

TITLE 14: COMMERCE  
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 528  
ILLINOIS FILM PRODUCTION SERVICES TAX CREDIT PROGRAM

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28  
29 **AUTHORITY:** Implemented and authorized by the Film Production Services Tax Credit Act of  
30 2008 [35 ILCS 16].

31  
32 **SOURCE:** Adopted by emergency rulemaking at 28 Ill. Reg. 957, effective December 26, 2003;  
33 emergency expired May 23, 2004; adopted at 28 Ill. Reg. 14506, effective October 22, 2004;  
34 amended at 31 Ill. Reg. 2256, effective January 18, 2007; amended at 37 Ill. Reg. 12010,  
35 effective July 12, 2013; amended at 45 Ill. Reg. 5342, effective April 12, 2021; amended at 47  
36 Ill. Reg. 3693, effective March 1, 2023; amended at 48 Ill. Reg. 15829, effective October 24,  
37 2024; amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

38  
39 **Section 528.20 Definitions**

40  
41 The following definitions are applicable to this Part:  
42

43 "Above-the-Line-~~Spending Salaries~~" or "~~ATL Salaries~~" means all salary, wages,  
44 fees, fringe benefits paid for services performed by personnel ~~such as those of a~~  
45 ~~producer, executive producer, coproducer, director, screenwriter, lead cast,~~  
46 ~~supporting cast, day players, and other services of job positions performed by~~  
47 ~~personnel~~ of the production that are ~~associated with the creative or financial~~  
48 ~~control of a production and customarily considered as~~ above the line services in  
49 the film and television industry including, but not limited to, services performed  
50 by a producer, executive producer, co-producer, director, screenwriter, lead cast,  
51 supporting cast, or day player. [35 ILCS 16/10]  
52

53 "Accredited Production" means:

54  
55 *for productions commencing before May 1, 2006, a film, video,*  
56 *commercial, or television production that has been certified by the*  
57 *Department in which the aggregate Illinois labor expenditures included in*  
58 *the cost of the production in the period that ends 12 months after the time*  
59 *principal filming or taping of the production began exceed \$100,000 for*  
60 *productions of 30 minutes or longer, or \$50,000 for productions of less*  
61 *than 30 minutes;*  
62

63 *for productions commencing on or after May 1, 2006, a film, video,*  
64 *commercial, or television production that has been certified by the*  
65 *Department in which the aggregate Illinois production spending included*  
66 *in the cost of the production in the period that ends 12 months after the*  
67 *time principal filming or taping of the production began exceeds \$100,000*  
68 *for productions of 30 minutes or longer, or \$50,000 for productions of less*  
69 *than 30 minutes.*  
70

71 "Accredited Production" does not include a production that:

72  
73 *is news, current events, or public programming, or a program that*  
74 *includes weather or market reports;*  
75

76 *is a talk show produced for local or regional markets;*  
77

78 *is a sports event or live activity;*  
79

80 *is a gala presentation or awards show;*  
81

82 *is a finished production that solicits funds;*  
83

84 *is a production produced by a film production company if records, as*  
85 *required by 18 U.S.C. 2257, are to be maintained by that film production*

86                    *company with respect to any performer portrayed in that single media or*  
87                    *multimedia program; or*

88  
89                    *is a production produced primarily for industrial, corporate, or*  
90                    *institutional purposes. [\[35 ILCS 16/10\]](#)~~(Section 10 of the Act)~~*

91  
92                    *"Accredited Production Certificate" means a certificate issued by the Department*  
93                    *certifying that the production is an accredited production that meets the*  
94                    *guidelines of the Act. [\[35 ILCS 16/10\]](#)~~(Section 10 of the Act)~~*

95  
96                    "Act" means the Film Production Services Tax Credit Act [35 ILCS 16].

97  
98                    *"Applicant" means a taxpayer that is a film production company or a taxpayer*  
99                    *working in association with a film production company that is operating or has*  
100                    *operated an accredited production located within the State of Illinois and that:*

101  
102                    *owns the copyright in the accredited production throughout the Illinois*  
103                    *production period; or*

104  
105                    *has contracted directly with the owner of the copyright in the accredited*  
106                    *production or a person acting on behalf of the owner to provide services*  
107                    *for the accredited production, when the owner of the copyright is not an*  
108                    *eligible production corporation. [\[35 ILCS 16/10\]](#)~~(Section 10 of the Act)~~*

109  
110                    "Below-the-Line-~~Spending Salaries~~" or "~~BTL Salaries~~" means salary, wages, fees,  
111                    and fringe benefits paid for services performed by a person in a position that is off  
112                    camera and who provides technical services during the physical production of a  
113                    film. "Below-the-Line-~~Spending Salaries~~" does not include salary, wages, fees, or  
114                    fringe benefits paid to a person who is a producer, executive producer,  
115                    coproducer, director, screenwriter, lead cast, supporting cast, or day  
116                    player~~players, or who performs~~ and other services ~~of job positions performed by~~  
117                    ~~personnel of the production~~ that are ~~associated with the creative or financial~~  
118                    ~~control of a production and~~ customarily considered as above the line services in  
119                    the film and television industry. [\[35 ILCS 16/10\]](#)

120  
121                    *"Business Owned by a Person with a Disability" means a business concern that is*  
122                    *at least 51% owned by one or more persons with a disability and the management*  
123                    *and daily business operation of which are controlled by one or more of the*  
124                    *persons with disabilities who own it. A not-for-profit agency for persons with*  
125                    *disabilities that is exempt from taxation under section 501 of the Internal Revenue*  
126                    *Code of 1986 is also considered a "business owned by a person with a disability".*  
127                    [\[30 ILCS 575/2\(A\)\(4.1\)\]](#)

128

129 "Commencement or Start of Principal Filming or Taping" means the date on  
130 which filming, taping, or photographing of principal actors or action of an  
131 accredited production commences. In the case of an animated production, the  
132 commencement or start of filming or taping is the date on which the creation of  
133 artwork to be used in actual frames of the film begins.

134  
135 "Commercial Domicile" means the principal place from which the trade or  
136 business of a person is directed or managed.

