

# Legislative Alert

## ILLINOIS EDGE PROGRAM REINSTATED

Atlas Insight assists companies from all industry sectors and geographies to negotiate and secure tax credits and incentives for business investment and job creation/retention.

The professionals at Atlas Insight are industry leaders in the field of corporate site selection and incentive procurement.

We help to choose locations for all types of business facilities that meet the long-term needs of those operations, while helping to achieve overall corporate goals.

Our team has extensive experience in all corporate sectors and has consulted on many sensitive projects for some of the world's largest corporations. We strive for excellence with every client.

For more information, please contact:

Brian P. Corde  
Managing Partner  
(732) 410-4568  
bcorde@atlasinsight.com

### *Target Audience: Companies Expanding or Establishing New Operations in Illinois*

#### Summary of Changes:

On September 18, 2017, Illinois Governor Bruce Rauner signed into law House Bill 162 reinstating the Economic Development for a Growing Economy ("EDGE") tax credit through June 30, 2022, ending a two year standoff that included multiple short-term extensions, budget impasses, and debates over the program's effectiveness. The legislation also includes changes to the eligibility criteria, award calculation, performance and transparency reporting, and recapture provisions.

#### EDGE Tax Credit Overview

The EDGE is a highly discretionary program which offers income tax credits for up to 10 years to encourage companies to locate or expand operations in Illinois. To qualify, businesses must demonstrate that the project is competitive with out-of-state alternatives. Credits may be carried forward for up to 5 years.

#### Qualifying Thresholds

For companies with more than 100 employees worldwide, the minimum capital investment requirement is reduced to \$2.5 million (previously \$5 million); and the full-time job creation requirement is modified to the lesser of 10% of company headcount and 50 new jobs.

Companies with 100 or fewer employees worldwide no longer have a capital investment requirement (previously \$1 million); and the full-time job creation requirement is now just 5% of company headcount.

#### Credit Calculation

The standard tax credit award will be calculated as 50% of the income tax withholdings generated by new jobs plus 10% of the costs for new hire training, up to 100% of the withholdings of the new jobs. For "underserved areas", the contributing withholding tax component increases to 75%.

A discretionary bonus credit of 25% is now available for demonstrating that in addition to job growth, the project will result in the retention of jobs that would otherwise be eliminated or moved out of state without EDGE approval.

#### Recommended Action:

If your company is considering expanding or locating a new operation in Illinois, then this new legislation could present a valuable opportunity. The experts at Atlas Insight have the experience and resources to navigate you through the complex application, approval, and compliance phases while ensuring you maximize the potential benefits. Contact us today so that we can determine if your company is a candidate for the Illinois EDGE Program.

