

# Overview of Potential Incentives for Chicago Relocations and Expansions



# WBC SERVICES

World Business Chicago activates local impact and amplifies Chicago's global reach.

## BUSINESS DEVELOPMENT

WBC assists businesses with all aspects of location, expansion and retention support, including site selection and government relations, and promotes Chicago's talent, technology, infrastructure, housing, and cultural resources to companies across the nation and globe.

*Disclaimer: All financial incentive packages are subject to application review and approval by the applicable government agency (Federal Government, State of Illinois, Cook County or City of Chicago), and incentives must be agreed to prior to project commencement or lease signings. Please contact World Business Chicago for more information. This is an overview of major programs available; some others may also be applicable.*

The logo for World Business Chicago, featuring the words "WORLD BUSINESS CHICAGO" in a bold, sans-serif font. The word "WORLD" is on the top line, "BUSINESS" is on the middle line, and "CHICAGO" is on the bottom line. A red star with a white outline is positioned to the right of the word "CHICAGO".

WORLD  
BUSINESS  
CHICAGO

# Table of Contents

---

Incentives:	Page Number:
City of Chicago Incentives	4 - 5
Cook County Incentives	6 - 8
State of Illinois Incentives	9 - 13
Federal Incentives	14 - 15
Additional Incentives	16 - 17

# City of Chicago Incentives

## **Financial Tools That Are Available:**

- 1.) Tax Increment Financing (TIF)
- 2.) Small Business Improvement Fund (SBIF)
- 3.) Industrial Development Bonds
- 4.) Small Business Loan Program

Program	Description	Type
<b><u>Tax Increment Financing (TIF)</u></b>	<p>TIF is a special funding tool used by the City of Chicago to promote public and private investment across the city. Funds are generated by growth in the Equalized Assessed Valuation (EAV) of properties within a designated district over a 23-year period.</p>	Grant
<b><u>Small Business Improvement Fund (SBIF)</u></b>	<p>The Small Business Improvement Fund (SBIF) provides grant funding for permanent building improvements and repairs across the city. Offered to tenants and owners of industrial and commercial properties, SBIF grants are funded by TIF revenues in designated TIF districts citywide. The grant can cover between 30 to 90% of the cost of remodeling work, with a maximum grant of \$150,000 for commercial properties and \$250,000 for industrial properties. Offered on an area rotation basis.</p>	Grant
<b><u>Industrial Development Revenue Bonds</u></b>	<p>The City of Chicago issues tax-exempt Industrial Development Revenue Bonds (IDBs) and lends their proceeds to manufacturing companies to finance qualified development projects. IDB proceeds may also be used for either new construction or renovation. Tax-exempt bond financing offers long-term financing at rates lower than conventional financing. Bond proceeds are limited to facilities that are primarily used to manufacture or process tangible products or The acquisition of fixed assets such as land, buildings and equipment.</p>	Low Cost Financing
<b><u>Small Business Loan Program</u></b>	<p>Small business loans up to \$250,000 are available through a partnership between the City of Chicago Treasurer's Office and community-based lenders. The program targets a variety of small and high-growth companies that can utilize loan proceeds for equipment purchases, working capital, inventory, leasehold improvements, expansion, contract purchase-order financing, and other uses.</p>	Loan

# Cook County Incentives

## Financial Tools That Are Available:

- 1.) Class 6(b) Property Tax Incentive
- 2.) Class 7(a) Property Tax Incentive
- 3.) Class 7(b) Property Tax Incentive
- 4.) Class 7(c) Property Tax Incentive
- 5.) Class 8 Property Tax Incentive
- 6.) Class C Property Tax Incentive

Program	Description	Type
<p><b><u>Class 6(b) Tax Incentive</u></b></p>	<p>The Class 6B classification is designed to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings.</p>	<p>Property Tax Abatement</p>
<p><b><u>Class 7(a) Tax Incentive</u></b></p>	<p>The Class 7(a) programs offer real estate tax incentives for commercial projects in a Redevelopment Area, Empowerment or Federal Enterprise Zone. Qualifying properties can receive a 12-year reduction in real estate assessments from the standard Cook County commercial rate of 25%. Qualifying properties are assessed at 10% for the first 10 years, 15% for the 11th year, and 20% for the 12th year. These projects have total development costs, exclusive of land, that do not exceed \$2M and would not be economically feasible without the incentive.</p>	<p>Property Tax Abatement</p>
<p><b><u>Class 7(b) Tax Incentive</u></b></p>	<p>The Class 7(b) programs offer real estate tax incentives for commercial projects in a Redevelopment Area, Empowerment or Federal Enterprise Zone. Qualifying properties can receive a 12-year reduction in real estate assessments from the standard Cook County commercial rate of 25%. Qualifying properties are assessed at 10% for the first 10 years, 15% for the 11th year, and 20% for the 12th year. These projects have total development costs, exclusive of land, that exceed \$2M and would not be economically feasible without the incentive.</p>	<p>Property Tax Abatement</p>

