



State of Illinois
Illinois Department of Commerce and Economic Opportunity



River Edge Redevelopment Zone
and High Impact Business
Tax Incentives

calendar year 2012 | **ANNUAL REPORT**



Illinois
Department of Commerce
& Economic Opportunity
Pat Quinn, Governor



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Enterprise Zone, River Edge Redevelopment Zone and High Impact Business Tax Incentives Calendar Year 2012 Annual Report

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Illinois Department of Commerce and Economic Opportunity

October 1, 2013

Dear Members of the General Assembly:

The enclosed information fulfills the statutory directives that the Department of Commerce and Economic Opportunity report annually to the members of the Illinois General Assembly on the status of the Illinois Enterprise Zone Program and the River Edge Redevelopment Zone Program.

The purpose of the Enterprise Zone Program and the River Edge Redevelopment Zone Program is to stimulate economic growth and revitalization at the local level through state and local tax incentives in designated areas.

Pursuant to recent changes to the Enterprise Zone Act and the River Edge Redevelopment Zone Act, this is the first annual program report to include data collected by the Illinois Department of Revenue.

Although other factors are undoubtedly involved, Enterprise Zone and River Edge Redevelopment Zone designation can be important determinants of a business's decision to locate or expand in Illinois. Indeed, we believe that these programs are among the most important economic development tools for the State.

I trust that you will find this report informative and useful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam Pollet".

Adam Pollet
Director

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A N N U A L R E P O R T

The Illinois Enterprise Zone 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) was authorized to designate 88 enterprise zones statewide from 1983 to 1991 and 1 additional enterprise zone in 2006.

The department has designated all 89 of these authorized zones. Eight additional enterprise zones have been certified under the auspices of the Quad Cities Regional Economic Development Authority Act, the Southwestern Illinois Economic Development Authority Act, the Upper Illinois River Valley Development Authority Act, the Western Illinois Economic Development Authority Act, and under the auspices of 20 ILCS 655/5.3 (e), relating to closed military bases.

The following report identifies the guidelines, accomplishments and statistical information of the Illinois Enterprise Zone Program.



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 6.25 percent 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 Illinois Enterprise Zone Act. Receipts for materials used for remodeling, rehabilitation or new construction may be deducted from such sales when calculating the tax imposed by this Act. For purposes of this Section, "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 under this Section, 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 6.25 percent 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 a business making a \$5 million investment that causes the creation of 200 full-time equivalent jobs in Illinois, or an investment of \$40 million that causes the retention of 2,000 full-time jobs in Illinois, or an 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 DCEO for this exemption. DCEO 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 is applicable 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 a business making a \$5 million investment that causes the creation of 200 full-time equivalent jobs in Illinois, or an investment of \$175 million that causes the creation of 150 new full-time equivalent jobs in Illinois, or an investment of \$20 million that causes the retention of 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 DCEO for the state utility tax exemption. DCEO 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 .5 percent 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 years. This credit is in addition to the regular .5 percent investment tax credit which is available throughout the state as



well as a .5 percent credit for businesses that increase their employment in Illinois by one percent over the preceding year.

Jobs Tax Credit — The Enterprise Zone Jobs Tax Credit allows a business a \$500 credit on Illinois income taxes for each job created in the zone for which a certified dislocated worker or economically disadvantaged individual is hired. The credit may be carried forward for up to five years. A minimum of five eligible employees must be hired to qualify for the credit. Public Act 97-905 repealed the Enterprise Zone Jobs Tax Credit.

Income Tax Deductions

Dividend Income Deduction — Individuals, corporations, trusts and estates are not taxed on dividend income from corporations doing substantially all their business in a zone. Public Act 97-905 repealed the Enterprise Zone Dividend Deduction.

Interest Deduction — Financial institutions are not taxed on the interest received on loans for development within an enterprise zone. Public Act 97-905 repealed the Enterprise Zone Interest Deduction.

High Impact Business

The High Impact Business (HIB) program 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 credit, a state sales tax exemption on the purchase of 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. 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.

The project must involve a minimum of \$12 million investment causing the creation of 500 full-time jobs or an investment of \$30 million causing the retention of 1500 full-time jobs. The investment must take place at a designated location in Illinois outside of an Enterprise Zone.

Contribution Deduction — Businesses may deduct, from taxable income, double the value of a cash or in-kind contribution to an approved project of a designated zone organization.

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.

The program was expanded to include qualified new electric generating facility, production operations at a new coal mine or, a new or upgraded transmission facility that supports the creation of 150 Illinois coal-mining jobs as a "Coal/Energy High Impact Businesses".

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 wind power facility or expanding an existing wind power facility. "New wind power facility" means a newly constructed electric wind power facility, or a newly constructed expansion of an existing electric wind power 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.



Enterprise Zone Statistical Summary

	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2011	2012	% Change	2010	2011	% Change	2011	2012	Net Change
ALTAMONT	34,275	34,353	0.23	\$36,208	37,882	4.62	7.2	7.0	-0.2
AMERICAN BOTTOMS(1)	270,119	268,858	-0.47	35,363	36,680	3.72	10.1	9.7	-0.4
BARTONVILLE/PEORIA CO.	186,732	187,254	0.28	42,180	45,375	7.57	9.3	8.4	-0.9
BEARDSTOWN	13,594	13,338	-1.88	32,565	33,988	4.37	7.6	8.0	0.4
BELLEVILLE	270,119	268,858	-0.47	35,363	36,680	3.72	10.1	9.7	-0.4
BELVIDERE/BOONE CO.	54,253	53,940	0.58	31,627	33,252	5.14	13.3	11.6	-1.7
BENTON/FRANKLIN CO.	39,577	39,407	-0.43	28,770	29,656	3.08	11.5	11.2	-0.3
BLOOMINGTON/NORMAL/ McLEAN COUNTY	170,739	172,281	0.90	40,026	41,816	4.47	7.2	6.9	-0.3
BUREAU/PUTNAM CO.(6)	40,612	40,209	-0.99	36,473	38,536	5.66	10.5	9.8	-0.7
CAIRO/ALEXANDER CO.	8,015	7,748	-3.33	26,019	26,943	3.55	13.4	11.4	-2.0
CAL-SAG	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CALUMET REGION	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CANTON/FULTON CO.	36,935	36,651	0.77	32,280	33,723	4.47	10.2	9.7	-0.5
CARMI/WHITE CO./EDWARDS CO. (19)	21,266	21,252	-0.07	32,409	34,765	7.27	8.2	8.0	-0.2
CENTRALIA AREA (7)	130,492	130,273	-0.17	34,648	36,418	5.11	8.6	8.5	-0.1
CHAMPAIGN/CHAMPAIGN CO.	202,405	203,276	0.43	34,879	35,815	2.68	8.4	8.0	-0.4
CHICAGO I	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO II	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO III	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO IV	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO V	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO VI	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CHICAGO HEIGHTS	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CICERO	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
CLARK CO.	16,187	16,209	0.14	33,366	35,428	6.18	10.9	10.2	-0.7
COLES COUNTY	53,762	53,655	0.20	31,281	32,876	5.10	9.3	8.9	-0.4
DANVILLE/TILTON/VERMILION CO.	81,367	80,727	-0.79	31,187	32,619	4.59	10.4	9.9	-0.5
DECATUR/MACON CO.	110,616	110,122	0.45	38,896	40,591	4.36	10.4	10.6	0.2
DES PLAINES RIVER VALLEY	680,584	682,518	0.28	40,113	42,459	5.85	10.1	9.0	-1.1
EAST PEORIA	135,671	135,949	0.20	38,099	41,909	10.00	8.2	7.6	-0.6
EAST ST. LOUIS AREA	270,119	268,858	-0.47	35,363	36,680	3.72	10.1	9.7	-0.4
EFFINGHAM/EFFINGHAM CO.	34,275	34,353	0.23	36,208	37,882	4.62	7.2	7.0	-0.2
ELGIN	520,223	522,487	0.44	35,751	37,293	4.31	9.8	8.8	-1.0
FAIRFIELD/WAYNE CO.	16,601	16,574	-0.16	31,577	33,827	7.13	8.6	8.4	-0.2
FLORA/CLAY COUNTY	13,769	13,766	-0.02	31,848	33,079	3.87	11.3	10.6	-0.7
FORD HEIGHTS	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
FREEPORT/STEPHENSON CO. (8)	70,121	69,508	-0.87	37,488	39,718	5.95	8.9	8.4	-0.5
GALESBURG	52,675	52,247	-0.81	32,297	33,471	3.64	8.6	8.4	-0.2
GATEWAY COMMERCE CEN.(1) (11)	268,509	267,883	-0.23	36,752	38,133	3.76	8.9	8.8	-0.1
GREENVILLE/SMITHBORO	17,737	17,644	-0.52	32,967	34,642	5.08	9.2	8.7	-0.5
HARVEY/PHOENIX/HAZEL CREST	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
HOFFMAN ESTATES	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
ILLINOIS VALLEY	113,480	112,973	-0.45	35,571	37,237	4.68	11.3	10.9	-0.4
JACKSON COUNTY	60,264	60,071	-0.32	31,163	32,186	3.28	7.6	7.6	0.0
JACKSONVILLE/MORGAN CO.	35,551	35,272	-0.78	32,061	33,217	3.61	8.8	8.5	-0.3
JO-CARROLL (4) (12)	37,898	37,560	-0.89	36,573	39,168	7.10	8.6	8.2	-0.4
JOLIET ARSENAL (4) (13)	680,584	682,518	0.28	40,113	42,459	5.85	10.1	9.0	-1.1
KANKAKEE COUNTY	113,541	113,040	-0.44	31,724	32,261	1.69	12.0	11.1	-0.9
KANKAKEE RIVER VALLEY	113,541	113,040	-0.44	31,724	32,261	1.69	12.0	11.1	-0.9



