

1 AN ACT concerning State government.

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. Short title. This Act may be cited as the
6 Emergency Budget Implementation Act of Fiscal Year 2010.

7 Section 1-5. Legislative intent. The General Assembly
8 hereby finds and declares that the State is confronted with an
9 unprecedented fiscal crisis. This Act is to be liberally
10 construed and interpreted in a manner that allows the State to
11 address the fiscal crisis for the fiscal year ending June 30,
12 2010.

13 Section 1-10. Designation of contingency reserves. The
14 Governor may designate amounts to be set aside as a contingency
15 reserve up to \$1,100,000,000 from the amounts appropriated from
16 the General Revenue Fund for State fiscal year 2010 to the
17 executive branch of State government, including agencies,
18 authorities, boards, commissions, and departments, except
19 public universities, the community college system, the
20 Illinois Student Assistance Commission, the Board of Higher
21 Education, and the State Board of Education and all agencies,

1 authorities, boards, commissions, and departments under the
2 jurisdiction of the Attorney General, Secretary of State,
3 Comptroller, or Treasurer.

4 Section 1-15. Transfers, obligations, encumbrances,
5 expenditures, or other commitments. The amounts placed in
6 contingency reserve shall not be transferred, obligated,
7 encumbered, expended, or otherwise committed during fiscal
8 year 2010 unless the State, by an Act of the 96th General
9 Assembly, generates incremental revenues sufficient to support
10 such transfers, obligations, encumbrances, expenditures, or
11 other commitments.

12 Section 1-20. Authority to make reductions.
13 Notwithstanding any other Act to the contrary, each State
14 agency that is subject to contingency reserves under Section
15 1-10 is authorized to promulgate emergency rules pursuant to
16 subsection (n) of Section 5-45 of the Illinois Administrative
17 Procedure Act to limit, reduce, or adjust services, payment
18 rates, expenditures, transfers of funds, and eligibility
19 criteria as necessary to implement the fiscal year 2010 budget
20 and any contingency reserves designated by the Governor, to the
21 extent permitted by federal law. Any such adjustment,
22 reduction, or limitation shall expire on July 1, 2010. Nothing
23 in this Section shall require rulemaking if the limitation,
24 reduction, or adjustment would otherwise be within the

1 authority of the agency without rulemaking.

2 Section 1-25. Delegation of appropriations.

3 (a) Notwithstanding any other Act to the contrary, if and
4 only if Senate Bill 1216 of the 96th General Assembly becomes
5 law, then the Office of the Governor is authorized to delegate,
6 through written notice to the Comptroller, all or a portion of
7 the appropriations included in Sections 5 and 10 of Article 77
8 of Senate Bill 1216 to any State agency, board, or commission.
9 All amounts so delegated are limited to the purposes for which
10 those moneys were appropriated in those Sections and shall be
11 expended in accordance with all relevant laws, administrative
12 rules, and audit standards and obligations that would apply had
13 the amounts been appropriated directly to the agency, board, or
14 commission for that purpose.

15 (b) This Section is repealed on June 30, 2010.

16 ARTICLE 3.

17 Section 3-1. Short title. This Article may be cited as the
18 Public Accountability and Performance System Act.

19 Section 3-5. Findings. The legislature finds that State
20 agencies must continuously improve accountability and
21 performance reporting concerning public programs. State
22 agencies must improve their management of public programs in

1 order to provide citizens with the most efficient and effective
2 programs.

3 Section 3-10. Definitions. In this Article:

4 "State agency" has the same meaning as defined in Section
5 1-7 of the Illinois State Auditing Act.

6 "Quality management, accountability, and performance
7 system" means a nationally recognized integrated,
8 interdisciplinary system of measures, tools, and reports used
9 to improve the performance of a work unit or organization.

10 Section 3-15. Performance system; requirements.

11 (a) State agencies may develop and implement a quality
12 management, accountability, and performance system to improve
13 the public services they provide. A quality management,
14 accountability, and performance system shall:

15 (1) Use strategic business planning to establish
16 goals, objectives, and activities consistent with the
17 priorities of government.

18 (2) Engage stakeholders and customers in establishing
19 service requirements and improving service delivery
20 systems.

21 (3) Include clear and relevant measures for each
22 activity performed by the agency.

23 (4) Include performance goals for employees.

24 (5) Provide clear standards to evaluate the

1 effectiveness of agency programs and activities.

2 (6) Allocate resources based on strategies to improve
3 performance.

4 (b) A participating State agency shall conduct a yearly
5 assessment of its quality management, accountability, and
6 performance system.

7 (c) If the chief executive officer or any member of the
8 governing board or authority of a participating State agency is
9 appointed by the Governor, then the participating State agency
10 shall report to the Governor on agency performance at least
11 quarterly. The reports shall be posted on the website of the
12 agency and the Governor.

13 Section 3-20. Independent assessment. A participating
14 State agency may apply to a qualified organization for an
15 independent assessment of its quality management,
16 accountability, and performance system.

17 ARTICLE 5. AMENDATORY PROVISIONS

18 Section 5-5. The Illinois Administrative Procedure Act is
19 amended by changing Section 5-45 as follows:

20 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

21 Sec. 5-45. Emergency rulemaking.

22 (a) "Emergency" means the existence of any situation that

1 any agency finds reasonably constitutes a threat to the public
2 interest, safety, or welfare.

3 (b) If any agency finds that an emergency exists that
4 requires adoption of a rule upon fewer days than is required by
5 Section 5-40 and states in writing its reasons for that
6 finding, the agency may adopt an emergency rule without prior
7 notice or hearing upon filing a notice of emergency rulemaking
8 with the Secretary of State under Section 5-70. The notice
9 shall include the text of the emergency rule and shall be
10 published in the Illinois Register. Consent orders or other
11 court orders adopting settlements negotiated by an agency may
12 be adopted under this Section. Subject to applicable
13 constitutional or statutory provisions, an emergency rule
14 becomes effective immediately upon filing under Section 5-65 or
15 at a stated date less than 10 days thereafter. The agency's
16 finding and a statement of the specific reasons for the finding
17 shall be filed with the rule. The agency shall take reasonable
18 and appropriate measures to make emergency rules known to the
19 persons who may be affected by them.

20 (c) An emergency rule may be effective for a period of not
21 longer than 150 days, but the agency's authority to adopt an
22 identical rule under Section 5-40 is not precluded. No
23 emergency rule may be adopted more than once in any 24 month
24 period, except that this limitation on the number of emergency
25 rules that may be adopted in a 24 month period does not apply
26 to (i) emergency rules that make additions to and deletions

1 from the Drug Manual under Section 5-5.16 of the Illinois
2 Public Aid Code or the generic drug formulary under Section
3 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
4 emergency rules adopted by the Pollution Control Board before
5 July 1, 1997 to implement portions of the Livestock Management
6 Facilities Act, ~~or~~ (iii) emergency rules adopted by the
7 Illinois Department of Public Health under subsections (a)
8 through (i) of Section 2 of the Department of Public Health Act
9 when necessary to protect the public's health, or (iv)
10 emergency rules adopted pursuant to subsection (n) of this
11 Section. Two or more emergency rules having substantially the
12 same purpose and effect shall be deemed to be a single rule for
13 purposes of this Section.

14 (d) In order to provide for the expeditious and timely
15 implementation of the State's fiscal year 1999 budget,
16 emergency rules to implement any provision of Public Act 90-587
17 or 90-588 or any other budget initiative for fiscal year 1999
18 may be adopted in accordance with this Section by the agency
19 charged with administering that provision or initiative,
20 except that the 24-month limitation on the adoption of
21 emergency rules and the provisions of Sections 5-115 and 5-125
22 do not apply to rules adopted under this subsection (d). The
23 adoption of emergency rules authorized by this subsection (d)
24 shall be deemed to be necessary for the public interest,
25 safety, and welfare.

26 (e) In order to provide for the expeditious and timely

1 implementation of the State's fiscal year 2000 budget,
2 emergency rules to implement any provision of this amendatory
3 Act of the 91st General Assembly or any other budget initiative
4 for fiscal year 2000 may be adopted in accordance with this
5 Section by the agency charged with administering that provision
6 or initiative, except that the 24-month limitation on the
7 adoption of emergency rules and the provisions of Sections
8 5-115 and 5-125 do not apply to rules adopted under this
9 subsection (e). The adoption of emergency rules authorized by
10 this subsection (e) shall be deemed to be necessary for the
11 public interest, safety, and welfare.

12 (f) In order to provide for the expeditious and timely
13 implementation of the State's fiscal year 2001 budget,
14 emergency rules to implement any provision of this amendatory
15 Act of the 91st General Assembly or any other budget initiative
16 for fiscal year 2001 may be adopted in accordance with this
17 Section by the agency charged with administering that provision
18 or initiative, except that the 24-month limitation on the
19 adoption of emergency rules and the provisions of Sections
20 5-115 and 5-125 do not apply to rules adopted under this
21 subsection (f). The adoption of emergency rules authorized by
22 this subsection (f) shall be deemed to be necessary for the
23 public interest, safety, and welfare.

24 (g) In order to provide for the expeditious and timely
25 implementation of the State's fiscal year 2002 budget,
26 emergency rules to implement any provision of this amendatory

1 Act of the 92nd General Assembly or any other budget initiative
2 for fiscal year 2002 may be adopted in accordance with this
3 Section by the agency charged with administering that provision
4 or initiative, except that the 24-month limitation on the
5 adoption of emergency rules and the provisions of Sections
6 5-115 and 5-125 do not apply to rules adopted under this
7 subsection (g). The adoption of emergency rules authorized by
8 this subsection (g) shall be deemed to be necessary for the
9 public interest, safety, and welfare.

10 (h) In order to provide for the expeditious and timely
11 implementation of the State's fiscal year 2003 budget,
12 emergency rules to implement any provision of this amendatory
13 Act of the 92nd General Assembly or any other budget initiative
14 for fiscal year 2003 may be adopted in accordance with this
15 Section by the agency charged with administering that provision
16 or initiative, except that the 24-month limitation on the
17 adoption of emergency rules and the provisions of Sections
18 5-115 and 5-125 do not apply to rules adopted under this
19 subsection (h). The adoption of emergency rules authorized by
20 this subsection (h) shall be deemed to be necessary for the
21 public interest, safety, and welfare.

22 (i) In order to provide for the expeditious and timely
23 implementation of the State's fiscal year 2004 budget,
24 emergency rules to implement any provision of this amendatory
25 Act of the 93rd General Assembly or any other budget initiative
26 for fiscal year 2004 may be adopted in accordance with this

1 Section by the agency charged with administering that provision
2 or initiative, except that the 24-month limitation on the
3 adoption of emergency rules and the provisions of Sections
4 5-115 and 5-125 do not apply to rules adopted under this
5 subsection (i). The adoption of emergency rules authorized by
6 this subsection (i) shall be deemed to be necessary for the
7 public interest, safety, and welfare.

8 (j) In order to provide for the expeditious and timely
9 implementation of the provisions of the State's fiscal year
10 2005 budget as provided under the Fiscal Year 2005 Budget
11 Implementation (Human Services) Act, emergency rules to
12 implement any provision of the Fiscal Year 2005 Budget
13 Implementation (Human Services) Act may be adopted in
14 accordance with this Section by the agency charged with
15 administering that provision, except that the 24-month
16 limitation on the adoption of emergency rules and the
17 provisions of Sections 5-115 and 5-125 do not apply to rules
18 adopted under this subsection (j). The Department of Public Aid
19 may also adopt rules under this subsection (j) necessary to
20 administer the Illinois Public Aid Code and the Children's
21 Health Insurance Program Act. The adoption of emergency rules
22 authorized by this subsection (j) shall be deemed to be
23 necessary for the public interest, safety, and welfare.

24 (k) In order to provide for the expeditious and timely
25 implementation of the provisions of the State's fiscal year
26 2006 budget, emergency rules to implement any provision of this

1 amendatory Act of the 94th General Assembly or any other budget
2 initiative for fiscal year 2006 may be adopted in accordance
3 with this Section by the agency charged with administering that
4 provision or initiative, except that the 24-month limitation on
5 the adoption of emergency rules and the provisions of Sections
6 5-115 and 5-125 do not apply to rules adopted under this
7 subsection (k). The Department of Healthcare and Family
8 Services may also adopt rules under this subsection (k)
9 necessary to administer the Illinois Public Aid Code, the
10 Senior Citizens and Disabled Persons Property Tax Relief and
11 Pharmaceutical Assistance Act, the Senior Citizens and
12 Disabled Persons Prescription Drug Discount Program Act (now
13 the Illinois Prescription Drug Discount Program Act), and the
14 Children's Health Insurance Program Act. The adoption of
15 emergency rules authorized by this subsection (k) shall be
16 deemed to be necessary for the public interest, safety, and
17 welfare.

18 (1) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2007 budget, the Department of Healthcare and Family Services
21 may adopt emergency rules during fiscal year 2007, including
22 rules effective July 1, 2007, in accordance with this
23 subsection to the extent necessary to administer the
24 Department's responsibilities with respect to amendments to
25 the State plans and Illinois waivers approved by the federal
26 Centers for Medicare and Medicaid Services necessitated by the

1 requirements of Title XIX and Title XXI of the federal Social
2 Security Act. The adoption of emergency rules authorized by
3 this subsection (l) shall be deemed to be necessary for the
4 public interest, safety, and welfare.

5 (m) In order to provide for the expeditious and timely
6 implementation of the provisions of the State's fiscal year
7 2008 budget, the Department of Healthcare and Family Services
8 may adopt emergency rules during fiscal year 2008, including
9 rules effective July 1, 2008, in accordance with this
10 subsection to the extent necessary to administer the
11 Department's responsibilities with respect to amendments to
12 the State plans and Illinois waivers approved by the federal
13 Centers for Medicare and Medicaid Services necessitated by the
14 requirements of Title XIX and Title XXI of the federal Social
15 Security Act. The adoption of emergency rules authorized by
16 this subsection (m) shall be deemed to be necessary for the
17 public interest, safety, and welfare.

18 (n) In order to provide for the expeditious and timely
19 implementation of the provisions of the State's fiscal year
20 2010 budget, emergency rules to implement any provision of this
21 amendatory Act of the 96th General Assembly or any other budget
22 initiative authorized by the 96th General Assembly for fiscal
23 year 2010 may be adopted in accordance with this Section by the
24 agency charged with administering that provision or
25 initiative. The adoption of emergency rules authorized by this
26 subsection (n) shall be deemed to be necessary for the public

1 interest, safety, and welfare. The rulemaking authority
2 granted in this subsection (n) shall apply only to rules
3 promulgated during Fiscal Year 2010.

4 (Source: P.A. 94-48, eff. 7-1-05; 94-838, eff. 6-6-06; 95-12,
5 eff. 7-2-07; 95-331, eff. 8-21-07.)

6 Section 5-15. The Data Security on State Computers Act is
7 amended by changing Sections 15 and 20 and by adding Section 17
8 as follows:

9 (20 ILCS 450/15)

10 Sec. 15. Definitions. As used in this Act:

11 "Agency" means all parts, boards, and commissions of the
12 executive branch of State government, other than public
13 universities or their governing boards, including, but not
14 limited to, ~~State colleges and universities and their governing~~
15 ~~boards~~ and all departments established by the Civil
16 Administrative Code of Illinois.

17 "Disposal by sale, donation, or transfer" includes, but is
18 not limited to, the sale, donation, or transfer of surplus
19 electronic data processing equipment to other agencies,
20 schools, individuals, and not-for-profit agencies.

21 "Electronic data processing equipment" includes, but is
22 not limited to, computer (CPU) mainframes, and any form of
23 magnetic storage media.

24 "Authorized agency" means an agency authorized by the

1 Department of Central Management Services to sell or transfer
2 electronic data processing equipment under Sections 5010.1210
3 and 5010.1220 of Title 44 of the Illinois Administrative Code.

4 "Department" means the Department of Central Management
5 Services.

6 "Overwrite" means the replacement of previously stored
7 information with a pre-determined pattern of meaningless
8 information.

9 (Source: P.A. 93-306, eff. 7-23-03.)

10 (20 ILCS 450/17 new)

11 Sec. 17. Exemption from Act. This Act does not apply to the
12 legislative branch of State government, the Office of the
13 Lieutenant Governor, the Office of the Attorney General, the
14 Office of the Secretary of State, the Office of the State
15 Comptroller, or the Office of the State Treasurer.

16 (20 ILCS 450/20)

17 Sec. 20. Establishment and implementation. The Data
18 Security on State Computers Act is established to protect
19 sensitive data stored on State-owned electronic data
20 processing equipment to be (i) disposed of by sale, donation,
21 or transfer or (ii) relinquished to a successor executive
22 administration. This Act shall be administered by the
23 Department or an authorized agency. The governing board of each
24 public university in this State must implement and administer

1 the provisions of this Act with respect to State-owned
2 electronic data processing equipment utilized by the
3 university. The Department or an authorized agency shall
4 implement a policy to mandate that all hard drives of surplus
5 electronic data processing equipment be cleared of all data and
6 software before being prepared for sale, donation, or transfer
7 by (i) overwriting the previously stored data on a drive or a
8 disk at least 10 times and (ii) certifying in writing that the
9 overwriting process has been completed by providing the
10 following information: (1) the serial number of the computer or
11 other surplus electronic data processing equipment; (2) the
12 name of the overwriting software used; and (3) the name, date,
13 and signature of the person performing the overwriting process.
14 The head of each State agency shall establish a system for the
15 protection and preservation of State data on State-owned
16 electronic data processing equipment necessary for the
17 continuity of government functions upon it being relinquished
18 to a successor executive administration.

19 For purposes of this Act and any other State directive
20 requiring the clearing of data and software from State-owned
21 electronic data processing equipment prior to sale, donation,
22 or transfer by the General Assembly or a public university in
23 this State, the General Assembly or the governing board of the
24 university shall have and maintain responsibility for the
25 implementation and administration of the requirements for
26 clearing State-owned electronic data processing equipment

1 utilized by the General Assembly or the university.

2 (Source: P.A. 93-306, eff. 7-23-03.)

3 Section 5-23. The Department of Natural Resources
4 (Conservation) Law of the Civil Administrative Code of Illinois
5 is amended by changing Section 805-125 as follows:

6 (20 ILCS 805/805-125) (was 20 ILCS 805/63b1)

7 Sec. 805-125. Agreements with federal agencies. The
8 Department has the power and authority to enter into agreements
9 with appropriate federal agencies in order to better effect
10 cooperative undertakings in the conservation, preservation,
11 distribution, and propagation of fish, mussels, frogs,
12 turtles, game, wild animals, wild fowls, birds, trees, plants,
13 and forests. The Department's agreements with the United States
14 government may include general indemnification provisions.

15 (Source: P.A. 91-239, eff. 1-1-00.)

16 Section 5-25. The Department of Professional Regulation
17 Law of the Civil Administrative Code of Illinois is amended by
18 changing Section 2105-300 as follows:

19 (20 ILCS 2105/2105-300) (was 20 ILCS 2105/61e)

20 Sec. 2105-300. Professions Indirect Cost Fund;
21 allocations; analyses.

22 (a) Appropriations for the direct and allocable indirect

1 costs of licensing and regulating each regulated profession,
2 trade, occupation, or industry are intended to be payable from
3 the fees and fines that are assessed and collected from that
4 profession, trade, occupation, or industry, to the extent that
5 those fees and fines are sufficient. In any fiscal year in
6 which the fees and fines generated by a specific profession,
7 trade, occupation, or industry are insufficient to finance the
8 necessary direct and allocable indirect costs of licensing and
9 regulating that profession, trade, occupation, or industry,
10 the remainder of those costs shall be financed from
11 appropriations payable from revenue sources other than fees and
12 fines. The direct and allocable indirect costs of the
13 Department identified in its cost allocation plans that are not
14 attributable to the licensing and regulation of a specific
15 profession, trade, or occupation, or industry or group of
16 professions, trades, occupations, or industries shall be
17 financed from appropriations from revenue sources other than
18 fees and fines.

19 (b) The Professions Indirect Cost Fund is hereby created as
20 a special fund in the State Treasury. Except as provided in
21 subsection (e), the Fund may receive transfers of moneys
22 authorized by the Department from the cash balances in special
23 funds that receive revenues from the fees and fines associated
24 with the licensing of regulated professions, trades,
25 occupations, and industries by the Department. For purposes of
26 this Section only, until June 30, 2010, the Fund may also

1 receive transfers of moneys authorized by the Department from
2 the cash balances in special funds that receive revenues from
3 the fees and fines associated with the licensing of regulated
4 professions, trades, occupations, and industries by the
5 Department of Insurance. Moneys in the Fund shall be invested
6 and earnings on the investments shall be retained in the Fund.
7 Subject to appropriation, the Department shall use moneys in
8 the Fund to pay the ordinary and necessary allocable indirect
9 expenses associated with each of the regulated professions,
10 trades, occupations, and industries.

11 (c) Before the beginning of each fiscal year, the
12 Department shall prepare a cost allocation analysis to be used
13 in establishing the necessary appropriation levels for each
14 cost purpose and revenue source. At the conclusion of each
15 fiscal year, the Department shall prepare a cost allocation
16 analysis reflecting the extent of the variation between how the
17 costs were actually financed in that year and the planned cost
18 allocation for that year. Variations between the planned and
19 actual cost allocations for the prior fiscal year shall be
20 adjusted into the Department's planned cost allocation for the
21 next fiscal year.

22 Each cost allocation analysis shall separately identify
23 the direct and allocable indirect costs of each regulated
24 profession, trade, occupation, or industry and the costs of the
25 Department's general public health and safety purposes. The
26 analyses shall determine whether the direct and allocable

1 indirect costs of each regulated profession, trade,
2 occupation, or industry and the costs of the Department's
3 general public health and safety purposes are sufficiently
4 financed from their respective funding sources. The Department
5 shall prepare the cost allocation analyses in consultation with
6 the respective regulated professions, trades, occupations, and
7 industries and shall make copies of the analyses available to
8 them in a timely fashion. For purposes of this Section only,
9 until June 30, 2010, the Department shall include in its cost
10 allocation analysis the direct and allocable indirect costs of
11 each regulated profession, trade, occupation, or industry and
12 the costs of the general public health and safety purposes of
13 the Department of Insurance.

14 (d) Except as provided in subsection (e), the Department
15 may direct the State Comptroller and Treasurer to transfer
16 moneys from the special funds that receive fees and fines
17 associated with regulated professions, trades, occupations,
18 and industries into the Professions Indirect Cost Fund in
19 accordance with the Department's cost allocation analysis plan
20 for the applicable fiscal year. For a given fiscal year, the
21 Department shall not direct the transfer of moneys under this
22 subsection from a special fund associated with a specific
23 regulated profession, trade, occupation, or industry (or group
24 of professions, trades, occupations, or industries) in an
25 amount exceeding the allocable indirect costs associated with
26 that profession, trade, occupation, or industry (or group of

1 professions, trades, occupations, or industries) as provided
2 in the cost allocation analysis for that fiscal year and
3 adjusted for allocation variations from the prior fiscal year.
4 No direct costs identified in the cost allocation plan shall be
5 used as a basis for transfers into the Professions Indirect
6 Cost Fund or for expenditures from the Fund.

7 (e) No transfer may be made to the Professions Indirect
8 Cost Fund under this Section from the Public Pension Regulation
9 Fund.

10 (Source: P.A. 94-91, eff. 7-1-05; 95-950, eff. 8-29-08.)

11 Section 5-26. The General Assembly Compensation Act is
12 amended by adding Section 1.5 as follows:

13 (25 ILCS 115/1.5 new)

14 Sec. 1.5. Fiscal year 2010 compensation. During the fiscal
15 year beginning on July 1, 2009, every member of the General
16 Assembly is required to forfeit 12 days of compensation. The
17 State Comptroller shall deduct the equivalent of 1/261 of the
18 annual compensation of each member from the compensation of
19 that member in each month of the fiscal year. For purposes of
20 this Section, annual compensation includes compensation paid
21 to each member by the State for one year of service pursuant to
22 Section 1, except any payments made for mileage and allowances
23 for travel and meals. The forfeiture required by this Section
24 is not considered a change in salary and shall not impact

1 pension or other benefits provided to members of the General
2 Assembly.

3 (25 ILCS 120/3.1 rep.)

4 Section 5-26.5. If and only if Senate Bill 2090 of the 96th
5 General Assembly becomes law, then the Compensation Review Act
6 is amended by repealing Section 3.1.

7 Section 5-29. If and only if Senate Bill 1433 of the 96th
8 General Assembly becomes law, the State Finance Act is amended
9 by changing Section 8.49 as follows:

10 (30 ILCS 105/8.49)

11 Sec. 8.49. Special fund transfers.

12 (a) In order to maintain the integrity of special funds and
13 improve stability in the General Revenue Fund, the following
14 transfers are authorized from the designated funds into the
15 General Revenue Fund:

16	Food and Drug Safety Fund	\$6,800
17	Penny Severns Breast, Cervical, and	
18	Ovarian Cancer Research Fund	\$33,300
19	Transportation Regulatory Fund	\$2,122,000
20	General Professions Dedicated Fund	\$3,511,900
21	Economic Research and Information Fund	\$1,120
22	Illinois Department of Agriculture	
23	Laboratory Services Revolving Fund	\$12,825

1	Drivers Education Fund	\$2,244,000
2	Aeronautics Fund	\$25,360
3	Fire Prevention Fund	\$10,400,000
4	Rural/Downstate Health Access Fund	\$1,700
5	Mental Health Fund	\$24,560,000
6	Illinois State Pharmacy Disciplinary Fund	\$2,054,100
7	Public Utility Fund	\$960,175
8	Alzheimer's Disease Research Fund	\$112,500
9	Radiation Protection Fund	\$92,250
10	Natural Heritage Endowment Trust Fund	\$250,000
11	Firearm Owner's Notification Fund	\$256,400
12	EPA Special State Projects Trust Fund	\$3,760,000
13	Solid Waste Management Fund	\$1,200,000
14	Illinois Gaming Law Enforcement Fund	\$141,000
15	Subtitle D Management Fund	\$375,000
16	Illinois State Medical Disciplinary Fund	\$11,277,200
17	Cemetery Consumer Protection Fund	\$658,000
18	Assistance to the Homeless Fund	\$13,800
19	Accessible Electronic Information	
20	Service Fund	\$10,000
21	CDLIS/AAMVAnet Trust Fund	\$110,000
22	Comptroller's Audit Expense Revolving Fund	\$31,200
23	Community Health Center Care Fund	\$450,000
24	Safe Bottled Water Fund	\$15,000
25	Facility Licensing Fund	\$363,600
26	Hansen-Therkelsen Memorial Deaf	

1	Student College Fund	\$503,700
2	Illinois Underground Utility Facilities	
3	Damage Prevention Fund	\$29,600
4	School District Emergency Financial	
5	Assistance Fund	\$2,059,200
6	Mental Health Transportation Fund	\$859
7	Registered Certified Public Accountants'	
8	Administration and Disciplinary Fund	\$34,600
9	State Crime Laboratory Fund	\$142,880
10	Agrichemical Incident Response Trust Fund	\$80,000
11	General Assembly Computer Equipment	
12	Revolving Fund	\$101,600
13	Weights and Measures Fund	\$625,000
14	Illinois School Asbestos Abatement Fund	\$299,600
15	Injured Workers' Benefit Fund	\$3,290,560
16	Violence Prevention Fund	\$79,500
17	Professional Regulation Evidence Fund	\$5,000
18	IPTIP Administrative Trust Fund	\$500,000
19	Diabetes Research Checkoff Fund	\$8,800
20	Ticket For The Cure Fund	\$1,200,000
21	Capital Development Board Revolving Fund	\$346,000
22	Professions Indirect Cost Fund	\$2,144,500
23	State Police DUI Fund	\$166,880
24	Medicaid Fraud and Abuse Prevention Fund	\$20,000
25	Illinois Health Facilities Planning Fund	\$1,392,400
26	Emergency Public Health Fund	\$875,000

1	TOMA Consumer Protection Fund	\$50,000
2	ISAC Accounts Receivable Fund	\$24,240
3	Fair and Exposition Fund	\$1,257,920
4	Department of Labor Special State Trust Fund.....	\$409,000
5	Public Health Water Permit Fund	\$24,500
6	Nursing Dedicated and Professional Fund	\$9,988,400
7	Optometric Licensing and Disciplinary	
8	Board Fund	\$995,800
9	Water Revolving Fund	\$4,960
10	Methamphetamine Law Enforcement Fund	\$50,000
11	Long Term Care Monitor/Receiver Fund	\$1,700,000
12	Home Care Services Agency Licensure Fund	\$48,000
13	Community Water Supply Laboratory Fund	\$600,000
14	Motor Fuel and Petroleum Standards Fund	\$41,416
15	Fertilizer Control Fund	\$162,520
16	Regulatory Fund	\$307,824
17	Used Tire Management Fund	\$8,853,552
18	Natural Areas Acquisition Fund	\$1,000,000
19	Working Capital Revolving Fund	\$6,450,000
20	Tax Recovery Fund	\$29,680
21	Professional Services Fund	\$3,500,000
22	Treasurer's Rental Fee Fund	\$155,000
23	Public Health Laboratory Services	
24	Revolving Fund	\$450,000
25	Provider Inquiry Trust Fund	\$200,000
26	Audit Expense Fund	\$5,972,190

1	Law Enforcement Camera Grant Fund	\$2,631,840
2	Child Labor and Day and Temporary Labor	
3	Services Enforcement Fund	\$490,000
4	Lead Poisoning Screening, Prevention,	
5	and Abatement Fund	\$100,000
6	Health and Human Services Medicaid	
7	Trust Fund	\$6,920,000
8	Prisoner Review Board Vehicle and	
9	Equipment Fund	\$147,900
10	Drug Treatment Fund	\$4,400,000
11	Feed Control Fund	\$625,000
12	Tanning Facility Permit Fund	\$20,000
13	Innovations in Long-Term Care Quality	
14	Demonstration Grants Fund	\$300,000
15	Plumbing Licensure and Program Fund	\$1,585,600
16	State Treasurer's Bank Services Trust Fund	\$6,800,000
17	State Police Motor Vehicle Theft	
18	Prevention Trust Fund	\$46,500
19	Insurance Premium Tax Refund Fund	\$58,700
20	Appraisal Administration Fund	\$378,400
21	Small Business Environmental Assistance Fund	\$24,080
22	Regulatory Evaluation and Basic	
23	Enforcement Fund	\$125,000
24	Gaining Early Awareness and Readiness	
25	for Undergraduate Programs Fund	\$15,000
26	Trauma Center Fund	\$4,000,000

1	EMS Assistance Fund	\$110,000
2	State College and University Trust Fund	\$20,204
3	University Grant Fund	\$5,608
4	DCEO Projects Fund	\$1,000,000
5	Alternate Fuels Fund	\$2,000,000
6	Multiple Sclerosis Research Fund	\$27,200
7	Livestock Management Facilities Fund	\$81,920
8	Second Injury Fund	\$615,680
9	Agricultural Master Fund	\$136,984
10	High Speed Internet Services and	
11	Information Technology Fund	\$3,300,000
12	Illinois Tourism Tax Fund	\$250,000
13	Human Services Priority Capital Program Fund ..	\$7,378,400
14	Warrant Escheat Fund	\$1,394,161
15	State Asset Forfeiture Fund	\$321,600
16	Police Training Board Services Fund	\$8,000
17	Federal Asset Forfeiture Fund	\$1,760
18	Department of Corrections Reimbursement	
19	and Education Fund	\$250,000
20	Health Facility Plan Review Fund	\$1,543,600
21	Domestic Violence Abuser Services Fund	\$11,500
22	LEADS Maintenance Fund	\$166,800
23	State Offender DNA Identification	
24	System Fund	\$615,040
25	Illinois Historic Sites Fund	\$250,000
26	Comptroller's Administrative Fund	\$134,690

