



State of Illinois
Illinois Department of Commerce and Economic Opportunity



River Edge Redevelopment Zone
and High Impact Business
Tax Incentives

calendar year 2015 ANNUAL REPORT



Illinois
Department of Commerce
& Economic Opportunity
Bruce Rauner, Governor

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Enterprise Zone, River Edge Redevelopment Zone, and High Impact Business Tax Incentives Calendar Year 2015 Annual Report

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Illinois Department of Commerce & Economic Opportunity

Bruce Rauner, Governor

October 4, 2017

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directive that the Department of Commerce and Economic Opportunity (the "DCEO") report annually to the members of the Illinois General Assembly regarding the evaluation of the effectiveness of the Illinois Enterprise Zone program. Although the report was due on October 1, 2016, DCEO briefly delayed submission in order to incorporate recently updated information received from the Illinois Department of Revenue ("DOR") as a result of late reporting by stakeholders. This report provides the most up-to-date and accurate information available to DCEO and DOR and thus provides a comprehensive evaluation of the Enterprise Zone Program.

The purpose of the Enterprise Zone Program is 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 the Illinois Department of Revenue.

Although other factors are involved, enterprise zone designation is an important determinant of a business' decision to locate or expand in Illinois. This report demonstrates the Enterprise Zone program continues to be one of the State's most successful investment and job creation tools. The Department continues to work with the Department of Revenue and various stakeholders to improve the reporting procedures for Enterprise Zones to improve the quality of the metrics demonstrating the efficacy of this program.

Sincerely,

A handwritten signature in black ink that reads "Sean McCarthy".

Sean McCarthy
Director

Annual Report

The Illinois Enterprise Zone Act, 20 ILCS 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 a total of 97 enterprise zones statewide. Pursuant to the most recent amendments to the Act, applicants must satisfy certain statutory criteria as part of the application process. DCEO reviews the application 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.

During 2015, the Enterprise Zone Board convened for the first time under the amended Act in order to review and approve or deny applicants for enterprise zone designation. DCEO received 66 applications for designation in the 2015 round, of which 49 were approved for designation by the Board on or about August 14, 2015. DCEO certified these zone in 2015 to become effective on January 1, 2016, which were designated for an initial fifteen (15) years, with the possibility of a ten (10) year extension based on the Enterprise Zone Board’s determination. DCEO received eighteen (18) applications for the twelve (12) zones potentially available for designation in 2016 by December 31, 2015.

The following report identifies the guidelines, accomplishments and statistical information of the Illinois Enterprise Zone program, including information reported to the Department of Revenue by businesses located within existing enterprise zones.

ENTERPRISE ZONE BENEFITS

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:

Tax Exemptions

Sales Tax Exemption – A six-and-one-quarter percent (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 administrator of the enterprise zone in which the building project is located. To document the exemption allowed, the retailer must obtain from the purchaser a copy of the Certificate of Eligibility for Sales Tax Exemption issued by the administrator of the enterprise zone into which the building materials will be incorporated.

Enterprise Zone Machinery and Equipment/Pollution Control Facilities Sales Tax Exemption – A six-and-one-quarter percent (6.25%) state sales tax exemption is available on purchases of tangible personal property to be used or consumed in the manufacturing or assembly process or in the operation of a pollution control facility within an enterprise zone. Eligibility for this exemption is contingent upon one of the following scenarios: (a) a business making a \$5 million minimum investment that causes the creation of not less than 200 full-time equivalent jobs in Illinois, (b) a minimum investment of \$40 million that causes the retention of not less than 2,000 full-time jobs in Illinois, or (c) a minimum investment of \$40 million that causes 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 make application to and be certified by the Department in order to receive this exemption. The Department also has the authority to determine the length of the exemption. This exemption shall not be allowed beyond the term of the certified enterprise zone.

The exemption applies to the following:

- * Hand tools used to maintain, repair or operate machinery and equipment;
- * Abrasives, acids, polishing compounds or lubricants used or consumed in the manufacturing or assembly process;
- * Coolants, adhesives, solvents or cleaning compounds used to maintain, repair or operate machinery and equipment;
- * Manufacturing fuels;
- * Protective clothing and safety equipment; and
- * Fuels, chemicals and catalysts used in the operation of pollution control facilities.

Enterprise Zone Utility Tax Exemption – A state utility tax exemption on gas, electricity and the Illinois Commerce Commission’s administrative charge and telecommunication excise tax is available to businesses located in enterprise zones. Eligibility for this exemption is contingent upon one of the following scenarios: (a) a business making a \$5 million minimum investment that causes the creation of not less than 200 full-time equivalent jobs in Illinois, (b) a minimum investment of \$175 million that causes the creation of not less than 150 new full-time equivalent jobs in Illinois, or (c) a minimum

investment of \$20 million that causes the retention of not less than 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 make application to and be certified by the Department in order to receive the state utility tax exemption. The Department also has the authority to determine the term of the exemption. Local units of government may further exempt their public utility taxes on gas, electricity and water for eligible businesses.

Tax Credits

Enterprise Zone Investment Tax Credit – A state investment tax credit of one-half percent (0.5%) is allowed a taxpayer who invests in Qualified Property in a zone. Qualified Property includes machinery, equipment and buildings. The credit may be carried forward for up to five (5) years. This credit is in addition to the regular one-half percent (0.5%) investment tax credit which is available throughout the State as well as a one-half percent (0.5%) credit for businesses that increase their employment in Illinois by one percent (1.0%) over the preceding year.

LOCAL INCENTIVES

Local governments may provide a variety of local incentives to further encourage economic growth and investment in enterprise zones. The incentives offered are determined by the local governments. 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.



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

August 1, 2016

Sean McCarthy, Acting 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) 2016 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 2015, 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 2015 and provide certain job creation and capital investment data. *20 ILCS 655/8.1(a)*. Six hundred thirty-nine businesses located in an Enterprise Zone, and six 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. Eleven 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 1,359 reports last year. In 2016, the Department received reports from 2,723 holders of building material exemption certificates. This increase in reporting reflects our efforts to communicate with exemption certificate holders about the consequences of non-compliance with the law.

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 twenty-one 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 2016. Data was requested for the 2015 calendar year.

Limitations

This 2016 report is the fourth 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 2015, Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$116.9 million in tax revenue. The two largest components of these tax expenditures were the exemption from sales tax on the purchase of production-related tangible personal property (expanded machinery and equipment), and the sales tax exemption on building materials, accounting for approximately 59.78% of the total State tax expenditures. The value of the building materials exemption in lost sales tax to the State was approximately \$41.3 million, while the reported value of lost sales tax for the expanded machinery and equipment exemption was \$28.6 million.

In the aggregate, businesses receiving tax incentives reported a net job loss of 2,184 while investing approximately \$1.11 billion in 2015. 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 2016 tax incentives, job creation and investment will begin in January 2017. A report will be produced and provided to DCEO no later than August 1, 2017.

