

WHAT IS ILLINOIS Prosper



A draft legislative initiative led by the University of Illinois System, **Illinois PROSPER** offers new and expanding businesses the opportunity to operate tax-free for 10 years on or near eligible university or college campuses as part of the Illinois Innovation Network. A set of connected hubs in communities across the state, the IIN helps launch next generation companies and provides pathways to jobs in Illinois.

BENEFITS TO COMPANIES

- Direct access to research expertise, state-of-the-art facilities, and top tech talent in key industries
- Pay zero state taxes for 10 years
- Local incentives to enhance business development

BENEFITS TO THE STATE

- Attract major corporations and growing startups
- Job creation and investments
- Tiered benefits to drive growth in economically distressed regions
- Talent retention and recruitment

BENEFITS TO ILLINOIS UNIVERSITIES AND COLLEGES

- Offers faculty and student direct access to business leaders and opportunities for moving ideas from the lab to the marketplace
- Expands research funding opportunities for the campuses
- Provides students with real world experience and internship opportunities
- Promotes research collaboration and commercialization of technology
- Enhances competitiveness of universities and colleges across the state

WHO QUALIFIES FOR ILLINOIS PROSPER?

To participate in **Illinois PROSPER**, a company must meet all of the following requirements:

- Be a new business in the state of Illinois, or an existing Illinois business expanding operations within the state
- Partner with a public university or community college in Illinois by utilizing vacant building space or land owned or leased by the educational institution
- Create new jobs and bring economic development to the local community that does not currently exist

WHAT IS REQUIRED TO APPLY?

To participate in **Illinois PROSPER**, a business must:

- Be sponsored by a public university or community college that is part of the Illinois Innovation Network
- Be aligned with the academic or research mission of the sponsoring institution
- Locate on vacant land or in vacant building space owned or leased by the IIN member.

Business applications should highlight the number of net new jobs to be created, the proposed infrastructure investment, and the funding allocated for joint activities (e.g., research collaborations, student internships).

INNOVATION HUB TAX CREDITS

Locating a business in a designated tax-free zone provides incentives unavailable in other areas. When added together, tax credits from **Illinois PROSPER** make a huge difference to business startups and expansions.

For a period of 10 consecutive years, businesses are eligible for:

- State income tax credit
- Exemption from sales and use taxes
- Exemption from franchise taxes

Individuals who fill positions that are designated as net new jobs receive:

- Full exemption from state income tax credit for the first five years of the business' participation in Illinois Prosper
- Exemption from state income tax up to certain income levels for years 6-10 of the business' participation

ILLINOIS Prosper

PAY 0 TAXES FOR 10 YEARS

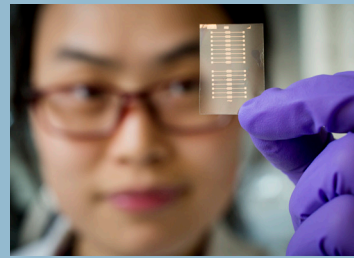


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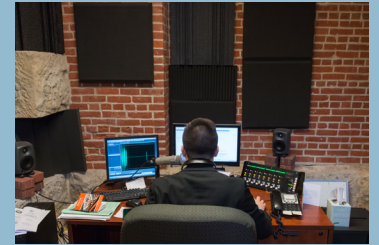
WHY

ILLINOIS Prosper

PAY 0 TAXES FOR 10 YEARS



THE FUTURE OF ILLINOIS IS NOW.



TAX BENEFITS

For businesses with 100% of their operations (assets and payroll) in a tax-free area(s), the credit would eliminate any tax liability. For businesses with only a percentage of operations in a tax-free area, the credit would be prorated based on the percentage of assets and payroll within a tax-free area(s).

For a period of 10 consecutive years, businesses are eligible for:

State income tax credit

Employees hired for and whose jobs are certified as net new jobs in a tax-free area will pay no state income taxes for the first five years the business participates in the program.

For the second five years, employees will pay no taxes on income up to:

\$50,000

for individuals

\$75,000

for a head of household

\$100,000

for taxpayers filing a joint return

Exemption from sales and use taxes

Businesses are eligible to receive a credit or refund for sales, and use taxes paid for goods and services used or consumed by the business's operation in a tax-free area(s).

Exemption from franchise taxes

Businesses are eligible for an exemption from the franchise taxes imposed under the Business Corporation Act of 1983.

APPROVALS & JOB CAPS

Industries requiring special approval

The following industries must show a clear alignment with the academic programs of a university or community college, an intent to recruit employees from the local workforce and its planned economic benefits to the community in order to join **Illinois PROSPER**:

- Retail and wholesale businesses
- Restaurants
- Law and accounting firms
- Medical or dental practices
- Real estate management companies/brokers
- Hospitality
- Retail banking
- Utilities

Limits to net new jobs

Each business will be limited to an annual cap of 1,000 net new jobs that are eligible for benefits under Illinois PROSPER. There also will be an annual statewide cap of 10,000 jobs.

At least 5,000 of the state's annual net new jobs must qualify as small businesses as defined in the Small Business Advisory Act. No more than 5,000 net new jobs per year may be located in the City of Chicago.

To be a part of this groundbreaking initiative or for more information, contact:

Office of the Vice President for Economic Development and Innovation

University of Illinois
346 Henry Administration Building, MC-365
506 S. Wright St. | Urbana, IL 61801
217.265.5440
vpedi@uillinois.edu



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