1	Public Pension Regulation Fund	\$1,000,000
2	Workforce, Technology, and Economic	
3	Development	\$2,000,000
4	Pawnbroker Regulation Fund	\$26,400
5	Renewable Energy Resources Trust Fund	\$13,408,328
6	Charter Schools Revolving Loan Fund	\$82,000
7	School Technology Revolving Loan Fund	\$1,230,000
8	Energy Efficiency Trust Fund	\$1,490,000
9	Pesticide Control Fund	\$625,000
10	Juvenile Accountability Incentive Block	
11	Grant Fund	\$10,000
12	Multiple Sclerosis Assistance Fund	\$8,000
13	Temporary Relocation Expenses Revolving	
14	Grant Fund	\$460,000
15	Partners for Conservation Fund	\$8,200,000
16	Fund For Illinois' Future	\$3,000,000
17	Wireless Carrier Reimbursement Fund	\$13,650,000
18	International Tourism Fund	\$5,043,344
19	Illinois Racing Quarterhorse Breeders Fund	\$1,448
20	Death Certificate Surcharge Fund	\$900,000
21	State Police Wireless Service	
22	Emergency Fund	\$1,329,280
23	Illinois Adoption Registry and	
24	Medical Information Exchange Fund	\$8,400
25	Auction Regulation Administration Fund	\$361,600
26	DHS State Projects Fund	\$193,900

1	Auction Recovery Fund	\$4,600
2	Motor Carrier Safety Inspection Fund	\$389,840
3	Coal Development Fund	\$320,000
4	State Off-Set Claims Fund	\$400,000
5	Illinois Student Assistance Commission	
6	Contracts and Grants Fund	\$128,850
7	DHS Private Resources Fund	\$1,000,000
8	Assisted Living and Shared Housing	
9	Regulatory Fund	\$122,400
10	State Police Whistleblower Reward	
11	and Protection Fund	\$3,900,000
12	Illinois Standardbred Breeders Fund	\$134,608
13	Post Transplant Maintenance and	
14	Retention Fund	\$85,800
15	Spinal Cord Injury Paralysis Cure	
16	Research Trust Fund	\$300,000
17	Organ Donor Awareness Fund	\$115,000
18	Community Mental Health Medicaid Trust Fund	\$1,030,900
19	Illinois Clean Water Fund	\$8,649,600
20	Tobacco Settlement Recovery Fund	\$10,000,000
21	Alternative Compliance Market Account Fund	\$9,984
22	Group Workers' Compensation Pool	
23	Insolvency Fund	\$42,800
24	Medicaid Buy-In Program Revolving Fund	\$1,000,000
25	Home Inspector Administration Fund	\$1,225,200
26	Real Estate Audit Fund	\$1,200

1	Marine Corps Scholarship Fund	\$69,000
2	Tourism Promotion Fund	\$30,000,000
3	Oil Spill Response Fund	\$4,800
4	Presidential Library and Museum	
5	Operating Fund	\$169,900
6	Nuclear Safety Emergency Preparedness Fund	\$6,000,000
7	DCEO Energy Projects Fund	\$2,176,200
8	Dram Shop Fund	\$500,000
9	Illinois State Dental Disciplinary Fund	\$187,300
10	Hazardous Waste Fund	\$800,000
11	Natural Resources Restoration Trust Fund	\$7,700
12	State Fair Promotional Activities Fund	\$1,672
13	Continuing Legal Education Trust Fund	\$10,550
14	Environmental Protection Trust Fund	\$625,000
15	Real Estate Research and Education Fund	\$1,081,000
16	Federal Moderate Rehabilitation	
17	Housing Fund	\$44,960
18	Domestic Violence Shelter and Service Fund	\$55,800
19	Snowmobile Trail Establishment Fund	\$5,300
20	Drug Traffic Prevention Fund	\$11,200
21	Traffic and Criminal Conviction	
22	Surcharge Fund	\$5,400,000
23	Design Professionals Administration	
24	and Investigation Fund	\$73,200
25	Public Health Special State Projects Fund	\$1,900,000
26	Petroleum Violation Fund	\$1,080

1	State Police Services Fund	\$7,082,080
2	Illinois Wildlife Preservation Fund	\$9,900
3	Youth Drug Abuse Prevention Fund	\$133,500
4	Insurance Producer	
5	Administration Fund.....	<u>\$12,170,000</u> \$13,820,000
6	Coal Technology Development Assistance Fund	\$1,856,000
7	Child Abuse Prevention Fund	\$250,000
8	Hearing Instrument Dispenser Examining	
9	and Disciplinary Fund	\$50,400
10	Low-Level Radioactive Waste Facility	
11	Development and Operation Fund	\$1,000,000
12	Environmental Protection Permit and	
13	Inspection Fund.....	\$755,775
14	Landfill Closure and Post-Closure Fund	\$2,480
15	Narcotics Profit Forfeiture Fund	\$86,900
16	Illinois State Podiatric Disciplinary Fund	\$200,000
17	Vehicle Inspection Fund	\$5,000,000
18	Local Tourism Fund	\$10,999,280
19	Illinois Capital Revolving Loan Fund	\$3,856,904
20	Illinois Equity Fund	\$3,520
21	Large Business Attraction Fund	\$13,560
22	International and Promotional Fund	\$42,040
23	Public Infrastructure Construction	
24	Loan Revolving Fund	\$2,811,232
25	Insurance Financial	
26	Regulation Fund.....	<u>\$5,881,180</u> \$7,531,180

1 Section 5-30. The State Finance Act is amended by changing
2 Sections 6z-30, 6z-64, 6z-70, 8g, 8o, 13.5, and 14.1 and by
3 adding Sections 5.719, 5.723, 6p-6, 6p-7, and 8.48 as follows:

4 (30 ILCS 105/5.719 new)

5 Sec. 5.719. American Recovery and Reinvestment Act
6 Administrative Revolving Fund.

7 (30 ILCS 105/5.723 new)

8 Sec. 5.723. Court of Claims Federal Grant Fund.

9 (30 ILCS 105/6p-6 new)

10 Sec. 6p-6. American Recovery and Reinvestment Act
11 Administrative Revolving Fund. There is created in the State
12 treasury the American Recovery and Reinvestment Act
13 Administrative Revolving Fund. Federal moneys associated with
14 the central administration of the American Recovery and
15 Reinvestment Act of 2009 may be deposited or paid into this
16 Fund. Subject to appropriation by the General Assembly, the
17 moneys in this Fund shall be used to fund central
18 administrative costs necessary and required to implement the
19 American Recovery and Reinvestment Act of 2009.

20 (30 ILCS 105/6p-7 new)

21 Sec. 6p-7. Court of Claims Federal Grant Fund. The Court of
22 Claims Federal Grant Fund is created as a special fund in the

1 State treasury. The Fund shall consist of federal Victims of
2 Crime Act grant funds awarded to the Court of Claims from the
3 U.S. Department of Justice, Office of Justice Programs, Office
4 for Victims of Crime for the payment of claims pursuant to the
5 Crime Victims Compensation Act (740 ILCS 45/). All moneys in
6 the Fund shall be used for payment of claims pursuant to the
7 Crime Victims Compensation Act (740 ILCS 45/). The General
8 Assembly may appropriate moneys from the Court of Claims
9 Federal Grant Fund to the Court of Claims for the purpose of
10 payment of claims pursuant to the Crime Victims Compensation
11 Act (740 ILCS 45/).

12 (30 ILCS 105/6z-30)

13 Sec. 6z-30. University of Illinois Hospital Services Fund.

14 (a) The University of Illinois Hospital Services Fund is
15 created as a special fund in the State Treasury. The following
16 moneys shall be deposited into the Fund:

17 (1) As soon as possible after the beginning of each
18 fiscal year (starting in fiscal year 2010 ~~1995~~), and in no
19 event later than July 30, the State Comptroller and the
20 State Treasurer shall automatically transfer \$30,000,000
21 ~~\$44,700,000~~ from the General Revenue Fund to the University
22 of Illinois Hospital Services Fund.

23 (2) All intergovernmental transfer payments to the
24 Department of Healthcare and Family Services ~~(formerly~~
25 ~~Illinois Department of Public Aid)~~ by the University of

1 Illinois made pursuant to an intergovernmental agreement
2 under subsection (b) or (c) of Section 5A-3 of the Illinois
3 Public Aid Code.

4 (3) All federal matching funds received by the
5 Department of Healthcare and Family Services (formerly
6 Illinois Department of Public Aid) as a result of
7 expenditures made by the Department that are attributable
8 to moneys that were deposited in the Fund.

9 (4) All other moneys received for the Fund from any
10 other source, including interest earned thereon.

11 (b) Moneys in the fund may be used by the Department of
12 Healthcare and Family Services ~~(formerly Illinois Department~~
13 ~~of Public Aid)~~, subject to appropriation and to an interagency
14 agreement between that Department and the Board of Trustees of
15 the University of Illinois, to reimburse the University of
16 Illinois Hospital for hospital and pharmacy services, ~~and~~ to
17 reimburse practitioners ~~as defined in Section 5-8 of the~~
18 ~~Illinois Public Aid Code (305 ILCS 5/5-8)~~ who are employed by
19 the University of Illinois, to reimburse other health care
20 facilities operated by the University of Illinois, and to pass
21 through to the University of Illinois federal financial
22 participation earned by the State as a result of expenditures
23 made by the University of Illinois. Hospital. The fund may also
24 ~~be used to make monthly transfers to the General Revenue Fund~~
25 ~~as provided in subsection (c).~~

26 (c) (Blank). ~~The State Comptroller and State Treasurer~~

1 ~~shall automatically transfer on the last day of each month~~
2 ~~except June, beginning August 31, 1994, from the University of~~
3 ~~Illinois Hospital Services Fund to the General Revenue Fund, an~~
4 ~~amount determined and certified to the State Comptroller by the~~
5 ~~Director of Healthcare and Family Services (formerly Director~~
6 ~~of Public Aid), equal to the amount by which the balance in the~~
7 ~~Fund exceeds the amount necessary to ensure timely payments to~~
8 ~~the University of Illinois Hospital.~~

9 ~~On June 30, 1995 and each June 30 thereafter, the State~~
10 ~~Comptroller and State Treasurer shall automatically transfer~~
11 ~~the entire balance in the University of Illinois Hospital~~
12 ~~Services Fund to the General Revenue Fund.~~

13 (Source: P.A. 95-331, eff. 8-21-07; 95-744, eff. 7-18-08.)

14 (30 ILCS 105/6z-64)

15 Sec. 6z-64. The Workers' Compensation Revolving Fund.

16 (a) The Workers' Compensation Revolving Fund is created as
17 a revolving fund, not subject to fiscal year limitations, in
18 the State treasury. The following moneys shall be deposited
19 into the Fund:

20 (1) amounts authorized for transfer to the Fund from
21 the General Revenue Fund and other State funds (except for
22 funds classified by the Comptroller as federal trust funds
23 or State trust funds) pursuant to State law or Executive
24 Order;

25 (2) federal funds received by the Department of Central

1 Management Services (the "Department") as a result of
2 expenditures from the Fund;

3 (3) interest earned on moneys in the Fund;

4 (4) receipts or inter-fund transfers resulting from
5 billings issued by the Department to State agencies and
6 universities for the cost of workers' compensation
7 services rendered by the Department that are not
8 compensated through the specific fund transfers authorized
9 by this Section, if any;

10 (5) amounts received from a State agency or university
11 for workers' compensation payments for temporary total
12 disability, as provided in Section 405-105 of the
13 Department of Central Management Services Law of the Civil
14 Administrative Code of Illinois; and

15 (6) amounts recovered through subrogation in workers'
16 compensation and workers' occupational disease cases.

17 (b) Moneys in the Fund may be used by the Department for
18 reimbursement or payment for:

19 (1) providing workers' compensation services to State
20 agencies and State universities; or

21 (2) providing for payment of administrative and other
22 expenses incurred by the Department in providing workers'
23 compensation services.

24 (c) State agencies may direct the Comptroller to process
25 inter-fund transfers or make payment through the voucher and
26 warrant process to the Workers' Compensation Revolving Fund in

1 satisfaction of billings issued under subsection (a) of this
2 Section.

3 (d) Reconciliation. For the fiscal year beginning on July
4 1, 2004 only, the Director of Central Management Services (the
5 "Director") shall order that each State agency's payments and
6 transfers made to the Fund be reconciled with actual Fund costs
7 for workers' compensation services provided by the Department
8 and attributable to the State agency and relevant fund on no
9 less than an annual basis. The Director may require reports
10 from State agencies as deemed necessary to perform this
11 reconciliation.

12 (d-5) Notwithstanding any other provision of State law to
13 the contrary, on or after July 1, 2005 and until June 30, 2006,
14 in addition to any other transfers that may be provided for by
15 law, at the direction of and upon notification of the Director
16 of Central Management Services, the State Comptroller shall
17 direct and the State Treasurer shall transfer amounts into the
18 Workers' Compensation Revolving Fund from the designated funds
19 not exceeding the following totals:

20	Mental Health Fund	\$17,694,000
21	Statistical Services Revolving Fund	\$1,252,600
22	Department of Corrections Reimbursement	
23	and Education Fund	\$1,198,600
24	Communications Revolving Fund	\$535,400
25	Child Support Administrative Fund	\$441,900
26	Health Insurance Reserve Fund	\$238,900

1	Fire Prevention Fund	\$234,100
2	Park and Conservation Fund	\$142,000
3	Motor Fuel Tax Fund	\$132,800
4	Illinois Workers' Compensation	
5	Commission Operations Fund	\$123,900
6	State Boating Act Fund	\$112,300
7	Public Utility Fund	\$106,500
8	State Lottery Fund	\$101,300
9	Traffic and Criminal Conviction	
10	Surcharge Fund	\$88,500
11	State Surplus Property Revolving Fund	\$82,700
12	Natural Areas Acquisition Fund	\$65,600
13	Securities Audit and Enforcement Fund	\$65,200
14	Agricultural Premium Fund	\$63,400
15	Capital Development Fund	\$57,500
16	State Gaming Fund	\$54,300
17	Underground Storage Tank Fund	\$53,700
18	Illinois State Medical Disciplinary Fund	\$53,000
19	Personal Property Tax Replacement Fund	\$53,000
20	General Professions Dedicated Fund	\$51,900
21	Total	\$23,003,100

22 (d-10) Notwithstanding any other provision of State law to
 23 the contrary and in addition to any other transfers that may be
 24 provided for by law, on the first day of each calendar quarter
 25 of the fiscal year beginning July 1, 2005, or as soon as may be
 26 practical thereafter, the State Comptroller shall direct and

1 the State Treasurer shall transfer from each designated fund
2 into the Workers' Compensation Revolving Fund amounts equal to
3 one-fourth of each of the following totals:

4	General Revenue Fund	\$34,000,000
5	Road Fund	\$25,987,000
6	Total	\$59,987,000

7 (d-12) Notwithstanding any other provision of State law to
8 the contrary and in addition to any other transfers that may be
9 provided for by law, on the effective date of this amendatory
10 Act of the 94th General Assembly, or as soon as may be
11 practical thereafter, the State Comptroller shall direct and
12 the State Treasurer shall transfer from each designated fund
13 into the Workers' Compensation Revolving Fund the following
14 amounts:

15	General Revenue Fund	\$10,000,000
16	Road Fund	\$5,000,000
17	Total	\$15,000,000

18 (d-15) Notwithstanding any other provision of State law to
19 the contrary and in addition to any other transfers that may be
20 provided for by law, on July 1, 2006, or as soon as may be
21 practical thereafter, the State Comptroller shall direct and
22 the State Treasurer shall transfer from each designated fund
23 into the Workers' Compensation Revolving Fund the following
24 amounts:

25	General Revenue Fund	\$44,028,200
26	Road Fund	\$28,084,000

1 Total \$72,112,200

2 (d-20) Notwithstanding any other provision of State law to
3 the contrary, on or after July 1, 2006 and until June 30, 2007,
4 in addition to any other transfers that may be provided for by
5 law, at the direction of and upon notification of the Director
6 of Central Management Services, the State Comptroller shall
7 direct and the State Treasurer shall transfer amounts into the
8 Workers' Compensation Revolving Fund from the designated funds
9 not exceeding the following totals:

10	Mental Health Fund	\$19,121,800
11	Statistical Services Revolving Fund	\$1,353,700
12	Department of Corrections Reimbursement	
13	and Education Fund	\$1,295,300
14	Communications Revolving Fund	\$578,600
15	Child Support Administrative Fund	\$477,600
16	Health Insurance Reserve Fund	\$258,200
17	Fire Prevention Fund	\$253,000
18	Park and Conservation Fund	\$153,500
19	Motor Fuel Tax Fund	\$143,500
20	Illinois Workers' Compensation	
21	Commission Operations Fund	\$133,900
22	State Boating Act Fund	\$121,400
23	Public Utility Fund	\$115,100
24	State Lottery Fund	\$109,500
25	Traffic and Criminal Conviction Surcharge Fund ..	\$95,700
26	State Surplus Property Revolving Fund	\$89,400

1	Natural Areas Acquisition Fund	\$70,800
2	Securities Audit and Enforcement Fund	\$70,400
3	Agricultural Premium Fund	\$68,500
4	State Gaming Fund	\$58,600
5	Underground Storage Tank Fund	\$58,000
6	Illinois State Medical Disciplinary Fund	\$57,200
7	Personal Property Tax Replacement Fund	\$57,200
8	General Professions Dedicated Fund	\$56,100
9	Total	\$24,797,000

10 (d-25) Notwithstanding any other provision of State law to
11 the contrary and in addition to any other transfers that may be
12 provided for by law, on July 1, 2009, or as soon as may be
13 practical thereafter, the State Comptroller shall direct and
14 the State Treasurer shall transfer from each designated fund
15 into the Workers' Compensation Revolving Fund the following
16 amounts:

17	<u>General Revenue Fund</u>	<u>\$55,000,000</u>
18	<u>Road Fund</u>	<u>\$34,803,000</u>
19	<u>Total</u>	<u>\$89,803,000</u>

20 (d-30) Notwithstanding any other provision of State law to
21 the contrary, on or after July 1, 2009 and until June 30, 2010,
22 in addition to any other transfers that may be provided for by
23 law, at the direction of and upon notification of the Director
24 of Central Management Services, the State Comptroller shall
25 direct and the State Treasurer shall transfer amounts into the
26 Workers' Compensation Revolving Fund from the designated funds

1 not exceeding the following totals:

2	<u>Food and Drug Safety Fund</u>	<u>\$13,900</u>
3	<u>Teacher Certificate Fee Revolving Fund</u>	<u>\$6,500</u>
4	<u>Transportation Regulatory Fund</u>	<u>\$14,500</u>
5	<u>Financial Institution Fund</u>	<u>\$25,200</u>
6	<u>General Professions Dedicated Fund</u>	<u>\$25,300</u>
7	<u>Illinois Veterans' Rehabilitation Fund</u>	<u>\$64,600</u>
8	<u>State Boating Act Fund</u>	<u>\$177,100</u>
9	<u>State Parks Fund</u>	<u>\$104,300</u>
10	<u>Lobbyist Registration Administration Fund</u>	<u>\$14,400</u>
11	<u>Agricultural Premium Fund</u>	<u>\$79,100</u>
12	<u>Fire Prevention Fund</u>	<u>\$360,200</u>
13	<u>Mental Health Fund</u>	<u>\$9,725,200</u>
14	<u>Illinois State Pharmacy Disciplinary Fund</u>	<u>\$5,600</u>
15	<u>Public Utility Fund</u>	<u>\$40,900</u>
16	<u>Radiation Protection Fund</u>	<u>\$14,200</u>
17	<u>Firearm Owner's Notification Fund</u>	<u>\$1,300</u>
18	<u>Solid Waste Management Fund</u>	<u>\$74,100</u>
19	<u>Illinois Gaming Law Enforcement Fund</u>	<u>\$17,800</u>
20	<u>Subtitle D Management Fund</u>	<u>\$14,100</u>
21	<u>Illinois State Medical Disciplinary Fund</u>	<u>\$26,500</u>
22	<u>Facility Licensing Fund</u>	<u>\$11,700</u>
23	<u>Plugging and Restoration Fund</u>	<u>\$9,100</u>
24	<u>Explosives Regulatory Fund</u>	<u>\$2,300</u>
25	<u>Aggregate Operations Regulatory Fund</u>	<u>\$5,000</u>
26	<u>Coal Mining Regulatory Fund</u>	<u>\$1,900</u>

1	<u>Registered Certified Public Accountants'</u>	
2	<u>Administration and Disciplinary Fund</u>	<u>\$1,500</u>
3	<u>Weights and Measures Fund</u>	<u>\$56,100</u>
4	<u>Division of Corporations Registered</u>	
5	<u>Limited Liability Partnership Fund</u>	<u>\$3,900</u>
6	<u>Illinois School Asbestos Abatement Fund</u>	<u>\$14,000</u>
7	<u>Secretary of State Special License Plate Fund</u>	<u>\$30,700</u>
8	<u>Capital Development Board Revolving Fund</u>	<u>\$27,000</u>
9	<u>DCFS Children's Services Fund</u>	<u>\$69,300</u>
10	<u>Asbestos Abatement Fund</u>	<u>\$17,200</u>
11	<u>Illinois Health Facilities Planning Fund</u>	<u>\$26,800</u>
12	<u>Emergency Public Health Fund</u>	<u>\$5,600</u>
13	<u>Nursing Dedicated and Professional Fund</u>	<u>\$10,000</u>
14	<u>Optometric Licensing and Disciplinary</u>	
15	<u>Board Fund</u>	<u>\$1,600</u>
16	<u>Underground Resources Conservation</u>	
17	<u>Enforcement Fund</u>	<u>\$11,500</u>
18	<u>Drunk and Drugged Driving Prevention Fund</u>	<u>\$18,200</u>
19	<u>Long Term Care Monitor/Receiver Fund</u>	<u>\$35,400</u>
20	<u>Community Water Supply Laboratory Fund</u>	<u>\$5,600</u>
21	<u>Securities Investors Education Fund</u>	<u>\$2,000</u>
22	<u>Used Tire Management Fund</u>	<u>\$32,400</u>
23	<u>Natural Areas Acquisition Fund</u>	<u>\$101,200</u>
24	<u>Open Space Lands Acquisition</u>	
25	<u>and Development Fund</u>	<u>\$28,400</u>
26	<u>Working Capital Revolving Fund</u>	<u>\$489,100</u>

1	<u>State Garage Revolving Fund</u>	<u>\$791,900</u>
2	<u>Statistical Services Revolving Fund</u>	<u>\$3,984,700</u>
3	<u>Communications Revolving Fund</u>	<u>\$1,432,800</u>
4	<u>Facilities Management Revolving Fund</u>	<u>\$1,911,600</u>
5	<u>Professional Services Fund</u>	<u>\$483,600</u>
6	<u>Motor Vehicle Review Board Fund</u>	<u>\$15,000</u>
7	<u>Environmental Laboratory Certification Fund</u>	<u>\$3,000</u>
8	<u>Public Health Laboratory Services</u>	
9	<u>Revolving Fund</u>	<u>\$2,500</u>
10	<u>Lead Poisoning Screening, Prevention,</u>	
11	<u>and Abatement Fund</u>	<u>\$28,200</u>
12	<u>Securities Audit and Enforcement Fund</u>	<u>\$258,400</u>
13	<u>Department of Business Services</u>	
14	<u>Special Operations Fund</u>	<u>\$111,900</u>
15	<u>Feed Control Fund</u>	<u>\$20,800</u>
16	<u>Tanning Facility Permit Fund</u>	<u>\$5,400</u>
17	<u>Plumbing Licensure and Program Fund</u>	<u>\$24,400</u>
18	<u>Tax Compliance and Administration Fund</u>	<u>\$27,200</u>
19	<u>Appraisal Administration Fund</u>	<u>\$2,400</u>
20	<u>Small Business Environmental Assistance Fund</u>	<u>\$2,200</u>
21	<u>Illinois State Fair Fund</u>	<u>\$31,400</u>
22	<u>Secretary of State Special Services Fund</u>	<u>\$317,600</u>
23	<u>Department of Corrections Reimbursement</u>	
24	<u>and Education Fund</u>	<u>\$324,500</u>
25	<u>Health Facility Plan Review Fund</u>	<u>\$31,200</u>
26	<u>Illinois Historic Sites Fund</u>	<u>\$11,500</u>

1	<u>Attorney General Court Ordered and Voluntary</u>	
2	<u>Compliance Payment Projects Fund</u>	<u>\$18,500</u>
3	<u>Public Pension Regulation Fund</u>	<u>\$5,600</u>
4	<u>Illinois Charity Bureau Fund</u>	<u>\$11,400</u>
5	<u>Renewable Energy Resources Trust Fund</u>	<u>\$6,700</u>
6	<u>Energy Efficiency Trust Fund</u>	<u>\$3,600</u>
7	<u>Pesticide Control Fund</u>	<u>\$56,800</u>
8	<u>Attorney General Whistleblower Reward</u>	
9	<u>and Protection Fund</u>	<u>\$14,200</u>
10	<u>Partners for Conservation Fund</u>	<u>\$36,900</u>
11	<u>Capital Litigation Trust Fund</u>	<u>\$800</u>
12	<u>Motor Vehicle License Plate Fund</u>	<u>\$99,700</u>
13	<u>Horse Racing Fund</u>	<u>\$18,900</u>
14	<u>Death Certificate Surcharge Fund</u>	<u>\$12,800</u>
15	<u>Auction Regulation Administration Fund</u>	<u>\$500</u>
16	<u>Motor Carrier Safety Inspection Fund</u>	<u>\$55,800</u>
17	<u>Assisted Living and Shared Housing</u>	
18	<u>Regulatory Fund</u>	<u>\$900</u>
19	<u>Illinois Thoroughbred Breeders Fund</u>	<u>\$9,200</u>
20	<u>Illinois Clean Water Fund</u>	<u>\$42,300</u>
21	<u>Secretary of State DUI Administration Fund</u>	<u>\$16,100</u>
22	<u>Child Support Administrative Fund</u>	<u>\$1,037,900</u>
23	<u>Secretary of State Police Services Fund</u>	<u>\$1,200</u>
24	<u>Tourism Promotion Fund</u>	<u>\$34,400</u>
25	<u>IMSA Income Fund</u>	<u>\$12,700</u>
26	<u>Presidential Library and Museum Operating Fund</u> ..	<u>\$83,000</u>

1	<u>Dram Shop Fund</u>	<u>\$44,500</u>
2	<u>Illinois State Dental Disciplinary Fund</u>	<u>\$5,700</u>
3	<u>Cycle Rider Safety Training Fund</u>	<u>\$8,700</u>
4	<u>Traffic and Criminal Conviction Surcharge Fund</u> ..	<u>\$106,100</u>
5	<u>Design Professionals Administration</u>	
6	<u>and Investigation Fund</u>	<u>\$4,500</u>
7	<u>State Police Services Fund</u>	<u>\$276,100</u>
8	<u>Metabolic Screening and Treatment Fund</u>	<u>\$90,800</u>
9	<u>Insurance Producer Administration Fund</u>	<u>\$45,600</u>
10	<u>Coal Technology Development Assistance Fund</u>	<u>\$11,700</u>
11	<u>Hearing Instrument Dispenser Examining</u>	
12	<u>and Disciplinary Fund</u>	<u>\$1,900</u>
13	<u>Low-Level Radioactive Waste Facility</u>	
14	<u>Development and Operation Fund</u>	<u>\$1,000</u>
15	<u>Environmental Protection Permit and</u>	
16	<u>Inspection Fund</u>	<u>\$66,900</u>
17	<u>Park and Conservation Fund</u>	<u>\$199,300</u>
18	<u>Local Tourism Fund</u>	<u>\$2,400</u>
19	<u>Illinois Capital Revolving Loan Fund</u>	<u>\$10,000</u>
20	<u>Large Business Attraction Fund</u>	<u>\$100</u>
21	<u>Adeline Jay Geo-Karis Illinois Beach</u>	
22	<u>Marina Fund</u>	<u>\$27,200</u>
23	<u>Public Infrastructure Construction</u>	
24	<u>Loan Revolving Fund</u>	<u>\$1,700</u>
25	<u>Insurance Financial Regulation Fund</u>	<u>\$69,200</u>
26	<u>Total</u>	<u>\$24,197,800</u>

1 (e) The term "workers' compensation services" means
2 services, claims expenses, and related administrative costs
3 incurred in performing the duties under Sections 405-105 and
4 405-411 of the Department of Central Management Services Law of
5 the Civil Administrative Code of Illinois.

6 (Source: P.A. 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; 95-744,
7 eff. 7-18-08.)

8 (30 ILCS 105/6z-70)

9 Sec. 6z-70. The Secretary of State Identification Security
10 and Theft Prevention Fund.

11 (a) The Secretary of State Identification Security and
12 Theft Prevention Fund is created as a special fund in the State
13 treasury. The Fund shall consist of any fund transfers, grants,
14 fees, or moneys from other sources received for the purpose of
15 funding identification security and theft prevention measures.

16 (b) All moneys in the Secretary of State Identification
17 Security and Theft Prevention Fund shall be used, subject to
18 appropriation, for any costs related to implementing
19 identification security and theft prevention measures.

20 (c) Notwithstanding any other provision of State law to the
21 contrary, on or after July 1, 2007, and until June 30, 2008, in
22 addition to any other transfers that may be provided for by
23 law, at the direction of and upon notification of the Secretary
24 of State, the State Comptroller shall direct and the State
25 Treasurer shall transfer amounts into the Secretary of State

1 Identification Security and Theft Prevention Fund from the
2 designated funds not exceeding the following totals:

- 3 Lobbyist Registration Administration Fund \$100,000
- 4 Registered Limited Liability Partnership Fund \$75,000
- 5 Securities Investors Education Fund \$500,000
- 6 Securities Audit and Enforcement Fund \$5,725,000
- 7 Department of Business Services
- 8 Special Operations Fund \$3,000,000
- 9 Corporate Franchise Tax Refund Fund \$3,000,000.