Enterprise Zone Statistical Summary (continued)

	Calendar Year Changes in County Population			Calendar Year Changes in County Per Capita Income			Calendar Year Changes in County Unemployment		
	2011	2012	% Change	2010	2011	% Change	2011	2012	Net Change
KEWANEE	50,284	50,155	-0.26	35,138	37,404	6.45	7.6	7.4	-0.2
LAWRENCEVILLE/ LAWRENCE CO.	16,716	16,604	-0.67	27,702	28,625	3.33	8.7	8.4	-0.3
LEE COUNTY/OGLE COUNTY (16)	88,623	87,885	-0.83	32,856	35,278	7.37	11.0	10.1	-0.9
LINCOLN/LOGAN CO./									
SANGAMON CO./DEWITT CO. (18)	245,727	245,718	-0.004	36,727	39,140	6.57	8.0	7.9	-0.1
MACOMB/McDONOUGH CO.	32,496	32,537	1.81	30,958	32,538	5.10	7.6	7.5	-0.1
MACOUPIN COUNTY	47,818	47,231	-1.23	34,488	36,510	5.86	9.9	9.5	-0.4
MARSHALL CO./STARK CO. (2) (21)	18,348	18,273	-0.41	36,508	41,531	13.76	9.3	8.4	-0.9
MASSAC COUNTY	15,359	15,234	-0.81	30,161	31,843	5.58	8.8	8.9	0.1
MAYWOOD	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
McCOOK/HODGKINS	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
McLEANSBORO/HAMILTON COUNTY	8,425	8,370	-0.65	32,244	34,674	7.54	8.3	7.8	-0.5
MENDOTA/LaSALLE CO./DeKALB CO. (20)	21 7,994	217,677	-0.35	32,660	34,425	5.40	10.3	9.6	-0.7
MONMOUTH	17,824	17,731	-0.52	32,732	35,144	7.37	7.7	7.5	-0.2
MONTGOMERY COUNTY	29,784	29,620	-0.55	31,307	32,821	4.84	12.5	11.9	-0.6
MORTON	135,671	135,949	0.20	38,099	41,909	10.00	8.2	7.6	-0.6
MOUND CITY/PULASKI CO.	6,034	5,998	-0.60	31,032	32,688	5.34	10.5	10.3	-0.2
MT. CARMEL/WABASH CO.	11,837	11,727	-0.93	32,535	34,751	6.81	8.9	8.3	-0.6
MT. VERNON/JEFFERSON CO.	38,787	38,713	-0.19	32,213	33,546	4.14	8.5	8.5	0.0
NASHVILLE/WASHINGTON CO.	14,562	14,598	0.25	36,567	39,530	8.10	6.9	6.9	0.0
OLNEY/RICHLAND CO./JASPER CO. (14)	25,952	25,790	-0.62	31,522	33,372	5.87	8.9	8.8	-0.1
OTTAWA/LaSALLE CO./GRUNDY CO. (15)	163,577	163,254	-0.19	34,357	36,033	4.88	11.6	10.6	-1.0
PEKIN/TAZEWELL CO.	135,671	135,949	0.20	38,099	41,909	10.00	8.2	7.6	-0.6
PEORIA	186,732	187,254	0.28	42,180	45,375	7.57	9.3	8.4	-0.9
PERRY CO.	22,232	22,058	-0.78	25,418	26,540	4.41	10.7	11.3	0.6
QUAD CITIES (3)	147,397	147,457	0.04	37,706	39,132	3.78	8.2	7.8	-0.4
QUINCY/ADAMS CO./BROWN CO. (17)	74,051	74,111	0.08	31,786	33,481	5.33	5.5	5.3	-0.2
RANTOUL	202,405	203,276	0.43	34,879	35,815	2.68	8.4	8.0	-0.4
RIVERBEND	268,509	267,883	-0.23	36,752	38,133	3.76	8.9	8.8	-0.1
ROBINSON/CRAWFORD COUNTY	19,787	19,600	-0.95	36,017	37,989	5.48	8.4	9.1	0.7
ROCKFORD	293,660	292,069	-0.54	33,151	34,377	3.70	12.6	11.4	-1.2
ROCK ISLAND	147,397	147,457	0.04	37,706	39,132	3.78	8.2	7.8	-0.4
SALEM/MARION CO.	39,008	38,894	-0.29	32,593	33,356	2.34	11.0	10.9	-0.1
SALINE CO.	24,936	24,946	0.04	32,081	33,214	3.53	9.0	8.7	-0.3
SOUTH BELOIT/ROCKTON/									
WINNEBAGO CO.	293,660	292,069	-0.54	33,151	34,377	3.70	12.6	11.4	-1.2
(Expired 3-1-10)									
SOUTHWESTERN MADISON COUNTY	268,509	267,883	-0.23	36,752	38,133	3.76	8.9	8.8	-0.1
SPRINGFIELD	198,949	199,271	0.16	41,779	43,261	3.55	7.6	7.6	0.0
ST. CLAIR CO. MIDAMERICA AIRPORT (1)	270,119	268,858	-0.47	35,363	36,680	3.72	10.1	9.7	-0.4
STREATOR AREA (9)	152,358	151,620	-0.48	37,336	39,827	6.67	10.1	9.6	-0.5
SUMMIT/BEDFORD PARK	5,214,098	5,231,351	0.33	45,502	46,937	3.15	10.3	9.3	-1.0
TAYLORVILLE/ CHRISTIAN CO.	34,810	34,638	0.49	35,144	38,569	9.75	9.3	9.2	-0.1
URBANA	202,405	203,276	0.43	34,879	35,815	2.68	8.4	8.0	-0.4
VANDALLA/FAYETTE CO.	22,172	22,014	-0.71	27,039	28,478	5.32	10.6	10.5	-0.1
WASHINGTON	135,671	135,949	0.20	38,099	41,909	10.00	8.2	7.6	-0.6
WAUKEGAN/NORTH CHICAGO	701,575	702,120	0.08	53,634	55,656	3.77	10.1	9.0	-1.1
WESTERN IL ECON. DEV. AUTH (5)	16,389	16,308	-0.49	31,328	32,959	5.21	7.7	7.4	-0.3
WEST FRANKFORT	39,577	39,407	-0.43	28,770	29,656	3.08	11.5	11.2	-0.3
WHITESIDE COUNTY/CARROLL CO.(10)	73,435	72,857	-0.79	34,393	36,593	6.40	9.7	9.1	-0.6
WILLIAMSON CO.	66,680	66,674	-0.01	32,964	33,674	2.15	8.7	8.3	-0.4