Sincerely,



Connie Beard, Director
Illinois Department of Revenue



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

September 25, 2016

Sean McCarthy, Acting 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:

I am enclosing the Illinois Department of Revenue's (IDOR) 2016 Report on Enterprise Zone, River Edge Redevelopment Zone (RERZ) and High Impact Business Tax Incentives. As required by section 8.1(d) of the Illinois Enterprise Zone Act, *20 ILCS 655/8.1(d)*, the report details the tax incentives, job creation and capital investment data for calendar year 2015, disclosed to IDOR by mandatory reporters, which include those receiving the tax incentives, purchasers of building materials for eligible projects, and utility service providers. This letter supplants the earlier submission to DCEO on August 1, 2016, to provide additional information received by IDOR through September 15, 2016.

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 2015 and provide certain job creation and capital investment data. *20 ILCS 655/8.1(a)*. Nine hundred eight-six businesses located in an Enterprise Zone, and six 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."² *Id.* Each report also disclosed "job creation, retention and capital investment numbers within the zone." *20 ILCS 655/8.1(c)*.

² 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)*.

Sections 10-10.2(a) and 10-10.2(c) of the River Edge Redevelopment Zone Act require identical reports from those businesses receiving tax incentives because of their location in a RERZ. *65 ILCS 115/10-10.2(a), 10-10.2(c)*. Eleven 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 1,359 reports last year. In 2016, the Department received reports from 2,724 holders of building material exemption certificates. This increase in reporting reflects our efforts to communicate with exemption certificate holders about the consequences of non-compliance with the law.

High Impact Businesses and some qualifying businesses located in an Enterprise Zone 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 twenty-two 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 September 15 of 2016. Data was requested for the 2015 calendar year.

Limitations

This 2016 report is the fourth 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 2015, Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$132.3 million in tax revenue. The two largest components of these tax expenditures were the exemption from sales tax on the purchase of production-related tangible personal property (expanded machinery and equipment), and the sales tax exemption on building materials, accounting for approximately 60.2% of the total State tax expenditures. The value of the building materials exemption in forgone sales tax to the State was approximately \$43.1 million, while the reported value of forgone sales tax for the expanded machinery and equipment exemption was \$36.5 million.

In the aggregate, businesses receiving tax incentives reported a net job loss of 1,526 while investing approximately \$1.25 billion in 2015. 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

This calendar year 2015 report fulfills IDOR's duty under section 8.1(d) of the Illinois Enterprise Zone Act, *20 ILCS 655/8.1(d) (2012)*. In February 2017, mandatory reporters can begin electronically submitting to IDOR their 2016 tax incentives, job creation, retention, and capital investment numbers. A report will be produced and provided to DCEO no later than August 1, 2017.

Sincerely,

A handwritten signature in black ink that reads "Connie Beard". The signature is written in a cursive, flowing style.

Connie Beard, Director
Illinois Department of Revenue

Enterprise Zone Incentive Reporting 2015 - Tax Expenditures

(all \$ in thousands)

Zone Name ¹	-----Sales Tax-----				-----Utility Taxes-----			-Income Tax-	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit		
Total	40,364	35,369	2,002	121	3,885	10,147	18,262	15,197	125,347	15,637
Altamont	3	0	0	0	0	0	0	*	*	58
American Bottoms	445	*	0	0	0	*	0	135	903	0
Bartonville/Bellevue/Peoria County	24	*	*	0	0	*	*	146	2,503	0
Beardstown	*	*	*	0	0	*	*	*	495	0
Belleville	91	0	0	0	*	*	*	20	277	0
Belvidere/Boone County	232	176	0	0	*	*	*	121	1,130	982
Benton/Franklin County	26	0	0	0	0	0	0	*	*	*
Bloomington/Normal/McLean County	508	*	0	*	*	*	*	48	946	0
Bureau/Putnam County	706	0	0	0	*	*	*	919	2,347	*
Cairo/Alexander County	0	0	0	0	0	0	0	*	*	0
Cal-Sag	383	*	*	0	*	*	0	92	482	0
Calumet Region	*	0	0	0	0	*	*	33	494	0
Canton/Fulton County	226	0	0	0	0	0	0	*	*	*
Carmi/White County	1,215	*	0	0	0	0	0	*	1,323	*
Centralia Area	22	*	0	0	0	0	0	10	*	*
Champaign/Champaign County	202	*	0	0	*	*	*	512	1,127	*
Chicago Heights	*	*	*	0	*	*	*	29	921	0
Chicago I	1,515	5	0	*	0	0	0	401	*	0
Chicago II	1,532	*	0	0	*	*	*	625	2,846	0
Chicago III	522	1,304	0	0	*	63	*	127	2,414	0
Chicago IV	5,600	354	0	*	*	*	*	512	7,099	0
Chicago V	311	0	0	0	*	*	*	92	506	0
Chicago VI	1,103	*	0	0	0	0	0	145	*	0
Cicero	*	0	0	0	0	0	0	156	*	0
Clark County	93	*	0	*	0	*	*	3	100	*
Coles County	35	*	0	0	*	*	*	95	408	75
Danville/Tilton/Vermilion County	9	*	0	0	*	*	*	43	473	0
Decatur/Macon County	494	*	*	0	*	*	*	632	9,625	0
Des Plaines River Valley	*	*	*	0	*	*	*	867	2,012	0
East Peoria	233	874	*	0	*	*	*	507	2,575	0

Enterprise Zone Incentive Reporting 2015 - Tax Expenditures

(all \$ in thousands)

Zone Name ¹	-----Sales Tax-----				-----Utility Taxes-----			-Income Tax-	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit		
Effingham/Effingham County	208	*	0	0	*	*	*	138	357	1,201
Elgin	*	0	0	0	0	0	0	*	39	0
Fairfield/Wayne County	51	0	0	0	0	0	0	*	*	0
Flora/Clay County	216	*	0	0	*	*	*	34	283	0
Ford Heights/Sauk Village	0	0	0	0	0	0	0	*	*	0
Freeport/Stephenson County	643	*	0	0	0	*	0	163	1,111	527
Galesburg	90	0	0	0	0	0	0	82	172	37
Gateway Commerce Center	1,165	0	0	*	0	0	0	*	1,194	2,291
Greenville/Smithboro	*	*	0	0	0	0	0	*	29	0
Harvey/Phoenix/Hazel Crest	28	0	0	0	0	0	0	22	50	0
Hoffman Estates	36	0	0	0	*	*	*	*	1,375	0
Illinois Valley	568	*	0	0	0	*	*	96	1,210	*
Jackson County	763	*	0	*	*	0	*	40	810	*
Jacksonville/Morgan County	346	0	0	0	0	*	*	*	639	31
Jo-Carroll	0	0	0	0	0	0	0	0	0	*
Joliet Arsenal	4,519	*	*	0	0	0	0	690	5,731	0
Kankakee County	0	0	0	0	0	0	0	*	*	0
Kankakee County (Manteno)	191	0	0	0	0	0	0	*	*	0
Kankakee River Valley	572	*	0	0	*	*	0	84	877	0
Kewanee	190	*	0	*	0	0	0	5	196	0
Lawrenceville/Lawrence County	*	*	0	*	0	*	*	*	18	*
Lee County/Ogle County	1,192	221	0	*	*	*	*	69	1,665	741
Lincoln/Elkhart/Logan Co.	587	*	0	*	*	*	*	72	711	472
Macomb/McDonough County	199	*	0	0	0	0	0	27	*	560
Macoupin County	0	0	0	0	0	0	0	*	*	0
Marshall County/Stark County	*	*	0	0	*	*	*	*	285	*
Massac County	404	0	0	0	0	0	0	33	437	0
Maywood	*	*	0	0	0	0	0	16	36	0

