#

Reimaging Electric Vehicles and Clean Energy Act

## REV Illinois Tax Credit Program

## Frequently Asked Questions

## General REV Tax Report Questions

1. **What required documents must be submitted in the annual report?**

Include all applicable items described in parts A through D below. These include the following: Agreed Upon Procedures Audit, Annual Tax Credit Report consisting of [Exhibit D](#_Exhibit_D_(Jobs) (Jobs Report), [Exhibit E](#_Exhibit_E_(Payroll) (Payroll Report) and the, Vendor Diversity/Sexual Harassment Policy Reporting, and the Corporate Accountability Report. If claiming the [Construction Tax Credit](#Construction) or [credit for new employee training](#Training), there are additional reporting requirements. Required forms can be found on the REV website at [Reimagining Energy and Vehicles (REV) Illinois Program - REV](https://dceo.illinois.gov/businesshelp/rev.html)

### 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 (March 31 for companies with a December 31 tax year-end).

### Annual Tax Credit Report

### To receive a 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 (Payroll Report) must be submitted annually to DCEO. For the first-year reporting, submissions must be within 90 days of the tax yearend 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 REV website.

### Please submit the completed report through the SmartSheet link: [REV Illinois Tax Certificate Submission Form](https://app.smartsheet.com/b/form/e734e8dd46ad47ecad2cf0c835a06d65)

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

The company responsible for new job creation is required to complete the Vendor Diversity/Sexual Harassment Policy Report by April 15 each year following the year in which the Rev Agreement was executed.

Companies with fewer than 100 full time employees are not required to complete the Vendor Diversity Report. Companies with greater than 100 full time employees who are also federal contractors, shall provide a copy of the vendor diversity report submitted to the federal government.

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 REV website [Reimagining Energy and Vehicles (REV) Illinois Program - REV](https://dceo.illinois.gov/businesshelp/rev.html)

### Corporate Accountability Report

Pursuant to the Corporate Accountability for Tax Expenditure Act, the first annual report is due the year after the year in which the REV agreement was executed. For example, companies with REV agreements dated in 2023 must submit their first online report during 2024 for the period ending 12‐31‐23. 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://dceoapps.ildceo.net/ilcorpacct/corpacct/AboutUs.aspx)

### When does the annual report need to be submitted?

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 (February 15 for companies with December 31 tax-year end).

### Where do I submit my annual report?

AllAnnual REV Tax Reports will be submitted using the [REV Submission Portal](https://app.smartsheet.com/b/form/e734e8dd46ad47ecad2cf0c835a06d65). Using this portal will help guide you through your submission requirements, ensuring the submission of complete REV Annual Tax Reports.

### Who do I contact with questions?

For questions, contact REV staff at CEO.REV@Illinois.gov.

## Exhibit D (Jobs Report)

### What is the “Name of Business(s)”?

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

### What “Address(s)” do I include?

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

### What date should I use for “Tax Year End Date”?

 Use the tax year end date for the period you are seeking REV credit.

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

The number of jobs to be created can be found in your REV agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company’s Covenants part C., of the REV Agreement.

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

The number of jobs to be retained can be found in your REV agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company’s Covenants part D., of the REV Agreement.

### What is the difference between retained employees and baseline employees?

Some REV recipients may receive credit for Retained Employees; however, all are required to maintain a Baseline Employees.

If your REV agreement provides credit for Retained Employees, that can be found in your REV agreement, or possibly within subsequent amendment(s). This is typically addressed in Section 4 (or IV) Company’s Covenants.

If your REV agreement requires Baseline Employees, that can also be found in your REV 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, pay close attention to your REV agreement and how it addresses Retained Employees and/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.

Project Baseline Employees MUST be located at the Project site.  Statewide Baseline Employees must work at a location in Illinois.  Retained Employees MUST work at the Project location.  Companies receive a credit (monetary value) for Retained Employees.  There is no credit (monetary value) for Baseline employees.  However, the minimum of Baseline and Retained MUST be met before any credit can be given for New employees.

