



**Enterprise Zone,
High Impact Business
and River Edge Redevelopment Zone Programs**

ANNUAL REPORT 2017



**Illinois
Department of Commerce
& Economic Opportunity**
Bruce Rauner, Governor

2017 Annual Report

Enterprise Zone, High Impact Business and River Edge Redevelopment Zone Programs

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Illinois Department of Commerce and Economic Opportunity

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Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

September 27, 2018

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive that the Department of Commerce and Economic Opportunity ("DCEO") report annually to the members of the Illinois General Assembly an evaluation of the effectiveness of the Illinois Enterprise Zone (EZ), River Edge Redevelopment Zone (RERZ), and High Impact Business (HIB) tax incentives. This report provides the most up-to-date and accurate information available to DCEO and the Illinois Department of Revenue (IDOR) and thus provides a comprehensive evaluation of the EZ, RERZ and HIB programs.

The programs are designed to stimulate business and industrial growth, retention in depressed areas and neighborhood revitalization in such areas at the local level through state and local tax incentives, regulatory relief and improved government services. Pursuant to recent changes to the Illinois Enterprise Zone Act, this is the fourth annual program report to include data collected by IDOR.

These programs are an important factor of a business' decision to locate or expand in Illinois. This report demonstrates that the programs continue to be an essential component of the State's arsenal to stimulate investment and job creation. The Department continues to work with the IDOR and various stakeholders to improve the reporting procedures for the programs to improve the quality of the metrics demonstrating the efficacy of these programs.

Sincerely,

A handwritten signature in blue ink, appearing to read "Leslie Munger".

Leslie Munger
Acting Director

ENTERPRISE ZONE PROGRAM

Overview

The Illinois Enterprise Zone Act, 20 JLCs 655/1, et seq. (the "Act"), was signed into law December 7, 1982. The purpose of the Act is to stimulate economic growth and neighborhood revitalization at the local level. This is accomplished through state and local tax incentives, regulatory relief, and improved government services. In accordance with the Act, the Department of Commerce and Economic Opportunity ("DCEO" or the "Department") is authorized to designate Enterprise Zones. Pursuant to the most recent amendments to the Act, applicants must satisfy certain statutory criteria as part of the application process. DCEO reviews the applications based on the scoring system set forth in the Act, and then submits its recommendations to the Enterprise Zone Board to review and either approve or deny such applications. The Department certifies zones based on the review and approval of the Enterprise Zone Board.

Program Activity

During 2017, the Enterprise Zone Board convened under the Act to review and approve or deny applicants for Enterprise Zone designation from an applicant pool of 12 applications received prior to the December 31, 2016 deadline. The Enterprise Zone Board ultimately approved Douglas County, Effingham/Effingham County, Enterprise Zone 6 (Chicago VI), Jersey-Greene Intermodal, Massac County and Whiteside Carroll for new designation to become effective on January 1, 2018, for an initial period of 15 years, with the possibility of a 10-year extension.

DCEO received four (4) applications for Enterprise Zone designation prior to the December 31, 2017 deadline. If approved, new designations would be effective on January 1, 2019 for an initial period of 15 years with the possibility of a 10-year extension.

As detailed on pages 4-7 of the Illinois Department of Revenue (IDOR) companion report, the Enterprise Zone Program resulted in a total capital investment of \$908,072,000, 56,253 total jobs and \$114,395,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.

BENEFITS OF THE ENTERPRISE ZONE PROGRAM

State Incentives

The Illinois Enterprise Zone program offers numerous state incentives to encourage companies to locate or expand in Enterprise Zones. Currently, the following incentives are available:

Enterprise Zone Investment Tax Credit

The Investment Tax Credit provides for a 0.5% credit against the state income tax for investments made in “qualified property” that are placed in service in an Enterprise Zone. The credit shall be 0.5% of the basis for such property. The specific terms and conditions governing this tax credit are regulated by the Illinois Department of Revenue. Qualified property is statutorily defined in Section 201(f) and (h) of the Illinois Income Tax Act.

Enterprise Zone Building Materials Exemption (BME)

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located within an Enterprise Zone established by a county or municipality under the Act. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

Enterprise Zone Utility Tax Exemption

A state utility tax exemption on gas, electricity and the Illinois Commerce Commission's administrative charge, as well as the telecommunication excise tax, is available to businesses located within an Enterprise Zone.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone, which results in the creation of a minimum of 200 full-time equivalent jobs in Illinois; or
- the business making a minimum eligible investment of \$20 million in an Enterprise Zone, which results in the retention of a minimum of 1,000 full-time jobs in Illinois.

The majority of the jobs created or retained must be located in the Enterprise Zone in which the investment occurs. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the Enterprise Zone. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the Enterprise Zone. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs in Illinois with the majority of the jobs being located within the Enterprise Zone in which the investment was made.

Enterprise Zone Manufacturing Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption (MM&E)

A 6.25% state sales tax exemption is available on purchases of:

- All tangible personal property used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the process of graphic arts production;
- Repair and replacement parts for machinery and equipment used in the manufacturing or assembling of tangible personal property, or in the process of graphic arts production for wholesale or retail sale or lease; and
- Equipment, manufacturing or graphic arts fuels, material, and supplies for the maintenance, repair, or operation of such manufacturing or assembling or graphic arts machinery or equipment.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone that results in the creation of a minimum of 200 full-time equivalent jobs in Illinois, or
- the business making a minimum eligible investment of \$40 million in an Enterprise Zone that results in the retention of a minimum of 2,000 full-time jobs in Illinois; or
- the business making a minimum eligible investment of \$40 million that results in the retention of at least 90% of the jobs in place on the date on which the exemption is granted for the duration of the exemption.

The majority of the jobs created or retained must be located in the Enterprise Zone in which the investment occurs. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the Enterprise Zone. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the Enterprise Zone. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs in Illinois with the majority of the jobs being located within the Enterprise Zone in which the investment was made.

Local Incentives

In addition to state incentives, each zone offers local incentives to enhance business development projects. The incentives offered are determined by the local governments and authorized through local ordinance. The following list is not inclusive, but serves as an example of the most common local Enterprise Zone incentives offered:

- Abatement of property taxes on new improvements;
- Homesteading and Shopsteading programs;
- Waiver of business licensing and permit fees;
- Streamlined building code and zoning requirements; and
- Special local financing programs and other resources.

POPULATION OF ILLINOIS ENTERPRISE ZONES

Enterprise Zone <i>(1)(2)</i>	Population		Increase/Decrease	
	2016	2017	Individuals	Percentage
Alexander/Pulaski County	12,094	11,824	-270	-2.2%
Altamont	34,182	34,132	-50	-0.1%
American Bottoms <i>(3)</i>	263,120	262,479	-641	-0.2%
Beardstown	12,681	12,505	-176	-1.4%
Bedford Park	5,231,356	5,211,263	-20,093	-0.4%
Belleville	263,120	262,479	-641	-0.2%
Belvidere/Boone County	53,562	53,513	-49	-0.1%
Bensenville	6,162,509	6,141,391	-21,118	-0.3%
Benton/Franklin County	39,092	39,041	-51	-0.1%
Bloomington-Normal	172,688	172,290	-398	-0.2%
Bureau Putnam Area	39,150	38,970	-180	-0.5%
Cal Sag	5,231,356	5,211,263	-20,093	-0.4%
Calumet Region	5,231,356	5,211,263	-20,093	-0.4%
Canton/Fulton County	35,517	35,110	-407	-1.1%
Carmi/White County	14,088	13,938	-150	-1.1%
Champaign/Champaign County	209,267	209,399	132	0.1%
Chicago I	5,231,356	5,211,263	-20,093	-0.4%
Chicago II	5,231,356	5,211,263	-20,093	-0.4%
Chicago III	5,231,356	5,211,263	-20,093	-0.4%
Chicago IV	5,231,356	5,211,263	-20,093	-0.4%
Chicago V	5,231,356	5,211,263	-20,093	-0.4%
Chicago VI	5,231,356	5,211,263	-20,093	-0.4%
Cicero	5,231,356	5,211,263	-20,093	-0.4%
Clark County	15,848	15,767	-81	-0.5%
Clinton County	37,565	37,614	49	0.1%
Coles County	52,412	51,979	-433	-0.8%
Danville/Vermillion County	78,560	77,909	-651	-0.8%
Decatur/Macon County	106,651	105,801	-850	-0.8%
DeKalb County	104,447	104,733	286	0.3%
Des Plaines River Valley	689,731	692,661	2,930	0.4%
Diamond	740,000	743,247	3,247	0.4%
Edgar County/Paris	17,472	17,328	-144	-0.8%
Effingham/Effingham County	34,182	34,132	-50	-0.1%
Fairfield/Wayne County	16,573	16,495	-78	-0.5%
Fairmont City/Caseyville/Brooklyn/St. Clair County	263,120	262,479	-641	-0.2%
Fairview Heights	263,120	262,479	-641	-0.2%
Flora/Clay County	13,311	13,269	-42	-0.3%
Franklin Park	5,231,356	5,211,263	-20,093	-0.4%
Freeport/Stephenson County	45,540	45,054	-486	-1.1%