Enterprise Zone Incentive Reporting 2015 - Tax Expenditures

(all \$ in thousands)

Zone Name ¹	-----Sales Tax-----				-----Utility Taxes-----			-Income Tax-	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit		
McCook/Hodgkins	475	*	0	0	*	*	*	274	1,026	0
McLeansboro/Hamilton County	118	0	0	0	0	0	0	*	*	0
Mendota/Lasalle County	10	0	0	0	0	0	0	6	16	0
MidAmerica St. Clair County	18	0	0	0	0	0	0	*	*	0
Monmouth	113	*	0	*	*	*	*	*	849	*
Montgomery County	355	0	0	0	0	0	0	211	566	*
Morton	242	*	*	*	*	*	*	112	597	*
Mound City/Pulaski City/Mounds	73	*	0	0	0	0	0	0	*	0
Mt. Carmel	*	0	0	0	0	0	0	*	17	0
Mt. Vernon/Jefferson County	89	*	0	*	0	0	0	194	286	*
Nashville/Washington County	1,974	*	*	0	*	*	*	105	3,793	0
Olney/Newton/Jasper County/Richland County	589	0	0	0	0	0	0	32	620	0
Ottawa/Lasalle County/Grundy Co.	169	*	0	0	*	*	*	411	645	*
Pekin/Tazewell County	1,745	*	0	0	*	*	*	698	2,498	*
Peoria	522	34	0	0	*	*	*	231	2,207	*
Perry	174	0	0	0	0	0	0	23	197	0
Quad Cities	863	*	0	0	*	*	*	735	2,513	0
Quincy/Adams/Brown County	212	242	0	0	37	*	*	555	1,531	970
Rantoul	270	0	0	0	0	0	0	1	272	0
Riverbend	359	*	0	0	*	*	*	491	10,883	*
Robinson/Crawford County	941	*	0	0	*	*	*	244	5,409	*
Rock Island	260	0	0	*	0	0	0	3	*	0
Rockford	8	*	0	0	0	0	0	48	*	0
Salem/Marion County	89	*	0	0	0	0	0	*	91	*
Saline County	354	0	0	*	0	0	0	4	*	*

Enterprise Zone Incentive Reporting 2015 - Tax Expenditures

(all \$ in thousands)

Zone Name ¹	-----Sales Tax-----				-----Utility Taxes-----			-Income Tax-	Total State Tax Expenditures ⁴	Net Property Tax ⁵
	Building Materials	M&E Manufact.	Pollution Control	Other Sales Tax ²	Telecom	Natural Gas ³	Electricity	Investment Credit		
South Beloit/Rockton/Winnebago County	0	0	0	0	0	0	0	0	0	0
Springfield	183	0	0	0	0	0	0	257	440	0
Streator Area	54	0	0	0	0	0	0	25	79	*
Summit/Bedford Park	418	*	0	*	*	*	*	1,237	1,906	0
SW Madison County	192	*	0	0	*	*	*	781	6,068	*
Taylorville/Christian County	*	*	0	0	0	0	0	9	194	*
Urbana	27	0	0	0	*	*	*	11	228	0
Vandalia/Fayette County/Brownstown	316	0	0	0	0	0	0	5	322	0
Washington	30	*	0	0	0	0	0	9	*	*
Waukegan/North Chicago	479	0	0	0	0	0	0	93	572	0
West Frankfort	0	0	0	0	0	0	0	*	*	0
Western Illinois Economic Development Authority	*	0	0	0	0	*	0	0	31	0
Whiteside County/Carroll County	541	*	*	0	*	*	*	251	2,702	608
Williamson County	283	14,839	0	0	*	*	*	101	15,280	121
Total	40,364	35,369	2,002	121	3,885	10,147	18,262	15,197	125,347	15,637

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/ExpandRelocate/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.

*Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

Enterprise Zone Incentive Reporting 2015 - Jobs and Investment

(all \$ in thousands)

Zone Name¹	Total State Tax Expenditures⁴	2015 Employment⁶	Jobs Created/Lost	Jobs Retained⁷	Capital Investment⁸
Total	125,347	117,217	(2,684)	67,218	1,077,753
Altamont	*	9	0	9	0
American Bottoms	903	163	(1)	43	127
Bartonville/Bellevue/Peoria County	2,503	752	(82)	673	52
Beardstown	495	2,158	87	0	300
Belleville	277	1,403	51	35	2,573
Belvidere/Boone County	1,130	4,369	104	1,982	154
Benton/Franklin County	*	423	28	0	113
Bloomington/Normal/McLea n County	946	526	(949)	222	6,068
Bureau/Putnam County	2,347	1,071	69	10	181,250
Cairo/Alexander County	*	0	0	0	0
Cal-Sag	482	282	24	210	6,918
Calumet Region	494	695	(110)	471	636
Canton/Fulton County	*	7	7	0	24
Carmi/White County	1,323	399	1	323	2,251
Centralia Area	*	261	34	185	1,025
Champaign/Champaign County	1,127	1,244	32	369	3,919
Chicago Heights	921	2,119	207	1,900	247
Chicago I	*	430	46	250	4,315
Chicago II	2,846	1,392	43	687	24,754
Chicago III	2,414	5,582	(286)	5,282	18,280
Chicago IV	7,099	6,171	28	4,247	3,814
Chicago V	506	1,122	93	373	9,973
Chicago VI	*	648	48	111	584
Cicero	*	488	2	133	25,276
Clark County	100	193	1	34	2,420
Coles County	408	2,143	117	301	1,633
Danville/Tilton/Vermilion County	473	407	43	238	3,193
Decatur/Macon County	9,625	7,338	(399)	6,695	24,578
Des Plaines River Valley	2,012	2,523	(541)	1,955	75,125
East Peoria	2,575	4,391	(509)	3,291	2,031
Effingham/Effingham County	357	1,484	130	672	3,171
Elgin	39	0	0	0	0
Fairfield/Wayne County	*	153	3	9	33
Flora/Clay County	283	276	8	138	1,247

Enterprise Zone Incentive Reporting 2015 - Jobs and Investment

(all \$ in thousands)