137  
138 "*Credit*" or "*Tax Credit*" means,

139  
140 *for an accredited production commencing on or after January 1, 2009 and*  
141 *before July 1, 2025, the amount equal to:*

142  
143 *30% of the Illinois production spending for the taxable year; plus*

144  
145 *15% of the Illinois labor expenditures generated by the employment of*  
146 *residents of geographic areas of high unemployment determined by*  
147 *census tracts where the unemployment rate is at least 150% of the State's*  
148 *annual average; and;*

149  
150 For an accredited production commencing on or after July 1, 2025, the amount  
151 equal to:

152  
153 35% of the Illinois production spending for the use of tangible personal  
154 property or the expenses to acquire services from vendors in Illinois and  
155 for Illinois labor expenditures generated by the employment of Illinois  
156 residents; plus

157  
158 30% of the wages paid to nonresidents for services performed on an  
159 accredited production, subject to the limitations in Section 10; plus

160  
161 15% of the Illinois labor expenditures generated by the employment of  
162 residents of geographic areas of high poverty or high unemployment, as  
163 determined by the Department; plus

164  
165 5% of the Illinois labor expenditures generated by the employment of  
166 Illinois residents for services performed for an accredited production in  
167 one or more Illinois counties outside of Cook, DuPage, Kane, Lake,  
168 McHenry, and Will Counties; plus

169  
170 5% of the Illinois production spending for television series relocating to  
171 Illinois from another jurisdiction. To qualify under this subparagraph, the

172 production must be a television series in which all prior seasons of the  
173 series were filmed outside of Illinois; plus

174  
175 5% of the Illinois production spending for productions certified as green  
176 by the Department. [35 ILCS 16/10]

177  
178 "Department" means the Illinois Department of Commerce and Economic  
179 Opportunity. [35 ILCS 16/10]

180  
181 "Director" means the Director of the Department. [35 ILCS 16/10]

182  
183 "Diversity Data or Information" means data pertaining to gender, race, ethnicity  
184 and of all employees of the applicant.

185  
186 "Diversity Plan" means a written document through which the applicant assures  
187 the Department that minorities and females will have equal opportunities in  
188 recruitment, selection, appointment, promotion, training, and related employment  
189 areas in the accredited production. The diversity plan must also describe the  
190 manner in which the applicant plans on hiring vendors certified by the Business  
191 Enterprise Council under the Business Enterprise for Minorities, Females, and  
192 Persons with Disabilities Act [30 ILCS 575] with respect to the accredited  
193 production. The diversity plan must also detail the manner in which the applicant  
194 proposes to achieve its goals to ensure employment of protected classes to  
195 achieve a diverse workforce, rather than merely to assure nondiscrimination.

196  
197 "Economic Impact Data" means data pertaining to the types of jobs (production,  
198 talent and vendor) created and retained in Illinois as a result of the production, as  
199 well as the total amount an applicant spends in Illinois on the accredited  
200 production.

201  
202 "Employee of the Applicant" or "Employee", for accredited productions  
203 commencing on or after May 1, 2006, means only an individual who is an  
204 employee of the applicant for purposes of employment taxes imposed under  
205 Subtitle~~subtitle~~ C of the Internal Revenue Code (26 U.S.C. §§3101-3512).

206  
207 "Entry Level Positions" means the lowest level of a hierarchy in a production,  
208 including untrained or unskilled labor working on a production, such as a  
209 production assistant.

210  
211 "Fair market value" means:

212  
213 for unrelated parties, the value established through comparable  
214 transactions between unrelated parties for substantially similar goods and

215 services considering the geographic market and other pertinent variables  
216 which may include scope and nature of services, experience, reputation  
217 and expertise, and timing and demand; and

218  
219 for related parties, the value established through the related party's  
220 historical dealings with unrelated parties or established by comparable  
221 transactions between other unrelated parties for substantially similar  
222 goods and services considering the geographic market. [35 ILCS 16/10] If  
223 this documentation is not available, fair market value for related parties  
224 shall be limited to the actual cost incurred by the related party without  
225 profit or markup.

226  
227 *"Illinois Labor Expenditure" means salary or wages paid to employees of the*  
228 *applicant for services on the accredited production, subject to the following*  
229 *limitations: ~~To qualify as an Illinois labor expenditure, the expenditure must be:~~*

230  
231 *The expenditures must be reasonable in the circumstances;*

232  
233 *The expenditure must be included in the federal income tax basis of the*  
234 *property. For purposes of this provision, an expenditure that is*  
235 *immediately expensed as an advertising cost under Treasury Regulations*  
236 *section 1.162-1(a) (26 CFR 1.162-1(a)) or as a qualified film, television or*  
237 *commercial production cost under section 181 of the Internal Revenue*  
238 *Code (26 U.S.C. 181) shall be treated as included in the federal income tax*  
239 *basis of the accredited production if the expenditure would be required to*  
240 *be capitalized under section 263A of the Internal Revenue Code (26*  
241 *U.S.C. 263A) if that section applied to the accredited production;*

242  
243 *The expenditure must be incurred by the applicant for services on or after*  
244 *January 1, 2004;*

245  
246 *The expenditure must be incurred for the production stages of the*  
247 *accredited production, from the final script stage to the end of the post-*  
248 *production stage;*

249  
250 *The expenditure is limited to the first \$25,000 of wages paid or incurred to*  
251 *each employee of an accredited production commencing before May 1,*  
252 *2006 and the first \$100,000 of wages paid or incurred to each employee of*  
253 *an accredited production commencing on or after May 1, 2006 and prior*  
254 *to July 1, 2022. For productions commencing on or after July 1, 2022, the*  
255 *expenditure is limited to the first \$500,000 of wages paid or incurred to*  
256 *each nonresident or resident employee of a production company or loan*  
257 *out company that provides in-State services to a production, whether those*

258 wages are paid or incurred by the production company, loan out  
259 company, or both, subject to withholding payments provided for in Article  
260 7 of the Illinois Income Tax Act, including, for accredited productions  
261 commencing on or after December 12, 2025, amounts withheld under  
262 subsection (a-10) of Section 701 of the Illinois Income Tax Act. For  
263 purposes of calculating Illinois labor expenditures for a television series,  
264 the nonresident wage limitations provided under this subparagraph are  
265 applied *per episode* to the entire season;

266  
267 ~~For~~ an accredited production commencing before May 1, 2006, Illinois  
268 labor expenditures are exclusive of Illinois gross wages and benefits paid  
269 to or incurred for the 2 highest paid employees of the accredited  
270 production;

271  
272 The expenditure must be directly attributable to the accredited  
273 production;

274  
275 For a production commencing on or after July 1, 2025, subject to the  
276 other limitations of this definition, wages paid to no more than 2 executive  
277 producers per accredited production may be considered Illinois labor  
278 expenditures. Notwithstanding that limitation, if an executive producer  
279 receives compensation for another position on the accredited production  
280 for services performed, including, but not limited to, writing services, and  
281 that compensation is otherwise considered an Illinois labor expenditure  
282 under the provisions of this definition, then, subject to the other limitations  
283 of this definition, that person's salary or wages may be considered an  
284 Illinois labor expenditure, and that person shall not be considered one of  
285 the 2 executive producers for the purposes of the limitation under this  
286 paragraph. In addition, line producers are not subject to the 2-producer  
287 limit of this paragraph. As used in this paragraph, the term "executive  
288 producer" means a person who is responsible for overseeing the creative  
289 and managerial process of an accredited production. As used in this  
290 paragraph, the term "line producer" means a person who is responsible  
291 for the day-to-day operational management of the accredited production.

