

CENTER FOR TAX AND BUDGET ACCOUNTABILITY

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Illinois Corporate Accountability in Tax Expenditures Law – Public Act 93-0552

In August 2003, Governor Rod Blagojevich signed into law HB 235, the Corporate Accountability in Tax Expenditures Act. The law required that all corporations receiving tax breaks for economic development annually disclose all job creation, wage and retention resulting from the tax break. It established a procedure for the State to make known, monitor and enforce these tax break agreements to ensure a return on taxpayer money.

The Center for Tax and Budget Accountability (CTBA) would like to thank Representatives Jack Franks (D) and Don Moffit (R), Senator James F. Claiborne (D) as well as 50 other Illinois legislators who sponsored the bill. The initial sponsors of the bill represented districts where companies such as Motorola and Maytag closed their doors after getting large state and local tax subsidies.

The Illinois AFL-CIO was the lead advocate for the bill, joined by SEIU, AFSCME, the Machinists, Citizen Action/Illinois and the Center for Tax and Budget Accountability. Good Jobs First – Illinois provided technical assistance to the coalition.

Public Act 93-0552 mandates the following:

- An annual unified development budget listing all state aid, tax expenditures and the Illinois Department of Transportation's Economic Development Program.
- An internet based tracking system for all economic development aid. The system went live in June, 2005 and can be found at <http://corpacctportal.illinois.gov/>
- Corporations must include information on the number, type and average wage of jobs to be created from tax subsidies in all subsidy assistance applications.
- All state subsidized corporations must report annually to the Department of Commerce and Economic Opportunity (DCEO). The DCEO must report this on the internet site.
- A corporation that fails to meet its part of the bargain will have its tax benefits clawed back by the State, unless that company can demonstrate extenuating circumstances.
- DCEO must report annually the number of corporations receiving subsidies and the number of defaults on these subsidies.
- Corporations that default or fail to make their jobs goal must repay all state subsidies received in the year of the default.