Enterprise Zone (1)(2)	Population		Increase/Decrease	
	2016	2017	Individuals	Percentage
Galesburg	50,945	50,638	-307	-0.6%
Gateway Commerce Center (3)	265,598	265,428	-170	-0.1%
Greater Centralia	128,149	127,725	-424	-0.3%
Greenville/Smithboro	16,841	16,948	107	0.6%
Harvard/Woodstock	307,972	309,122	1,150	0.4%
Hodgkins/McCook	5,231,356	5,211,263	-20,093	-0.4%
Hoffman Estates	5,763,909	5,745,930	-17,979	-0.3%
Jackson County	59,032	58,284	-748	-1.3%
Jacksonville/Morgan County	34,194	33,798	-396	-1.2%
Jo-Carroll (4)	36,472	36,112	-360	-1.0%
Joliet Arsenal (4)	814,304	818,879	4,575	0.6%
Kankakee County	110,053	109,605	-448	-0.4%
Kankakee River Valley	110,053	109,605	-448	-0.4%
Kewanee	49,524	49,328	-196	-0.4%
Lawrenceville/Lawrence County	16,343	16,168	-175	-1.1%
Lee/Ogle	85,567	85,469	-98	-0.1%
Lincoln & 394 Corridor	5,921,087	5,903,924	-17,163	-0.3%
Lincoln/Logan County	29,338	29,245	-93	-0.3%
Loves Park/Machesney Park	339,650	338,291	-1,359	-0.4%
Macomb/Bushnell/McDonough County	31,387	30,823	-564	-1.8%
Macoupin County	45,653	45,446	-207	-0.5%
Madison County Discovery	265,598	265,428	-170	-0.1%
Massac County	14,469	14,344	-125	-0.9%
Maywood	5,231,356	5,211,263	-20,093	-0.4%
McLeansboro/Hamilton County	8,199	8,194	-5	-0.1%
Mendota	110,507	110,067	-440	-0.4%
Monmouth/Warren County	17,307	17,167	-140	-0.8%
Montgomery County	29,079	28,790	-289	-1.0%
Mt. Carmel/Wabash County	11,511	11,489	-22	-0.2%
Mt. Vernon/Waltonville	38,308	38,179	-129	-0.3%
Nashville/Washington County	14,210	14,030	-180	-1.3%
Northern Tazewell County	133,967	133,526	-441	-0.3%
Olney/Richland/Newton/Jasper	25,451	25,479	28	0.1%
Ottawa Area	160,776	160,653	-123	-0.1%
Peoria Rural	185,296	183,011	-2,285	-1.2%
Peoria Urban	185,296	183,011	-2,285	-1.2%
Perry County	21,382	21,285	-97	-0.5%
Quad Cities (5)	145,472	144,808	-664	-0.5%
Quincy/Adams County/Brown County	73,417	72,950	-467	-0.6%
Rantoul	209,267	209,399	132	0.1%
Riverbend	265,598	265,428	-170	-0.1%

Enterprise Zone (1)(2)	Population		Increase/Decrease	
	2016	2017	Individuals	Percentage
Robinson/Crawford County	19,142	18,961	-181	-0.9%
Rockford EZ 1	337,256	335,841	-1,415	-0.4%
Rockford I-90	337,256	335,841	-1,415	-0.4%
Salem/Marion County	38,066	37,902	-164	-0.4%
Saline County	24,253	24,102	-151	-0.6%
Southern Tazewell County	133,967	133,526	-441	-0.3%
Springfield/Sangamon County	197,591	196,452	-1,139	-0.6%
St. Clair County MidAmerica (3)	263,120	262,479	-641	-0.2%
Streator Area	146,982	146,585	-397	-0.3%
SW Madison County	265,598	265,428	-170	-0.1%
Taylorville/Christian County	33,271	33,102	-169	-0.5%
Upper Illinois River Valley Development Authority (7)	1,876,140	1,879,153	3,013	0.2%
Urbana/Champaign County	209,267	209,399	132	0.1%
Vandalia/Fayette County	21,816	21,784	-32	-0.1%
Waukegan-North Chicago	5,231,356	5,211,263	-20,093	-0.4%
West Frankfort	39,092	39,041	-51	-0.1%
Western Illinois Economic Development Authority (6)	58,273	57,726	-547	-0.9%
Whiteside County/Carroll County	71,152	70,636	-516	-0.7%
Will County/Cook County	5,921,087	5,903,924	-17,163	-0.3%
Williamson County	67,640	67,328	-312	-0.5%
State of Illinois	12,835,726	12,802,023	-33,703	-0.3%

* The statistical data presented in this table represents the calculated population of the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the US Census Bureau, Fact Finder (Annual Estimates of the Resident Population).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
- (4) Certified as a qualified closed military base.
- (5) Certified under the auspices of the Quad Cities Regional Economic Development Authority (QREDA).
- (6) Certified under the auspices of the Western Illinois Economic Development Authority Act (WIEDA).
- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

PER CAPITA INCOME OF ILLINOIS ENTERPRISE ZONES

Enterprise Zone ⁽¹⁾⁽²⁾	Per Capita Income		Increase/Decrease	
	2015	2016	Amount	Percentage
Alexander/Pulaski County	32,707	33,744	1,037	3.2%
Altamont	43,015	44,312	1,297	3.0%
American Bottoms ⁽³⁾	41,018	41,521	503	1.2%
Beardstown	37,066	38,229	1,163	3.1%
Bedford Park	55,506	56,669	1,163	2.1%
Belleville	41,018	41,521	503	1.2%
Belvidere/Boone County	41,463	42,128	665	1.6%
Bensenville	60,185	61,371	1,186	2.0%
Benton/Franklin County	33,595	33,791	196	0.6%
Bloomington-Normal	44,932	45,718	786	1.7%
Bureau Putnam Area	43,937	43,274	-663	-1.5%
Cal Sag	55,506	56,669	1,163	2.1%
Calumet Region	55,506	56,669	1,163	2.1%
Canton/Fulton County	33,778	34,286	508	1.5%
Carmi/White County	43,900	44,298	398	0.9%
Champaign/Champaign County	42,367	42,829	462	1.1%
Chicago I	55,506	56,669	1,163	2.1%
Chicago II	55,506	56,669	1,163	2.1%
Chicago III	55,506	56,669	1,163	2.1%
Chicago IV	55,506	56,669	1,163	2.1%
Chicago V	55,506	56,669	1,163	2.1%
Chicago VI	55,506	56,669	1,163	2.1%
Cicero	55,506	56,669	1,163	2.1%
Clark County	36,883	38,053	1,170	3.2%
Clinton County	41,744	42,028	284	0.7%
Coles County	35,987	36,374	387	1.1%
Danville/Vermillion County	35,820	36,760	940	2.6%
Decatur/Macon County	44,109	44,507	398	0.9%
DeKalb County	36,013	36,762	749	2.1%
Des Plaines River Valley	47,008	48,000	992	2.1%
Diamond	47,659	48,002	344	0.7%
Edgar County/Paris	37,915	40,746	2,831	7.5%
Effingham/Effingham County	43,015	44,312	1,297	3.0%
Fairfield/Wayne County	37,961	37,824	-137	-0.4%
Fairmont City/Caseyville/Brooklyn/St. Clair County	41,018	41,521	503	1.2%
Fairview Heights	41,018	41,521	503	1.2%
Flora/Clay County	34,634	35,471	837	2.4%
Franklin Park	55,506	56,669	1,163	2.1%
Freeport/Stephenson County	38,762	39,443	681	1.8%

