



Sen. John J. Cullerton

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1 AMENDMENT TO SENATE BILL 481

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 481 immediately  
3 above the enacting clause, by inserting the following:

4 "WHEREAS, In January of 2015, the State's bill backlog was  
5 \$5,500,000,000. Since that time, the bill backlog has grown by  
6 over 8,800,000,000 to \$14,300,000,000 as of May 22, 2017. The  
7 bill backlog is estimated to grow to \$14,500,000,000 by the end  
8 of the 2017 fiscal year. Reducing the size of the bill backlog  
9 will provide financial relief for hundreds of businesses  
10 throughout the State that have been owed payment for services  
11 provided to the State; therefore"; and

12 by replacing everything after the enacting clause with the  
13 following:

14 "Section 5. If and only if Senate Bill 9 of the 100th  
15 General Assembly becomes law, as amended by Senate Amendments 6  
16 and 7, then the Illinois Income Tax Act is amended by changing

1 Sections 201 and 901 as follows:

2 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

3 Sec. 201. Tax Imposed.

4 (a) In general. A tax measured by net income is hereby  
5 imposed on every individual, corporation, trust and estate for  
6 each taxable year ending after July 31, 1969 on the privilege  
7 of earning or receiving income in or as a resident of this  
8 State. Such tax shall be in addition to all other occupation or  
9 privilege taxes imposed by this State or by any municipal  
10 corporation or political subdivision thereof.

11 (b) Rates. The tax imposed by subsection (a) of this  
12 Section shall be determined as follows, except as adjusted by  
13 subsection (d-1):

14 (1) In the case of an individual, trust or estate, for  
15 taxable years ending prior to July 1, 1989, an amount equal  
16 to 2 1/2% of the taxpayer's net income for the taxable  
17 year.

18 (2) In the case of an individual, trust or estate, for  
19 taxable years beginning prior to July 1, 1989 and ending  
20 after June 30, 1989, an amount equal to the sum of (i) 2  
21 1/2% of the taxpayer's net income for the period prior to  
22 July 1, 1989, as calculated under Section 202.3, and (ii)  
23 3% of the taxpayer's net income for the period after June  
24 30, 1989, as calculated under Section 202.3.

25 (3) In the case of an individual, trust or estate, for

1 taxable years beginning after June 30, 1989, and ending  
2 prior to January 1, 2011, an amount equal to 3% of the  
3 taxpayer's net income for the taxable year.

4 (4) In the case of an individual, trust, or estate, for  
5 taxable years beginning prior to January 1, 2011, and  
6 ending after December 31, 2010, an amount equal to the sum  
7 of (i) 3% of the taxpayer's net income for the period prior  
8 to January 1, 2011, as calculated under Section 202.5, and  
9 (ii) 5% of the taxpayer's net income for the period after  
10 December 31, 2010, as calculated under Section 202.5.

11 (5) In the case of an individual, trust, or estate, for  
12 taxable years beginning on or after January 1, 2011, and  
13 ending prior to January 1, 2015, an amount equal to 5% of  
14 the taxpayer's net income for the taxable year.

15 (5.1) In the case of an individual, trust, or estate,  
16 for taxable years beginning prior to January 1, 2015, and  
17 ending after December 31, 2014, an amount equal to the sum  
18 of (i) 5% of the taxpayer's net income for the period prior  
19 to January 1, 2015, as calculated under Section 202.5, and  
20 (ii) 3.75% of the taxpayer's net income for the period  
21 after December 31, 2014, as calculated under Section 202.5.

22 (5.2) In the case of an individual, trust, or estate,  
23 for taxable years beginning on or after January 1, 2015,  
24 and ending prior to January 1, 2017, an amount equal to  
25 3.75% of the taxpayer's net income for the taxable year.

26 (5.3) In the case of an individual, trust, or estate,

1 for taxable years beginning prior to January 1, 2017, and  
2 ending after December 31, 2016, an amount equal to the sum  
3 of (i) 3.75% of the taxpayer's net income for the period  
4 prior to January 1, 2017, as calculated under Section  
5 202.5, ~~and~~ (ii) 5.25% ~~4.95%~~ of the taxpayer's net income  
6 for the period after December 31, 2016 and until the  
7 earlier of the repayment of the bonds authorized in Senate  
8 Bill 4 of the 100th General Assembly or December 31, 2023,  
9 as calculated under Section 202.5, and (iii) 4.95% of the  
10 taxpayer's net income, for the period thereafter, as  
11 calculated under Section 202.5.

12 (5.4) In the case of an individual, trust, or estate,  
13 (i) for taxable years beginning on or after January 1, 2017  
14 and until the earlier of the repayment of the bonds  
15 authorized in Senate Bill 4 of the 100th General Assembly  
16 or December 31, 2023, an amount equal to 5.25% ~~4.95%~~ of the  
17 taxpayer's net income for the taxable year, and (ii) for  
18 taxable years beginning thereafter an amount equal to 4.95%  
19 of the taxpayer's net income for the taxable year.

20 (6) In the case of a corporation, for taxable years  
21 ending prior to July 1, 1989, an amount equal to 4% of the  
22 taxpayer's net income for the taxable year.

23 (7) In the case of a corporation, for taxable years  
24 beginning prior to July 1, 1989 and ending after June 30,  
25 1989, an amount equal to the sum of (i) 4% of the  
26 taxpayer's net income for the period prior to July 1, 1989,

1 as calculated under Section 202.3, and (ii) 4.8% of the  
2 taxpayer's net income for the period after June 30, 1989,  
3 as calculated under Section 202.3.

4 (8) In the case of a corporation, for taxable years  
5 beginning after June 30, 1989, and ending prior to January  
6 1, 2011, an amount equal to 4.8% of the taxpayer's net  
7 income for the taxable year.

8 (9) In the case of a corporation, for taxable years  
9 beginning prior to January 1, 2011, and ending after  
10 December 31, 2010, an amount equal to the sum of (i) 4.8%  
11 of the taxpayer's net income for the period prior to  
12 January 1, 2011, as calculated under Section 202.5, and  
13 (ii) 7% of the taxpayer's net income for the period after  
14 December 31, 2010, as calculated under Section 202.5.

15 (10) In the case of a corporation, for taxable years  
16 beginning on or after January 1, 2011, and ending prior to  
17 January 1, 2015, an amount equal to 7% of the taxpayer's  
18 net income for the taxable year.

19 (11) In the case of a corporation, for taxable years  
20 beginning prior to January 1, 2015, and ending after  
21 December 31, 2014, an amount equal to the sum of (i) 7% of  
22 the taxpayer's net income for the period prior to January  
23 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
24 of the taxpayer's net income for the period after December  
25 31, 2014, as calculated under Section 202.5.

26 (12) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2015, and ending prior to  
2 January 1, 2017, an amount equal to 5.25% of the taxpayer's  
3 net income for the taxable year.

4 (13) In the case of a corporation, for taxable years  
5 beginning prior to January 1, 2017, and ending after  
6 December 31, 2016, an amount equal to the sum of (i) 5.25%  
7 of the taxpayer's net income for the period prior to  
8 January 1, 2017, as calculated under Section 202.5, and  
9 (ii) 7% of the taxpayer's net income for the period after  
10 December 31, 2016, as calculated under Section 202.5.

11 (14) In the case of a corporation, for taxable years  
12 beginning on or after January 1, 2017, an amount equal to  
13 7% of the taxpayer's net income for the taxable year.

14 The rates under this subsection (b) are subject to the  
15 provisions of Section 201.5.

16 (c) Personal Property Tax Replacement Income Tax.  
17 Beginning on July 1, 1979 and thereafter, in addition to such  
18 income tax, there is also hereby imposed the Personal Property  
19 Tax Replacement Income Tax measured by net income on every  
20 corporation (including Subchapter S corporations), partnership  
21 and trust, for each taxable year ending after June 30, 1979.  
22 Such taxes are imposed on the privilege of earning or receiving  
23 income in or as a resident of this State. The Personal Property  
24 Tax Replacement Income Tax shall be in addition to the income  
25 tax imposed by subsections (a) and (b) of this Section and in  
26 addition to all other occupation or privilege taxes imposed by

1 this State or by any municipal corporation or political  
2 subdivision thereof.