Zone Name ¹	Total State				
	Tax Expenditures ⁴	2015 Employment ⁶	Jobs Created/Lost	Jobs Retained ⁷	Capital Investment ⁸
Ford Heights/Sauk Village	*	0	0	0	0
Freeport/Stephenson County	1,111	399	8	36	1,165
Galesburg	172	229	3	64	1,462
Gateway Commerce Center	1,194	420	105	195	360
Greenville/Smithboro	29	186	29	0	0
Harvey/Phoenix/Hazel Crest	50	57	0	20	141
Hoffman Estates	1,375	5,113	(400)	4,157	0
Illinois Valley	1,210	834	49	318	823
Jackson County	810	437	(207)	126	313
Jacksonville/Morgan County	639	1,088	(67)	1,017	7,641
Jo-Carroll	0	5	0	1	0
Joliet Arsenal	5,731	1,795	416	0	0
Kankakee County	*	0	0	0	0
Kankakee County (Manteno)	*	0	0	0	0
Kankakee River Valley	877	4,592	392	1,384	52,314
Kewanee	196	333	2	95	11,623
Lawrenceville/Lawrence County	18	35	(124)	35	93
Lee County/Ogle County	1,665	985	(189)	60	29
Lincoln/Elkhart/Logan Co.	711	752	(41)	168	8,300
Macomb/McDonough County	*	39	10	29	3
Macoupin County	*	0	0	0	0
Marshall County/Stark County	285	425	15	410	3,351
Massac County	437	27	7	20	49
Maywood	36	137	31	18	827
McCook/Hodgkins	1,026	2,315	(125)	1,583	26,187
McLeansboro/Hamilton County	*	24	0	24	0
Mendota/Lasalle County	16	130	0	0	0
MidAmerica St. Clair County	*	6	6	0	2,004
Monmouth	849	1,863	254	1,603	0
Montgomery County	566	455	(12)	18	7,507
Morton	597	2,113	(127)	1,851	7,429
Mound City/Pulaski City/Mounds	*	0	0	0	0
Mt. Carmel	17	0	0	0	0
Mt. Vernon/Jefferson County	286	2,217	392	1,475	5,337

Enterprise Zone Incentive Reporting 2015 - Jobs and Investment

(all \$ in thousands)

Zone Name¹	Total State Tax Expenditures⁴	2015 Employment⁶	Jobs Created/Lost	Jobs Retained⁷	Capital Investment⁸
Nashville/Washington County	3,793	3,067	344	17	49,682
Olney/Newton/Jasper County/Richland County	620	790	6	0	3,150
Ottawa/Lasalle County/Grundy Co.	645	1,470	28	685	74,700
Pekin/Tazewell County	2,498	234	(5)	213	32
Peoria	2,207	6,279	(1,048)	4,924	15,184
Perry	197	171	12	0	358
Quad Cities	2,513	6,705	(919)	6,704	62,190
Quincy/Adams/Brown County	1,531	4,416	144	2,762	5,098
Rantoul	272	72	0	15	100
Riverbend	10,883	2,085	26	1,846	2,803
Robinson/Crawford County	5,409	2,573	143	190	85,404
Rock Island	*	10	10	0	279
Rockford	*	37	19	18	116
Salem/Marion County	91	72	9	63	9
Saline County	*	313	(20)	53	12
South					
Beloit/Rockton/Winnebago County	0	0	0	0	0
Springfield	440	125	16	0	206
Streator Area	79	231	(16)	90	41
Summit/Bedford Park	1,906	1,517	(165)	200	23,429
SW Madison County	6,068	3,452	(310)	2,162	130,107
Taylorville/Christian County	194	2	1	1	0
Urbana	228	833	65	43	283
Vandalia/Fayette County/Brownstown	322	401	89	0	62,002
Washington	*	446	(12)	103	1,496
Waukegan/North Chicago	572	99	5	27	19
West Frankfort	*	32	(23)	31	0
Western Illinois Economic Development Authority	31	0	0	0	0
Whiteside County/Carroll County	2,702	2,803	(22)	541	921
Williamson County	15,280	1,349	183	975	17,089
Total	125,347	117,217	(2,684)	67,218	1,077,753

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/ExpandRelocate/Incentives/taxassistance/Pages/EnterpriseZone.aspx>

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

6. 2015 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 2015.

*Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2014	2015	% Change	2013	2014	% Change	2014	2015	Net Change
Altamont	34,321	34,371	0.1%	42,013	43,462	3.4%	5.5	4.9	-0.61
American Bottoms (1)	265,552	264,052	-0.6%	37,597	38,717	3.0%	7.8	6.6	-1.20
Bartonville/Bellevue/Peoria County	187,185	186,221	-0.5%	44,661	45,572	2.0%	7.6	6.9	-0.71
Beardstown	13,082	12,847	-1.8%	37,622	36,951	-1.8%	6.8	5.7	-1.14
Belleville	265,552	264,052	-0.6%	37,597	38,717	3.0%	7.8	6.6	-1.20
Belvidere/Boone County	53,793	53,585	-0.4%	38,622	39,377	2.0%	7.8	6.6	-1.16
Benton/Franklin County	39,514	39,485	-0.1%	32,442	32,715	0.8%	9.2	8.2	-0.98
Bloomington/Normal/McLean Co. (22)	187,818	186,902	-0.5%	43,857	43,513	-0.8%	5.5	4.9	-0.58
Bureau/Putnam County (6)	39,701	39,231	-1.2%	40,772	39,039	-4.3%	7.3	6.5	-0.79
Cairo/Alexander County	7,098	6,780	-4.5%	27,894	28,746	3.1%	10.5	8.6	-1.96
Cal-Sag	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Calumet Region	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Canton	35,965	35,699	-0.7%	33,646	33,186	-1.4%	8.5	7.7	-0.81
Carmi/White County (19)	20,967	20,861	-0.5%	43,243	41,688	-3.6%	6.1	5.9	-0.21
Centralia Area (7)	129,125	128,748	-0.3%	38,697	39,326	1.6%	6.5	5.7	-0.77
Champaign/Champaign County	207,424	208,861	0.7%	36,990	38,035	2.8%	6.0	5.2	-0.76
Chicago Heights	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago I	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago II	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago III	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago IV	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago V	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Chicago VI	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Cicero	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Clark County	16,138	15,979	-1.0%	39,126	39,340	0.5%	7.1	6.3	-0.83
Coles County	52,697	52,521	-0.3%	33,980	34,122	0.4%	6.7	6.2	-0.53
Danville/Tilton/Vermilion Co.	79,837	79,282	-0.7%	35,048	35,009	-0.1%	8.4	7.1	-1.27
Decatur/Macon County	108,381	107,303	-1.0%	42,335	43,413	2.5%	8.5	7.1	-1.39
Des Plaines River Valley	685,621	687,263	0.2%	42,506	43,864	3.2%	7.6	6.0	-1.58
East Peoria	135,532	134,800	-0.5%	41,004	41,690	1.7%	6.7	6.3	-0.37
Effingham/Effingham Co.	34,321	34,371	0.1%	42,013	43,462	3.4%	5.5	4.9	-0.61

ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2014	2015	% Change	2013	2014	% Change	2014	2015	Net Change
Elgin	527,501	530,847	0.6%	41,561	42,868	3.1%	6.8	5.8	-1.03
Fairfield/Wayne County	16,515	16,423	-0.6%	39,659	38,863	-2.0%	6.5	7.0	0.42
Flora/Clay County	13,463	13,428	-0.3%	37,984	36,386	-4.2%	7.9	7.1	-0.83
Ford Heights/Sauk Village	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Freeport/Stephenson County (8)	68,709	67,835	-1.3%	40,044	39,564	-1.2%	6.9	6.3	-0.61
Galesburg	51,977	51,441	-1.0%	36,602	36,280	-0.9%	6.9	6.2	-0.68
Gateway Commerce Center (1)(11)	266,635	266,209	-0.2%	38,811	39,942	2.9%	7.0	6.1	-0.94
Greenville/Smithboro	17,124	16,950	-1.0%	31,626	32,967	4.2%	6.5	5.3	-1.15
Harvey/Phoenix/Hazel Crest	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Hoffman Estates	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Illinois Valley	112,001	111,333	-0.6%	38,381	38,524	0.4%	8.1	7.0	-1.07
Jackson Co	59,388	59,362	0.0%	32,215	32,675	1.4%	6.4	5.6	-0.72
Jacksonville	34,924	34,828	-0.3%	35,906	35,422	-1.3%	5.9	5.1	-0.89
Jo-Carroll (4)(12)	37,147	36,702	-1.2%	43,373	42,325	-2.4%	6.2	5.5	-0.68
Joliet Arsenal (4)(13)	685,621	687,263	0.2%	42,506	43,864	3.2%	7.6	6.0	-1.58
Kankakee County	111,473	110,879	-0.5%	35,147	35,657	1.5%	7.9	6.8	-1.10
Kankakee River Valley	111,473	110,879	-0.5%	35,147	35,657	1.5%	7.9	6.8	-1.10
Kewanee	49,677	49,489	-0.4%	42,494	42,008	-1.1%	6.6	6.2	-0.41
Lawrenceville/Lawrence County	16,596	16,491	-0.6%	33,422	33,163	-0.8%	7.6	7.1	-0.50
Lee County/Ogle County (16)	86,909	86,243	-0.8%	39,746	39,242	-1.3%	6.9	5.9	-1.00
Lincoln/Logan Co./Sangamon Co./Dewitt Co. (18)	245,069	244,453	-0.3%	40,979	41,288	0.8%	6.0	5.3	-0.64
Macomb/McDonough County	31,591	31,333	-0.8%	34,206	33,945	-0.8%	6.8	6.3	-0.52
Macoupin County	46,354	46,045	-0.7%	36,049	35,451	-1.7%	7.4	6.3	-1.10
Marshall County/Stark County (2)(21)	17,833	17,770	-0.4%	43,083	39,112	-9.2%	7.0	6.6	-0.40
Massac County	14,876	14,766	-0.7%	33,478	33,923	1.3%	8.0	7.4	-0.61
Maywood	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
McCook/Hodgkins	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
McLeansboro/Hamilton County	8,298	8,200	-1.2%	44,189	40,904	-7.4%	5.8	5.3	-0.52
Mendota /LaSalle County/DeKalb County (20)	216,694	215,685	-0.5%	36,535	36,653	0.3%	7.3	6.3	-0.98
Monmouth	17,801	17,527	-1.5%	36,339	34,522	-5.0%	5.8	5.4	-0.38

ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2014	2015	% Change	2013	2014	% Change	2014	2015	Net Change
Montgomery County	29,058	28,898	-0.6%	34,983	33,234	-5.0%	8.7	7.7	-1.00
Morton	135,532	134,800	-0.5%	41,004	41,690	1.7%	6.7	6.3	-0.37
Mound City/Pulaski County	5,816	5,678	-2.4%	35,491	34,197	-3.6%	10.3	9.0	-1.32
Mt. Carmel	11,549	11,542	-0.1%	41,669	41,393	-0.7%	5.9	5.7	-0.29
Mt. Vernon/Jefferson County	38,446	38,353	-0.2%	35,688	36,878	3.3%	7.4	6.8	-0.64
Nashville/Washington County	14,394	14,270	-0.9%	47,066	46,771	-0.6%	4.7	3.9	-0.84
Olney/Richland Co./Jasper Co./Newton (14)	25,722	25,636	-0.3%	40,119	39,249	-2.2%	6.4	6.2	-0.27
Ottawa/LaSalle Co./Grundy Co./Marseilles (15)	162,434	161,874	-0.3%	39,804	39,879	0.2%	8.3	7.0	-1.32
Pekin/Tazewell County	135,532	134,800	-0.5%	41,004	41,690	1.7%	6.7	6.3	-0.37
Peoria	187,185	186,221	-0.5%	44,661	45,572	2.0%	7.6	6.9	-0.71
Perry County	21,602	21,543	-0.3%	30,609	30,801	0.6%	8.4	7.2	-1.17
Quad Cities (3)	146,903	146,133	-0.5%	38,956	39,868	2.3%	7.0	6.5	-0.55
Quincy/Adams County/Brown County (17)	73,861	73,842	0.0%	38,079	38,116	0.1%	5.2	4.9	-0.28
Rantoul	207,424	208,861	0.7%	36,990	38,035	2.8%	6.0	5.2	-0.76
Riverbend	266,635	266,209	-0.2%	38,811	39,942	2.9%	7.0	6.1	-0.94
Robinson/Crawford County	19,375	19,414	0.2%	38,600	39,166	1.5%	6.4	6.0	-0.48
Rock Island	146,903	146,133	-0.5%	38,956	39,868	2.3%	7.0	6.5	-0.55
Rockford	288,574	287,078	-0.5%	36,874	38,020	3.1%	8.2	7.1	-1.13
Salem/Marion County	38,483	38,339	-0.4%	36,670	36,846	0.5%	7.6	6.9	-0.70
Saline County	24,579	24,548	-0.1%	36,666	36,588	-0.2%	8.1	7.7	-0.38
Southwestern Madison County	266,635	266,209	-0.2%	38,811	39,942	2.9%	7.0	6.1	-0.94
Springfield	199,103	198,712	-0.2%	41,397	42,326	2.2%	5.9	5.3	-0.59
St Clair County Mid America	265,552	264,052	-0.6%	37,597	38,717	3.0%	7.8	6.6	-1.20
Streator Area (9)	149,001	148,004	-0.7%	39,258	38,565	-1.8%	7.7	6.7	-1.02
Summit/Bedford Park	5,248,704	5,238,216	-0.2%	49,683	51,280	3.2%	7.5	6.1	-1.40
Taylorville/Christian County	33,917	33,642	-0.8%	37,782	36,538	-3.3%	7.5	6.6	-0.91
Urbana	207,424	208,861	0.7%	36,990	38,035	2.8%	6.0	5.2	-0.76
Vandalia/Fayette County	21,993	22,043	0.2%	31,570	29,836	-5.5%	7.4	6.5	-0.93
Washington	135,532	134,800	-0.5%	41,004	41,690	1.7%	6.7	6.3	-0.37
Waukegan/North Chicago	704,149	703,910	0.0%	63,240	65,329	3.3%	6.4	5.5	-0.94

ENTERPRISE ZONE STATISTICAL SUMMARY

Enterprise Zone	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2014	2015	% Change	2013	2014	% Change	2014	2015	Net Change
West Frankfort	39,514	39,485	-0.1%	32,442	32,715	0.8%	9.2	8.2	-0.98
Western Illinois Economic Dev. Authority (5)(23)	64,114	63,775	-0.5%	36,013	34,934	-3.0%	7.3	6.0	-0.70
Whiteside/Carroll County (10)	71,874	71,695	-0.2%	39,453	39,250	-0.5%	6.8	6.1	-0.66
Williamson County	67,263	67,466	0.3%	38,185	38,946	2.0%	7.1	6.2	-0.84
State of Illinois	12,882,189	12,859,995	-0.2%	46,477	47,643	2.5%	7.1	5.9	-1.15

SOURCE: Population - United States Census Bureau, Population Estimates Program.