10 (d) Notwithstanding any other provision of State law to the
11 contrary, on or after July 1, 2008, and until June 30, 2009, in
12 addition to any other transfers that may be provided for by
13 law, at the direction of and upon notification of the Secretary
14 of State, the State Comptroller shall direct and the State
15 Treasurer shall transfer amounts into the Secretary of State
16 Identification Security and Theft Prevention Fund from the
17 designated funds not exceeding the following totals:

- 18 Lobbyist Registration Administration Fund \$100,000
- 19 Registered Limited Liability Partnership Fund \$75,000
- 20 Securities Investors Education Fund \$500,000
- 21 Securities Audit and Enforcement Fund \$5,725,000
- 22 Department of Business Services
- 23 Special Operations Fund \$3,000,000
- 24 Corporate Franchise Tax Refund Fund \$3,000,000
- 25 State Parking Facility Maintenance Fund \$100,000

26 (e) Notwithstanding any other provision of State law to the

1 contrary, on or after July 1, 2009, and until June 30, 2010, in
 2 addition to any other transfers that may be provided for by
 3 law, at the direction of and upon notification of the Secretary
 4 of State, the State Comptroller shall direct and the State
 5 Treasurer shall transfer amounts into the Secretary of State
 6 Identification Security and Theft Prevention Fund from the
 7 designated funds not exceeding the following totals:

8	<u>Lobbyist Registration Administration Fund</u>	<u>\$100,000</u>
9	<u>Registered Limited Liability Partnership Fund</u>	<u>\$175,000</u>
10	<u>Securities Investors Education Fund</u>	<u>\$750,000</u>
11	<u>Securities Audit and Enforcement Fund</u>	<u>\$750,000</u>
12	<u>Department of Business Services</u>	
13	<u>Special Operations Fund</u>	<u>\$3,000,000</u>
14	<u>Corporate Franchise Tax Refund Fund</u>	<u>\$3,000,000</u>
15	<u>State Parking Facility Maintenance Fund</u>	<u>\$100,000</u>

16 (Source: P.A. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

17 (30 ILCS 105/8.48 new)

18 Sec. 8.48. Reversal of transfers; limitation on transfers
 19 from certain funds.

20 (a) Notwithstanding any State law to the contrary, on the
 21 effective date of this amendatory Act of the 96th General
 22 Assembly, the State Comptroller and the State Treasurer shall
 23 transfer to each of the following funds any amounts transferred
 24 from those funds to the FY09 Budget Relief Fund under
 25 subsection (b) or (c) of Section 8.46 prior to the effective

1 date of this amendatory Act of the 96th General Assembly, as
2 well as any interest accrued thereon since the date of the
3 transfers:

4 (1) the Abandoned Mined Lands Reclamation Set Aside
5 Fund; and

6 (2) the Land Reclamation Fund.

7 On and after the effective date of this amendatory Act of
8 the 96th General Assembly, no further transfers shall be made
9 from the funds listed in items (1) and (2) of this subsection
10 to the FY09 Budget Relief Fund pursuant to subsection (b) or
11 (c) of Section 8.46.

12 (b) Notwithstanding any State law to the contrary, on the
13 effective date of this amendatory Act of the 96th General
14 Assembly, the State Comptroller and the State Treasurer shall
15 transfer to each of the following funds any interest accrued on
16 amounts transferred from those funds to the FY09 Budget Relief
17 Fund under subsection (b) or (c) of Section 8.46 since the date
18 of the transfers and prior to the effective date of this
19 amendatory Act of the 96th General Assembly:

20 (1) the Wildlife and Fish Fund;

21 (2) the Fish and Wildlife Endowment Fund;

22 (3) the State Pheasant Fund;

23 (4) the Illinois Habitat Endowment Trust Fund;

24 (5) the Illinois Habitat Fund; and

25 (6) the State Migratory Waterfowl Stamp Fund.

26 On and after the effective date of this amendatory Act of

1 the 96th General Assembly, no further transfers shall be made
2 from the funds listed in items (1) through (6) of this
3 subsection to the FY09 Budget Relief Fund pursuant to
4 subsection (b) or (c) of Section 8.46.

5 (30 ILCS 105/8g)

6 Sec. 8g. Fund transfers.

7 (a) In addition to any other transfers that may be provided
8 for by law, as soon as may be practical after the effective
9 date of this amendatory Act of the 91st General Assembly, the
10 State Comptroller shall direct and the State Treasurer shall
11 transfer the sum of \$10,000,000 from the General Revenue Fund
12 to the Motor Vehicle License Plate Fund created by Senate Bill
13 1028 of the 91st General Assembly.

14 (b) In addition to any other transfers that may be provided
15 for by law, as soon as may be practical after the effective
16 date of this amendatory Act of the 91st General Assembly, the
17 State Comptroller shall direct and the State Treasurer shall
18 transfer the sum of \$25,000,000 from the General Revenue Fund
19 to the Fund for Illinois' Future created by Senate Bill 1066 of
20 the 91st General Assembly.

21 (c) In addition to any other transfers that may be provided
22 for by law, on August 30 of each fiscal year's license period,
23 the Illinois Liquor Control Commission shall direct and the
24 State Comptroller and State Treasurer shall transfer from the
25 General Revenue Fund to the Youth Alcoholism and Substance

1 Abuse Prevention Fund an amount equal to the number of retail
2 liquor licenses issued for that fiscal year multiplied by \$50.

3 (d) The payments to programs required under subsection (d)
4 of Section 28.1 of the Horse Racing Act of 1975 shall be made,
5 pursuant to appropriation, from the special funds referred to
6 in the statutes cited in that subsection, rather than directly
7 from the General Revenue Fund.

8 Beginning January 1, 2000, on the first day of each month,
9 or as soon as may be practical thereafter, the State
10 Comptroller shall direct and the State Treasurer shall transfer
11 from the General Revenue Fund to each of the special funds from
12 which payments are to be made under Section 28.1(d) of the
13 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
14 amount required for those payments from that special fund,
15 which annual amount shall not exceed the annual amount for
16 those payments from that special fund for the calendar year
17 1998. The special funds to which transfers shall be made under
18 this subsection (d) include, but are not necessarily limited
19 to, the Agricultural Premium Fund; the Metropolitan Exposition
20 Auditorium and Office Building Fund; the Fair and Exposition
21 Fund; the Standardbred Breeders Fund; the Thoroughbred
22 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

23 (e) In addition to any other transfers that may be provided
24 for by law, as soon as may be practical after the effective
25 date of this amendatory Act of the 91st General Assembly, but
26 in no event later than June 30, 2000, the State Comptroller

1 shall direct and the State Treasurer shall transfer the sum of
2 \$15,000,000 from the General Revenue Fund to the Fund for
3 Illinois' Future.

4 (f) In addition to any other transfers that may be provided
5 for by law, as soon as may be practical after the effective
6 date of this amendatory Act of the 91st General Assembly, but
7 in no event later than June 30, 2000, the State Comptroller
8 shall direct and the State Treasurer shall transfer the sum of
9 \$70,000,000 from the General Revenue Fund to the Long-Term Care
10 Provider Fund.

11 (f-1) In fiscal year 2002, in addition to any other
12 transfers that may be provided for by law, at the direction of
13 and upon notification from the Governor, the State Comptroller
14 shall direct and the State Treasurer shall transfer amounts not
15 exceeding a total of \$160,000,000 from the General Revenue Fund
16 to the Long-Term Care Provider Fund.

17 (g) In addition to any other transfers that may be provided
18 for by law, on July 1, 2001, or as soon thereafter as may be
19 practical, the State Comptroller shall direct and the State
20 Treasurer shall transfer the sum of \$1,200,000 from the General
21 Revenue Fund to the Violence Prevention Fund.

22 (h) In each of fiscal years 2002 through 2004, but not
23 thereafter, in addition to any other transfers that may be
24 provided for by law, the State Comptroller shall direct and the
25 State Treasurer shall transfer \$5,000,000 from the General
26 Revenue Fund to the Tourism Promotion Fund.

1 (i) On or after July 1, 2001 and until May 1, 2002, in
2 addition to any other transfers that may be provided for by
3 law, at the direction of and upon notification from the
4 Governor, the State Comptroller shall direct and the State
5 Treasurer shall transfer amounts not exceeding a total of
6 \$80,000,000 from the General Revenue Fund to the Tobacco
7 Settlement Recovery Fund. Any amounts so transferred shall be
8 re-transferred by the State Comptroller and the State Treasurer
9 from the Tobacco Settlement Recovery Fund to the General
10 Revenue Fund at the direction of and upon notification from the
11 Governor, but in any event on or before June 30, 2002.

12 (i-1) On or after July 1, 2002 and until May 1, 2003, in
13 addition to any other transfers that may be provided for by
14 law, at the direction of and upon notification from the
15 Governor, the State Comptroller shall direct and the State
16 Treasurer shall transfer amounts not exceeding a total of
17 \$80,000,000 from the General Revenue Fund to the Tobacco
18 Settlement Recovery Fund. Any amounts so transferred shall be
19 re-transferred by the State Comptroller and the State Treasurer
20 from the Tobacco Settlement Recovery Fund to the General
21 Revenue Fund at the direction of and upon notification from the
22 Governor, but in any event on or before June 30, 2003.

23 (j) On or after July 1, 2001 and no later than June 30,
24 2002, in addition to any other transfers that may be provided
25 for by law, at the direction of and upon notification from the
26 Governor, the State Comptroller shall direct and the State

1 Treasurer shall transfer amounts not to exceed the following
 2 sums into the Statistical Services Revolving Fund:

3	From the General Revenue Fund	\$8,450,000
4	From the Public Utility Fund	1,700,000
5	From the Transportation Regulatory Fund	2,650,000
6	From the Title III Social Security and	
7	Employment Fund	3,700,000
8	From the Professions Indirect Cost Fund	4,050,000
9	From the Underground Storage Tank Fund	550,000
10	From the Agricultural Premium Fund	750,000
11	From the State Pensions Fund	200,000
12	From the Road Fund	2,000,000
13	From the Health Facilities	
14	Planning Fund	1,000,000
15	From the Savings and Residential Finance	
16	Regulatory Fund	130,800
17	From the Appraisal Administration Fund	28,600
18	From the Pawnbroker Regulation Fund	3,600
19	From the Auction Regulation	
20	Administration Fund	35,800
21	From the Bank and Trust Company Fund.....	634,800
22	From the Real Estate License	
23	Administration Fund	313,600

24 (k) In addition to any other transfers that may be provided
 25 for by law, as soon as may be practical after the effective
 26 date of this amendatory Act of the 92nd General Assembly, the

1 State Comptroller shall direct and the State Treasurer shall
2 transfer the sum of \$2,000,000 from the General Revenue Fund to
3 the Teachers Health Insurance Security Fund.

4 (k-1) In addition to any other transfers that may be
5 provided for by law, on July 1, 2002, or as soon as may be
6 practical thereafter, the State Comptroller shall direct and
7 the State Treasurer shall transfer the sum of \$2,000,000 from
8 the General Revenue Fund to the Teachers Health Insurance
9 Security Fund.

10 (k-2) In addition to any other transfers that may be
11 provided for by law, on July 1, 2003, or as soon as may be
12 practical thereafter, the State Comptroller shall direct and
13 the State Treasurer shall transfer the sum of \$2,000,000 from
14 the General Revenue Fund to the Teachers Health Insurance
15 Security Fund.

16 (k-3) On or after July 1, 2002 and no later than June 30,
17 2003, in addition to any other transfers that may be provided
18 for by law, at the direction of and upon notification from the
19 Governor, the State Comptroller shall direct and the State
20 Treasurer shall transfer amounts not to exceed the following
21 sums into the Statistical Services Revolving Fund:

22	Appraisal Administration Fund	\$150,000
23	General Revenue Fund	10,440,000
24	Savings and Residential Finance	
25	Regulatory Fund	200,000
26	State Pensions Fund	100,000

1	Bank and Trust Company Fund	100,000
2	Professions Indirect Cost Fund	3,400,000
3	Public Utility Fund	2,081,200
4	Real Estate License Administration Fund	150,000
5	Title III Social Security and	
6	Employment Fund	1,000,000
7	Transportation Regulatory Fund	3,052,100
8	Underground Storage Tank Fund	50,000

9 (1) In addition to any other transfers that may be provided
10 for by law, on July 1, 2002, or as soon as may be practical
11 thereafter, the State Comptroller shall direct and the State
12 Treasurer shall transfer the sum of \$3,000,000 from the General
13 Revenue Fund to the Presidential Library and Museum Operating
14 Fund.

15 (m) In addition to any other transfers that may be provided
16 for by law, on July 1, 2002 and on the effective date of this
17 amendatory Act of the 93rd General Assembly, or as soon
18 thereafter as may be practical, the State Comptroller shall
19 direct and the State Treasurer shall transfer the sum of
20 \$1,200,000 from the General Revenue Fund to the Violence
21 Prevention Fund.

22 (n) In addition to any other transfers that may be provided
23 for by law, on July 1, 2003, or as soon thereafter as may be
24 practical, the State Comptroller shall direct and the State
25 Treasurer shall transfer the sum of \$6,800,000 from the General
26 Revenue Fund to the DHS Recoveries Trust Fund.

1 (o) On or after July 1, 2003, and no later than June 30,
2 2004, in addition to any other transfers that may be provided
3 for by law, at the direction of and upon notification from the
4 Governor, the State Comptroller shall direct and the State
5 Treasurer shall transfer amounts not to exceed the following
6 sums into the Vehicle Inspection Fund:

7 From the Underground Storage Tank Fund \$35,000,000.

8 (p) On or after July 1, 2003 and until May 1, 2004, in
9 addition to any other transfers that may be provided for by
10 law, at the direction of and upon notification from the
11 Governor, the State Comptroller shall direct and the State
12 Treasurer shall transfer amounts not exceeding a total of
13 \$80,000,000 from the General Revenue Fund to the Tobacco
14 Settlement Recovery Fund. Any amounts so transferred shall be
15 re-transferred from the Tobacco Settlement Recovery Fund to the
16 General Revenue Fund at the direction of and upon notification
17 from the Governor, but in any event on or before June 30, 2004.

18 (q) In addition to any other transfers that may be provided
19 for by law, on July 1, 2003, or as soon as may be practical
20 thereafter, the State Comptroller shall direct and the State
21 Treasurer shall transfer the sum of \$5,000,000 from the General
22 Revenue Fund to the Illinois Military Family Relief Fund.

23 (r) In addition to any other transfers that may be provided
24 for by law, on July 1, 2003, or as soon as may be practical
25 thereafter, the State Comptroller shall direct and the State
26 Treasurer shall transfer the sum of \$1,922,000 from the General

1 Revenue Fund to the Presidential Library and Museum Operating
2 Fund.

3 (s) In addition to any other transfers that may be provided
4 for by law, on or after July 1, 2003, the State Comptroller
5 shall direct and the State Treasurer shall transfer the sum of
6 \$4,800,000 from the Statewide Economic Development Fund to the
7 General Revenue Fund.

8 (t) In addition to any other transfers that may be provided
9 for by law, on or after July 1, 2003, the State Comptroller
10 shall direct and the State Treasurer shall transfer the sum of
11 \$50,000,000 from the General Revenue Fund to the Budget
12 Stabilization Fund.

13 (u) On or after July 1, 2004 and until May 1, 2005, in
14 addition to any other transfers that may be provided for by
15 law, at the direction of and upon notification from the
16 Governor, the State Comptroller shall direct and the State
17 Treasurer shall transfer amounts not exceeding a total of
18 \$80,000,000 from the General Revenue Fund to the Tobacco
19 Settlement Recovery Fund. Any amounts so transferred shall be
20 retransferred by the State Comptroller and the State Treasurer
21 from the Tobacco Settlement Recovery Fund to the General
22 Revenue Fund at the direction of and upon notification from the
23 Governor, but in any event on or before June 30, 2005.

24 (v) In addition to any other transfers that may be provided
25 for by law, on July 1, 2004, or as soon thereafter as may be
26 practical, the State Comptroller shall direct and the State

1 Treasurer shall transfer the sum of \$1,200,000 from the General
2 Revenue Fund to the Violence Prevention Fund.

3 (w) In addition to any other transfers that may be provided
4 for by law, on July 1, 2004, or as soon thereafter as may be
5 practical, the State Comptroller shall direct and the State
6 Treasurer shall transfer the sum of \$6,445,000 from the General
7 Revenue Fund to the Presidential Library and Museum Operating
8 Fund.

9 (x) In addition to any other transfers that may be provided
10 for by law, on January 15, 2005, or as soon thereafter as may
11 be practical, the State Comptroller shall direct and the State
12 Treasurer shall transfer to the General Revenue Fund the
13 following sums:

14 From the State Crime Laboratory Fund, \$200,000;

15 From the State Police Wireless Service Emergency Fund,
16 \$200,000;

17 From the State Offender DNA Identification System
18 Fund, \$800,000; and

19 From the State Police Whistleblower Reward and
20 Protection Fund, \$500,000.

21 (y) Notwithstanding any other provision of law to the
22 contrary, in addition to any other transfers that may be
23 provided for by law on June 30, 2005, or as soon as may be
24 practical thereafter, the State Comptroller shall direct and
25 the State Treasurer shall transfer the remaining balance from
26 the designated funds into the General Revenue Fund and any

1 future deposits that would otherwise be made into these funds
2 must instead be made into the General Revenue Fund:

3 (1) the Keep Illinois Beautiful Fund;

4 (2) the Metropolitan Fair and Exposition Authority
5 Reconstruction Fund;

6 (3) the New Technology Recovery Fund;

7 (4) the Illinois Rural Bond Bank Trust Fund;

8 (5) the ISBE School Bus Driver Permit Fund;

9 (6) the Solid Waste Management Revolving Loan Fund;

10 (7) the State Postsecondary Review Program Fund;

11 (8) the Tourism Attraction Development Matching Grant
12 Fund;

13 (9) the Patent and Copyright Fund;

14 (10) the Credit Enhancement Development Fund;

15 (11) the Community Mental Health and Developmental
16 Disabilities Services Provider Participation Fee Trust
17 Fund;

18 (12) the Nursing Home Grant Assistance Fund;

19 (13) the By-product Material Safety Fund;

20 (14) the Illinois Student Assistance Commission Higher
21 EdNet Fund;

22 (15) the DORS State Project Fund;

23 (16) the School Technology Revolving Fund;

24 (17) the Energy Assistance Contribution Fund;

25 (18) the Illinois Building Commission Revolving Fund;

26 (19) the Illinois Aquaculture Development Fund;

- 1 (20) the Homelessness Prevention Fund;
- 2 (21) the DCFS Refugee Assistance Fund;
- 3 (22) the Illinois Century Network Special Purposes
- 4 Fund; and
- 5 (23) the Build Illinois Purposes Fund.

6 (z) In addition to any other transfers that may be provided

7 for by law, on July 1, 2005, or as soon as may be practical

8 thereafter, the State Comptroller shall direct and the State

9 Treasurer shall transfer the sum of \$1,200,000 from the General

10 Revenue Fund to the Violence Prevention Fund.

11 (aa) In addition to any other transfers that may be

12 provided for by law, on July 1, 2005, or as soon as may be

13 practical thereafter, the State Comptroller shall direct and

14 the State Treasurer shall transfer the sum of \$9,000,000 from

15 the General Revenue Fund to the Presidential Library and Museum

16 Operating Fund.

17 (bb) In addition to any other transfers that may be

18 provided for by law, on July 1, 2005, or as soon as may be

19 practical thereafter, the State Comptroller shall direct and

20 the State Treasurer shall transfer the sum of \$6,803,600 from

21 the General Revenue Fund to the Securities Audit and

22 Enforcement Fund.

23 (cc) In addition to any other transfers that may be

24 provided for by law, on or after July 1, 2005 and until May 1,

25 2006, at the direction of and upon notification from the

26 Governor, the State Comptroller shall direct and the State

1 Treasurer shall transfer amounts not exceeding a total of
2 \$80,000,000 from the General Revenue Fund to the Tobacco
3 Settlement Recovery Fund. Any amounts so transferred shall be
4 re-transferred by the State Comptroller and the State Treasurer
5 from the Tobacco Settlement Recovery Fund to the General
6 Revenue Fund at the direction of and upon notification from the
7 Governor, but in any event on or before June 30, 2006.

8 (dd) In addition to any other transfers that may be
9 provided for by law, on April 1, 2005, or as soon thereafter as
10 may be practical, at the direction of the Director of Public
11 Aid (now Director of Healthcare and Family Services), the State
12 Comptroller shall direct and the State Treasurer shall transfer
13 from the Public Aid Recoveries Trust Fund amounts not to exceed
14 \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

15 (ee) Notwithstanding any other provision of law, on July 1,
16 2006, or as soon thereafter as practical, the State Comptroller
17 shall direct and the State Treasurer shall transfer the
18 remaining balance from the Illinois Civic Center Bond Fund to
19 the Illinois Civic Center Bond Retirement and Interest Fund.

20 (ff) In addition to any other transfers that may be
21 provided for by law, on and after July 1, 2006 and until June
22 30, 2007, at the direction of and upon notification from the
23 Director of the Governor's Office of Management and Budget, the
24 State Comptroller shall direct and the State Treasurer shall
25 transfer amounts not exceeding a total of \$1,900,000 from the
26 General Revenue Fund to the Illinois Capital Revolving Loan

1 Fund.

2 (gg) In addition to any other transfers that may be
 3 provided for by law, on and after July 1, 2006 and until May 1,
 4 2007, at the direction of and upon notification from the
 5 Governor, the State Comptroller shall direct and the State
 6 Treasurer shall transfer amounts not exceeding a total of
 7 \$80,000,000 from the General Revenue Fund to the Tobacco
 8 Settlement Recovery Fund. Any amounts so transferred shall be
 9 retransferred by the State Comptroller and the State Treasurer
 10 from the Tobacco Settlement Recovery Fund to the General
 11 Revenue Fund at the direction of and upon notification from the
 12 Governor, but in any event on or before June 30, 2007.

13 (hh) In addition to any other transfers that may be
 14 provided for by law, on and after July 1, 2006 and until June
 15 30, 2007, at the direction of and upon notification from the
 16 Governor, the State Comptroller shall direct and the State
 17 Treasurer shall transfer amounts from the Illinois Affordable
 18 Housing Trust Fund to the designated funds not exceeding the
 19 following amounts:

- 20 DCFS Children's Services Fund \$2,200,000
- 21 Department of Corrections Reimbursement
- 22 and Education Fund \$1,500,000
- 23 Supplemental Low-Income Energy
- 24 Assistance Fund \$75,000

25 (ii) In addition to any other transfers that may be
 26 provided for by law, on or before August 31, 2006, the Governor

1 and the State Comptroller may agree to transfer the surplus
2 cash balance from the General Revenue Fund to the Budget
3 Stabilization Fund and the Pension Stabilization Fund in equal
4 proportions. The determination of the amount of the surplus
5 cash balance shall be made by the Governor, with the
6 concurrence of the State Comptroller, after taking into account
7 the June 30, 2006 balances in the general funds and the actual
8 or estimated spending from the general funds during the lapse
9 period. Notwithstanding the foregoing, the maximum amount that
10 may be transferred under this subsection (ii) is \$50,000,000.

11 (jj) In addition to any other transfers that may be
12 provided for by law, on July 1, 2006, or as soon thereafter as
13 practical, the State Comptroller shall direct and the State
14 Treasurer shall transfer the sum of \$8,250,000 from the General
15 Revenue Fund to the Presidential Library and Museum Operating
16 Fund.

17 (kk) In addition to any other transfers that may be
18 provided for by law, on July 1, 2006, or as soon thereafter as
19 practical, the State Comptroller shall direct and the State
20 Treasurer shall transfer the sum of \$1,400,000 from the General
21 Revenue Fund to the Violence Prevention Fund.

22 (ll) In addition to any other transfers that may be
23 provided for by law, on the first day of each calendar quarter
24 of the fiscal year beginning July 1, 2006, or as soon
25 thereafter as practical, the State Comptroller shall direct and
26 the State Treasurer shall transfer from the General Revenue

1 Fund amounts equal to one-fourth of \$20,000,000 to the
2 Renewable Energy Resources Trust Fund.

3 (mm) In addition to any other transfers that may be
4 provided for by law, on July 1, 2006, or as soon thereafter as
5 practical, the State Comptroller shall direct and the State
6 Treasurer shall transfer the sum of \$1,320,000 from the General
7 Revenue Fund to the I-FLY Fund.

8 (nn) In addition to any other transfers that may be
9 provided for by law, on July 1, 2006, or as soon thereafter as
10 practical, the State Comptroller shall direct and the State
11 Treasurer shall transfer the sum of \$3,000,000 from the General
12 Revenue Fund to the African-American HIV/AIDS Response Fund.

13 (oo) In addition to any other transfers that may be
14 provided for by law, on and after July 1, 2006 and until June
15 30, 2007, at the direction of and upon notification from the
16 Governor, the State Comptroller shall direct and the State
17 Treasurer shall transfer amounts identified as net receipts
18 from the sale of all or part of the Illinois Student Assistance
19 Commission loan portfolio from the Student Loan Operating Fund
20 to the General Revenue Fund. The maximum amount that may be
21 transferred pursuant to this Section is \$38,800,000. In
22 addition, no transfer may be made pursuant to this Section that
23 would have the effect of reducing the available balance in the
24 Student Loan Operating Fund to an amount less than the amount
25 remaining unexpended and unreserved from the total
26 appropriations from the Fund estimated to be expended for the

1 fiscal year. The State Treasurer and Comptroller shall transfer
2 the amounts designated under this Section as soon as may be
3 practical after receiving the direction to transfer from the
4 Governor.

5 (pp) In addition to any other transfers that may be
6 provided for by law, on July 1, 2006, or as soon thereafter as
7 practical, the State Comptroller shall direct and the State
8 Treasurer shall transfer the sum of \$2,000,000 from the General
9 Revenue Fund to the Illinois Veterans Assistance Fund.

10 (qq) In addition to any other transfers that may be
11 provided for by law, on and after July 1, 2007 and until May 1,
12 2008, at the direction of and upon notification from the
13 Governor, the State Comptroller shall direct and the State
14 Treasurer shall transfer amounts not exceeding a total of
15 \$80,000,000 from the General Revenue Fund to the Tobacco
16 Settlement Recovery Fund. Any amounts so transferred shall be
17 retransferred by the State Comptroller and the State Treasurer
18 from the Tobacco Settlement Recovery Fund to the General
19 Revenue Fund at the direction of and upon notification from the
20 Governor, but in any event on or before June 30, 2008.

21 (rr) In addition to any other transfers that may be
22 provided for by law, on and after July 1, 2007 and until June
23 30, 2008, at the direction of and upon notification from the
24 Governor, the State Comptroller shall direct and the State
25 Treasurer shall transfer amounts from the Illinois Affordable
26 Housing Trust Fund to the designated funds not exceeding the

1 following amounts:

2 DCFS Children's Services Fund \$2,200,000

3 Department of Corrections Reimbursement

4 and Education Fund \$1,500,000

5 Supplemental Low-Income Energy

6 Assistance Fund \$75,000

7 (ss) In addition to any other transfers that may be
8 provided for by law, on July 1, 2007, or as soon thereafter as
9 practical, the State Comptroller shall direct and the State
10 Treasurer shall transfer the sum of \$8,250,000 from the General
11 Revenue Fund to the Presidential Library and Museum Operating
12 Fund.

13 (tt) In addition to any other transfers that may be
14 provided for by law, on July 1, 2007, or as soon thereafter as
15 practical, the State Comptroller shall direct and the State
16 Treasurer shall transfer the sum of \$1,400,000 from the General
17 Revenue Fund to the Violence Prevention Fund.

18 (uu) In addition to any other transfers that may be
19 provided for by law, on July 1, 2007, or as soon thereafter as
20 practical, the State Comptroller shall direct and the State
21 Treasurer shall transfer the sum of \$1,320,000 from the General
22 Revenue Fund to the I-FLY Fund.

23 (vv) In addition to any other transfers that may be
24 provided for by law, on July 1, 2007, or as soon thereafter as
25 practical, the State Comptroller shall direct and the State
26 Treasurer shall transfer the sum of \$3,000,000 from the General

1 Revenue Fund to the African-American HIV/AIDS Response Fund.

2 (ww) In addition to any other transfers that may be
3 provided for by law, on July 1, 2007, or as soon thereafter as
4 practical, the State Comptroller shall direct and the State
5 Treasurer shall transfer the sum of \$3,500,000 from the General
6 Revenue Fund to the Predatory Lending Database Program Fund.

7 (xx) In addition to any other transfers that may be
8 provided for by law, on July 1, 2007, or as soon thereafter as
9 practical, the State Comptroller shall direct and the State
10 Treasurer shall transfer the sum of \$5,000,000 from the General
11 Revenue Fund to the Digital Divide Elimination Fund.

12 (yy) In addition to any other transfers that may be
13 provided for by law, on July 1, 2007, or as soon thereafter as
14 practical, the State Comptroller shall direct and the State
15 Treasurer shall transfer the sum of \$4,000,000 from the General
16 Revenue Fund to the Digital Divide Elimination Infrastructure
17 Fund.

18 (zz) In addition to any other transfers that may be
19 provided for by law, on July 1, 2008, or as soon thereafter as
20 practical, the State Comptroller shall direct and the State
21 Treasurer shall transfer the sum of \$5,000,000 from the General
22 Revenue Fund to the Digital Divide Elimination Fund.

23 (aaa) In addition to any other transfers that may be
24 provided for by law, on and after July 1, 2008 and until May 1,
25 2009, at the direction of and upon notification from the
26 Governor, the State Comptroller shall direct and the State

1 Treasurer shall transfer amounts not exceeding a total of
 2 \$80,000,000 from the General Revenue Fund to the Tobacco
 3 Settlement Recovery Fund. Any amounts so transferred shall be
 4 retransferred by the State Comptroller and the State Treasurer
 5 from the Tobacco Settlement Recovery Fund to the General
 6 Revenue Fund at the direction of and upon notification from the
 7 Governor, but in any event on or before June 30, 2009.

8 (bbb) In addition to any other transfers that may be
 9 provided for by law, on and after July 1, 2008 and until June
 10 30, 2009, at the direction of and upon notification from the
 11 Governor, the State Comptroller shall direct and the State
 12 Treasurer shall transfer amounts from the Illinois Affordable
 13 Housing Trust Fund to the designated funds not exceeding the
 14 following amounts:

- 15 DCFS Children's Services Fund \$2,200,000
- 16 Department of Corrections Reimbursement
- 17 and Education Fund \$1,500,000
- 18 Supplemental Low-Income Energy
- 19 Assistance Fund \$75,000

20 (ccc) In addition to any other transfers that may be
 21 provided for by law, on July 1, 2008, or as soon thereafter as
 22 practical, the State Comptroller shall direct and the State
 23 Treasurer shall transfer the sum of \$7,450,000 from the General
 24 Revenue Fund to the Presidential Library and Museum Operating
 25 Fund.

26 (ddd) In addition to any other transfers that may be

1 provided for by law, on July 1, 2008, or as soon thereafter as
2 practical, the State Comptroller shall direct and the State
3 Treasurer shall transfer the sum of \$1,400,000 from the General
4 Revenue Fund to the Violence Prevention Fund.

5 (eee) In addition to any other transfers that may be
6 provided for by law, on July 1, 2009, or as soon thereafter as
7 practical, the State Comptroller shall direct and the State
8 Treasurer shall transfer the sum of \$5,000,000 from the General
9 Revenue Fund to the Digital Divide Elimination Fund.

10 (fff) In addition to any other transfers that may be
11 provided for by law, on and after July 1, 2009 and until May 1,
12 2010, at the direction of and upon notification from the
13 Governor, the State Comptroller shall direct and the State
14 Treasurer shall transfer amounts not exceeding a total of
15 \$80,000,000 from the General Revenue Fund to the Tobacco
16 Settlement Recovery Fund. Any amounts so transferred shall be
17 retransferred by the State Comptroller and the State Treasurer
18 from the Tobacco Settlement Recovery Fund to the General
19 Revenue Fund at the direction of and upon notification from the
20 Governor, but in any event on or before June 30, 2010.

