

TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 519
QUANTUM COMPUTING CAMPUS PROGRAM

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AUTHORITY: Implementing Section 605-1115, and authorized by Sections 605-95 and 605-55 of the Department of Commerce and Economic Opportunity Law [20 ILCS 605].

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SUBPART A: DEFINITIONS

Section 519.10 Definitions

44
45 The following definitions are applicable to this Part.

46
47 "Act" means Section 605-1115 of the Department of Commerce and Economic
48 Opportunity Law [20 ILCS 605/1115].

49
50 "Applicant" means a government entity, non-profit, taxpayer, educational
51 institution or research and development entity that seeks to establish a quantum
52 computing campus located in Illinois, or a taxpayer, educational institution or
53 research and development entity that seeks to be a tenant on a quantum
54 computing campus.

55
56 "Capital Investment" means the purchase, renovation, rehabilitation, or
57 construction of permanent land, buildings, structures, equipment and furnishings
58 used directly for or in the project, and any goods or services for the project that
59 are purchased and capitalized under GAAP or an equivalent accounting
60 principles system approved by the Department, including any organizational
61 costs and research and development costs incurred in Illinois. Capitalized lease
62 costs for land, buildings, structures or equipment shall be included in "Capital
63 Investment" only if the lease term, including any extensions or options to
64 extend, equals or exceeds the term of the memorandum of understanding, and
65 provided that the lease costs are valued at their present value using the corporate
66 interest rate prevailing at the time the applicant filed its application with the
67 Department.

68
69 "Certificate of Exemption" means the certificate issued by the Department
70 pursuant to the memorandum of understanding entered into between the
71 Department and the tenant that authorizes the tenant to receive the tax
72 exemptions set forth in Section 605-1115(b) of the Act.

73
74 "*Data Center*" means a facility:

75
76 *whose primary services include, but are not limited to, the storage,*
77 *management, and processing of digital data; and*

78
79 *that is used to house:*

80
81 *computer and network systems, including associated components*
82 *such as servers, network equipment and appliances,*
83 *telecommunications, and data storage systems;*

84
85 *systems for monitoring and managing infrastructure*
86 *performance;*

87
88 *internet-related equipment and services;*
89
90 *data communications connections;*
91
92 *environmental controls;*
93
94 *fire protection systems; and*
95
96 *security systems and services.* [20 ILCS 605/605-1115(a)]
97

98 *"Department" or "DCEO" means the Department of Commerce and Economic*
99 *Opportunity.* [20 ILCS 605/605-5]
100

101 *"Director" means the Director of the Department of Commerce and Economic*
102 *Opportunity.* [20 ILCS 605/605-5]
103

104 *"Full-time equivalent job" means a job in which an employee works for a tenant*
105 *of the quantum campus at a rate of at least 35 hours per week. Vacations, paid*
106 *holidays, and sick time are included in this computation. Overtime is not*
107 *considered a part of regular hours.* [20 ILCS 605/605-1115(a)]
108

109 *"Memorandum of Understanding" or "MOU" means the memorandum of*
110 *understanding entered between a taxpayer establishing or joining a quantum*
111 *computing campus as a tenant and the Department under Section 605-1115(d) of*
112 *the Act and Section 519.120 of this Part.*
113

114 *"New Employee" means a full-time employee in a qualifying full-time*
115 *equivalent job or employee first employed by the tenant on the quantum*
116 *computing campus and who is hired on or after the effective date of the MOU*
117 *entered into between the tenant and the Department.*
118

119 The term "New Employee" does not include:

120
121 an employee of the tenant of a certified quantum computing
122 campus who was previously employed in Illinois by a related
123 member (as that term is defined in Section 5.5 of the Economic
124 Development for a Growing Economy Act [35 ILCS 10] of the
125 tenant and whose employment was shifted to the quantum
126 computing campus after the tenant entered into the MOU;
127

128 an employee of the tenant located on the quantum computing
129 campus who was previously employed in Illinois by the tenant of

130 the quantum computing campus and whose employment was
131 shifted to the project after the tenant entered into the MOU; or
132

133 any individual who has a direct or an indirect ownership interest
134 of at least 5% in the profits, equity, capital, or value of the
135 taxpayer, or a child, grandchild, parent, or spouse (other than a
136 spouse who is legally separated from the individual) of any
137 individual who has a direct or an indirect ownership interest of at
138 least 5% in the profits, equity, capital, or value of the tenant on
139 the quantum computing campus.