Per Capita Income -United States Department of Commerce, Bureau of Economic Analysis, Local Area Personal Income, Population, Per Capita Income.

Unemployment - Illinois Department of Employment Security, Economic Information and Analysis, Local Area Unemployment Statistics (LAUS)

NOTE: Every year the Census Bureau, the Bureau of Economic Analysis and the Illinois Department of Employment Security prepare statistics. When new statistics are calculated the agencies also revise estimated statistics from prior years. Therefore the numbers in this report from the prior year may not match the prior year numbers from last year's report.

- (1) Certified under the auspices of the Southwestern Illinois Economic Development Authority Act.
- (2) Certified under the auspices of the Upper Illinois River Valley Development Authority Act.
- (3) Certified under the auspices of the Quad Cities Regional Economic Development Authority Act.
- (4) Certified as a closed military base.
- (5) Certified under the auspices of the Western Illinois Economic Development Authority Act.
- (6) Zone statistics comprised of the counties of Bureau and Putnam.
- (7) Zone statistics comprised of the counties of Clinton, Marion, Washington and Jefferson.
- (8) Zone statistics comprised of the counties of Stephenson and Jo Daviess.
- (9) Zone statistics comprised of the counties of LaSalle and Livingston.
- (10) Zone statistics comprised of the counties of Whiteside and Carroll.
- (11) Zone statistics comprised of data from Madison County.
- (12) Zone statistics comprised of the counties of Carroll and Jo Daviess.
- (13) Zone statistics comprised of data from Will County.
- (14) Zone statistics comprised of the counties of Richland and Jasper.
- (15) Zone statistics comprised of the counties of LaSalle and Grundy.
- (16) Zone statistics comprised of the counties of Lee and Ogle.
- (17) Zone statistics comprised of the counties of Adams and Brown.
- (18) Zone statistics comprised of the counties of Dewitt, Logan and Sangamon.
- (19) Zone statistics comprised of the counties of White and Edwards.
- (20) Zone statistics comprised of the counties of DeKalb and LaSalle.
- (21) Zone statistics comprised of the counties of Marshall and Stark.
- (22) Zone statistics comprised of the counties of McLean and Ford
- (23) Zone statistics comprised of the counties of Fulton, Henderson, Pike, and Scott.

River Edge Redevelopment Zone Program

The River Edge Redevelopment Zone Act, 65 ILCS 115/10-1, *et seq.*, is an innovative program 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”).

Implementation Status

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 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. This area has important economic development potential, but the costs of redevelopment have made attracting investment difficult. The construction of a regional festival park is the center- piece of the City’s economic development master plan.

The City’s website states the following in regards to the new River Edge Park: “The 30-acre park was designed in a way that would serve many purposes. From the canoe/kayak launch and natural landscaping to the VIP Rooftop Deck and 10-acre music venue, this is the new recreation and entertainment destination of the suburbs. Bring your kids and fly a kite. Enjoy a local band in the music pavilion with friends. Spread out a blanket and watch fireworks with the family on the 4th of July. River Edge Park is your backyard away from home.”

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 twelve (12) square miles. Its zone began December 31, 2007 and will continue until December 31, 2037. The East St. Louis Riverfront is a distinctive area because of its unparalleled location directly across the river from the Gateway Arch.

The City supports an ongoing development project within the zone located at the proposed future Port of East St. Louis. On August 14, 2014, groundbreaking steps were taken towards the creation of a 200-acre former industrial site along the Mississippi into a multi-modal facility for the City of East St. Louis and the greater St. Louis area.

Elgin Zone

In the City of Elgin, River Edge 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. In 2014, the City completed the construction of the \$10.5 million Riverside Drive Promenade within the zone. According to the City’s website, “constructing Riverside Drive Promenade, along the Fox River, is a critical component of Elgin’s master plan to revitalize the riverfront by encouraging more redevelopment, public space and transportation projects. Riverside Drive Promenade involves the complete redevelopment of the Riverside Drive right-of-way and the adjacent parking deck into an urban riverfront plaza connected to Elgin’s Festival Park.”

Peoria Zone

The City of Peoria applied for and received 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. The City's goals include promoting development of the Old Peoria Distillery and the Peoria Design Center, and protecting buildings that contribute to the character of the Warehouse District.

Rockford Zone

In Rockford, River Edge 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. The City was granted \$8 million for a variety of projects along the riverfront to address blight and spur economic development. The projects include the Outdoor City Market and Indoor City Market, Ingersoll Building renovation, Davis Festival Park improvements, and streetscape improvements.

Effectiveness

The job and investment impact of the program showed a substantial increase in investment, one thousand nine hundred forty six percent (1946%) over the 472 thousand spent in 2014, while the total amount of expenditures decreased. The amount of jobs retained tripled from 2014 to 2015. Overall, the figures show this program brought in significant investment during the year of 2015 and proved to be a success.

Proposed New Legislation

The Department is currently evaluating potential legislative proposals.

River Edge Redevelopment Zone Reporting 2015 - 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	15	0	0	15	0
EAST ST. LOUIS	64	0	0	64	0
ELGIN	0	0	0	0	0
PEORIA	27	*	*	52	0
ROCKFORD	250	*	*	309	0
Total	356	62	22	440	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

* Information withheld to protect taxpayer confidentiality as the number of taxpayers is below our disclosure threshold.

River Edge Redevelopment Zone Reporting 2015 - Jobs and Investment
(all \$ in thousands)

Zone Name	Total State Tax Expenditures⁴	2015 Employment⁶	Jobs Created/Lost	Jobs Retained⁷	Capital Investment⁸
AURORA	15	8	(4)	0	1
EAST ST. LOUIS	64	0	0	0	0
ELGIN	0	0	0	0	0
PEORIA	52	0	0	0	0
ROCKFORD	309	160	10	35	9,656
Total	440	168	6	35	9,657

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

⁶ 2015 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 2015.

HIGH IMPACT BUSINESS

The High Impact Business (“HIB”) program, 20 ILCS 655/5.5, is designed to encourage large-scale economic development activities, by providing tax incentives (similar to those offered within an enterprise zone) to companies that propose to make a substantial capital investment in operations and will create or retain above average number of jobs. Businesses may qualify for: investment tax credits, a state sales tax exemption on building materials, an exemption from state sales tax on utilities, and a state sales tax exemption on purchases of personal property used or consumed in the manufacturing process. The qualifying project must result in a minimum of \$12 million investment causing the creation of not less than 500 full-time jobs, or a minimum investment of \$30 million causing the retention of not less than 1,500 full-time jobs. The investment must take place at a designated location in Illinois outside of a designated enterprise zone.