3 (d) Additional Personal Property Tax Replacement Income  
4 Tax Rates. The personal property tax replacement income tax  
5 imposed by this subsection and subsection (c) of this Section  
6 in the case of a corporation, other than a Subchapter S  
7 corporation and except as adjusted by subsection (d-1), shall  
8 be an additional amount equal to 2.85% of such taxpayer's net  
9 income for the taxable year, except that beginning on January  
10 1, 1981, and thereafter, the rate of 2.85% specified in this  
11 subsection shall be reduced to 2.5%, and in the case of a  
12 partnership, trust or a Subchapter S corporation shall be an  
13 additional amount equal to 1.5% of such taxpayer's net income  
14 for the taxable year.

15 (d-1) Rate reduction for certain foreign insurers. In the  
16 case of a foreign insurer, as defined by Section 35A-5 of the  
17 Illinois Insurance Code, whose state or country of domicile  
18 imposes on insurers domiciled in Illinois a retaliatory tax  
19 (excluding any insurer whose premiums from reinsurance assumed  
20 are 50% or more of its total insurance premiums as determined  
21 under paragraph (2) of subsection (b) of Section 304, except  
22 that for purposes of this determination premiums from  
23 reinsurance do not include premiums from inter-affiliate  
24 reinsurance arrangements), beginning with taxable years ending  
25 on or after December 31, 1999, the sum of the rates of tax  
26 imposed by subsections (b) and (d) shall be reduced (but not

1 increased) to the rate at which the total amount of tax imposed  
2 under this Act, net of all credits allowed under this Act,  
3 shall equal (i) the total amount of tax that would be imposed  
4 on the foreign insurer's net income allocable to Illinois for  
5 the taxable year by such foreign insurer's state or country of  
6 domicile if that net income were subject to all income taxes  
7 and taxes measured by net income imposed by such foreign  
8 insurer's state or country of domicile, net of all credits  
9 allowed or (ii) a rate of zero if no such tax is imposed on such  
10 income by the foreign insurer's state of domicile. For the  
11 purposes of this subsection (d-1), an inter-affiliate includes  
12 a mutual insurer under common management.

13 (1) For the purposes of subsection (d-1), in no event  
14 shall the sum of the rates of tax imposed by subsections  
15 (b) and (d) be reduced below the rate at which the sum of:

16 (A) the total amount of tax imposed on such foreign  
17 insurer under this Act for a taxable year, net of all  
18 credits allowed under this Act, plus

19 (B) the privilege tax imposed by Section 409 of the  
20 Illinois Insurance Code, the fire insurance company  
21 tax imposed by Section 12 of the Fire Investigation  
22 Act, and the fire department taxes imposed under  
23 Section 11-10-1 of the Illinois Municipal Code,  
24 equals 1.25% for taxable years ending prior to December 31,  
25 2003, or 1.75% for taxable years ending on or after  
26 December 31, 2003, of the net taxable premiums written for



1 the taxable year, as described by subsection (1) of Section  
2 409 of the Illinois Insurance Code. This paragraph will in  
3 no event increase the rates imposed under subsections (b)  
4 and (d).

5 (2) Any reduction in the rates of tax imposed by this  
6 subsection shall be applied first against the rates imposed  
7 by subsection (b) and only after the tax imposed by  
8 subsection (a) net of all credits allowed under this  
9 Section other than the credit allowed under subsection (i)  
10 has been reduced to zero, against the rates imposed by  
11 subsection (d).

12 This subsection (d-1) is exempt from the provisions of  
13 Section 250.

14 (e) Investment credit. A taxpayer shall be allowed a credit  
15 against the Personal Property Tax Replacement Income Tax for  
16 investment in qualified property.

17 (1) A taxpayer shall be allowed a credit equal to .5%  
18 of the basis of qualified property placed in service during  
19 the taxable year, provided such property is placed in  
20 service on or after July 1, 1984. There shall be allowed an  
21 additional credit equal to .5% of the basis of qualified  
22 property placed in service during the taxable year,  
23 provided such property is placed in service on or after  
24 July 1, 1986, and the taxpayer's base employment within  
25 Illinois has increased by 1% or more over the preceding  
26 year as determined by the taxpayer's employment records

1 filed with the Illinois Department of Employment Security.  
2 Taxpayers who are new to Illinois shall be deemed to have  
3 met the 1% growth in base employment for the first year in  
4 which they file employment records with the Illinois  
5 Department of Employment Security. The provisions added to  
6 this Section by Public Act 85-1200 (and restored by Public  
7 Act 87-895) shall be construed as declaratory of existing  
8 law and not as a new enactment. If, in any year, the  
9 increase in base employment within Illinois over the  
10 preceding year is less than 1%, the additional credit shall  
11 be limited to that percentage times a fraction, the  
12 numerator of which is .5% and the denominator of which is  
13 1%, but shall not exceed .5%. The investment credit shall  
14 not be allowed to the extent that it would reduce a  
15 taxpayer's liability in any tax year below zero, nor may  
16 any credit for qualified property be allowed for any year  
17 other than the year in which the property was placed in  
18 service in Illinois. For tax years ending on or after  
19 December 31, 1987, and on or before December 31, 1988, the  
20 credit shall be allowed for the tax year in which the  
21 property is placed in service, or, if the amount of the  
22 credit exceeds the tax liability for that year, whether it  
23 exceeds the original liability or the liability as later  
24 amended, such excess may be carried forward and applied to  
25 the tax liability of the 5 taxable years following the  
26 excess credit years if the taxpayer (i) makes investments

1 which cause the creation of a minimum of 2,000 full-time  
2 equivalent jobs in Illinois, (ii) is located in an  
3 enterprise zone established pursuant to the Illinois  
4 Enterprise Zone Act and (iii) is certified by the  
5 Department of Commerce and Community Affairs (now  
6 Department of Commerce and Economic Opportunity) as  
7 complying with the requirements specified in clause (i) and  
8 (ii) by July 1, 1986. The Department of Commerce and  
9 Community Affairs (now Department of Commerce and Economic  
10 Opportunity) shall notify the Department of Revenue of all  
11 such certifications immediately. For tax years ending  
12 after December 31, 1988, the credit shall be allowed for  
13 the tax year in which the property is placed in service,  
14 or, if the amount of the credit exceeds the tax liability  
15 for that year, whether it exceeds the original liability or  
16 the liability as later amended, such excess may be carried  
17 forward and applied to the tax liability of the 5 taxable  
18 years following the excess credit years. The credit shall  
19 be applied to the earliest year for which there is a  
20 liability. If there is credit from more than one tax year  
21 that is available to offset a liability, earlier credit  
22 shall be applied first.

23 (2) The term "qualified property" means property  
24 which:

25 (A) is tangible, whether new or used, including  
26 buildings and structural components of buildings and

1 signs that are real property, but not including land or  
2 improvements to real property that are not a structural  
3 component of a building such as landscaping, sewer  
4 lines, local access roads, fencing, parking lots, and  
5 other appurtenances;

6 (B) is depreciable pursuant to Section 167 of the  
7 Internal Revenue Code, except that "3-year property"  
8 as defined in Section 168(c)(2)(A) of that Code is not  
9 eligible for the credit provided by this subsection  
10 (e);

11 (C) is acquired by purchase as defined in Section  
12 179(d) of the Internal Revenue Code;

13 (D) is used in Illinois by a taxpayer who is  
14 primarily engaged in manufacturing, or in mining coal  
15 or fluorite, or in retailing, or was placed in service  
16 on or after July 1, 2006 in a River Edge Redevelopment  
17 Zone established pursuant to the River Edge  
18 Redevelopment Zone Act; and

19 (E) has not previously been used in Illinois in  
20 such a manner and by such a person as would qualify for  
21 the credit provided by this subsection (e) or  
22 subsection (f).

23 (3) For purposes of this subsection (e),  
24 "manufacturing" means the material staging and production  
25 of tangible personal property by procedures commonly  
26 regarded as manufacturing, processing, fabrication, or

1 assembling which changes some existing material into new  
2 shapes, new qualities, or new combinations. For purposes of  
3 this subsection (e) the term "mining" shall have the same  
4 meaning as the term "mining" in Section 613(c) of the  
5 Internal Revenue Code. For purposes of this subsection (e),  
6 the term "retailing" means the sale of tangible personal  
7 property for use or consumption and not for resale, or  
8 services rendered in conjunction with the sale of tangible  
9 personal property for use or consumption and not for  
10 resale. For purposes of this subsection (e), "tangible  
11 personal property" has the same meaning as when that term  
12 is used in the Retailers' Occupation Tax Act, and, for  
13 taxable years ending after December 31, 2008, does not  
14 include the generation, transmission, or distribution of  
15 electricity.