Enterprise Zone <i>(1)(2)</i>	Per Capita Income		Increase/Decrease	
	2015	2016	Amount	Percentage
Galesburg	37,675	38,438	763	2.0%
Gateway Commerce Center <i>(3)</i>	41,931	42,540	609	1.5%
Greater Centralia	40,184	40,505	321	0.8%
Greenville/Smithboro	33,037	33,276	239	0.7%
Harvard/Woodstock	49,120	50,252	1,132	2.3%
Hodgkins/McCook	55,506	56,669	1,163	2.1%
Hoffman Estates	50,383	51,436	1,053	2.1%
Jackson County	33,551	34,125	574	1.7%
Jacksonville/Morgan County	36,600	37,639	1,039	2.8%
Jo-Carroll <i>(4)</i>	42,838	43,723	885	2.1%
Joliet Arsenal <i>(4)</i>	45,304	46,276	973	2.1%
Kankakee County	37,288	38,171	883	2.4%
Kankakee River Valley	37,288	38,171	883	2.4%
Kewanee	42,346	42,819	473	1.1%
Lawrenceville/Lawrence County	35,949	34,116	-1,833	-5.1%
Lee/Ogle	39,305	40,096	791	2.0%
Lincoln & 394 Corridor	51,257	52,335	1,078	2.1%
Lincoln/Logan County	34,016	35,353	1,337	3.9%
Loves Park/Machesney Park	40,379	41,016	637	1.6%
Macomb/Bushnell/McDonough County	34,045	34,587	542	1.6%
Macoupin County	36,381	37,155	774	2.1%
Madison County Discovery	41,931	42,540	609	1.5%
Massac County	34,545	35,133	588	1.7%
Maywood	55,506	56,669	1,163	2.1%
McLeansboro/Hamilton County	40,914	42,543	1,629	4.0%
Mendota	39,613	40,616	1,003	2.5%
Monmouth/Warren County	35,694	36,876	1,182	3.3%
Montgomery County	33,241	34,447	1,206	3.6%
Mt. Carmel/Wabash County	41,479	42,076	597	1.4%
Mt. Vernon/Waltonville	36,444	36,765	321	0.9%
Nashville/Washington County	47,741	48,641	900	1.9%
Northern Tazewell County	43,343	43,991	648	1.5%
Olney/Richland/Newton/Jasper	37,605	38,360	755	2.0%
Ottawa Area	43,961	44,310	349	0.8%
Peoria Rural	47,344	47,673	329	0.7%
Peoria Urban	47,344	47,673	329	0.7%
Perry County	35,121	35,837	716	2.0%
Quad Cities <i>(5)</i>	41,058	41,677	619	1.5%
Quincy/Adams County/Brown County	34,710	35,208	498	1.4%
Rantoul	42,367	42,829	462	1.1%
Riverbend	41,931	42,540	609	1.5%

Enterprise Zone (1)(2)	Per Capita Income		Increase/Decrease	
	2015	2016	Amount	Percentage
Robinson/Crawford County	42,085	42,754	669	1.6%
Rockford EZ 1	39,978	40,760	782	2.0%
Rockford I-90	39,978	40,760	782	2.0%
Salem/Marion County	38,623	38,981	358	0.9%
Saline County	37,018	37,279	261	0.7%
Southern Tazewell County	43,343	43,991	648	1.5%
Springfield/Sangamon County	43,888	44,523	635	1.4%
St. Clair County MidAmerica (3)	41,018	41,521	503	1.2%
Streator Area	39,601	40,534	933	2.4%
SW Madison County	41,931	42,540	609	1.5%
Taylorville/Christian County	36,669	37,872	1,203	3.3%
Upper Illinois River Valley Development Authority (7)	44,429	45,377	948	2.1%
Urbana/Champaign County	42,367	42,829	462	1.1%
Vandalia/Fayette County	29,616	30,531	915	3.1%
Waukegan-North Chicago	55,506	56,669	1,163	2.1%
West Frankfort	33,595	33,791	196	0.6%
Western Illinois Economic Development Authority (6)	36,360	37,720	1,360	3.7%
Whiteside County/Carroll County	39,889	40,821	932	2.3%
Will County/Cook County	51,257	52,335	1,078	2.1%
Williamson County	40,367	40,850	483	1.2%
State of Illinois	50,836	51,817	981	1.9%

* The statistical data presented in this table represents the calculated median per capita income of the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the US Department of Commerce, Bureau of Economic Analysis (Personal Income Summary).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
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- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

UNEMPLOYMENT OF ILLINOIS ENTERPRISE ZONES

Enterprise Zone <i>(1)(2)</i>	Unemployment Rate		Increase/ Decrease
	2016	2017	
Alexander/Pulaski County	8.8%	7.9%	-0.9%
Altamont	4.7%	3.7%	-0.9%
American Bottoms <i>(3)</i>	6.0%	4.9%	-1.1%
Beardstown	5.5%	4.5%	-1.0%
Bedford Park	6.1%	5.2%	-0.8%
Belleville	6.0%	4.9%	-1.1%
Belvidere/Boone County	6.3%	6.6%	0.3%
Bensenville	5.9%	5.1%	-0.8%
Benton/Franklin County	8.0%	6.4%	-1.7%
Bloomington-Normal	5.0%	4.1%	-1.0%
Bureau Putnam Area	5.9%	4.8%	-1.1%
Cal Sag	6.1%	5.2%	-0.8%
Calumet Region	6.1%	5.2%	-0.8%
Canton/Fulton County	7.3%	6.3%	-1.1%
Carmi/White County	6.5%	4.8%	-1.7%
Champaign/Champaign County	5.1%	4.2%	-0.8%
Chicago I	6.1%	5.2%	-0.8%
Chicago II	6.1%	5.2%	-0.8%
Chicago III	6.1%	5.2%	-0.8%
Chicago IV	6.1%	5.2%	-0.8%
Chicago V	6.1%	5.2%	-0.8%
Chicago VI	6.1%	5.2%	-0.8%
Cicero	6.1%	5.2%	-0.8%
Clark County	5.8%	4.8%	-1.0%
Clinton County	4.4%	3.5%	-0.9%
Coles County	5.8%	4.6%	-1.2%
Danville/Vermillion County	7.1%	6.3%	-0.9%
Decatur/Macon County	6.6%	5.5%	-1.1%
DeKalb County	5.3%	4.5%	-0.8%
Des Plaines River Valley	6.0%	5.2%	-0.8%
Diamond	6.0%	5.2%	-0.8%
Edgar County/Paris	5.9%	4.8%	-1.1%
Effingham/Effingham County	4.7%	3.7%	-0.9%
Fairfield/Wayne County	8.4%	6.1%	-2.4%
Fairmont City/Caseyville/Brooklyn/St. Clair County	6.0%	4.9%	-1.1%
Fairview Heights	6.0%	4.9%	-1.1%
Flora/Clay County	6.8%	5.2%	-1.5%
Franklin Park	6.1%	5.2%	-0.8%
Freeport/Stephenson County	5.8%	4.6%	-1.2%

Enterprise Zone ⁽¹⁾⁽²⁾	Unemployment Rate		Increase/ Decrease
	2016	2017	
Galesburg	6.1%	5.1%	-1.0%
Gateway Commerce Center ⁽³⁾	5.8%	4.6%	-1.2%
Greater Centralia	5.4%	4.4%	-1.0%
Greenville/Smithboro	5.1%	4.3%	-0.7%
Harvard/Woodstock	5.3%	4.5%	-0.7%
Hodgkins/McCook	6.1%	5.2%	-0.8%
Hoffman Estates	6.0%	5.2%	-0.8%
Jackson County	5.3%	4.4%	-0.9%
Jacksonville/Morgan County	4.9%	4.3%	-0.6%
Jo-Carroll ⁽⁴⁾	5.4%	4.4%	-1.0%
Joliet Arsenal ⁽⁴⁾	5.9%	5.1%	-0.8%
Kankakee County	6.3%	5.2%	-1.1%
Kankakee River Valley	6.3%	5.2%	-1.1%
Kewanee	6.0%	5.0%	-1.0%
Lawrenceville/Lawrence County	7.4%	6.0%	-1.4%
Lee/Ogle	5.5%	4.7%	-0.8%
Lincoln & 394 Corridor	6.1%	5.2%	-0.8%
Lincoln/Logan County	5.3%	4.5%	-0.7%
Loves Park/Machesney Park	6.5%	6.4%	-0.2%
Macomb/Bushnell/McDonough County	6.2%	4.9%	-1.3%
Macoupin County	5.9%	4.8%	-1.1%
Madison County Discovery	5.8%	4.6%	-1.2%
Massac County	7.0%	6.3%	-0.7%
Maywood	6.1%	5.2%	-0.8%
McLeansboro/Hamilton County	6.2%	4.4%	-1.8%
Mendota	6.7%	5.5%	-1.2%
Monmouth/Warren County	5.2%	4.1%	-1.1%
Montgomery County	7.0%	5.6%	-1.4%
Mt. Carmel/Wabash County	6.2%	4.9%	-1.3%
Mt. Vernon/Waltonville	6.3%	5.4%	-1.0%
Nashville/Washington County	3.7%	2.9%	-0.8%
Northern Tazewell County	6.4%	5.3%	-1.1%
Olney/Richland/Newton/Jasper	6.0%	4.7%	-1.3%
Ottawa Area	6.7%	5.7%	-1.1%
Peoria Rural	6.8%	5.8%	-1.1%
Peoria Urban	6.8%	5.8%	-1.1%
Perry County	7.0%	5.9%	-1.1%
Quad Cities ⁽⁵⁾	6.2%	5.0%	-1.2%
Quincy/Adams County/Brown County	4.6%	3.7%	-0.9%
Rantoul	5.1%	4.2%	-0.8%
Riverbend	5.8%	4.6%	-1.2%

