

# Blue Collar Jobs Act (BCJA) New Construction Jobs Credit Program

June 2023



**Illinois**  
**Department of Commerce**  
& Economic Opportunity

JB Pritzker, Governor

# Agenda

- Blue Collar Jobs Act Overview
- DCEO Program Prerequisite/Relationships
- Application
- Reporting Requirements
- Certificate Issuance
- Frequently Asked Questions
- Contact Information



# Blue Collar Jobs Act Overview

- The Blue Collar Jobs Act (BCJA) is designed to promote large-scale economic development activities by providing corporate income tax credits to project owners that make substantial capital investments in Illinois.
- BCJA tax credits are based on the amount of withholding taxes from the compensation paid to construction workers employed on site at an eligible project.



# Blue Collar Jobs Act Overview

- To be considered an eligible applicant, the project must be:
  - Located in an Enterprise Zone (EZ), or be within a River Edge Redevelopment Zone (RERZ), or
  - Hold designation as a High Impact Business (HIB) business project, or
  - Have an executed agreement under the Economic Development for a Growing Economy (EDGE) Program.



# Blue Collar Jobs Act Overview

- The BCJA construction tax credit program will provides \$20 million annually in tax credits to qualifying projects that have been approved to receive incentives through one of the four programs.
- Participation in one of these four programs is mandatory to qualify for the tax credits.



# Blue Collar Jobs Act Overview

- Qualifying companies may receive an income tax credit of up to 50% of withholding taxes attributable to wages paid to construction workers employed on the job for qualified projects.
- If the project is located within an underserved area, the company may receive a credit up to 75% of the withholding tax for the attributable construction wages.
- Project owners and/or their designee may be required to pay prevailing wage as determined by the Illinois Department of Labor.



# Blue Collar Jobs Act Overview

- Definition of an eligible project is the building of a taxpayer structure or building or making improvements of any kind to real property, undertaken by a business that has previously applied for and have been approved under the state programs for EZ, EDGE, HIB, or RERZ
- A qualifying project does not include the routine operations, routine maintenance, or routine repair of existing structures, buildings or real property.



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# DCEO Program Prerequisite/Relationships

- To be eligible, a company must be located in an EZ, or located in an RERZ, or hold a HIB designation, or have an existing executed agreement under the EDGE program. Each pre-requisite program may have differing job creation and qualifying capital investment minimums/requirements.



# DCEO Program Prerequisite/Relationships

## BCJA - EZ

- **EZ Construction Credits (20 ILCS 655/)**
- The project must be located in an existing certified Enterprise Zone in compliance with Section 4 of the Enterprise Zone Act and approved by the designated Enterprise Zone administrator.
- The project involves a qualified capital investment of at least \$10,000,000.



# DCEO Program Relationships

## BCJA - RERZ

- **RERZ Construction Credits (65 ILCS 115/)**
- The project must be located in an existing certified River Edge Redevelopment Zone and approved by the designated RERZ administrator.
- The project involves a qualified capital investment of at least \$1,000,000 in a qualified project.



# DCEO Program Relationships

## BCJA - HIB

- **HIB Construction Credits (20 ILCS 655/5.5)**
- The company must be currently designated and holding certification as a High Impact Business.
- The project includes a qualified capital investment of at least \$10,000,000.



# DCEO Program Relationships

## BCJA - EDGE

- **EDGE Construction Credits (35 ILCS 10/)**
- The project has an existing signed executed agreement as part of the EDGE program.
- The project involves a qualified capital investment of at least \$10,000,000.



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# Application

- When a project has been approved and confirmed by the EZ, RERZ, HIB, or EDGE programs, the project owner or company representative may complete the BCJA application found at:
- DCEO's BCJA website or by email @ ceo.bcja@illinois.gov
- For an EZ or RERZ project, a letter to DCEO from the local EZ or RERZ administrator/manager must be included with the application confirming the project is located in the current Enterprise Zone or River Edge Redevelopment Zone and meets the qualifications.



# Application

- Applications received that are complete with all supporting documentation and detailed information will be reviewed and approved or disapproved within 45 days of receipt.
- If there is a disapproval, the Department will notify applicants of additional information necessary to complete the application and the applicant will have 60 days to correct any issues, provide additional information and resubmit a completed application.
- Complete applications that are resubmitted will be approved or disapproved within 30 days.





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# Reporting Requirements

- No later than the 15<sup>th</sup> day of each calendar month, contractors and subcontractors must file a copy of the certified payroll for the preceding month to the taxpayer/project owner/designee in charge of the project who in turn must submit the payroll information within 5 days of receipt to the Illinois Department of Labor and the Illinois Department of Commerce and Economic Opportunity.
- The certified payroll will be accompanied by a statement signed by the contractor, subcontractor or an officer, agent, or employee of such, stating that the certified payroll records have been examined and are true and accurate, and that the contractor, subcontractor is aware that filing a certified payroll that he or she knows to be false is a Class A misdemeanor.



# Reporting Requirements

- The taxpayer in charge of the project, or any business entity qualified to receive credits or has received credits and the contractor and subcontractor engaged in a BCJA construction jobs project is to make, submit, and keep for a period of 5 years, detailed and complete records for all laborers and other workers employed by said contractors and/or subcontractors doing construction on the project.



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# Certificate Issuance

- A project owner (Taxpayer) will certify in the application the understanding of a detailed provision that the taxpayer shall be awarded a New Construction Jobs Tax Credit upon the verified completion of a New Construction Tax Credit project.
- It is a requirement that the Taxpayer shall provide written notification to the Director not more than 30 days after the Taxpayer determines that the required qualified capital investment, or other issues are not or will not be achieved or maintained as set forth in the terms and conditions of the Agreement.



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# BCJA Frequently Asked Questions

- Tax credits will be awarded to the applicant project owner (taxpayer).
- Tax credits will be awarded upon the completion of a project.
- Out-of-state based contractors/subcontractors should be registered to do business in the state of Illinois.
- Construction workers do not have to be Illinois residents.
- Applications should be submitted upon approval of the appropriate prerequisite program manager.
- Projects concluded after January 1, 2021 may apply for the tax credits.



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# Contact Information

We appreciate everyone taking the time to join us today. We look forward to working with you on Blue Collar Jobs Act projects in the future.

For more information, please reach out:  
[CEO.BCJA@Illinois.gov](mailto:CEO.BCJA@Illinois.gov)



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