

1 AN ACT in relation to taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 ARTICLE 1

5 Section 1-1. Earned income tax credit; continuation;
6 validation.

7 (a) The General Assembly finds and declares:

8 (1) Section 212 of the Illinois Income Tax Act
9 provided for its repeal on June 1, 2003.

10 (2) Senate Bill 4 of the 93rd General Assembly,
11 among other things, deleted the language of Section 212
12 repealing that Section on June 1, 2003. Senate Bill 4
13 passed both houses of the General Assembly on May 31,
14 2003. Senate Bill 4 was approved by the Governor on
15 August 18, 2003 and took effect on that date as Public
16 Act 93-534. It was the intention of the General Assembly
17 in passing Senate Bill 4 that Section 212 of the Illinois
18 Income Tax Act not be repealed.

19 (3) The Statute on Statutes sets forth general
20 rules on the repeal of statutes, but Section 1 of that
21 Act also states that these rules will not be observed
22 when the result would be "inconsistent with the manifest
23 intent of the General Assembly or repugnant to the
24 context of the statute".

25 (4) The actions of the General Assembly clearly
26 manifest the intention of the General Assembly not to
27 repeal Section 212 of the Illinois Income Tax Act. Any
28 construction of Public Act 93-534 that results in the
29 repeal of Section 212 of the Illinois Income Tax Act on
30 June 1, 2003 would be inconsistent with the manifest
31 intent of the General Assembly.

1 (b) It is hereby declared to have been the intent of the
2 General Assembly, in enacting Public Act 93-534, that Section
3 212 of the Illinois Income Tax Act be changed to, among other
4 things, eliminate its repeal and that it not be subject to
5 repeal on June 1, 2003.

6 (c) Section 212 of the Illinois Income Tax Act is deemed
7 to have been in continuous effect since its original
8 effective date, and it shall continue to be in effect until
9 it is otherwise repealed.

10 (d) All otherwise lawful actions taken in reliance on or
11 pursuant to Section 212 of the Illinois Income Tax Act before
12 the effective date of this amendatory Act of the 93rd General
13 Assembly by any officer or agency of State government or any
14 other person or entity are validated.

15 (e) To ensure the continuing effectiveness of Section
16 212 of the Illinois Income Tax Act, it is set forth in full
17 and re-enacted by this Act. This re-enactment is intended as
18 a continuation of Section 212 of the Illinois Income Tax Act.

19 (f) This Article applies to all claims, actions,
20 proceedings, and returns pending on or filed on, before, or
21 after the effective date of this Act.

22 Section 1-5. The Illinois Income Tax Act is amended by
23 re-enacting Section 212 as follows:

24 (35 ILCS 5/212)

25 Sec. 212. Earned income tax credit.

26 (a) With respect to the federal earned income tax credit
27 allowed for the taxable year under Section 32 of the federal
28 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
29 is entitled to a credit against the tax imposed by
30 subsections (a) and (b) of Section 201 in an amount equal to
31 5% of the federal tax credit for each taxable year beginning
32 on or after January 1, 2000.

1 For a non-resident or part-year resident, the amount of
2 the credit under this Section shall be in proportion to the
3 amount of income attributable to this State.

4 (b) For taxable years beginning before January 1, 2003,
5 in no event shall a credit under this Section reduce the
6 taxpayer's liability to less than zero. For each taxable
7 year beginning on or after January 1, 2003, if the amount of
8 the credit exceeds the income tax liability for the
9 applicable tax year, then the excess credit shall be refunded
10 to the taxpayer. The amount of a refund shall not be
11 included in the taxpayer's income or resources for the
12 purposes of determining eligibility or benefit level in any
13 means-tested benefit program administered by a governmental
14 entity unless required by federal law.

15 (b-5) Refunds authorized by subsection (b) are subject
16 to the availability of funds from the federal Temporary
17 Assistance for Needy Families Block Grant and the State's
18 ability to meet its required Maintenance of Effort.

19 (c) This Section is exempt from the provisions of
20 Section 250.

21 (Source: P.A. 93-534, eff. 8-18-03.)

22 ARTICLE 2

23 Section 2-1. The State Finance Act is amended by adding
24 Section 8.27a as follows:

25 (30 ILCS 105/8.27a new)

26 Sec. 8.27a. TANF funds; earned income tax credit. Funds
27 from the federal Temporary Assistance for Needy Families
28 block grant under Title IV-A of the federal Social Security
29 Act designated by the Illinois Department of Human Services
30 as reimbursement for expenditures made by the Illinois
31 Department of Revenue for the refundable portion of the

1 earned income tax credit shall be deposited into the Income
2 Tax Refund Fund. Such deposits shall be made as needed on
3 approximately the fifteenth calendar day of each month.

4 ARTICLE 99

5 Section 99-99. Effective date. This Act takes effect
6 upon becoming law.