PROGRAM INFORMATION

Illinois Department of Commerce and Economic Opportunity
http://www.commerce.state.il.us/dceo/Bureaus/Business_Development/

ECONOMIC INDICATORS

PER CAPITA PERSONAL INCOME
- 2012: $44,815
- Percent of National Average: 105 percent
- Percent Change from 2011: 2.5 percent
- 2002-12 Compound Annual Growth Rate: 2.9 percent

CURRENT DOLLAR GDP
- 2011: $670.7 billion
- U.S. Rank: 5

REAL GDP
- 2011 Growth Rate: 1.3 percent
- 2001-2011 Compound Annual Growth Rate: 0.8 percent

LARGEST INDUSTRY CONTRIBUTORS TO GDP
Real estate and rental and leasing (12.2 percent); finance and insurance (10.2 percent)

LARGEST INDUSTRY CONTRIBUTORS TO GDP GROWTH, 2010-11
Durable goods manufacturing (0.59 percentage points); professional, scientific and technical services (0.22 percentage points)

KEY TAX RATES

STATE INDIVIDUAL INCOME TAXES
- Tax Rate Range (percent)
  » Low: 5.0
  » High: --
- Income Brackets
  » Lowest: Flat rate
  » Highest: Flat rate
- Number of Tax Brackets: 1

CORPORATE INCOME TAX RATES
- Tax Rate: 9.5 percent*
- Lowest Tax Bracket: Flat rate
- Highest Tax Bracket: Flat rate
- Number of Tax Brackets: 1

EXCISE TAX RATES
- General Sales and Gross Receipts Tax: 6.25 percent
- Cigarettes: $1.98 per pack**
- Distilled spirits: $8.55 per gallon and, if under 20 percent alcohol, an additional $1.39 per gallon***
- Motor Fuel Tax Rates (cents per gallon)****
  » Gasoline: 20.1
  » Diesel: 22.6
  » Gasohol: 20.1

* The Illinois rate of 9.5 percent is the sum of a corporate income tax rate of 7.0 percent plus a replacement tax of 2.5 percent.
** Counties and cities may assess an additional 10 to 15 cents per pack tax in Illinois
*** An additional tax of $2.68 per gallon in Chicago and $2.00 per gallon in Cook County
**** Carriers pay an additional surcharge equal to 21.0 cents
COMMON BUSINESS INCENTIVE PROGRAMS

- **Advantage Illinois** — This program provides Illinois businesses and entrepreneurs with access to the capital they need to start new companies and expand existing business. The program is comprised of multiple programs to spur institutional lending.
- **The Department of Commerce and Economic Opportunity Community Development Fund** — This department is partnering with financial institutions to distribute $5 million in micro loans to startups and existing small businesses through the Community Development Fund.
- **The Illinois Finance Authority** — This self-financed state authority is principally engaged in issuing taxable and tax-exempt bonds, making loans and investing capital for businesses, nonprofit corporations, agriculture and local government units statewide.
- **Illinois Department of Agriculture AgriFIRST Grant Program** — This program provides grants to people and agribusinesses in Illinois for the purpose of developing projects that enhance the value of agricultural products or expand agribusiness in Illinois.
- **Employer Training Investment Program** — This competitive application program is for Illinois-based manufacturers and service companies to facilitate upgrading the skills of their workers in order to remain current in new technologies and business practices.
- **Large Business Development Program** — This program provides grants to businesses undertaking a major expansion or relocation project that will result in substantial private investment and the creation and/or retention of a large number of Illinois jobs.
- **Illinois Angel Investment Credit Program** — This program offers a tax credit to firms or people who make an investment in one of Illinois’ qualified new business ventures.
- **Economic Development For a Growing Economy Tax Credit Program** — This program offers special tax incentives to encourage companies to locate or expand operations in Illinois when there is active consideration of a competing location in another state. Tax credits to qualifying companies are equal to the amount of state income taxes withheld from employees’ salaries in newly created jobs.
- **Enterprise Zone Program** — This program is designed to stimulate economic growth and neighborhood revitalization in economically depressed areas. It offers state and local tax incentives, regulatory relief and improved governmental services.
- **High Impact Business** — This program is designed to encourage large-scale economic development activities by providing tax incentives—including investment tax credits and a state sales tax exemption on building materials, utilities and purchases of personal property—to companies that propose to make a substantial capital investment in operations and will create or retain an above-average number of jobs.
- **Illinois Small Business Jobs Creation Tax Credit Program** — After creating one or more new, full-time positions that meet eligibility requirements, small businesses can register online to receive a $2,500 per job tax credit.
- **New Markets Development Program** — This program provides supplemental funding for investment entities that have been approved for the Federal New Markets Tax Credit program, which offers tax credits for making investments into approved funds, which in turn will be used to make investments in eligible projects located in low-income areas throughout Illinois.

OVERSIGHT AND ACCOUNTABILITY MEASURES

The Office of Accountability is responsible for developing and implementing an accountability program for grant disbursements, as well as setting, maintaining and managing the monitoring policies for the Department of Commerce and Economic Opportunity. The department monitors and collects information on grantee progress toward completion of the project’s objectives using performance measures. The department also provides access to a grant database where the public can see the recipients and value of the grants by year back to 2009. The state comptroller’s office produces a tax expenditure report each fiscal year and makes those reports available online. These reports, required by state law, contain tax expenditure information, including exemptions and credits or abatements given to individuals, corporations or other organizations. In addition, the report analyzes tax expenditures greater than $100 million and examines growth trends for the three largest tax expenditures.

RECENT LEGISLATIVE HIGHLIGHTS

During the 2013 session, legislators approved House Bill 1544, which creates the Illinois Business Development Council and provides an agreed-upon structure for the Department of Commerce and Economic Opportunity to produce a state economic development plan every five years, starting July 1, 2014. During the 2012 session, Gov. Pat Quinn signed into law Senate Bill 3616, which extends and modifies the Illinois Enterprise Zone program, a state and local partnership to encourage economic growth across the state. The law extends the program for 25 years, creates a process for communities with existing zones and communities wishing to apply for the designation, creates an Enterprise Zone Board and increases reporting requirements of companies receiving tax benefits from the Enterprise Zone and High Impact Business programs.