Enterprise Zone Statistical Summary *(continued)*

SOURCE: Population - United States Census Bureau
 Per Capita Income - United States Department of Commerce, Bureau of Economic Analysis
 Unemployment - Illinois Department of Employment Security, Economic Information and Analysis

- (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. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (7) Zone statistics comprised of the counties of Clinton, Marion, Washington and Jefferson. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (8) Zone statistics comprised of the counties of Stephenson and Jo Daviess. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (9) Zone statistics comprised of the counties of LaSalle and Livingston. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (10) Zone statistics comprised of the counties of Whiteside and Carroll. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (11) Zone statistics comprised of data from Madison County.
- (12) Zone statistics comprised of the counties of Carroll and Jo Daviess. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (13) Zone statistics comprised of data from Will County.
- (14) Zone statistics comprised of the counties of Richland and Jasper. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (15) Zone statistics comprised of the counties of LaSalle and Grundy. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (16) Zone statistics comprised of the counties of Lee and Ogle. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (17) Zone statistics comprised of the counties of Adams and Brown. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (18) Zone statistics comprised of the counties of Dewitt, Logan and Sangamon. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (19) Zone statistics comprised of the counties of White and Edwards. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (20) Zone statistics comprised of the counties of DeKalb and LaSalle. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.
- (21) Zone statistics comprised of the counties of Marshall and Stark. Population is a compilation of these counties. Per Capita Income and Unemployment is an average of these counties.

River Edge Redevelopment Zone Program

The River Edge Redevelopment Zone is an innovative program designed to help revitalize riverfront areas by providing local developers and businesses with the critical tools to revive and redevelop abandoned or contaminated properties that will stimulate economic development opportunities and create more Illinois jobs. The River Edge Redevelopment Initiative includes the designation of redevelopment zones that are eligible to receive tax credits, exemptions and new grant funding to support clean-up, 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 Illinois Department of Commerce and Economic Opportunity (DCEO) and the Illinois Environmental Protection Agency (IEPA).

Implementation Status

DCEO has designated zones in the cities of Aurora, East St. Louis, Elgin and Rockford.

Aurora Zone

The City of Aurora River Edge Redevelopment Zone consists of former industrial land lining its east and west riverfronts that have tremendous economic development potential, but the costs of redevelopment have made attracting investment extremely difficult. Construction of public areas that will create a downtown park and public space that will support redevelopment is well underway.

(continued)



River Edge Redevelopment Zone Program (continued)

RiverEdge Park is a 30 acre regional festival park which is the centerpiece of a 10-year economic development master plan for the City of Aurora. Aurora's downtown, the park and the properties along the Fox River are part of one of Illinois's River Edge Redevelopment Zone communities. RiverEdge Park is located just north of Downtown Aurora along the Fox River.

The City's website says this about the RiverEdge Park: "A River that is a park. A Park that is a River."

East St. Louis Zone

The City of East St. Louis River Edge Redevelopment Zone is adjacent to the Mississippi River. In 2010, the City added the Goose Hill neighborhood to the zone. The East St. Louis Riverfront is a unique area because of its unparalleled location directly across the river from the Gateway Arch.

The City has proposed development of the Port of East St. in the zone. The Port of East St. Louis will be the redevelopment of approximately 200 acres of a former 1930s industrial site along the Mississippi River into a vital multi-modal facility for the City of East St. Louis and the greater St. Louis MSA. The development of this project is a public-private partnership between the City of East St. Louis and property owners – Slay Industries Inc. and Kinder Morgan.

Elgin Zone

In the City of Elgin, River Edge will provide a critical tool to further the redevelopment of the City's downtown and create new economic opportunities along the Fox River. The City was awarded \$8 million for the redevelopment project which the City's website describes this way: "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. It will create a large urban park right next to the downtown retail corridor with the goal of adding new commercial buildings to nearby empty lots."

Rockford Zone

In Rockford, River Edge will allow for multiple redevelopments using abandoned industrial sites along the Rock River. The City has been granted \$8 million for a variety of projects along the riverfront to address blight and spur economic development. The proposed projects include the Outdoor City Market and the Indoor City Market, the Ingersoll Building renovation and streetscape improvements. Rockford has already completed demolition of the old Tapco Building.

Peoria Zone

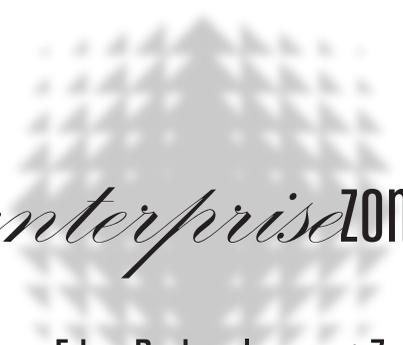
Although authorized by the RERZ Act to apply for the RERZ designation, the City has not yet been designated.

Program Effectiveness

The job and investment impact of the program along with the costs of the tax incentives are delineated in the Illinois Department of Revenue section of this report. Although other factors are undoubtedly involved, RERZ designation can play an important role in a decision by a business to locate or expand within the designated areas.

Proposed New Legislation

DCEO is not proposing any new legislation at this time.



*enterprise*ZONE

River Edge Redevelopment Zone
and High Impact Business
Tax Incentives

calendar year 2012

A N N U A L R E P O R T

Submitted by
The Illinois Department of Revenue

Under section 8.1(d) of the Illinois Enterprise Zone Act
20 ILCS 655/8.1(d) (2012)

August 1, 2013



STATE OF ILLINOIS

DEPARTMENT OF REVENUE

101 WEST JEFFERSON STREET
SPRINGFIELD, ILLINOIS 62702

Springfield Office: 217 785-7570
Chicago Office: 312 814-3190

BRIAN HAMER
Director

PAT QUINN
Governor

August 1, 2013

Mr. Adam Pollet
Director
Illinois Department of Commerce and
Economic Opportunity
James R. Thompson Center
100 W. Randolph Street
Chicago, IL 60601

Dear Director Pollet:

In accordance with section 8.1(d) of the Illinois Enterprise Zone Act, 20 ILCS 655/8.1(d) (2012), I am enclosing the Illinois Department of Revenue's (IDOR) 2013 Report on Enterprise Zone, River Edge Redevelopment Zone (RERZ) and High Impact Business Tax Incentives. The report details the tax incentive, job creation and capital investment data for the calendar year 2012 disclosed to IDOR by those receiving the tax incentives, with corroborating reports submitted by zone administrators and utility service providers.

