Illinois Department of Commerce & Economic Opportunity
JB Pritzker, Governor

MICRO

WHAT IS MICRO?

The Manufacturing Illinois Chips for Real Opportunity Act (MICRO) is a tax credit incentive program designed to encourage businesses to invest, create, and retain jobs in Illinois.

KEY BENEFITS

- State payroll income tax credit as retained withholding or corporate income tax offset as follows:
  - Underserved Area*: 100%
  - Non-underserved area: 75%
- A credit for up to 25% on new employee training costs

WHO'S ELIGIBLE

- Businesses ready to hire and grow
- Eligible Sectors: quantum computing, semiconductors or microchip manufacturers, component parts manufacturers, companies engaged in related R&D

WHAT'S REQUIRED

- Complete application & documents
- Create new jobs and investment
- One-time audit: validate job & investment goals

Note: MICRO should be applied for before beginning the project

APPLICATION PROCESS

- Submit MICRO application form and requested documents
- Create new jobs and make investment within 4 years for Tier I projects and within 5 years for Tier II projects.

Job Creation and Investment Requirement

- Tier I Eligibility:
  - Lesser of 50 new jobs OR 10% of the worldwide workforce
  - Capital Investment minimum of $2.5M
- Tier II Eligibility
  - Job creation: minimum of 150 new FT jobs
  - Capital Investment minimum of $300M

  OR

  - Job creation: a minimum of 150 new FT jobs
  - Capital Investment: minimum of $100M
  - Converting an existing traditional manufacturing facility

FAQ

- **What's included in investment?** Examples of investment costs include: costs for lease, land, construction, equipment, or machinery
- **How long do the tax benefits last?** 10 or 15 years depending on investment tier
- **What's audited?** Job creation & capital investment
- **Do 1099 employees count?** No, must be W-2
- **Can credits be sold/transferred?** No
- **What if I am not profitable?** Businesses may make a one-time election to either claim a corporate tax credit or retain employee withholdings, whichever best fits their needs
- **Are there benefits for big investments?** Tier II level investments qualify for additional financial incentives

After the company completes their requirements for their first annual reporting, they will receive a tax certificate to file with their Illinois Income taxes.

OVERALL PROCESS

1. Submit application and required documents
2. Undergo evaluation by DCEO
3. If approved, you have 30 days to accept
4. All parties execute an MICRO agreement
5. Hire staff and invest within 4-5 years
6. Complete a one-time compliance audit
7. Submit annual reporting documents
8. DCEO will send tax certificate to file with taxes

Learn more on our website: dceo.illinois.gov/expandrelocate/incentives/micro

Contact us at ceo.micro@illinois.gov

*Underserved areas receive an additional 25% credit withholding allowance. Underserved area map listed on website