21 (ggg) In addition to any other transfers that may be
22 provided for by law, on July 1, 2009, or as soon thereafter as
23 practical, the State Comptroller shall direct and the State
24 Treasurer shall transfer the sum of \$7,450,000 from the General
25 Revenue Fund to the Presidential Library and Museum Operating
26 Fund.

1 (hhh) In addition to any other transfers that may be
2 provided for by law, on July 1, 2009, or as soon thereafter as
3 practical, the State Comptroller shall direct and the State
4 Treasurer shall transfer the sum of \$1,400,000 from the General
5 Revenue Fund to the Violence Prevention Fund.

6 (iii) In addition to any other transfers that may be
7 provided for by law, on July 1, 2009, or as soon thereafter as
8 practical, the State Comptroller shall direct and the State
9 Treasurer shall transfer the sum of \$100,000 from the General
10 Revenue Fund to the Heartsaver AED Fund.

11 (jjj) In addition to any other transfers that may be
12 provided for by law, on and after July 1, 2009 and until June
13 30, 2010, at the direction of and upon notification from the
14 Governor, the State Comptroller shall direct and the State
15 Treasurer shall transfer amounts not exceeding a total of
16 \$17,000,000 from the General Revenue Fund to the DCFS
17 Children's Services Fund.

18 (lll) In addition to any other transfers that may be
19 provided for by law, on July 1, 2009, or as soon thereafter as
20 practical, the State Comptroller shall direct and the State
21 Treasurer shall transfer the sum of \$5,000,000 from the General
22 Revenue Fund to the Communications Revolving Fund.

23 (Source: P.A. 94-58, eff. 6-17-05; 94-91, eff. 7-1-05; 94-816,
24 eff. 5-30-06; 94-839, eff. 6-6-06; 95-331, eff. 8-21-07;
25 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

1 (30 ILCS 105/8o)

2 Sec. 8o. Transfer to the University of Illinois Income
3 Fund.

4 (a) Immediately upon the effective date of this Section,
5 the State Comptroller shall direct and the State Treasurer
6 shall transfer \$15,826,499 from the General Revenue Fund to the
7 University of Illinois Income Fund.

8 (b) In addition to any other transfers that may be provided
9 for by law, on the first day of each calendar quarter of the
10 fiscal year beginning July 1, 2009, or as soon as may be
11 practical thereafter, the State Comptroller shall direct and
12 the State Treasurer shall transfer an amount equal to
13 one-fourth of \$15,826,499 from the General Revenue Fund to the
14 University of Illinois Income Fund.

15 (Source: P.A. 95-728, eff. 7-1-08.)

16 (30 ILCS 105/13.5)

17 Sec. 13.5. Appropriations for education.

18 (a) Except for the State fiscal year beginning on July 1,
19 2009, State appropriations to the State Board of Education, the
20 Board of Trustees of Southern Illinois University, the Board of
21 Trustees of the University of Illinois, the Board of Trustees
22 of Chicago State University, the Board of Trustees of Eastern
23 Illinois University, the Board of Trustees of Illinois State
24 University, the Board of Trustees of Governors State
25 University, the Board of Trustees of Northeastern Illinois

1 University, the Board of Trustees of Northern Illinois
2 University, and the Board of Trustees of Western Illinois
3 University for operations shall identify the amounts
4 appropriated for personal services, State contributions to
5 social security for Medicare, contractual services, travel,
6 commodities, equipment, operation of automotive equipment,
7 telecommunications, awards and grants, and permanent
8 improvements.

9 (b) Within 120 days after the conclusion of each fiscal
10 year, each State-supported institution of higher learning must
11 provide, through the Illinois Board of Higher Education, a
12 financial report to the Governor and General Assembly
13 documenting the institution's revenues and expenditures of
14 funds for that fiscal year ending June 30 for all funds.

15 (Source: P.A. 93-229, eff. 7-22-03; 93-1036, eff. 9-14-04.)

16 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

17 Sec. 14.1. Appropriations for State contributions to the
18 State Employees' Retirement System; payroll requirements.

19 (a) Appropriations for State contributions to the State
20 Employees' Retirement System of Illinois shall be expended in
21 the manner provided in this Section. Except as otherwise
22 provided in subsections ~~subsection~~ (a-1) and (a-2), at the time
23 of each payment of salary to an employee under the personal
24 services line item, payment shall be made to the State
25 Employees' Retirement System, from the amount appropriated for

1 State contributions to the State Employees' Retirement System,
2 of an amount calculated at the rate certified for the
3 applicable fiscal year by the Board of Trustees of the State
4 Employees' Retirement System under Section 14-135.08 of the
5 Illinois Pension Code. If a line item appropriation to an
6 employer for this purpose is exhausted or is unavailable due to
7 any limitation on appropriations that may apply, (including,
8 but not limited to, limitations on appropriations from the Road
9 Fund under Section 8.3 of the State Finance Act), the amounts
10 shall be paid under the continuing appropriation for this
11 purpose contained in the State Pension Funds Continuing
12 Appropriation Act.

13 (a-1) Beginning on the effective date of this amendatory
14 Act of the 93rd General Assembly through the payment of the
15 final payroll from fiscal year 2004 appropriations,
16 appropriations for State contributions to the State Employees'
17 Retirement System of Illinois shall be expended in the manner
18 provided in this subsection (a-1). At the time of each payment
19 of salary to an employee under the personal services line item
20 from a fund other than the General Revenue Fund, payment shall
21 be made for deposit into the General Revenue Fund from the
22 amount appropriated for State contributions to the State
23 Employees' Retirement System of an amount calculated at the
24 rate certified for fiscal year 2004 by the Board of Trustees of
25 the State Employees' Retirement System under Section 14-135.08
26 of the Illinois Pension Code. This payment shall be made to the

1 extent that a line item appropriation to an employer for this
2 purpose is available or unexhausted. No payment from
3 appropriations for State contributions shall be made in
4 conjunction with payment of salary to an employee under the
5 personal services line item from the General Revenue Fund.

6 (a-2) For fiscal year 2010 only, at the time of each
7 payment of salary to an employee under the personal services
8 line item from a fund other than the General Revenue Fund,
9 payment shall be made for deposit into the State Employees'
10 Retirement System of Illinois from the amount appropriated for
11 State contributions to the State Employees' Retirement System
12 of Illinois of an amount calculated at the rate certified for
13 fiscal year 2010 by the Board of Trustees of the State
14 Employees' Retirement System of Illinois under Section
15 14-135.08 of the Illinois Pension Code. This payment shall be
16 made to the extent that a line item appropriation to an
17 employer for this purpose is available or unexhausted. For
18 fiscal year 2010 only, no payment from appropriations for State
19 contributions shall be made in conjunction with payment of
20 salary to an employee under the personal services line item
21 from the General Revenue Fund.

22 (b) Except during the period beginning on the effective
23 date of this amendatory Act of the 93rd General Assembly and
24 ending at the time of the payment of the final payroll from
25 fiscal year 2004 appropriations, the State Comptroller shall
26 not approve for payment any payroll voucher that (1) includes

1 payments of salary to eligible employees in the State
2 Employees' Retirement System of Illinois and (2) does not
3 include the corresponding payment of State contributions to
4 that retirement system at the full rate certified under Section
5 14-135.08 for that fiscal year for eligible employees, unless
6 the balance in the fund on which the payroll voucher is drawn
7 is insufficient to pay the total payroll voucher, or
8 unavailable due to any limitation on appropriations that may
9 apply, including, but not limited to, limitations on
10 appropriations from the Road Fund under Section 8.3 of the
11 State Finance Act. If the State Comptroller approves a payroll
12 voucher under this Section for which the fund balance is
13 insufficient to pay the full amount of the required State
14 contribution to the State Employees' Retirement System, the
15 Comptroller shall promptly so notify the Retirement System.

16 (b-1) For fiscal year 2010 only, the State Comptroller
17 shall not approve for payment any non-General Revenue Fund
18 payroll voucher that (1) includes payments of salary to
19 eligible employees in the State Employees' Retirement System of
20 Illinois and (2) does not include the corresponding payment of
21 State contributions to that retirement system at the full rate
22 certified under Section 14-135.08 for that fiscal year for
23 eligible employees, unless the balance in the fund on which the
24 payroll voucher is drawn is insufficient to pay the total
25 payroll voucher, or unavailable due to any limitation on
26 appropriations that may apply, including, but not limited to,

1 limitations on appropriations from the Road Fund under Section
2 8.3 of the State Finance Act. If the State Comptroller approves
3 a payroll voucher under this Section for which the fund balance
4 is insufficient to pay the full amount of the required State
5 contribution to the State Employees' Retirement System of
6 Illinois, the Comptroller shall promptly so notify the
7 retirement system.

8 (c) Notwithstanding any other provisions of law, beginning
9 July 1, 2007, required State and employee contributions to the
10 State Employees' Retirement System of Illinois relating to
11 affected legislative staff employees shall be paid out of
12 moneys appropriated for that purpose to the Commission on
13 Government Forecasting and Accountability, rather than out of
14 the lump-sum appropriations otherwise made for the payroll and
15 other costs of those employees.

16 These payments must be made pursuant to payroll vouchers
17 submitted by the employing entity as part of the regular
18 payroll voucher process.

19 For the purpose of this subsection, "affected legislative
20 staff employees" means legislative staff employees paid out of
21 lump-sum appropriations made to the General Assembly, an
22 Officer of the General Assembly, or the Senate Operations
23 Commission, but does not include district-office staff or
24 employees of legislative support services agencies.

25 (Source: P.A. 95-707, eff. 1-11-08.)

1 Section 5-35. The State Revenue Sharing Act is amended by
2 changing Section 12 as follows:

3 (30 ILCS 115/12) (from Ch. 85, par. 616)

4 Sec. 12. Personal Property Tax Replacement Fund. There is
5 hereby created the Personal Property Tax Replacement Fund, a
6 special fund in the State Treasury into which shall be paid all
7 revenue realized:

8 (a) all amounts realized from the additional personal
9 property tax replacement income tax imposed by subsections (c)
10 and (d) of Section 201 of the Illinois Income Tax Act, except
11 for those amounts deposited into the Income Tax Refund Fund
12 pursuant to subsection (c) of Section 901 of the Illinois
13 Income Tax Act; and

14 (b) all amounts realized from the additional personal
15 property replacement invested capital taxes imposed by Section
16 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
17 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and
18 Section 3 of the Water Company Invested Capital Tax Act, and
19 amounts payable to the Department of Revenue under the
20 Telecommunications Infrastructure Maintenance Fee Act.

21 As soon as may be after the end of each month, the
22 Department of Revenue shall certify to the Treasurer and the
23 Comptroller the amount of all refunds paid out of the General
24 Revenue Fund through the preceding month on account of
25 overpayment of liability on taxes paid into the Personal

1 Property Tax Replacement Fund. Upon receipt of such
2 certification, the Treasurer and the Comptroller shall
3 transfer the amount so certified from the Personal Property Tax
4 Replacement Fund into the General Revenue Fund.

5 The payments of revenue into the Personal Property Tax
6 Replacement Fund shall be used exclusively for distribution to
7 taxing districts as provided in this Section, payment of the
8 ordinary and contingent expenses of the Property Tax Appeal
9 Board, payment of the expenses of the Department of Revenue
10 incurred in administering the collection and distribution of
11 monies paid into the Personal Property Tax Replacement Fund and
12 transfers due to refunds to taxpayers for overpayment of
13 liability for taxes paid into the Personal Property Tax
14 Replacement Fund.

15 As soon as may be after the effective date of this
16 amendatory Act of 1980, the Department of Revenue shall certify
17 to the Treasurer the amount of net replacement revenue paid
18 into the General Revenue Fund prior to that effective date from
19 the additional tax imposed by Section 2a.1 of the Messages Tax
20 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
21 the Public Utilities Revenue Act; Section 3 of the Water
22 Company Invested Capital Tax Act; amounts collected by the
23 Department of Revenue under the Telecommunications
24 Infrastructure Maintenance Fee Act; and the additional
25 personal property tax replacement income tax imposed by the
26 Illinois Income Tax Act, as amended by Public Act 81-1st

1 Special Session-1. Net replacement revenue shall be defined as
2 the total amount paid into and remaining in the General Revenue
3 Fund as a result of those Acts minus the amount outstanding and
4 obligated from the General Revenue Fund in state vouchers or
5 warrants prior to the effective date of this amendatory Act of
6 1980 as refunds to taxpayers for overpayment of liability under
7 those Acts.

8 All interest earned by monies accumulated in the Personal
9 Property Tax Replacement Fund shall be deposited in such Fund.
10 All amounts allocated pursuant to this Section are appropriated
11 on a continuing basis.

12 Prior to December 31, 1980, as soon as may be after the end
13 of each quarter beginning with the quarter ending December 31,
14 1979, and on and after December 31, 1980, as soon as may be
15 after January 1, March 1, April 1, May 1, July 1, August 1,
16 October 1 and December 1 of each year, the Department of
17 Revenue shall allocate to each taxing district as defined in
18 Section 1-150 of the Property Tax Code, in accordance with the
19 provisions of paragraph (2) of this Section the portion of the
20 funds held in the Personal Property Tax Replacement Fund which
21 is required to be distributed, as provided in paragraph (1),
22 for each quarter. Provided, however, under no circumstances
23 shall any taxing district during each of the first two years of
24 distribution of the taxes imposed by this amendatory Act of
25 1979 be entitled to an annual allocation which is less than the
26 funds such taxing district collected from the 1978 personal

1 property tax. Provided further that under no circumstances
2 shall any taxing district during the third year of distribution
3 of the taxes imposed by this amendatory Act of 1979 receive
4 less than 60% of the funds such taxing district collected from
5 the 1978 personal property tax. In the event that the total of
6 the allocations made as above provided for all taxing
7 districts, during either of such 3 years, exceeds the amount
8 available for distribution the allocation of each taxing
9 district shall be proportionately reduced. Except as provided
10 in Section 13 of this Act, the Department shall then certify,
11 pursuant to appropriation, such allocations to the State
12 Comptroller who shall pay over to the several taxing districts
13 the respective amounts allocated to them.

14 Any township which receives an allocation based in whole or
15 in part upon personal property taxes which it levied pursuant
16 to Section 6-507 or 6-512 of the Illinois Highway Code and
17 which was previously required to be paid over to a municipality
18 shall immediately pay over to that municipality a proportionate
19 share of the personal property replacement funds which such
20 township receives.

21 Any municipality or township, other than a municipality
22 with a population in excess of 500,000, which receives an
23 allocation based in whole or in part on personal property taxes
24 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
25 Illinois Local Library Act and which was previously required to
26 be paid over to a public library shall immediately pay over to

1 that library a proportionate share of the personal property tax
2 replacement funds which such municipality or township
3 receives; provided that if such a public library has converted
4 to a library organized under The Illinois Public Library
5 District Act, regardless of whether such conversion has
6 occurred on, after or before January 1, 1988, such
7 proportionate share shall be immediately paid over to the
8 library district which maintains and operates the library.
9 However, any library that has converted prior to January 1,
10 1988, and which hitherto has not received the personal property
11 tax replacement funds, shall receive such funds commencing on
12 January 1, 1988.

13 Any township which receives an allocation based in whole or
14 in part on personal property taxes which it levied pursuant to
15 Section 1c of the Public Graveyards Act and which taxes were
16 previously required to be paid over to or used for such public
17 cemetery or cemeteries shall immediately pay over to or use for
18 such public cemetery or cemeteries a proportionate share of the
19 personal property tax replacement funds which the township
20 receives.

21 Any taxing district which receives an allocation based in
22 whole or in part upon personal property taxes which it levied
23 for another governmental body or school district in Cook County
24 in 1976 or for another governmental body or school district in
25 the remainder of the State in 1977 shall immediately pay over
26 to that governmental body or school district the amount of

1 personal property replacement funds which such governmental
2 body or school district would receive directly under the
3 provisions of paragraph (2) of this Section, had it levied its
4 own taxes.

5 (1) The portion of the Personal Property Tax
6 Replacement Fund required to be distributed as of the time
7 allocation is required to be made shall be the amount
8 available in such Fund as of the time allocation is
9 required to be made.

10 The amount available for distribution shall be the
11 total amount in the fund at such time minus the necessary
12 administrative expenses as limited by the appropriation
13 and the amount determined by: (a) \$2.8 million for fiscal
14 year 1981; (b) for fiscal year 1982, .54% of the funds
15 distributed from the fund during the preceding fiscal year;
16 (c) for fiscal year 1983 through fiscal year 1988, .54% of
17 the funds distributed from the fund during the preceding
18 fiscal year less .02% of such fund for fiscal year 1983 and
19 less .02% of such funds for each fiscal year thereafter, or
20 (d) for fiscal year 1989 and beyond no more than 105% of
21 the actual administrative expenses of the prior fiscal
22 year. Such portion of the fund shall be determined after
23 the transfer into the General Revenue Fund due to refunds,
24 if any, paid from the General Revenue Fund during the
25 preceding quarter. If at any time, for any reason, there is
26 insufficient amount in the Personal Property Tax

1 Replacement Fund for payment of costs of administration or
2 for transfers due to refunds at the end of any particular
3 month, the amount of such insufficiency shall be carried
4 over for the purposes of transfers into the General Revenue
5 Fund and for purposes of costs of administration to the
6 following month or months. Net replacement revenue held,
7 and defined above, shall be transferred by the Treasurer
8 and Comptroller to the Personal Property Tax Replacement
9 Fund within 10 days of such certification.

10 (2) Each quarterly allocation shall first be
11 apportioned in the following manner: 51.65% for taxing
12 districts in Cook County and 48.35% for taxing districts in
13 the remainder of the State.

14 The Personal Property Replacement Ratio of each taxing
15 district outside Cook County shall be the ratio which the Tax
16 Base of that taxing district bears to the Downstate Tax Base.
17 The Tax Base of each taxing district outside of Cook County is
18 the personal property tax collections for that taxing district
19 for the 1977 tax year. The Downstate Tax Base is the personal
20 property tax collections for all taxing districts in the State
21 outside of Cook County for the 1977 tax year. The Department of
22 Revenue shall have authority to review for accuracy and
23 completeness the personal property tax collections for each
24 taxing district outside Cook County for the 1977 tax year.

25 The Personal Property Replacement Ratio of each Cook County
26 taxing district shall be the ratio which the Tax Base of that

1 taxing district bears to the Cook County Tax Base. The Tax Base
2 of each Cook County taxing district is the personal property
3 tax collections for that taxing district for the 1976 tax year.
4 The Cook County Tax Base is the personal property tax
5 collections for all taxing districts in Cook County for the
6 1976 tax year. The Department of Revenue shall have authority
7 to review for accuracy and completeness the personal property
8 tax collections for each taxing district within Cook County for
9 the 1976 tax year.

10 For all purposes of this Section 12, amounts paid to a
11 taxing district for such tax years as may be applicable by a
12 foreign corporation under the provisions of Section 7-202 of
13 the Public Utilities Act, as amended, shall be deemed to be
14 personal property taxes collected by such taxing district for
15 such tax years as may be applicable. The Director shall
16 determine from the Illinois Commerce Commission, for any tax
17 year as may be applicable, the amounts so paid by any such
18 foreign corporation to any and all taxing districts. The
19 Illinois Commerce Commission shall furnish such information to
20 the Director. For all purposes of this Section 12, the Director
21 shall deem such amounts to be collected personal property taxes
22 of each such taxing district for the applicable tax year or
23 years.

24 Taxing districts located both in Cook County and in one or
25 more other counties shall receive both a Cook County allocation
26 and a Downstate allocation determined in the same way as all

1 other taxing districts.

2 If any taxing district in existence on July 1, 1979 ceases
3 to exist, or discontinues its operations, its Tax Base shall
4 thereafter be deemed to be zero. If the powers, duties and
5 obligations of the discontinued taxing district are assumed by
6 another taxing district, the Tax Base of the discontinued
7 taxing district shall be added to the Tax Base of the taxing
8 district assuming such powers, duties and obligations.

9 If two or more taxing districts in existence on July 1,
10 1979, or a successor or successors thereto shall consolidate
11 into one taxing district, the Tax Base of such consolidated
12 taxing district shall be the sum of the Tax Bases of each of
13 the taxing districts which have consolidated.

14 If a single taxing district in existence on July 1, 1979,
15 or a successor or successors thereto shall be divided into two
16 or more separate taxing districts, the tax base of the taxing
17 district so divided shall be allocated to each of the resulting
18 taxing districts in proportion to the then current equalized
19 assessed value of each resulting taxing district.

20 If a portion of the territory of a taxing district is
21 disconnected and annexed to another taxing district of the same
22 type, the Tax Base of the taxing district from which
23 disconnection was made shall be reduced in proportion to the
24 then current equalized assessed value of the disconnected
25 territory as compared with the then current equalized assessed
26 value within the entire territory of the taxing district prior

1 to disconnection, and the amount of such reduction shall be
2 added to the Tax Base of the taxing district to which
3 annexation is made.

4 If a community college district is created after July 1,
5 1979, beginning on the effective date of this amendatory Act of
6 1995, its Tax Base shall be 3.5% of the sum of the personal
7 property tax collected for the 1977 tax year within the
8 territorial jurisdiction of the district.

9 The amounts allocated and paid to taxing districts pursuant
10 to the provisions of this amendatory Act of 1979 shall be
11 deemed to be substitute revenues for the revenues derived from
12 taxes imposed on personal property pursuant to the provisions
13 of the "Revenue Act of 1939" or "An Act for the assessment and
14 taxation of private car line companies", approved July 22,
15 1943, as amended, or Section 414 of the Illinois Insurance
16 Code, prior to the abolition of such taxes and shall be used
17 for the same purposes as the revenues derived from ad valorem
18 taxes on real estate.

19 Monies received by any taxing districts from the Personal
20 Property Tax Replacement Fund shall be first applied toward
21 payment of the proportionate amount of debt service which was
22 previously levied and collected from extensions against
23 personal property on bonds outstanding as of December 31, 1978
24 and next applied toward payment of the proportionate share of
25 the pension or retirement obligations of the taxing district
26 which were previously levied and collected from extensions

1 against personal property. For each such outstanding bond
2 issue, the County Clerk shall determine the percentage of the
3 debt service which was collected from extensions against real
4 estate in the taxing district for 1978 taxes payable in 1979,
5 as related to the total amount of such levies and collections
6 from extensions against both real and personal property. For
7 1979 and subsequent years' taxes, the County Clerk shall levy
8 and extend taxes against the real estate of each taxing
9 district which will yield the said percentage or percentages of
10 the debt service on such outstanding bonds. The balance of the
11 amount necessary to fully pay such debt service shall
12 constitute a first and prior lien upon the monies received by
13 each such taxing district through the Personal Property Tax
14 Replacement Fund and shall be first applied or set aside for
15 such purpose. In counties having fewer than 3,000,000
16 inhabitants, the amendments to this paragraph as made by this
17 amendatory Act of 1980 shall be first applicable to 1980 taxes
18 to be collected in 1981.

19 (Source: P.A. 92-526, eff. 1-1-03.)

20 Section 5-45. The Illinois Income Tax Act is amended by
21 changing Sections 203 and 901 as follows:

22 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

23 Sec. 203. Base income defined.

24 (a) Individuals.

1 (1) In general. In the case of an individual, base
2 income means an amount equal to the taxpayer's adjusted
3 gross income for the taxable year as modified by paragraph
4 (2).

5 (2) Modifications. The adjusted gross income referred
6 to in paragraph (1) shall be modified by adding thereto the
7 sum of the following amounts:

8 (A) An amount equal to all amounts paid or accrued
9 to the taxpayer as interest or dividends during the
10 taxable year to the extent excluded from gross income
11 in the computation of adjusted gross income, except
12 stock dividends of qualified public utilities
13 described in Section 305(e) of the Internal Revenue
14 Code;

15 (B) An amount equal to the amount of tax imposed by
16 this Act to the extent deducted from gross income in
17 the computation of adjusted gross income for the
18 taxable year;

19 (C) An amount equal to the amount received during
20 the taxable year as a recovery or refund of real
21 property taxes paid with respect to the taxpayer's
22 principal residence under the Revenue Act of 1939 and
23 for which a deduction was previously taken under
24 subparagraph (L) of this paragraph (2) prior to July 1,
25 1991, the retrospective application date of Article 4
26 of Public Act 87-17. In the case of multi-unit or

1 multi-use structures and farm dwellings, the taxes on
2 the taxpayer's principal residence shall be that
3 portion of the total taxes for the entire property
4 which is attributable to such principal residence;

5 (D) An amount equal to the amount of the capital
6 gain deduction allowable under the Internal Revenue
7 Code, to the extent deducted from gross income in the
8 computation of adjusted gross income;

9 (D-5) An amount, to the extent not included in
10 adjusted gross income, equal to the amount of money
11 withdrawn by the taxpayer in the taxable year from a
12 medical care savings account and the interest earned on
13 the account in the taxable year of a withdrawal
14 pursuant to subsection (b) of Section 20 of the Medical
15 Care Savings Account Act or subsection (b) of Section
16 20 of the Medical Care Savings Account Act of 2000;

17 (D-10) For taxable years ending after December 31,
18 1997, an amount equal to any eligible remediation costs
19 that the individual deducted in computing adjusted
20 gross income and for which the individual claims a
21 credit under subsection (l) of Section 201;

22 (D-15) For taxable years 2001 and thereafter, an
23 amount equal to the bonus depreciation deduction taken
24 on the taxpayer's federal income tax return for the
25 taxable year under subsection (k) of Section 168 of the
26 Internal Revenue Code;

1 (D-16) If the taxpayer sells, transfers, abandons,
2 or otherwise disposes of property for which the
3 taxpayer was required in any taxable year to make an
4 addition modification under subparagraph (D-15), then
5 an amount equal to the aggregate amount of the
6 deductions taken in all taxable years under
7 subparagraph (Z) with respect to that property.

8 If the taxpayer continues to own property through
9 the last day of the last tax year for which the
10 taxpayer may claim a depreciation deduction for
11 federal income tax purposes and for which the taxpayer
12 was allowed in any taxable year to make a subtraction
13 modification under subparagraph (Z), then an amount
14 equal to that subtraction modification.

15 The taxpayer is required to make the addition
16 modification under this subparagraph only once with
17 respect to any one piece of property;

18 (D-17) An amount equal to the amount otherwise
19 allowed as a deduction in computing base income for
20 interest paid, accrued, or incurred, directly or
21 indirectly, (i) for taxable years ending on or after
22 December 31, 2004, to a foreign person who would be a
23 member of the same unitary business group but for the
24 fact that foreign person's business activity outside
25 the United States is 80% or more of the foreign
26 person's total business activity and (ii) for taxable

1 years ending on or after December 31, 2008, to a person
2 who would be a member of the same unitary business
3 group but for the fact that the person is prohibited
4 under Section 1501(a)(27) from being included in the
5 unitary business group because he or she is ordinarily
6 required to apportion business income under different
7 subsections of Section 304. The addition modification
8 required by this subparagraph shall be reduced to the
9 extent that dividends were included in base income of
10 the unitary group for the same taxable year and
11 received by the taxpayer or by a member of the
12 taxpayer's unitary business group (including amounts
13 included in gross income under Sections 951 through 964
14 of the Internal Revenue Code and amounts included in
15 gross income under Section 78 of the Internal Revenue
16 Code) with respect to the stock of the same person to
17 whom the interest was paid, accrued, or incurred.

18 This paragraph shall not apply to the following:

19 (i) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person who
21 is subject in a foreign country or state, other
22 than a state which requires mandatory unitary
23 reporting, to a tax on or measured by net income
24 with respect to such interest; or

25 (ii) an item of interest paid, accrued, or
26 incurred, directly or indirectly, to a person if

1 the taxpayer can establish, based on a
2 preponderance of the evidence, both of the
3 following:

4 (a) the person, during the same taxable
5 year, paid, accrued, or incurred, the interest
6 to a person that is not a related member, and

7 (b) the transaction giving rise to the
8 interest expense between the taxpayer and the
9 person did not have as a principal purpose the
10 avoidance of Illinois income tax, and is paid
11 pursuant to a contract or agreement that
12 reflects an arm's-length interest rate and
13 terms; or

14 (iii) the taxpayer can establish, based on
15 clear and convincing evidence, that the interest
16 paid, accrued, or incurred relates to a contract or
17 agreement entered into at arm's-length rates and
18 terms and the principal purpose for the payment is
19 not federal or Illinois tax avoidance; or

20 (iv) an item of interest paid, accrued, or
21 incurred, directly or indirectly, to a person if
22 the taxpayer establishes by clear and convincing
23 evidence that the adjustments are unreasonable; or
24 if the taxpayer and the Director agree in writing
25 to the application or use of an alternative method
26 of apportionment under Section 304(f).

1 Nothing in this subsection shall preclude the
2 Director from making any other adjustment
3 otherwise allowed under Section 404 of this Act for
4 any tax year beginning after the effective date of
5 this amendment provided such adjustment is made
6 pursuant to regulation adopted by the Department
7 and such regulations provide methods and standards
8 by which the Department will utilize its authority
9 under Section 404 of this Act;

10 (D-18) An amount equal to the amount of intangible
11 expenses and costs otherwise allowed as a deduction in
12 computing base income, and that were paid, accrued, or
13 incurred, directly or indirectly, (i) for taxable
14 years ending on or after December 31, 2004, to a
15 foreign person who would be a member of the same
16 unitary business group but for the fact that the
17 foreign person's business activity outside the United
18 States is 80% or more of that person's total business
19 activity and (ii) for taxable years ending on or after
20 December 31, 2008, to a person who would be a member of
21 the same unitary business group but for the fact that
22 the person is prohibited under Section 1501(a)(27)
23 from being included in the unitary business group
24 because he or she is ordinarily required to apportion
25 business income under different subsections of Section
26 304. The addition modification required by this

1 subparagraph shall be reduced to the extent that
2 dividends were included in base income of the unitary
3 group for the same taxable year and received by the
4 taxpayer or by a member of the taxpayer's unitary
5 business group (including amounts included in gross
6 income under Sections 951 through 964 of the Internal
7 Revenue Code and amounts included in gross income under
8 Section 78 of the Internal Revenue Code) with respect
9 to the stock of the same person to whom the intangible
10 expenses and costs were directly or indirectly paid,
11 incurred, or accrued. The preceding sentence does not
12 apply to the extent that the same dividends caused a
13 reduction to the addition modification required under
14 Section 203(a)(2)(D-17) of this Act. As used in this
15 subparagraph, the term "intangible expenses and costs"
16 includes (1) expenses, losses, and costs for, or
17 related to, the direct or indirect acquisition, use,
18 maintenance or management, ownership, sale, exchange,
19 or any other disposition of intangible property; (2)
20 losses incurred, directly or indirectly, from
21 factoring transactions or discounting transactions;
22 (3) royalty, patent, technical, and copyright fees;
23 (4) licensing fees; and (5) other similar expenses and
24 costs. For purposes of this subparagraph, "intangible
25 property" includes patents, patent applications, trade
26 names, trademarks, service marks, copyrights, mask

1 works, trade secrets, and similar types of intangible
2 assets.