16 (4) The basis of qualified property shall be the basis  
17 used to compute the depreciation deduction for federal  
18 income tax purposes.

19 (5) If the basis of the property for federal income tax  
20 depreciation purposes is increased after it has been placed  
21 in service in Illinois by the taxpayer, the amount of such  
22 increase shall be deemed property placed in service on the  
23 date of such increase in basis.

24 (6) The term "placed in service" shall have the same  
25 meaning as under Section 46 of the Internal Revenue Code.

26 (7) If during any taxable year, any property ceases to

1 be qualified property in the hands of the taxpayer within  
2 48 months after being placed in service, or the situs of  
3 any qualified property is moved outside Illinois within 48  
4 months after being placed in service, the Personal Property  
5 Tax Replacement Income Tax for such taxable year shall be  
6 increased. Such increase shall be determined by (i)  
7 recomputing the investment credit which would have been  
8 allowed for the year in which credit for such property was  
9 originally allowed by eliminating such property from such  
10 computation and, (ii) subtracting such recomputed credit  
11 from the amount of credit previously allowed. For the  
12 purposes of this paragraph (7), a reduction of the basis of  
13 qualified property resulting from a redetermination of the  
14 purchase price shall be deemed a disposition of qualified  
15 property to the extent of such reduction.

16 (8) Unless the investment credit is extended by law,  
17 the basis of qualified property shall not include costs  
18 incurred after December 31, 2018, except for costs incurred  
19 pursuant to a binding contract entered into on or before  
20 December 31, 2018.

21 (9) Each taxable year ending before December 31, 2000,  
22 a partnership may elect to pass through to its partners the  
23 credits to which the partnership is entitled under this  
24 subsection (e) for the taxable year. A partner may use the  
25 credit allocated to him or her under this paragraph only  
26 against the tax imposed in subsections (c) and (d) of this

1 Section. If the partnership makes that election, those  
2 credits shall be allocated among the partners in the  
3 partnership in accordance with the rules set forth in  
4 Section 704(b) of the Internal Revenue Code, and the rules  
5 promulgated under that Section, and the allocated amount of  
6 the credits shall be allowed to the partners for that  
7 taxable year. The partnership shall make this election on  
8 its Personal Property Tax Replacement Income Tax return for  
9 that taxable year. The election to pass through the credits  
10 shall be irrevocable.

11 For taxable years ending on or after December 31, 2000,  
12 a partner that qualifies its partnership for a subtraction  
13 under subparagraph (I) of paragraph (2) of subsection (d)  
14 of Section 203 or a shareholder that qualifies a Subchapter  
15 S corporation for a subtraction under subparagraph (S) of  
16 paragraph (2) of subsection (b) of Section 203 shall be  
17 allowed a credit under this subsection (e) equal to its  
18 share of the credit earned under this subsection (e) during  
19 the taxable year by the partnership or Subchapter S  
20 corporation, determined in accordance with the  
21 determination of income and distributive share of income  
22 under Sections 702 and 704 and Subchapter S of the Internal  
23 Revenue Code. This paragraph is exempt from the provisions  
24 of Section 250.

25 (f) Investment credit; Enterprise Zone; River Edge  
26 Redevelopment Zone.

1           (1) A taxpayer shall be allowed a credit against the  
2 tax imposed by subsections (a) and (b) of this Section for  
3 investment in qualified property which is placed in service  
4 in an Enterprise Zone created pursuant to the Illinois  
5 Enterprise Zone Act or, for property placed in service on  
6 or after July 1, 2006, a River Edge Redevelopment Zone  
7 established pursuant to the River Edge Redevelopment Zone  
8 Act. For partners, shareholders of Subchapter S  
9 corporations, and owners of limited liability companies,  
10 if the liability company is treated as a partnership for  
11 purposes of federal and State income taxation, there shall  
12 be allowed a credit under this subsection (f) to be  
13 determined in accordance with the determination of income  
14 and distributive share of income under Sections 702 and 704  
15 and Subchapter S of the Internal Revenue Code. The credit  
16 shall be .5% of the basis for such property. The credit  
17 shall be available only in the taxable year in which the  
18 property is placed in service in the Enterprise Zone or  
19 River Edge Redevelopment Zone and shall not be allowed to  
20 the extent that it would reduce a taxpayer's liability for  
21 the tax imposed by subsections (a) and (b) of this Section  
22 to below zero. For tax years ending on or after December  
23 31, 1985, the credit shall be allowed for the tax year in  
24 which the property is placed in service, or, if the amount  
25 of the credit exceeds the tax liability for that year,  
26 whether it exceeds the original liability or the liability



1 as later amended, such excess may be carried forward and  
2 applied to the tax liability of the 5 taxable years  
3 following the excess credit year. The credit shall be  
4 applied to the earliest year for which there is a  
5 liability. If there is credit from more than one tax year  
6 that is available to offset a liability, the credit  
7 accruing first in time shall be applied first.

8 (2) The term qualified property means property which:

9 (A) is tangible, whether new or used, including  
10 buildings and structural components of buildings;

11 (B) is depreciable pursuant to Section 167 of the  
12 Internal Revenue Code, except that "3-year property"  
13 as defined in Section 168(c)(2)(A) of that Code is not  
14 eligible for the credit provided by this subsection  
15 (f);

16 (C) is acquired by purchase as defined in Section  
17 179(d) of the Internal Revenue Code;

18 (D) is used in the Enterprise Zone or River Edge  
19 Redevelopment Zone by the taxpayer; and

20 (E) has not been previously used in Illinois in  
21 such a manner and by such a person as would qualify for  
22 the credit provided by this subsection (f) or  
23 subsection (e).

24 (3) The basis of qualified property shall be the basis  
25 used to compute the depreciation deduction for federal  
26 income tax purposes.

1           (4) If the basis of the property for federal income tax  
2 depreciation purposes is increased after it has been placed  
3 in service in the Enterprise Zone or River Edge  
4 Redevelopment Zone by the taxpayer, the amount of such  
5 increase shall be deemed property placed in service on the  
6 date of such increase in basis.

7           (5) The term "placed in service" shall have the same  
8 meaning as under Section 46 of the Internal Revenue Code.

9           (6) If during any taxable year, any property ceases to  
10 be qualified property in the hands of the taxpayer within  
11 48 months after being placed in service, or the situs of  
12 any qualified property is moved outside the Enterprise Zone  
13 or River Edge Redevelopment Zone within 48 months after  
14 being placed in service, the tax imposed under subsections  
15 (a) and (b) of this Section for such taxable year shall be  
16 increased. Such increase shall be determined by (i)  
17 recomputing the investment credit which would have been  
18 allowed for the year in which credit for such property was  
19 originally allowed by eliminating such property from such  
20 computation, and (ii) subtracting such recomputed credit  
21 from the amount of credit previously allowed. For the  
22 purposes of this paragraph (6), a reduction of the basis of  
23 qualified property resulting from a redetermination of the  
24 purchase price shall be deemed a disposition of qualified  
25 property to the extent of such reduction.

26           (7) There shall be allowed an additional credit equal

1 to 0.5% of the basis of qualified property placed in  
2 service during the taxable year in a River Edge  
3 Redevelopment Zone, provided such property is placed in  
4 service on or after July 1, 2006, and the taxpayer's base  
5 employment within Illinois has increased by 1% or more over  
6 the preceding year as determined by the taxpayer's  
7 employment records filed with the Illinois Department of  
8 Employment Security. Taxpayers who are new to Illinois  
9 shall be deemed to have met the 1% growth in base  
10 employment for the first year in which they file employment  
11 records with the Illinois Department of Employment  
12 Security. If, in any year, the increase in base employment  
13 within Illinois over the preceding year is less than 1%,  
14 the additional credit shall be limited to that percentage  
15 times a fraction, the numerator of which is 0.5% and the  
16 denominator of which is 1%, but shall not exceed 0.5%.

17 (g) (Blank).

18 (h) Investment credit; High Impact Business.