Enterprise Zone (1)(2)	Unemployment Rate		Increase/ Decrease
	2016	2017	
Robinson/Crawford County	6.2%	5.2%	-1.0%
Rockford EZ 1	6.5%	6.1%	-0.3%
Rockford I-90	6.5%	6.1%	-0.3%
Salem/Marion County	6.3%	5.1%	-1.2%
Saline County	8.5%	6.4%	-2.1%
Southern Tazewell County	6.4%	5.3%	-1.1%
Springfield/Sangamon County	4.8%	4.2%	-0.6%
St. Clair County MidAmerica (3)	6.0%	4.9%	-1.1%
Streator Area	6.4%	5.3%	-1.1%
SW Madison County	5.8%	4.6%	-1.2%
Taylorville/Christian County	6.3%	5.2%	-1.1%
Upper Illinois River Valley Development Authority (7)	5.4%	4.6%	-0.8%
Urbana/Champaign County	5.1%	4.2%	-0.8%
Vandalia/Fayette County	6.5%	5.4%	-1.1%
Waukegan-North Chicago	6.1%	5.2%	-0.8%
West Frankfort	8.0%	6.4%	-1.7%
Western Illinois Economic Development Authority (6)	6.5%	5.6%	-0.9%
Whiteside County/Carroll County	5.7%	4.7%	-1.0%
Will County/Cook County	6.1%	5.2%	-0.8%
Williamson County	6.1%	5.1%	-1.0%
State of Illinois	5.8%	5.0%	-0.9%

* The statistical data presented in this table represents the calculated percentage of unemployed individuals residing within the county and/or counties of the Enterprise Zone's local labor market area, based upon data obtained from the Illinois Department of Employment Security (Annual Average Data, 2017).

- (1) The Enterprise Zones listed represent those zones which were in effect during the period of January 1, 2017 through December 31, 2017.
- (2) The totals and percentages were calculated using the statistical data of the county/counties in which the Enterprise Zone's boundaries were located. Actual zone boundaries may vary from the established boundaries of the applicable county/counties.
- (3) Certified under the auspices of the Southwestern Illinois Development Authority Act (SWIDA).
- (4) Certified as a qualified closed military base.
- (5) Certified under the auspices of the Quad Cities Regional Economic Development Authority (QREDA).
- (6) Certified under the auspices of the Western Illinois Economic Development Authority Act (WIEDA).
- (7) Certified under the auspices of the Upper Illinois River Valley Development Authority Act (UIRVDA).

HIGH IMPACT BUSINESS PROGRAM

Overview

The High Impact Business Program, 20 ILCS 655/5.5, is designed to encourage large scale economic development activities, by providing tax incentives to companies that:

- are not located within an Enterprise Zone; and
- intends to make a minimum eligible investment of \$12 million that will be placed in service in qualified property in Illinois and intends to create 500 full-time equivalent jobs at a designated location in Illinois; or
- intends to make a minimum eligible investment of \$30 million that will be placed in service in qualified property in Illinois and intends to retain 1,500 full-time equivalent jobs at a designated location in Illinois; or
- intends to establish a new electric generating facility at a designated location in Illinois; or
- intends to establish a new gasification facility at a designated location in Illinois; or
- intends to establish production operations at a new coal mine, re-establish production operations at a closed coal mine, or expand production at an existing coal mine at a designated location in Illinois; or
- intends to construct new transmission facilities or upgrade existing transmission facilities at designated locations in Illinois; or
- intends to establish a new wind power facility at a designated location in Illinois; or
- intends to establish a qualifying fertilizer plant at a designated location in Illinois.

Program Activity

As detailed on page 8 of the IDOR companion report, the High Impact Business Program resulted in a total capital investment of \$1,342,879,000, 9,442 total jobs and \$18,816,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.

BENEFITS OF THE HIGH IMPACT BUSINESS PROGRAM

State Incentives

The Illinois High Impact Business Program offers numerous state incentives to encourage companies to locate or expand their large-scale operations. Currently, the following incentives are available:

High Impact Business Investment Tax Credit

The Investment Tax Credit provides for a 0.5% credit against the state income tax for investments made in “qualified property” that are placed in service at a designated location in Illinois. The credit shall be 0.5% of the basis for such property. The specific terms and conditions governing this tax credit are regulated by the Illinois Department of Revenue. Qualified property is statutorily defined in Section 201(f) and (h) of the Illinois Income Tax Act.

High Impact Business Building Materials Exemption (BME)

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located at a designated location in Illinois. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, “qualified sale” means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

High Impact Business Utility Tax Exemption

A 6.25% state sales tax exemption is available on purchases of gas and electricity as well as an exemption from the Illinois Commerce Commission’s administrative charge. In addition, High Impact Businesses which are located within a Foreign Trade Zone or Sub-Zone are also exempt from the telecommunication excise tax.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million in an Enterprise Zone, which results in the creation of a minimum of 200 full-time equivalent jobs in Illinois; or
- the business making a minimum eligible investment of \$20 million in an Enterprise Zone, which results in the retention of a minimum of 1,000 full-time jobs in Illinois.

The jobs created or retained must be located at a designated location in Illinois. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the High Impact Business designation. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the High Impact Business designation. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs at a designated location in Illinois.

High Impact Business Manufacturing Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption (MM&E)

A 6.25% state sales tax exemption is available on purchases of:

- All tangible personal property used or consumed in the process of manufacturing or assembling tangible personal property for wholesale or retail sale or lease, or in the process of graphic arts production; and
- Repair and replacement parts for machinery and equipment used in the manufacturing or assembling of tangible personal property, or in the process of graphic arts production for wholesale or retail sale or lease; and
- Equipment, manufacturing or graphic arts fuels, material, and supplies for the maintenance, repair, or operation of such manufacturing or assembling or graphic arts machinery or equipment.

Eligibility for this exemption is contingent upon one of the following:

- the business making a minimum eligible investment of \$5 million that results in the creation of a minimum of 200 full-time equivalent jobs in Illinois, or
- the business making a minimum eligible investment of \$40 million that results in the retention of a minimum of 2,000 full-time jobs in Illinois; or
- the business making a minimum eligible investment of \$40 million that results in the retention of at least 90% of the jobs in place on the date on which the exemption is granted for the duration of the exemption.

The jobs created or retained must be located at a designated location in Illinois. A business must submit an application to and be certified by the Department in order to receive an initial five-year exemption, not to exceed the termination date of the High Impact Business designation. At the expiration of this initial five-year period, certified businesses may apply to the Department for renewals of the exemption for additional five-year periods, not to exceed the termination date of the High Impact Business designation. Eligibility for renewal of the exemption is contingent upon the business maintaining the requisite number of full-time equivalent jobs at a designated location in Illinois.

RIVER EDGE REDEVELOPMENT ZONE PROGRAM

Overview

The River Edge Redevelopment Zone Act, 65 ILCS 115/10 1, et seq. is designed to help revitalize riverfront areas by providing local developers and businesses with the critical tools to revive and redevelop blighted, abandoned or contaminated properties that will stimulate investment opportunities and create Illinois jobs. The River Edge Redevelopment Initiative includes the designation of redevelopment zones that are eligible to receive tax credits and exemptions and grant funding to support environmental remediation and redevelopment efforts that will lead to economic revitalization in these areas. This initiative combines resources across state agencies and is administered primarily by the Department and the Illinois Environmental Protection Agency ("IEPA"). The Department has designated River Edge Redevelopment Zones in the cities of Aurora, East St. Louis, Elgin, Peoria and Rockford.

Aurora Zone

The City of Aurora's River Edge Redevelopment Zone, which began on March 21, 2007 and will continue until December 31, 2037, consists of former industrial land lining its east and west riverfronts of the Fox River.

East St. Louis Zone

The City of East St. Louis' River Edge Redevelopment Zone encompasses a majority of the city with adjacent territory to the Mississippi River for a total of just under 12 square miles. Its zone began December 31, 2007 and will continue until December 31, 2037.

Elgin Zone

The City of Elgin's River Edge Redevelopment Zone provides a critical tool to further the redevelopment of the City's downtown and create new economic opportunities along the Fox River. This zone began on December 16, 2009 and expires on December 31, 2039.

Peoria Zone

The City of Peoria applied for and received a River Edge Redevelopment Zone designation on December 1, 2013 which continues until December 31, 2043. The zone, known as the Warehouse District, is approximately one-half square mile in the downtown area.

