

Establish business tax credits for costs in establishing remote work capabilities. Eligibility caps and timelines can be established.

Synopsis.

Provides that a tax credit for a small business' cost in establishing remote work capabilities resulting from public health guidance from the COVID-19 pandemic shall be established. Provides that the amount of credit shall be maxed at 25% or 5000 dollars, the lesser of the two. Provides that the amount of credit shall be maxed at 40% or 8000 dollars, the lesser of the two, for those businesses in Disproportionately Impacted Areas. Provides that eligible costs shall be costs incurred between March 1, 2020 and January 1, 2021. Effective immediately.

Definitions.

"COVID-19" means the novel coronavirus identified as SARS-CoV-2, the disease caused by the novel coronavirus SARS-CoV-2, or a virus mutating therefrom, and conditions associated with the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom.

"Costs associated in establishing remote working capabilities" or "eligible costs" means items purchased necessary for business continuity purposes in the transition to remote work resulting from the COVID-19 pandemic. Including but not limited to virtual protected network licenses, software, internet access, computer hardware, telecommunication devices, associated labor costs and office supplies.

"Eligible businesses" means an Illinois taxpayer employing 100 or less employees who from March 1, 2020 through January 1, 2021 experienced a revenue reduction of at least 25% or an Illinois taxpayer with 100 or more employees who from March 1, 2020 through January 1, 2020 experienced a revenue reduction of at least 50 percent.

"Public health guidance" means written guidance related to COVID-19 issued by:

- (1) The Centers for Disease Control and Prevention of the federal Department of health and Human Services;
- (2) The Centers for Medicare and Medicaid Services of the federal Department of Health and Human Services;
- (3) The federal Occupation Safety and Health Administration;
- (4) The office of the Governor; or
- (5) Any State agency, including the Department of Public Health.

Additional Details.

For taxable years that begin on or after January 1, 2020 and begin prior to January 1, 2023, for the purpose of establishing remote work capabilities in response to the COVID-19 pandemic and public health guidance, each employer that employs 500 or less is entitled to a credit against the taxes imposed by subsections (a) and (b) of Section 201 for costs incurred in establishing remote work capabilities brought forth from public health guidance arising for the COVID-19 pandemic. Eligible costs in establishing remote work capabilities include those receipts dated March 1, 2020 through the duration of any active and issued emergency declaration order related to COVID-19. The amount of the credit shall maxed at 25 percent of costs incurred or 5000 dollars, the lesser of the two. Provides that

the amount of credit shall be maxed at 40% or 8000 dollars, the lesser of the two, for those businesses in Disproportionately Impacted Areas. The amount of the credit shall not exceed XXX for any one business. In granting the credit, priority will be given to those businesses demonstrating the greater loss of revenue as measured as a percent of total revenue. If the amount of the credit or credits exceeds the taxpayer's liability, the excess may be carried forward and applied against the taxpayer's liability for up to 5 succeeding taxable years. The credit or credits shall be applied to the earliest year for which there is a tax liability.

Under this act, DCEO will supply an annual report to the Governor's Office and General Assembly sharing the impacts and costs of the program.