

Illinois Enterprise Zone March 30 reporting deadline

March 6, 2013

In brief

Legislation passed in August 2012 requires a taxpayer receiving Illinois Enterprise Zone or High Impact Business tax incentives to submit an annual report to the Department of Revenue. Taxpayers failing to timely file a report will be ineligible to receive incentives. The Department recently released guidance regarding how taxpayers can comply with this requirement and what information is needed.

The first report is due March 30, 2013, but the Department is granting businesses an automatic 60-day extension to May 29, 2013. However, taxpayers should approach the extension with caution because filing after March 30, 2013, could result in the loss of taking a future 60-day extension. Taxpayers should start compiling information now to ensure that tax benefits are not lost. [[20 ILCS 655/8.1](#), [Informational Bulletin FY 2013-12](#),]

In detail

Illinois enacted S.B. 3616 on August 7, 2012. The law provides several changes to Illinois' Enterprise Zone program, including the requirement that a business receiving tax incentives due to its location in an Enterprise Zone or its designation as a High Impact Business report its total Enterprise Zone or High Impact Business tax benefits received. The benefits must be broken down by incentive category and Enterprise Zone, if applicable.

Reports are due annually to the Illinois Department of Revenue by March 30 of each year and cover the previous calendar

year. The first report is due on March 30, 2013.

The statute provides that "[f]ailure to report data shall result in ineligibility to receive incentives. For the first offense, a business shall be given 60 days to comply."

Department guidance

The Department recently issued [Informational Bulletin FY 2013-12](#), which provides guidance regarding how taxpayers are to comply with reporting responsibilities. Included with this guidance is the Department's automatic extension of the deadline to May 29, 2013, if necessary.

The report is only available online and the Department has provided [the information](#) that should be included in the report.

The takeaway

Taxpayers receiving Illinois Enterprise Zone or High Impact Business benefits should review the information required to be included in the annual report and begin compiling data in order to meet the March 30, 2013, deadline.

The Department's additional 60-day filing extension should be approached with caution. The statute provides a one-time 60-day extension for taxpayers. It is possible that taking the Department's extension from March 30 to May 29, 2013,

would render a taxpayer ineligible from taking the extension in future years. Therefore, it is in a taxpayer's best interest to file the report by March 30, 2013, to ensure retention of the 60-day extension for future years, if needed.

Additionally, neither the statute nor the Department clarifies whether 'incentives' rendered ineligible due to a failure to report include incentives beyond those for which reporting is required (e.g., EDGE credits). Accordingly, taxpayers should make

every effort to file their reports by the filing deadline to avoid the loss of tax benefits.

If your business is in a zone and not claiming benefits, please do not hesitate to contact us for a review of what benefits are available to you.

Let's talk

If you have any questions regarding Illinois Enterprise Zone and High Impact Benefit reporting requirements, please contact:

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