

IL S 2951 z, Enacted

Illinois

SUMMARY: Encourages and promotes the retention and expansion of existing businesses and industry within the State and recruits and attracts new businesses and industry to the State by providing businesses with ready access to the capital and incentives needed to stimulate economic activity and create new jobs; establishes the Reimagining Energy and Electric Vehicles in Illinois (REV Illinois) Program; provides for tax credits.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

10/27/2021 INTRODUCED.

10/27/2021 To SENATE Committee on ASSIGNMENTS.

01/05/2022 To SENATE Committee on REVENUE.

02/07/2022 From SENATE Committee on REVENUE: Do pass.

02/07/2022 In SENATE. Placed on Calendar Order Second Reading.

02/10/2022 In SENATE. Read second time.

02/10/2022 In SENATE. Placed on Calendar Order Third Reading.

02/16/2022 In SENATE. Read third time. Passed SENATE. *****To HOUSE.

02/18/2022 To HOUSE Committee on RULES.

03/07/2022 To HOUSE Committee on REVENUE & FINANCE.

03/25/2022 Rule 19(a)/ Re-referred to RULES Committee.

04/05/2022 In HOUSE. Final Passage Deadline Extended to April 8, 2022.

04/05/2022 To HOUSE Committee on EXECUTIVE.

04/05/2022 In HOUSE. Motion to Suspend Rule 21 - Prevailed.

04/06/2022 In HOUSE. Committee Amendment No. 1 filed. Referred to RULES.

04/06/2022 In HOUSE. Rule 40 Tabled Amendment No. 1.

04/06/2022 From HOUSE Committee on EXECUTIVE: Do pass.

04/06/2022 In HOUSE. Placed on Short Debate Calendar Second Reading.

04/06/2022 In HOUSE. Read second time.

04/06/2022 In HOUSE. Held on Calendar Order of Second Reading.

04/11/2022 Rule 19(a)/ Re-referred to RULES Committee.

11/30/2022 From HOUSE Committee on RULES: Approved for consideration.

11/30/2022 In HOUSE. Placed on Short Debate Calendar Second Reading.

12/01/2022 In HOUSE. Floor Amendment No. 1 filed. Referred to RULES.

12/01/2022 From HOUSE Committee on RULES: Referred to HOUSE Revenue & Finance Committee Amendment No. 2.

12/30/2022 In HOUSE. Final Passage Deadline Extended to January 10, 2023.

01/09/2023 In HOUSE. Floor Amendment No. 3 filed. Referred to RULES.

01/09/2023 From HOUSE Committee on RULES: Referred to HOUSE <CMT> Amendment No. 3.

01/10/2023 From HOUSE Committee on REVENUE AND FINANCE: Approved for consideration - Amendment No. <amend_no>.

01/10/2023 From HOUSE Committee on REVENUE AND FINANCE: Approved for consideration - Amendment No. 3.

01/10/2023 In HOUSE. Read second time. Adopted Amendment No. 3.

01/10/2023 In HOUSE. Placed on Short Debate Calendar Third Reading.

01/10/2023 In HOUSE. Read third time. Passed HOUSE. *****To SENATE for concurrence.

01/10/2023 In SENATE. Placed on Calendar Order of Concurrence - Amendment No. 3.

01/10/2023 In SENATE. Motion filed to concur in Amendment No. 3. Motion referred to SENATE Committee on ASSIGNMENTS.

01/10/2023 From SENATE Committee on ASSIGNMENTS: Approved for consideration - motion to concur in Amendment No. 3.

01/10/2023 SENATE concurred in HOUSE Amendment No. 3.

01/10/2023 Passed Both Houses.

01/30/2023 *****To GOVERNOR.

02/03/2023 Signed by GOVERNOR.

02/03/2023 Public Act No. 1125

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session: Illinois 102nd General Assembly

cite: 2021 IL S 2951 z

Enacted

February 3, 2023

Hunter

Public Act 102-1125

SB2951 Enrolled

AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 1. Short title. This Act may be cited as the Invest in Illinois Act.

