

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, 2016 ~~2011~~, a taxpayer who makes a donation under Section
11 7.28 of the Illinois Housing Development Act is entitled to a
12 credit against the tax imposed by subsections (a) and (b) of
13 Section 201 in an amount equal to 50% of the value of the
14 donation. Partners, shareholders of subchapter S corporations,
15 and owners of limited liability companies (if the limited
16 liability company is treated as a partnership for purposes of
17 federal and State income taxation) are entitled a credit under
18 this Section to be determined in accordance with the
19 determination of income and distributive share of income under
20 Sections 702 and 703 and subchapter S of the Internal Revenue
21 Code. Persons or entities not subject to the tax imposed by
22 subsections (a) and (b) of Section 201 and who make a donation
23 under Section 7.28 of the Illinois Housing Development Act are

1 entitled to a credit as described in this subsection and may
2 transfer that credit as described in subsection (c).

3 (b) If the amount of the credit exceeds the tax liability
4 for the year, the excess may be carried forward and applied to
5 the tax liability of the 5 taxable years following the excess
6 credit year. The tax credit shall be applied to the earliest
7 year for which there is a tax liability. If there are credits
8 for more than one year that are available to offset a
9 liability, the earlier credit shall be applied first.

10 (c) The transfer of the tax credit allowed under this
11 Section may be made (i) to the purchaser of land that has been
12 designated solely for affordable housing projects in
13 accordance with the Illinois Housing Development Act or (ii) to
14 another donor who has also made a donation in accordance with
15 Section 7.28 of the Illinois Housing Development Act.

16 (d) A taxpayer claiming the credit provided by this Section
17 must maintain and record any information that the Department
18 may require by regulation regarding the project for which the
19 credit is claimed. When claiming the credit provided by this
20 Section, the taxpayer must provide information regarding the
21 taxpayer's donation to the project under the Illinois Housing
22 Development Act.

23 (Source: P.A. 93-369, eff. 7-24-03; 94-46, eff. 6-17-05.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.