



EDGE Tax Credit Program

Economic Development for a Growing Economy

With the approval of your Illinois EDGE tax credit incentive, you are required to complete certain reporting requirements as identified below:

1. **Agreed Upon Procedures Audit (AUP)**

Companies seeking to claim their first tax credit certificate are required to submit an Agreed-Upon Procedures audit (AUP) within 90 days after its tax year-end (3/31 for companies with a 12/31 tax-year end).

2. **Annual Tax Credit Report**

To receive an annual tax credit certificate, companies must provide documentation that the required project investments and full-time jobs requirements have been attained. Required forms (Exhibit D and Exhibit E) must be submitted annually to DCEO. For the first-year reporting, submissions must be within 90 days of the tax year-end date; subsequent submissions must be submitted 45 days after tax year-end (2/15 for companies with 12/31 tax year-end periods). Required forms can be found on the EDGE website at [Economic Development for a Growing Economy Tax Credit Program \(EDGE\) - Incentives \(illinois.gov\)](https://www.illinois.gov/economic-development/edge-tax-credit-program).

Please submit the completed report through the SmartSheet link: [EDGE Tax Certificate Submission Form \(smartsheet.com\)](https://smartsheet.com/edge-tax-credit-certificate-submission-form).

3. **Vendor Diversity/Sexual Harassment Policy Reporting**

Reporting is required for companies that entered into EDGE Agreements (or amended an existing agreement) after October 1, 2017, AND the related companies identified in the EDGE application employ over 100 individuals worldwide. In these cases, the company responsible for new job creation is required to complete the Vendor Diversity/Sexual Harassment Policy Report by April 15 each year. Failure to submit this form annually by April 15 will result in a loss of tax credits for that taxable year. The report form can be found on the EDGE website at [Economic Development for a Growing Economy Tax Credit Program \(EDGE\) - Incentives \(illinois.gov\)](https://www.illinois.gov/economic-development/edge-tax-credit-program).

4. **Corporate Accountability**

Pursuant to the Corporate Accountability for Tax Expenditure Act, the first annual report is due the year after the year in which the EDGE agreement was executed. For example, companies with EDGE agreements dated in 2021 must submit their first online report during 2022 for the period ending 12-31-21. Notice of reporting is sent annually and includes filing instructions and due dates. Additional information regarding this report can be found on the Illinois Accountability Project website at [DCEO - Illinois Corporate Accountability \(ildceo.net\)](https://ildceo.net).

For questions, please contact EDGE staff at CEO.EDGE@illinois.gov

EDGE Tax Credit Program FAQ's

General EDGE Tax Report Questions

1. Where do I submit my annual report?

Beginning in 2023, *all* Annual EDGE Tax Reports will be submitted using the [EDGE Submission Portal](#). Using this portal will help guide you through your submission requirements, ensuring the submission of complete EDGE Annual Tax Reports.

2. What needs to be included in my annual report?

Please include all applicable items listed on Page 1 of this document. These include the following: Agreed Upon Procedures Audit, Annual Tax Credit Report consisting of Exhibit D (Jobs Report), Exhibit E (Payroll Report) and the COVID-19 Payroll Certification Form, Vendor Diversity/Sexual Harassment Policy Reporting, and the Corporate Accountability Report.

3. Who do I contact with questions?

For questions, please contact EDGE staff at CEO.EDGE@Illinois.gov

Exhibit D (Jobs Report) FAQ's

1. What is the "Name of Business(s)"?

The *full* Company Name, as listed in the EDGE agreement or any subsequent amendment(s).

2. What "Address(s)" do I include?

All Project Locations listed in the EDGE agreement or any subsequent amendment(s).

3. What date should I use for "Tax Year End Date"?

Please use the tax year end date for the period you are seeking EDGE credit.

4. Where do I find the number of jobs to be created?

The number of jobs to be created can be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company's Covenants.

5. Where do I find the number of jobs to be retained?

The number of jobs to be retained can be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company's Covenants.

6. What is the difference between retained employees and baseline employees?

Some EDGE recipients may receive credit for Retained Employees, while others are required to maintain a Project Baseline, Statewide Baseline, both a Project and Statewide Baseline, or all the above. *EDGE agreements dated October 2017 or later will have a Baseline Employee requirement.*

If your EDGE agreement provides credit for Retained Employees, that can be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company's Covenants. If your EDGE agreement requires Baseline Employees, that can also be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company's Covenants, specifically under New Employees.

When completing the Exhibit D, please pay close attention to your EDGE agreement and how it addresses Retained Employees or Baseline Employees. If your Retained Employee requirement is zero (0), you must put zero (0) where applicable. There is a section on the Exhibit D that specifically addresses Baseline Employees.

7. What do I put for bullet point 1, “The number of New Employees hired for the Project...”?

Please list the number of New Employees hired for the Project at the end of the taxable year you are seeking credit for. This number should match the Exhibit E (Payroll Report).

Please note, interns, Co-ops, and temporary employees, and those with 5% or more ownership are not eligible to receive credit. Please remove these employees from the report.