292  
293 Prior to July 1, 2022, the expenditure must be paid to persons residing in  
294 Illinois at the time the payments were made. For a production  
295 commencing on or after July 1, 2022, subject to the following limitations,  
296 the expenditure may be paid to a person who is ~~apersons~~ resident in  
297 Illinois at the time the payment is made or a person who is a  
298 nonresident~~and nonresidents~~ at the time the ~~payment is~~payments were  
299 made. For purposes of this subparagraph, only wages paid to  
300 nonresidents working in the following positions shall be considered

301 *Illinois labor expenditures: Writer, Director, Director of Photography,*  
302 *Production Designer, Costume Designer, Production Accountant, VFX*  
303 *Supervisor, Editor, Composer, and Actor, subject to the limitations set*  
304 *forth under this subparagraph. For an accredited Illinois production*  
305 *spending \$25,000,000 or less, no more than 2 nonresident actors' wages*  
306 *shall qualify as an Illinois labor expenditure. For an accredited*  
307 *production with Illinois production spending of more than \$25,000,000,*  
308 *no more than 4 nonresident actor's wages shall qualify as Illinois labor*  
309 *expenditures;*

310  
311 *For productions accredited by the Department on or after February 3,*  
312 *2023 and before July 1, 2025, wages paid to nonresidents shall qualify as*  
313 *Illinois labor expenditures only under the following conditions:*

314  
315 *The nonresident must be employed in one of the following qualified*  
316 *positions: Writer, Director, Director of Photography, Production*  
317 *Designer, Costume Designer, Production Accountant, VFX*  
318 *Supervisor, Editor, Composer, or Actor;*

319  
320 *For each of those accredited productions, the wages of not more*  
321 *than 9 nonresidents who are employed in a qualified position other*  
322 *than Actor shall qualify as Illinois labor expenditures;*

323  
324 *For an accredited production with Illinois production spending of*  
325 *\$25,000,000 or less, no more than 2 nonresident actors' wages*  
326 *shall qualify as Illinois labor expenditures; and*

327  
328 *For an accredited production with Illinois production spending of*  
329 *more than \$25,000,000, no more than 4 nonresident actors' wages*  
330 *shall qualify as Illinois labor expenditures.*

331  
332 *For production that commence on or after July 1, 2025, wages*  
333 *paid to nonresidents shall qualify as Illinois labor expenditures*  
334 *only under the following conditions:*

335  
336 *For each of those accredited productions the wages of not more*  
337 *than 13 nonresidents who are selected by the accredited*  
338 *production and employed in a position other than Actor shall*  
339 *qualify as Illinois labor expenditures;*

340  
341 *for an accredited production with Illinois production spending of*  
342 *less than \$20,000,000, no more than 4 nonresident actors' wages*  
343 *shall qualify as Illinois labor expenditures; and*

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for an accredited production with Illinois production spending of more than \$20,000,000 and less than \$40,000,000, no more than 5 nonresident actors' wages shall qualify as Illinois labor expenditures; and

for an accredited production with Illinois production spending of \$40,000,000 or more, no more than 6 nonresident actors' wages shall qualify as a Illinois labor expenditures.

~~paid for services rendered in Illinois;-(Section 10 of the Act)~~

for accredited productions commencing ~~after~~ on or after June 16 ~~January 1,~~ 2025, "Illinois labor expenditure" does not include: ~~expenses for below-the-line salaries paid to a related party shall be limited to the fair market value as established through comparable transactions between other unrelated parties for substantially similar services considering the geographic market and other pertinent variables; and~~

above-the-line spending exceeding 40% of the total Illinois production spending for the production, unless the Department determines, through the process described in Section 528.40, that inclusion as an Illinois labor expenditure of above-the-line spending for the production in an amount that exceeds 40% of the productions total Illinois production spending is necessary for the production to meet the conditions set forth in subsection (a) of Section 30 of the Act;

above-the-line spending paid to related parties that exceeds, in the aggregate, 12% of the total Illinois production spending for the production; or

below-the-line spending paid to a related party that exceeds the fair market value of the transaction. [35 ILCS 16/10]

"Illinois Production Spending" means the expenses incurred by the applicant for an accredited production that are reasonable under the circumstances, but does not include any monetary prize of the cost of any non-monetary prize awarded pursuant to a production in respect of a game, questionnaire, or contest ~~and directly attributable to the accredited production, including,~~ without limitation, unless otherwise specified in this definition, all of the following:

386 *expenses to purchase, from vendors within Illinois, tangible personal*  
387 *property that is used in the accredited production in Illinois;*

388  
389 *expenses to acquire services, from vendors in Illinois, for film production*  
390 *and post-production (which includes editing and processing) in Illinois;*

391  
392 airfare, if purchased from an airline domiciled in Illinois;

393  
394 *for a production commencing before July 1, 2022, compensation, not to*  
395 *exceed \$100,000 for any one employee of the applicant, for contractual or*  
396 *salaried employees who are Illinois residents performing services with*  
397 *respect to the accredited production in Illinois. (Section 10 of the Act) For*  
398 *a production commencing on or after July 1, 2022, Illinois labor*  
399 *expenditurethe compensation, not to exceed \$500,000 for any one*  
400 *employee, for contractual or salaried employees who are Illinois residents*  
401 *or nonresident employees, subject to the limitations set forth under Section*  
402 *10 of the Act; and*

403  
404 for a production commencing on or after June 16, 2025, the fair market  
405 value of any transaction that (i) is entered into between the taxpayer and a  
406 related party or the taxpayer and an unrelated party, (ii) is for the  
407 accredited production, and (iii) has terms that reflect the fair market value  
408 of the transaction. [35 ILCS 16/10]for goods and services such as studio  
409 and equipment rental, and visual effects packages for accredited  
410 productions commencing after January 1, 2025, production spending is  
411 limited to fair market value as established through comparable  
412 transactions between unrelated parties for substantially similar goods and  
413 services considering the geographic market and other pertinent variables.  
414 For goods and services provided by a related party, production spending is  
415 limited to fair market value as established through the related party's  
416 historical dealings with unrelated parties, or established by comparable  
417 transactions between other unrelated parties for substantially similar goods  
418 and services considering the geographic market and other pertinent  
419 variables.