19 (1) Subject to subsections (b) and (b-5) of Section 5.5  
20 of the Illinois Enterprise Zone Act, a taxpayer shall be  
21 allowed a credit against the tax imposed by subsections (a)  
22 and (b) of this Section for investment in qualified  
23 property which is placed in service by a Department of  
24 Commerce and Economic Opportunity designated High Impact  
25 Business. The credit shall be .5% of the basis for such  
26 property. The credit shall not be available (i) until the

1 minimum investments in qualified property set forth in  
2 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
3 Enterprise Zone Act have been satisfied or (ii) until the  
4 time authorized in subsection (b-5) of the Illinois  
5 Enterprise Zone Act for entities designated as High Impact  
6 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
7 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
8 Act, and shall not be allowed to the extent that it would  
9 reduce a taxpayer's liability for the tax imposed by  
10 subsections (a) and (b) of this Section to below zero. The  
11 credit applicable to such investments shall be taken in the  
12 taxable year in which such investments have been completed.  
13 The credit for additional investments beyond the minimum  
14 investment by a designated high impact business authorized  
15 under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
16 Enterprise Zone Act shall be available only in the taxable  
17 year in which the property is placed in service and shall  
18 not be allowed to the extent that it would reduce a  
19 taxpayer's liability for the tax imposed by subsections (a)  
20 and (b) of this Section to below zero. For tax years ending  
21 on or after December 31, 1987, the credit shall be allowed  
22 for the tax year in which the property is placed in  
23 service, or, if the amount of the credit exceeds the tax  
24 liability for that year, whether it exceeds the original  
25 liability or the liability as later amended, such excess  
26 may be carried forward and applied to the tax liability of

1 the 5 taxable years following the excess credit year. The  
2 credit shall be applied to the earliest year for which  
3 there is a liability. If there is credit from more than one  
4 tax year that is available to offset a liability, the  
5 credit accruing first in time shall be applied first.

6 Changes made in this subdivision (h) (1) by Public Act  
7 88-670 restore changes made by Public Act 85-1182 and  
8 reflect existing law.

9 (2) The term qualified property means property which:

10 (A) is tangible, whether new or used, including  
11 buildings and structural components of buildings;

12 (B) is depreciable pursuant to Section 167 of the  
13 Internal Revenue Code, except that "3-year property"  
14 as defined in Section 168(c) (2) (A) of that Code is not  
15 eligible for the credit provided by this subsection  
16 (h);

17 (C) is acquired by purchase as defined in Section  
18 179(d) of the Internal Revenue Code; and

19 (D) is not eligible for the Enterprise Zone  
20 Investment Credit provided by subsection (f) of this  
21 Section.

22 (3) The basis of qualified property shall be the basis  
23 used to compute the depreciation deduction for federal  
24 income tax purposes.

25 (4) If the basis of the property for federal income tax  
26 depreciation purposes is increased after it has been placed

1 in service in a federally designated Foreign Trade Zone or  
2 Sub-Zone located in Illinois by the taxpayer, the amount of  
3 such increase shall be deemed property placed in service on  
4 the date of such increase in basis.

5 (5) The term "placed in service" shall have the same  
6 meaning as under Section 46 of the Internal Revenue Code.

7 (6) If during any taxable year ending on or before  
8 December 31, 1996, any property ceases to be qualified  
9 property in the hands of the taxpayer within 48 months  
10 after being placed in service, or the situs of any  
11 qualified property is moved outside Illinois within 48  
12 months after being placed in service, the tax imposed under  
13 subsections (a) and (b) of this Section for such taxable  
14 year shall be increased. Such increase shall be determined  
15 by (i) recomputing the investment credit which would have  
16 been allowed for the year in which credit for such property  
17 was originally allowed by eliminating such property from  
18 such computation, and (ii) subtracting such recomputed  
19 credit from the amount of credit previously allowed. For  
20 the purposes of this paragraph (6), a reduction of the  
21 basis of qualified property resulting from a  
22 redetermination of the purchase price shall be deemed a  
23 disposition of qualified property to the extent of such  
24 reduction.

25 (7) Beginning with tax years ending after December 31,  
26 1996, if a taxpayer qualifies for the credit under this

1 subsection (h) and thereby is granted a tax abatement and  
2 the taxpayer relocates its entire facility in violation of  
3 the explicit terms and length of the contract under Section  
4 18-183 of the Property Tax Code, the tax imposed under  
5 subsections (a) and (b) of this Section shall be increased  
6 for the taxable year in which the taxpayer relocated its  
7 facility by an amount equal to the amount of credit  
8 received by the taxpayer under this subsection (h).

9 (i) Credit for Personal Property Tax Replacement Income  
10 Tax. For tax years ending prior to December 31, 2003, a credit  
11 shall be allowed against the tax imposed by subsections (a) and  
12 (b) of this Section for the tax imposed by subsections (c) and  
13 (d) of this Section. This credit shall be computed by  
14 multiplying the tax imposed by subsections (c) and (d) of this  
15 Section by a fraction, the numerator of which is base income  
16 allocable to Illinois and the denominator of which is Illinois  
17 base income, and further multiplying the product by the tax  
18 rate imposed by subsections (a) and (b) of this Section.

19 Any credit earned on or after December 31, 1986 under this  
20 subsection which is unused in the year the credit is computed  
21 because it exceeds the tax liability imposed by subsections (a)  
22 and (b) for that year (whether it exceeds the original  
23 liability or the liability as later amended) may be carried  
24 forward and applied to the tax liability imposed by subsections  
25 (a) and (b) of the 5 taxable years following the excess credit  
26 year, provided that no credit may be carried forward to any

1 year ending on or after December 31, 2003. This credit shall be  
2 applied first to the earliest year for which there is a  
3 liability. If there is a credit under this subsection from more  
4 than one tax year that is available to offset a liability the  
5 earliest credit arising under this subsection shall be applied  
6 first.

7 If, during any taxable year ending on or after December 31,  
8 1986, the tax imposed by subsections (c) and (d) of this  
9 Section for which a taxpayer has claimed a credit under this  
10 subsection (i) is reduced, the amount of credit for such tax  
11 shall also be reduced. Such reduction shall be determined by  
12 recomputing the credit to take into account the reduced tax  
13 imposed by subsections (c) and (d). If any portion of the  
14 reduced amount of credit has been carried to a different  
15 taxable year, an amended return shall be filed for such taxable  
16 year to reduce the amount of credit claimed.

17 (j) Training expense credit. Beginning with tax years  
18 ending on or after December 31, 1986 and prior to December 31,  
19 2003, a taxpayer shall be allowed a credit against the tax  
20 imposed by subsections (a) and (b) under this Section for all  
21 amounts paid or accrued, on behalf of all persons employed by  
22 the taxpayer in Illinois or Illinois residents employed outside  
23 of Illinois by a taxpayer, for educational or vocational  
24 training in semi-technical or technical fields or semi-skilled  
25 or skilled fields, which were deducted from gross income in the  
26 computation of taxable income. The credit against the tax



1 imposed by subsections (a) and (b) shall be 1.6% of such  
2 training expenses. For partners, shareholders of subchapter S  
3 corporations, and owners of limited liability companies, if the  
4 liability company is treated as a partnership for purposes of  
5 federal and State income taxation, there shall be allowed a  
6 credit under this subsection (j) to be determined in accordance  
7 with the determination of income and distributive share of  
8 income under Sections 702 and 704 and subchapter S of the  
9 Internal Revenue Code.

10 Any credit allowed under this subsection which is unused in  
11 the year the credit is earned may be carried forward to each of  
12 the 5 taxable years following the year for which the credit is  
13 first computed until it is used. This credit shall be applied  
14 first to the earliest year for which there is a liability. If  
15 there is a credit under this subsection from more than one tax  
16 year that is available to offset a liability the earliest  
17 credit arising under this subsection shall be applied first. No  
18 carryforward credit may be claimed in any tax year ending on or  
19 after December 31, 2003.

20 (k) Research and development credit. For tax years ending  
21 after July 1, 1990 and prior to December 31, 2003, and  
22 beginning again for tax years ending on or after December 31,  
23 2004 a taxpayer shall be allowed a credit against the tax  
24 imposed by subsections (a) and (b) of this Section for  
25 increasing research activities in this State. The credit  
26 allowed against the tax imposed by subsections (a) and (b)

1 shall be equal to 6 1/2% of the qualifying expenditures for  
2 increasing research activities in this State. For partners,  
3 shareholders of subchapter S corporations, and owners of  
4 limited liability companies, if the liability company is  
5 treated as a partnership for purposes of federal and State  
6 income taxation, there shall be allowed a credit under this  
7 subsection to be determined in accordance with the  
8 determination of income and distributive share of income under  
9 Sections 702 and 704 and subchapter S of the Internal Revenue  
10 Code.