The program was expanded to include qualified (a) new electric generating facilities, (b) a new gasification facility, (c) production operations at a new coal mine, re-establish production at a closed coal mine, or expand operations at an existing coal mine that supports the creation of not less than 150 Illinois coal-mining jobs as a “Coal/Energy High Impact Businesses,” or (d) a new or upgraded transmission facility. In 2009, the program was further expanded to include wind energy facilities. The designation as a wind energy HIB is contingent on the business constructing a new electric generation facility or expanding an existing wind power facility. “New wind power facility” means a newly constructed electric generation facility, or a newly constructed expansion of an existing electric generation facility, placed in service on or after July 1, 2009, that generates electricity using wind energy devices. “New wind energy device” means any device, with a nameplate capacity of at least 0.5 megawatts, that is used in the process of converting kinetic energy from the wind to generate electricity. A wind energy HIB only qualifies for the sales tax exemption on building materials.

A designated High Impact Business located in a foreign trade zone or sub-zone is eligible for additional incentives including, an exemption from the telecommunications excise tax.

During the year of 2015, there were no new High Impact Business designations nor new Utility Tax or Expanded MM&E certifications. There was little significant change from 2014 regarding the tax expenditures, jobs and investment, except in the area of Natural Gas expenditures, Job Creation, and Investment. There were 1,152 Full Time Equivalent jobs created in 2015, making for a huge five thousand one hundred thirty six percent (5136%) increase from the 22 jobs created in 2014. Additionally, investment increased by two hundred fifty four percent (254%) from 2014, while the only tax expenditures showing any significant change was Natural Gas, increasing five hundred sixty three (563%). This increase in Natural Gas expenditure could be a result of a major pharmaceutical company that received their Utility Tax exemption the middle of 2014 which would have resulted in less than 12 months period. However, the same company saw a full year of tax expenditure during 2015.

MORE INFORMATION

For information on the Illinois Enterprise Zone Program, contact:

Illinois Department of Commerce and Economic Opportunity
Enterprise Zone Program
500 East Monroe, 4th Floor
Springfield, Illinois 62701
217/524-0165; TDD, 800/785-6055

High Impact Business Incentive Reporting 2015 - Tax Expenditures *(all \$ in thousands)*

	-----Sales Tax-----			-----Utility Taxes-----			-Income Tax-	
	Building Materials	Expanded Manufacturing M&E	Expanded Graphic Arts M&E	Telecom	Natural Gas	Electricity	Investment Credit	Total State Tax Expenditures⁴
High Impact Businesses	2,373	*	*	*	670	1,151	*	6,464

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

High Impact Business Incentive Reporting 2015 - Jobs and Investment *(all \$ in thousands)*

	Total State Tax Expenditures⁴	2015 Employment ⁶	Jobs Created/Lost	Jobs Retained ⁷	Capital Investment ⁸
High Impact Businesses	15,705	8,602	1,152	6,138	161,357

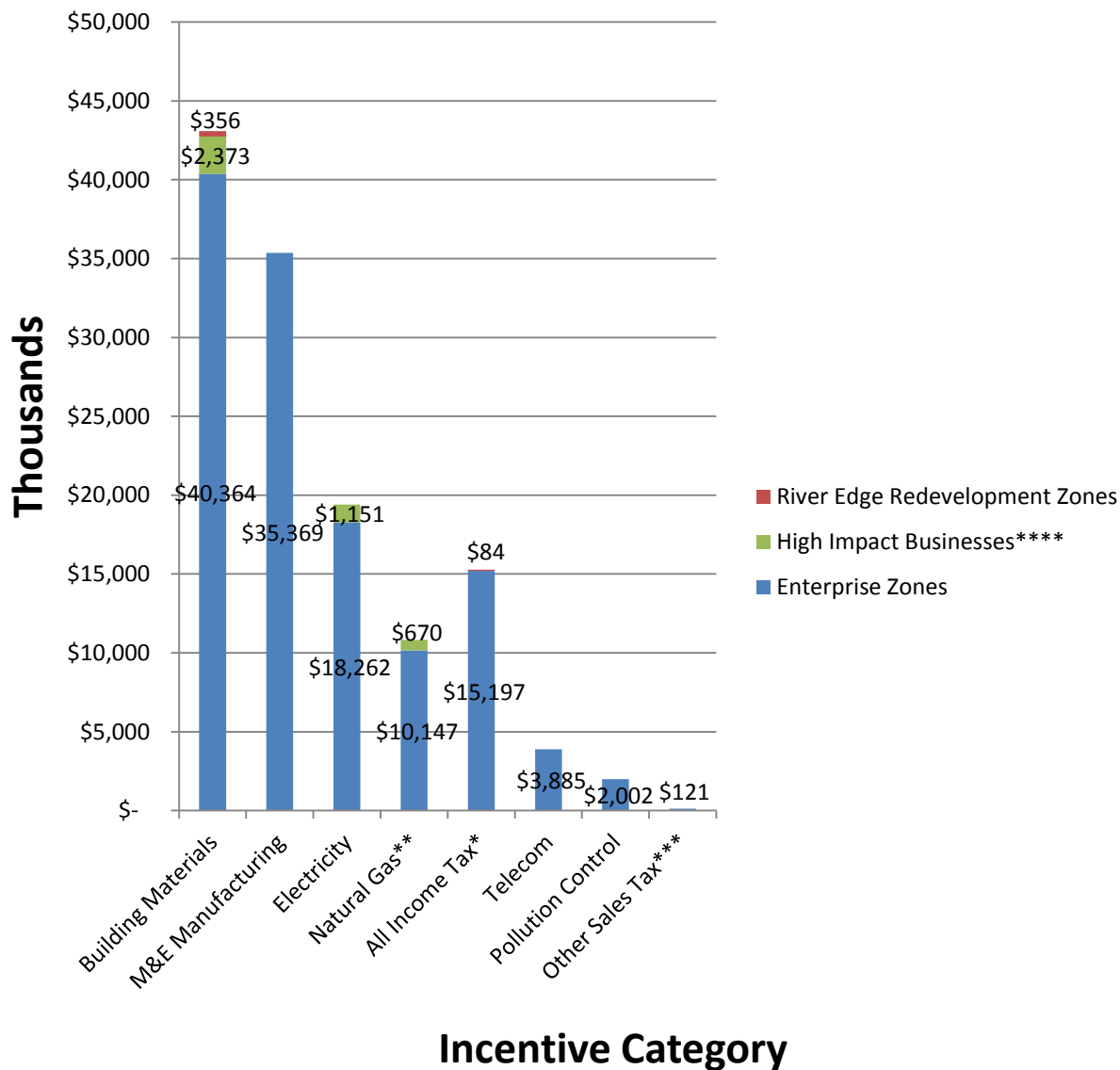
⁴ Total State Tax Expenditures quantify the reduction in tax revenue that would otherwise accrue to the state.