### What do I put for bullet point 1 in Exhibit D, “The number of New Employees hired for the Project”?

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).

Note that interns, Co‐ops, and temporary employees, and those with 5% or more ownership are not eligible to receive credit. These positions are to be removed from the report.

### What do I put for bullet point 2 in Exhibit D, “The number of Retained Employees retained for the Project…”?

If your REV agreement includes Retained Employees, 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 REV agreement does not include Retained Employees, you will put zero (0) here. Project or Statewide Baseline Employees *are not* reported in this section.

### What do I put for bullet point 3 in Exhibit D, “The amount of Training Costs as of the last day…”?

### If you are claiming eligible training costs for new and retained employees, enter the dollar amount of training costs for the taxable year. This should match the sum of all employee training costs entered on the worksheet “Individual Training Template” found on Exhibit E.

### What do I put for bullet point 4 in Exhibit D, “The amount of Capital Improvements made for the Project…”?

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 of your REV Application Form. 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]

### What do I put for bullet point 5 in Exhibit D, “The amount of Total Project costs…”?

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]

### What do I put for bullet point 6 in Exhibit D, “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.

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

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

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

### What is the difference between Capital Improvements and Total Project costs in Exhibit D?

 See FAQ’s #10 and #11 for an explanation of the difference between Capital Improvements and Total Project Costs.

1. **What do I put for bullet point 6 in Exhibit D**: **"Jobs were to be maintained at the Project.”**

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

1. **What do I put for bullet point 7 in Exhibit D, “jobs were to be maintained among all Related Member locations in Illinois.”?** If your REV agreement requires Statewide Project Baseline Employees, that can be found in your REV agreement, or possibly within subsequent amendment(s). This is typically addressed in Section I and II.
2. **Who needs to sign and date the Exhibit D?** Whomever the Company representative that is responsible for the filing of the annual REV Tax Report may sign and date the Exhibit D.

## Exhibit E (Payroll Report)

### How do I ensure 120% wages is met?

REV Agreement holders will be responsible for reviewing the IDES and BLS wage data regularly to ensure wages paid by their company are met.

1. **REV Agreement holders are required to ensure all New Employees counted within the REV Wage Reporting are paid at least 120% of the average occupational wages for the county in which the project takes place.**

REV Agreement holders must use the most recent version of the occupational wage data published by the Illinois Department of Economic Security (IDES) or the Bureau of Labor Statistics (BLS). The wage data can be accessed a free for use online format at:

IDES: [Wage Information: Occupational Employment and Wage Statistics (OEWS) (illinois.gov)](https://ides.illinois.gov/resources/labor-market-information/oews.html)

BLS: [Occupational Employment and Wage Statistics (bls.gov)](https://data.bls.gov/oes/#/home)

* 1. **When using the IDES Wage Information, what data set should be used?**

Wage data for New Employees should be compared against data from the *County Occupational Wages*.

* 1. **When using the BLS Wage Information, what data set should be used?**

Wage data for New Employees should be compared against data from the *Occupational Employment and Wage Statistics Query System*.

1. **When do I need to self-audit my company wages?**

Employers must ensure that all New Employees are paid 120% of the average occupational wages for the county in which the project takes place at the time of hire. The company must also review the IDES and BLS data every 4 years after being placed in service to ensure that wages still meet the 120% minimum pay. For example, if an employee is hired in 2024, the employee must be paid 120% of the county average for the occupation. Additionally, if the company has a Placed-in-Service date of January 1, 2025, the company must review again to ensure that the employee is being paid 120% of the county average for the occupation. Finally, every four years after the Placed-in-Service the company will need to review wages to ensure that the wages are still a minimum of 120% of the county average. In this example, the company would review in 2030 to ensure wages paid from 2025-2029 remained at an appropriate level and then review again in 2035 to ensure wages paid from 2030-2034 are at an appropriate level. The company will follow this pattern until the expiration of the REV Agreement.