11 For purposes of this subsection, "qualifying expenditures"  
12 means the qualifying expenditures as defined for the federal  
13 credit for increasing research activities which would be  
14 allowable under Section 41 of the Internal Revenue Code and  
15 which are conducted in this State, "qualifying expenditures for  
16 increasing research activities in this State" means the excess  
17 of qualifying expenditures for the taxable year in which  
18 incurred over qualifying expenditures for the base period,  
19 "qualifying expenditures for the base period" means (i) for tax  
20 years ending prior to December 31, 2017, the average of the  
21 qualifying expenditures for each year in the base period; and  
22 (2) for tax years ending on or after December 31, 2017, 50% of  
23 the average of the qualifying expenditures for each year in the  
24 base period, and "base period" means the 3 taxable years  
25 immediately preceding the taxable year for which the  
26 determination is being made.

1 Any credit in excess of the tax liability for the taxable  
2 year may be carried forward. A taxpayer may elect to have the  
3 unused credit shown on its final completed return carried over  
4 as a credit against the tax liability for the following 5  
5 taxable years or until it has been fully used, whichever occurs  
6 first; provided that no credit earned in a tax year ending  
7 prior to December 31, 2003 may be carried forward to any year  
8 ending on or after December 31, 2003.

9 If an unused credit is carried forward to a given year from  
10 2 or more earlier years, that credit arising in the earliest  
11 year will be applied first against the tax liability for the  
12 given year. If a tax liability for the given year still  
13 remains, the credit from the next earliest year will then be  
14 applied, and so on, until all credits have been used or no tax  
15 liability for the given year remains. Any remaining unused  
16 credit or credits then will be carried forward to the next  
17 following year in which a tax liability is incurred, except  
18 that no credit can be carried forward to a year which is more  
19 than 5 years after the year in which the expense for which the  
20 credit is given was incurred.

21 No inference shall be drawn from this amendatory Act of the  
22 91st General Assembly in construing this Section for taxable  
23 years beginning before January 1, 1999.

24 This subsection (k) is exempt from the provisions of  
25 Section 250.

26 It is the intent of the General Assembly that the research

1 and development credit under this subsection (k) shall apply  
2 continuously for all tax years ending on or after December 31,  
3 2004, including, but not limited to, the period beginning on  
4 January 1, 2016 and ending on the effective date of this  
5 amendatory Act of the 100th General Assembly. All actions taken  
6 in reliance on the continuation of the credit under this  
7 subsection (k) by any taxpayer are hereby validated.

8 (l) Environmental Remediation Tax Credit.

9 (i) For tax years ending after December 31, 1997 and on  
10 or before December 31, 2001, a taxpayer shall be allowed a  
11 credit against the tax imposed by subsections (a) and (b)  
12 of this Section for certain amounts paid for unreimbursed  
13 eligible remediation costs, as specified in this  
14 subsection. For purposes of this Section, "unreimbursed  
15 eligible remediation costs" means costs approved by the  
16 Illinois Environmental Protection Agency ("Agency") under  
17 Section 58.14 of the Environmental Protection Act that were  
18 paid in performing environmental remediation at a site for  
19 which a No Further Remediation Letter was issued by the  
20 Agency and recorded under Section 58.10 of the  
21 Environmental Protection Act. The credit must be claimed  
22 for the taxable year in which Agency approval of the  
23 eligible remediation costs is granted. The credit is not  
24 available to any taxpayer if the taxpayer or any related  
25 party caused or contributed to, in any material respect, a  
26 release of regulated substances on, in, or under the site

1 that was identified and addressed by the remedial action  
2 pursuant to the Site Remediation Program of the  
3 Environmental Protection Act. After the Pollution Control  
4 Board rules are adopted pursuant to the Illinois  
5 Administrative Procedure Act for the administration and  
6 enforcement of Section 58.9 of the Environmental  
7 Protection Act, determinations as to credit availability  
8 for purposes of this Section shall be made consistent with  
9 those rules. For purposes of this Section, "taxpayer"  
10 includes a person whose tax attributes the taxpayer has  
11 succeeded to under Section 381 of the Internal Revenue Code  
12 and "related party" includes the persons disallowed a  
13 deduction for losses by paragraphs (b), (c), and (f)(1) of  
14 Section 267 of the Internal Revenue Code by virtue of being  
15 a related taxpayer, as well as any of its partners. The  
16 credit allowed against the tax imposed by subsections (a)  
17 and (b) shall be equal to 25% of the unreimbursed eligible  
18 remediation costs in excess of \$100,000 per site, except  
19 that the \$100,000 threshold shall not apply to any site  
20 contained in an enterprise zone as determined by the  
21 Department of Commerce and Community Affairs (now  
22 Department of Commerce and Economic Opportunity). The  
23 total credit allowed shall not exceed \$40,000 per year with  
24 a maximum total of \$150,000 per site. For partners and  
25 shareholders of subchapter S corporations, there shall be  
26 allowed a credit under this subsection to be determined in

1           accordance with the determination of income and  
2           distributive share of income under Sections 702 and 704 and  
3           subchapter S of the Internal Revenue Code.

4           (ii) A credit allowed under this subsection that is  
5           unused in the year the credit is earned may be carried  
6           forward to each of the 5 taxable years following the year  
7           for which the credit is first earned until it is used. The  
8           term "unused credit" does not include any amounts of  
9           unreimbursed eligible remediation costs in excess of the  
10          maximum credit per site authorized under paragraph (i).  
11          This credit shall be applied first to the earliest year for  
12          which there is a liability. If there is a credit under this  
13          subsection from more than one tax year that is available to  
14          offset a liability, the earliest credit arising under this  
15          subsection shall be applied first. A credit allowed under  
16          this subsection may be sold to a buyer as part of a sale of  
17          all or part of the remediation site for which the credit  
18          was granted. The purchaser of a remediation site and the  
19          tax credit shall succeed to the unused credit and remaining  
20          carry-forward period of the seller. To perfect the  
21          transfer, the assignor shall record the transfer in the  
22          chain of title for the site and provide written notice to  
23          the Director of the Illinois Department of Revenue of the  
24          assignor's intent to sell the remediation site and the  
25          amount of the tax credit to be transferred as a portion of  
26          the sale. In no event may a credit be transferred to any

1 taxpayer if the taxpayer or a related party would not be  
2 eligible under the provisions of subsection (i).

3 (iii) For purposes of this Section, the term "site"  
4 shall have the same meaning as under Section 58.2 of the  
5 Environmental Protection Act.

6 (m) Education expense credit. Beginning with tax years  
7 ending after December 31, 1999, a taxpayer who is the custodian  
8 of one or more qualifying pupils shall be allowed a credit  
9 against the tax imposed by subsections (a) and (b) of this  
10 Section for qualified education expenses incurred on behalf of  
11 the qualifying pupils. The credit shall be equal to 25% of  
12 qualified education expenses, but in no event may the total  
13 credit under this subsection claimed by a family that is the  
14 custodian of qualifying pupils exceed (i) \$500 for tax years  
15 ending prior to December 31, 2017, and (ii) \$750 for tax years  
16 ending on or after December 31, 2017. In no event shall a  
17 credit under this subsection reduce the taxpayer's liability  
18 under this Act to less than zero. Notwithstanding any other  
19 provision of law, for taxable years beginning on or after  
20 January 1, 2018, no taxpayer may claim a credit under this  
21 subsection (m) if the taxpayer's adjusted gross income for the  
22 taxable year exceeds (i) \$500,000, in the case of spouses  
23 filing a joint federal tax return or (ii) \$250,000, in the case  
24 of all other taxpayers. This subsection is exempt from the  
25 provisions of Section 250 of this Act.

26 For purposes of this subsection:

1 "Qualifying pupils" means individuals who (i) are  
2 residents of the State of Illinois, (ii) are under the age of  
3 21 at the close of the school year for which a credit is  
4 sought, and (iii) during the school year for which a credit is  
5 sought were full-time pupils enrolled in a kindergarten through  
6 twelfth grade education program at any school, as defined in  
7 this subsection.