Program	Description	Type
<p><b><u>Class 7(c) Tax Incentive</u></b></p>	<p>The Class 7(c) Commercial Urban Eligibility (CURE) program offers real estate tax incentives for commercial properties regardless of where they are located. Qualifying properties can receive a five-year reduction in real estate assessments from the standard Cook County commercial rate of 25% with no minimum investment required. Qualified properties are assessed at 10% for the first three years, 15% for the fourth year, and 20 percent for the fifth year. Properties must involve new construction, substantial rehabilitation, or re-occupancy of abandoned commercial property.</p>	<p>Property Tax Abatement</p>
<p><b><u>Class 8 Tax Incentive</u></b></p>	<p>The Class 8 program offers reduced Cook County property tax rates on commercial and industrial projects in areas experiencing severe economic depression. Qualifying properties can receive a 12-year reduction in real estate assessments from the standard Cook County rate of 25%. Reduced rates are the same as the 6(b).</p>	<p>Property Tax Abatement</p>
<p><b><u>Class C Tax Incentive</u></b></p>	<p>The Class C program offers reduced Cook County property tax rates on commercial and industrial properties, including abandoned property or vacant land, that have substantial environmental contamination. Rates are the same as the 6(b). Remediation costs must exceed \$100,000 or 25% of the property market value in the prior year.</p>	<p>Property Tax Abatement</p>



# State of Illinois Incentives

## Financial Tools That Are Available:

- 1.) Illinois EDGE
- 2.) R&D Tax Credit
- 3.) Enterprise Zone
- 4.) EDGE Adjustments for Startups
- 5.) Reimagining Electric Vehicles (REV) Illinois Program
- 6.) Electric Vehicle (EV) Charging Station Rebate
- 7.) High Impact Business Program (HIB)
- 8.) Film Production Tax Credit
- 9.) Advantage Illinois
- 10.) Illinois Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds Program
- 11.) Business Attraction Prime Sites
- 12.) Tax Incentives for Data Centers

Program	Description	Type
<u><b>Illinois EDGE</b></u>	Illinois' EDGE program provides annual corporate tax credits to qualifying businesses which support job creation, capital investment and improve the standard of living for all Illinois residents.	Income Tax Credit
<u><b>R&amp;D Tax Credit</b></u>	A 6.5% credit against Illinois corporate income tax for spending on qualifying research activities in Illinois (the baseline is a 3-year average of R&D investment in Illinois).	Income Tax Credit
<u><b>Enterprise Zone</b></u>	A specific area designated by the State of Illinois in cooperation with a local government to receive various tax incentives and other benefits to stimulate economic activity and neighborhood revitalization.	Sales Tax Abatement; Income Tax Credit

Program	Description	Type
<p><b><u>EDGE Adjustments for Startups</u></b></p>	<p>Designed to offer a special tax incentive to encourage businesses to locate or expand operations in Illinois. The program can provide tax credits to qualifying businesses equal to a portion of the amount of state income taxes withheld from the salaries of employees in the newly created jobs. <u>This incentive is applicable for startups that are less than 5 years old.</u></p>	<p>Tax Credits</p>
<p><b><u>Reimagining Electric Vehicles (REV) Illinois Program</u></b></p>	<p>REV Illinois offers competitive incentives to expand in or relocate to Illinois for companies that manufacture EVs and EV parts (batteries, cathodes, anodes) as well as EV charging stations. EV focused companies may qualify for exemptions on income tax withholding, utilities tax, training, and equipment/capital costs.</p>	<p>Tax Credits</p>
<p><b><u>Electric Vehicle (EV) Charging Station Rebate</u></b></p>	<p>Installation and maintenance of Level 1 and 2 charging stations are eligible to receive a rebate of up to 80% of the eligible project costs. Additional rebates are available for EV charging stations deployed in underserved and environmental justice communities.</p>	<p>Rebate</p>