1. **Department Wage Notification**

At the initiation of the REV Agreement and every four years thereafter, the REV Agreement holder shall ensure that the Compensation Floor is at a minimum of 120% of the average wage paid to a full-time employee in a similar position within the same detailed occupation by SOC code in the county where the Project is located.  For example, the Company will use the Compensation Floor as of the Effective Date for a New Employee hired on January 1, 2025. On January 1, 2028, the Company shall ensure that employee’s Compensation Floor is adjusted to comply with the current county wage at that time. The Compensation Floor will adjust every four years thereafter.

### What tab on the Exhibit E Payroll Report am I supposed to use?

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

If your agreement has a requirement for both Project and Statewide Baseline employees, feel free to duplicate the

“Master Payroll Baseline Emp” and note which employee report is which.

If you are reporting Training Costs for New Employees, 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.

### What information is required on the top portion of the Exhibit E “Master Payroll New Employee” tab?

The full Company Name, as listed in the REV agreement or any subsequent amendment(s). All Project Locations listed in the REV agreement or any subsequent amendment(s). The REV Agreement date. Company’s tax year‐end date for the period you are seeking REV 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.

### 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.

### What do I need to include for Job Title?

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

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

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

### What is my project location?

If your project only includes one address, you may put whatever project identifying information that is helpful. 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.

### Do I include part‐time employees?

No, per your REV Agreement, only include employees that meet the required full‐time hours per week, typically 35 hrs./week.

### If an employee transferred from an out‐of‐state facility, can I include them?

Yes! 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.

### Can I include employees who transferred from another Illinois facility?

No, these employees are not eligible to receive credit, however these employees are counted in your statewide baseline.

### 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, 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 but resides outside of the State of Illinois pays a nonreciprocal income tax, they may count towards your New, Retained or Baseline requirements. You will not receive credit for this employee but include $0.00 in the “IL Withholding” column. With respect to residency, employees with Illinois withholding or those with residences in Missouri, Iowa, Wisconsin, Indiana, Kentucky and Michigan qualify for purposes of issuing the REV credit (refer to [IDOR Publication 130](https://www2.illinois.gov/rev/research/publications/pubs/Documents/pub-130.pdf) (last updated January 2022) for additional information about employer withholding obligations).

In the event the Company seeks credit for 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.REV@Illinois.gov. REV certificates issued based upon such representation will be subject to audit.

### What “New Hire Date” should I include?

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

### What if I have employees that were hired prior to the REV approval letter date?

New Employees must be hired after the REV approval letter date, do not include any employees hired prior to the REV approval letter date as a New Employee.

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

 Do not include employees who were terminated during the tax year.

### 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.

### 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, do not include them in the report.

### What W‐2 wages do I include?

Include all W‐2 wages earned during the taxable year, regardless of State residence or job position within the Company. W- 2 wages will include incentive pay (including overtime, holiday pay, paid time off, sick time) as well as bonuses but this will not include additional perks such as stock options, allowances, etc.

### 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, worked a part‐time schedule, was terminated, etc. provide an explanation for any wages that appear to show payment less than the state minimum wage. If this employee had a leave of absence, provide the exact dates.

### 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.) - 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.

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.

### Do I have to include Training Costs?

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

### 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, include the exact dates in this column; if an employee does not have withholdings, include the reason in the "Notes" column.

### How do the Exhibit E “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.

### 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 REV agreement requires Retained Employees, Baseline Employees, or possibly both. 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, report your Retained employees on the Retained Employee tab and the difference (Statewide Baseline requirement minus Retained Employee requirement) on the Baseline Employee tab.

Training Credit Reporting

**Training Definition**: Training Costs: curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition, and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs.

