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JB Pritzker
Governor

David Harris
Director

STATE OF ILLINOIS
DEPARTMENT OF REVENUE

MEMORANDUM

To: The Honorable Don Harmon
Senate President

The Honorable Michael J. Madigan
Speaker of the House

The Honorable William E. Brady
Senate Republican Leader

The Honorable Jim Durkin
House Republican Leader

From: David Harris, Director
Department of Revenue

Date: September 30, 2020

RE: Unified Economic Development Budget

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

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

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

1) To the extent possible, tax credit amounts reflect actual reductions in state tax revenues.

2) Subtractions reduce income that is subject to tax rather than tax liability. The amounts reported reflect Illinois-apportioned reductions in income, not reductions in tax liability. Subtractions are presented in this manner because pass-through entities have no direct income tax liability.

3) The appropriated spending costs for the Department of Commerce and Economic Opportunity (DCEO) and Department of Transportation (DOT) incentives were provided by DCEO and DOT, respectively, and represent actual amounts obligated during fiscal year 2020. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during fiscal year 2020.

Tax Incentives and State Development Assistance

Tax Incentives for Tax Year 2017

CREDITS APPLIED AGAINST INCOME TAX LIABILITY

Form IL-1120, Corporation Income and Replacement Tax Return	Taxpayers	Amounts
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	15	41,628,088
Enterprise Zone Investment Credit	222	10,523,543
High Impact Business Investment Credit	*	*
EDGE Credit	87	72,610,585
Research and Development Expense Credit	462	59,477,473
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	*	*

Form IL-1041, Fiduciary Income and Replacement Tax Return	Taxpayers	Amounts
TECH-PREP Youth Vocational Credit	0	0
Film Production Services Credit	10	847,265
Enterprise Zone Investment Credit	200	249,797
High Impact Business Investment Credit	*	*
EDGE Credit	152	5,847,741
Research and Development Expense Credit	273	672,676
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	0	0

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

Form IL-1040, Individual Income Tax Return	Taxpayers	Amounts
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	62	1,180,244
High Impact Business Investment Credit	*	*
Enterprise Zone Investment Credit	1,138	1,177,001
EDGE Tax Credit[1]	1,215	18,637,380
Research and Development Expense Credit	3,269	17,600,665
Angel Investment Credit	16	801,650
River Edge Historic Preservation Credit	63	5,567,063

	Taxpayers	Amounts
Total Credits Excluded from Above to Protect Taxpayer Privacy	33	2,748,029

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

[1] EDGE Credit "Amounts" include amounts from form IL-941 applied against withholding liability.

SUBTRACTIONS[2]

Form IL-1120, Corporation Income and Replacement Tax Return	Taxpayers	Amounts
River Edge Redevelopment Zone Dividend Subtraction	0	0
River Edge Redevelopment Zone Interest Subtraction	0	0
High Impact Business Dividend Subtraction	26	2,653,772
High Impact Business Interest Subtraction	0	0
Contribution Subtraction	14	27,926

Form IL-1041, Fiduciary Income and Replacement Tax Return	Taxpayers	Amounts
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	2,158	7,906,828

Form IL-1040, Individual Income Tax Return	Taxpayers	Amounts
River Edge Redevelopment Zone Dividend Subtraction	2,674	23,141,577
High Impact Business Dividend Subtraction	22,957	165,696,344

Form IL-1065, Partnership Replacement Tax Return	Taxpayers	Amounts
River Edge Redevelopment Zone Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	189	2,172,263

Form IL-1120-ST, Small Business Corporation Replacement Tax Return	Taxpayers	Amounts
River Edge Redevelopment Zone Dividend Subtraction	*	*
River Edge Redevelopment Zone Interest Subtraction	0	0
Contribution Subtraction	13	14,901
High Impact Business Dividend Subtraction	49	430,198
High Impact Business Interest Subtraction	*	*

	Taxpayers	Amounts
Total Subtractions Excluded from Above to Protect Taxpayer Privacy	6	200

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

[2] The figures in the "Amounts" column for SUBTRACTIONS reflect reductions in income after apportionment, not reductions i tax liability.

State Development Assistance for Fiscal Year 2020

APPROPRIATED SPENDING[3]

	Amounts
Department of Commerce and Economic Opportunity	
Program Type	
Business Development Public Infrastructure Grants	0
Illinois ETIP/IP Incentive Grants	2,138,982
Large Business Development Grants	0
Department of Transportation	
Program Type	
Economic Development Program	3,822,011

LOANS[3]

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

[3] **This information is provided by the respective agencies.**

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