140
141 However, an employee shall be considered a new employee
142 under the MOU if:

143
144 the employee performs a job that was previously
145 performed by an employee who was treated under the
146 MOU as a new employee and promoted by the tenant of
147 the quantum computing campus to another job; or
148

149 the employee fills a job vacancy that had been
150 continuously vacant for the 184-day period immediately
151 preceding the date of the MOU. A job vacancy whose
152 incumbent is on approved leave, is locked out, or is on
153 strike is not a vacancy.
154

155 "Placed in Service" means the earlier of:

156
157 when the project identified in the application or MOU is in a state or
158 condition of readiness and availability for specifically assigned
159 functions; or
160

161 the end of the 60-month period identified in the MOU.
162

163 "Project" means the development at the location set forth in the application or
164 MOU.
165

166 "Quantum Computing Activities" means the research, development, and use of
167 computing methods that generate and manipulate quantum bits in a controlled
168 quantum state in order to support the demand for quantum computing research,
169 development, and implementation for practical use. This includes the use of
170 photons, semiconductors, superconductors, trapped ions, and other industry and
171 academically regarded methods for simulating quantum bits.
172

173 "Quantum Computing Campus" or "Campus" is a contiguous area located in the
174 State of Illinois that is designated by the Department as a quantum computing
175 campus in order to support the demand for quantum computing research,
176 development, and implementation for practical use. A quantum computing
177 campus may include educational institutions, nonprofit research and
178 development organizations, and for-profit research and development
179 organization serving as anchor tenants and joining tenants that, with approval
180 from the Department, may change.

181
182 "Tenant" is an entity located or that intends to be located on a quantum
183 computing campus that has a direct or supporting role in quantum computing
184 activities. Tenants include quantum computer operators and research facilities,
185 data centers, manufacturers and assemblers of quantum computers and
186 component parts, cryogenic or refrigeration facilities, and other facilities
187 determined, by industry and academic leaders, to be fundamental to the research
188 and development of quantum computing for practical solutions.

189
190 "Underserved Area" means *a geographic area that meets any one of the*
191 *following criteria:*

192
193 *the area has a poverty rate of at least 20%, according to the latest*
194 *federal decennial census, the most recent American Community Survey*
195 *released by the U.S. Census Bureau, or other appropriate data source*
196 *produced by the U.S. Census Bureau;*

197
198 *75% or more of the children in the area are eligible to participate in the*
199 *federal free lunch or reduced-price meals program, according to*
200 *reported statistics from the State Board of Education;*

201
202 *20% or more of the households in the area receive assistance under the*
203 *Supplemental Nutrition Assistance Program (SNAP) according to data*
204 *from the U.S. Census Bureau; or*

205
206 *the area has an average unemployment rate, as determined by the*
207 *Department of Employment Security, that is more than 120% of the*
208 *national unemployment average, as determined by the U.S. Department*
209 *of Labor, for a period of at least 2 consecutive calendar years preceding*
210 *the date of the application. [35 ILCS 5/229(a)(1) through (4)]*

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212 **SUBPART B: QUANTUM CAMPUS APPLICATION**

213
214 **Section 519.20 Eligible Applicants**

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- 216 a) A government entity, non-profit, educational institution, research entity or for-
217 profit entity located in Illinois may apply to the Department for certification of a
218 quantum computing campus.
219
- 220 b) Eligible applicants seeking to establish a quantum computing campus shall apply
221 to the Department for designation. The campus shall meet the following criteria:
222
- 223 1) Must comprise a contiguous area of at least 100 acres and not more than
224 640 acres;
225
- 226 2) Must contain tenants that demonstrate a substantial plan for using the
227 campus to encourage participation by organizations owned by minorities,
228 women, and persons with disabilities, as those terms are defined in Section
229 2 of the Business Enterprise Minorities, Women, and Persons with
230 Disabilities Act [30 ILCS 575/2]; and
231
- 232 3) Must contain tenants that, within 60 months after the tenants' project is
233 placed in service, certify to the Department that the project is carbon
234 neutral or attains certification under one or more of the green building
235 standards as set forth in Section 519.70(a)(3).
236