420  
421 ~~"Illinois Production Spending" does not include any monetary prize or the~~  
422 ~~cost of any non-monetary prize awarded pursuant to a production in respect of~~  
423 ~~a game, questionnaire, or contest.~~

424  
425 "Illinois Resident" means an individual who is domiciled in this State during the  
426 accredited production. Except in a case in which the applicant has actual  
427 knowledge, as shown in its books and records, that an individual is not an Illinois  
428 resident, the possession by an individual of a driver's license or other

429 identification issued by this State prior to the commencement of work by the  
430 individual on the accredited production shall be sufficient proof that the  
431 individual is an Illinois resident and the address on the license or identification  
432 shall be deemed correct.

433  
434 "Jobs Created and Retained" shall be measured in full-time equivalent jobs. In  
435 the case of a person hired as an "extra", each person hired for each day shall be  
436 deemed a full-time equivalent job for that day, based on the film industry standard  
437 equivalency of a "hire", which is a per day, per person standard. In other words,  
438 when the film industry hires an "extra" it considers each "extra" position to be a  
439 one day job that was created to fill a particular position for a particular purpose  
440 for a particular time.

441  
442 *"Loan Out Company" means a personal service corporation or other entity that is*  
443 *under contract with the taxpayer to provide specified individual personnel, such*  
444 *as artists, crew, actors, producers, or directors for the performance of services*  
445 *used directly in a production, but does not include entities contracted with by the*  
446 *taxpayer to provide goods or ancillary contractor services such as catering,*  
447 *construction, trailers, equipment, or transportation. [\[35 ILCS 16/10\]](#)(~~Section 10~~*  
448 *of the Act)*

449  
450 "Management Position" means anyone in a supervisory or managerial position  
451 who has control over other employees who report to that individual. Management  
452 roles include, but are not limited to, coordinators, directors, managers,  
453 supervisors, producers, masters and department heads.

454  
455 "Minority" means a person who is a citizen or lawful permanent resident of the  
456 United States and who is:

457  
458 *American Indian or Alaska Native (a person having origins in any of the*  
459 *original peoples of North and South America, including Central America,*  
460 *and who maintains tribal affiliation or community attachment);*

461  
462 *Asian (a person having origins in any of the original peoples of the Far*  
463 *East, Southeast Asia, or the Indian Subcontinent, including, but not limited*  
464 *to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the*  
465 *Philippine Islands, Thailand, and Vietnam);*

466  
467 *Black or African American (a person having origins in any of the black*  
468 *racial groups of Africa);*

469

470 *Hispanic or Latino (a person of Cuban, Mexican, Puerto Rican, South or*  
471 *Central American, or other Spanish culture or origin, regardless of race);*  
472 *or*

473  
474 *Native Hawaiian or Other Pacific Islander (a person having origins in*  
475 *any of the original peoples of Hawaii, Guam, Samoa, or other Pacific*  
476 *Islands). [30 ILCS 575/2(A)(1)].*

477  
478 "Minority Owned Business" means a *business* concern:

479 *that is at least 51% owned by one or more minority persons; or*

480  
481 *in the case of a corporation, at least 51% of the stock in which is owned*  
482 *by one or more minority persons; and*

483  
484 *the management and daily business operations of which are controlled by one*  
485 *or more of the minority individuals who own it. [30 ILCS 575/2(A)(3)].*

486  
487  
488 "Personal Service Corporation" means a corporation the principal activity of  
489 which is the performance of personal services and such services are substantially  
490 performed by employee-owners.

491  
492 "Production Staff and Crew" means office and production staff, including, but not  
493 limited to, accountants, coordinators, secretaries, camera, casting, construction,  
494 costume, electric, grip, location, hair, make-up, props, swing gang, set decorating,  
495 sound, and transportation.

496  
497 "Post-Production" means editing or processing of original content employing  
498 traditional, emerging or new editing or processing techniques used for picture,  
499 sound and music editorial, rerecording and mixing, visual effects, graphic design,  
500 original scoring, animation, and musical composition.

501  
502 "Post-Production Staff and Crew" means post-production staff, including, but not  
503 limited to, film editor, post-production supervisor, colorist, visual effects  
504 producer, visual effects creative director, visual effects supervisor, visual effects  
505 editor, compositor, rotoscope artists, matte painter, sound designer, dialogue  
506 editor, sound editor, re-recording mixer, music supervisor, composer, foley artist,  
507 mixer, and music editor.

508  
509 "Related Party ~~Transaction~~" means ~~a party~~ a transaction between parties ~~that is~~  
510 ~~deemed to be related~~ to the taxpayer by common ownership or control according  
511 ~~to generally accepted accounting standards, ("GAAS") and~~ generally accepted  
512 accounting principles ("GAAP") [35 ILCS 16/10] as set forth in Financial

513 [Accounting Standards Board \("FASB"\) Accounting Standards Codification](#)  
514 [\("ASC"\) 850.](#)

515  
516 "State" means the State of Illinois.

517  
518 "Talent Related Positions" means any speaking, background or extra roles that  
519 appear in front of the camera. Talent refers to on screen performers holding these  
520 positions.

521  
522 "Tax Credit Certificate" means the tax credit certificate issued by the Department  
523 to the applicant certifying that it has complied with all statutory requirements of  
524 the Act and this Part and that it is entitled to a credit under the Act.

525  
526 "Taxpayer" means any person defined by, and subject to, the tax imposed by the  
527 Illinois Income Tax Act [35 ILCS 5/1501(a)(18) and (a)(24)].

528  
529 "Treasury Regulations" means the rules of the U.S. Internal Revenue Service  
530 published at Title 26 of the Code of Federal Regulations.