TEXT OMITTED, DOES NOT PERTAIN TO FILM

Section 930. The Film Production Services Tax Credit Act 10 of 2008 is amended by changing Sections 10 and 42 as follows:

(35 ILCS 16/10)

Sec. 10. Definitions. As used in this Act:

"Accredited production" means: (i) for productions commencing before May 1, 2006, a film, video, or television production that has been certified by the Department in which the aggregate Illinois labor expenditures included in the cost of the production, in the period that ends 12 months after the time principal filming or taping of the production began, exceed \$100,000 for productions of 30 minutes or longer, or \$50,000 for productions of less than 30 minutes; and (ii) for productions commencing on or after May 1, 2006, a film, video, or television production that has been certified by the Department in which the Illinois production spending included in the cost of production in the period that ends 12 months after the time principal filming or taping of the production began exceeds \$100,000 for productions of 30 minutes or longer or exceeds \$50,000 for productions of less than 30 minutes.

"Accredited production" does not include a production that:

(1) is news, current events, or public programming, or a program that includes weather or market reports;

(2) is a talk show;

(3) is a production in respect of a game, questionnaire, or contest;

(4) is a sports event or activity;

(5) is a gala presentation or awards show;

(6) is a finished production that solicits funds;

(7) is a production produced by a film production company if records, as required by 18 U.S.C. 2257, are to be maintained by that film production company with respect to any performer portrayed in that single media or multimedia program; or

(8) is a production produced primarily for industrial, corporate, or institutional purposes.

"Accredited animated production" means an accredited production in which movement and characters' performances are created using a frame-by-frame technique and a significant number of major characters are animated. Motion capture by itself is not an animation technique.

"Accredited production certificate" means a certificate issued by the Department certifying that the production is an accredited production that meets the guidelines of this Act.

"Applicant" means a taxpayer that is a film production company that is operating or has operated an accredited production located within the State of Illinois and that (i) owns the copyright in the accredited production throughout the Illinois production period or (ii) has contracted directly with the owner of the copyright in the accredited production or a person acting on behalf of the owner to provide services for the production, where the owner of the copyright is not an eligible production corporation.

"Credit" means:

(1) for an accredited production approved by the Department on or before January 1, 2005 and commencing before May 1, 2006, the amount equal to 25% of the Illinois labor expenditure approved by the Department. The applicant is deemed to have paid, on its balance due day for the year, an amount equal to 25% of its qualified Illinois labor expenditure for the tax year. For Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department, in an accredited production commencing before May 1, 2006 and approved by the Department after January 1, 2005, the applicant shall receive an enhanced credit of 10% in addition to the 25% credit; and

(2) for an accredited production commencing on or after May 1, 2006 *and before January 1, 2009*, the amount equal to:

(i) 20% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department; and

(3) for an accredited production commencing on or after January 1, 2009, the amount equal to:

(i) 30% of the Illinois production spending for the taxable year; plus

(ii) 15% of the Illinois labor expenditures generated by the employment of residents of geographic areas of high poverty or high unemployment, as determined by the Department.

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

"Director" means the Director of Commerce and Economic Opportunity.

"Illinois labor expenditure" means salary or wages paid to employees of the applicant for services on the accredited production.

To qualify as an Illinois labor expenditure, the expenditure must be:

(1) Reasonable in the circumstances.

(2) Included in the federal income tax basis of the property.

- (3) Incurred by the applicant for services on or after 4 January 1, 2004.
- (4) Incurred for the production stages of the accredited production, from the final script stage to the end of the post-production stage.
- (5) Limited to the first \$25,000 of wages paid or incurred to each employee of a production commencing before May 1, 2006 and the first \$100,000 of wages paid or incurred to each employee of a production commencing on or after May 1, 2006 and prior to July 1, 2022. For productions commencing on or after July 1, 2022, limited to the first \$500,000 of wages paid or incurred to each **eligible** nonresident or resident employee of a production company or loan out company that provides in-State services to a production, whether those wages are paid or incurred by the production company, loan out company, or both, subject to withholding payments provided for in Article 7 of the Illinois Income Tax Act. For purposes of calculating Illinois labor expenditures for a television series, the **eligible** nonresident wage limitations provided under this subparagraph are applied to the entire season. **For the purpose of this paragraph (5), an eligible nonresident is a nonresident whose wages qualify as an Illinois labor expenditure under the provisions of paragraph (9) that apply to that production.**
- (6) For a production commencing before May 1, 2006, exclusive of the salary or wages paid to or incurred for the 2 highest paid employees of the production.
- (7) Directly attributable to the accredited production.
- (8) (Blank).
- (9) Prior to July 1, 2022, paid to persons resident in Illinois at the time the payments were made. For a production commencing on or after July 1, 2022, paid to persons resident in Illinois and nonresidents at the time the payments were made.