Procedures

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, required businesses that "receiv[ed] tax incentives due to [their] location within an Enterprise Zone," and businesses designated High Impact Businesses by the Department of Commerce and Economic Opportunity to detail the tax incentives they received in 2012. 20 ILCS 655/8.1(a) (2012). Five Hundred and twenty-six businesses located in an Enterprise Zone, and ten 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.* Section 10-10.2(a) of the River

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).



Edge Redevelopment Zone Act, 65 ILCS 115/10-10.2(a) (2012), required identical reports from those businesses receiving tax incentives because of their location in a RERZ.

Among other tax incentives, businesses located in an Enterprise Zone or RERZ, 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 (2012). Section 8.1(b) of the Illinois Enterprise Zone Act required providers of utility services to “itemize[e] 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) (2012). IDOR received twenty-two reports from providers of utility services. Section 10-10.2(b) of the River Edge Redevelopment Zone Act required utility providers to report the same data for businesses located in any of the State’s four RERZs. 65 ILCS 115/10-10.2(b) (2012).

Lastly, section 8.1(c) of the Enterprise Zone Act, and section 10-10.2(c) of the River Edge Redevelopment Zone Act required Enterprise Zone and RERZ Administrators and High Impact Businesses to report to IDOR “job creation, retention, and capital investment numbers.” 20 ILCS 655/8.1(c) (2012); 65 ILCS 115/10-10.2(c) (2012). Seventy of the ninety-six active Enterprise Zone and RERZ Administrators submitted reports. The ten High Impact Businesses that reported on their tax incentives also reported job creation, retention and capital investment data for calendar year 2012.

The data in this report was derived from the mandatory business reports submitted under section 8.1(a) of the Enterprise Zone Act and 10-10.2(a) of the River Edge Redevelopment Zone Act. IDOR staff checked this data against other available sources of information, including reports submitted by utilities and zone administrators, and conducted follow-up interviews with business representatives to confirm and substantiate data submissions. Reports were submitted electronically in March through May of 2013. Data was requested for the prior calendar year, January 1, 2012-December 31, 2012.

Limitations

This 2013 report is the first required by the Act. Some of the data submitted to IDOR – such as the identity of those purchasing, and the value of, tax-exempt building materials, the value of property tax abatements in Enterprise Zones, and the value of the Gas Use Tax exemption – was not available previously from any source. 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 (a) learn of the reporting requirements; (b) create internal compliance procedures; and (c) seek to avoid penalties for noncompliance. See 20 ILCS 655/8.1(a) (2013); 65 ILCS 115/10-10.2(a) (2013). 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 data on property tax abatement reported by businesses located in these categories. 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 zone and local taxing jurisdiction.

In 2012, Enterprise Zone, High Impact Business, and River Edge Redevelopment Zone tax incentives resulted in the State foregoing approximately \$115 million in tax revenue. The largest two components of these tax expenditures were (a) the exemption from sales tax on the purchase of building materials, and (b) the electricity excise tax exemption, accounting for approximately 46% of the total State tax expenditures. The value of the building materials exemption in lost sales tax to the State was approximately \$29 million, while the reported value of the electricity excise tax exemption was \$25 million.

In the aggregate, businesses receiving tax incentives reported creating 4,671 jobs and investing approximately \$3.7 billion in 2012.

The value of all exemptions, broken down by exemption category and by 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 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 2013 tax incentives, job creation and investment will begin in January 2014. A report will be produced and provided to DCEO no later than August 1, 2014.

Sincerely,

Brian A. Hamer
Director, Illinois Department of Revenue



Enterprise Zone Incentive Reporting 2012 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	Sales Tax				Utility Taxes				Income --Tax--		State Tax Expenditures ⁵	Property Tax ⁶
	Building Materials ²	M&E Manufacturing	Pollution Control	M&E Graphic Arts	Telecom	Natural Gas ⁴	Electricity	Investment Credit				
Total	23,782	18,608	2,250	1	3,643	13,929	23,573	17,307	103,093	8,426		
ALTAMONT	-	-	-	-	-	-	-	0	-	-		
AMERICAN BOTTOMS	1	37	-	-	2	269	30	0	338	-		
BARTONVILLE/BELLEVUE/PEORIA COUNTY	147	205	32	-	-	132	1,581	20	2,116	92		
BEARDSTOWN	132	187	15	-	-	97	455	27	913	6		
BELLEVILLE	-	-	-	-	17	44	129	65	254	-		
BELVIDERE/BOONE COUNTY	88	31	-	-	2	262	465	67	914	223		
BENTON/FRANKLIN COUNTY	-	-	-	-	-	-	-	1	1	-		
BLOOMINGTON/NORMAL/MCLEAN COUNTY	33	42	-	-	39	6	194	13	327	-		
BUREAU/PUTNAM COUNTY	119	-	-	-	0	3	27	28	178	50		
CAIRO/ALEXANDER COUNTY	-	-	-	-	-	-	-	3	3	-		
CAL-SAG	107	-	-	-	-	168	-	46	321	49		
CALUMET REGION	-	-	-	-	-	172	412	42	626	73		
CANTON/FULTON COUNTY	206	-	-	-	-	-	-	-	206	318		
CARM/WHITE COUNTY	21	-	-	-	-	-	-	0	21	-		
CENTRALIA AREA	-	-	-	-	-	-	-	29	29	49		
CHAMPAIGN/CHAMPAIGN COUNTY	-	48	-	-	22	7	620	429	1,125	63		
CHICAGO HEIGHTS	90	346	3	-	6	90	403	55	994	53		
CHICAGO I	-	-	-	-	8	54	46	77	185	-		
CHICAGO II	155	-	-	-	8	156	292	100	712	-		
CHICAGO III	136	755	-	-	0	36	480	107	1,514	-		
CHICAGO IV	670	442	-	-	111	50	311	272	1,857	-		
CHICAGO V	8	-	-	-	5	30	58	61	162	-		
CHICAGO VI	39	-	-	-	-	-	-	218	258	-		
CICERO	406	-	-	-	0	13	25	147	592	-		
CLARK COUNTY	-	-	-	-	-	-	-	-	0	189		