8. What do I put for bullet point 2, “The number of Retained Employees retained for the Project...”?

If your EDGE agreement requires Retained Employees, please list the number of Retained Employees at the Project at the end of the taxable year you are seeking credit for. This should match the Exhibit E (Payroll Report).

If your EDGE agreement does not require Retained Employees, you will put zero (0) here.

Baseline Employees *are not* reported in this section.

9. What do I put for bullet point 3, “The amount of Capital Improvements made for the Project...”?

Please include the amount of Capital Improvements made from the inception of the agreement. The Capital Improvements must meet or exceed the commitment from the agreement to receive credit.

“Capital improvements” represent the minimum eligible investment chosen in Part B-2. Capital Improvements shall include the purchase, renovation, rehabilitation, or construction of permanent tangible land, buildings, structures, equipment, and furnishings in an approved project sited in Illinois and in expenditures for goods or services that are normally capitalized, including organizational costs and research and development costs incurred in Illinois. For land, buildings, structures, and equipment that are leased, the lease must equal or exceed the term of the 10-year Tax Credit Agreement and the cost of the property shall be determined from the present value, using the corporate interest rate prevailing at the time of the application, of the lease payments. [35 ILCS 10/5-30]

10. What do I put for bullet point 4, “The amount of Total Project costs...”?

Please include all Project Costs made from the inception of the agreement. Capital Investment is included in Total Project Costs.

“Project costs” must exceed tax credits to be received and include all costs of the project incurred or to be incurred by the taxpayer including: capital investment, including, but not limited to, equipment, buildings, or land; infrastructure development; debt service, except refinancing of current debt; research and development; job training and education; and lease costs or relocation costs, but excludes the value of State incentives, including discretionary tax credits, discretionary job training grants, or the interest savings of below market rate loans. [35 ILCS 10/5-30]

11. What do I put for bullet point 5, “The amount of the Payroll for the Project...”?

The *total* amount of the Payroll for the Project should be the sum of all W-2 wages for Employees whom you are seeking credit for.

Please do not include the wages for Baseline Employees in this figure, as you are not seeking credit for those employees.

If your EDGE agreement only provides credit for New Employees, report the sum of W-2 wages for all eligible New Employees.

If your EDGE agreement provides credit for both New Employees and Retained Employees, report the sum of W-2 wages for all eligible New and Retained Employees.

12. What is the difference between Capital Improvements and Total Project costs?

Please see FAQ’s #9 and #10 for an explanation of the difference between Capital Improvements and Total Project Costs.

13. What do I put for bullet point 6, “ ____ jobs were to be maintained at the Project.”?

If your EDGE agreement requires Project Baseline Employees, that can be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company’s Covenants, specifically under New Employees.

14. What do I put for bullet point 7, “ ____ jobs were to be maintained among all Related Member locations in Illinois.”?

If your EDGE agreement requires Statewide Project Baseline Employees, that can be found in your EDGE agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company’s Covenants, specifically under New Employees.

15. Who needs to sign and date the Exhibit D?

Whoever the Company representative that is responsible for the filing of the annual EDGE Tax Report may sign and date the Exhibit D.

Exhibit E (Payroll Report) FAQ’s

1. What tab on the Payroll report am I supposed to use?

For any New Employees, please use the “Master Payroll New Employees” tab. For any Retained Employees, please use the “Master Payroll Retained Empl” tab. For any Baseline Employees, please use the “Master Payroll Baseline Empl” tab.

If your agreement has a requirement for both Project and Statewide Baseline employees, feel free to duplicate the “Master Payroll Baseline Empl”, and please note which employee report is which.

If you are reporting Training Costs for New Employees, please use the “Individual Training Template” for EACH employee you are reporting costs for. You may duplicate this tab as many times as necessary. You must also include the training costs for New Employees on the “Master Payroll New Employees” tab.

2. What information is required on the top portion of the “Master Payroll New Employee” tab?

The full Company Name, as listed in the EDGE agreement or any subsequent amendment(s). All Project Locations listed in the EDGE agreement or any subsequent amendment(s). The EDGE Agreement date. Company’s tax year-end date for the period you are seeking EDGE credit. Tax credit percentage per agreement for New Employees. If applicable, required Statewide Full-Time Employment Baseline and actual Statewide Full-Time Employment. If applicable, the actual Project Full-Time Employment Baseline and required Project Full-Time Employment Baseline.

3. Do I need to provide both Employee ID and Employee Name?

We require either the Employee ID or the Employee’s name to identify the reported employee. Our preference is that you include both.

4. What do I need to include for Job Title?

Please include specific job titles for each employee. We do not accept general department assigned (i.e., Sales, Management, HR, etc.) Please note, *interns, Co-ops, and temporary employees* are not eligible to receive credit. Please remove these employees from the report.

5. Should I include employees who have 5% or more ownership?

No, you cannot receive credit for employees who have 5% or more ownership, so you do not need to include them in the report.