For purposes of this subparagraph, **if the production is accredited by the Department before the effective date of this amendatory Act of the 102nd General Assembly**, only wages paid to nonresidents working in the following positions shall be considered Illinois labor expenditures: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, and Actor, subject to the limitations set forth under this subparagraph. For an accredited Illinois production spending of \$25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as an Illinois labor expenditure. For an accredited production with Illinois production spending of more than \$25,000,000, no more than 4 nonresident actor's wages shall qualify as Illinois labor expenditures.

For purposes of this subparagraph, if the production is accredited by the Department on or after the effective date of this amendatory Act of the 102nd General Assembly, wages paid to nonresidents shall qualify as Illinois labor expenditures only under the following conditions:

(A) the nonresident must be employed in a qualified position;

(B) for each of those accredited productions, the wages of not more than 9 nonresidents who are employed in a qualified position other than Actor shall qualify as Illinois labor expenditures;

(C) for an accredited production with Illinois production spending of \$25,000,000 or less, no more than 2 nonresident actors' wages shall qualify as Illinois labor expenditures; and

(D) for an accredited production with Illinois production spending of more than \$25,000,000, no more than 4 nonresident actors' wages shall qualify as Illinois labor expenditures.

As used in this paragraph (9), "qualified position" means: Writer, Director, Director of Photography, Production Designer, Costume Designer, Production Accountant, VFX Supervisor, Editor, Composer, or Actor.

(10) Paid for services rendered in Illinois. "Illinois production spending" means the expenses incurred by the applicant for an accredited production, including, without limitation, all of the

following:

- (1) expenses to purchase, from vendors within Illinois, tangible personal property that is used in the accredited production;
- (2) expenses to acquire services, from vendors in Illinois, for film production, editing, or processing; and
- (3) for a production commencing before July 1, 2022, the compensation, not to exceed \$100,000 for any one employee, for contractual or salaried employees who are Illinois residents performing services with respect to the accredited production. For a production commencing on or after July 1, 2022, the compensation, not to exceed \$500,000 for any one employee, for contractual or salaried employees who are Illinois residents or nonresident employees, subject to the limitations set forth under Section 10 of this Act.

"Loan out company" means a personal service corporation or other entity that is under contract with the taxpayer to provide specified individual personnel, such as artists, crew, actors, producers, or directors for the performance of services used directly in a production. "Loan out company" does not include entities contracted with by the taxpayer to provide goods or ancillary contractor services such as catering, construction, trailers, equipment, or transportation.

"Qualified production facility" means stage facilities in the State in which television shows and films are or are intended to be regularly produced and that contain at least one sound stage of at least 15,000 square feet.

Rulemaking authority to implement Public Act 95-1006, if any, is conditioned on the rules being adopted in accordance with all provisions of the Illinois Administrative Procedure Act and all rules and procedures of the Joint Committee on Administrative Rules; any purported rule not so adopted, for whatever reason, is unauthorized.

(Source: P.A. 102-558, eff. 8-20-21; 102-700, eff. 4-19-22.)

(35 ILCS 16/42)

Sec. 42. Sunset of credits. The application of credits awarded pursuant to this Act shall be limited by a reasonable and appropriate sunset date. A taxpayer shall not be awarded any new credits pursuant to this Act for tax years beginning on or after **January 1, 2033** ~~January 1, 2027~~.

*****TEXT OMITTED, DOES NOT PERTAIN TO FILM*****

Section 9999. Effective date. This Act takes effect upon becoming law.