237 **Section 519.30 Form of Application**
238

- 239 a) The Department will provide applications to parties interested in establishing a
240 quantum computing campus upon request. Submission of an application does not
241 commit the Department to award assistance or pay any costs, including any
242 application fee, incurred by the applicant in the preparation of an application.
243
- 244 b) Applications shall be submitted to the Department office location or electronic
245 mail address identified in the application. The application shall include:
246
- 247 1) Legal Applicant:
248
- 249 A) name, address, telephone number of each applicant;
250
- 251 B) key contact, title, telephone number and electronic mail address;
252
- 253 C) each applicant Federal Employer Identification Numbers (FEIN) or
254 the Illinois Business Tax (IBT) numbers, if applicable;
255
- 256 D) applicant related organizations, applicant background and whether
257 the proposed quantum computing campus is in an underserved
258 area, an energy transition zone, or an opportunity zone; and

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- E) unless the applicant is a government entity, the application shall be accompanied by a Certificate of Good Standing from the Office of the Illinois Secretary of State for each applicant or other proof of authority to transact business in the State.
- 2) Campus Summary: a detailed description of the contiguous area of land in Illinois, and a substantial plan for using the designation to encourage participation by minorities, women and persons with disabilities.
- 3) Green Building Certification: detailed information demonstrating that the campus will contain tenants that, within 60 months after the tenants' project is placed in service, will certify to the Department that property related to the tenant's project is carbon neutral or attains certification under one or more of the green building standards as set forth in Section 519.70(a)(3).
- 4) Tax Clearance, as follows:
 - A) to the Department of Revenue, a Form ITR-1; and
 - B) to DCEO, proof of tax clearance from the Department of Revenue.
- 5) Other provisions – any other provisions or information that the Department determines is necessary to facilitate the Department's evaluation of the application.
- c) The applicant is responsible for the accuracy of all data, information and documentation required by subsection (b). Once submitted, applications shall become the property of the Department.
- d) Any materials or data made available or received by any agent or employee of the Department from an applicant for, or a recipient of a tax exemption, that is exempt from disclosure under Section 7 of the Freedom of Information Act [5 ILCS 140/7] shall not be disclosed.

Section 519.40 Application Review and Approval

- a) Applicants shall be notified in writing as to the Department's evaluation of all completed applications. If the Department denies an application, it will specify the reasons for the denial in writing and allow the applicant 30 days to amend and resubmit its application for evaluation.

- 302 b) The Department shall issue a certificate of designation as a quantum computing
303 campus to each applicant notified for approval.
- 304
- 305 c) *The Department shall, within 10 days after the designation, send a letter of*
306 *notification to each member of the General Assembly whose legislative district or*
307 *representative district contains all or part of the designated area. [20 ILCS*
308 *605/605-1115(d)]*
- 309

310 SUBPART C: QUANTUM CAMPUS TENANTS

311 **Section 519.50 Eligibility Determination**

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- 314 a) Tenants must be involved in quantum computing activities located or to be
315 located on a quantum computing campus.
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- 317 b) Tenants must have either a direct or supporting role in quantum computing
318 activities as defined in this Section. Tenants include quantum computer operators
319 and research facilities, data centers, manufacturers and assemblers of quantum
320 computers and component parts, cryogenic or refrigeration facilities, and related
321 business that are fundamental to the research and development of quantum
322 computing for practical solutions.
- 323
- 324 c) A taxpayer may not execute more than one application with respect to a single
325 address or location for the same period of time.
- 326
- 327 d) This provision does not preclude the tenant from entering into an additional MOU
328 after the expiration of an earlier MOU to the extent the taxpayer's application
329 otherwise satisfies the terms and conditions of the Act and is approved by the
330 Department.
- 331