8 "Qualified education expense" means the amount incurred on  
9 behalf of a qualifying pupil in excess of \$250 for tuition,  
10 book fees, and lab fees at the school in which the pupil is  
11 enrolled during the regular school year.

12 "School" means any public or nonpublic elementary or  
13 secondary school in Illinois that is in compliance with Title  
14 VI of the Civil Rights Act of 1964 and attendance at which  
15 satisfies the requirements of Section 26-1 of the School Code,  
16 except that nothing shall be construed to require a child to  
17 attend any particular public or nonpublic school to qualify for  
18 the credit under this Section.

19 "Custodian" means, with respect to qualifying pupils, an  
20 Illinois resident who is a parent, the parents, a legal  
21 guardian, or the legal guardians of the qualifying pupils.

22 (n) River Edge Redevelopment Zone site remediation tax  
23 credit.

24 (i) For tax years ending on or after December 31, 2006,  
25 a taxpayer shall be allowed a credit against the tax  
26 imposed by subsections (a) and (b) of this Section for



1 certain amounts paid for unreimbursed eligible remediation  
2 costs, as specified in this subsection. For purposes of  
3 this Section, "unreimbursed eligible remediation costs"  
4 means costs approved by the Illinois Environmental  
5 Protection Agency ("Agency") under Section 58.14a of the  
6 Environmental Protection Act that were paid in performing  
7 environmental remediation at a site within a River Edge  
8 Redevelopment Zone for which a No Further Remediation  
9 Letter was issued by the Agency and recorded under Section  
10 58.10 of the Environmental Protection Act. The credit must  
11 be claimed for the taxable year in which Agency approval of  
12 the eligible remediation costs is granted. The credit is  
13 not available to any taxpayer if the taxpayer or any  
14 related party caused or contributed to, in any material  
15 respect, a release of regulated substances on, in, or under  
16 the site that was identified and addressed by the remedial  
17 action pursuant to the Site Remediation Program of the  
18 Environmental Protection Act. Determinations as to credit  
19 availability for purposes of this Section shall be made  
20 consistent with rules adopted by the Pollution Control  
21 Board pursuant to the Illinois Administrative Procedure  
22 Act for the administration and enforcement of Section 58.9  
23 of the Environmental Protection Act. For purposes of this  
24 Section, "taxpayer" includes a person whose tax attributes  
25 the taxpayer has succeeded to under Section 381 of the  
26 Internal Revenue Code and "related party" includes the

1 persons disallowed a deduction for losses by paragraphs  
2 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
3 Code by virtue of being a related taxpayer, as well as any  
4 of its partners. The credit allowed against the tax imposed  
5 by subsections (a) and (b) shall be equal to 25% of the  
6 unreimbursed eligible remediation costs in excess of  
7 \$100,000 per site.

8 (ii) A credit allowed under this subsection that is  
9 unused in the year the credit is earned may be carried  
10 forward to each of the 5 taxable years following the year  
11 for which the credit is first earned until it is used. This  
12 credit shall be applied first to the earliest year for  
13 which there is a liability. If there is a credit under this  
14 subsection from more than one tax year that is available to  
15 offset a liability, the earliest credit arising under this  
16 subsection shall be applied first. A credit allowed under  
17 this subsection may be sold to a buyer as part of a sale of  
18 all or part of the remediation site for which the credit  
19 was granted. The purchaser of a remediation site and the  
20 tax credit shall succeed to the unused credit and remaining  
21 carry-forward period of the seller. To perfect the  
22 transfer, the assignor shall record the transfer in the  
23 chain of title for the site and provide written notice to  
24 the Director of the Illinois Department of Revenue of the  
25 assignor's intent to sell the remediation site and the  
26 amount of the tax credit to be transferred as a portion of

1 the sale. In no event may a credit be transferred to any  
2 taxpayer if the taxpayer or a related party would not be  
3 eligible under the provisions of subsection (i).

4 (iii) For purposes of this Section, the term "site"  
5 shall have the same meaning as under Section 58.2 of the  
6 Environmental Protection Act.

7 (o) For each of taxable years during the Compassionate Use  
8 of Medical Cannabis Pilot Program, a surcharge is imposed on  
9 all taxpayers on income arising from the sale or exchange of  
10 capital assets, depreciable business property, real property  
11 used in the trade or business, and Section 197 intangibles of  
12 an organization registrant under the Compassionate Use of  
13 Medical Cannabis Pilot Program Act. The amount of the surcharge  
14 is equal to the amount of federal income tax liability for the  
15 taxable year attributable to those sales and exchanges. The  
16 surcharge imposed does not apply if:

17 (1) the medical cannabis cultivation center  
18 registration, medical cannabis dispensary registration, or  
19 the property of a registration is transferred as a result  
20 of any of the following:

21 (A) bankruptcy, a receivership, or a debt  
22 adjustment initiated by or against the initial  
23 registration or the substantial owners of the initial  
24 registration;

25 (B) cancellation, revocation, or termination of  
26 any registration by the Illinois Department of Public

1 Health;

2 (C) a determination by the Illinois Department of  
3 Public Health that transfer of the registration is in  
4 the best interests of Illinois qualifying patients as  
5 defined by the Compassionate Use of Medical Cannabis  
6 Pilot Program Act;

7 (D) the death of an owner of the equity interest in  
8 a registrant;

9 (E) the acquisition of a controlling interest in  
10 the stock or substantially all of the assets of a  
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly  
13 owned subsidiary; or

14 (G) the transfer or sale to or by one person to  
15 another person where both persons were initial owners  
16 of the registration when the registration was issued;  
17 or

18 (2) the cannabis cultivation center registration,  
19 medical cannabis dispensary registration, or the  
20 controlling interest in a registrant's property is  
21 transferred in a transaction to lineal descendants in which  
22 no gain or loss is recognized or as a result of a  
23 transaction in accordance with Section 351 of the Internal  
24 Revenue Code in which no gain or loss is recognized.

25 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,  
26 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,

1 eff. 7-16-14; 10000SB0009sam006.)

2 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

3 Sec. 901. Collection authority.

4 (a) In general.

5 The Department shall collect the taxes imposed by this Act.  
6 The Department shall collect certified past due child support  
7 amounts under Section 2505-650 of the Department of Revenue Law  
8 (20 ILCS 2505/2505-650). Except as provided in subsections (c),  
9 (e), (f), (g), and (h) of this Section, money collected  
10 pursuant to subsections (a) and (b) of Section 201 of this Act  
11 shall be paid into the General Revenue Fund in the State  
12 treasury; money collected pursuant to subsections (c) and (d)  
13 of Section 201 of this Act shall be paid into the Personal  
14 Property Tax Replacement Fund, a special fund in the State  
15 Treasury; and money collected under Section 2505-650 of the  
16 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid  
17 into the Child Support Enforcement Trust Fund, a special fund  
18 outside the State Treasury, or to the State Disbursement Unit  
19 established under Section 10-26 of the Illinois Public Aid  
20 Code, as directed by the Department of Healthcare and Family  
21 Services.

22 (b) Local Government Distributive Fund.