⁶ 2015 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 2015. Follow-up discussions and analysis revealed continued misunderstanding of this requirement with many businesses reporting capital investment over longer periods.

2015 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

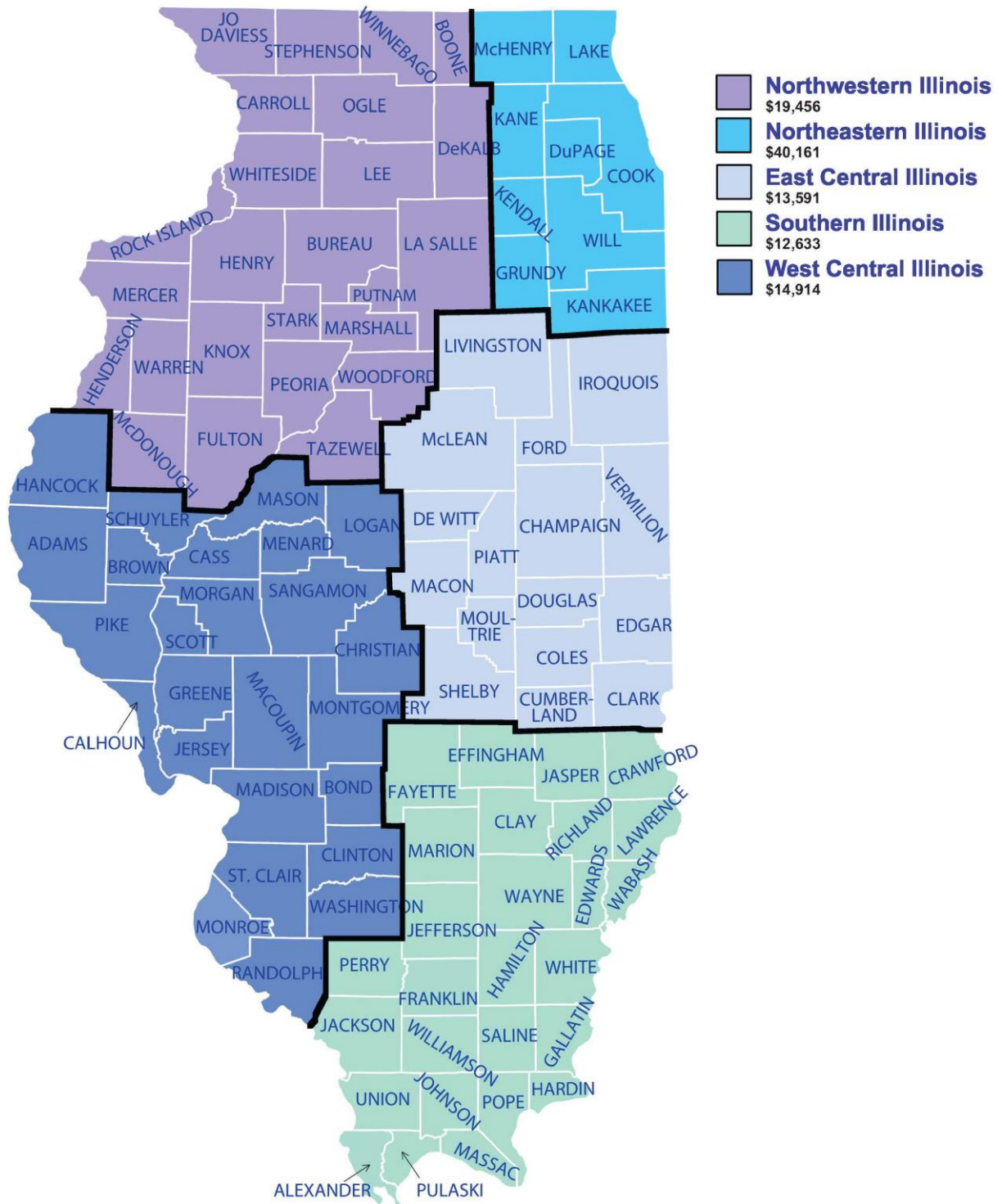
**Natural Gas Exemption includes exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax

***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

****For the High Impact Businesses, an additional \$2,270 of tax expenditures was reported in the incentive categories of M&E Manufacturing, Investment Credit (income tax), Telecom, and Expanded Graphic Arts M&E (other sales tax). These categories of expenditures are not represented in the bar chart to protect taxpayer confidentiality.

2015 Enterprise Zone Tax Expenditures by Geographic Region

(All \$ in thousands)



CONCLUSION

The foregoing report provides a summary of the Enterprise Zone, River Edge Redevelopment Zone and High Impact Business Programs for calendar year 2015. Additionally the report provides updates to the first round of new Enterprise Zone Designations that were approved by the Enterprise Zone Board on August 14, 2015.

Over the last year, the Enterprise Zone program experienced significant changes as some Zones expired while others received designation as part of the 49 zones available designation for fifteen (15) years, with the possibility of a ten (10) year extension. The overall population for counties that contain Enterprise Zones decreased .2% from 2014 (985,344) to 2015 (983,381), which was the same population change for the entire state. However those counties with Enterprise Zones appeared to show a slightly greater decrease in unemployment than those counties without zones. The unemployment rate for those counties without Enterprise Zones dropped 1.1% from 2014 to 2015. While those counties with Enterprise Zones, experienced a slightly higher overall decrease of 1.2% from 2014 to 2015.

Below is a snapshot of the Enterprise Zone program for the past four (4) years. While the number of capital investments has substantially dropped since 2012, we are able to see a relative consistency with the amount of tax incentives offered over the four (4) year period, as well as an increase in the number of businesses reporting. The Illinois Department of Revenue (IDOR) is working on increasing the number of business reporting by providing a more user friendly interfaced online reporting procedure and process. IDOR provided an initial preliminary report which included results from the 639 companies which filed their annual reports by the May 31, 2016 deadline. Subsequently, an additional 347 businesses filed reports between the months of June 1 – September 22, 2016. Based upon these results it appears more jobs were created, investment being made, and incentives received than preliminarily reported.

Four Year Enterprise Zone Summary Table¹

	2012	2013	2014	2015 Preliminary	2015 Final
Number of reports received	526	676	969	639	986
Jobs Created / Lost	4,671	4,973	485	(3,342)	(1,526)
Jobs Retained	54,401	84,217	60,700	52,406	67,218
Capital Invested	\$3,225,149,000	\$4,012,708,000	\$1,881,28,000	\$939,231,000	\$1,077,753,000
Total Dollar Value of Tax Incentives Received	\$103,093,000	\$112,054,000	\$99,434,000	\$100,754,000	\$125,347,000

¹ The following is data compiled from the published Enterprise Zone reports for the last four (4) years. Preliminary numbers are those found in the published reports. Final numbers include additional information received after the initial report was compiled. Due to technical limitations Enterprise Zone report capture was limited in 2012. As a result no additional information was received after the 2012 report was compiled.