### What costs can be included?

Costs incurred to upgrade the technological skills of full-time employees in Illinois and may include: Curriculum development; training materials (including scrap product costs); trainee domestic travel expenses; instructor costs (including wages, fringe benefits, tuition, and domestic travel expenses); rent, purchase or lease of training equipment; and other usual and customary training costs.

### Can we include the cost of food?

No, food cannot be added to training costs.

### How do we report the costs?

Use the training template tab on the Payroll Report. Training costs are added to that tab.  That tab needs to be copied over and completed for each employee they are seeking training costs credits.

### How long does an employee have to be employed in order to get training credit?

Length of employment is not a factor in claiming qualified training costs. Only those training costs incurred in the current tax year should be claimed. Note that a company must meet or exceed their statewide baseline to receive credit for training costs.

1. **When do we get to include the additional 15% calculation training costs?**

The standard credit is 10% of eligible training costs. However, if the new employee Is a graduate, certificate holder, or credential recipient from an Illinois institution of higher learning within the last 2 years then the credit can be increased an additional 15%.

Also, if the training is provided by an Illinois institution of higher education, the Clean Jobs Workforce Network Program, or an approved apprenticeship program that is registered with the U.S. Department of Labor then the credit can be increased an additional 15%.

Construction Tax Credit

### What is a Construction Jobs Tax Credit?

Per the REV in Illinois Act:

“REV construction jobs credit" means a credit agreed to between the Department and the applicant under this Act that is based on the incremental income tax attributable to construction wages paid in connection with construction of the project facilities*.*

### Who does the Construction Tax Credit go to?

The construction tax credit goes to the taxpayer (REV Applicant) of the construction project facilities.

1. **What if the Taxpayer/REV Applicant is not responsible for the construction costs?**

If the Taxpayer/REV Applicant is not responsible for the construction costs, then they would not be responsible for the taxes either. Therefore, no credits could be awarded.

### When does the company need to apply for the Construction Tax Credit?

Once the company has an executed agreement, the program manager will confirm the company plans on utilizing the credit. If yes, the company will be provided the Construction Jobs Credit Application.

### What Additional requirements are there for the company on the Construction Jobs Credit Application?

* Number of construction workers physically on the construction site for the duration of the project
* Project scope
* Project timeline
* Project budget
* Verification to REV Staff that the contractor for the applicant has entered into a project labor agreement (PLA)
* Upon completion of the project, the company must provide a certified Agreed Upon Procedures (AUP) verifying the construction expenses or accept the standard construction wage expense estimated by DCEO.
1. **When does the taxpayer receive the credit?**

After the application for the Construction Jobs Credit has been approved and the company has notified DCEO that construction has been completed, the department will notify Illinois Department of Revenue (IDOR) and the company of their approval status. IDOR will then process the credit.

1. **What is the duration of the credit?**

This is a nonrefundable onetime corporate income tax credit with a 5-year carryforward.

1. **Are the Contractors and subcontractors required to report their certified monthly payroll to DCEO and the Department of Labor (DOL)?**

No, contractors and subcontractors are no longer required to submit monthly Certified Payroll records to DCEO or DOL for the Construction Job Credit. However, some agency grants might still have this requirement.

1. **Are there reporting requirements?**

Yes, the company has reporting requirements for the Department of Commerce & Economic Opportunity (DCEO). See below:

To DCEO:

* Any applicant issued a certificate for a tax credit or tax exemption under this Act must annually report to the Department the total project tax benefits received. Reports are due no later than May 31 of each year and shall cover the previous calendar year.
* Also annually, the applicant must report to the department the projected project scope, timeline, and anticipated budget for the duration of construction. Once the project has commenced, the annual report shall include actual data for the prior year as well as projections for each additional year through completion of the project.
* Upon project completion, verification from REV Staff that a certified 3rd party has executed an Agreed Upon Procedures (AUP) verifying the construction expenses or accept the standard construction wage expense estimated by the Department.

*Additional questions? Contact REV staff at* *CEO.REV@illinois.gov*