



**Illinois Enterprise Zone Program
Instructions and Application
for High Impact Business Designation**

The "Illinois Enterprise Zone Act" authorizes the Department of Commerce and Economic Opportunity to designate qualified businesses as "High Impact Businesses". The "Illinois Income Tax Act", "Retailers' Occupation Tax Act", and the "Public Utilities Act" make the High Impact Business eligible for sales tax exemption on building materials, an investment tax credit, an exemption from state gas tax on utilities, and a state sales tax exemption on manufacturing repair and equipment repairs and replacement parts.

A designated High Impact Business located in a foreign trade zone or sub-zone is eligible for additional incentives including an income tax credit for a minimum of five new eligible hires, an exemption from municipal tax on utilities, and an income tax deduction for financial institutions receiving interest from loans secured by property eligible for the High Impact Business Investment Tax Credit.

The designation as a High Impact Business is contingent on the business undertaking a "large scale investment and development project". The project must be a result of a minimum of \$12 million investment causing the creation of 500 full-time equivalent jobs or an investment of \$30 million causing the retention of 1,500 full-time equivalent jobs. The investment must take place at a designated location in Illinois outside of an Enterprise Zone in which the High Impact Business is located.

Definitions

"Eligible investment" means the required amount of investments in qualified property as defined by Section 201(h) of the Illinois Income Tax Act.

"Foreign trade zone" or "Sub-zone" means a geographic area designated by the federal government under the Foreign Trade Zone Act of 1934, as amended, 19 U.S.C. §§ 81a-81u (1993); 15 C.F.R. §§ 400.1-400.53 (1993).

"Full-time equivalent job" means a job in which the new employee works for the recipient or for a corporation contract to the recipient at a rate of at least 35 hours per week. A recipient who employs labor or services at a specific site or facility under contract with another may declare one full-time, permanent job for every 1,820 man hours worked per year under that contract. Vacations, paid holidays, and sick time are included in this computation. Overtime is not considered a part of regular hours.

"Full-time retained job" means any employee defined as having a full-time or full-time equivalent job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat, which shall be specified in the application for development



assistance. A recipient who employs labor or services at a specific site or facility under contract with another may declare one retained employee per year for every 1,750 man hours worked per year under that contract, even if different individuals perform on-site labor or services.

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"High Impact Business" means a business located at a designated location in Illinois, which is designated as a High Impact Business by the Department pursuant to Section 655/5.5 of the Illinois Enterprise Zone Act, 20 ILCS 655/5.5 (2000 Illinois Compiled Statutes), as amended.

"Job creation" means at least 500 full-time equivalent employees are to be hired by the High Impact Business at a designated location in Illinois over the number of full-time equivalent employees that were employed by the applicant prior to January 1989. Job titles being filled or re-filled as a result of strikes or layoffs cannot be considered job creation. Employees of the High Impact Business must provide services at the designated location in Illinois.

"Job retention" means at least 1,500 full-time equivalent employees are to be retained by the High Impact Business as a direct result of the qualified investment and that the employees would have lost their jobs had the eligible investment not occurred at the designated location in Illinois. Employees of the High Impact Business must provide services at the designated location in Illinois.

"Large scale investment and development project" means a project of a High Impact Business which is the result of a minimum eligible investment of \$12 million and causes the creation of 500 full-time equivalent jobs or is the result of a minimum eligible investment of \$30 million and causes the retention of 1,500 full-time equivalent jobs.

"Placed in service," means the state or condition of readiness and availability for a specifically assigned function.

"New employee" means a full-time equivalent job that represents a net increase in the number of the recipient's employees statewide.

"New employee" includes an employee who previously filled a new employee position with the recipient who was rehired or called back from a layoff that occurs during or following the base years.

The term "New employee" does not include any of the following:

- (1) An employee of the recipient who performs a job that was previously performed by another employee in this State, if that job existed in this State for at least 6 months before hiring the employee.
- (2) Any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of any member of the recipient.



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- (3) A child, grandchild, parent, or spouse, other than a spouse who is legally separated from the individual, of any individual who has a direct or indirect ownership interest of at least 5% in the profits, capital, or value of any member of the recipient.
- (4) Employee positions being filled or refilled as a result of strikes or layoffs or replacement workers to replace recipient company locked out employees.

Application Requirements

The applicant must complete and submit to the department a Company Tax Certification that must be signed and returned **immediately** to the Department, prior to the Department's receipt of your application.

The applicant certifies that it is a company in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The company further authorizes the Department of Commerce and Economic Opportunity to seek a tax clearance letter from the Illinois Department of Revenue and authorizes the Department of Revenue to provide such a letter stating whether the records of the Department show that Company is in compliance with all tax Acts administered by the Department of Revenue and to which Company is subject.

The applicant also certifies that no tax liens, including but not limited to municipal, county, state or federal liens, have been filed against the company, the majority shareholders of the company, or in the name of related business owned by the applicant.

The department will review an application within 30 days of receipt. The department may request supplemental information needed to determine eligibility. Failure to submit proper documentation may result in denial of the application. If additional information is requested, the applicant will be allowed 30 days to submit it. The department will then accept or deny the application within 30 days.

If the department denies the initial application, it will specify the reasons for denial in writing, and allow the applicant 30 days to amend and resubmit the application. Resubmitted applications will be approved or denied within 30 days of receipt.