531  
532 ["Unrelated party" means a party that is not a related party with respect to the](#)  
533 [taxpayer. \[35 ILCS 16/10\]](#)

534  
535 "Vendor in Illinois". Expenditures for purchases of tangible personal property or  
536 services from a vendor in Illinois shall mean:

537  
538 Purchases of tangible personal property for use in Illinois on an accredited  
539 production from a person who is registered under the Illinois Retailers'  
540 Occupation Tax Act (ROTA) [35 ILCS 120]. A copy of the purchase  
541 receipt showing that the purchase was made at an Illinois location and that  
542 Illinois Retailers' Occupation Tax was paid shall be sufficient proof that  
543 the purchase was made from a vendor in Illinois. For tangible personal  
544 property ordered by mail, telephone or internet, a copy of the seller's  
545 ROTA registration certificate, along with a receipt showing that Illinois  
546 Use Tax was collected by the vendor, shall be sufficient proof that the  
547 purchase was made from a vendor in Illinois. Documentation that shows  
548 that Illinois Use Tax was collected by the vendor, but either does not show  
549 an Illinois address for the sale or is not accompanied by a ROTA  
550 registration certificate, shall not be sufficient proof that the purchase was  
551 made from a vendor in Illinois.

552  
553 The lease or rental of real property located in Illinois for use in an  
554 accredited production, including hotels or other lodging for employees  
555 working on the accredited production.

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The lease or rental of an automobile (as defined in the Illinois Automobile Renting Occupation and Use Tax Act [35 ILCS 155]) for use in an accredited production on which the rentor collects the Illinois Automobile Renting Occupation and Use Tax from the rentee.

The lease or rental of other tangible personal property for use in an accredited production if the owner of the property has paid Illinois Use Tax on the property. A copy of the invoice or receipt for the lease or rental showing an Illinois address for the lessor, and showing that no other state's sales tax is collected from the lessee, shall be sufficient proof that the transaction was with a vendor in Illinois.

The purchase of financial services (including insurance and the borrowing of funds) from a lender or insurer whose commercial domicile is in this State.

The purchase of other services with respect to an accredited production from an Illinois resident or from a person whose commercial domicile is in this State. For purposes of this provision only, the commercial domicile of a person is their business address (as shown in the records of the applicant) in this State.

A vendor in Illinois that is a corporation, limited partnership, limited liability company, or limited liability partnership must register and remain an entity in good standing with the Illinois Secretary of State, Department of Business Services, throughout the duration of the production.

"Vendor Related Positions" means jobs obtained or created through a subcontractor, which includes but is not limited to security, janitorial, printing, florist, dry cleaners, and limousine services.

"Virtual Production" means a production methodology that combines traditional motion picture production activities with digital technologies to create and integrate real-time computer-generated imagery during pre-production or principal photography. Virtual production includes but is not limited to:

real time rendering software or systems used to generate digital enviroment;

LED video walls, digital walls, volume stages or similar display technologies;

599 Camera tracking, motion capture performance capture, or similar  
600 technologies;

601  
602 Augmented reality, mixed reality, virtual reality, extended reality, or  
603 similar technologies; and

604  
605 Virtual art departments or digital previsualization tools.

606  
607 Virtual production does not include visual effects or computer-generated imagery  
608 created exclusively in post-production.

609  
610 "Wages" means all compensation paid for services rendered by an employee in  
611 connection with an accredited production, including health, life, and disability  
612 insurance premiums, FICA taxes, pension contributions, expense reimbursement,  
613 and accrued vacation and sick pay.

614  
615 "*Woman*" means a person who is a citizen or lawful permanent resident of the  
616 United States and who is of the female gender. [30 ILCS 575/2(A)(2)]

617  
618 "*Women Owned Business*" means a business concern:

619  
620 *that is at least 51% owned by one or more women; or*

621  
622 *in the case of a corporation, at least 51% of the stock in which is owned*  
623 *by one or more women; and*

624  
625 *the management and daily business operations of which are controlled by one*  
626 *or more of the women who own it. [30 ILCS 575/2(A)(4)]*

627  
628 (Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

629  
630 **Section 528.40 Application Process and Requirements**

631  
632 The Department will accept and evaluate applications from eligible applicants in accordance  
633 with the following provisions:

634  
635 a) An applicant proposing a film, television or commercial production planned to be  
636 located in the State shall submit its application at least 24 hours prior to the start  
637 of principal filming or taping.

638  
639 b) Written applications will be required and must be submitted on the standard  
640 application form provided by the Department. Applications shall be submitted to

641 the Department's office stated on the application. The applicant must provide the  
642 following information:

- 643
- 644 1) Legal name, address, and telephone number of applicant.
  - 645
  - 646 2) Name, title, and telephone number of primary contact person.
  - 647
  - 648 3) Type of business entity:
    - 649 A) Individual or Sole Proprietorship
    - 650
    - 651 B) Partnership
    - 652
    - 653 C) Corporation
    - 654
    - 655 D) Subchapter S Corporation
    - 656
    - 657 E) Limited Liability Company
    - 658
    - 659 F) Other (applicant will provide description).
    - 660
  - 661
  - 662 4) Date of incorporation or formation.
  - 663
  - 664 5) Federal Employer Identification Number (FEIN) or Tax Identification  
665 Number (TIN).
  - 666
  - 667 6) Production title.
  - 668
  - 669 7) Type of production – a description stating that the production is one of the  
670 following:
    - 671 A) Feature film
    - 672
    - 673 B) Television program
    - 674
    - 675 C) Commercial
    - 676
    - 677 D) Other (applicant will provide description).
    - 678
    - 679
  - 680 8) Length of production.
  - 681
  - 682 9) Date principal filming or taping begins in Illinois.
  - 683