Enterprise Zone Incentive Reporting 2012 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	Sales Tax					Utility Taxes				Income Tax		Property Tax ⁶
	Building Materials ²	M&E Manufacturing	Pollution Control	M&E Graphic Arts	Other Sales Tax ³	Telecom	Natural Gas ⁴	Electricity	Investment Credit	State Tax Expenditures ⁵		
COLES COUNTY	15	-	-	-	-	10	64	158	66	312	73	
DANVILLE/TILTON/VERMILION COUNTY	226	89	-	-	-	11	7	67	57	456	110	
DECATUR/MACON COUNTY	1,424	5,053	256	-	-	566	1,336	3,828	1,289	13,752	190	
DES PLAINES RIVER VALLEY	365	655	114	-	-	13	250	324	2,664	4,386	-	
EAST PEORIA	352	1,380	160	-	-	4	292	745	485	3,418	-	
EAST ST. LOUIS AREA	-	-	-	-	-	-	-	-	14	14	-	
EFFINGHAM/EFFINGHAM COUNTY	-	-	-	-	-	-	1	13	17	32	139	
ELGIN	28	-	-	-	-	-	-	-	20	47	-	
FAIRFIELD/WAYNE COUNTY	-	-	-	-	-	-	-	-	13	13	-	
FLORA/CLAY COUNTY	1	5	-	-	-	1	10	154	7	178	17	
FORD HEIGHTS/SAUK VILLAGE	-	-	-	-	-	-	-	-	1	1	-	
FREEPORT/STEPHENSON COUNTY	568	385	-	-	-	4	299	84	65	1,404	-	
GALESBURG	17	-	-	-	-	-	-	-	58	75	-	
GATEWAY COMMERCE CENTER	300	-	-	-	-	-	-	-	1	301	-	
GREENVILLE/SMITHBORO	-	-	-	-	-	-	-	-	0	0	-	
HARVEY/PHOENIX/HAZEL CREST	-	-	-	-	-	-	-	-	35	35	-	
HOFFMAN ESTATES	2	-	-	-	-	1,663	-	117	11	1,793	-	
ILLINOIS VALLEY	537	21	76	-	-	-	57	159	41	890	622	
JACKSON COUNTY	180	-	-	-	-	-	-	-	15	195	224	
JACKSONVILLE/MORGAN COUNTY	-	-	-	-	-	5	12	279	30	325	-	
JO-CARROLL	-	-	-	-	-	-	-	-	-	-	-	
JOLIET ARSENAL	134	52	532	-	-	-	-	-	448	1,164	-	
KANKAKEE COUNTY (MANTENO)	-	-	-	-	-	5	-	19	2	26	-	
KANKAKEE RIVER VALLEY	1	1,075	30	-	-	11	172	723	60	2,072	12	
KEWANEE	6,307	-	-	-	-	-	-	-	11	6,318	-	
LAWRENCEVILLE/LAWRENCE COUNTY	-	-	-	-	-	-	-	-	0	0	-	



Enterprise Zone Incentive Reporting 2012 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	-----Sales Tax-----										-----Utility Taxes-----				Income --Tax--	
	Building Materials ²	M&E Manufacturing	Pollution Control	M&E Graphic Arts	Other Sales Tax ³	Telecom	Natural Gas ⁴	Electricity	Investment Credit	State Tax Expenditures ⁵	Property Tax ⁶					
LEE COUNTY/OGLE COUNTY	761	180	-	-	-	3	2	19	37	1,003	136					
LINCOLN/ELKHART/LOGAN CO.	136	11	-	-	-	-	32	3	61	243	701					
MACOMB/MCDONOUGH COUNTY	-	-	-	-	-	-	-	-	2	2	-					
MARSHALL COUNTY/STARK COUNTY	-	0	-	-	-	0	0	1	5	7	76					
MASSAC COUNTY	138	16	237	-	-	7	9	129	74	610	34					
MAYWOOD	-	-	-	-	-	-	-	-	2	2	-					
MCCOOK/HODGKINS	73	-	-	-	-	122	61	154	80	489	-					
MCLEANSBORO/HAMILTON COUNTY	1	-	-	-	-	-	-	-	-	1	-					
MENDOTA/LASALLE COUNTY	25	-	-	-	-	-	0	-	41	67	3					
MIDAMERICA ST. CLAIR COUNTY	-	-	-	-	-	-	-	-	0	0	-					
MONMOUTH	17	417	-	-	-	6	11	112	7	570	-					
MONTGOMERY COUNTY	373	1	-	-	-	-	-	-	5	378	-					
MORTON	117	-	-	-	-	-	-	100	185	402	71					
MOUND CITY/PULASKI CITY/MOUNDS	-	-	-	-	-	-	-	-	0	0	-					
MT. CARMEL	-	-	-	-	-	-	-	-	0	0	-					
MT. VERNON/JEFFERSON COUNTY	-	-	-	-	-	-	3	71	68	141	41					
NASHVILLE/WASHINGTON COUNTY	4,243	-	719	-	-	-	280	364	1	5,605	-					
OLNEY/NEWTON/JASPER COUNTY/RICHLAND COUNTY	2,095	-	-	-	-	1	2	5	17	2,121	-					
OTTAWA/LASALLE COUNTY/GRUNDY CO.	12	-	-	-	-	-	298	454	32	797	100					
PEKIN/TAZEWELL COUNTY	702	24	-	-	-	-	-	-	1	727	378					
PEORIA	629	57	-	1	-	456	2,229	627	187	4,184	519					
PERRY	-	-	-	-	-	-	-	-	2	2	-					
QUAD CITIES	238	312	-	-	-	374	80	365	684	2,052	-					



Enterprise Zone Incentive Reporting 2012 - Tax Expenditures (all \$ in thousands)

Zone Name ¹	-----Sales Tax-----										-----Utility Taxes-----				Income --Tax--	
	Building Materials ²	M&E Manufacturing	Pollution Control	M&E Graphic Arts	Other Sales Tax ³	Telecom	Natural Gas ⁴	Electricity	Investment Credit	State Tax Expenditures ⁵	Property Tax ⁶					
QUINCY/ADAMS COUNTY/BROWN COUNTY	62	235	1	-	-	50	236	436	51	1,070	987					
RANTOUL	-	-	-	-	-	-	-	-	5	5	-					
RIVERBEND	42	1,918	28	-	-	46	2,903	4,146	5,177	14,259	48					
ROBINSON/CRAWFORD COUNTY	1,071	1,154	-	-	-	5	1,154	1,607	884	5,876	212					
ROCK ISLAND	-	-	-	-	-	-	-	-	14	14	0					
ROCKFORD	-	-	-	-	-	-	-	-	43	43	-					
SALEM/MARION COUNTY	-	-	-	-	-	1	2	113	1	117	-					
SALINE COUNTY	-	-	-	-	-	-	-	-	2	2	17					
SOUTH	-	-	-	-	-	-	-	-	-	-	-					
BELOIT/ROCKTON/WINNEBAGO COUNTY	-	-	-	-	-	-	-	-	4	4	-					
SPRINGFIELD	-	-	-	-	-	-	-	-	14	14	-					
STREATOR AREA	50	-	-	-	-	-	-	-	119	169	897					
SUMMIT/BEDFORD PARK	-	85	-	-	-	13	6	172	277	553	-					
SW MADISON COUNTY	16	2,057	-	-	-	32	2,315	1,421	1,444	7,285	-					
TAYLORVILLE/CHRISTIAN COUNTY	-	-	-	-	-	-	-	-	0	0	-					
URBANA	-	157	-	-	-	-	26	12	23	218	5					
VANDALIA/FAYETTE COUNTY/BROWNSTOWN	-	-	-	-	-	-	-	-	17	17	-					
WASHINGTON	29	19	-	-	-	5	41	149	24	267	8					
WAUKEGAN/NORTH CHICAGO	-	-	-	-	-	-	-	-	76	76	-					
WEST FRANKFORT	-	-	-	-	-	-	-	-	0	0	-					
WESTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY	-	-	-	-	-	-	-	-	-	-	-					
WHITESIDE COUNTY/CARROLL COUNTY	123	666	49	-	-	8	155	871	244	2,117	1,030					
WILLIAMSON COUNTY	16	493	-	-	-	2	1	42	178	731	611					



Enterprise Zone Incentive Reporting 2012 - Tax Expenditures *(all \$ in thousands)*

Zone Name ¹	-----Sales Tax-----				-----Utility Taxes-----				Income --Tax--		
	Building Materials ²	M&E Manufacturing	Pollution Control	M&E Graphic Arts	Other Sales Tax ³	Telecom	Natural Gas ⁴	Electricity	Investment Credit	State Tax Expenditures ⁵	Property Tax ⁶
Total	23,782	18,608	2,250	1	-	3,643	13,929	23,573	17,307	103,093	8,426

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.ilceo.net/dceo/Bureaus/Business_Development/Tax+Assistance/Enterprise-Zone.htm.

