



MULTISTATE INCOME/FRANCHISE TAX

Illinois fiscal year 2025 state tax incentive package Tax Alert

Overview

On June 26, 2024, Illinois [Public Act 103-0595](#) (the “Tax Incentive Package”) was enacted. The Tax Incentive Package notably extends the Illinois research and development credit through 2031 in addition to making other changes related to certain credits and incentives in the state. This Tax Alert summarizes certain provisions included in the Tax Incentive Package.

Tax Incentive Package

The Tax Incentive Package amends or extends several Illinois incentives. Notable changes include:

- Extension of the state’s research and development tax credit until January 1, 2032. It was previously set to expire January 1, 2027.
- Creation of incentives for quantum computing campuses with the goal of attracting more quantum jobs to the state.
- Projects with \$50,000,000 in capital investment and new job creation of 100 or more are eligible for a 15-year agreement under the Economic Development for a Growing Economy (EDGE) tax credit. This credit was previously only available for 10 years.
- Addition of green steel manufacturers and hybrid and fully electric aircraft manufacturers to the Reimagining Energy and Vehicles tax credit program.
- For projects approved under the Reimagining Electric Vehicles and the Manufacturing Illinois Chips for Real Opportunity programs, the period for real property tax abatement is extended to a period not to exceed thirty (30) years.

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