

## TAX INCENTIVE FREQUENTLY ASKED QUESTIONS

### General

- ***What are the changes to the classification system for tax assessment that the County passed and-became effective on May 1, 2017?***

Changes were made to the following sections of Chapter 74- Taxation; Article II. - Real Property Taxation:

1. Sec. 74-46 Bureau of Economic development Property Tax Incentive Program Fee
  2. Sec. 74-62 Economic Disclosure Statement; Industrial Growth Zone
  3. Sec. 74-63 Modification of Requirements for Municipal Support Resolutions
  4. Sec. 74-63 Modification of Class L – adjustment to the review process
  5. Sec. 74-68 Date of applicability of changes to classification system
  6. Sec. 74-71 Expansion of the Living Wage requirements
  7. Sec. 74-72 Compliance with Laws
  8. Sec. 74- 73 Expansion of the Revocation Clause
  9. Sec. 74-74 Minimum Wage Requirement
- ***Will existing tax incentive recipients have to comply with the new changes?***  
The changes to the ordinance that became effective on May 1, 2017 are applicable to all who applied for or received tax incentives on or after April 16, 2017.
  - ***What are the rules applicable to renewal of incentives?***  
All applications for renewal of incentives are subject to the requirements of the Ordinance that are then in effect at the time such applications for renewal are submitted.

### Economic Disclosure Statements (EDS)-Sec. 74-62

- ***Is the Cook County Procurement EDS Affidavit the same for the Cook County Bureau of Economic Development (BED)?***  
No. The EDS required for the Property Tax Incentive Program is less exhaustive and only consists of an affidavit by the applicant to the municipality that provides a list of all real estate owned in Cook County by the applicant with all permanent index numbers associated with such real estate; the affidavit also requires disclosure of the ownership interests of the applicant and certification that the applicant is not delinquent in the payment of any property taxes administered by Cook County or by a local municipality.
- ***Will BED have its own EDS Affidavit?***

Yes. BED will provide on its website an EDS affidavit that will be used for unincorporated Cook County which can be adapted, as applicable, for use by other municipalities for applications for tax incentive in which the real estate is located. Please see the link to the BED Affidavit.

- ***What is the municipality's responsibility regarding the EDS Affidavit?***

It is the responsibility of the municipality to receive, file and retain all information provided by the applicant.

#### **Adjustment to Review of Class L Applications-Sec. 74-63 (15)**

- ***Who retains the EDS statements for the Class L applications?***

BED does not review Class L applications. Please refer to the Assessor's office or the municipality for information regarding Class L applications.

#### **Cook County Living Wage Requirements - Section 74-71 (a)**

- ***Who has to comply with the Living Wage requirements of the Ordinance?***

Employers who employ **20 or more** employees at a property that receives a Class 6b industrial or Class 8 industrial property tax incentive must pay their employees the Living Wage.

- ***Can Employers opt out of paying their employees a Living Wage?***

No. Payment of the Cook County Living Wage is a condition of the receipt of a property tax incentive for Classes 6b industrial and 8 industrial.

***What is the municipality's responsibility in regard to the Living Wage Affidavit?***

The municipality is to receive, file and retain the Living Wage Affidavit from the employer. The Cook County Commission on Human Rights handles all complaints of violations of the Cook County Living Wage Ordinance.

- ***Does the Living Wage Affidavit apply only to applicants that are defined as special circumstances?***

The Living Wage Ordinance applies to all Class 6b and Class 8 industrial tax incentives, including those defined as special circumstances.

- ***Who distributes the Living Wage Affidavit, the Bureau of Economic Development or the Assessor's Office?***

The Living Wage Affidavit can be found on the Assessor's website.

- **Do tenants have to pay a Living Wage?**

Beginning on July 1, 2020, all employers who are new tenants in properties that receive a Class 6b or Class 8 industrial tax incentive will have to pay their employees (as defined in the Ordinance) the Living Wage

**Prevailing Wage Requirements - Section 74-71 (b)**

- ***Who has to comply with the new Prevailing Wage Requirements?***

Any owner of real estate that, on or after September 1, 2018, is an applicant for or recipient of, any property tax incentive under any Assessment Class for which a Resolution or Ordinance from the municipality or the County Board is or was required, or where an authorized officer letter is or was obtained in lieu of such Resolution or Ordinance.

