



Illinois
Department of Commerce
& Economic Opportunity

OFFICE OF BUSINESS DEVELOPMENT

JB Pritzker, Governor

Reimagining Energy and Vehicles in Illinois (REV Illinois) 2022 Annual Report

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1. Introduction

The Reimagining Energy and Vehicles in Illinois Act (“REV Illinois”) is focused on attracting electric vehicle and component parts manufacturers, as well as renewable energy manufacturers, to Illinois by offering a variety of tax credits and exemptions with increased incentives for projects located in underserved areas. REV Illinois is administered through the Illinois Department of Commerce & Economic Opportunity (the “Department”). This annual report for REV Illinois is submitted pursuant to 20 ILCS 686/1/605-1025. The following report details REV program guidelines, legislative changes, and accomplishments for the calendar year 2022.

2. Eligibility Requirements and Legislative Updates

REV Illinois is designed to help Illinois become a leader in manufacturing electric vehicles (EV), EV component parts, and renewable energy manufacturing, which will create thousands of jobs throughout the state. This comes as a time when EV and renewable energy manufacturers, as well as their suppliers are making decisions about where to locate in the United States. REV Illinois gives Illinois a competitive advantage when combined with Illinois’ superior assets in workforce, location, infrastructure, logistics, and research and development.

The bill authorizing REV Illinois (P.A. 102-669) was signed into law on November 16, 2021. Public Act 102-0700, signed into law on April 19, 2022, amended REV Illinois by expanding eligibility to include manufacturing of vehicles powered by hydrogen fuel cells or solar technology, battery recycling and reuse manufacturers, and battery raw materials refining service providers. Public Act 102-1112, signed into law on December 21, 2022, expanded REV eligibility for EV component parts manufacturers, improved the benefits for retained workers, made REV Agreements renewable one time, and allowed EV businesses with existing EDGE agreements the opportunity to transition into a REV agreement. While this report pertains to calendar year 2022, the information below reflects the latest eligibility requirements as of the drafting of this report in June 2023.

Targeted Industry and Parameters

REV Illinois targets companies that primarily manufacture EVs and/or EV component parts (e.g., battery, cathode, and anode manufacturers), battery recycling and reuse manufacturers, battery raw materials refining service providers, and EV charging stations at various investment levels. EVs include vehicles exclusively powered by electricity and include electric cars, agricultural vehicles, and motorcycles. The definition of EVs also includes vehicles which are powered by hydrogen fuel cell or solar technology. There is no “but for” test for REV Act eligibility, which is different from the EDGE tax credit program which requires companies to provide evidence of a competitive out-of-state option to apply for benefits. In 2023 REV was expanded to provide eligibility for renewable energy manufactures.

Project Investment Requirements for smaller projects (tier I)

- EV manufacturers, EV component part manufacturers, EV power supply equipment manufacturers, renewable energy manufacturers, battery recycling and reuse manufacturers, or battery raw materials refining service providers: invest over \$2.5M in capital investments & ≥ 50 new jobs or new jobs equivalent to 10% of statewide baseline for taxpayer, whichever is less.

Project Investment Requirements for large projects (tier II)

- **EV and renewable energy manufacturer:** \$1.5B capital investment & ≥ 500 jobs within 5 years.
- **EV component parts manufacturer:** \$300M capital investment & ≥ 150 jobs within 5 years.
- **Manufacturers converting existing manufacturing to EV, renewable energy, and EV components:** \$100M capital investment and ≥ 50 new jobs or new jobs equivalent to 10% of statewide baseline for taxpayer, whichever is less.

REV Illinois Credits for Income Tax Withholding

- 100% of income tax withholdings attributable to new or retained employees in underserved areas; and
- 75% of income tax withholdings attributable to new or retained employees in other areas.
- Length of Credit:
 - 15 years for investment \$100M or greater (with a one-time possibility to renew).
 - 10 years for investments of at least \$2.5M (with a one-time possibility to renew).

REV Illinois Credits for Training Costs

All projects are eligible for a credit up to 25% of eligible training costs:

- All projects are eligible for a credit up to 10% of training costs to train new or upskill retained employees.
- 15% for trainees who are recent Illinois graduates, certificate holders or credential recipients. Includes 4-year public and private universities, community colleges, vocational/technical schools, Clean Jobs Workforce Network Program, and USDOL certified apprenticeship programs.

REV Illinois Tax Exemptions

Applies to large EV businesses and projects:

- Exemption on retailers' occupation tax paid on building materials (5 years).
- Exemption on state utility tax for electricity and natural gas (10 years).
- Exemption on telecommunication excise tax and waives ICC administrative charge.

REV Illinois Construction Jobs Credit

- 50% of the amount of the incremental income tax attributable to the construction wages paid in connection with construction of the project facilities as a jobs credit for workers hired to construct the project.
 - 75% if the project is located in an underserved area or energy transition area.

Additional REV Illinois Enhancements

- *Property Investment Credit:* Investment credit on qualified property (0.5%) for use in the year the property was put in service.
- *Property Tax Abatement:* Local jurisdictions may abate any portion of property taxes for a REV Illinois Project Site owned by EV, EV component part and EV power supply equipment manufacturers.
- *EV Permitting Task Force:* Creation of an EV Permitting Task Force to ensure permits for EV projects are streamlined and expedited including fee and staffing analysis provided by IEPA, IDNR, and IDOT.
- *Support with Infrastructure:* Coordinated initiative that permits Illinois Department of Transportation (IDOT) to prioritize road projects that directly assist with locating an EV facility and the project's infrastructure needs.