23 Beginning August 1, 1969, and continuing through June 30,  
24 1994, the Treasurer shall transfer each month from the General  
25 Revenue Fund to a special fund in the State treasury, to be

1 known as the "Local Government Distributive Fund", an amount  
2 equal to 1/12 of the net revenue realized from the tax imposed  
3 by subsections (a) and (b) of Section 201 of this Act during  
4 the preceding month. Beginning July 1, 1994, and continuing  
5 through June 30, 1995, the Treasurer shall transfer each month  
6 from the General Revenue Fund to the Local Government  
7 Distributive Fund an amount equal to 1/11 of the net revenue  
8 realized from the tax imposed by subsections (a) and (b) of  
9 Section 201 of this Act during the preceding month. Beginning  
10 July 1, 1995 and continuing through January 31, 2011, the  
11 Treasurer shall transfer each month from the General Revenue  
12 Fund to the Local Government Distributive Fund an amount equal  
13 to the net of (i) 1/10 of the net revenue realized from the tax  
14 imposed by subsections (a) and (b) of Section 201 of the  
15 Illinois Income Tax Act during the preceding month (ii) minus,  
16 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,  
17 and beginning July 1, 2004, zero. Beginning February 1, 2011,  
18 and continuing through January 31, 2015, the Treasurer shall  
19 transfer each month from the General Revenue Fund to the Local  
20 Government Distributive Fund an amount equal to the sum of (i)  
21 6% (10% of the ratio of the 3% individual income tax rate prior  
22 to 2011 to the 5% individual income tax rate after 2010) of the  
23 net revenue realized from the tax imposed by subsections (a)  
24 and (b) of Section 201 of this Act upon individuals, trusts,  
25 and estates during the preceding month and (ii) 6.86% (10% of  
26 the ratio of the 4.8% corporate income tax rate prior to 2011

1 to the 7% corporate income tax rate after 2010) of the net  
2 revenue realized from the tax imposed by subsections (a) and  
3 (b) of Section 201 of this Act upon corporations during the  
4 preceding month. Beginning February 1, 2015 and continuing  
5 through January 31, 2017, the Treasurer shall transfer each  
6 month from the General Revenue Fund to the Local Government  
7 Distributive Fund an amount equal to the sum of (i) 8% (10% of  
8 the ratio of the 3% individual income tax rate prior to 2011 to  
9 the 3.75% individual income tax rate after 2014) of the net  
10 revenue realized from the tax imposed by subsections (a) and  
11 (b) of Section 201 of this Act upon individuals, trusts, and  
12 estates during the preceding month and (ii) 9.14% (10% of the  
13 ratio of the 4.8% corporate income tax rate prior to 2011 to  
14 the 5.25% corporate income tax rate after 2014) of the net  
15 revenue realized from the tax imposed by subsections (a) and  
16 (b) of Section 201 of this Act upon corporations during the  
17 preceding month. Beginning February 1, 2017, the Treasurer  
18 shall transfer each month from the General Revenue Fund to the  
19 Local Government Distributive Fund an amount equal to the sum  
20 of (i) 5.76% ~~6.06%~~ (10% of the ratio of the 3% individual  
21 income tax rate prior to 2011 to the 5.25% ~~4.95%~~ individual  
22 income tax rate beginning in 2017) of the net revenue realized  
23 from the tax imposed by subsections (a) and (b) of Section 201  
24 of this Act upon individuals, trusts, and estates during the  
25 preceding month until the earlier of the repayment of the bonds  
26 authorized in Senate Bill 4 of the 100th General Assembly or

1 December 31, 2023, (i-5) thereafter 6.06% (10% of the ratio of  
2 the 3% individual income tax rate prior to the 4.95% individual  
3 income tax rate) of the net revenue realized from the tax  
4 imposed by subsections (a) and (b) of Section 201 of this Act  
5 upon individuals, trusts, and estates during the preceding  
6 month, and (ii) 6.86% (10% of the ratio of the 4.8% corporate  
7 income tax rate prior to 2011 to the 7% corporate income tax  
8 rate beginning in 2017) of the net revenue realized from the  
9 tax imposed by subsections (a) and (b) of Section 201 of this  
10 Act upon corporations during the preceding month. Net revenue  
11 realized for a month shall be defined as the revenue from the  
12 tax imposed by subsections (a) and (b) of Section 201 of this  
13 Act which is deposited in the General Revenue Fund, the  
14 Education Assistance Fund, the Income Tax Surcharge Local  
15 Government Distributive Fund, the Fund for the Advancement of  
16 Education, and the Commitment to Human Services Fund during the  
17 month minus the amount paid out of the General Revenue Fund in  
18 State warrants during that same month as refunds to taxpayers  
19 for overpayment of liability under the tax imposed by  
20 subsections (a) and (b) of Section 201 of this Act.

21 Beginning on August 26, 2014 (the effective date of Public  
22 Act 98-1052), the Comptroller shall perform the transfers  
23 required by this subsection (b) no later than 60 days after he  
24 or she receives the certification from the Treasurer as  
25 provided in Section 1 of the State Revenue Sharing Act.

26 (c) Deposits Into Income Tax Refund Fund.



1           (1) Beginning on January 1, 1989 and thereafter, the  
2 Department shall deposit a percentage of the amounts  
3 collected pursuant to subsections (a) and (b) (1), (2), and  
4 (3), of Section 201 of this Act into a fund in the State  
5 treasury known as the Income Tax Refund Fund. The  
6 Department shall deposit 6% of such amounts during the  
7 period beginning January 1, 1989 and ending on June 30,  
8 1989. Beginning with State fiscal year 1990 and for each  
9 fiscal year thereafter, the percentage deposited into the  
10 Income Tax Refund Fund during a fiscal year shall be the  
11 Annual Percentage. For fiscal years 1999 through 2001, the  
12 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
13 Annual Percentage shall be 8%. For fiscal year 2004, the  
14 Annual Percentage shall be 11.7%. Upon the effective date  
15 of this amendatory Act of the 93rd General Assembly, the  
16 Annual Percentage shall be 10% for fiscal year 2005. For  
17 fiscal year 2006, the Annual Percentage shall be 9.75%. For  
18 fiscal year 2007, the Annual Percentage shall be 9.75%. For  
19 fiscal year 2008, the Annual Percentage shall be 7.75%. For  
20 fiscal year 2009, the Annual Percentage shall be 9.75%. For  
21 fiscal year 2010, the Annual Percentage shall be 9.75%. For  
22 fiscal year 2011, the Annual Percentage shall be 8.75%. For  
23 fiscal year 2012, the Annual Percentage shall be 8.75%. For  
24 fiscal year 2013, the Annual Percentage shall be 9.75%. For  
25 fiscal year 2014, the Annual Percentage shall be 9.5%. For  
26 fiscal year 2015, the Annual Percentage shall be 10%. For

1 all other fiscal years, the Annual Percentage shall be  
2 calculated as a fraction, the numerator of which shall be  
3 the amount of refunds approved for payment by the  
4 Department during the preceding fiscal year as a result of  
5 overpayment of tax liability under subsections (a) and  
6 (b) (1), (2), and (3) of Section 201 of this Act plus the  
7 amount of such refunds remaining approved but unpaid at the  
8 end of the preceding fiscal year, minus the amounts  
9 transferred into the Income Tax Refund Fund from the  
10 Tobacco Settlement Recovery Fund, and the denominator of  
11 which shall be the amounts which will be collected pursuant  
12 to subsections (a) and (b) (1), (2), and (3) of Section 201  
13 of this Act during the preceding fiscal year; except that  
14 in State fiscal year 2002, the Annual Percentage shall in  
15 no event exceed 7.6%. The Director of Revenue shall certify  
16 the Annual Percentage to the Comptroller on the last  
17 business day of the fiscal year immediately preceding the  
18 fiscal year for which it is to be effective.

19 (2) Beginning on January 1, 1989 and thereafter, the  
20 Department shall deposit a percentage of the amounts  
21 collected pursuant to subsections (a) and (b) (6), (7), and  
22 (8), (c) and (d) of Section 201 of this Act into a fund in  
23 the State treasury known as the Income Tax Refund Fund. The  
24 Department shall deposit 18% of such amounts during the  
25 period beginning January 1, 1989 and ending on June 30,  
26 1989. Beginning with State fiscal year 1990 and for each

1 fiscal year thereafter, the percentage deposited into the  
2 Income Tax Refund Fund during a fiscal year shall be the  
3 Annual Percentage. For fiscal years 1999, 2000, and 2001,  
4 the Annual Percentage shall be 19%. For fiscal year 2003,  
5 the Annual Percentage shall be 27%. For fiscal year 2004,  
6 the Annual Percentage shall be 32%. Upon the effective date  
7 of this amendatory Act of the 93rd General Assembly, the  
8 Annual Percentage shall be 24% for fiscal year 2005. For  
9 fiscal year 2006, the Annual Percentage shall be 20%. For  
10 fiscal year 2007, the Annual Percentage shall be 17.5%. For  
11 fiscal year 2008, the Annual Percentage shall be 15.5%. For  
12 fiscal year 2009, the Annual Percentage shall be 17.5%. For  
13 fiscal year 2010, the Annual Percentage shall be 17.5%. For  
14 fiscal year 2011, the Annual Percentage shall be 17.5%. For  
15 fiscal year 2012, the Annual Percentage shall be 17.5%. For  
16 fiscal year 2013, the Annual Percentage shall be 14%. For  
17 fiscal year 2014, the Annual Percentage shall be 13.4%. For  
18 fiscal year 2015, the Annual Percentage shall be 14%. For  
19 all other fiscal years, the Annual Percentage shall be  
20 calculated as a fraction, the numerator of which shall be  
21 the amount of refunds approved for payment by the  
22 Department during the preceding fiscal year as a result of  
23 overpayment of tax liability under subsections (a) and  
24 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
25 Act plus the amount of such refunds remaining approved but  
26 unpaid at the end of the preceding fiscal year, and the

1 denominator of which shall be the amounts which will be  
2 collected pursuant to subsections (a) and (b) (6), (7), and  
3 (8), (c) and (d) of Section 201 of this Act during the  
4 preceding fiscal year; except that in State fiscal year  
5 2002, the Annual Percentage shall in no event exceed 23%.  
6 The Director of Revenue shall certify the Annual Percentage  
7 to the Comptroller on the last business day of the fiscal  
8 year immediately preceding the fiscal year for which it is  
9 to be effective.

