Credit	21	45,859
EDGE Tax Credit <sup>1</sup>	802	56,200,000
Research and Development Expense Credit	3,025	15,227,644
River Edge Redevelopment Zone Remediation Credit	6	1,369
Angel Investment Credit	527	6,735,870
River Edge Historic Preservation Credit	*	*

**Total Credits Excluded from Above to Protect Taxpayer Privacy.**

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

<b><u>Taxpayers</u></b>	<b><u>Amounts</u></b>
43	928,484

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

## Subtractions<sup>2</sup>

<i>Form IL-1120, Corporation Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
River Edge Redevelopment Zone Interest Subtraction	0	0
High Impact Business Dividend Subtraction	19	2,143,380
High Impact Business Interest Subtraction	0	0
Contribution Subtraction	7	22,596
<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	1,565	6,759,260
<i>Form IL-1040, Individual Income Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	2,597	20,954,650
High Impact Business Dividend Subtraction	19,516	141,493,805
<i>Form IL-1065, Partnership Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	146	1,470,443
<i>Form IL-1120-ST, Small Business Corporation Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Redevelopment Zone Dividend Subtraction	6	726
River Edge Redevelopment Zone Interest Subtraction	0	0
Contribution Subtraction	10	15,992
High Impact Business Dividend Subtraction	31	362,619
High Impact Business Interest Subtraction	0	0
<b>Total Subtractions Excluded from Above to Protect Taxpayer Privacy.</b>	<b>0</b>	<b>0</b>

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

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

# State Development Assistance for Fiscal Year 2018

## Appropriated Spending<sup>3</sup>

	<u>Amounts</u>
<b><u>Department of Commerce and Economic Opportunity</u></b>	
<b>Program Type</b>	
Business Development Public Infrastructure Grants	0
Illinois ETIP/IP Incentive Grants	0
Large Business Development Grants	0
<b><u>Department of Transportation</u></b>	
<b>Program Type</b>	
Economic Development Program	8,446,740

## Loans<sup>4</sup>

	<u>Amounts</u>
<b><u>Illinois Treasurer</u></b>	
<b>Program Type</b>	
Annual Agriculture Investment Program	165,866,000
Long Term Agriculture Investment Program	4,878,702

<sup>3</sup>This information is provided by the respective agencies and represents actual amounts obligated during fiscal year 2018.

<sup>4</sup>This information is provided by the Office of the Treasurer and represents amounts issued under the Agricultural Investment Programs during fiscal year 2018.

**NOTE: Public Act 100-0721 revised the reporting requirements under 20 ILCS 715/10. Tax Incentives are reported from incentives provided in tax years beginning during the third preceding calendar year, while State Development Assistance is reported from assistance granted during the prior fiscal year. Because of the revised reporting requirements, this Unified Economic Development Budget and all future Unified Economic Development Budgets are not strictly comparable to past reports.**