- 684 10) Estimated number of shoot days in Illinois.  
685  
686 11) Estimated total budget of production.  
687  
688 12) Estimated total Illinois labor expenditure.  
689  
690 13) Estimated total budget of post-production.  
691  
692 14) Estimated number of Illinois residents to be hired to work on the  
693 production.  
694  
695 15) A diversity plan.  
696  
697 16) Documentation evidencing applicant's intention to participate in training,  
698 education and recruitment programs, if available, offered by Illinois  
699 colleges, universities, labor organizations and the motion picture industry  
700 that are designed to promote training and hiring of Illinois residents who  
701 represent the diversity of the Illinois population.  
702  
703 17) A written statement evidencing that the receipt of the credit is essential to  
704 the decision to operate the accredited production in Illinois.  
705  
706 18) A story line or log line.  
707  
708 19) Certification that the applicant will provide detailed vendor cost  
709 documentation for post-production services, including, but not limited to,  
710 a listing of all Illinois resident post-production staff and crew who worked  
711 on the production and their respective wages and fringe benefits, and  
712 payments made to sub-vendors domiciled in Illinois, if post-production  
713 spending represents more than 50% of qualifying Illinois spending. Only  
714 Illinois resident wages and fringe benefits (up to \$100,000 per resident)  
715 and payments made to Illinois domiciled sub-vendors are qualified.  
716  
717 20) Certification that the applicant is and will remain in good standing with  
718 applicable State authorities, is not currently operating under or subject to  
719 any cease and desist order or subject to any informal or formal regulatory  
720 action, and, to the best of the applicant's knowledge, is not currently the  
721 subject of any investigation by any State or federal regulatory, law  
722 enforcement or legal authority. Should the applicant become the subject  
723 of an investigation by any State or federal regulatory, law enforcement or  
724 legal authority, the applicant shall promptly notify the Department of that  
725 investigation. The applicant acknowledges that, should it become  
726 delinquent in its good standing status with any applicable State authority

727 or if it later becomes subject to a cease and desist order or memorandum  
728 of understanding, or is found in violation pursuant to any regulatory action  
729 or any court action or proceeding before any administrative agency, the  
730 Department is authorized to deny the applicant's request for a tax credit  
731 certificate.

- 732
- 733 c) The applicant is responsible for the accuracy of all data, information, and  
734 documentation included in the application. Once submitted, applications shall  
735 become the property of the Department.  
736
- 737 d) Upon written request, the applicants shall issue any necessary authorization to the  
738 appropriate federal, State or local authority for the release of information  
739 concerning a production being considered under this Part, including but not  
740 limited to financial reports, and records relating to the applicant or the accredited  
741 production for which the credit is requested.  
742
- 743 e) In the case of a television series or any other production intended to be shown in  
744 two or more episodes, the applicant may elect to treat each episode as a separate  
745 production or to treat two or more episodes as a single production for all purposes  
746 of the Act. A single application may be filed for two or more productions,  
747 provided that the application clearly describes each separate production. For  
748 example, the application may state that each episode shall be treated as a separate  
749 production or that all episodes filmed or intended to be shown during a specific  
750 period of time will be treated as a single production.  
751
- 752 f) Above-the-line (ATL) spending exceeding 40% of the total Illinois production  
753 spending is not an Illinois labor expenditure unless the Department determines  
754 that inclusion as an Illinois labor expenditure of above-the-line spending for the  
755 production in an amount that exceeds 40% of the production's total Illinois  
756 production spending is necessary for the production to meet the requirements set  
757 forth in subsection (a) of Section 30 of the Act. [35 ILCS 16/30(a)] An applicant  
758 may request a waiver of the 40% ATL cap by submitting a written request to the  
759 department with their Illinois Film Tax Credit application.  
760
- 761 1) The request must include:  
762
- 763 A) a narrative explanation demonstrating why the inclusion of the  
764 ATL expenditures in excess of 40% is necessary for the production  
765 to occur in Illinois;  
766
- 767 B) an itemized budget including detailed ATL information identifying  
768 the roles compensation and residency status of all above the line  
769 personnel;

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- C) a description of the anticipated economic impact of the production in Illinois including number of local hire vendors and locations used; and
  - D) an attestation by an authorized officer of the applicant confirming the accuracy and necessity of the request.
- 2) The Department will evaluate waiver requests on a case-by-case basis. In determining whether to approve a waiver, the Department will consider following factors:
- A) whether the inclusion of additional above the line spend is essential to the production achieving the statutory Illinois production spending minimums;
  - B) whether the key above-the-line personnel are integral to financing distribution or viability of the production;
  - C) whether above the line expenditures are reasonable under the circumstance and consistent with industry standards;
  - D) the extent to which the production supports Illinois based talent training programs or underrepresented communities;
  - E) the overall economic impact of the production in Illinois; and
  - F) any other relevant information demonstrating alignment with the objectives of the Illinois Film Tax Credit Program.
- 3) Approval of the waiver does not guarantee final certification of the credit and is subject to compliance with all applicable provisions of the Act.

(Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

803  
804  
805 **Section 528.70 Request for Tax Credit Certificate**  
806

807 The applicant may request a tax credit certificate from the Department certifying the actual  
808 amount of the credit awarded to the applicant at any time following the completion of the  
809 accredited production, but in no event later than two years following the completion of the  
810 production. In a case in which a single application was filed for two or more productions, a  
811 single tax credit certificate may, at the request of the applicant, be issued for more than one  
812 production. The tax credit will be issued upon the Department's verification that all costs

813 submitted qualify as the applicant's Illinois production spending and verification that the  
814 applicant has met or made good-faith efforts in achieving the goals of the diversity plan (see  
815 Section 528.20) included with its application.

816

817 a) If an accredited production is not completed prior to the close of the applicant's  
818 taxable year, at the election of the applicant, a tax credit certificate dated as of the  
819 last day of the taxable year may be used for:

820

821 1) Illinois labor expenditures incurred during that taxable year or within 60  
822 days after the close of that taxable year; or

823

824 2) Illinois production spending (see Section 10 of the Act) incurred during  
825 that taxable year.

826

827 b) In the case of an accredited production commencing on or after May 1, 2006 in  
828 which some Illinois production spending is incurred in a taxable year of the  
829 applicant and some is incurred after the close of that taxable year:

830

831 1) The applicant may request a single tax credit certificate for all Illinois  
832 production spending incurred; or

833

834 2) The applicant may submit a separate request for a tax credit certificate for  
835 each taxable year in which Illinois production spending is incurred.