332 **Section 519.60 Form of Application**

- 333
- 334 a) The Department will provide interested applicants with a tenant application
335 package upon request. Submission of an application does not commit the
336 Department to award assistance or pay any costs, including any application fee,
337 incurred by the applicant in the preparation of an application.
- 338
- 339 b) Written applications are required and must be submitted on the standard
340 application form provided by the Department. Applications shall be submitted to
341 the Department office location or electronic mail address identified in the
342 application.
- 343

344 **Section 519.70 Application Review and Approval**

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- a) Written applications must be submitted on the standard application form provided by the Department. The application shall include:
 - 1) Legal Applicant:
 - A) name, address, telephone number of each applicant;
 - B) key contact, title, telephone number and electronic mail address;
 - C) applicant related companies;
 - D) applicant Federal Employer Identification Numbers (FEIN) or the Illinois Business Tax (IBT) numbers;
 - E) address in which the applicant's project will be located; and
 - F) a Certificate of Good Standing from the Office of the Illinois Secretary of State for each applicant or other proof of authority to transact business in the State.
 - 2) Project Summary:
 - A) a detailed description of the project, including the quantum computing activities to be performed at the project;
 - B) general location of the project on a designated quantum computing campus;
 - C) amounts of capital investment, new jobs created and retained;
 - D) a timeline to achieve the capital investment and new jobs creation goals;
 - E) whether the project will require the construction of new facilities; and
 - F) a substantial plan for encouraging participation by minorities, women and persons with disabilities at or in constructing the project.

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- 3) Green Building Certification: supporting documentation that the buildings associated with applicant's project meets or will meet the green building standards under one or more of the following designations:
 - A) *BREEAM for New Construction or BREEAM In-Use;*
 - B) *ENERGY STAR;*
 - C) *Envision;*
 - D) *ISO 50001-energy management;*
 - E) *LEED for Building Design and Construction or LEED for Operations and Maintenance;*
 - F) *Green Globes for New Construction or Green Globes for Existing Buildings;*
 - G) *UL 3223; or*
 - H) *an equivalent program approved by the Department. [20 ILCS 605/605-1115(a)]. In the event the applicant seeks to demonstrate an alternative certification, an explanation and supporting documentation as to how the program is "equivalent" to those programs and categories specifically enumerated in the Act.*
 - 4) Other provisions: any other provisions or information that the Department determines is necessary to facilitate the Department's evaluation of the application.
 - 5) Tax Clearance, as follows:
 - A) to the Department of Revenue, a Form ITR-1; and
 - B) to DCEO, proof of tax clearance from the Department of Revenue.
- b) The applicant is responsible for the accuracy of all data, information and documentation required by subsection (a). Once submitted, applications shall become the property of the Department.
- c) Any materials or data made available or received by any agent or employee of the Department from an applicant for, or a recipient of a tax exemption or credit

428 under this Part, that is exempt from disclosure under Section 7 of the Freedom of
429 Information Act [5 ILCS 140/7], shall not be disclosed.

430

431 **Section 519.80 Approval or Denial**

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433 Applicants shall be notified in writing as to the Department's evaluation of all completed
434 applications. If the Department denies an application, it will specify the reasons for the denial in
435 writing and allow the applicant 30 days to amend and resubmit its application for evaluation. If
436 the applicant disagrees with the Department's decision, it may seek relief through the process
437 afforded in the Department's Administrative Hearing Rules (56 Ill. Adm. Code 2605).

438

439 **Section 519.90 Memorandum of Understanding**

440

441 a) Upon approval of an application, the Department and tenant located, or to be
442 located, in a quantum computing campus seeking a certificate of exemption shall
443 enter into an MOU. The MOU shall specify the terms and conditions of the
444 exemptions and shall define the rights and responsibilities of the Department and
445 tenant. Provisions with which the tenant will be contractually bound to comply
446 include, but are not limited to, the following:

447

448 1) *the details for determining the amount of capital investment to be made;*

449

450 2) *the number of new jobs to be created, including a specific method for*
451 *determining the number of new employees and any relevant baseline*
452 *headcount numbers;*

453

454 3) *the timeline for achieving the capital investment and new job goals;*

455

456 4) *repayment obligation should those goals not be achieved and any*
457 *conditions under which repayment by the tenant claiming the exemption*
458 *will be required;*

