



Illinois Department of Revenue

101 West Jefferson Street
Springfield, Illinois 62702

MEMORANDUM

To: The Honorable John J. Cullerton
President of the Senate

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
Illinois Department of Revenue

Date: September 25, 2017

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, as found in 20 ILCS 715/10 for Fiscal Year 2015.

Tax incentive amounts reported in the Unified Economic Development Budget are totals from tax returns for tax years ending during FY15. Reports prior to FY11 were reported on a tax year basis and are not strictly comparable to this year's report.

The tax incentive amounts reported may not be the same as the cost of these incentives to the state during FY15 for a number of reasons.

1. Tax credits are earned during one year but may not be used until a subsequent year, or may never be able to be used because the taxpayer does not have sufficient tax liability to deduct the credit.
2. Subtractions reduce income that is subject to tax rather than tax liability. The amounts reported as subtractions reflect reductions from income prior to apportionment, not reductions in tax liability.
3. These tax benefits may flow from one entity to another entity and thus may be counted on multiple occasions in this report.

The cost of 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 FY17. The loans issued by the Treasurer represent amounts issued under the Agricultural Investment Programs during FY17.

FISCAL YEAR 2015 TAX INCENTIVES

CREDITS EARNED

<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	17	33,229,882
Enterprise Zone Investment Credit	355	10,391,463
River Edge Redevelopment Investment Credit	8	1,477,723
High Impact Business Investment Credit	7	938,216
EDGE Credit	133	135,460,518
Research and Development Expense Credit	516	66,219,562
River Edge Redevelopment Zone Credit	0	0
Angel Investment Credit	*	*
River Edge Historic Preservation Credit	0	0
<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	*	*
Film Production Services Credit	10	284,349
Enterprise Zone Investment Credit	225	105,468
River Edge Redevelopment Investment Credit	25	8,696
High Impact Business Investment Credit	11	15,103
EDGE Credit	142	8,265,822
Research and Development Expense Credit	248	733,624
River Edge Redevelopment Zone Credit	*	*
Angel Investment Credit	80	156,487
River Edge Historic Preservation Credit	*	*
<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 Credit	0	0
Angel Investment Credit	0	0
River Edge Historic Preservation Credit	0	0
<i>Form IL-1040, Individual Income Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
TECH-PREP Youth Vocational Credit	10	4,726
Film Production Services Credit	107	899,356
High Impact Business Investment Credit	11	3,055
Enterprise Zone Investment Credit	1,400	1,105,025
River Edge Redevelopment Zone Investment Credit	29	121,656
EDGE Tax Credit ¹	695	47,117,670
Research and Development Expense Credit	2,370	11,703,111
River Edge Zone Remediation Credit	6	1,994
Angel Investment Credit	511	7,701,978
River Edge Historic Preservation Credit	6	2,414,535
	<u>Taxpayers</u>	<u>Amounts</u>
<i>Total Credits Excluded from Above to Protect Taxpayer Privacy</i>	15	98,329

SUBTRACTIONS²

<i>Form IL-1120, Corporation Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Dividend Subtraction	0	0
River Edge Interest Subtraction	0	0
High Impact Business Dividend Subtraction	17	26,304,920
High Impact Business Interest Subtraction	*	*
Contribution Subtraction	8	306,933
<i>Form IL-1041, Fiduciary Income and Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	1,534	6,231,430
<i>Form IL-1040, Individual Income Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	17,302	119,673,657
<i>Form IL-1065, Partnership Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Dividend Subtraction	0	0
High Impact Business Dividend Subtraction	122	1,295,792
<i>Form IL-1120-ST, Small Business Corporation Replacement Tax Return</i>	<u>Taxpayers</u>	<u>Amounts</u>
River Edge Dividend Subtraction	*	*
River Edge Interest Subtraction	0	0
Contribution Subtraction	7	5,452
High Impact Business Dividend Subtraction	38	337,404
High Impact Business Interest Subtraction	*	*
	<u>Taxpayers</u>	<u>Amounts</u>
<i>Total Subtractions Excluded from Above to Protect Taxpayer Privacy</i>	4	120,412

* 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.

² The figures in the "Amounts" column for SUBTRACTIONS reflect reductions in income prior to apportionment, not reductions in tax liability.

APPROPRIATED SPENDING³

<u>Department of Commerce and Economic Opportunity</u>	<u>Amounts</u>
Program Type	
Business Development Public Infrastructure Grants	0
Illinois ETIP/IP Incentive Grants	0
Large Business Development Grants	0
<u>Department of Transportation</u>	
Program Type	
Economic Development Program	15,020,750

LOANS³

<u>Illinois Treasurer</u>	
Program Type	
Agriculture Investment Annual	101,816,263
Agriculture Investment Long-Term	3,371,491

³ This information is provided by the respective agencies.