

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 214 as follows:

6 (35 ILCS 5/214)

7 Sec. 214. Tax credit for affordable housing donations.

8 (a) Beginning with taxable years ending on or after
9 December 31, 2001 and until the taxable year ending on December
10 31, 2011 ~~December 31, 2006~~, a taxpayer who makes a donation
11 under Section 7.28 of the Illinois Housing Development Act is
12 entitled to a credit against the tax imposed by subsections (a)
13 and (b) of Section 201 in an amount equal to 50% of the value of
14 the donation. Partners, shareholders of subchapter S
15 corporations, and owners of limited liability companies (if the
16 limited liability company is treated as a partnership for
17 purposes of federal and State income taxation) are entitled a
18 credit under this Section to be determined in accordance with
19 the determination of income and distributive share of income
20 under Sections 702 and 703 and subchapter S of the Internal
21 Revenue Code. Persons or entities not subject to the tax
22 imposed by subsections (a) and (b) of Section 201 and who make
23 a donation under Section 7.28 of the Illinois Housing
24 Development Act are entitled to a credit as described in this
25 subsection and may transfer that credit as described in
26 subsection (c).

27 (b) If the amount of the credit exceeds the tax liability
28 for the year, the excess may be carried forward and applied to
29 the tax liability of the 5 taxable years following the excess
30 credit year. The tax credit shall be applied to the earliest
31 year for which there is a tax liability. If there are credits
32 for more than one year that are available to offset a

1 liability, the earlier credit shall be applied first.

2 (c) The transfer of the tax credit allowed under this
3 Section may be made (i) to the purchaser of land that has been
4 designated solely for affordable housing projects in
5 accordance with the Illinois Housing Development Act or (ii) to
6 another donor who has also made a donation in accordance with
7 Section 7.28 of the Illinois Housing Development Act.

8 (d) A taxpayer claiming the credit provided by this Section
9 must maintain and record any information that the Department
10 may require by regulation regarding the project for which the
11 credit is claimed. When claiming the credit provided by this
12 Section, the taxpayer must provide information regarding the
13 taxpayer's donation to the project under the Illinois Housing
14 Development Act.

15 (Source: P.A. 92-491, eff. 8-23-01; 93-369, eff. 7-24-03.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.