6. What is my project location?

If your project only includes one address, you may put whatever project identifying information you wish. If your project includes *multiple addresses*, you must break down the project location for each individual employee specific to the location they are assigned to. If your project includes an address that is no longer in use by the Company, you must inform us immediately.

7. Do I include part-time employees?

No, per your EDGE Agreement, please only include employees that meet the required Full-time hours per week, typically 35 hrs./week.

8. If an employee transferred from an out-of-state facility, can I include them?

Yes! Please note the date the employee transferred from an out-of-state facility and provide the State they transferred from in an additional column on the report.

9. Can I include employees who transferred from another Illinois facility?

No, these employees are not eligible to receive credit.

10. What if I have employees who reside outside of the State of Illinois?

Employees may reside outside the State of Illinois if they are actively working at the Project. If an employee resides beyond a reasonable daily commute to the facility, please attest in an additional column on the report that they are actively working at the Project in a remote or hybrid capacity.

If an employee who actively works at the Project, resides outside of the State of Illinois, and pays withholding taxes to another State, they may count towards your New, Retained, or Baseline requirements. You will not receive credit for this employee, but please include \$0.00 in the "IL Withholding" column.

In the event the Company seeks credit for more employees currently residing outside Illinois representing more than ten percent (10%) of its New Employees, the Company must contact the Department prior to submitting its claim for a credit via email to CEO.EDGE@Illinois.gov. EDGE certificates issued based upon such representation will be subject to audit.

11. What "New Hire Date" should I include?

Please include the most recent hire date of all employees. If any employee was hired, terminated, and then rehired, please use the most recent hire date for this employee. If an employee was hired but has moved to a new position, please include their original hire date with the Company.

12. What if I have employees that were hired prior to the EDGE agreement date?

New Employees must be hired after the EDGE agreement date, please do not include any employees hired prior to the EDGE agreement date as a New Employee.

13. What if I have New Employees who were terminated during the tax year?

Please do not include employees who were terminated during the tax year.

14. Why is there a column to include termination date if I am not supposed to include these employees?

This is a safeguard to make sure that your Company is not seeking credit for an employee that was terminated during the tax year.

15. What if I have an employee that transferred to another Illinois location?

If the location that this employee transferred to is included in the Project, they may remain. If the employee transferred to another Illinois location that is not within the Project, please do not include them in the report.

16. What W-2 wages do I include?

Please include all W-2 wages earned during the taxable year, regardless of State residence or job position within the Company.

17. What common follow-up questions will the State have specific to employee W-2 wages?

For employees who have wages under the equivalent of \$23,660/year based on hire date, we will require additional information to explain why the employee’s wages fall under the State minimum wage. This could mean the employee was on leave during the tax year, was part-time, terminated, etc. Please provide an explanation for the low wages. If this employee had a leave of absence, please provide the exact dates.

18. What if an employee does not have any Illinois Withholding?

If an employee does not have Illinois Withholding and is an Illinois resident, we will require an explanation (i.e., claimed exempt, multiple allowances, etc.) Please include further explanation on the report.

If an employee is not an Illinois resident, we understand that they may not pay Illinois Withholding due to reciprocity.

Please verify that any non-Illinois resident who paid Illinois Withholding did in fact pay Illinois Withholding. Some States have reciprocity with Illinois, and you may not receive credit for withholdings paid to another State.

19. Do I have to include Training Costs?

No, this is optional, but if you choose to include training costs, please include them for each employee you are seeking training cost credit for and use the “Individual Training Template” for each individual employee.

20. What should be included in the "Notes" column?

Anything that is pertinent information to the employee, wages, withholdings, etc., should be included in the "Notes" column. Examples include: If an employee takes an extended leave, please include the exact dates in this column; if an employee does not have withholdings, please include the reason in the "Notes" column.

21. How do the “Master Payroll Retained Empl” and the “Master Payroll Baseline Empl” tabs differ from the “Master Payroll New Employees” tab?

The “Master Payroll Retained Empl” and the “Master Payroll Baseline Empl” tabs have slightly less identifying information than the “Master Payroll New Employees” tab, but overall function very similar. If you have any questions while completing either the “Master Payroll Retained Empl” and the “Master Payroll Baseline Empl” tabs, the above FAQs should help answer any questions you may have.

22. What is the difference between the “Master Payroll Retained Empl” and the “Master Payroll Baseline Empl” tabs?

These two tabs are identical. We have included a tab specific for Retained Employees and one specific to Baseline Employees to help ease the reporting for Company's whose EDGE agreement requires Retained Employees, Baseline Employees, or possibly both. *EDGE Agreements dated October 2017 or later will have a Baseline Employee requirement.*

23. What if my Agreement mentions Retained Employees, a Project Baseline, and a Statewide Baseline?

If your Agreement in Section 4 (or IV) has a Retained Employee requirement *different* than your Statewide Baseline, please report your Retained employees on the Retained Employee tab and the difference (Statewide Baseline requirement minus Retained Employee requirement) on the Baseline Employee tab.

Additional questions? Please contact EDGE staff at CEO.EDGE@illinois.gov