² IDOR calculated the value of the building materials sales tax exemption by assuming building materials comprised 50% of the value of each project. In subsequent years, holders of building material exemption certificates will report the value of their specific exempt purchases, eliminating the need for estimates, which are necessarily less exact.

³ Other Sales Tax Incentives include exemptions for High Impact Service Facilities, High Impact Service Facility Jet Fuel, Aircraft Maintenance Facility Expanded Machinery and Equipment, and Aircraft Maintenance Facility Designated Tangible Personal Property.

⁴ The natural gas exemption includes the value of the exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax. Reports submitted by utilities under section 8.1(b) were compared to business disclosures of the value of exemptions from the Gas Revenue Tax. However, there is no data available to confirm the number of recipients, or the value, of the Gas Use Tax exemption.

⁵ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of Enterprise Zone-located businesses that were exempt from such taxes.

⁶ Follow-up discussions with reporting businesses revealed that many did not know whether they had received property tax abatement, or in what percentage. In addition, businesses did not consistently report the data for this category. The value of property tax abatement to enterprise zone-located businesses is not included in total State Tax Expenditures because property tax is assessed by, and remitted to, local taxing jurisdictions.



Enterprise Zone Incentive Reporting 2012 - Jobs and Investment (all \$ in thousands)

Zone Name ¹	State Tax Expenditures ⁵	2012 Employment ⁷	Jobs Created/Lost	Jobs Retained ⁸	Capital Investment ⁹
Total	103,093	129,685	4,671	54,401	3,225,149
ALTA MONT	0	-	-	-	-
AMERICAN BOTTOMS	338	490	4	260	1,322
BARTONVILLE/BELLEVUE/PEORIA COUNTY	2,116	739	65	58	18,567
BEARDSTOWN	913	2,119	(36)	-	7,805
BELLEVILLE	254	1,235	(83)	12	72
BELVIDERE/BOONE COUNTY	914	4,880	1,622	153	106,944
BENTON/FRANKLIN COUNTY	1	-	-	-	-
BLOOMINGTON/NORMAL/MCLEAN COUNTY	327	2,232	3	1,381	65,543
BUREAU/PUTNAM COUNTY	178	912	28	-	10,267
CAIRO/ALEXANDER COUNTY	3	-	-	-	-
CAL-SAG	321	450	19	375	6,817
CALUMET REGION	626	831	29	186	15,517
CANTON/FULTON COUNTY	206	77	7	70	1,258
CARM/WHITE COUNTY	21	235	10	225	1,632
CENTRALIA AREA	29	81	7	30	668
CHAMPAIGN/CHAMPAIGN COUNTY	1,125	2,599	(41)	1,634	55,461
CHICAGO HEIGHTS	994	1,927	246	1,667	55,151
CHICAGO I	185	754	84	564	46,402
CHICAGO II	712	1,412	188	709	33,173
CHICAGO III	1,514	4,335	312	4,023	50,368
CHICAGO IV	1,857	4,955	159	3,680	37,529
CHICAGO V	162	2,172	207	264	20,991
CHICAGO VI	258	808	176	239	36,760
CICERO	592	934	274	158	12,381
CLARK COUNTY	0	126	(8)	-	783
COLES COUNTY	312	1,762	7	318	9,519
DANVILLE/TILTON/VERMILION COUNTY	456	2,152	186	1,345	119,282

Page 1 of 4

Enterprise Zone Incentive Reporting 2012 - Jobs and Investment (all \$ in thousands)

Zone Name ¹	State Tax Expenditures ⁵	2012 Employment ⁷	Jobs		Jobs Retained ⁸	Capital Investment ⁹
			Created/Lost	Retained ⁸		
DECATUR/MACON COUNTY	13,752	9,048	(320)	5,881	346,470	
DES PLAINES RIVER VALLEY	4,386	3,440	(335)	1,983	83,046	
EAST PEORIA	3,418	5,945	179	89	252,721	
EAST ST. LOUIS AREA	14	58	4	52	1,245	
EFFINGHAM/EFFINGHAM COUNTY	32	760	30	582	11,399	
ELGIN	47	4	-	4	124	
FAIRFIELD/WAYNE COUNTY	13	140	(5)	-	29	
FLORA/CLAY COUNTY	178	1,130	(221)	995	4,760	
FORD HEIGHTS/SAUK VILLAGE	1	-	-	-	-	
FREEMONT/STEPHENSON COUNTY	1,404	988	(1)	675	22,398	
GALESBURG	75	140	22	42	4,005	
GATEWAY COMMERCE CENTER	301	117	117	-	25,000	
GREENVILLE/SMITHBORO	0	117	(9)	-	-	
HARVEY/PHOENIX/HAZEL CREST	35	70	13	39	465	
HOFFMAN ESTATES	1,793	6,139	(632)	4,225	2,058	
ILLINOIS VALLEY	890	840	147	357	227,738	
JACKSON COUNTY	195	535	51	178	12,907	
JACKSONVILLE/MORGAN COUNTY	325	1,114	(15)	-	876	
JO-CARROLL	-	-	-	-	-	
JOLIET ARSENAL	1,164	1,310	25	-	28,468	
KANKAKEE COUNTY (MANTENO)	26	82	(9)	5	1,511	
KANKAKEE RIVER VALLEY	2,072	3,815	178	461	49,456	
KEWANEE	6,318	303	(2)	70	163,121	
LAWRENCEVILLE/LAWRENCE COUNTY	0	-	-	-	-	
LEE COUNTY/OGLE COUNTY	1,003	889	(32)	370	38,755	
LINCOLN/ELKHART/LOGAN CO.	243	1,131	43	117	44,193	
MACOMB/MCDONOUGH COUNTY	2	25	10	15	640	
MARSHALL COUNTY/STARK COUNTY	7	238	(78)	50	854	
MASSAC COUNTY	610	424	(15)	419	14,508	
MAYWOOD	2	26	1	24	53	

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Enterprise Zone Incentive Reporting 2012 - Jobs and Investment (all \$ in thousands)

