

ILLINOIS

TAX CREDIT-

Economic Development for a Growing Economy (EDGE):

Provides non-refundable annual tax credits against corporate income taxes over a period of up to 10 years. EDGE credits are equal to a percentage of the new income tax withholdings generated by new job creation. To qualify, companies with 100 or fewer employees must create new jobs equal to at least 5% of their total worldwide employment; there is no minimum investment. Companies with more than 100 employees must create new jobs equal to the lesser of 10% of their total worldwide employment or 50 new jobs; they must also invest at least \$2.5 million in the project. Below are the policy changes enacted under the new EDGE legislation:

New EDGE Tax Credit Calculation (House Bill 162):

For new employees, the legislation allows for the lesser of the following:

- Up to 50% of the incremental income tax created by new employees plus 10% of the training costs of new employees; ***or***
 - 100% of the incremental income tax created by new employees.
- If the project is located in an underserved area, then the credit may not exceed:
 - 75% of the incremental income tax created by new employees plus 10% of the training costs of new employees; ***or***
 - 100% of the incremental income tax created by new employees.
- For retained employees the credit may not exceed:
 - 25% of the income tax collected for retained employees.