836

837 c) With each request for a tax credit certificate filed on or after January 18, 2007, the  
838 applicant shall provide:

839

840 1) An itemized statement of the Illinois labor expenditures or Illinois  
841 production spending for which the credit is claimed and of Illinois labor  
842 expenditures generated by the employment of residents of geographic  
843 areas of high poverty or high unemployment for which additional credit is  
844 claimed;

845

846 2) Copies of the books and records of the applicant for the accredited  
847 production, showing the Illinois labor expenditures or Illinois production  
848 spending for which the credit is claimed, all documentation necessary to  
849 support its computation, and detailed vendor cost documentation for post-  
850 production [and virtual production](#) services, including but not limited to, a  
851 listing of all Illinois resident post-production [and virtual production](#) staff  
852 and crew who worked on the production and their respective wages and  
853 fringe benefits, and payments made to sub-vendors domiciled in Illinois, if  
854 post-production [and virtual production](#) spending represents more than 50%  
855 of qualifying Illinois spending. Only Illinois resident wages and fringe

- 856 benefits (up to \$500,000 per resident) and payments made to Illinois  
857 domiciled sub-vendors are qualified;  
858
- 859 3) An attestation by a licensed certified public accountant (CPA), in the form  
860 prescribed by the Department, that the computations are supported by the  
861 copies of the applicant's books, records and other documents ~~of the~~  
862 ~~applicant that are~~ attached to the request; ~~and~~ that the licensed CPA has  
863 examined ~~such~~the books, records and other documents in accordance with  
864 the Department's Agreed Upon Procedures; and that~~according to~~  
865 ~~procedures agreed upon by the Department~~ related party transactions,  
866 pursuant to ASC 850, are properly reported and accounted for as required  
867 by Section 528.70(d). An examination of the books, records ~~and~~~~or~~ other  
868 documents must be performed by the licensed CPA quarterly or at the  
869 conclusion of production if production lasted less than ~~one~~a quarter. The  
870 ~~attestation and~~ examination and attestation must be performed by a  
871 licensed CPA:  
872
- 873 A) who is qualified and independent of the applicant under the  
874 professional standards established by the American Institute of  
875 Certified Public Accountants, specifically the Statements on  
876 Standards of Attestation Engagements at AT Sec. 101 (Attest  
877 Engagements) and AT Sec. 201 (Agree-Upon Procedures  
878 Engagements); and  
879
- 880 B) whose engagement to provide the attestation was approved by the  
881 Department before work on the engagement was commenced; ~~and~~  
882
- 883 d) With each request for a tax credit filed after January 1, 2025, the applicant shall  
884 provide all items listed in subsection (c) of this Section, and:  
885
- 886 1) Disclosure of all related party transactions including:  
887
- 888 A) The name of the related party,  
889
- 890 B) The nature of the relationship between the related party and the  
891 accredited production,  
892
- 893 C) The nature of the transaction, and  
894
- 895 D) The amount of the transaction; and  
896
- 897 2) A sworn affidavit by the applicant that, to the best of the affiant's  
898 knowledge, information, and belief all accounts, documents, records, and

899 other information provided to the CPA and Department were true and  
900 correct and that all related party transactions were accurately reported in  
901 accordance with this Section.  
902

903 (Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)  
904

905 **Section 528.71 Approval/Denial of Tax Credit Certificate Request**  
906

907 a) When the applicant submits its request for a tax credit certificate, the Department  
908 will review and verify the applicant's final diversity hiring numbers for crew,  
909 vendors and talent to determine whether it met the goals outlined in its diversity  
910 plan before issuing the tax credit certificate.  
911

912 b) In the event the applicant fails to meet the goals of its diversity plan, the applicant  
913 must then demonstrate it made good-faith efforts in attempting to achieve its  
914 diversity goals in order for the tax credit certificate request to be approved.  
915 Good-faith efforts that the Department will consider include, but are not limited  
916 to, documentation demonstrating that the applicant communicated (written  
917 correspondence, phone call, email, meetings) with minority, woman~~female~~, and  
918 disabled vendors and applicable unions, as well as talent and workforce  
919 agencies/entities. The applicant may also submit any other documentation  
920 demonstrating its good-faith attempts to the Department for consideration. If  
921 appropriate documentation is unavailable, then, within the Department's  
922 discretion, the applicant may be permitted to submit an affidavit attesting to its  
923 good-faith efforts.  
924

925 c) Beginning July 1, 2024, taxpayers who have been awarded a tax credit under the  
926 Act shall pay to the Department, after determination of the tax credit amount but  
927 prior to the issuance of a tax credit certificate, a fee equal to 2.5% of the credit  
928 amount awarded to the taxpayer under the Act that is attributable to wages paid  
929 to nonresidents, and an additional fee equal to 0.25% of the amount generated by  
930 subtracting the credit amount attributable to wages paid to nonresidents from the  
931 total credit amount awarded to the taxpayer. [35 ILCS 16/46]  
932

933 d) No tax credit certificate shall be issued by the Department until the total fees  
934 owed according to Section 528.71(c) have been received by the Department. [35  
935 ILCS 16/46]  
936

937 (Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)  
938

939 **Section 528.85 Transfer of Tax Credit**  
940

- 941 a) *A transfer of the credit may be made by the applicant earning the credit within*  
 942 *one year after the credit is awarded in accordance with rules adopted by the*  
 943 *Department of Commerce and Economic Opportunity. ~~Beginning July 1, 2023,~~*  
 944 *credits transferred under this Section are subject to a transfer fee pursuant to*  
 945 *Section 528.85(e)(2). ~~(Section 213 of the Illinois Income Tax Act)~~*  
 946
- 947 b) For purposes of this provision, a tax credit is earned on the date that the tax credit  
 948 certificate is issued under Section 528.70.  
 949
- 950 c) Tax credits earned by an applicant in a taxable year ending prior to July 11, 2005  
 951 may not be transferred.  
 952
- 953 d) For purposes of this Section, a tax credit earned by a partnership or subchapter S  
 954 corporation shall be treated as having been earned by its partners in the amounts  
 955 determined under 86 Ill. Adm. Code 100.2185(c).  
 956
- 957 e) Transfer of a tax credit shall be made as follows:  
 958
- 959 1) The applicant earning the credit shall request the transfer from the  
 960 Department, in writing, identifying the transferees (name, tax  
 961 identification number, mailing address) and the amount to be transferred  
 962 to each transferee, and the applicant shall return the tax credit certificate to  
 963 the Department, together with its transfer request. The applicant is  
 964 allowed to transfer or allocate a single credit to no more than 10  
 965 transferees.  
 966
- 967 ~~2) *Beginning July 1, 2023 the transferor shall pay to the Department, upon*~~  
 968 ~~*notification of a transfer, a fee equal to 2.5% of the transferred credit*~~  
 969 ~~*amount eligible for nonresident wages, as described in Section 10 of the*~~  
 970 ~~*Film Production Services Tax Credit Act of 2008, and an additional fee of*~~  
 971 ~~*0.25% of the total amount of the transferred credit that is not calculated*~~  
 972 ~~*on nonresident wages, which shall be deposited into the Illinois*~~  
 973 ~~*Production Workforce Development Fund.*~~  
 974
- 975 23) A request for transfer may be submitted with the applicant's request for the  
 976 tax credit certificate under Section 528.70. The Department may issue the  
 977 requested certificates of transfer in lieu of the tax credit certificate.  
 978
- 979 34) If the transfer request is made within one year of issuance and meets the  
 980 requirements of this Section, the Department shall issue a certificate of  
 981 transfer to each transferee, identifying the original tax credit certificate  
 982 and stating the amount of the credit transferred.  
 983

984 ~~45~~) If the applicant earning the credit transfers less than the full amount of the  
985 credit, the Department shall issue a certificate of transfer to the applicant  
986 identifying the original tax credit certificate and stating the amount of tax  
987 credit retained by the applicant.