10 (3) The Comptroller shall order transferred and the  
11 Treasurer shall transfer from the Tobacco Settlement  
12 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000  
13 in January, 2001, (ii) \$35,000,000 in January, 2002, and  
14 (iii) \$35,000,000 in January, 2003.

15 (d) Expenditures from Income Tax Refund Fund.

16 (1) Beginning January 1, 1989, money in the Income Tax  
17 Refund Fund shall be expended exclusively for the purpose  
18 of paying refunds resulting from overpayment of tax  
19 liability under Section 201 of this Act, for paying rebates  
20 under Section 208.1 in the event that the amounts in the  
21 Homeowners' Tax Relief Fund are insufficient for that  
22 purpose, and for making transfers pursuant to this  
23 subsection (d).

24 (2) The Director shall order payment of refunds  
25 resulting from overpayment of tax liability under Section  
26 201 of this Act from the Income Tax Refund Fund only to the

1 extent that amounts collected pursuant to Section 201 of  
2 this Act and transfers pursuant to this subsection (d) and  
3 item (3) of subsection (c) have been deposited and retained  
4 in the Fund.

5 (3) As soon as possible after the end of each fiscal  
6 year, the Director shall order transferred and the State  
7 Treasurer and State Comptroller shall transfer from the  
8 Income Tax Refund Fund to the Personal Property Tax  
9 Replacement Fund an amount, certified by the Director to  
10 the Comptroller, equal to the excess of the amount  
11 collected pursuant to subsections (c) and (d) of Section  
12 201 of this Act deposited into the Income Tax Refund Fund  
13 during the fiscal year over the amount of refunds resulting  
14 from overpayment of tax liability under subsections (c) and  
15 (d) of Section 201 of this Act paid from the Income Tax  
16 Refund Fund during the fiscal year.

17 (4) As soon as possible after the end of each fiscal  
18 year, the Director shall order transferred and the State  
19 Treasurer and State Comptroller shall transfer from the  
20 Personal Property Tax Replacement Fund to the Income Tax  
21 Refund Fund an amount, certified by the Director to the  
22 Comptroller, equal to the excess of the amount of refunds  
23 resulting from overpayment of tax liability under  
24 subsections (c) and (d) of Section 201 of this Act paid  
25 from the Income Tax Refund Fund during the fiscal year over  
26 the amount collected pursuant to subsections (c) and (d) of

1 Section 201 of this Act deposited into the Income Tax  
2 Refund Fund during the fiscal year.

3 (4.5) As soon as possible after the end of fiscal year  
4 1999 and of each fiscal year thereafter, the Director shall  
5 order transferred and the State Treasurer and State  
6 Comptroller shall transfer from the Income Tax Refund Fund  
7 to the General Revenue Fund any surplus remaining in the  
8 Income Tax Refund Fund as of the end of such fiscal year;  
9 excluding for fiscal years 2000, 2001, and 2002 amounts  
10 attributable to transfers under item (3) of subsection (c)  
11 less refunds resulting from the earned income tax credit.

12 (5) This Act shall constitute an irrevocable and  
13 continuing appropriation from the Income Tax Refund Fund  
14 for the purpose of paying refunds upon the order of the  
15 Director in accordance with the provisions of this Section.

16 (e) Deposits into the Education Assistance Fund and the  
17 Income Tax Surcharge Local Government Distributive Fund.

18 On July 1, 1991, and thereafter, of the amounts collected  
19 pursuant to subsections (a) and (b) of Section 201 of this Act,  
20 minus deposits into the Income Tax Refund Fund, the Department  
21 shall deposit 7.3% into the Education Assistance Fund in the  
22 State Treasury. Beginning July 1, 1991, and continuing through  
23 January 31, 1993, of the amounts collected pursuant to  
24 subsections (a) and (b) of Section 201 of the Illinois Income  
25 Tax Act, minus deposits into the Income Tax Refund Fund, the  
26 Department shall deposit 3.0% into the Income Tax Surcharge

1 Local Government Distributive Fund in the State Treasury.  
2 Beginning February 1, 1993 and continuing through June 30,  
3 1993, of the amounts collected pursuant to subsections (a) and  
4 (b) of Section 201 of the Illinois Income Tax Act, minus  
5 deposits into the Income Tax Refund Fund, the Department shall  
6 deposit 4.4% into the Income Tax Surcharge Local Government  
7 Distributive Fund in the State Treasury. Beginning July 1,  
8 1993, and continuing through June 30, 1994, of the amounts  
9 collected under subsections (a) and (b) of Section 201 of this  
10 Act, minus deposits into the Income Tax Refund Fund, the  
11 Department shall deposit 1.475% into the Income Tax Surcharge  
12 Local Government Distributive Fund in the State Treasury.

13 (f) Deposits into the Fund for the Advancement of  
14 Education. Beginning February 1, 2015, the Department shall  
15 deposit the following portions of the revenue realized from the  
16 tax imposed upon individuals, trusts, and estates by  
17 subsections (a) and (b) of Section 201 of this Act during the  
18 preceding month, minus deposits into the Income Tax Refund  
19 Fund, into the Fund for the Advancement of Education:

20 (1) beginning February 1, 2015, and prior to February  
21 1, 2025, 1/30; and

22 (2) beginning February 1, 2025, 1/26.

23 If the rate of tax imposed by subsection (a) and (b) of  
24 Section 201 is reduced pursuant to Section 201.5 of this Act,  
25 the Department shall not make the deposits required by this  
26 subsection (f) on or after the effective date of the reduction.

1 (g) Deposits into the Commitment to Human Services Fund.  
2 Beginning February 1, 2015, the Department shall deposit the  
3 following portions of the revenue realized from the tax imposed  
4 upon individuals, trusts, and estates by subsections (a) and  
5 (b) of Section 201 of this Act during the preceding month,  
6 minus deposits into the Income Tax Refund Fund, into the  
7 Commitment to Human Services Fund:

8 (1) beginning February 1, 2015, and prior to February  
9 1, 2025, 1/30; and

10 (2) beginning February 1, 2025, 1/26.

11 If the rate of tax imposed by subsection (a) and (b) of  
12 Section 201 is reduced pursuant to Section 201.5 of this Act,  
13 the Department shall not make the deposits required by this  
14 subsection (g) on or after the effective date of the reduction.

15 (h) Deposits into the Tax Compliance and Administration  
16 Fund. Beginning on the first day of the first calendar month to  
17 occur on or after August 26, 2014 (the effective date of Public  
18 Act 98-1098), each month the Department shall pay into the Tax  
19 Compliance and Administration Fund, to be used, subject to  
20 appropriation, to fund additional auditors and compliance  
21 personnel at the Department, an amount equal to 1/12 of 5% of  
22 the cash receipts collected during the preceding fiscal year by  
23 the Audit Bureau of the Department from the tax imposed by  
24 subsections (a), (b), (c), and (d) of Section 201 of this Act,  
25 net of deposits into the Income Tax Refund Fund made from those  
26 cash receipts.



1 (Source: P.A. 98-24, eff. 6-19-13; 98-674, eff. 6-30-14;  
2 98-1052, eff. 8-26-14; 98-1098, eff. 8-26-14; 99-78, eff.  
3 7-20-15; 10000SB0009sam006.)

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law or upon the effective date of Senate Bill 9,  
6 whichever is later, but this Act does not take effect at all  
7 unless Senate Bill 4 of the 100th General Assembly becomes  
8 law.".