459

460 5) *the duration of the exemptions; and*

461

462 6) *other provisions as deemed necessary by the Department.* [20 ILCS
463 605/605-1115(d)]

464

465 b) Tenants seeking a certificate of exemption and credits related to the construction
466 of required facilities shall require the contractor and all subcontractors to:

467

468 1) comply with the requirements of Section 30-22 of the Illinois Procurement
469 Code [30 ILCS 500/30-22] and to present satisfactory evidence of that
470 compliance to the Department; and

- 471
472 2) enter into a project labor agreement submitted to the Department.
473

474 **SUBPART D: EXEMPTIONS**

475
476 **Section 519.100 Determination of Term of Exemptions**

- 477
478 a) Tenants shall receive an initial 5-year designation certificate. At the expiration of
479 this initial 5-year period, tenants may apply to the Department for renewals of
480 certificates of exemption for additional 5-year periods not to exceed the 20-year
481 period running from the effective date of the MOU. Applications for renewal of
482 certificates of exemption will be provided by the Department 90 days prior to the
483 expiration.
484
485 b) This provision does not preclude the applicant from entering into an additional
486 MOU after the expiration of an earlier MOU to the extent the taxpayer's
487 application otherwise satisfies the terms and conditions of the Act and is approved
488 by the Department.
489

490 **Section 519.110 Designation Certificate**

- 491
492 a) Upon completion of a fully executed MOU between the tenant and the
493 Department, the Department will issue a designation certificate certifying the
494 tenant as eligible to receive the exemptions listed in Section (b) of the Act.
495
496 b) Upon designation by the Department under this Section, the Department shall
497 notify the Department of Revenue of the designation, and the Department of
498 Revenue shall issue and administer the exemptions listed in Section (b) of the Act.
499

500 **Section 519.120 Noncompliance with Designation, Memorandum of Understanding**

- 501
502 a) If the Department determines that a tenant is not complying with the requirements
503 of the designation certificate, MOU or all of the provisions of the Act, the
504 Director shall:
505
506 1) Notify the tenant, in writing, that its designation certificate is temporarily
507 revoked, the date of revocation, the reason for the revocation, and the
508 option to cure or seek a hearing contesting the revocation.
509
510 2) Temporarily suspend the designation certificate, except in instances of
511 noncompliance where the use of certified quantum computing campus no
512 longer supports tenants or quantum computing activities.
513

- 514 3) Notify the Department of Revenue of the temporary suspension and the
515 starting date.
516
- 517 b) Upon notice of noncompliance, the tenant will have 30 days to either:
518
- 519 1) Cure the cause of the noncompliance and provide documentation
520 sufficient to demonstrate the tenant has cured the noncompliance; or
521
- 522 2) Request a hearing under Article 10 of the Illinois Administrative
523 Procedure Act [5 ILCS 100].
524
- 525 c) If within the 30 days after receipt of the notice described in subsection (a)(1), the
526 certified tenant provides documentation sufficient to demonstrate cure of the
527 noncompliance, then the Director will inform the Department of Revenue of the
528 date the temporary suspension is lifted.
529
- 530 d) If, after notice and any hearing, the Director determines that a noncompliance
531 event exists, the Director shall issue to the Department of Revenue notice to that
532 effect, stating the noncompliance date and requesting proceedings be initiated to
533 recover wrongfully exempted State taxes or an erroneous refund, within the
534 meaning of the Illinois Income Tax Act [35 ILCS 5].
535
- 536 e) If a tenant neither cures the cause of noncompliance nor requests a hearing within
537 the prescribed period, the temporary suspension shall become permanent and the
538 Director shall notify the Department of Revenue of the permanent revocation and
539 request proceedings be initiated to recover wrongfully exempted State taxes or an
540 erroneous refund, within the meaning of the Illinois Income Tax Act.
541
- 542 f) Alleged noncompliance shall include, but is not limited to, the following:
543
- 544 1) a demonstration that the tenant failed materially to comply with the terms
545 and conditions of the MOU;
546
- 547 2) determination, upon investigation, that the tenant, or any of their agents or
548 representatives, provided false or misleading information to the
549 Department; or
550
- 551 3) a failure to submit any reports as required by the MOU.