Rockford Zone

In Rockford, the River Edge Redevelopment Zone will allow for multiple redevelopment projects using abandoned industrial and commercial sites along the Rock River. Rockford River Edge Redevelopment Zone began August 10, 2007 and continues until December 31, 2037.

Program Activity

As detailed on page 9 of the IDOR companion report, the River Edge Redevelopment Zone Program resulted in 51 total jobs and \$292,000 in total state expenditures during the period of January 1, 2017 through December 31, 2017.

BENEFITS OF THE RIVER EDGE REDEVELOPMENT ZONE PROGRAM

State Incentives

The Illinois River Edge Redevelopment Zone Program offers numerous state incentives to encourage companies to locate or expand in zones. Currently, the following incentives are available:

River Edge Redevelopment Zone Interest Income Tax Credit

The River Edge Redevelopment Zone Interest Income Tax Credit allows financial corporations to deduct an amount equal to the interest received for a loan for development in the zone from their corporate state income tax. Loans must be secured by property located within the zone.

River Edge Redevelopment Building Materials Exemption (BME)

A 6.25% state sales tax exemption is permitted on building materials to be incorporated into real estate located within a certified River Edge Redevelopment Zone. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed. For purposes of this exemption, "qualified sale" means a sale of building materials that will be incorporated into real estate as part of a building project for which a Certificate of Eligibility for Sales Tax Exemption has been issued by the Illinois Department of Revenue.

Environmental Remediation Tax Credit

The Environmental Remediation Tax Credit allows for a credit against state income taxes for some non-reimbursed eligible costs for remediation work done on a River Edge Redevelopment Zone site resulting in a "No Further Remediation Letter" being issued. This requires a review by the Illinois Environmental Protection Agency (IEPA). The credit is 0.25 for each dollar spent for non-reimbursed remediation expenses.

Historic Tax Credit

The Illinois Historic Preservation Tax Credit Program provides a state income-tax credit equal to 25% of a project's qualified expenditures to owners of certified historic structures located within a River Edge Redevelopment Zone who undertake certified rehabilitations during the taxable year. The incentive is administered by the Illinois Department of Commerce and Economic Opportunity, in consultation with the Illinois State Historic Preservation Office (IL SHPO), a division within the Illinois Department of Natural Resources.

Local Incentives

In addition to state incentives, each zone may offer property tax abatement to enhance business development projects. The terms and conditions of the property tax abatements are determined by the local government and authorized through local ordinance.



STATE OF ILLINOIS
DEPARTMENT OF REVENUE
101 WEST JEFFERSON STREET
SPRINGFIELD, ILLINOIS 62702

CONSTANCE BEARD
Director

Springfield Office: 217 785-7570
Chicago Office: 312 814-3190

BRUCE RAUNER
Governor

July 24, 2018

Sean McCarthy, Director
Illinois Department of Commerce and
Economic Opportunity
James R. Thompson Center
100 W. Randolph Street, Suite 3-400
Chicago, IL 60601

Dear Director McCarthy:

In accordance with section 8.1(d) of the Illinois Enterprise Zone Act, 20 ILCS 655/8.1(d), I am enclosing the Illinois Department of Revenue's (IDOR) 2018 Report on Enterprise Zone, River Edge Redevelopment Zone (RERZ) and High Impact Business Tax Incentives. The report details the tax incentives, job creation and capital investment data for calendar year 2017, disclosed to IDOR by those receiving the tax incentives, along with additional reports submitted by purchasers of building materials for eligible projects and by utility service providers.

Methodology

The data in this report was gathered from several sources statutorily required to provide information to IDOR.

Section 8.1(a) of the Illinois Enterprise Zone Act requires businesses that "receive[d] tax incentives due to [their] location within an Enterprise Zone," and entities designated as High Impact Businesses by the Department of Commerce and Economic Opportunity, to detail the tax incentives they received in 2017 and provide certain job creation and capital investment data. 20 ILCS 655/8.1(a). Five hundred ninety-three businesses located in an Enterprise Zone, and nine High Impact Businesses, filed reports. Each report disclosed "the total Enterprise Zone or High Impact Business tax benefits received by the business broken down by incentive category and enterprise zone."¹ *Id.* Each report also disclosed "job creation, retention and capital investment numbers within the zone." 20 ILCS 655/8.1(c).

¹ The incentive categories include: sales tax, see 35 ILCS 120/5k, 5(l) (2012), 35 ILCS 120/1(e), 1(j) (2012); utility tax, 35 ILCS 173/5-50 (2012), 220 ILCS 5/9-222, 9-222.1 (2012); income tax, 35 ILCS 5/201(f) (2012), and property tax, 35 ILCS 200/18-170 (2012).

Section 10-10.2(a) and 10-10.2(c) of the River Edge Redevelopment Zone Act, *65 ILCS 115/10-10.2(a), 10-10.2(c)*, requires identical reports from those businesses receiving tax incentives because of their location in a RERZ. Five businesses filed RERZ reports.

Section 8.1(a-5) of the Illinois Enterprise Zone Act requires any "contractor or other entity that has been issued an Enterprise Zone Building Materials Exemption Certificate" to report the total value of tax exempt building materials purchased using the certificate. Section 10-10.2(a-5) of the River Edge Redevelopment Zone Act requires identical reports from contractors issued an RERZ exemption certificate. The statutory amendment requiring reporting from holders of building materials exemption certificates took effect in 2013. This report reflects exempt building material purchases which were separately reported by the purchasers under section 8.1(a-5). The Department received 2,755 reports last year. The Department received reports from 2,503 holders of building material exemption certificates.

Businesses located in an Enterprise Zone, and High Impact Businesses, are exempt from the Illinois Gas Revenue Tax, Electricity Excise Tax, and the Telecommunications Excise Tax. *220 ILCS 5/9-222, 5/9-222.1A*. Section 8.1(b) of the Illinois Enterprise Zone Act requires providers of utility services to "itemize the amount of the deduction taken under [each utility tax] act due to the location of a business in an Enterprise Zone or its designation as a High Impact Business." *20 ILCS 655/8.1(b)*. Section 10-10.2(b) of the River Edge Redevelopment Zone Act requires utility providers to report the same data for businesses located in any of the State's five RERZs. *65 ILCS 115/10-10.2(b)*. IDOR received fourteen reports from providers of utility services.

In summary, the data in this report was derived from the mandatory business reports submitted under section 8.1(a) and 8.1(a-5) of the Enterprise Zone Act and 10-10.2(a) and 10.2(a-5) of the River Edge Redevelopment Zone Act. IDOR staff checked this data against other available sources of information, including reports submitted by utilities and purchasers of building materials for eligible projects. Reports were submitted electronically February through June of 2018. Data was requested for the 2017 calendar year.

Limitations

This 2018 report is the sixth provided under the 2012 amendments to the Enterprise Zone Act. Some of the data submitted to IDOR – such as the identity of those purchasing building materials, the value of tax-exempt building materials, the value of property tax abatements in Enterprise Zones, and the value of the Gas Use Tax exemptions – was not available previously from any source. Some of the self-reported data could not be reliably confirmed through independent investigation. Consequently, IDOR could not confirm the completeness or accuracy of all of the tax expenditures reported.

IDOR expects compliance levels and verification procedures to improve going forward as more businesses and administrators learn of the reporting requirements, create internal compliance procedures, and seek to avoid penalties for noncompliance. *20 ILCS 655/8.1(a); 65 ILCS 115/10-10.2(a)*. Similarly, the State's ability to secure accurate data will improve because of comparisons to historic reporting, the development of new procedures to improve the quality of submissions, and the State's ability to verify those submissions.

Summary of Data

This report details the costs to the State of the tax incentives provided to High Impact Businesses and businesses located in Enterprise Zones and River Edge Redevelopment Zones. It also includes property tax abatement data reported by recipients of such abatements that are located either in an Enterprise Zone or are a High Impact Business. This report does not calculate the value of exemptions from local sales tax or the local portion of State sales tax because local costs vary based on factors specific to each local taxing jurisdiction.

In 2017, the total Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$133.5 million in tax revenue. The two largest components of these tax expenditures were the exemption from the Electricity Excise Tax (\$21.6 million), and the sales tax exemption on building materials (\$50.7 million), accounting for approximately 54.14 percent of the total State tax expenditures.

In the aggregate, businesses receiving tax incentives reported a net job gain of 3,715 while investing approximately \$2.25 billion in 2017. However, one year or several year's data does not tell the story of success or failure of any individual Enterprise Zone. Zones have a 15 year life and should not be evaluated based on a one year snapshot of activity.