3 This paragraph shall not apply to the following:

4 (i) any item of intangible expenses or costs
5 paid, accrued, or incurred, directly or
6 indirectly, from a transaction with a person who is
7 subject in a foreign country or state, other than a
8 state which requires mandatory unitary reporting,
9 to a tax on or measured by net income with respect
10 to such item; or

11 (ii) any item of intangible expense or cost
12 paid, accrued, or incurred, directly or
13 indirectly, if the taxpayer can establish, based
14 on a preponderance of the evidence, both of the
15 following:

16 (a) the person during the same taxable
17 year paid, accrued, or incurred, the
18 intangible expense or cost to a person that is
19 not a related member, and

20 (b) the transaction giving rise to the
21 intangible expense or cost between the
22 taxpayer and the person did not have as a
23 principal purpose the avoidance of Illinois
24 income tax, and is paid pursuant to a contract
25 or agreement that reflects arm's-length terms;
26 or

1 (iii) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, from a transaction with a person if the
4 taxpayer establishes by clear and convincing
5 evidence, that the adjustments are unreasonable;
6 or if the taxpayer and the Director agree in
7 writing to the application or use of an alternative
8 method of apportionment under Section 304(f);

9 Nothing in this subsection shall preclude the
10 Director from making any other adjustment
11 otherwise allowed under Section 404 of this Act for
12 any tax year beginning after the effective date of
13 this amendment provided such adjustment is made
14 pursuant to regulation adopted by the Department
15 and such regulations provide methods and standards
16 by which the Department will utilize its authority
17 under Section 404 of this Act;

18 (D-19) For taxable years ending on or after
19 December 31, 2008, an amount equal to the amount of
20 insurance premium expenses and costs otherwise allowed
21 as a deduction in computing base income, and that were
22 paid, accrued, or incurred, directly or indirectly, to
23 a person who would be a member of the same unitary
24 business group but for the fact that the person is
25 prohibited under Section 1501(a)(27) from being
26 included in the unitary business group because he or

1 she is ordinarily required to apportion business
2 income under different subsections of Section 304. The
3 addition modification required by this subparagraph
4 shall be reduced to the extent that dividends were
5 included in base income of the unitary group for the
6 same taxable year and received by the taxpayer or by a
7 member of the taxpayer's unitary business group
8 (including amounts included in gross income under
9 Sections 951 through 964 of the Internal Revenue Code
10 and amounts included in gross income under Section 78
11 of the Internal Revenue Code) with respect to the stock
12 of the same person to whom the premiums and costs were
13 directly or indirectly paid, incurred, or accrued. The
14 preceding sentence does not apply to the extent that
15 the same dividends caused a reduction to the addition
16 modification required under Section 203(a)(2)(D-17) or
17 Section 203(a)(2)(D-18) of this Act.

18 (D-20) For taxable years beginning on or after
19 January 1, 2002 and ending on or before December 31,
20 2006, in the case of a distribution from a qualified
21 tuition program under Section 529 of the Internal
22 Revenue Code, other than (i) a distribution from a
23 College Savings Pool created under Section 16.5 of the
24 State Treasurer Act or (ii) a distribution from the
25 Illinois Prepaid Tuition Trust Fund, an amount equal to
26 the amount excluded from gross income under Section

1 529(c)(3)(B). For taxable years beginning on or after
2 January 1, 2007, in the case of a distribution from a
3 qualified tuition program under Section 529 of the
4 Internal Revenue Code, other than (i) a distribution
5 from a College Savings Pool created under Section 16.5
6 of the State Treasurer Act, (ii) a distribution from
7 the Illinois Prepaid Tuition Trust Fund, or (iii) a
8 distribution from a qualified tuition program under
9 Section 529 of the Internal Revenue Code that (I)
10 adopts and determines that its offering materials
11 comply with the College Savings Plans Network's
12 disclosure principles and (II) has made reasonable
13 efforts to inform in-state residents of the existence
14 of in-state qualified tuition programs by informing
15 Illinois residents directly and, where applicable, to
16 inform financial intermediaries distributing the
17 program to inform in-state residents of the existence
18 of in-state qualified tuition programs at least
19 annually, an amount equal to the amount excluded from
20 gross income under Section 529(c)(3)(B).

21 For the purposes of this subparagraph (D-20), a
22 qualified tuition program has made reasonable efforts
23 if it makes disclosures (which may use the term
24 "in-state program" or "in-state plan" and need not
25 specifically refer to Illinois or its qualified
26 programs by name) (i) directly to prospective

1 participants in its offering materials or makes a
2 public disclosure, such as a website posting; and (ii)
3 where applicable, to intermediaries selling the
4 out-of-state program in the same manner that the
5 out-of-state program distributes its offering
6 materials;

7 (D-21) For taxable years beginning on or after
8 January 1, 2007, in the case of transfer of moneys from
9 a qualified tuition program under Section 529 of the
10 Internal Revenue Code that is administered by the State
11 to an out-of-state program, an amount equal to the
12 amount of moneys previously deducted from base income
13 under subsection (a) (2) (Y) of this Section.

14 and by deducting from the total so obtained the sum of the
15 following amounts:

16 (E) For taxable years ending before December 31,
17 2001, any amount included in such total in respect of
18 any compensation (including but not limited to any
19 compensation paid or accrued to a serviceman while a
20 prisoner of war or missing in action) paid to a
21 resident by reason of being on active duty in the Armed
22 Forces of the United States and in respect of any
23 compensation paid or accrued to a resident who as a
24 governmental employee was a prisoner of war or missing
25 in action, and in respect of any compensation paid to a
26 resident in 1971 or thereafter for annual training

1 performed pursuant to Sections 502 and 503, Title 32,
2 United States Code as a member of the Illinois National
3 Guard or, beginning with taxable years ending on or
4 after December 31, 2007, the National Guard of any
5 other state. For taxable years ending on or after
6 December 31, 2001, any amount included in such total in
7 respect of any compensation (including but not limited
8 to any compensation paid or accrued to a serviceman
9 while a prisoner of war or missing in action) paid to a
10 resident by reason of being a member of any component
11 of the Armed Forces of the United States and in respect
12 of any compensation paid or accrued to a resident who
13 as a governmental employee was a prisoner of war or
14 missing in action, and in respect of any compensation
15 paid to a resident in 2001 or thereafter by reason of
16 being a member of the Illinois National Guard or,
17 beginning with taxable years ending on or after
18 December 31, 2007, the National Guard of any other
19 state. The provisions of this amendatory Act of the
20 92nd General Assembly are exempt from the provisions of
21 Section 250;

22 (F) An amount equal to all amounts included in such
23 total pursuant to the provisions of Sections 402(a),
24 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the
25 Internal Revenue Code, or included in such total as
26 distributions under the provisions of any retirement

1 or disability plan for employees of any governmental
2 agency or unit, or retirement payments to retired
3 partners, which payments are excluded in computing net
4 earnings from self employment by Section 1402 of the
5 Internal Revenue Code and regulations adopted pursuant
6 thereto;

7 (G) The valuation limitation amount;

8 (H) An amount equal to the amount of any tax
9 imposed by this Act which was refunded to the taxpayer
10 and included in such total for the taxable year;

11 (I) An amount equal to all amounts included in such
12 total pursuant to the provisions of Section 111 of the
13 Internal Revenue Code as a recovery of items previously
14 deducted from adjusted gross income in the computation
15 of taxable income;

16 (J) An amount equal to those dividends included in
17 such total which were paid by a corporation which
18 conducts business operations in an Enterprise Zone or
19 zones created under the Illinois Enterprise Zone Act or
20 a River Edge Redevelopment Zone or zones created under
21 the River Edge Redevelopment Zone Act, and conducts
22 substantially all of its operations in an Enterprise
23 Zone or zones or a River Edge Redevelopment Zone or
24 zones. This subparagraph (J) is exempt from the
25 provisions of Section 250;

26 (K) An amount equal to those dividends included in

1 such total that were paid by a corporation that
2 conducts business operations in a federally designated
3 Foreign Trade Zone or Sub-Zone and that is designated a
4 High Impact Business located in Illinois; provided
5 that dividends eligible for the deduction provided in
6 subparagraph (J) of paragraph (2) of this subsection
7 shall not be eligible for the deduction provided under
8 this subparagraph (K);

9 (L) For taxable years ending after December 31,
10 1983, an amount equal to all social security benefits
11 and railroad retirement benefits included in such
12 total pursuant to Sections 72(r) and 86 of the Internal
13 Revenue Code;

14 (M) With the exception of any amounts subtracted
15 under subparagraph (N), an amount equal to the sum of
16 all amounts disallowed as deductions by (i) Sections
17 171(a) (2), and 265(2) of the Internal Revenue Code of
18 1954, as now or hereafter amended, and all amounts of
19 expenses allocable to interest and disallowed as
20 deductions by Section 265(1) of the Internal Revenue
21 Code of 1954, as now or hereafter amended; and (ii) for
22 taxable years ending on or after August 13, 1999,
23 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
24 the Internal Revenue Code; the provisions of this
25 subparagraph are exempt from the provisions of Section
26 250;

1 (N) An amount equal to all amounts included in such
2 total which are exempt from taxation by this State
3 either by reason of its statutes or Constitution or by
4 reason of the Constitution, treaties or statutes of the
5 United States; provided that, in the case of any
6 statute of this State that exempts income derived from
7 bonds or other obligations from the tax imposed under
8 this Act, the amount exempted shall be the interest net
9 of bond premium amortization;

10 (O) An amount equal to any contribution made to a
11 job training project established pursuant to the Tax
12 Increment Allocation Redevelopment Act;

13 (P) An amount equal to the amount of the deduction
14 used to compute the federal income tax credit for
15 restoration of substantial amounts held under claim of
16 right for the taxable year pursuant to Section 1341 of
17 the Internal Revenue Code of 1986;

18 (Q) An amount equal to any amounts included in such
19 total, received by the taxpayer as an acceleration in
20 the payment of life, endowment or annuity benefits in
21 advance of the time they would otherwise be payable as
22 an indemnity for a terminal illness;

23 (R) An amount equal to the amount of any federal or
24 State bonus paid to veterans of the Persian Gulf War;

25 (S) An amount, to the extent included in adjusted
26 gross income, equal to the amount of a contribution

1 made in the taxable year on behalf of the taxpayer to a
2 medical care savings account established under the
3 Medical Care Savings Account Act or the Medical Care
4 Savings Account Act of 2000 to the extent the
5 contribution is accepted by the account administrator
6 as provided in that Act;

7 (T) An amount, to the extent included in adjusted
8 gross income, equal to the amount of interest earned in
9 the taxable year on a medical care savings account
10 established under the Medical Care Savings Account Act
11 or the Medical Care Savings Account Act of 2000 on
12 behalf of the taxpayer, other than interest added
13 pursuant to item (D-5) of this paragraph (2);

14 (U) For one taxable year beginning on or after
15 January 1, 1994, an amount equal to the total amount of
16 tax imposed and paid under subsections (a) and (b) of
17 Section 201 of this Act on grant amounts received by
18 the taxpayer under the Nursing Home Grant Assistance
19 Act during the taxpayer's taxable years 1992 and 1993;

20 (V) Beginning with tax years ending on or after
21 December 31, 1995 and ending with tax years ending on
22 or before December 31, 2004, an amount equal to the
23 amount paid by a taxpayer who is a self-employed
24 taxpayer, a partner of a partnership, or a shareholder
25 in a Subchapter S corporation for health insurance or
26 long-term care insurance for that taxpayer or that

1 taxpayer's spouse or dependents, to the extent that the
2 amount paid for that health insurance or long-term care
3 insurance may be deducted under Section 213 of the
4 Internal Revenue Code of 1986, has not been deducted on
5 the federal income tax return of the taxpayer, and does
6 not exceed the taxable income attributable to that
7 taxpayer's income, self-employment income, or
8 Subchapter S corporation income; except that no
9 deduction shall be allowed under this item (V) if the
10 taxpayer is eligible to participate in any health
11 insurance or long-term care insurance plan of an
12 employer of the taxpayer or the taxpayer's spouse. The
13 amount of the health insurance and long-term care
14 insurance subtracted under this item (V) shall be
15 determined by multiplying total health insurance and
16 long-term care insurance premiums paid by the taxpayer
17 times a number that represents the fractional
18 percentage of eligible medical expenses under Section
19 213 of the Internal Revenue Code of 1986 not actually
20 deducted on the taxpayer's federal income tax return;

21 (W) For taxable years beginning on or after January
22 1, 1998, all amounts included in the taxpayer's federal
23 gross income in the taxable year from amounts converted
24 from a regular IRA to a Roth IRA. This paragraph is
25 exempt from the provisions of Section 250;

26 (X) For taxable year 1999 and thereafter, an amount

1 equal to the amount of any (i) distributions, to the
2 extent includible in gross income for federal income
3 tax purposes, made to the taxpayer because of his or
4 her status as a victim of persecution for racial or
5 religious reasons by Nazi Germany or any other Axis
6 regime or as an heir of the victim and (ii) items of
7 income, to the extent includible in gross income for
8 federal income tax purposes, attributable to, derived
9 from or in any way related to assets stolen from,
10 hidden from, or otherwise lost to a victim of
11 persecution for racial or religious reasons by Nazi
12 Germany or any other Axis regime immediately prior to,
13 during, and immediately after World War II, including,
14 but not limited to, interest on the proceeds receivable
15 as insurance under policies issued to a victim of
16 persecution for racial or religious reasons by Nazi
17 Germany or any other Axis regime by European insurance
18 companies immediately prior to and during World War II;
19 provided, however, this subtraction from federal
20 adjusted gross income does not apply to assets acquired
21 with such assets or with the proceeds from the sale of
22 such assets; provided, further, this paragraph shall
23 only apply to a taxpayer who was the first recipient of
24 such assets after their recovery and who is a victim of
25 persecution for racial or religious reasons by Nazi
26 Germany or any other Axis regime or as an heir of the

1 victim. The amount of and the eligibility for any
2 public assistance, benefit, or similar entitlement is
3 not affected by the inclusion of items (i) and (ii) of
4 this paragraph in gross income for federal income tax
5 purposes. This paragraph is exempt from the provisions
6 of Section 250;

7 (Y) For taxable years beginning on or after January
8 1, 2002 and ending on or before December 31, 2004,
9 moneys contributed in the taxable year to a College
10 Savings Pool account under Section 16.5 of the State
11 Treasurer Act, except that amounts excluded from gross
12 income under Section 529(c)(3)(C)(i) of the Internal
13 Revenue Code shall not be considered moneys
14 contributed under this subparagraph (Y). For taxable
15 years beginning on or after January 1, 2005, a maximum
16 of \$10,000 contributed in the taxable year to (i) a
17 College Savings Pool account under Section 16.5 of the
18 State Treasurer Act or (ii) the Illinois Prepaid
19 Tuition Trust Fund, except that amounts excluded from
20 gross income under Section 529(c)(3)(C)(i) of the
21 Internal Revenue Code shall not be considered moneys
22 contributed under this subparagraph (Y). This
23 subparagraph (Y) is exempt from the provisions of
24 Section 250;

25 (Z) For taxable years 2001 and thereafter, for the
26 taxable year in which the bonus depreciation deduction

1 is taken on the taxpayer's federal income tax return
2 under subsection (k) of Section 168 of the Internal
3 Revenue Code and for each applicable taxable year
4 thereafter, an amount equal to "x", where:

5 (1) "y" equals the amount of the depreciation
6 deduction taken for the taxable year on the
7 taxpayer's federal income tax return on property
8 for which the bonus depreciation deduction was
9 taken in any year under subsection (k) of Section
10 168 of the Internal Revenue Code, but not including
11 the bonus depreciation deduction;

12 (2) for taxable years ending on or before
13 December 31, 2005, "x" equals "y" multiplied by 30
14 and then divided by 70 (or "y" multiplied by
15 0.429); and

16 (3) for taxable years ending after December
17 31, 2005:

18 (i) for property on which a bonus
19 depreciation deduction of 30% of the adjusted
20 basis was taken, "x" equals "y" multiplied by
21 30 and then divided by 70 (or "y" multiplied by
22 0.429); and

23 (ii) for property on which a bonus
24 depreciation deduction of 50% of the adjusted
25 basis was taken, "x" equals "y" multiplied by
26 1.0.

1 The aggregate amount deducted under this
2 subparagraph in all taxable years for any one piece of
3 property may not exceed the amount of the bonus
4 depreciation deduction taken on that property on the
5 taxpayer's federal income tax return under subsection
6 (k) of Section 168 of the Internal Revenue Code. This
7 subparagraph (Z) is exempt from the provisions of
8 Section 250;

9 (AA) If the taxpayer sells, transfers, abandons,
10 or otherwise disposes of property for which the
11 taxpayer was required in any taxable year to make an
12 addition modification under subparagraph (D-15), then
13 an amount equal to that addition modification.

14 If the taxpayer continues to own property through
15 the last day of the last tax year for which the
16 taxpayer may claim a depreciation deduction for
17 federal income tax purposes and for which the taxpayer
18 was required in any taxable year to make an addition
19 modification under subparagraph (D-15), then an amount
20 equal to that addition modification.

21 The taxpayer is allowed to take the deduction under
22 this subparagraph only once with respect to any one
23 piece of property.

24 This subparagraph (AA) is exempt from the
25 provisions of Section 250;

26 (BB) Any amount included in adjusted gross income,

1 other than salary, received by a driver in a
2 ridesharing arrangement using a motor vehicle;

3 (CC) The amount of (i) any interest income (net of
4 the deductions allocable thereto) taken into account
5 for the taxable year with respect to a transaction with
6 a taxpayer that is required to make an addition
7 modification with respect to such transaction under
8 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
9 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
10 the amount of that addition modification, and (ii) any
11 income from intangible property (net of the deductions
12 allocable thereto) taken into account for the taxable
13 year with respect to a transaction with a taxpayer that
14 is required to make an addition modification with
15 respect to such transaction under Section
16 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
17 203(d)(2)(D-8), but not to exceed the amount of that
18 addition modification. This subparagraph (CC) is
19 exempt from the provisions of Section 250;

20 (DD) An amount equal to the interest income taken
21 into account for the taxable year (net of the
22 deductions allocable thereto) with respect to
23 transactions with (i) a foreign person who would be a
24 member of the taxpayer's unitary business group but for
25 the fact that the foreign person's business activity
26 outside the United States is 80% or more of that

1 person's total business activity and (ii) for taxable
2 years ending on or after December 31, 2008, to a person
3 who would be a member of the same unitary business
4 group but for the fact that the person is prohibited
5 under Section 1501(a)(27) from being included in the
6 unitary business group because he or she is ordinarily
7 required to apportion business income under different
8 subsections of Section 304, but not to exceed the
9 addition modification required to be made for the same
10 taxable year under Section 203(a)(2)(D-17) for
11 interest paid, accrued, or incurred, directly or
12 indirectly, to the same person. This subparagraph (DD)
13 is exempt from the provisions of Section 250; and

14 (EE) An amount equal to the income from intangible
15 property taken into account for the taxable year (net
16 of the deductions allocable thereto) with respect to
17 transactions with (i) a foreign person who would be a
18 member of the taxpayer's unitary business group but for
19 the fact that the foreign person's business activity
20 outside the United States is 80% or more of that
21 person's total business activity and (ii) for taxable
22 years ending on or after December 31, 2008, to a person
23 who would be a member of the same unitary business
24 group but for the fact that the person is prohibited
25 under Section 1501(a)(27) from being included in the
26 unitary business group because he or she is ordinarily

1 required to apportion business income under different
2 subsections of Section 304, but not to exceed the
3 addition modification required to be made for the same
4 taxable year under Section 203(a)(2)(D-18) for
5 intangible expenses and costs paid, accrued, or
6 incurred, directly or indirectly, to the same foreign
7 person. This subparagraph (EE) is exempt from the
8 provisions of Section 250.

9 (b) Corporations.

10 (1) In general. In the case of a corporation, base
11 income means an amount equal to the taxpayer's taxable
12 income for the taxable year as modified by paragraph (2).

13 (2) Modifications. The taxable income referred to in
14 paragraph (1) shall be modified by adding thereto the sum
15 of the following amounts:

16 (A) An amount equal to all amounts paid or accrued
17 to the taxpayer as interest and all distributions
18 received from regulated investment companies during
19 the taxable year to the extent excluded from gross
20 income in the computation of taxable income;

21 (B) An amount equal to the amount of tax imposed by
22 this Act to the extent deducted from gross income in
23 the computation of taxable income for the taxable year;

24 (C) In the case of a regulated investment company,
25 an amount equal to the excess of (i) the net long-term

1 capital gain for the taxable year, over (ii) the amount
2 of the capital gain dividends designated as such in
3 accordance with Section 852(b)(3)(C) of the Internal
4 Revenue Code and any amount designated under Section
5 852(b)(3)(D) of the Internal Revenue Code,
6 attributable to the taxable year (this amendatory Act
7 of 1995 (Public Act 89-89) is declarative of existing
8 law and is not a new enactment);

9 (D) The amount of any net operating loss deduction
10 taken in arriving at taxable income, other than a net
11 operating loss carried forward from a taxable year
12 ending prior to December 31, 1986;

13 (E) For taxable years in which a net operating loss
14 carryback or carryforward from a taxable year ending
15 prior to December 31, 1986 is an element of taxable
16 income under paragraph (1) of subsection (e) or
17 subparagraph (E) of paragraph (2) of subsection (e),
18 the amount by which addition modifications other than
19 those provided by this subparagraph (E) exceeded
20 subtraction modifications in such earlier taxable
21 year, with the following limitations applied in the
22 order that they are listed:

23 (i) the addition modification relating to the
24 net operating loss carried back or forward to the
25 taxable year from any taxable year ending prior to
26 December 31, 1986 shall be reduced by the amount of

1 addition modification under this subparagraph (E)
2 which related to that net operating loss and which
3 was taken into account in calculating the base
4 income of an earlier taxable year, and

5 (ii) the addition modification relating to the
6 net operating loss carried back or forward to the
7 taxable year from any taxable year ending prior to
8 December 31, 1986 shall not exceed the amount of
9 such carryback or carryforward;

10 For taxable years in which there is a net operating
11 loss carryback or carryforward from more than one other
12 taxable year ending prior to December 31, 1986, the
13 addition modification provided in this subparagraph
14 (E) shall be the sum of the amounts computed
15 independently under the preceding provisions of this
16 subparagraph (E) for each such taxable year;

17 (E-5) For taxable years ending after December 31,
18 1997, an amount equal to any eligible remediation costs
19 that the corporation deducted in computing adjusted
20 gross income and for which the corporation claims a
21 credit under subsection (l) of Section 201;

22 (E-10) For taxable years 2001 and thereafter, an
23 amount equal to the bonus depreciation deduction taken
24 on the taxpayer's federal income tax return for the
25 taxable year under subsection (k) of Section 168 of the
26 Internal Revenue Code;

1 (E-11) If the taxpayer sells, transfers, abandons,
2 or otherwise disposes of property for which the
3 taxpayer was required in any taxable year to make an
4 addition modification under subparagraph (E-10), then
5 an amount equal to the aggregate amount of the
6 deductions taken in all taxable years under
7 subparagraph (T) with respect to that property.

8 If the taxpayer continues to own property through
9 the last day of the last tax year for which the
10 taxpayer may claim a depreciation deduction for
11 federal income tax purposes and for which the taxpayer
12 was allowed in any taxable year to make a subtraction
13 modification under subparagraph (T), then an amount
14 equal to that subtraction modification.

15 The taxpayer is required to make the addition
16 modification under this subparagraph only once with
17 respect to any one piece of property;

18 (E-12) An amount equal to the amount otherwise
19 allowed as a deduction in computing base income for
20 interest paid, accrued, or incurred, directly or
21 indirectly, (i) for taxable years ending on or after
22 December 31, 2004, to a foreign person who would be a
23 member of the same unitary business group but for the
24 fact the foreign person's business activity outside
25 the United States is 80% or more of the foreign
26 person's total business activity and (ii) for taxable

1 years ending on or after December 31, 2008, to a person
2 who would be a member of the same unitary business
3 group but for the fact that the person is prohibited
4 under Section 1501(a)(27) from being included in the
5 unitary business group because he or she is ordinarily
6 required to apportion business income under different
7 subsections of Section 304. The addition modification
8 required by this subparagraph shall be reduced to the
9 extent that dividends were included in base income of
10 the unitary group for the same taxable year and
11 received by the taxpayer or by a member of the
12 taxpayer's unitary business group (including amounts
13 included in gross income pursuant to Sections 951
14 through 964 of the Internal Revenue Code and amounts
15 included in gross income under Section 78 of the
16 Internal Revenue Code) with respect to the stock of the
17 same person to whom the interest was paid, accrued, or
18 incurred.

19 This paragraph shall not apply to the following:

20 (i) an item of interest paid, accrued, or
21 incurred, directly or indirectly, to a person who
22 is subject in a foreign country or state, other
23 than a state which requires mandatory unitary
24 reporting, to a tax on or measured by net income
25 with respect to such interest; or

26 (ii) an item of interest paid, accrued, or

1 incurred, directly or indirectly, to a person if
2 the taxpayer can establish, based on a
3 preponderance of the evidence, both of the
4 following:

5 (a) the person, during the same taxable
6 year, paid, accrued, or incurred, the interest
7 to a person that is not a related member, and

8 (b) the transaction giving rise to the
9 interest expense between the taxpayer and the
10 person did not have as a principal purpose the
11 avoidance of Illinois income tax, and is paid
12 pursuant to a contract or agreement that
13 reflects an arm's-length interest rate and
14 terms; or

15 (iii) the taxpayer can establish, based on
16 clear and convincing evidence, that the interest
17 paid, accrued, or incurred relates to a contract or
18 agreement entered into at arm's-length rates and
19 terms and the principal purpose for the payment is
20 not federal or Illinois tax avoidance; or

21 (iv) an item of interest paid, accrued, or
22 incurred, directly or indirectly, to a person if
23 the taxpayer establishes by clear and convincing
24 evidence that the adjustments are unreasonable; or
25 if the taxpayer and the Director agree in writing
26 to the application or use of an alternative method

1 of apportionment under Section 304(f).

2 Nothing in this subsection shall preclude the
3 Director from making any other adjustment
4 otherwise allowed under Section 404 of this Act for
5 any tax year beginning after the effective date of
6 this amendment provided such adjustment is made
7 pursuant to regulation adopted by the Department
8 and such regulations provide methods and standards
9 by which the Department will utilize its authority
10 under Section 404 of this Act;

11 (E-13) An amount equal to the amount of intangible
12 expenses and costs otherwise allowed as a deduction in
13 computing base income, and that were paid, accrued, or
14 incurred, directly or indirectly, (i) for taxable
15 years ending on or after December 31, 2004, to a
16 foreign person who would be a member of the same
17 unitary business group but for the fact that the
18 foreign person's business activity outside the United
19 States is 80% or more of that person's total business
20 activity and (ii) for taxable years ending on or after
21 December 31, 2008, to a person who would be a member of
22 the same unitary business group but for the fact that
23 the person is prohibited under Section 1501(a)(27)
24 from being included in the unitary business group
25 because he or she is ordinarily required to apportion
26 business income under different subsections of Section

1 304. The addition modification required by this
2 subparagraph shall be reduced to the extent that
3 dividends were included in base income of the unitary
4 group for the same taxable year and received by the
5 taxpayer or by a member of the taxpayer's unitary
6 business group (including amounts included in gross
7 income pursuant to Sections 951 through 964 of the
8 Internal Revenue Code and amounts included in gross
9 income under Section 78 of the Internal Revenue Code)
10 with respect to the stock of the same person to whom
11 the intangible expenses and costs were directly or
12 indirectly paid, incurred, or accrued. The preceding
13 sentence shall not apply to the extent that the same
14 dividends caused a reduction to the addition
15 modification required under Section 203(b)(2)(E-12) of
16 this Act. As used in this subparagraph, the term
17 "intangible expenses and costs" includes (1) expenses,
18 losses, and costs for, or related to, the direct or
19 indirect acquisition, use, maintenance or management,
20 ownership, sale, exchange, or any other disposition of
21 intangible property; (2) losses incurred, directly or
22 indirectly, from factoring transactions or discounting
23 transactions; (3) royalty, patent, technical, and
24 copyright fees; (4) licensing fees; and (5) other
25 similar expenses and costs. For purposes of this
26 subparagraph, "intangible property" includes patents,

1 patent applications, trade names, trademarks, service
2 marks, copyrights, mask works, trade secrets, and
3 similar types of intangible assets.