Zone Name ¹	State Tax Expenditures ⁵	2012		Jobs Created/Lost	Jobs Retained ⁸	Capital Investment ⁹
		Employment ⁷	Jobs			
MCCOOK/HODGKINS	489	2,707	36	13	37,467	
MCLEANSBORO/HAMILTON COUNTY	1	62	1	-	500	
MENDOTA/LASALLE COUNTY	67	183	11	8	7,096	
MIDAMERICA ST. CLAIR COUNTY	0	2	-	-	8	
MONMOUTH	570	1,564	42	1,522	6,390	
MONTGOMERY COUNTY	378	472	15	162	2,125	
MORTON	402	2,079	8	84	11,766	
MOUND CITY/PULASKI CITY/MOUNDS	0	-	-	-	-	
MT. CARMEL	0	-	-	-	-	
MT. VERNON/JEFFERSON COUNTY	141	1,361	(34)	1,032	12,505	
NASHVILLE/WASHINGTON COUNTY	5,605	490	52	13	170,074	
OLNEY/NEWTON/JASPER COUNTY/RICHLAND COUNTY	2,121	892	(4)	143	159,196	
OTTAWA/LASALLE COUNTY/GRUNDY CO.	797	1,206	(3)	138	23,397	
PEKIN/TAZEWELL COUNTY	727	454	(19)	454	25,895	
PEORIA	4,184	6,770	1,571	594	112,747	
PERRY	2	180	(3)	26	214	
QUAD CITIES	2,052	8,283	719	7,456	192,548	
QUINCY/ADAMS COUNTY/BROWN COUNTY	1,070	5,201	199	2,359	27,436	
RANTOUL	5	164	-	51	237	
RIVERBEND	14,259	4,005	(101)	1,884	172,827	
ROBINSON/CRAWFORD COUNTY	5,876	1,920	(376)	42	43,959	
ROCK ISLAND	14	294	(14)	118	16,149	
ROCKFORD	43	34	(1)	25	51	
SALEM/MARION COUNTY	117	784	(19)	784	3,764	
SALINE COUNTY	2	336	(18)	61	2,367	
SOUTH BELOIT/ROCKTON/WINNEBAGO COUNTY	4	169	9	-	802	
SPRINGFIELD	14	41	6	17	358	
STREATOR AREA	169	298	(13)	89	2,906	

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Enterprise Zone Incentive Reporting 2012 - Jobs and Investment *(all \$ in thousands)*

Zone Name ¹	State Tax Expenditures ⁵		2012 Employment ⁷		Jobs Created/Lost		Jobs Retained ⁸		Capital Investment ⁹
SUMMIT/BEDFORD PARK	553		2,259	119	1,090			54,589	
SW MADISON COUNTY	7,285		3,987	(278)	651			42,597	
TAYLORVILLE/CHRISTIAN COUNTY	0		-	-	-			-	
URBANA	218		903	(19)	456			472	
VANDALIA/FAYETTE COUNTY/BROWNSTOWN	17		234	(17)	7			58	
WASHINGTON	267		1,534	32	65			17,136	
WAUKEGAN/NORTH CHICAGO	76		138	(17)	32			94	
WEST FRANKFORT	0		24	1	23			52	
WESTERN ILLINOIS ECONOMIC DEVELOPMENT AUTHORITY	-		-	-	-			-	
WHITESIDE COUNTY/CARROLL COUNTY	2,117		2,608	142	221			19,426	
WILLIAMSON COUNTY	731		1,002	33	797			6,925	
Total	103,093		129,685	4,671	54,401			3,225,149	

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.idceo.net/bureaus/Business_Development/Tax+Assistance/Enterprise-Zone.htm.

⁵ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of Enterprise Zone-located businesses that were exempt from such taxes.

⁷ 2012 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

⁸ A "retained job" is statutorily defined as 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). Businesses calculated and reported "retained jobs," but were not asked to describe the "specific and demonstrable threat" to those jobs.

⁹ Each business was required to report its capital investment for the calendar year 2012. However, follow-up discussions with businesses revealed substantial misunderstanding of this requirement with many businesses reporting capital investment over longer periods. IDOR corrected the capital investment data when it had specific information on 2012 investments, but IDOR was not able to confirm reports from all 526 businesses. Thus, the capital investment data likely is overstated.



River Edge Redevelopment Zone Reporting 2012 - Tax Expenditures (all \$ in thousands)

Zone Name	--Sales Tax--		----Income Tax----		State Tax Expenditures ¹¹	Property Tax ¹²
	Building Materials ²	Investment Credit	Other Income Tax ¹⁰			
Aurora	0	2	-	2	-	0
East St. Louis	0	-	-	-	-	0
Elgin	0	-	-	-	-	0
Rockford	117	12	-	129	-	0
Total	117	14	-	131	-	0

² IDOR calculated the value of the building materials sales tax exemption by assuming building materials comprised 50% of the value of each project. In subsequent years, holders of building material exemption certificates will report the value of their specific exempt purchases, eliminating the need for estimates, which are necessarily less exact.

¹⁰ 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

¹¹ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of River Edge Redevelopment Zone-located businesses that were exempt from such taxes.

¹² The value of property tax abatement to River Edge Redevelopment Zone-located businesses is not included in total State Tax Expenditures because property tax is assessed by, and remitted to, local taxing jurisdictions.



River Edge Redevelopment Zone Reporting 2012 - Jobs and Investment (all \$ in thousands)

Zone Name	State Tax	Jobs			Capital Investment ⁹
	Expenditures ¹¹	2012 Employment ⁷	Created/Lost	Jobs Retained ⁸	
Aurora	2	36	26	-	10
East St. Louis	-	-	-	-	-
Elgin	-	-	-	-	-
Rockford	129	60	-	-	10,657
Total	131	96	26	-	10,667

⁷ 2012 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.

⁸ A "retained job" is statutorily defined as 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). Businesses calculated and reported "retained jobs," but were not asked to describe the "specific and demonstrable threat" to those jobs.

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¹¹ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of River Edge Redevelopment Zone-located businesses that were exempt from such taxes.



High Impact Business Incentive Reporting 2012 - Tax Expenditures *(all \$ in thousands)*

	-----Sales Tax-----		-----Utility Taxes-----			-Income Tax-		
	Building Materials ²	M&E Manufacturing	M&E Graphic Arts	Telecom	Natural Gas ⁴	Electricity	Investment Credit	State Tax Expenditures ¹³
High Impact Businesses	4,699	2,310	-	806	652	1,897	1,165	11,529

² IDOR calculated the value of the building materials sales tax exemption by assuming building materials comprised 50% of the value of each project. In subsequent years, holders of building material exemption certificates will report the value of their specific exempt purchases, eliminating the need for estimates, which are necessarily less exact.

³ The natural gas exemption includes the value of the exemptions from the Natural Gas Revenue Tax and the Natural Gas Use Tax. Reports submitted by utilities under section 8.1(b) were compared to business disclosures of the value of exemptions from the Gas Revenue Tax. However, there is no data available to confirm the number of recipients, or the value, of the Gas Use Tax exemption.

