



**ECONOMIC  
DEVELOPMENT**

**Illinois Department of Revenue - Research and Development Credit**

To encourage research and development activities in the Illinois Corporate sector by providing a tax credit to companies that increase their research and development activities as part of their operations.

 For more information, visit the IDOR web site; [Research and Development Credit](#).

**Program Details**

<b>Program Description:</b>	Research and Development Credit allows eligible companies to claim a 6.5% credit against their corporate income tax for research activities, in excess of similar expenses incurred during the previous three years.
<b>Eligibility:</b>	Expenses incurred or paid by companies during the tax year, which are related to trade or business. Research or experimental activities that create or improve a function, performance, reliability or quality of a technical nature intended to be useful in the development of a new or improved business component held for sale, lease, license or use by the company in its business.
<b>Ineligible Projects:</b>	Surveys or studies, research conducted after start of commercial products or related to existing products, internal-use computer software, social sciences, arts or humanities. Research conducted outside of Illinois or funded by another person or entity.
<b>Credit Amount:</b>	Unused credits can be carried forward for five years.
<b>Loan Term:</b>	Not applicable.
<b>Loan Rate:</b>	Not applicable.
<b>Fees:</b>	Not applicable.
<b>Application Process:</b>	File IDOR 1299-D Tax Income Credit Form with Company's Tax Return.
<b>Job Criteria:</b>	Not applicable.