4 This paragraph shall not apply to the following:

5 (i) any item of intangible expenses or costs
6 paid, accrued, or incurred, directly or
7 indirectly, from a transaction with a person who is
8 subject in a foreign country or state, other than a
9 state which requires mandatory unitary reporting,
10 to a tax on or measured by net income with respect
11 to such item; or

12 (ii) any item of intangible expense or cost
13 paid, accrued, or incurred, directly or
14 indirectly, if the taxpayer can establish, based
15 on a preponderance of the evidence, both of the
16 following:

17 (a) the person during the same taxable
18 year paid, accrued, or incurred, the
19 intangible expense or cost to a person that is
20 not a related member, and

21 (b) the transaction giving rise to the
22 intangible expense or cost between the
23 taxpayer and the person did not have as a
24 principal purpose the avoidance of Illinois
25 income tax, and is paid pursuant to a contract
26 or agreement that reflects arm's-length terms;

1 or

2 (iii) any item of intangible expense or cost
3 paid, accrued, or incurred, directly or
4 indirectly, from a transaction with a person if the
5 taxpayer establishes by clear and convincing
6 evidence, that the adjustments are unreasonable;
7 or if the taxpayer and the Director agree in
8 writing to the application or use of an alternative
9 method of apportionment under Section 304(f);

10 Nothing in this subsection shall preclude the
11 Director from making any other adjustment
12 otherwise allowed under Section 404 of this Act for
13 any tax year beginning after the effective date of
14 this amendment provided such adjustment is made
15 pursuant to regulation adopted by the Department
16 and such regulations provide methods and standards
17 by which the Department will utilize its authority
18 under Section 404 of this Act;

19 (E-14) For taxable years ending on or after
20 December 31, 2008, an amount equal to the amount of
21 insurance premium expenses and costs otherwise allowed
22 as a deduction in computing base income, and that were
23 paid, accrued, or incurred, directly or indirectly, to
24 a person who would be a member of the same unitary
25 business group but for the fact that the person is
26 prohibited under Section 1501(a)(27) from being

1 included in the unitary business group because he or
2 she is ordinarily required to apportion business
3 income under different subsections of Section 304. The
4 addition modification required by this subparagraph
5 shall be reduced to the extent that dividends were
6 included in base income of the unitary group for the
7 same taxable year and received by the taxpayer or by a
8 member of the taxpayer's unitary business group
9 (including amounts included in gross income under
10 Sections 951 through 964 of the Internal Revenue Code
11 and amounts included in gross income under Section 78
12 of the Internal Revenue Code) with respect to the stock
13 of the same person to whom the premiums and costs were
14 directly or indirectly paid, incurred, or accrued. The
15 preceding sentence does not apply to the extent that
16 the same dividends caused a reduction to the addition
17 modification required under Section 203(b) (2) (E-12) or
18 Section 203(b) (2) (E-13) of this Act;

19 (E-15) For taxable years beginning after December
20 31, 2008, any deduction for dividends paid by a captive
21 real estate investment trust that is allowed to a real
22 estate investment trust under Section 857(b) (2) (B) of
23 the Internal Revenue Code for dividends paid;

24 and by deducting from the total so obtained the sum of the
25 following amounts:

26 (F) An amount equal to the amount of any tax

1 imposed by this Act which was refunded to the taxpayer
2 and included in such total for the taxable year;

3 (G) An amount equal to any amount included in such
4 total under Section 78 of the Internal Revenue Code;

5 (H) In the case of a regulated investment company,
6 an amount equal to the amount of exempt interest
7 dividends as defined in subsection (b) (5) of Section
8 852 of the Internal Revenue Code, paid to shareholders
9 for the taxable year;

10 (I) With the exception of any amounts subtracted
11 under subparagraph (J), an amount equal to the sum of
12 all amounts disallowed as deductions by (i) Sections
13 171(a) (2), and 265(a) (2) and amounts disallowed as
14 interest expense by Section 291(a) (3) of the Internal
15 Revenue Code, as now or hereafter amended, and all
16 amounts of expenses allocable to interest and
17 disallowed as deductions by Section 265(a) (1) of the
18 Internal Revenue Code, as now or hereafter amended; and
19 (ii) for taxable years ending on or after August 13,
20 1999, Sections 171(a) (2), 265, 280C, 291(a) (3), and
21 832(b) (5) (B) (i) of the Internal Revenue Code; the
22 provisions of this subparagraph are exempt from the
23 provisions of Section 250;

24 (J) An amount equal to all amounts included in such
25 total which are exempt from taxation by this State
26 either by reason of its statutes or Constitution or by

1 reason of the Constitution, treaties or statutes of the
2 United States; provided that, in the case of any
3 statute of this State that exempts income derived from
4 bonds or other obligations from the tax imposed under
5 this Act, the amount exempted shall be the interest net
6 of bond premium amortization;

7 (K) An amount equal to those dividends included in
8 such total which were paid by a corporation which
9 conducts business operations in an Enterprise Zone or
10 zones created under the Illinois Enterprise Zone Act or
11 a River Edge Redevelopment Zone or zones created under
12 the River Edge Redevelopment Zone Act and conducts
13 substantially all of its operations in an Enterprise
14 Zone or zones or a River Edge Redevelopment Zone or
15 zones. This subparagraph (K) is exempt from the
16 provisions of Section 250;

17 (L) An amount equal to those dividends included in
18 such total that were paid by a corporation that
19 conducts business operations in a federally designated
20 Foreign Trade Zone or Sub-Zone and that is designated a
21 High Impact Business located in Illinois; provided
22 that dividends eligible for the deduction provided in
23 subparagraph (K) of paragraph 2 of this subsection
24 shall not be eligible for the deduction provided under
25 this subparagraph (L);

26 (M) For any taxpayer that is a financial

1 organization within the meaning of Section 304(c) of
2 this Act, an amount included in such total as interest
3 income from a loan or loans made by such taxpayer to a
4 borrower, to the extent that such a loan is secured by
5 property which is eligible for the Enterprise Zone
6 Investment Credit or the River Edge Redevelopment Zone
7 Investment Credit. To determine the portion of a loan
8 or loans that is secured by property eligible for a
9 Section 201(f) investment credit to the borrower, the
10 entire principal amount of the loan or loans between
11 the taxpayer and the borrower should be divided into
12 the basis of the Section 201(f) investment credit
13 property which secures the loan or loans, using for
14 this purpose the original basis of such property on the
15 date that it was placed in service in the Enterprise
16 Zone or the River Edge Redevelopment Zone. The
17 subtraction modification available to taxpayer in any
18 year under this subsection shall be that portion of the
19 total interest paid by the borrower with respect to
20 such loan attributable to the eligible property as
21 calculated under the previous sentence. This
22 subparagraph (M) is exempt from the provisions of
23 Section 250;

24 (M-1) For any taxpayer that is a financial
25 organization within the meaning of Section 304(c) of
26 this Act, an amount included in such total as interest

1 income from a loan or loans made by such taxpayer to a
2 borrower, to the extent that such a loan is secured by
3 property which is eligible for the High Impact Business
4 Investment Credit. To determine the portion of a loan
5 or loans that is secured by property eligible for a
6 Section 201(h) investment credit to the borrower, the
7 entire principal amount of the loan or loans between
8 the taxpayer and the borrower should be divided into
9 the basis of the Section 201(h) investment credit
10 property which secures the loan or loans, using for
11 this purpose the original basis of such property on the
12 date that it was placed in service in a federally
13 designated Foreign Trade Zone or Sub-Zone located in
14 Illinois. No taxpayer that is eligible for the
15 deduction provided in subparagraph (M) of paragraph
16 (2) of this subsection shall be eligible for the
17 deduction provided under this subparagraph (M-1). The
18 subtraction modification available to taxpayers in any
19 year under this subsection shall be that portion of the
20 total interest paid by the borrower with respect to
21 such loan attributable to the eligible property as
22 calculated under the previous sentence;

23 (N) Two times any contribution made during the
24 taxable year to a designated zone organization to the
25 extent that the contribution (i) qualifies as a
26 charitable contribution under subsection (c) of

1 Section 170 of the Internal Revenue Code and (ii) must,
2 by its terms, be used for a project approved by the
3 Department of Commerce and Economic Opportunity under
4 Section 11 of the Illinois Enterprise Zone Act or under
5 Section 10-10 of the River Edge Redevelopment Zone Act.
6 This subparagraph (N) is exempt from the provisions of
7 Section 250;

8 (O) An amount equal to: (i) 85% for taxable years
9 ending on or before December 31, 1992, or, a percentage
10 equal to the percentage allowable under Section
11 243(a)(1) of the Internal Revenue Code of 1986 for
12 taxable years ending after December 31, 1992, of the
13 amount by which dividends included in taxable income
14 and received from a corporation that is not created or
15 organized under the laws of the United States or any
16 state or political subdivision thereof, including, for
17 taxable years ending on or after December 31, 1988,
18 dividends received or deemed received or paid or deemed
19 paid under Sections 951 through 964 of the Internal
20 Revenue Code, exceed the amount of the modification
21 provided under subparagraph (G) of paragraph (2) of
22 this subsection (b) which is related to such dividends,
23 and including, for taxable years ending on or after
24 December 31, 2008, dividends received from a captive
25 real estate investment trust; plus (ii) 100% of the
26 amount by which dividends, included in taxable income

1 and received, including, for taxable years ending on or
2 after December 31, 1988, dividends received or deemed
3 received or paid or deemed paid under Sections 951
4 through 964 of the Internal Revenue Code and including,
5 for taxable years ending on or after December 31, 2008,
6 dividends received from a captive real estate
7 investment trust, from any such corporation specified
8 in clause (i) that would but for the provisions of
9 Section 1504 (b) (3) of the Internal Revenue Code be
10 treated as a member of the affiliated group which
11 includes the dividend recipient, exceed the amount of
12 the modification provided under subparagraph (G) of
13 paragraph (2) of this subsection (b) which is related
14 to such dividends. This subparagraph (O) is exempt from
15 the provisions of Section 250 of this Act;

16 (P) An amount equal to any contribution made to a
17 job training project established pursuant to the Tax
18 Increment Allocation Redevelopment Act;

19 (Q) An amount equal to the amount of the deduction
20 used to compute the federal income tax credit for
21 restoration of substantial amounts held under claim of
22 right for the taxable year pursuant to Section 1341 of
23 the Internal Revenue Code of 1986;

24 (R) On and after July 20, 1999, in the case of an
25 attorney-in-fact with respect to whom an interinsurer
26 or a reciprocal insurer has made the election under

1 Section 835 of the Internal Revenue Code, 26 U.S.C.
2 835, an amount equal to the excess, if any, of the
3 amounts paid or incurred by that interinsurer or
4 reciprocal insurer in the taxable year to the
5 attorney-in-fact over the deduction allowed to that
6 interinsurer or reciprocal insurer with respect to the
7 attorney-in-fact under Section 835(b) of the Internal
8 Revenue Code for the taxable year; the provisions of
9 this subparagraph are exempt from the provisions of
10 Section 250;

11 (S) For taxable years ending on or after December
12 31, 1997, in the case of a Subchapter S corporation, an
13 amount equal to all amounts of income allocable to a
14 shareholder subject to the Personal Property Tax
15 Replacement Income Tax imposed by subsections (c) and
16 (d) of Section 201 of this Act, including amounts
17 allocable to organizations exempt from federal income
18 tax by reason of Section 501(a) of the Internal Revenue
19 Code. This subparagraph (S) is exempt from the
20 provisions of Section 250;

21 (T) For taxable years 2001 and thereafter, for the
22 taxable year in which the bonus depreciation deduction
23 is taken on the taxpayer's federal income tax return
24 under subsection (k) of Section 168 of the Internal
25 Revenue Code and for each applicable taxable year
26 thereafter, an amount equal to "x", where:

1 (1) "y" equals the amount of the depreciation
2 deduction taken for the taxable year on the
3 taxpayer's federal income tax return on property
4 for which the bonus depreciation deduction was
5 taken in any year under subsection (k) of Section
6 168 of the Internal Revenue Code, but not including
7 the bonus depreciation deduction;

8 (2) for taxable years ending on or before
9 December 31, 2005, "x" equals "y" multiplied by 30
10 and then divided by 70 (or "y" multiplied by
11 0.429); and

12 (3) for taxable years ending after December
13 31, 2005:

14 (i) for property on which a bonus
15 depreciation deduction of 30% of the adjusted
16 basis was taken, "x" equals "y" multiplied by
17 30 and then divided by 70 (or "y" multiplied by
18 0.429); and

19 (ii) for property on which a bonus
20 depreciation deduction of 50% of the adjusted
21 basis was taken, "x" equals "y" multiplied by
22 1.0.

23 The aggregate amount deducted under this
24 subparagraph in all taxable years for any one piece of
25 property may not exceed the amount of the bonus
26 depreciation deduction taken on that property on the

1 taxpayer's federal income tax return under subsection
2 (k) of Section 168 of the Internal Revenue Code. This
3 subparagraph (T) is exempt from the provisions of
4 Section 250;

5 (U) If the taxpayer sells, transfers, abandons, or
6 otherwise disposes of property for which the taxpayer
7 was required in any taxable year to make an addition
8 modification under subparagraph (E-10), then an amount
9 equal to that addition modification.

10 If the taxpayer continues to own property through
11 the last day of the last tax year for which the
12 taxpayer may claim a depreciation deduction for
13 federal income tax purposes and for which the taxpayer
14 was required in any taxable year to make an addition
15 modification under subparagraph (E-10), then an amount
16 equal to that addition modification.

17 The taxpayer is allowed to take the deduction under
18 this subparagraph only once with respect to any one
19 piece of property.

20 This subparagraph (U) is exempt from the
21 provisions of Section 250;

22 (V) The amount of: (i) any interest income (net of
23 the deductions allocable thereto) taken into account
24 for the taxable year with respect to a transaction with
25 a taxpayer that is required to make an addition
26 modification with respect to such transaction under

1 Section 203(a) (2) (D-17), 203(b) (2) (E-12),
2 203(c) (2) (G-12), or 203(d) (2) (D-7), but not to exceed
3 the amount of such addition modification, (ii) any
4 income from intangible property (net of the deductions
5 allocable thereto) taken into account for the taxable
6 year with respect to a transaction with a taxpayer that
7 is required to make an addition modification with
8 respect to such transaction under Section
9 203(a) (2) (D-18), 203(b) (2) (E-13), 203(c) (2) (G-13), or
10 203(d) (2) (D-8), but not to exceed the amount of such
11 addition modification, and (iii) any insurance premium
12 income (net of deductions allocable thereto) taken
13 into account for the taxable year with respect to a
14 transaction with a taxpayer that is required to make an
15 addition modification with respect to such transaction
16 under Section 203(a) (2) (D-19), Section
17 203(b) (2) (E-14), Section 203(c) (2) (G-14), or Section
18 203(d) (2) (D-9), but not to exceed the amount of that
19 addition modification. This subparagraph (V) is exempt
20 from the provisions of Section 250;

21 (W) An amount equal to the interest income taken
22 into account for the taxable year (net of the
23 deductions allocable thereto) with respect to
24 transactions with (i) a foreign person who would be a
25 member of the taxpayer's unitary business group but for
26 the fact that the foreign person's business activity

1 outside the United States is 80% or more of that
2 person's total business activity and (ii) for taxable
3 years ending on or after December 31, 2008, to a person
4 who would be a member of the same unitary business
5 group but for the fact that the person is prohibited
6 under Section 1501(a)(27) from being included in the
7 unitary business group because he or she is ordinarily
8 required to apportion business income under different
9 subsections of Section 304, but not to exceed the
10 addition modification required to be made for the same
11 taxable year under Section 203(b)(2)(E-12) for
12 interest paid, accrued, or incurred, directly or
13 indirectly, to the same person. This subparagraph (W)
14 is exempt from the provisions of Section 250; and

15 (X) An amount equal to the income from intangible
16 property taken into account for the taxable year (net
17 of the deductions allocable thereto) with respect to
18 transactions with (i) a foreign person who would be a
19 member of the taxpayer's unitary business group but for
20 the fact that the foreign person's business activity
21 outside the United States is 80% or more of that
22 person's total business activity and (ii) for taxable
23 years ending on or after December 31, 2008, to a person
24 who would be a member of the same unitary business
25 group but for the fact that the person is prohibited
26 under Section 1501(a)(27) from being included in the

1 unitary business group because he or she is ordinarily
2 required to apportion business income under different
3 subsections of Section 304, but not to exceed the
4 addition modification required to be made for the same
5 taxable year under Section 203(b)(2)(E-13) for
6 intangible expenses and costs paid, accrued, or
7 incurred, directly or indirectly, to the same foreign
8 person. This subparagraph (X) is exempt from the
9 provisions of Section 250. ~~(Y)~~

10 (3) Special rule. For purposes of paragraph (2) (A),
11 "gross income" in the case of a life insurance company, for
12 tax years ending on and after December 31, 1994, shall mean
13 the gross investment income for the taxable year.

14 (c) Trusts and estates.

15 (1) In general. In the case of a trust or estate, base
16 income means an amount equal to the taxpayer's taxable
17 income for the taxable year as modified by paragraph (2).

18 (2) Modifications. Subject to the provisions of
19 paragraph (3), the taxable income referred to in paragraph
20 (1) shall be modified by adding thereto the sum of the
21 following amounts:

22 (A) An amount equal to all amounts paid or accrued
23 to the taxpayer as interest or dividends during the
24 taxable year to the extent excluded from gross income
25 in the computation of taxable income;

1 (B) In the case of (i) an estate, \$600; (ii) a
2 trust which, under its governing instrument, is
3 required to distribute all of its income currently,
4 \$300; and (iii) any other trust, \$100, but in each such
5 case, only to the extent such amount was deducted in
6 the computation of taxable income;

7 (C) An amount equal to the amount of tax imposed by
8 this Act to the extent deducted from gross income in
9 the computation of taxable income for the taxable year;

10 (D) The amount of any net operating loss deduction
11 taken in arriving at taxable income, other than a net
12 operating loss carried forward from a taxable year
13 ending prior to December 31, 1986;

14 (E) For taxable years in which a net operating loss
15 carryback or carryforward from a taxable year ending
16 prior to December 31, 1986 is an element of taxable
17 income under paragraph (1) of subsection (e) or
18 subparagraph (E) of paragraph (2) of subsection (e),
19 the amount by which addition modifications other than
20 those provided by this subparagraph (E) exceeded
21 subtraction modifications in such taxable year, with
22 the following limitations applied in the order that
23 they are listed:

24 (i) the addition modification relating to the
25 net operating loss carried back or forward to the
26 taxable year from any taxable year ending prior to

1 December 31, 1986 shall be reduced by the amount of
2 addition modification under this subparagraph (E)
3 which related to that net operating loss and which
4 was taken into account in calculating the base
5 income of an earlier taxable year, and

6 (ii) the addition modification relating to the
7 net operating loss carried back or forward to the
8 taxable year from any taxable year ending prior to
9 December 31, 1986 shall not exceed the amount of
10 such carryback or carryforward;

11 For taxable years in which there is a net operating
12 loss carryback or carryforward from more than one other
13 taxable year ending prior to December 31, 1986, the
14 addition modification provided in this subparagraph
15 (E) shall be the sum of the amounts computed
16 independently under the preceding provisions of this
17 subparagraph (E) for each such taxable year;

18 (F) For taxable years ending on or after January 1,
19 1989, an amount equal to the tax deducted pursuant to
20 Section 164 of the Internal Revenue Code if the trust
21 or estate is claiming the same tax for purposes of the
22 Illinois foreign tax credit under Section 601 of this
23 Act;

24 (G) An amount equal to the amount of the capital
25 gain deduction allowable under the Internal Revenue
26 Code, to the extent deducted from gross income in the

1 computation of taxable income;

2 (G-5) For taxable years ending after December 31,
3 1997, an amount equal to any eligible remediation costs
4 that the trust or estate deducted in computing adjusted
5 gross income and for which the trust or estate claims a
6 credit under subsection (l) of Section 201;

7 (G-10) For taxable years 2001 and thereafter, an
8 amount equal to the bonus depreciation deduction taken
9 on the taxpayer's federal income tax return for the
10 taxable year under subsection (k) of Section 168 of the
11 Internal Revenue Code; and

12 (G-11) If the taxpayer sells, transfers, abandons,
13 or otherwise disposes of property for which the
14 taxpayer was required in any taxable year to make an
15 addition modification under subparagraph (G-10), then
16 an amount equal to the aggregate amount of the
17 deductions taken in all taxable years under
18 subparagraph (R) with respect to that property.

19 If the taxpayer continues to own property through
20 the last day of the last tax year for which the
21 taxpayer may claim a depreciation deduction for
22 federal income tax purposes and for which the taxpayer
23 was allowed in any taxable year to make a subtraction
24 modification under subparagraph (R), then an amount
25 equal to that subtraction modification.

26 The taxpayer is required to make the addition

1 modification under this subparagraph only once with
2 respect to any one piece of property;

3 (G-12) An amount equal to the amount otherwise
4 allowed as a deduction in computing base income for
5 interest paid, accrued, or incurred, directly or
6 indirectly, (i) for taxable years ending on or after
7 December 31, 2004, to a foreign person who would be a
8 member of the same unitary business group but for the
9 fact that the foreign person's business activity
10 outside the United States is 80% or more of the foreign
11 person's total business activity and (ii) for taxable
12 years ending on or after December 31, 2008, to a person
13 who would be a member of the same unitary business
14 group but for the fact that the person is prohibited
15 under Section 1501(a)(27) from being included in the
16 unitary business group because he or she is ordinarily
17 required to apportion business income under different
18 subsections of Section 304. The addition modification
19 required by this subparagraph shall be reduced to the
20 extent that dividends were included in base income of
21 the unitary group for the same taxable year and
22 received by the taxpayer or by a member of the
23 taxpayer's unitary business group (including amounts
24 included in gross income pursuant to Sections 951
25 through 964 of the Internal Revenue Code and amounts
26 included in gross income under Section 78 of the

1 Internal Revenue Code) with respect to the stock of the
2 same person to whom the interest was paid, accrued, or
3 incurred.

4 This paragraph shall not apply to the following:

5 (i) an item of interest paid, accrued, or
6 incurred, directly or indirectly, to a person who
7 is subject in a foreign country or state, other
8 than a state which requires mandatory unitary
9 reporting, to a tax on or measured by net income
10 with respect to such interest; or

11 (ii) an item of interest paid, accrued, or
12 incurred, directly or indirectly, to a person if
13 the taxpayer can establish, based on a
14 preponderance of the evidence, both of the
15 following:

16 (a) the person, during the same taxable
17 year, paid, accrued, or incurred, the interest
18 to a person that is not a related member, and

19 (b) the transaction giving rise to the
20 interest expense between the taxpayer and the
21 person did not have as a principal purpose the
22 avoidance of Illinois income tax, and is paid
23 pursuant to a contract or agreement that
24 reflects an arm's-length interest rate and
25 terms; or

26 (iii) the taxpayer can establish, based on

1 clear and convincing evidence, that the interest
2 paid, accrued, or incurred relates to a contract or
3 agreement entered into at arm's-length rates and
4 terms and the principal purpose for the payment is
5 not federal or Illinois tax avoidance; or

6 (iv) an item of interest paid, accrued, or
7 incurred, directly or indirectly, to a person if
8 the taxpayer establishes by clear and convincing
9 evidence that the adjustments are unreasonable; or
10 if the taxpayer and the Director agree in writing
11 to the application or use of an alternative method
12 of apportionment under Section 304(f).

13 Nothing in this subsection shall preclude the
14 Director from making any other adjustment
15 otherwise allowed under Section 404 of this Act for
16 any tax year beginning after the effective date of
17 this amendment provided such adjustment is made
18 pursuant to regulation adopted by the Department
19 and such regulations provide methods and standards
20 by which the Department will utilize its authority
21 under Section 404 of this Act;

22 (G-13) An amount equal to the amount of intangible
23 expenses and costs otherwise allowed as a deduction in
24 computing base income, and that were paid, accrued, or
25 incurred, directly or indirectly, (i) for taxable
26 years ending on or after December 31, 2004, to a

1 foreign person who would be a member of the same
2 unitary business group but for the fact that the
3 foreign person's business activity outside the United
4 States is 80% or more of that person's total business
5 activity and (ii) for taxable years ending on or after
6 December 31, 2008, to a person who would be a member of
7 the same unitary business group but for the fact that
8 the person is prohibited under Section 1501(a)(27)
9 from being included in the unitary business group
10 because he or she is ordinarily required to apportion
11 business income under different subsections of Section
12 304. The addition modification required by this
13 subparagraph shall be reduced to the extent that
14 dividends were included in base income of the unitary
15 group for the same taxable year and received by the
16 taxpayer or by a member of the taxpayer's unitary
17 business group (including amounts included in gross
18 income pursuant to Sections 951 through 964 of the
19 Internal Revenue Code and amounts included in gross
20 income under Section 78 of the Internal Revenue Code)
21 with respect to the stock of the same person to whom
22 the intangible expenses and costs were directly or
23 indirectly paid, incurred, or accrued. The preceding
24 sentence shall not apply to the extent that the same
25 dividends caused a reduction to the addition
26 modification required under Section 203(c)(2)(G-12) of

1 this Act. As used in this subparagraph, the term
2 "intangible expenses and costs" includes: (1)
3 expenses, losses, and costs for or related to the
4 direct or indirect acquisition, use, maintenance or
5 management, ownership, sale, exchange, or any other
6 disposition of intangible property; (2) losses
7 incurred, directly or indirectly, from factoring
8 transactions or discounting transactions; (3) royalty,
9 patent, technical, and copyright fees; (4) licensing
10 fees; and (5) other similar expenses and costs. For
11 purposes of this subparagraph, "intangible property"
12 includes patents, patent applications, trade names,
13 trademarks, service marks, copyrights, mask works,
14 trade secrets, and similar types of intangible assets.

15 This paragraph shall not apply to the following:

16 (i) any item of intangible expenses or costs
17 paid, accrued, or incurred, directly or
18 indirectly, from a transaction with a person who is
19 subject in a foreign country or state, other than a
20 state which requires mandatory unitary reporting,
21 to a tax on or measured by net income with respect
22 to such item; or

23 (ii) any item of intangible expense or cost
24 paid, accrued, or incurred, directly or
25 indirectly, if the taxpayer can establish, based
26 on a preponderance of the evidence, both of the

1 following:

2 (a) the person during the same taxable
3 year paid, accrued, or incurred, the
4 intangible expense or cost to a person that is
5 not a related member, and

6 (b) the transaction giving rise to the
7 intangible expense or cost between the
8 taxpayer and the person did not have as a
9 principal purpose the avoidance of Illinois
10 income tax, and is paid pursuant to a contract
11 or agreement that reflects arm's-length terms;
12 or

13 (iii) any item of intangible expense or cost
14 paid, accrued, or incurred, directly or
15 indirectly, from a transaction with a person if the
16 taxpayer establishes by clear and convincing
17 evidence, that the adjustments are unreasonable;
18 or if the taxpayer and the Director agree in
19 writing to the application or use of an alternative
20 method of apportionment under Section 304(f);

21 Nothing in this subsection shall preclude the
22 Director from making any other adjustment
23 otherwise allowed under Section 404 of this Act for
24 any tax year beginning after the effective date of
25 this amendment provided such adjustment is made
26 pursuant to regulation adopted by the Department

1 and such regulations provide methods and standards
2 by which the Department will utilize its authority
3 under Section 404 of this Act;

4 (G-14) For taxable years ending on or after
5 December 31, 2008, an amount equal to the amount of
6 insurance premium expenses and costs otherwise allowed
7 as a deduction in computing base income, and that were
8 paid, accrued, or incurred, directly or indirectly, to
9 a person who would be a member of the same unitary
10 business group but for the fact that the person is
11 prohibited under Section 1501(a)(27) from being
12 included in the unitary business group because he or
13 she is ordinarily required to apportion business
14 income under different subsections of Section 304. The
15 addition modification required by this subparagraph
16 shall be reduced to the extent that dividends were
17 included in base income of the unitary group for the
18 same taxable year and received by the taxpayer or by a
19 member of the taxpayer's unitary business group
20 (including amounts included in gross income under
21 Sections 951 through 964 of the Internal Revenue Code
22 and amounts included in gross income under Section 78
23 of the Internal Revenue Code) with respect to the stock
24 of the same person to whom the premiums and costs were
25 directly or indirectly paid, incurred, or accrued. The
26 preceding sentence does not apply to the extent that

1 the same dividends caused a reduction to the addition
2 modification required under Section 203(c)(2)(G-12) or
3 Section 203(c)(2)(G-13) of this Act.

4 and by deducting from the total so obtained the sum of the
5 following amounts:

6 (H) An amount equal to all amounts included in such
7 total pursuant to the provisions of Sections 402(a),
8 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the
9 Internal Revenue Code or included in such total as
10 distributions under the provisions of any retirement
11 or disability plan for employees of any governmental
12 agency or unit, or retirement payments to retired
13 partners, which payments are excluded in computing net
14 earnings from self employment by Section 1402 of the
15 Internal Revenue Code and regulations adopted pursuant
16 thereto;

17 (I) The valuation limitation amount;

18 (J) An amount equal to the amount of any tax
19 imposed by this Act which was refunded to the taxpayer
20 and included in such total for the taxable year;

21 (K) An amount equal to all amounts included in
22 taxable income as modified by subparagraphs (A), (B),
23 (C), (D), (E), (F) and (G) which are exempt from
24 taxation by this State either by reason of its statutes
25 or Constitution or by reason of the Constitution,
26 treaties or statutes of the United States; provided

1 that, in the case of any statute of this State that
2 exempts income derived from bonds or other obligations
3 from the tax imposed under this Act, the amount
4 exempted shall be the interest net of bond premium
5 amortization;

6 (L) With the exception of any amounts subtracted
7 under subparagraph (K), an amount equal to the sum of
8 all amounts disallowed as deductions by (i) Sections
9 171(a) (2) and 265(a) (2) of the Internal Revenue Code,
10 as now or hereafter amended, and all amounts of
11 expenses allocable to interest and disallowed as
12 deductions by Section 265(1) of the Internal Revenue
13 Code of 1954, as now or hereafter amended; and (ii) for
14 taxable years ending on or after August 13, 1999,
15 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
16 the Internal Revenue Code; the provisions of this
17 subparagraph are exempt from the provisions of Section
18 250;

19 (M) An amount equal to those dividends included in
20 such total which were paid by a corporation which
21 conducts business operations in an Enterprise Zone or
22 zones created under the Illinois Enterprise Zone Act or
23 a River Edge Redevelopment Zone or zones created under
24 the River Edge Redevelopment Zone Act and conducts
25 substantially all of its operations in an Enterprise
26 Zone or Zones or a River Edge Redevelopment Zone or

1 zones. This subparagraph (M) is exempt from the
2 provisions of Section 250;

3 (N) An amount equal to any contribution made to a
4 job training project established pursuant to the Tax
5 Increment Allocation Redevelopment Act;

6 (O) An amount equal to those dividends included in
7 such total that were paid by a corporation that
8 conducts business operations in a federally designated
9 Foreign Trade Zone or Sub-Zone and that is designated a
10 High Impact Business located in Illinois; provided
11 that dividends eligible for the deduction provided in
12 subparagraph (M) of paragraph (2) of this subsection
13 shall not be eligible for the deduction provided under
14 this subparagraph (O);

15 (P) An amount equal to the amount of the deduction
16 used to compute the federal income tax credit for
17 restoration of substantial amounts held under claim of
18 right for the taxable year pursuant to Section 1341 of
19 the Internal Revenue Code of 1986;

20 (Q) For taxable year 1999 and thereafter, an amount
21 equal to the amount of any (i) distributions, to the
22 extent includible in gross income for federal income
23 tax purposes, made to the taxpayer because of his or
24 her status as a victim of persecution for racial or
25 religious reasons by Nazi Germany or any other Axis
26 regime or as an heir of the victim and (ii) items of

1 income, to the extent includible in gross income for
2 federal income tax purposes, attributable to, derived
3 from or in any way related to assets stolen from,
4 hidden from, or otherwise lost to a victim of
5 persecution for racial or religious reasons by Nazi
6 Germany or any other Axis regime immediately prior to,
7 during, and immediately after World War II, including,
8 but not limited to, interest on the proceeds receivable
9 as insurance under policies issued to a victim of
10 persecution for racial or religious reasons by Nazi
11 Germany or any other Axis regime by European insurance
12 companies immediately prior to and during World War II;
13 provided, however, this subtraction from federal
14 adjusted gross income does not apply to assets acquired
15 with such assets or with the proceeds from the sale of
16 such assets; provided, further, this paragraph shall
17 only apply to a taxpayer who was the first recipient of
18 such assets after their recovery and who is a victim of
19 persecution for racial or religious reasons by Nazi
20 Germany or any other Axis regime or as an heir of the
21 victim. The amount of and the eligibility for any
22 public assistance, benefit, or similar entitlement is
23 not affected by the inclusion of items (i) and (ii) of
24 this paragraph in gross income for federal income tax
25 purposes. This paragraph is exempt from the provisions
26 of Section 250;

1 (R) For taxable years 2001 and thereafter, for the
2 taxable year in which the bonus depreciation deduction
3 is taken on the taxpayer's federal income tax return
4 under subsection (k) of Section 168 of the Internal
5 Revenue Code and for each applicable taxable year
6 thereafter, an amount equal to "x", where:

7 (1) "y" equals the amount of the depreciation
8 deduction taken for the taxable year on the
9 taxpayer's federal income tax return on property
10 for which the bonus depreciation deduction was
11 taken in any year under subsection (k) of Section
12 168 of the Internal Revenue Code, but not including
13 the bonus depreciation deduction;

14 (2) for taxable years ending on or before
15 December 31, 2005, "x" equals "y" multiplied by 30
16 and then divided by 70 (or "y" multiplied by
17 0.429); and

18 (3) for taxable years ending after December
19 31, 2005:

20 (i) for property on which a bonus
21 depreciation deduction of 30% of the adjusted
22 basis was taken, "x" equals "y" multiplied by
23 30 and then divided by 70 (or "y" multiplied by
24 0.429); and

25 (ii) for property on which a bonus
26 depreciation deduction of 50% of the adjusted

1 basis was taken, "x" equals "y" multiplied by
2 1.0.