The value of all exemptions, broken down by exemption category and by Enterprise Zone is included on the table contained in this report. Investment and jobs data reported to IDOR also is provided in the attached tables, broken down by Enterprise Zone. Exemption and job creation data for High Impact Businesses are reported in the aggregate to comply with the requirements of section 8.1(d) of the Illinois Enterprise Zone Act. The report also includes charts breaking down the total tax expenditures by category and by geographic region.

Conclusion

The submission of this report fulfills IDOR's duty under section 8.1(d) of the Illinois Enterprise Zone Act, 20 ILCS 655/8.1(d) (2012). Reporting on 2018 tax incentives, job creation and investment will begin in January 2019. A report will be produced and provided to DCEO no later than August 1, 2019.

Sincerely,



Connie Beard, Director
Illinois Department of Revenue

Enterprise Zone Incentive Reporting 2017 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	Sales Tax				Utility Taxes			Income	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufacturing	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit		
Total	34,230	18,828	4,977	21	2,938	12,243	20,199	19,020	114,388	10,879
Alexander/Pulaski County	0	0	0	0	0	0	0	0	9	0
Altamont	53	0	0	0	0	0	0	0	0	0
American Bottoms	279	0	0	0	0	0	0	0	282	0
Bartonville/BelleVue/Peoria County	0	0	0	0	0	0	0	0	1,314	0
Beardstown	0	0	0	0	0	0	0	0	0	0
Bedford Park	358	0	0	0	0	0	0	59	418	0
Belleville	106	0	0	0	0	0	0	23	0	0
Belvidere/Boone County	664	28	0	0	0	0	0	14	854	0
Bensenville	29	0	0	0	0	0	0	104	133	0
Benton/Franklin County	23	0	0	0	0	0	0	4	27	0
Bloomington/Normal/McLean County	0	0	0	0	0	0	0	6	0	0
Bloomington-Normal	284	0	0	0	0	0	0	0	284	0
Bureau/Putnam County	23	0	0	0	0	0	0	0	1,724	0
Cairo/Alexander County	0	0	0	0	0	0	0	0	0	0
Cal-Sag	353	0	0	0	0	0	0	0	63	0
Calumet Region	53	0	0	0	0	0	0	28	688	0
Canton/Fulton County	0	0	0	0	0	0	0	0	184	0
Carmi/White County	176	0	0	0	0	0	0	12	188	0
Champaign/Champaign County	597	0	0	0	0	0	0	142	1,052	0
Chicago Heights	0	0	0	0	0	0	0	0	277	0
Chicago I	2,048	0	0	0	0	0	0	127	2,219	0
Chicago II	711	0	0	0	0	0	0	335	1,559	0
Chicago III	1,259	0	0	0	0	0	0	97	3,462	0
Chicago IV	6,789	45	0	0	0	0	0	433	7,351	0
Chicago V	173	0	0	0	0	0	0	0	375	0
Chicago VI	33	0	0	0	0	0	0	273	0	0
Cicero	140	0	0	0	0	0	0	42	182	0
Clark County	62	0	0	0	0	0	0	0	135	0
Clinton County	148	0	0	0	0	0	0	233	379	0
Coles County	0	0	0	0	0	0	0	22	42	0
Danville/Vermilion County	76	0	0	0	0	0	0	28	201	0
Decatur/Macon County	233	0	0	0	0	0	0	2,867	10,735	0
DeKalb County	366	0	0	0	0	0	0	450	0	0
Des Plaines River Valley	0	0	0	0	0	0	0	472	5,707	0
Diamond	0	0	0	0	0	0	0	0	0	0
Douglas County	0	0	0	0	0	0	0	0	0	0
East Peoria	0	0	0	0	0	0	0	0	0	0
East St. Louis Area	148	0	0	0	0	0	0	0	0	0
Edgar County/Paris	0	0	0	0	0	0	0	0	250	0
Effingham/Effingham County	726	0	0	0	0	0	0	42	788	842
Elgin	0	0	0	0	0	0	0	0	0	0
Fairfield/Wayne County	23	0	0	0	0	0	0	0	0	0
Fairmont City/Caseyville	0	0	0	0	0	0	0	231	244	0
Fairview Heights	0	0	0	0	0	0	0	1	0	0
Flora/Clay County	73	0	0	0	0	0	0	5	90	0
Ford Heights/Sauk Village	31	0	0	0	0	0	0	0	509	0
Franklin Park	773	0	0	0	0	0	0	10	784	0
Freeport/Stephenson County	588	0	0	0	0	0	0	255	1,028	0
Galesburg	24	0	0	0	0	0	0	8	0	0
Gateway Commerce Center	1,171	0	0	0	0	0	0	0	1,692	1,548
Greater Centralia Area	187	0	0	0	0	0	0	121	0	0
Greenville/Bond County	22	0	0	0	0	0	0	0	25	0
Harvard/Woodstock	147	0	0	0	0	0	0	1,965	2,329	0
Harvey/Phoenix/Hazel Crest	0	0	0	0	0	0	0	11	11	0
Hodgkins/McCook	448	0	0	0	0	0	0	76	524	0
Hoffman Estates	0	0	0	0	0	0	0	0	1,047	0
Illinois Valley	0	0	0	0	0	0	0	10	0	0
Jackson County	934	0	0	0	0	0	0	42	976	0
Jacksonville/Morgan County	18	0	0	0	0	0	0	468	773	0
Jersey-Greene Intermodal	0	0	0	0	0	0	0	0	0	0
Jo-Carroll	0	0	0	0	0	0	0	0	0	0
Joliet Arsenal	2,113	0	0	0	0	0	0	148	2,729	0
Kankakee County	57	0	0	0	0	0	0	21	78	0
Kankakee River Valley	678	0	0	0	0	0	0	141	2,291	0
Kewanee	51	0	0	0	0	0	0	170	221	0
Lawrenceville/Lawrence County	6	0	0	0	0	0	0	1	7	0
Lee County/Ogle County	1,641	0	0	0	0	0	0	129	2,208	0
Lincoln/Logan County	62	0	0	0	0	0	0	16	124	0
Loves Park/Machesney Park	33	0	0	0	0	0	0	2	35	0
Macomb/Bushnell/McDonough County	37	0	0	0	0	0	0	0	37	0
Macoupin County	0	0	0	0	0	0	0	0	0	0
Madison County Discovery	191	0	0	0	0	0	0	13	204	0
Marshall County/Stark County	0	0	0	0	0	0	0	0	0	0
Massec County	30	0	0	0	0	0	0	0	0	0
Maywood	0	0	0	0	0	0	0	5	5	0
McCook/Hodgkins	0	0	0	0	0	0	0	238	0	0
McLeansboro/Hamilton County	134	0	0	0	0	0	0	0	0	0
Mendota/Leslie County	65	0	0	0	0	0	0	2	67	0
MidAmerica St. Clair County	141	0	0	0	0	0	0	0	0	0
Monmouth/Warren County	12	0	0	0	0	0	0	0	859	0

Enterprise Zone Incentive Reporting 2017 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	Sales Tax				Utility Taxes			Income	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufacturing	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	-Tax-- Investment Credit		
Montgomery County	133	0	0	0	0	0	0	4	138	0
Morton	0	0	0	0	0	0	0	0	0	0
Mound City/Pulaski City/Mounds	0	0	0	0	0	0	0	0	0	0
Mt. Carmel/Wabash County	0	0	0	0	0	0	0	0	0	0
Mt. Vernon/Watsonville	632	0	0	0	0	0	0	29	661	0
Nashville/Washington County	1,766	0	0	0	0	0	0	56	3,473	0
Northern Tazewell County	93	0	0	0	0	0	0	296	3,858	0
Olney/Richland/Newton/Jasper	7	0	0	0	0	0	0	20	0	0
Ottawa Area	331	15	0	0	0	0	0	1,204	1,551	0
Pekin/Tazewell County	0	0	0	0	0	0	0	0	4	0
Peoria Rural	0	0	0	0	0	0	0	0	7	0
Peoria Urban	129	0	0	0	1,478	559	2,237	550	5,815	0
Perry	75	0	0	0	0	0	0	8	83	0
Quad Cities	751	0	0	0	0	0	0	42	0	0
Quad Cities Regional Economic Development Authority (QCREDA)	0	0	0	0	0	0	0	0	0	0
Quincy/Adams/Brown County	2,730	0	0	0	0	0	0	2,755	6,134	446
Rantoul	110	0	0	0	0	0	0	0	0	0
Riverbend	374	0	0	0	0	0	0	1,505	12,319	0
Robinson/Crawford County	233	0	0	0	0	0	0	0	5,445	0
Rock Island	0	0	0	0	0	0	0	2	2	0
Rockford EZ 1	69	0	0	0	0	0	0	76	145	0
Rockford I-90	0	0	0	0	0	0	0	0	0	0
Salem/Marion County	0	0	0	0	0	0	0	0	60	0
Saline County	54	0	0	0	0	0	0	6	0	0
South Beloit/Rockton/Winnebago County	0	0	0	0	0	0	0	0	0	0
Southern Tazewell County	308	0	0	0	0	0	0	20	1,713	0
Southwest Madison County	156	0	0	0	0	0	0	35	818	0
Springfield/Sangamon County	59	0	0	0	0	0	0	18	0	0
Streator Area	7	0	0	0	0	0	0	5	12	0
Summit/Bedford Park	0	0	0	0	0	0	0	453	643	0
SW Madison County	0	0	0	0	0	0	0	0	2,338	0
Taylorville/Christian County	0	0	0	0	0	0	0	0	843	0
Upper Illinois River Valley Development Authority	118	0	0	0	0	0	0	0	0	0
Urbana/Champaign	150	0	0	0	0	0	0	12	259	0
Vandalia/Fayette County/Brownstown	6	0	0	0	0	0	0	4	10	0
Washington	0	0	0	0	0	0	0	74	382	0
Waukegan/North Chicago	397	0	0	0	0	0	0	30	0	0
West Frankfort	0	0	0	0	0	0	0	1	1	0
Western Illinois Economic Development Authority	0	0	0	0	0	0	0	0	0	0
Whiteside-Carroll	427	0	0	0	0	0	0	178	2,271	467
Will/Cook County	835	0	0	0	0	0	0	128	963	0
Williamson County	20	0	0	0	0	0	0	7	26	131
Total	36,230	18,928	4,977	21	2,836	12,243	20,139	19,020	114,395	10,879