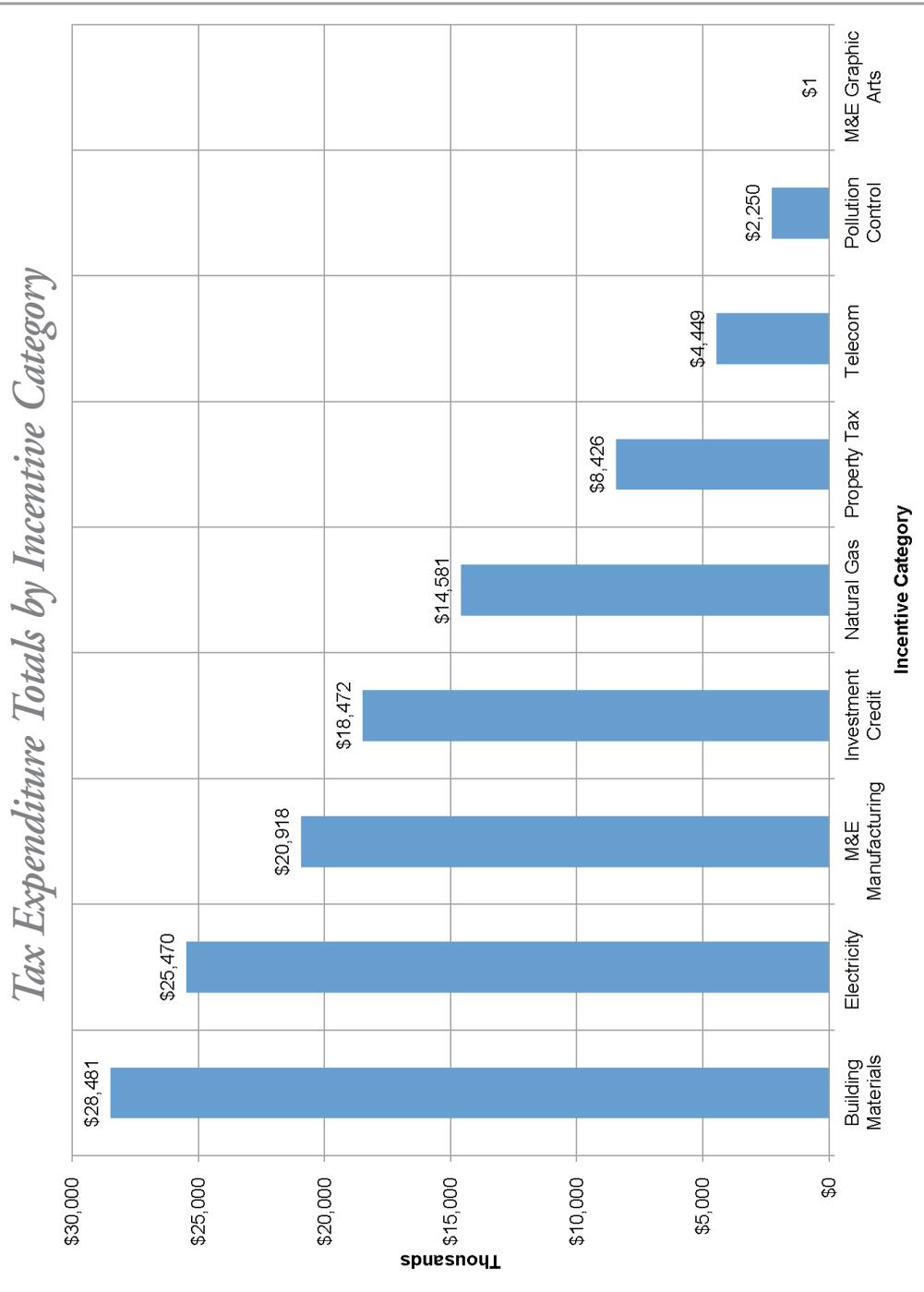
¹³ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of High Impact Businesses that were exempt from such taxes.



High Impact Business Incentive Reporting 2012 - Jobs and Investment (all \$ in thousands)

High Impact Businesses	State Tax	2012 Employment ⁷	Jobs		Capital Investment ⁹
	Expenditures ¹³		Created/Lost	Jobs Retained ⁸	
	11,529	21,170	(931)	6,424	443,179

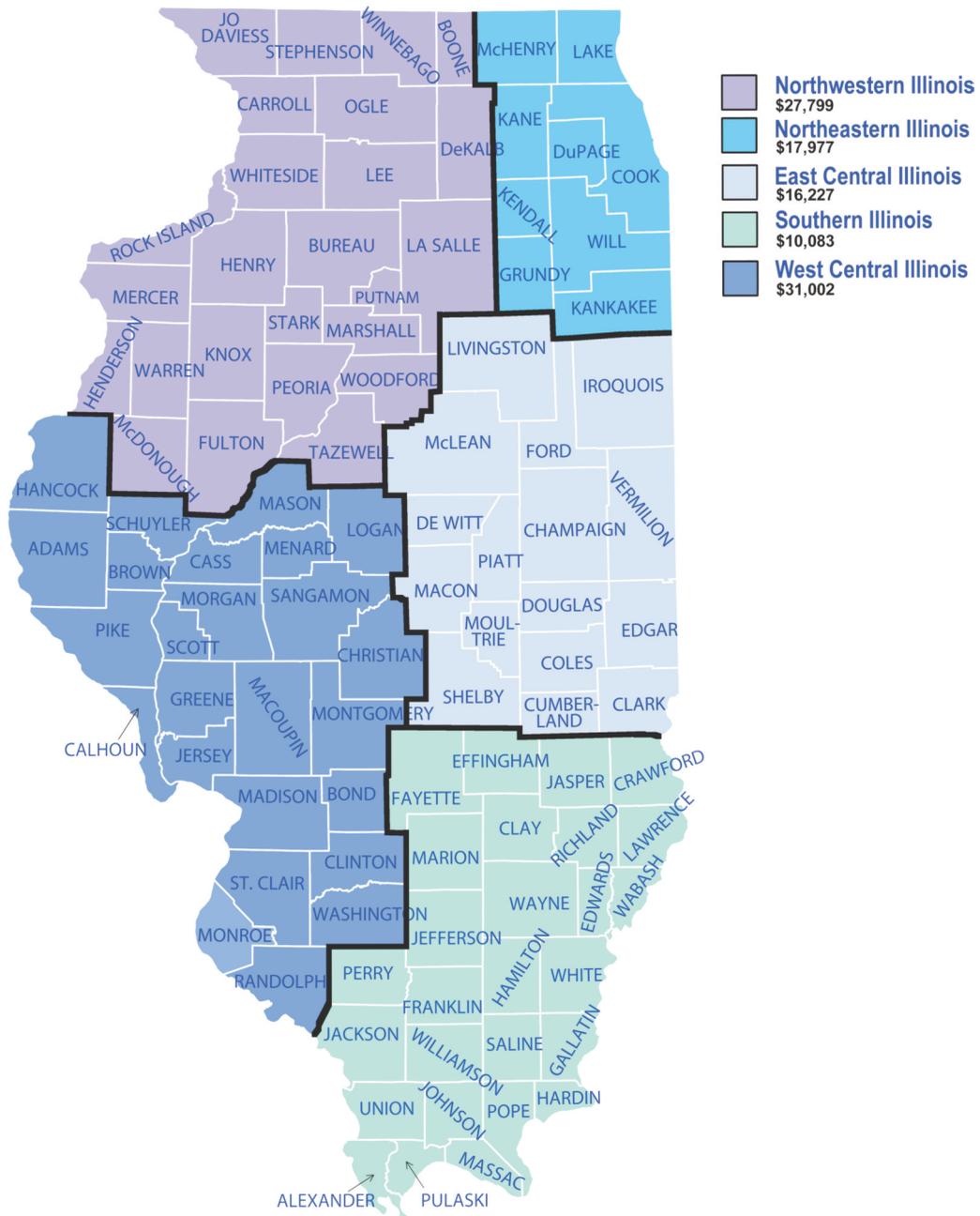
⁷ 2012 employment was calculated by taking all hours worked by all persons during the year and dividing by 1,820 hours.
⁸ A "retained job" is statutorily defined as a "job preserved at a specific facility or site, the continuance of which is threatened by a specific and demonstrable threat." 20 ILCS 655/3(i) (2012). Businesses calculated and reported "retained jobs," but were not asked to describe the "specific and demonstrable threat" to those jobs.
⁹ Each business was required to report its capital investment for the calendar year 2012. However, follow-up discussions with businesses revealed substantial misunderstanding of this requirement with many businesses reporting capital investment over longer periods. IDOR corrected the capital investment data when it had specific information on 2012 investments, but IDOR was not able to confirm reports from all 526 businesses. Thus, the capital investment data likely is overstated.
¹³ "State Tax Expenditures" quantifies the money the State would have received from taxes on the purchases and income of High Impact Businesses that were exempt from such taxes.





Enterprise Zone Tax Expenditures by Geographic Region

(all \$ in thousands)





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