- ***By whom and where are Certified Payrolls required to be filed?***

The owner of the real estate or, if required by the owner, the contractor or subcontractor for the construction work being performed, must file certified payrolls electronically with the municipality or the Cook County Board, for unincorporated Cook County, that approved the Ordinance or Resolution for the tax incentive. A certified payroll must be filed for only those calendar months during which construction work has occurred.

- ***Where is the Prevailing Wage Affidavit required to be filed?***

The Prevailing Wage Affidavit must be filed by the owner of the real estate with the municipality that approved the Ordinance or Resolution for the tax incentive or the Cook County Board, for unincorporated Cook County.

- ***Who is required to keep a copy of the Certified Payroll and Prevailing Wage Affidavit?***

The governmental body that approved the Ordinance or Resolution in support of the tax incentive must maintain in its files and records the Certified Payroll and the Prevailing Wage Affidavit submitted by the owner of such property stating that such owner shall pay, or cause a contractor, subcontractor, or lessee to pay, the prevailing rate of wages.

- ***Who is the "governmental body"?***

The municipality that approved the Resolution or Ordinance in support of the tax incentive or the Cook County Bureau of Economic Development for real estate located in unincorporated Cook County.

- ***Does BED have a website or email address to which Certified Payrolls and Prevailing Wage Affidavits are to be sent for tax incentives approved by the Board for real estate located in unincorporated Cook County?***

Yes; the email address to which Certified Payrolls and Prevailing Wage Affidavits should be sent is [prevailingwage.compliance@cookcountyil.gov](mailto:prevailingwage.compliance@cookcountyil.gov). PLEASE NOTE THAT THIS ADDRESS IS TO BE USED ONLY FOR TAX INCENTIVES IN UNINCORPORATED COOK COUNTY.

- ***Where can information be found regarding approved apprenticeship programs that contractors, subcontractors and lessees must participate in when performing construction work at properties that receive a tax incentive?***
- The U. S. Department of Labor (DOL) provides information regarding apprenticeship programs that are approved by DOL. Please click on the link below for specific information.  
<https://www.dol.gov/apprenticeship>

#### **Expansion of Revocation/Cancellation Clause-Sec. 74-73**

- ***Can the Cook County Commissioners initiate revocation procedures without the consent of the municipality?***

An incentive can be revoked by the Cook County Board via a Resolution or Ordinance only after its receipt of a report from BED that has been approved by the Economic Development Advisory Committee of the County.

- ***What determines eligibility for the consideration of revocation?***

Some of the factors to be considered in determining revocation are listed in Sec. 74-73 of the Tax Incentive Ordinance. The terms and conditions for revocation of a property tax incentive should be defined by the municipality in which the property is located.

- ***Will there be a proceeding to determine the validity of a revocation request?***

The procedure for revocation should be defined by the municipality in which the real estate is located.

- ***Will there be a guideline provided to establish the conditions to initiate revocation procedures?***

Except where grounds for revocation are specifically addressed in the Tax Incentive Ordinance, the basis for revocation is determined by the municipality in which the real estate is located.

#### **Minimum Wage Requirements – Sec74-74 (d)**

- ***Who has to comply with the Minimum Wage Ordinance?***

The Minimum Wage compliance requirements are applicable to all applicants and recipients of all tax incentives, except for recipients of Class 7 and 8 commercial incentives that were granted on or before April 15, 2017.

- ***Can Employers opt out of paying their employees a Minimum Wage?***

No; payment of the Minimum Wage is a condition of the receipt of all property tax incentives, except for recipients of Class 7 and 8 commercial incentives that were granted on or before April 15, 2017.

## **Workforce Resource Ordinance**

- ***Does the Cook County Workforce Ordinance affect all tax incentive applicants?***

The requirements of the Cook County Workforce Ordinance apply to all applications for tax incentives that are submitted to BED for review. Please see the attached link to the Cook County Workforce Ordinance.

- ***Who is required to initiate the Cook County Workforce Agreement?***

Applicants will be contacted by and must enter into a Workforce Agreement with the Chicago Cook Workforce Partnership. **The** BED Affidavit contains an affirmation that the applicant for a tax incentive that is reviewed by BED will comply with the Workforce Resource Ordinance and enter into a Workforce Agreement, as applicable.