¹ The Illinois Enterprise Zone Map and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at <http://www.illinois.gov/dceo/Expand/Relocate/Incentives/TaxAssistance/Pages/EnterpriseZone.aspx>

² Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property

³ The natural gas exemption includes the value of the exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax.

⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state

⁵ Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments

2013-2017 Summary - Enterprise Zone Incentive Reporting Tax Expenditure

(all \$ in thousands)

	Building Materials	M&E Manuf.	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit	Total State Tax Expend. ⁴	Net Property Tax ⁵	Jobs Created/Lost	Jobs Retained	Capital Investment
2017*	36,230	18,928	4,977	21	2,836	12,243	20,139	19,020	114,395	10,879	4,281	52,035	908,072
2016^	40,095	14,315	2,813	84	3,375	6,858	18,775	16,348	102,663	18,144	2,131	44,794	990,909
2015*	40,364	35,369	2,002	121	3,885	10,147	18,262	15,197	125,347	15,637	(2,684)	67,218	1,077,753
2014	18,789	22,158	2,324	10	3,669	17,998	17,830	16,656	99,434	20,155	485	60,700	1,881,288
2013	18,753	25,208	2,563	167	3,819	17,301	22,957	21,260	112,054	15,093	4,973	84,217	4,012,708

	2017	2016^	2015*	2014	2013
Number of Businesses Reporting:	593	664	986	969	676
Number of BMEC Holders Reporting:	2,503	2,755	2,724	1,359	1,138

*Data reported from Jan. 1 - July 15, 2018

^Data reported from Jan. 1 - July 15, 2017

*Data reported from Jan. 1 - Sept. 15, 2016. In 2016, approximately 900 additional businesses reported to IDOR after the cut-off date

Enterprise Zone Incentives Reporting 2017 - Jobs and Investment (all \$ in thousands)

Zone Name ¹	Total State Tax Expenditures ⁴	2017 Employment ⁶	Jobs Created/ Lost	Jobs Retained ⁷	Capital Investment ⁸
Total	114,395	97,422	4,281	52,035	908,072
Alexander/Pulaski County	9	0	0	0	19
Altamont	•	0	0	0	0
American Bottoms	282	128	9	0	225
Bartonville/Bellevue/Peoria County	1,314	0	0	0	0
Beardstown	0	0	0	0	0
Bedford Park	418	745	30	11	2,116
Belleville	•	185	22	30	2,251
Belvidere/Boone County	854	1,302	123	912	143
Bensenville	133	28	9	10	816
Benton/Franklin County	27	22	4	18	348
Bloomington/Normal/McLean County	•	332	6	6	902
Bloomington-Normal	284	136	136	0	10,112
Bureau/Putnam County	1,724	1,515	-90	502	0
Cairo/Alexander County	•	0	0	0	0
Cal-Sag	•	538	27	68	4,260
Calumet Region	598	619	-2	418	709
Canton/Fulton County	184	6	0	6	147
Carmi/White County	188	9	4	5	8
Champaign/Champaign County	1,052	1,280	107	200	7,888
Chicago Heights	277	286	-8	286	949
Chicago I	2,219	212	24	26	7,461
Chicago II	1,559	786	-33	54	21,805
Chicago III	3,462	5,535	-222	4,456	66,078
Chicago IV	7,351	1,781	132	1,098	33,689
Chicago V	375	1,080	100	352	7,512
Chicago VI	•	525	6	89	714
Cicero	182	807	68	36	5,698
Clark County	135	202	12	22	1,722
Clinton County	379	181	24	0	1,699
Coles County	42	749	-5	88	4,912
Danville/Vermilion County	201	260	-3	218	1,529
Decatur/Macon County	10,735	10,495	1,476	8,359	15,922
DeKalb County	•	403	51	1	900
Des Plaines River Valley	5,707	2,543	594	1,629	88,488
Diamond	•	0	0	0	0
Douglas County	0	0	0	0	0
East Peoria	•	66	-10	66	12
East St. Louis Area	•	0	0	0	0
Edgar County/Paris	250	186	11	9	10,694
Effingham/Effingham County	788	1,378	38	823	1,096
Elgin	•	0	0	0	0
Fairfield/Wayne County	•	176	33	0	2
Fairmont City/Caseyville	244	0	0	0	151
Fairview Heights	•	124	23	99	50
Flora/Clay County	90	301	34	131	20
Ford Heights/Sauk Village	509	1,301	83	1,218	3,900
Franklin Park	784	9	-1	0	1,945
Freeport/Stephenson County	1,028	965	266	383	1,316
Galesburg	•	127	21	47	846
Gateway Commerce Center	1,692	914	776	0	98,780
Greater Centralia Area	•	456	88	237	16,274
Greenville/Bond County	25	0	0	0	3
Harvard/Woodstock	2,329	474	33	15	3,777
Harvey/Phoenix/Hazel Crest	11	0	0	0	0
Hodgkins/McCook	524	0	0	0	48
Hoffman Estates	1,047	3,437	-924	2,862	17
Illinois Valley	•	486	2	79	108
Jackson County	976	642	51	86	2,269
Jacksonville/Morgan County	773	1,091	-7	1,000	3,270
Jersey-Greene Intermodal	0	0	0	0	0
Jo-Carroll	•	5	0	2	0
Joliet Arsenal	2,729	1,659	-22	5	274
Kankakee County	78	0	0	0	27
Kankakee River Valley	2,291	3,098	322	2,065	28,087

Enterprise Zone Incentives Reporting 2017 - Jobs and Investment (all \$ in thousands)

