



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1402

Introduced 2/21/2007, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new
815 ILCS 365/5 new

Amends the Motor Fuel Sales Act. Requires that, no later than December 31, 2012, there must be installed, at each gasoline station or service station, one or more new E85 ethanol fuel dispensing pumps. Amends the Illinois Income Tax Act. Creates a tax credit, for taxable years ending on or after December 31, 2007 and on or before December 30, 2017, for taxpayers who install a new E85 ethanol fuel dispensing pump at a gasoline station or service station in Illinois during the taxable year in the amount equal to the cost of that installation. Provides that the credit: (i) may not exceed \$80,000 per pump; (ii) may not be claimed in any one taxable year in an amount exceeding \$20,000 per pump, but any excess amount may be carried forward; and (iii) may not be claimed with respect to the installation of more than one E85 ethanol fuel dispensing pump at any one station. Provides that the credit may be carried forward for 4 years. Effective immediately.

LRB095 07005 BDD 27124 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning motor fuel.

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 adding
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Tax credit for installing E85 ethanol fuel
8 dispensing pumps.

9 (a) For taxable years ending on or after December 31, 2007
10 and on or before December 30, 2017, each taxpayer who installs
11 a new E85 ethanol fuel dispensing pump at his or her gasoline
12 station or service station in Illinois during the taxable year
13 is entitled to a credit against the tax imposed by subsections
14 (a) and (b) of Section 201 in the amount equal to the cost of
15 that installation, but not to exceed \$80,000 per pump and
16 subject to the limitations set forth under subsection (b).

17 (b) The credit under this Section:

18 (1) may not be claimed in any one taxable year in an
19 amount exceeding \$20,000 per pump, but any amount exceeding
20 \$20,000 per pump may be carried forward under subsection
21 (d); and

22 (2) at any one gasoline station or service station, may
23 not be claimed with respect to the installation of more

1 than one E85 ethanol fuel dispensing pump.

2 (c) For purposes of this Section "E85 ethanol fuel
3 dispensing pump" means a fuel dispensing pump that dispenses
4 E85 blend fuel which consists of at least 85% ethanol and no
5 more than 15% gasoline.

6 (d) For partners, shareholders of Subchapter S
7 corporations, and owners of limited liability companies, if the
8 liability company is treated as a partnership for purposes of
9 federal and State income taxation, there is allowed a credit
10 under this Section to be determined in accordance with the
11 determination of income and distributive share of income under
12 Sections 702 and 704 and Subchapter S of the Internal Revenue
13 Code.

14 (e) The credit may not be carried back. If the amount of
15 the credit in any taxable year exceeds the lesser of (i)
16 \$20,000 or (ii) the tax liability for the year, then the excess
17 may be carried forward and applied to the tax liability of the
18 4 taxable years following the excess credit year. The tax
19 credit must be applied to the earliest year for which there is
20 a tax liability. If there are credits for more than one year
21 that are available to offset a liability, the earlier credit
22 must be applied first.

23 Section 10. The Motor Fuel Sales Act is amended by adding
24 Section 5 as follows:

1 (815 ILCS 365/5 new)

2 Sec. 5. E85 pump required. No later than December 31, 2012,
3 there must be installed, at each gasoline station or service
4 station to which this Act applies, one or more new E85 ethanol
5 fuel dispensing pumps. For purposes of this Section "E85
6 ethanol fuel dispensing pump" means a fuel dispensing pump that
7 dispenses E85 blend fuel, which consists of at least 85%
8 ethanol and no more than 15% gasoline.

9 Section 99. Effective date. This Act takes effect January
10 1, 2008.