- *Buy Illinois*: Provides 20% price preference for EVs built in Illinois for state procurements of EVs.

Company Reporting Requirements

- Annual reporting on project deliverables includes information about hiring and employment levels and income tax withholding.
- Diversity reporting on workforce, board of directors, and vendors.
- Reporting on the maintenance of sexual harassment policies.
- Hiring plan and commitments to recruit and hire from underserved areas.
- Report on relationships with recycling facilities, if applicable.

3. Competitor State Incentive Programs

REV Illinois and corresponding clean energy commitments, through the Climate and Equitable Jobs Act (CEJA), as well as superior infrastructure, workforce and other incentives, make Illinois highly competitive for clean energy projects. Illinois' primary competitors in the EV market include Michigan, Ohio, Texas, North Carolina, Tennessee, Kentucky, Georgia and the Canadian provinces.

Examples of Other State's EV Attraction Programs

South Carolina - Battery Manufacturing Tax Incentive

The taxable fair market value of manufacturing machinery and equipment purchased for use at a renewable energy manufacturing facility may be reduced by 20% of the original cost. Qualified renewable energy manufacturing facilities include those manufacturing batteries for hybrid electric, fuel cell, or other motor vehicles certified by the South Carolina Energy Office. Qualified facilities must invest at least \$100 million in the project and create at least 200 new full-time jobs with an average compensation level of 150% of the annual per capita income in South Carolina or the county where the facility is located, whichever is less.

Michigan - Michigan Mobility Funding Platform

Provides grants to mobility and electrification companies looking to deploy their technology solutions. Grants vary in size; testing site deployments have ranged from \$10,000 to \$100,000 and real-world deployments have ranged from \$40,000 to \$125,000. Applicants must match a portion of the grant with cash or in-kind support. The first two rounds of grants were announced in September 2021 and December 2021.

Michigan – Michigan Strategic Fund Act Improvements

Effective December 20, 2021, sets aside a \$1 billion appropriation for two programs, Michigan Strategic Site Readiness and Critical Industry Investment. The first is to help prepare "strategic sites" of at least 500 acres that would be used for manufacturing or another commercial use. Eligible activities include i) land acquisition and assembly; ii) site preparation and improvement; iii) infrastructure improvements that directly benefit the site, including transportation infrastructure, water and wastewater infrastructure, and utilities necessary to service the site; iv) any demolition, construction, alteration, rehabilitation, or improvement of buildings on the site; v) environmental remediation; or vi) architectural, engineering, surveying, and similar professional fees. The second creates a fund to provide qualified investments to qualified businesses for deal-closing, gap financing, or other economic assistance to create new qualified jobs or make capital investments, or both.

Ohio – Megaproject Grants

Effective September 30, 2021, eligible projects require unique sites, extremely robust utility service, and a technically skilled workforce. The project's employees must be compensated at an average hourly wage of at least 300% of the federal minimum wage. The project must either have fixed-asset investments of at least \$1 billion or create \$75 million in employee payroll.

4. REV Program Summary

Part of the Department's business development strategy involves meeting with EV and renewable energy manufacturers, EV component part manufacturers and EV charging companies to raise awareness and promote the REV Illinois program. The Electric Mobility and Innovation Director (e-Mobility Director), a newly created position in 2022, leads this strategy. The Department also hired a full time REV Program Manager who started in December 2022. Under the direction of the e-Mobility Director and related to the enhancements to the program approved by the General Assembly, the REV program has seen a significant increase in interest from businesses across various segments of the electric mobility pipeline.

Calendar Year 2022	
REV Program Inquiries	20
REV Applications Submitted	1
REV Applications Approved	1
Executed REV Agreements	1
REV Tax Certificates Issued	-NA-

5. Executed Agreements Summary

The table below provides a brief overview of all fully executed REV Agreements for calendar year 2022.

Company	City	New Jobs/ Retained Jobs	Investment	Estimated Credit
TCCI Manufacturing	Decatur	50/103	\$20,000,000	\$2,129,412

There have been no relevant modifications to this executed agreement.

A statement of progress nor wages paid to new and retained employees is not available for this project at this time. Wage data is reported upon reaching the Placed in Service date or the benchmark date of December 31, 2026; whichever comes first. During the Placed in Service period, companies are expected to engage in capital investment projects and build staff as described within the REV program agreement for each company.

6. Approved Agreements: Project Detail

The list below details the project scope for all fully executed REV agreements during the 2022 calendar year.

TCCI Manufacturing LLC.

TCCI is a leading global Electric Compressor (EC) Manufacturer for the commercial & heavy-duty sectors, as well as automotive specialty vehicle markets. TCCI is establishing an electric compressor component manufacturing center in Decatur and will be investing \$20M and creating 50 new full-time jobs as a result.

City	New Jobs/ Retained Jobs	Capital Investment
Decatur	50 / 103	\$20,000,000

7. The Path Forward

REV Illinois plays a vital role in helping Illinois build the new clean energy economy and meet its climate goals. Illinois’ project pipeline continues to grow as a result of legislative improvements to REV and additional business attraction programs.