988  
989 ~~56~~) If the person transferring the credit is a partner or shareholder in a  
990 partnership or subchapter S corporation that earned the credit, that person  
991 shall submit to the Department, either the original tax credit certificate or  
992 copies of the tax credit certificates and copies of the Schedule K-1-P  
993 received by that person from the partnership or subchapter S corporation  
994 stating that person's share of the credit.

995  
996 (Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)  
997

998 **Section 528.86 Illinois Production Workforce Development Fund**  
999

1000 a) *The Illinois Production Workforce Development Fund is created as a special fund*  
1001 *in the State Treasury. Beginning July 1, ~~2023~~2022, amounts paid to the*  
1002 *Department of Commerce and Economic Opportunity pursuant to Section 213 of*  
1003 *the Illinois Income Tax Act shall be deposited into the Fund. The Fund shall be*  
1004 *used exclusively to provide grants to community-based organizations, labor*  
1005 *organizations, private and public universities, community colleges, and other*  
1006 *organizations and institutions that may be deemed appropriate by the Department*  
1007 *to administer workforce training programs that support efforts to recruit, hire,*  
1008 *promote, retain, develop, and train a diverse and inclusive workforce in the film*  
1009 *industry.*

1010  
1011 b) Beginning July 1, 2024, taxpayers who have been awarded a tax credit under the  
1012 Act shall pay to the Department, after determination of the tax credit amount but  
1013 prior to the issuance of a tax credit certificate, a fee equal to 2.5% of the credit  
1014 amount awarded to the taxpayer under the Act that is attributable to wages paid  
1015 to nonresidents, as described in Section 10 of the Act, and an additional fee equal  
1016 to 0.25% of the amount generated by subtracting the credit amount awarded to the  
1017 taxpayer under the Act is attributable to wages paid to nonresidents from the total  
1018 credit amount awarded to the taxpayer under the Act. All fees collected under  
1019 this subsection shall be deposited into the Illinois Production Workforce  
1020 Development Fund. No tax credit certificate shall be issued by the Department of  
1021 Commerce and Economic Opportunity until the total fees owed according to this  
1022 subsection have been received by the Department. [35 ILCS 16/46] ~~Beginning~~  
1023 July 1, 2023 credits transferred under Section 528.85 are subject to a transfer fee  
1024 pursuant to 528.85(e)(2) which shall be deposited into the Illinois Production  
1025 Workforce Development Fund.  
1026

- 1027 c) The Department may request that the State Comptroller and the State Treasurer  
1028 advance amounts to the Fund on an annual basis not to exceed \$1,000,000 in any  
1029 fiscal year. The Department shall reimburse the fund from which the moneys are  
1030 advanced in the same fiscal year for any such advance payments via statutory  
1031 transfer. [\[35 ILCS 16/46\]](#)  
1032
- 1033 d) *Of the appropriated funds in a given fiscal year, 50% of the appropriated funds*  
1034 *shall be reserved for organizations that meet one of the following criteria. The*  
1035 *organization is:*  
1036
- 1037 1) *a minority-owned business, as defined by the Business Enterprise for*  
1038 *Minorities, Women, and Persons with Disabilities Act;*
  - 1039
  - 1040 2) *located in an underserved area, as defined by the Economic Development*  
1041 *for a Growing Economy Tax Credit Act; or*  
1042
  - 1043 3) *on an annual basis, training a cohort of program participants where at*  
1044 *least 50% of the program participants are either a minority person, as*  
1045 *defined by the Business Enterprise for Minorities, Women, and Persons*  
1046 *with Disabilities Act, or reside in an underserved area, as defined by the*  
1047 *Economic Development for a Growing Economy Tax Credit Act. [\[35](#)*  
1048 *[ILCS 16/46\]](#)*  
1049

1050 (Source: Amended at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)  
1051

### 1052 Section 528.130 Dispute Process 1053

1054 Applicants may dispute the amount of the tax credit certificate awarded by the Department or the  
1055 Department's denial of a tax credit certificate. This process shall consist of an informal  
1056 conference and a formal hearing.  
1057

#### 1058 a) The Informal Conference 1059

- 1060 1) This process consists of an initial informal conference between the  
1061 applicant and a member or members of the Illinois Film Office.  
1062
- 1063 2) Any applicant may request an informal conference within thirty days after  
1064 receipt of the tax credit certificate or notification of the Department's  
1065 denial of a tax credit certificate.  
1066
- 1067 3) The informal conference shall be scheduled within thirty days after receipt  
1068 of applicant's request for an informal conference. The informal conference  
1069 may be held virtually or in person.

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- 4) Prior to the informal conference:
  - A) The Department shall provide the applicant with a written explanation setting forth the reason for the discrepancy in the tax credit amount requested by the applicant, and the tax credit certificate awarded by the Department; and
  - B) the applicant shall provide additional documentation supporting the amount of the tax credit requested in the application.
- 5) Within fourteen days after the informal conference, the Department shall provide the applicant with a written letter stating whether the Department will amend the amount of the tax credit certificate. If the Department agrees to amend the tax credit certificate, the amended tax credit certificate shall be accompanied to the letter. If the request to amend the amount of the tax credit is denied, the letter will include a written explanation.

- b) The Formal Hearing  
If the applicant is not satisfied with the results of the informal hearing, the applicant may, within thirty days after receipt of the Department's letter documenting the result of the informal conference, request a formal hearing by sending a petition for hearing to the Department as described in 56 Ill. Adm. Code 2605.80. The formal hearing shall be conducted in accordance with the Department's administrative hearing rules found at (56 Ill. Adm. Code 2605).

(Source: Added at 50 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)