3 The aggregate amount deducted under this
4 subparagraph in all taxable years for any one piece of
5 property may not exceed the amount of the bonus
6 depreciation deduction taken on that property on the
7 taxpayer's federal income tax return under subsection
8 (k) of Section 168 of the Internal Revenue Code. This
9 subparagraph (R) is exempt from the provisions of
10 Section 250;

11 (S) If the taxpayer sells, transfers, abandons, or
12 otherwise disposes of property for which the taxpayer
13 was required in any taxable year to make an addition
14 modification under subparagraph (G-10), then an amount
15 equal to that addition modification.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which the
18 taxpayer may claim a depreciation deduction for
19 federal income tax purposes and for which the taxpayer
20 was required in any taxable year to make an addition
21 modification under subparagraph (G-10), then an amount
22 equal to that addition modification.

23 The taxpayer is allowed to take the deduction under
24 this subparagraph only once with respect to any one
25 piece of property.

26 This subparagraph (S) is exempt from the

1 provisions of Section 250;

2 (T) The amount of (i) any interest income (net of
3 the deductions allocable thereto) taken into account
4 for the taxable year with respect to a transaction with
5 a taxpayer that is required to make an addition
6 modification with respect to such transaction under
7 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
8 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
9 the amount of such addition modification and (ii) any
10 income from intangible property (net of the deductions
11 allocable thereto) taken into account for the taxable
12 year with respect to a transaction with a taxpayer that
13 is required to make an addition modification with
14 respect to such transaction under Section
15 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
16 203(d)(2)(D-8), but not to exceed the amount of such
17 addition modification. This subparagraph (T) is exempt
18 from the provisions of Section 250;

19 (U) An amount equal to the interest income taken
20 into account for the taxable year (net of the
21 deductions allocable thereto) with respect to
22 transactions with (i) a foreign person who would be a
23 member of the taxpayer's unitary business group but for
24 the fact the foreign person's business activity
25 outside the United States is 80% or more of that
26 person's total business activity and (ii) for taxable

1 years ending on or after December 31, 2008, to a person
2 who would be a member of the same unitary business
3 group but for the fact that the person is prohibited
4 under Section 1501(a)(27) from being included in the
5 unitary business group because he or she is ordinarily
6 required to apportion business income under different
7 subsections of Section 304, but not to exceed the
8 addition modification required to be made for the same
9 taxable year under Section 203(c)(2)(G-12) for
10 interest paid, accrued, or incurred, directly or
11 indirectly, to the same person. This subparagraph (U)
12 is exempt from the provisions of Section 250; and

13 (V) An amount equal to the income from intangible
14 property taken into account for the taxable year (net
15 of the deductions allocable thereto) with respect to
16 transactions with (i) a foreign person who would be a
17 member of the taxpayer's unitary business group but for
18 the fact that the foreign person's business activity
19 outside the United States is 80% or more of that
20 person's total business activity and (ii) for taxable
21 years ending on or after December 31, 2008, to a person
22 who would be a member of the same unitary business
23 group but for the fact that the person is prohibited
24 under Section 1501(a)(27) from being included in the
25 unitary business group because he or she is ordinarily
26 required to apportion business income under different

1 subsections of Section 304, but not to exceed the
2 addition modification required to be made for the same
3 taxable year under Section 203(c)(2)(G-13) for
4 intangible expenses and costs paid, accrued, or
5 incurred, directly or indirectly, to the same foreign
6 person. This subparagraph (V) is exempt from the
7 provisions of Section 250. ~~(W)~~

8 (3) Limitation. The amount of any modification
9 otherwise required under this subsection shall, under
10 regulations prescribed by the Department, be adjusted by
11 any amounts included therein which were properly paid,
12 credited, or required to be distributed, or permanently set
13 aside for charitable purposes pursuant to Internal Revenue
14 Code Section 642(c) during the taxable year.

15 (d) Partnerships.

16 (1) In general. In the case of a partnership, base
17 income means an amount equal to the taxpayer's taxable
18 income for the taxable year as modified by paragraph (2).

19 (2) Modifications. The taxable income referred to in
20 paragraph (1) shall be modified by adding thereto the sum
21 of the following amounts:

22 (A) An amount equal to all amounts paid or accrued
23 to the taxpayer as interest or dividends during the
24 taxable year to the extent excluded from gross income
25 in the computation of taxable income;

1 (B) An amount equal to the amount of tax imposed by
2 this Act to the extent deducted from gross income for
3 the taxable year;

4 (C) The amount of deductions allowed to the
5 partnership pursuant to Section 707 (c) of the Internal
6 Revenue Code in calculating its taxable income;
7 provided that no addition shall be required under this
8 subparagraph (C) for taxable years ending on or after
9 December 31, 2009, for deductions allowed for
10 guaranteed payments to an individual partner for
11 personal services by that partner;

12 (D) An amount equal to the amount of the capital
13 gain deduction allowable under the Internal Revenue
14 Code, to the extent deducted from gross income in the
15 computation of taxable income;

16 (D-5) For taxable years 2001 and thereafter, an
17 amount equal to the bonus depreciation deduction taken
18 on the taxpayer's federal income tax return for the
19 taxable year under subsection (k) of Section 168 of the
20 Internal Revenue Code;

21 (D-6) If the taxpayer sells, transfers, abandons,
22 or otherwise disposes of property for which the
23 taxpayer was required in any taxable year to make an
24 addition modification under subparagraph (D-5), then
25 an amount equal to the aggregate amount of the
26 deductions taken in all taxable years under

1 subparagraph (O) with respect to that property.

2 If the taxpayer continues to own property through
3 the last day of the last tax year for which the
4 taxpayer may claim a depreciation deduction for
5 federal income tax purposes and for which the taxpayer
6 was allowed in any taxable year to make a subtraction
7 modification under subparagraph (O), then an amount
8 equal to that subtraction modification.

9 The taxpayer is required to make the addition
10 modification under this subparagraph only once with
11 respect to any one piece of property;

12 (D-7) An amount equal to the amount otherwise
13 allowed as a deduction in computing base income for
14 interest paid, accrued, or incurred, directly or
15 indirectly, (i) for taxable years ending on or after
16 December 31, 2004, to a foreign person who would be a
17 member of the same unitary business group but for the
18 fact the foreign person's business activity outside
19 the United States is 80% or more of the foreign
20 person's total business activity and (ii) for taxable
21 years ending on or after December 31, 2008, to a person
22 who would be a member of the same unitary business
23 group but for the fact that the person is prohibited
24 under Section 1501(a)(27) from being included in the
25 unitary business group because he or she is ordinarily
26 required to apportion business income under different

1 subsections of Section 304. The addition modification
2 required by this subparagraph shall be reduced to the
3 extent that dividends were included in base income of
4 the unitary group for the same taxable year and
5 received by the taxpayer or by a member of the
6 taxpayer's unitary business group (including amounts
7 included in gross income pursuant to Sections 951
8 through 964 of the Internal Revenue Code and amounts
9 included in gross income under Section 78 of the
10 Internal Revenue Code) with respect to the stock of the
11 same person to whom the interest was paid, accrued, or
12 incurred.

13 This paragraph shall not apply to the following:

14 (i) an item of interest paid, accrued, or
15 incurred, directly or indirectly, to a person who
16 is subject in a foreign country or state, other
17 than a state which requires mandatory unitary
18 reporting, to a tax on or measured by net income
19 with respect to such interest; or

20 (ii) an item of interest paid, accrued, or
21 incurred, directly or indirectly, to a person if
22 the taxpayer can establish, based on a
23 preponderance of the evidence, both of the
24 following:

25 (a) the person, during the same taxable
26 year, paid, accrued, or incurred, the interest

1 to a person that is not a related member, and

2 (b) the transaction giving rise to the
3 interest expense between the taxpayer and the
4 person did not have as a principal purpose the
5 avoidance of Illinois income tax, and is paid
6 pursuant to a contract or agreement that
7 reflects an arm's-length interest rate and
8 terms; or

9 (iii) the taxpayer can establish, based on
10 clear and convincing evidence, that the interest
11 paid, accrued, or incurred relates to a contract or
12 agreement entered into at arm's-length rates and
13 terms and the principal purpose for the payment is
14 not federal or Illinois tax avoidance; or

15 (iv) an item of interest paid, accrued, or
16 incurred, directly or indirectly, to a person if
17 the taxpayer establishes by clear and convincing
18 evidence that the adjustments are unreasonable; or
19 if the taxpayer and the Director agree in writing
20 to the application or use of an alternative method
21 of apportionment under Section 304(f).

22 Nothing in this subsection shall preclude the
23 Director from making any other adjustment
24 otherwise allowed under Section 404 of this Act for
25 any tax year beginning after the effective date of
26 this amendment provided such adjustment is made

1 pursuant to regulation adopted by the Department
2 and such regulations provide methods and standards
3 by which the Department will utilize its authority
4 under Section 404 of this Act; and

5 (D-8) An amount equal to the amount of intangible
6 expenses and costs otherwise allowed as a deduction in
7 computing base income, and that were paid, accrued, or
8 incurred, directly or indirectly, (i) for taxable
9 years ending on or after December 31, 2004, to a
10 foreign person who would be a member of the same
11 unitary business group but for the fact that the
12 foreign person's business activity outside the United
13 States is 80% or more of that person's total business
14 activity and (ii) for taxable years ending on or after
15 December 31, 2008, to a person who would be a member of
16 the same unitary business group but for the fact that
17 the person is prohibited under Section 1501(a)(27)
18 from being included in the unitary business group
19 because he or she is ordinarily required to apportion
20 business income under different subsections of Section
21 304. The addition modification required by this
22 subparagraph shall be reduced to the extent that
23 dividends were included in base income of the unitary
24 group for the same taxable year and received by the
25 taxpayer or by a member of the taxpayer's unitary
26 business group (including amounts included in gross

1 income pursuant to Sections 951 through 964 of the
2 Internal Revenue Code and amounts included in gross
3 income under Section 78 of the Internal Revenue Code)
4 with respect to the stock of the same person to whom
5 the intangible expenses and costs were directly or
6 indirectly paid, incurred or accrued. The preceding
7 sentence shall not apply to the extent that the same
8 dividends caused a reduction to the addition
9 modification required under Section 203(d)(2)(D-7) of
10 this Act. As used in this subparagraph, the term
11 "intangible expenses and costs" includes (1) expenses,
12 losses, and costs for, or related to, the direct or
13 indirect acquisition, use, maintenance or management,
14 ownership, sale, exchange, or any other disposition of
15 intangible property; (2) losses incurred, directly or
16 indirectly, from factoring transactions or discounting
17 transactions; (3) royalty, patent, technical, and
18 copyright fees; (4) licensing fees; and (5) other
19 similar expenses and costs. For purposes of this
20 subparagraph, "intangible property" includes patents,
21 patent applications, trade names, trademarks, service
22 marks, copyrights, mask works, trade secrets, and
23 similar types of intangible assets;

24 This paragraph shall not apply to the following:

25 (i) any item of intangible expenses or costs
26 paid, accrued, or incurred, directly or

1 indirectly, from a transaction with a person who is
2 subject in a foreign country or state, other than a
3 state which requires mandatory unitary reporting,
4 to a tax on or measured by net income with respect
5 to such item; or

6 (ii) any item of intangible expense or cost
7 paid, accrued, or incurred, directly or
8 indirectly, if the taxpayer can establish, based
9 on a preponderance of the evidence, both of the
10 following:

11 (a) the person during the same taxable
12 year paid, accrued, or incurred, the
13 intangible expense or cost to a person that is
14 not a related member, and

15 (b) the transaction giving rise to the
16 intangible expense or cost between the
17 taxpayer and the person did not have as a
18 principal purpose the avoidance of Illinois
19 income tax, and is paid pursuant to a contract
20 or agreement that reflects arm's-length terms;
21 or

22 (iii) any item of intangible expense or cost
23 paid, accrued, or incurred, directly or
24 indirectly, from a transaction with a person if the
25 taxpayer establishes by clear and convincing
26 evidence, that the adjustments are unreasonable;

1 or if the taxpayer and the Director agree in
2 writing to the application or use of an alternative
3 method of apportionment under Section 304(f);

4 Nothing in this subsection shall preclude the
5 Director from making any other adjustment
6 otherwise allowed under Section 404 of this Act for
7 any tax year beginning after the effective date of
8 this amendment provided such adjustment is made
9 pursuant to regulation adopted by the Department
10 and such regulations provide methods and standards
11 by which the Department will utilize its authority
12 under Section 404 of this Act;

13 (D-9) For taxable years ending on or after December
14 31, 2008, an amount equal to the amount of insurance
15 premium expenses and costs otherwise allowed as a
16 deduction in computing base income, and that were paid,
17 accrued, or incurred, directly or indirectly, to a
18 person who would be a member of the same unitary
19 business group but for the fact that the person is
20 prohibited under Section 1501(a)(27) from being
21 included in the unitary business group because he or
22 she is ordinarily required to apportion business
23 income under different subsections of Section 304. The
24 addition modification required by this subparagraph
25 shall be reduced to the extent that dividends were
26 included in base income of the unitary group for the

1 same taxable year and received by the taxpayer or by a
2 member of the taxpayer's unitary business group
3 (including amounts included in gross income under
4 Sections 951 through 964 of the Internal Revenue Code
5 and amounts included in gross income under Section 78
6 of the Internal Revenue Code) with respect to the stock
7 of the same person to whom the premiums and costs were
8 directly or indirectly paid, incurred, or accrued. The
9 preceding sentence does not apply to the extent that
10 the same dividends caused a reduction to the addition
11 modification required under Section 203(d)(2)(D-7) or
12 Section 203(d)(2)(D-8) of this Act.

13 and by deducting from the total so obtained the following
14 amounts:

15 (E) The valuation limitation amount;

16 (F) An amount equal to the amount of any tax
17 imposed by this Act which was refunded to the taxpayer
18 and included in such total for the taxable year;

19 (G) An amount equal to all amounts included in
20 taxable income as modified by subparagraphs (A), (B),
21 (C) and (D) which are exempt from taxation by this
22 State either by reason of its statutes or Constitution
23 or by reason of the Constitution, treaties or statutes
24 of the United States; provided that, in the case of any
25 statute of this State that exempts income derived from
26 bonds or other obligations from the tax imposed under

1 this Act, the amount exempted shall be the interest net
2 of bond premium amortization;

3 (H) For taxable years ending before December 31,
4 2009, Any income of the partnership which constitutes
5 personal service income as defined in Section 1348 (b)
6 (1) of the Internal Revenue Code (as in effect December
7 31, 1981) or a reasonable allowance for compensation
8 paid or accrued for services rendered by partners to
9 the partnership, whichever is greater;

10 (I) An amount equal to all amounts of income
11 distributable to an entity subject to the Personal
12 Property Tax Replacement Income Tax imposed by
13 subsections (c) and (d) of Section 201 of this Act
14 including amounts distributable to organizations
15 exempt from federal income tax by reason of Section
16 501(a) of the Internal Revenue Code;

17 (J) With the exception of any amounts subtracted
18 under subparagraph (G), an amount equal to the sum of
19 all amounts disallowed as deductions by (i) Sections
20 171(a) (2), and 265(2) of the Internal Revenue Code of
21 1954, as now or hereafter amended, and all amounts of
22 expenses allocable to interest and disallowed as
23 deductions by Section 265(1) of the Internal Revenue
24 Code, as now or hereafter amended; and (ii) for taxable
25 years ending on or after August 13, 1999, Sections
26 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of the

1 Internal Revenue Code; the provisions of this
2 subparagraph are exempt from the provisions of Section
3 250;

4 (K) An amount equal to those dividends included in
5 such total which were paid by a corporation which
6 conducts business operations in an Enterprise Zone or
7 zones created under the Illinois Enterprise Zone Act,
8 enacted by the 82nd General Assembly, or a River Edge
9 Redevelopment Zone or zones created under the River
10 Edge Redevelopment Zone Act and conducts substantially
11 all of its operations in an Enterprise Zone or Zones or
12 from a River Edge Redevelopment Zone or zones. This
13 subparagraph (K) is exempt from the provisions of
14 Section 250;

15 (L) An amount equal to any contribution made to a
16 job training project established pursuant to the Real
17 Property Tax Increment Allocation Redevelopment Act;

18 (M) An amount equal to those dividends included in
19 such total that were paid by a corporation that
20 conducts business operations in a federally designated
21 Foreign Trade Zone or Sub-Zone and that is designated a
22 High Impact Business located in Illinois; provided
23 that dividends eligible for the deduction provided in
24 subparagraph (K) of paragraph (2) of this subsection
25 shall not be eligible for the deduction provided under
26 this subparagraph (M);

1 (N) An amount equal to the amount of the deduction
2 used to compute the federal income tax credit for
3 restoration of substantial amounts held under claim of
4 right for the taxable year pursuant to Section 1341 of
5 the Internal Revenue Code of 1986;

6 (O) For taxable years 2001 and thereafter, for the
7 taxable year in which the bonus depreciation deduction
8 is taken on the taxpayer's federal income tax return
9 under subsection (k) of Section 168 of the Internal
10 Revenue Code and for each applicable taxable year
11 thereafter, an amount equal to "x", where:

12 (1) "y" equals the amount of the depreciation
13 deduction taken for the taxable year on the
14 taxpayer's federal income tax return on property
15 for which the bonus depreciation deduction was
16 taken in any year under subsection (k) of Section
17 168 of the Internal Revenue Code, but not including
18 the bonus depreciation deduction;

19 (2) for taxable years ending on or before
20 December 31, 2005, "x" equals "y" multiplied by 30
21 and then divided by 70 (or "y" multiplied by
22 0.429); and

23 (3) for taxable years ending after December
24 31, 2005:

25 (i) for property on which a bonus
26 depreciation deduction of 30% of the adjusted

1 basis was taken, "x" equals "y" multiplied by
2 30 and then divided by 70 (or "y" multiplied by
3 0.429); and

4 (ii) for property on which a bonus
5 depreciation deduction of 50% of the adjusted
6 basis was taken, "x" equals "y" multiplied by
7 1.0.

8 The aggregate amount deducted under this
9 subparagraph in all taxable years for any one piece of
10 property may not exceed the amount of the bonus
11 depreciation deduction taken on that property on the
12 taxpayer's federal income tax return under subsection
13 (k) of Section 168 of the Internal Revenue Code. This
14 subparagraph (O) is exempt from the provisions of
15 Section 250;

16 (P) If the taxpayer sells, transfers, abandons, or
17 otherwise disposes of property for which the taxpayer
18 was required in any taxable year to make an addition
19 modification under subparagraph (D-5), then an amount
20 equal to that addition modification.

21 If the taxpayer continues to own property through
22 the last day of the last tax year for which the
23 taxpayer may claim a depreciation deduction for
24 federal income tax purposes and for which the taxpayer
25 was required in any taxable year to make an addition
26 modification under subparagraph (D-5), then an amount

1 equal to that addition modification.

2 The taxpayer is allowed to take the deduction under
3 this subparagraph only once with respect to any one
4 piece of property.

5 This subparagraph (P) is exempt from the
6 provisions of Section 250;

7 (Q) The amount of (i) any interest income (net of
8 the deductions allocable thereto) taken into account
9 for the taxable year with respect to a transaction with
10 a taxpayer that is required to make an addition
11 modification with respect to such transaction under
12 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
13 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
14 the amount of such addition modification and (ii) any
15 income from intangible property (net of the deductions
16 allocable thereto) taken into account for the taxable
17 year with respect to a transaction with a taxpayer that
18 is required to make an addition modification with
19 respect to such transaction under Section
20 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
21 203(d)(2)(D-8), but not to exceed the amount of such
22 addition modification. This subparagraph (Q) is exempt
23 from Section 250;

24 (R) An amount equal to the interest income taken
25 into account for the taxable year (net of the
26 deductions allocable thereto) with respect to

1 transactions with (i) a foreign person who would be a
2 member of the taxpayer's unitary business group but for
3 the fact that the foreign person's business activity
4 outside the United States is 80% or more of that
5 person's total business activity and (ii) for taxable
6 years ending on or after December 31, 2008, to a person
7 who would be a member of the same unitary business
8 group but for the fact that the person is prohibited
9 under Section 1501(a)(27) from being included in the
10 unitary business group because he or she is ordinarily
11 required to apportion business income under different
12 subsections of Section 304, but not to exceed the
13 addition modification required to be made for the same
14 taxable year under Section 203(d)(2)(D-7) for interest
15 paid, accrued, or incurred, directly or indirectly, to
16 the same person. This subparagraph (R) is exempt from
17 Section 250; and

18 (S) An amount equal to the income from intangible
19 property taken into account for the taxable year (net
20 of the deductions allocable thereto) with respect to
21 transactions with (i) a foreign person who would be a
22 member of the taxpayer's unitary business group but for
23 the fact that the foreign person's business activity
24 outside the United States is 80% or more of that
25 person's total business activity and (ii) for taxable
26 years ending on or after December 31, 2008, to a person

1 who would be a member of the same unitary business
2 group but for the fact that the person is prohibited
3 under Section 1501(a)(27) from being included in the
4 unitary business group because he or she is ordinarily
5 required to apportion business income under different
6 subsections of Section 304, but not to exceed the
7 addition modification required to be made for the same
8 taxable year under Section 203(d)(2)(D-8) for
9 intangible expenses and costs paid, accrued, or
10 incurred, directly or indirectly, to the same person.
11 This subparagraph (S) is exempt from Section 250. ~~(T)~~

12 (e) Gross income; adjusted gross income; taxable income.

13 (1) In general. Subject to the provisions of paragraph
14 (2) and subsection (b) (3), for purposes of this Section
15 and Section 803(e), a taxpayer's gross income, adjusted
16 gross income, or taxable income for the taxable year shall
17 mean the amount of gross income, adjusted gross income or
18 taxable income properly reportable for federal income tax
19 purposes for the taxable year under the provisions of the
20 Internal Revenue Code. Taxable income may be less than
21 zero. However, for taxable years ending on or after
22 December 31, 1986, net operating loss carryforwards from
23 taxable years ending prior to December 31, 1986, may not
24 exceed the sum of federal taxable income for the taxable
25 year before net operating loss deduction, plus the excess

1 of addition modifications over subtraction modifications
2 for the taxable year. For taxable years ending prior to
3 December 31, 1986, taxable income may never be an amount in
4 excess of the net operating loss for the taxable year as
5 defined in subsections (c) and (d) of Section 172 of the
6 Internal Revenue Code, provided that when taxable income of
7 a corporation (other than a Subchapter S corporation),
8 trust, or estate is less than zero and addition
9 modifications, other than those provided by subparagraph
10 (E) of paragraph (2) of subsection (b) for corporations or
11 subparagraph (E) of paragraph (2) of subsection (c) for
12 trusts and estates, exceed subtraction modifications, an
13 addition modification must be made under those
14 subparagraphs for any other taxable year to which the
15 taxable income less than zero (net operating loss) is
16 applied under Section 172 of the Internal Revenue Code or
17 under subparagraph (E) of paragraph (2) of this subsection
18 (e) applied in conjunction with Section 172 of the Internal
19 Revenue Code.

20 (2) Special rule. For purposes of paragraph (1) of this
21 subsection, the taxable income properly reportable for
22 federal income tax purposes shall mean:

23 (A) Certain life insurance companies. In the case
24 of a life insurance company subject to the tax imposed
25 by Section 801 of the Internal Revenue Code, life
26 insurance company taxable income, plus the amount of

1 distribution from pre-1984 policyholder surplus
2 accounts as calculated under Section 815a of the
3 Internal Revenue Code;

4 (B) Certain other insurance companies. In the case
5 of mutual insurance companies subject to the tax
6 imposed by Section 831 of the Internal Revenue Code,
7 insurance company taxable income;

8 (C) Regulated investment companies. In the case of
9 a regulated investment company subject to the tax
10 imposed by Section 852 of the Internal Revenue Code,
11 investment company taxable income;

12 (D) Real estate investment trusts. In the case of a
13 real estate investment trust subject to the tax imposed
14 by Section 857 of the Internal Revenue Code, real
15 estate investment trust taxable income;

16 (E) Consolidated corporations. In the case of a
17 corporation which is a member of an affiliated group of
18 corporations filing a consolidated income tax return
19 for the taxable year for federal income tax purposes,
20 taxable income determined as if such corporation had
21 filed a separate return for federal income tax purposes
22 for the taxable year and each preceding taxable year
23 for which it was a member of an affiliated group. For
24 purposes of this subparagraph, the taxpayer's separate
25 taxable income shall be determined as if the election
26 provided by Section 243(b) (2) of the Internal Revenue

1 Code had been in effect for all such years;

2 (F) Cooperatives. In the case of a cooperative
3 corporation or association, the taxable income of such
4 organization determined in accordance with the
5 provisions of Section 1381 through 1388 of the Internal
6 Revenue Code;

7 (G) Subchapter S corporations. In the case of: (i)
8 a Subchapter S corporation for which there is in effect
9 an election for the taxable year under Section 1362 of
10 the Internal Revenue Code, the taxable income of such
11 corporation determined in accordance with Section
12 1363(b) of the Internal Revenue Code, except that
13 taxable income shall take into account those items
14 which are required by Section 1363(b)(1) of the
15 Internal Revenue Code to be separately stated; and (ii)
16 a Subchapter S corporation for which there is in effect
17 a federal election to opt out of the provisions of the
18 Subchapter S Revision Act of 1982 and have applied
19 instead the prior federal Subchapter S rules as in
20 effect on July 1, 1982, the taxable income of such
21 corporation determined in accordance with the federal
22 Subchapter S rules as in effect on July 1, 1982; and

23 (H) Partnerships. In the case of a partnership,
24 taxable income determined in accordance with Section
25 703 of the Internal Revenue Code, except that taxable
26 income shall take into account those items which are

1 required by Section 703(a)(1) to be separately stated
2 but which would be taken into account by an individual
3 in calculating his taxable income.

4 (3) Recapture of business expenses on disposition of
5 asset or business. Notwithstanding any other law to the
6 contrary, if in prior years income from an asset or
7 business has been classified as business income and in a
8 later year is demonstrated to be non-business income, then
9 all expenses, without limitation, deducted in such later
10 year and in the 2 immediately preceding taxable years
11 related to that asset or business that generated the
12 non-business income shall be added back and recaptured as
13 business income in the year of the disposition of the asset
14 or business. Such amount shall be apportioned to Illinois
15 using the greater of the apportionment fraction computed
16 for the business under Section 304 of this Act for the
17 taxable year or the average of the apportionment fractions
18 computed for the business under Section 304 of this Act for
19 the taxable year and for the 2 immediately preceding
20 taxable years.

21 (f) Valuation limitation amount.

22 (1) In general. The valuation limitation amount
23 referred to in subsections (a) (2) (G), (c) (2) (I) and
24 (d) (2) (E) is an amount equal to:

25 (A) The sum of the pre-August 1, 1969 appreciation

1 amounts (to the extent consisting of gain reportable
2 under the provisions of Section 1245 or 1250 of the
3 Internal Revenue Code) for all property in respect of
4 which such gain was reported for the taxable year; plus

5 (B) The lesser of (i) the sum of the pre-August 1,
6 1969 appreciation amounts (to the extent consisting of
7 capital gain) for all property in respect of which such
8 gain was reported for federal income tax purposes for
9 the taxable year, or (ii) the net capital gain for the
10 taxable year, reduced in either case by any amount of
11 such gain included in the amount determined under
12 subsection (a) (2) (F) or (c) (2) (H).

13 (2) Pre-August 1, 1969 appreciation amount.

14 (A) If the fair market value of property referred
15 to in paragraph (1) was readily ascertainable on August
16 1, 1969, the pre-August 1, 1969 appreciation amount for
17 such property is the lesser of (i) the excess of such
18 fair market value over the taxpayer's basis (for
19 determining gain) for such property on that date
20 (determined under the Internal Revenue Code as in
21 effect on that date), or (ii) the total gain realized
22 and reportable for federal income tax purposes in
23 respect of the sale, exchange or other disposition of
24 such property.

25 (B) If the fair market value of property referred
26 to in paragraph (1) was not readily ascertainable on

1 August 1, 1969, the pre-August 1, 1969 appreciation
2 amount for such property is that amount which bears the
3 same ratio to the total gain reported in respect of the
4 property for federal income tax purposes for the
5 taxable year, as the number of full calendar months in
6 that part of the taxpayer's holding period for the
7 property ending July 31, 1969 bears to the number of
8 full calendar months in the taxpayer's entire holding
9 period for the property.

10 (C) The Department shall prescribe such
11 regulations as may be necessary to carry out the
12 purposes of this paragraph.

13 (g) Double deductions. Unless specifically provided
14 otherwise, nothing in this Section shall permit the same item
15 to be deducted more than once.

16 (h) Legislative intention. Except as expressly provided by
17 this Section there shall be no modifications or limitations on
18 the amounts of income, gain, loss or deduction taken into
19 account in determining gross income, adjusted gross income or
20 taxable income for federal income tax purposes for the taxable
21 year, or in the amount of such items entering into the
22 computation of base income and net income under this Act for
23 such taxable year, whether in respect of property values as of
24 August 1, 1969 or otherwise.

1 (Source: P.A. 94-776, eff. 5-19-06; 94-789, eff. 5-19-06;
2 94-1021, eff. 7-12-06; 94-1074, eff. 12-26-06; 95-23, eff.
3 8-3-07; 95-233, eff. 8-16-07; 95-286, eff. 8-20-07; 95-331,
4 eff. 8-21-07; 95-707, eff. 1-11-08; 95-876, eff. 8-21-08;
5 revised 10-15-08.)

6 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

7 Sec. 901. Collection Authority.

8 (a) In general.

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

1 (b) Local Government ~~Governmental~~ Distributive Fund.

2 Beginning August 1, 1969, and continuing through June 30,
3 1994, the Treasurer shall transfer each month from the General
4 Revenue Fund to a special fund in the State treasury, to be
5 known as the "Local Government Distributive Fund", an amount
6 equal to 1/12 of the net revenue realized from the tax imposed
7 by subsections (a) and (b) of Section 201 of this Act during
8 the preceding month. Beginning July 1, 1994, and continuing
9 through June 30, 1995, the Treasurer shall transfer each month
10 from the General Revenue Fund to the Local Government
11 Distributive Fund an amount equal to 1/11 of the net revenue
12 realized from the tax imposed by subsections (a) and (b) of
13 Section 201 of this Act during the preceding month. Beginning
14 July 1, 1995, the Treasurer shall transfer each month from the
15 General Revenue Fund to the Local Government Distributive Fund
16 an amount equal to the net of (i) 1/10 of the net revenue
17 realized from the tax imposed by subsections (a) and (b) of
18 Section 201 of the Illinois Income Tax Act during the preceding
19 month (ii) minus, beginning July 1, 2003 and ending June 30,
20 2004, \$6,666,666, and beginning July 1, 2004, zero. Net revenue
21 realized for a month shall be defined as the revenue from the
22 tax imposed by subsections (a) and (b) of Section 201 of this
23 Act which is deposited in the General Revenue Fund, the
24 Educational Assistance Fund and the Income Tax Surcharge Local
25 Government Distributive Fund during the month minus the amount
26 paid out of the General Revenue Fund in State warrants during

1 that same month as refunds to taxpayers for overpayment of
2 liability under the tax imposed by subsections (a) and (b) of
3 Section 201 of this Act.