Zone Name ¹	Total State Tax Expenditures ⁴	2017 Employment ⁶	Jobs Created/ Lost	Jobs Retained ⁷	Capital Investment ⁸
Kewanee	221	316	18	67	4,857
Lawrenceville/Lawrence County	7	163	8	1	1
Lee County/Ogle County	2,208	437	32	8	535
Lincoln/Logan County	124	358	2	90	1,620
Loves Park/Machesney Park	35	43	25	10	190
Macomb/Bushnell/McDonough County	37	0	0	0	0
Macoupin County	•	0	0	0	0
Madison County Discovery	204	285	-3	11	1,292
Marshall County/Stark County	•	0	0	0	0
Massac County	•	0	0	0	0
Maywood	5	0	-8	0	0
McCook/Hodgkins	•	720	3	0	45,086
McLeansboro/Hamilton County	•	0	0	0	12
Mendota/Lasalle County	67	5	0	0	96
MidAmerica St. Clair County	•	2	-6	8	1
Monmouth/Warren County	859	2,126	201	1,919	98
Montgomery County	138	333	45	12	491
Morton	•	370	15	317	3,497
Mound City/Pulaski City/Mounds	•	0	-1	1	41
Mt. Carmel/Wabash County	•	0	0	0	0
Mt. Vernon/Waltonville	661	377	-7	46	4,266
Nashville/Washington County	3,473	1,653	82	13	61,261
Northern Tazewell County	3,856	7,509	1,028	5,203	106,551
Olney/Richland/Newton/Jasper	•	1,063	49	0	469
Ottawa Area	1,551	799	41	218	11,151
Pekin/Tazewell County	4	6	0	0	7
Peoria Rural	7	0	0	0	0
Peoria Urban	5,815	13,516	-1,239	11,172	114,933
Perry	83	174	6	0	95
Quad Cities	•	31	1	14	72
Quad Cities Regional Economic Development Authority (QCREDA)	•	0	0	0	77
Quincy/Adams/Brown County	6,134	2,158	-3	625	10,599
Rantoul	•	0	0	0	151
Riverbend	12,319	2,168	268	974	1,085
Robinson/Crawford County	5,445	1,809	-624	189	1
Rock Island	2	11	-2	11	580
Rockford EZ 1	145	33	-6	17	6,358
Rockford I-90	•	0	0	0	0
Salem/Marion County	60	0	0	0	37
Saline County	•	316	3	37	199
South Beloit/Rockton/Winnebago County	0	0	0	0	0
Southern Tazewell County	1,713	1,741	-116	1,723	1,703
Southwest Madison County	618	1,262	253	117	29,388
Springfield/Sangamon County	•	455	12	8	1,452
Streator Area	12	215	-2	64	1,799
Summit/Bedford Park	643	594	33	210	4,851
SW Madison County	2,338	851	307	544	542
Taylorville/Christian County	843	0	0	0	228
Upper Illinois River Valley Development Authority	•	4	-1	4	0
Urbana/Champaign	259	528	5	0	936
Vandalia/Fayette County/Brownstown	10	516	8	10	2,640
Washington	382	1,424	183	61	0
Waukegan/North Chicago	•	78	-2	64	2,365
West Frankfort	1	19	-5	19	33
Western Illinois Economic Development Authority	•	10	10	0	30
Whiteside-Carroll	2,271	2,703	98	151	2,521
Will/Cook County	963	490	124	13	21,817
Williamson County	26	168	28	57	66
Total	114,395	97,422	4,281	52,035	908,072

¹ The Illinois Enterprise Zone Map, and contact information for the administrator of each zone, can be found on the Illinois Department of Commerce and Economic Opportunity (DCEO) website at: <http://www.illinois.gov/dceo/Expand/Relocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

⁶ 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

⁷ A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 855/3(j) (2012).

⁸ Businesses were required to report new capital investment put into service during calendar year 2017.

High Impact Business Incentive Reporting 2017 - Tax Expenditures (all \$ in thousands)

	Sales Tax			Utility Taxes			Income Tax	Total State Tax Expenditures ⁴
	Building Materials	Expanded Manufacturing M&E	Expanded Graphic Arts M&E	Telecom	Natural Gas ³	Electricity	Investment Credit	
High Impact Businesses	14,180	*	*	*	497	1,433	*	18,816

⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

³ Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

High Impact Business Reporting 2017 - Jobs and Investment (all \$ in thousands)

	Total State Tax Expenditures ⁴	2017 Employment ⁶	Jobs Created/ Lost	Jobs Retained ⁷	Capital Investment ⁸
High Impact Businesses	18,816	21,937	(566)	10,008	1,342,879

⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

⁶ 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

⁷ A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

⁸ Businesses were required to report new capital investment put into service during calendar year 2017. Follow-up discussions and analysis revealed continued misunderstanding of this requirement with many businesses reporting capital investment over longer periods.

River Edge Redevelopment Zone Reporting 2017 - Tax Expenditures (all \$ in thousands)

Zone Name	--Sales Tax--		-----Income Tax-----		Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	Investment Credit	Other Income Tax ⁹			
AURORA	26	0	0		26	0
EAST ST. LOUIS	148	0	0		148	0
ELGIN	0	0	0		0	0
PEORIA	30	0	0		30	0
ROCKFORD	88	0	0		88	0
Total	292	0	0		292	0

⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

⁵ Net Property Tax is the property tax abatement received by a business from local governments, net of any payments made in lieu of taxation to local governments.

⁹ Includes the River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Interest Deduction, and Contribution Deduction

River Edge Redevelopment Zone Reporting 2017 - Jobs and Investment (all \$ in thousands)

Zone Name	Total State Tax Expenditures ⁴	2017 Employment ⁶	Jobs Created/Lost	Jobs Retained ⁷	Capital Investment ⁸
AURORA	26	0	0	0	0
EAST ST. LOUIS	148	50	0	50	0
ELGIN	0	0	0	0	0
PEORIA	30	1	0	1	0
ROCKFORD	88	0	0	0	0
Total	292	51	0	51	0

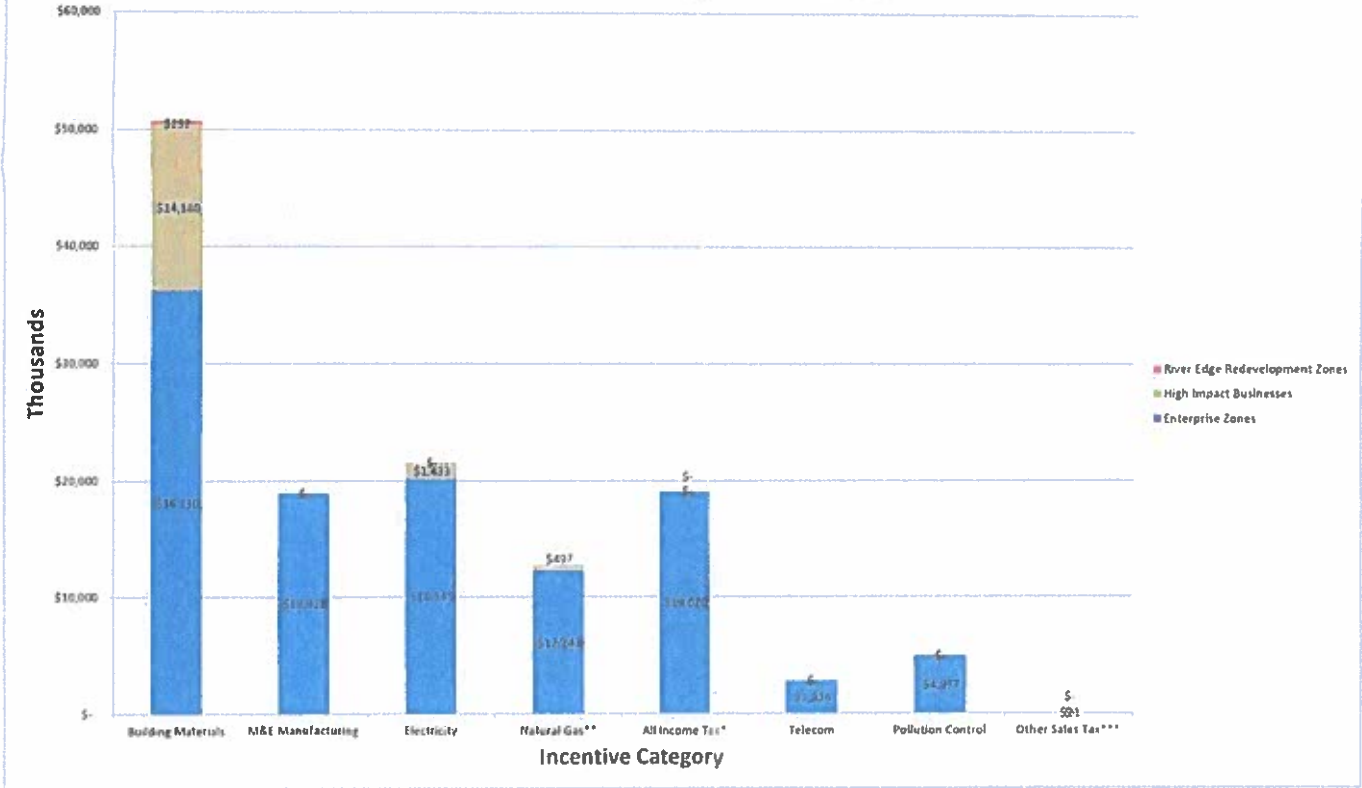
⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

⁶ 2017 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

⁷ A "retained job" is a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(j) (2012).

⁸ Businesses were required to report new capital investment put into service during calendar year 2017.

2017 Tax Expenditure Totals By Incentive Category



*Includes the Enterprise Zone Investment Credit, River Edge Redevelopment Zone Investment Credit, River Edge Environmental Remediation Credit, the River Edge Historic Preservation Credit, the Job Tax Credit, the Dividend Deduction, Interest Deduction, Contribution Deduction, and High Impact Business Investment Credit

**Natural Gas Exemption includes exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax

***Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility, Expanded Machinery and Equipment, Graphic Arts Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property

2017 Enterprise Zone Tax Expenditures by Geographic Region