Program	Description	Type
<p><b><u>High Impact Business Program (HIB)</u></b></p>	<p>The program supports large-scale economic development activities by providing investment tax credits, state sales tax exemption on building materials and/or utilities, state sales tax exemption on purchases of personal property used or consumed in the manufacturing process or in the operation of a pollution control facility to companies that make substantial capital investments in operations and create or retain an above average number of jobs.</p>	<p>Tax Credits</p>
<p><b><u>Film Production Tax Credit</u></b></p>	<p>A credit of 30% of all qualified expenditures, including post-production. Applicants will receive an additional 15% tax credit on salaries paid to individuals (earning at least \$1,000 in total wages) who live in economically disadvantaged areas whose unemployment rate is at least 150% of the State's annual average.</p>	<p>Tax Credits</p>
<p><b><u>Advantage Illinois</u></b></p>	<p>Advantage Illinois will accelerate investments and ease the credit crunch for small businesses, thanks to more than \$78 million from the federal State Small Business Credit Initiative (SSBCI) of the Small Business Jobs Act of 2010.</p>	<p>Low Cost Financing</p>

Program	Description	Type
<p><b><u>Illinois Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Matching Funds Program</u></b></p>	<p>The Illinois SBIR/STTR Matching Funds Program will provide a state match of 50 percent, up to \$50,000, for qualifying Illinois companies who receive a Phase I SBIR/STTR grant award.</p>	<p>Grant</p>
<p><b><u>Business Attraction Prime Sites</u></b></p>	<p>The Business Attraction Prime Sites Capital Grant Program assists companies with large-scale capital investment projects that commit to significant job creation for Illinois residents as they relocate or expand operations within Illinois. Prime Sites grants can encompass a wide range of economic development projects that will result in job creation in the state of Illinois.</p>	<p>Grant</p>
<p><b><u>Tax Incentives for Qualifying Illinois Data Centers</u></b></p>	<p>Illinois Public Act (P.A.) 101-0031 allows qualifying Illinois data centers to claim certain tax incentives from Illinois sales and use tax and Illinois income tax. New and existing data centers seeking these tax incentives must first apply to the Department of Commerce and Economic Opportunity (DCEO).</p>	<p>Tax Credits</p>

# Federal Incentives

## Financial Tools That Are Available:

- 1.) Opportunity Zones
- 2.) HubZones
- 3.) Empowerment Zones
- 4.) New Market Tax Credit (NMTC)

Program	Description	Type
<b><u>Opportunity Zones</u></b>	Federal legislation designed to incentivize investors to convert unrealized capital gains on investments into long-term investments in lower income areas. Opportunity Zones are located across the country; Chicago has 135 qualified OZs primarily on the South and West sides.	Capital Gains Tax Deferral
<b><u>HubZones</u></b>	The HUBZone program fuels small business growth in historically underutilized business zones with a goal of awarding at least 3% of federal contract dollars to HUBZone-certified companies each year.	Government Preferential Contracting
<b><u>Empowerment Zones</u></b>	The Empowerment Zone (EZ) program offers special financing and tax incentives for qualified businesses in order to stimulate private investment and create jobs within designated communities.	Tax Credits
<b><u>New Market Tax Credit (NMTC)</u></b>	Provides below-market-rate equity or debt capital to qualifying businesses. A qualifying business must meet several tests confirming that the majority of its activities take place in, or that it serves primarily residents of, a Low-Income Community.	Low Cost Financing

# Additional Incentives

## Financial Tools That Are Available:

- 1.) Line Extension Credits (Rider DE program)
- 2.) Solar Energy Rebates
- 3.) Energy Efficiency Incentives/Rebates
- 4.) Commercial and Industrial Program - Peoples Gas
- 5.) Small and Midsize Business Program - Peoples Gas



Program	Description	Type
<b><u>Line Extension Credits (Rider DE Program)</u></b>	ComEd offers credits against the costs of off-property line extensions needed for new facilities equal to 5 years of the new expected delivery revenue which can represent millions of dollars.	Cost Credit
<b><u>Solar Energy Rebates</u></b>	ComEd offers rebates of \$250/kW for the installation of onsite solar energy up to \$500,000 maximum.	Rebate
<b><u>Energy Efficiency Incentives/Rebates</u></b>	ComEd offers an extensive portfolio of programs to help businesses meet environmental and sustainability goals while lowering their consumption and costs. There is a \$2M cap per location per year.	Varies
<b><u>Commercial and Industrial Program - Peoples Gas</u></b>	The Commercial and Industrial Program provides energy efficiency rebates, resources, expert support and project management for customers. No matter your type of operation, the program team can help your business reduce its energy use. Our team can identify energy-saving opportunities customized for your business.	Rebate
<b><u>Small and Midsize Business Program - Peoples Gas</u></b>	The Small and Midsize Business Program provides free energy-saving products, assessments and rebates on energy upgrades. Reduce your operating costs and reinvest those dollars back into your business.	Rebate

WORLD  
BUSINESS  
CHICAGO 

[worldbusinesschicago.com](http://worldbusinesschicago.com)