

## HB 5255 (Wheeler)

# Support Extension & Modernization of EDGE Tax Credit

The Covid-19 pandemic has had an ongoing impact on our economy and business climate. Illinois continues to lag behind our peer and neighboring states in job growth, unemployment rate, and among many other economic indicators. In such a difficult economic environment, the State of Illinois needs to ensure that it is setting itself up to compete for new and growing businesses. However, one of the State's most useful economic tools in attracting new jobs to this State, the Economic Development for a Growing Economy (or EDGE) Tax Credit Program, is scheduled to sunset on June 30<sup>th</sup>, 2022.

In 2017, the General Assembly amended the EDGE Tax Credit Program to create transparency and make the Program accessible to small businesses. However, more changes are needed to make EDGE a truly effective economic development tool, especially for growing small businesses.

Every other state in the country has a similar, if not better, economic development tool and many states are actively competing to lure Illinois businesses to their states. Illinois cannot afford to unilaterally disarm itself of any tools to help attract and retain businesses and create jobs. The time is now to modernize the EDGE Tax Credit to help jumpstart our economic recovery and establish a long-term viability for the Program.

**Call to Action:** Extend and modernize the EDGE Tax Credit program to give local communities the tools needed to attract and retain businesses. HB 5255 provides long-term certainty for stakeholders, communities, and businesses, while putting in place modern enhancements to help grow Illinois' economy.

Specifically, HB 5255 would:

- Extend the EDGE Tax Credit from June 30<sup>th</sup>, 2022 to June 30<sup>th</sup>, 2032;
- Increase the tax credit for "retained jobs" from 25% to 50% and 75% in underserved areas. Currently, the Act allows for a tax credit amount of 50% and 75% in underserved areas for NEW JOBS, while the credit amount for job retention is at 25% for both underserved and non-underserved areas;
- Make the EDGE tax credit transferable, this will allow more companies to leverage the value of the tax credit;
- Reinstate the Business Location Efficiency Incentive Act (35 ILCS 11) through June 30<sup>th</sup>, 2032 to spur projects in areas with high affordable housing and mass transit options; and
- Allow for an enhanced tax credit to be awarded to companies making investments in community and supply-chain development purposes within a reasonable geographic distance of the project.