If the application is approved, the department will notify the applicant in writing of designating as a High Impact Business, and transmit a copy of the designation to the Illinois Department of Revenue.

Applications should be sent to:



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Department of Commerce
& Economic Opportunity

OFFICE OF BUSINESS DEVELOPMENT
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Department of Commerce and Economic Opportunity
500 East Monroe, Fourth Floor
Springfield, Illinois 62701



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Illinois Enterprise Zone Program
High Impact Business Application

Part A: Legal Applicant

Name of Business:

Address:

Federal Employers Identification Number (FEIN):
Illinois Business Tax Number (IBT#):
Contact person:
Title:
Phone:

Name/Number of Foreign Trade Zone or Sub-Zone in which the applicant conducts business operations, if applicable:

Foreign Trade Zone or Sub-Zone:

Name of Designated Location in Illinois outside of an Enterprise Zone:

Please indicate in the appropriate box which statutory criterion the applicant is using to qualify for this designation.

Creation of 500 full-time equivalent jobs:

Retention of 1,500 full-time equivalent jobs:

If using the job creation criterion, please complete Part D of this application; if using job retention criterion, please complete Part E of this application.

NOTE: Submit original plus two copies. The format of this application may be reproduced and completed in an expanded form provided the final application is presented in bound loose-leaf notebook. All pages must be numbered in sequence and attachments labeled.



Part B: Investment Impact

Please give a short description of the large-scale investment and development project.

Submission of documentation supporting the expected effects of the investment is encouraged.

Part C: Investment Information

1. Provide a detailed description of the planned eligible investment. Include sufficient documentation to substantiate that the investment is eligible. Such documentation may include construction schedules, schematics and specifications, or lists and approximate value of equipment to be purchased.
2. Indicate when the qualified property will be placed in service.
3. If the investment requires financing from other than the applicant's resources, provide a commitment letter from the source(s) of financing verifying that funds adequate to complete the eligible investment have been committed to the applicant.

Part D: Job Creation

Newly proposed facilities qualifying under the job creation criteria must provide proof of alternative non-Illinois sites, which would receive the proposed investment and job creation in the event the business is not designated. Such proof shall include, but is not limited to, incentive letters, prospective offers or other documentation indicating firm interest in alternative non-Illinois locations.

Using the format shown below, document the job creation that will result from the investment described in Parts B and C.

Job Title	Average Annualized Wage	Number of Created Jobs	Number of Created Contractual Jobs	Project Address of New Employees
TOTAL				

Provide a detailed explanation of how and why the investment and exemption will cause the required job creation.



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Part E: Job Retention

Existing Illinois businesses qualifying under the job retention criteria must provide a prospective plan that demonstrates that 1,500 full-time equivalent jobs would be eliminated in the event the businesses is not designated.

Using the format shown below; document the job retention that will result from the investment described in Parts B and C.

Job Title	Average Annualized Wage	Number of Retained Employees	Number of Retained Contractual Employees	Project Address of Employees
TOTAL				

Provide a detailed explanation of how and why the investment and exemption will cause the required job retention.



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PART F: Company Tax Certification and Information Sharing

The company certifies that it is a company in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The company also certifies that no tax liens, including but not limited to municipal, county, state or federal liens, have been filed against the company, the majority shareholders of the company, or in the name of related business owned by the applicant.

This document authorizes the Illinois Department of Revenue to share specific tax data related to requests made by the Department of Commerce and Economic Opportunity for purposes of awarding business incentives.

The company certifies that all information contained in this application, including the documentation, is true to the best of his/her knowledge and belief.

SIGNATURE OF CHIEF EXECUTIVE
OFFICER:

PRINTED/TYPED NAME OF EXECUTIVE:

NAME OF COMPANY:

COMPANY FEIN NUMBER:

DATE :

NOTE: PLEASE FAX THIS COMPLETED PAGE ALONG WITH A COMPLETED ILLINOIS DEPARTMENT OF REVENUE FORM ITR-1 FORM TO MARK GAUSS AT 217/558-4860.

A COPY OF THE ITR-1 IS AVAILABLE ONLINE AT:

<http://www.revenue.state.il.us/TaxForms/Misc/Clearance/ITR-1.pdf>



Part G: Certification

I certify and provide assurance that at a minimum the number of full-time equivalent jobs created or retained, as described in this application, shall be maintained for the term of the High Impact Business; and, in the event that the number of jobs is reduced, I accept responsibility for notifying the Department of that fact immediately, in which case eligibility for status as a High Impact Business is terminated. I agree to comply with the recapture provisions pursuant to P.A. 93-0552, the Corporate Accountability for Tax Expenditures Act.

I certify investments would not be placed in service in qualified property and the job creation or retention would not occur without the tax credits and exemptions set forth in Section 5.5(b) of the Illinois Enterprise Zone Act. I accept that if the Department demonstrates that this High Impact Business would have placed in service and created or retained the requisite number of jobs without the High Impact Business benefits, this designation will be revoked and the business will be responsible for repaying the wrongfully exempted taxes plus accrued interest. In addition, in the event the designation is revoked, the business shall be ineligible for all State funded department programs for ten years.

Authorized Executive Officer

Date