4 (c) Deposits Into Income Tax Refund Fund.

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

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

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

1 Income Tax Refund Fund during a fiscal year shall be the
2 Annual Percentage. For fiscal years 1999, 2000, and 2001,
3 the Annual Percentage shall be 19%. For fiscal year 2003,
4 the Annual Percentage shall be 27%. For fiscal year 2004,
5 the Annual Percentage shall be 32%. Upon the effective date
6 of this amendatory Act of the 93rd General Assembly, the
7 Annual Percentage shall be 24% for fiscal year 2005. For
8 fiscal year 2006, the Annual Percentage shall be 20%. For
9 fiscal year 2007, the Annual Percentage shall be 17.5%. For
10 fiscal year 2008, the Annual Percentage shall be 15.5%. For
11 fiscal year 2009, the Annual Percentage shall be 17.5%. For
12 fiscal year 2010, the Annual Percentage shall be 17.5%. For
13 all other fiscal years, the Annual Percentage shall be
14 calculated as a fraction, the numerator of which shall be
15 the amount of refunds approved for payment by the
16 Department during the preceding fiscal year as a result of
17 overpayment of tax liability under subsections (a) and
18 (b)(6), (7), and (8), (c) and (d) of Section 201 of this
19 Act plus the amount of such refunds remaining approved but
20 unpaid at the end of the preceding fiscal year, and the
21 denominator of which shall be the amounts which will be
22 collected pursuant to subsections (a) and (b)(6), (7), and
23 (8), (c) and (d) of Section 201 of this Act during the
24 preceding fiscal year; except that in State fiscal year
25 2002, the Annual Percentage shall in no event exceed 23%.
26 The Director of Revenue shall certify the Annual Percentage

1 to the Comptroller on the last business day of the fiscal
2 year immediately preceding the fiscal year for which it is
3 to be effective.

4 (3) The Comptroller shall order transferred and the
5 Treasurer shall transfer from the Tobacco Settlement
6 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
7 in January, 2001, (ii) \$35,000,000 in January, 2002, and
8 (iii) \$35,000,000 in January, 2003.

9 (d) Expenditures from Income Tax Refund Fund.

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

18 (2) The Director shall order payment of refunds
19 resulting from overpayment of tax liability under Section
20 201 of this Act from the Income Tax Refund Fund only to the
21 extent that amounts collected pursuant to Section 201 of
22 this Act and transfers pursuant to this subsection (d) and
23 item (3) of subsection (c) have been deposited and retained
24 in the Fund.

25 (3) As soon as possible after the end of each fiscal
26 year, the Director shall order transferred and the State

1 Treasurer and State Comptroller shall transfer from the
2 Income Tax Refund Fund to the Personal Property Tax
3 Replacement Fund an amount, certified by the Director to
4 the Comptroller, equal to the excess of the amount
5 collected pursuant to subsections (c) and (d) of Section
6 201 of this Act deposited into the Income Tax Refund Fund
7 during the fiscal year over the amount of refunds resulting
8 from overpayment of tax liability under subsections (c) and
9 (d) of Section 201 of this Act paid from the Income Tax
10 Refund Fund during the fiscal year.

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

23 (4.5) As soon as possible after the end of fiscal year
24 1999 and of each fiscal year thereafter, the Director shall
25 order transferred and the State Treasurer and State
26 Comptroller shall transfer from the Income Tax Refund Fund

1 to the General Revenue Fund any surplus remaining in the
2 Income Tax Refund Fund as of the end of such fiscal year;
3 excluding for fiscal years 2000, 2001, and 2002 amounts
4 attributable to transfers under item (3) of subsection (c)
5 less refunds resulting from the earned income tax credit.

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

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

12 On July 1, 1991, and thereafter, of the amounts collected
13 pursuant to subsections (a) and (b) of Section 201 of this Act,
14 minus deposits into the Income Tax Refund Fund, the Department
15 shall deposit 7.3% into the Education Assistance Fund in the
16 State Treasury. Beginning July 1, 1991, and continuing through
17 January 31, 1993, of the amounts collected pursuant to
18 subsections (a) and (b) of Section 201 of the Illinois Income
19 Tax Act, minus deposits into the Income Tax Refund Fund, the
20 Department shall deposit 3.0% into the Income Tax Surcharge
21 Local Government Distributive Fund in the State Treasury.
22 Beginning February 1, 1993 and continuing through June 30,
23 1993, of the amounts collected pursuant to subsections (a) and
24 (b) of Section 201 of the Illinois Income Tax Act, minus
25 deposits into the Income Tax Refund Fund, the Department shall
26 deposit 4.4% into the Income Tax Surcharge Local Government

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

7 (Source: P.A. 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; 95-707,
8 eff. 1-11-08; 95-744, eff. 7-18-08; revised 10-23-08.)

9 Section 5-50. The Motor Fuel Tax Law is amended by changing
10 Section 8 as follows:

11 (35 ILCS 505/8) (from Ch. 120, par. 424)

12 Sec. 8. Except as provided in Section 8a, subdivision
13 (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and
14 16 of Section 15, all money received by the Department under
15 this Act, including payments made to the Department by member
16 jurisdictions participating in the International Fuel Tax
17 Agreement, shall be deposited in a special fund in the State
18 treasury, to be known as the "Motor Fuel Tax Fund", and shall
19 be used as follows:

20 (a) 2 1/2 cents per gallon of the tax collected on special
21 fuel under paragraph (b) of Section 2 and Section 13a of this
22 Act shall be transferred to the State Construction Account Fund
23 in the State Treasury;

24 (b) \$420,000 shall be transferred each month to the State

1 Boating Act Fund to be used by the Department of Natural
2 Resources for the purposes specified in Article X of the Boat
3 Registration and Safety Act;

4 (c) \$2,250,000 shall be transferred each month to the Grade
5 Crossing Protection Fund to be used as follows: not less than
6 \$6,000,000 each fiscal year shall be used for the construction
7 or reconstruction of rail highway grade separation structures;
8 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
9 shall be transferred to the Transportation Regulatory Fund and
10 shall be accounted for as part of the rail carrier portion of
11 such funds and shall be used to pay the cost of administration
12 of the Illinois Commerce Commission's railroad safety program
13 in connection with its duties under subsection (3) of Section
14 18c-7401 of the Illinois Vehicle Code, with the remainder to be
15 used by the Department of Transportation upon order of the
16 Illinois Commerce Commission, to pay that part of the cost
17 apportioned by such Commission to the State to cover the
18 interest of the public in the use of highways, roads, streets,
19 or pedestrian walkways in the county highway system, township
20 and district road system, or municipal street system as defined
21 in the Illinois Highway Code, as the same may from time to time
22 be amended, for separation of grades, for installation,
23 construction or reconstruction of crossing protection or
24 reconstruction, alteration, relocation including construction
25 or improvement of any existing highway necessary for access to
26 property or improvement of any grade crossing including the

1 necessary highway approaches thereto of any railroad across the
2 highway or public road, or for the installation, construction,
3 reconstruction, or maintenance of a pedestrian walkway over or
4 under a railroad right-of-way, as provided for in and in
5 accordance with Section 18c-7401 of the Illinois Vehicle Code.
6 The Commission shall not order more than \$2,000,000 per year in
7 Grade Crossing Protection Fund moneys for pedestrian walkways.
8 In entering orders for projects for which payments from the
9 Grade Crossing Protection Fund will be made, the Commission
10 shall account for expenditures authorized by the orders on a
11 cash rather than an accrual basis. For purposes of this
12 requirement an "accrual basis" assumes that the total cost of
13 the project is expended in the fiscal year in which the order
14 is entered, while a "cash basis" allocates the cost of the
15 project among fiscal years as expenditures are actually made.
16 To meet the requirements of this subsection, the Illinois
17 Commerce Commission shall develop annual and 5-year project
18 plans of rail crossing capital improvements that will be paid
19 for with moneys from the Grade Crossing Protection Fund. The
20 annual project plan shall identify projects for the succeeding
21 fiscal year and the 5-year project plan shall identify projects
22 for the 5 directly succeeding fiscal years. The Commission
23 shall submit the annual and 5-year project plans for this Fund
24 to the Governor, the President of the Senate, the Senate
25 Minority Leader, the Speaker of the House of Representatives,
26 and the Minority Leader of the House of Representatives on the

1 first Wednesday in April of each year;

2 (d) of the amount remaining after allocations provided for
3 in subsections (a), (b) and (c), a sufficient amount shall be
4 reserved to pay all of the following:

5 (1) the costs of the Department of Revenue in
6 administering this Act;

7 (2) the costs of the Department of Transportation in
8 performing its duties imposed by the Illinois Highway Code
9 for supervising the use of motor fuel tax funds apportioned
10 to municipalities, counties and road districts;

11 (3) refunds provided for in Section 13 of this Act and
12 under the terms of the International Fuel Tax Agreement
13 referenced in Section 14a;

14 (4) from October 1, 1985 until June 30, 1994, the
15 administration of the Vehicle Emissions Inspection Law,
16 which amount shall be certified monthly by the
17 Environmental Protection Agency to the State Comptroller
18 and shall promptly be transferred by the State Comptroller
19 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
20 Inspection Fund, and for the period July 1, 1994 through
21 June 30, 2000, one-twelfth of \$25,000,000 each month, for
22 the period July 1, 2000 through June 30, 2003, one-twelfth
23 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
24 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
25 July 1 and October 1, or as soon thereafter as may be
26 practical, during the period July 1, 2004 through June 30,

1 2010 ~~2009~~, for the administration of the Vehicle Emissions
2 Inspection Law of 2005, to be transferred by the State
3 Comptroller and Treasurer from the Motor Fuel Tax Fund into
4 the Vehicle Inspection Fund;

5 (5) amounts ordered paid by the Court of Claims; and

6 (6) payment of motor fuel use taxes due to member
7 jurisdictions under the terms of the International Fuel Tax
8 Agreement. The Department shall certify these amounts to
9 the Comptroller by the 15th day of each month; the
10 Comptroller shall cause orders to be drawn for such
11 amounts, and the Treasurer shall administer those amounts
12 on or before the last day of each month;

13 (e) after allocations for the purposes set forth in
14 subsections (a), (b), (c) and (d), the remaining amount shall
15 be apportioned as follows:

16 (1) Until January 1, 2000, 58.4%, and beginning January
17 1, 2000, 45.6% shall be deposited as follows:

18 (A) 37% into the State Construction Account Fund,
19 and

20 (B) 63% into the Road Fund, \$1,250,000 of which
21 shall be reserved each month for the Department of
22 Transportation to be used in accordance with the
23 provisions of Sections 6-901 through 6-906 of the
24 Illinois Highway Code;

25 (2) Until January 1, 2000, 41.6%, and beginning January
26 1, 2000, 54.4% shall be transferred to the Department of

1 Transportation to be distributed as follows:

2 (A) 49.10% to the municipalities of the State,

3 (B) 16.74% to the counties of the State having
4 1,000,000 or more inhabitants,

5 (C) 18.27% to the counties of the State having less
6 than 1,000,000 inhabitants,

7 (D) 15.89% to the road districts of the State.

8 As soon as may be after the first day of each month the
9 Department of Transportation shall allot to each municipality
10 its share of the amount apportioned to the several
11 municipalities which shall be in proportion to the population
12 of such municipalities as determined by the last preceding
13 municipal census if conducted by the Federal Government or
14 Federal census. If territory is annexed to any municipality
15 subsequent to the time of the last preceding census the
16 corporate authorities of such municipality may cause a census
17 to be taken of such annexed territory and the population so
18 ascertained for such territory shall be added to the population
19 of the municipality as determined by the last preceding census
20 for the purpose of determining the allotment for that
21 municipality. If the population of any municipality was not
22 determined by the last Federal census preceding any
23 apportionment, the apportionment to such municipality shall be
24 in accordance with any census taken by such municipality. Any
25 municipal census used in accordance with this Section shall be
26 certified to the Department of Transportation by the clerk of

1 such municipality, and the accuracy thereof shall be subject to
2 approval of the Department which may make such corrections as
3 it ascertains to be necessary.

4 As soon as may be after the first day of each month the
5 Department of Transportation shall allot to each county its
6 share of the amount apportioned to the several counties of the
7 State as herein provided. Each allotment to the several
8 counties having less than 1,000,000 inhabitants shall be in
9 proportion to the amount of motor vehicle license fees received
10 from the residents of such counties, respectively, during the
11 preceding calendar year. The Secretary of State shall, on or
12 before April 15 of each year, transmit to the Department of
13 Transportation a full and complete report showing the amount of
14 motor vehicle license fees received from the residents of each
15 county, respectively, during the preceding calendar year. The
16 Department of Transportation shall, each month, use for
17 allotment purposes the last such report received from the
18 Secretary of State.

19 As soon as may be after the first day of each month, the
20 Department of Transportation shall allot to the several
21 counties their share of the amount apportioned for the use of
22 road districts. The allotment shall be apportioned among the
23 several counties in the State in the proportion which the total
24 mileage of township or district roads in the respective
25 counties bears to the total mileage of all township and
26 district roads in the State. Funds allotted to the respective

1 counties for the use of road districts therein shall be
2 allocated to the several road districts in the county in the
3 proportion which the total mileage of such township or district
4 roads in the respective road districts bears to the total
5 mileage of all such township or district roads in the county.
6 After July 1 of any year, no allocation shall be made for any
7 road district unless it levied a tax for road and bridge
8 purposes in an amount which will require the extension of such
9 tax against the taxable property in any such road district at a
10 rate of not less than either .08% of the value thereof, based
11 upon the assessment for the year immediately prior to the year
12 in which such tax was levied and as equalized by the Department
13 of Revenue or, in DuPage County, an amount equal to or greater
14 than \$12,000 per mile of road under the jurisdiction of the
15 road district, whichever is less. If any road district has
16 levied a special tax for road purposes pursuant to Sections
17 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such
18 tax was levied in an amount which would require extension at a
19 rate of not less than .08% of the value of the taxable property
20 thereof, as equalized or assessed by the Department of Revenue,
21 or, in DuPage County, an amount equal to or greater than
22 \$12,000 per mile of road under the jurisdiction of the road
23 district, whichever is less, such levy shall, however, be
24 deemed a proper compliance with this Section and shall qualify
25 such road district for an allotment under this Section. If a
26 township has transferred to the road and bridge fund money

1 which, when added to the amount of any tax levy of the road
2 district would be the equivalent of a tax levy requiring
3 extension at a rate of at least .08%, or, in DuPage County, an
4 amount equal to or greater than \$12,000 per mile of road under
5 the jurisdiction of the road district, whichever is less, such
6 transfer, together with any such tax levy, shall be deemed a
7 proper compliance with this Section and shall qualify the road
8 district for an allotment under this Section.

9 In counties in which a property tax extension limitation is
10 imposed under the Property Tax Extension Limitation Law, road
11 districts may retain their entitlement to a motor fuel tax
12 allotment if, at the time the property tax extension limitation
13 was imposed, the road district was levying a road and bridge
14 tax at a rate sufficient to entitle it to a motor fuel tax
15 allotment and continues to levy the maximum allowable amount
16 after the imposition of the property tax extension limitation.
17 Any road district may in all circumstances retain its
18 entitlement to a motor fuel tax allotment if it levied a road
19 and bridge tax in an amount that will require the extension of
20 the tax against the taxable property in the road district at a
21 rate of not less than 0.08% of the assessed value of the
22 property, based upon the assessment for the year immediately
23 preceding the year in which the tax was levied and as equalized
24 by the Department of Revenue or, in DuPage County, an amount
25 equal to or greater than \$12,000 per mile of road under the
26 jurisdiction of the road district, whichever is less.

1 As used in this Section the term "road district" means any
2 road district, including a county unit road district, provided
3 for by the Illinois Highway Code; and the term "township or
4 district road" means any road in the township and district road
5 system as defined in the Illinois Highway Code. For the
6 purposes of this Section, "road district" also includes park
7 districts, forest preserve districts and conservation
8 districts organized under Illinois law and "township or
9 district road" also includes such roads as are maintained by
10 park districts, forest preserve districts and conservation
11 districts. The Department of Transportation shall determine
12 the mileage of all township and district roads for the purposes
13 of making allotments and allocations of motor fuel tax funds
14 for use in road districts.

15 Payment of motor fuel tax moneys to municipalities and
16 counties shall be made as soon as possible after the allotment
17 is made. The treasurer of the municipality or county may invest
18 these funds until their use is required and the interest earned
19 by these investments shall be limited to the same uses as the
20 principal funds.

21 (Source: P.A. 94-839, eff. 6-6-06; 95-744, eff. 7-18-08.)

22 Section 5-50.5. The Illinois Pension Code is amended by
23 changing Section 14-131 as follows:

24 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

1 Sec. 14-131. Contributions by State.

2 (a) The State shall make contributions to the System by
3 appropriations of amounts which, together with other employer
4 contributions from trust, federal, and other funds, employee
5 contributions, investment income, and other income, will be
6 sufficient to meet the cost of maintaining and administering
7 the System on a 90% funded basis in accordance with actuarial
8 recommendations.

9 For the purposes of this Section and Section 14-135.08,
10 references to State contributions refer only to employer
11 contributions and do not include employee contributions that
12 are picked up or otherwise paid by the State or a department on
13 behalf of the employee.

14 (b) The Board shall determine the total amount of State
15 contributions required for each fiscal year on the basis of the
16 actuarial tables and other assumptions adopted by the Board,
17 using the formula in subsection (e).

18 The Board shall also determine a State contribution rate
19 for each fiscal year, expressed as a percentage of payroll,
20 based on the total required State contribution for that fiscal
21 year (less the amount received by the System from
22 appropriations under Section 8.12 of the State Finance Act and
23 Section 1 of the State Pension Funds Continuing Appropriation
24 Act, if any, for the fiscal year ending on the June 30
25 immediately preceding the applicable November 15 certification
26 deadline), the estimated payroll (including all forms of

1 compensation) for personal services rendered by eligible
2 employees, and the recommendations of the actuary.

3 For the purposes of this Section and Section 14.1 of the
4 State Finance Act, the term "eligible employees" includes
5 employees who participate in the System, persons who may elect
6 to participate in the System but have not so elected, persons
7 who are serving a qualifying period that is required for
8 participation, and annuitants employed by a department as
9 described in subdivision (a) (1) or (a) (2) of Section 14-111.

10 (c) Contributions shall be made by the several departments
11 for each pay period by warrants drawn by the State Comptroller
12 against their respective funds or appropriations based upon
13 vouchers stating the amount to be so contributed. These amounts
14 shall be based on the full rate certified by the Board under
15 Section 14-135.08 for that fiscal year. From the effective date
16 of this amendatory Act of the 93rd General Assembly through the
17 payment of the final payroll from fiscal year 2004
18 appropriations, the several departments shall not make
19 contributions for the remainder of fiscal year 2004 but shall
20 instead make payments as required under subsection (a-1) of
21 Section 14.1 of the State Finance Act. The several departments
22 shall resume those contributions at the commencement of fiscal
23 year 2005.

24 (c-1) Notwithstanding subsection (c) of this Section, for
25 fiscal year 2010 only, contributions by the several departments
26 are not required to be made for General Revenue Funds payrolls

1 processed by the Comptroller. Payrolls paid by the several
2 departments from all other State funds must continue to be
3 processed pursuant to subsection (c) of this Section.

4 (c-2) For State fiscal year 2010 only, on or as soon as
5 possible after the 15th day of each month the Board shall
6 submit vouchers for payment of State contributions to the
7 System, in a total monthly amount of one-twelfth of the fiscal
8 year 2010 General Revenue Fund appropriation to the System.

9 (d) If an employee is paid from trust funds or federal
10 funds, the department or other employer shall pay employer
11 contributions from those funds to the System at the certified
12 rate, unless the terms of the trust or the federal-State
13 agreement preclude the use of the funds for that purpose, in
14 which case the required employer contributions shall be paid by
15 the State. From the effective date of this amendatory Act of
16 the 93rd General Assembly through the payment of the final
17 payroll from fiscal year 2004 appropriations, the department or
18 other employer shall not pay contributions for the remainder of
19 fiscal year 2004 but shall instead make payments as required
20 under subsection (a-1) of Section 14.1 of the State Finance
21 Act. The department or other employer shall resume payment of
22 contributions at the commencement of fiscal year 2005.

23 (e) For State fiscal years 2011 through 2045, the minimum
24 contribution to the System to be made by the State for each
25 fiscal year shall be an amount determined by the System to be
26 sufficient to bring the total assets of the System up to 90% of

1 the total actuarial liabilities of the System by the end of
2 State fiscal year 2045. In making these determinations, the
3 required State contribution shall be calculated each year as a
4 level percentage of payroll over the years remaining to and
5 including fiscal year 2045 and shall be determined under the
6 projected unit credit actuarial cost method.

7 For State fiscal years 1996 through 2005, the State
8 contribution to the System, as a percentage of the applicable
9 employee payroll, shall be increased in equal annual increments
10 so that by State fiscal year 2011, the State is contributing at
11 the rate required under this Section; except that (i) for State
12 fiscal year 1998, for all purposes of this Code and any other
13 law of this State, the certified percentage of the applicable
14 employee payroll shall be 5.052% for employees earning eligible
15 creditable service under Section 14-110 and 6.500% for all
16 other employees, notwithstanding any contrary certification
17 made under Section 14-135.08 before the effective date of this
18 amendatory Act of 1997, and (ii) in the following specified
19 State fiscal years, the State contribution to the System shall
20 not be less than the following indicated percentages of the
21 applicable employee payroll, even if the indicated percentage
22 will produce a State contribution in excess of the amount
23 otherwise required under this subsection and subsection (a):
24 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
25 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

26 Notwithstanding any other provision of this Article, the

1 total required State contribution to the System for State
2 fiscal year 2006 is \$203,783,900.

3 Notwithstanding any other provision of this Article, the
4 total required State contribution to the System for State
5 fiscal year 2007 is \$344,164,400.

6 For each of State fiscal years 2008 through 2010, the State
7 contribution to the System, as a percentage of the applicable
8 employee payroll, shall be increased in equal annual increments
9 from the required State contribution for State fiscal year
10 2007, so that by State fiscal year 2011, the State is
11 contributing at the rate otherwise required under this Section.

12 Beginning in State fiscal year 2046, the minimum State
13 contribution for each fiscal year shall be the amount needed to
14 maintain the total assets of the System at 90% of the total
15 actuarial liabilities of the System.

16 Amounts received by the System pursuant to Section 25 of
17 the Budget Stabilization Act or Section 8.12 of the State
18 Finance Act in any fiscal year do not reduce and do not
19 constitute payment of any portion of the minimum State
20 contribution required under this Article in that fiscal year.
21 Such amounts shall not reduce, and shall not be included in the
22 calculation of, the required State contributions under this
23 Article in any future year until the System has reached a
24 funding ratio of at least 90%. A reference in this Article to
25 the "required State contribution" or any substantially similar
26 term does not include or apply to any amounts payable to the

1 System under Section 25 of the Budget Stabilization Act.

2 Notwithstanding any other provision of this Section, the
3 required State contribution for State fiscal year 2005 and for
4 fiscal year 2008 and each fiscal year thereafter, as calculated
5 under this Section and certified under Section 14-135.08, shall
6 not exceed an amount equal to (i) the amount of the required
7 State contribution that would have been calculated under this
8 Section for that fiscal year if the System had not received any
9 payments under subsection (d) of Section 7.2 of the General
10 Obligation Bond Act, minus (ii) the portion of the State's
11 total debt service payments for that fiscal year on the bonds
12 issued for the purposes of that Section 7.2, as determined and
13 certified by the Comptroller, that is the same as the System's
14 portion of the total moneys distributed under subsection (d) of
15 Section 7.2 of the General Obligation Bond Act. In determining
16 this maximum for State fiscal years 2008 through 2010, however,
17 the amount referred to in item (i) shall be increased, as a
18 percentage of the applicable employee payroll, in equal
19 increments calculated from the sum of the required State
20 contribution for State fiscal year 2007 plus the applicable
21 portion of the State's total debt service payments for fiscal
22 year 2007 on the bonds issued for the purposes of Section 7.2
23 of the General Obligation Bond Act, so that, by State fiscal
24 year 2011, the State is contributing at the rate otherwise
25 required under this Section.

26 (f) After the submission of all payments for eligible

1 employees from personal services line items in fiscal year 2004
2 have been made, the Comptroller shall provide to the System a
3 certification of the sum of all fiscal year 2004 expenditures
4 for personal services that would have been covered by payments
5 to the System under this Section if the provisions of this
6 amendatory Act of the 93rd General Assembly had not been
7 enacted. Upon receipt of the certification, the System shall
8 determine the amount due to the System based on the full rate
9 certified by the Board under Section 14-135.08 for fiscal year
10 2004 in order to meet the State's obligation under this
11 Section. The System shall compare this amount due to the amount
12 received by the System in fiscal year 2004 through payments
13 under this Section and under Section 6z-61 of the State Finance
14 Act. If the amount due is more than the amount received, the
15 difference shall be termed the "Fiscal Year 2004 Shortfall" for
16 purposes of this Section, and the Fiscal Year 2004 Shortfall
17 shall be satisfied under Section 1.2 of the State Pension Funds
18 Continuing Appropriation Act. If the amount due is less than
19 the amount received, the difference shall be termed the "Fiscal
20 Year 2004 Overpayment" for purposes of this Section, and the
21 Fiscal Year 2004 Overpayment shall be repaid by the System to
22 the Pension Contribution Fund as soon as practicable after the
23 certification.

24 (g) After the submission of all payments for eligible
25 employees from personal services line items paid from the
26 General Revenue Fund in fiscal year 2010 have been made, the

1 Comptroller shall provide to the System a certification of the
2 sum of all fiscal year 2010 expenditures for personal services
3 that would have been covered by payments to the System under
4 this Section if the provisions of this amendatory Act of the
5 96th General Assembly had not been enacted. Upon receipt of the
6 certification, the System shall determine the amount due to the
7 System based on the full rate certified by the Board under
8 Section 14-135.08 for fiscal year 2010 in order to meet the
9 State's obligation under this Section. The System shall compare
10 this amount due to the amount received by the System in fiscal
11 year 2010 through payments under this Section. If the amount
12 due is more than the amount received, the difference shall be
13 termed the "Fiscal Year 2010 Shortfall" for purposes of this
14 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
15 under Section 1.2 of the State Pension Funds Continuing
16 Appropriation Act. If the amount due is less than the amount
17 received, the difference shall be termed the "Fiscal Year 2010
18 Overpayment" for purposes of this Section, and the Fiscal Year
19 2010 Overpayment shall be repaid by the System to the General
20 Revenue Fund as soon as practicable after the certification.

21 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 95-950,
22 eff. 8-29-08.)

23 Section 5-50.6. The State Pension Funds Continuing
24 Appropriation Act is amended by changing Section 1.2 as
25 follows:

1 (40 ILCS 15/1.2)

2 Sec. 1.2. Appropriations for the State Employees'
3 Retirement System.

4 (a) From each fund from which an amount is appropriated for
5 personal services to a department or other employer under
6 Article 14 of the Illinois Pension Code, there is hereby
7 appropriated to that department or other employer, on a
8 continuing annual basis for each State fiscal year, an
9 additional amount equal to the amount, if any, by which (1) an
10 amount equal to the percentage of the personal services line
11 item for that department or employer from that fund for that
12 fiscal year that the Board of Trustees of the State Employees'
13 Retirement System of Illinois has certified under Section
14 14-135.08 of the Illinois Pension Code to be necessary to meet
15 the State's obligation under Section 14-131 of the Illinois
16 Pension Code for that fiscal year, exceeds (2) the amounts
17 otherwise appropriated to that department or employer from that
18 fund for State contributions to the State Employees' Retirement
19 System for that fiscal year. From the effective date of this
20 amendatory Act of the 93rd General Assembly through the final
21 payment from a department or employer's personal services line
22 item for fiscal year 2004, payments to the State Employees'
23 Retirement System that otherwise would have been made under
24 this subsection (a) shall be governed by the provisions in
25 subsection (a-1).

1 (a-1) If a Fiscal Year 2004 Shortfall is certified under
2 subsection (f) of Section 14-131 of the Illinois Pension Code,
3 there is hereby appropriated to the State Employees' Retirement
4 System of Illinois on a continuing basis from the General
5 Revenue Fund an additional aggregate amount equal to the Fiscal
6 Year 2004 Shortfall.

7 (a-2) If a Fiscal Year 2010 Shortfall is certified under
8 subsection (g) of Section 14-131 of the Illinois Pension Code,
9 there is hereby appropriated to the State Employees' Retirement
10 System of Illinois on a continuing basis from the General
11 Revenue Fund an additional aggregate amount equal to the Fiscal
12 Year 2010 Shortfall.

13 (b) The continuing appropriations provided for by this
14 Section shall first be available in State fiscal year 1996.

15 (c) Beginning in Fiscal Year 2005, any continuing
16 appropriation under this Section arising out of an
17 appropriation for personal services from the Road Fund to the
18 Department of State Police or the Secretary of State shall be
19 payable from the General Revenue Fund rather than the Road
20 Fund.

21 (Source: P.A. 93-665, eff. 3-5-04; 93-1067, eff. 1-15-05.)

22 Section 5-51. The School Code is amended by changing
23 Section 18-8.05 as follows:

24 (105 ILCS 5/18-8.05)

1 Sec. 18-8.05. Basis for apportionment of general State
2 financial aid and supplemental general State aid to the common
3 schools for the 1998-1999 and subsequent school years.

4 (A) General Provisions.

5 (1) The provisions of this Section apply to the 1998-1999
6 and subsequent school years. The system of general State
7 financial aid provided for in this Section is designed to
8 assure that, through a combination of State financial aid and
9 required local resources, the financial support provided each
10 pupil in Average Daily Attendance equals or exceeds a
11 prescribed per pupil Foundation Level. This formula approach
12 imputes a level of per pupil Available Local Resources and
13 provides for the basis to calculate a per pupil level of
14 general State financial aid that, when added to Available Local
15 Resources, equals or exceeds the Foundation Level. The amount
16 of per pupil general State financial aid for school districts,
17 in general, varies in inverse relation to Available Local
18 Resources. Per pupil amounts are based upon each school
19 district's Average Daily Attendance as that term is defined in
20 this Section.

21 (2) In addition to general State financial aid, school
22 districts with specified levels or concentrations of pupils
23 from low income households are eligible to receive supplemental
24 general State financial aid grants as provided pursuant to
25 subsection (H). The supplemental State aid grants provided for

1 school districts under subsection (H) shall be appropriated for
2 distribution to school districts as part of the same line item
3 in which the general State financial aid of school districts is
4 appropriated under this Section.

5 (3) To receive financial assistance under this Section,
6 school districts are required to file claims with the State
7 Board of Education, subject to the following requirements:

8 (a) Any school district which fails for any given
9 school year to maintain school as required by law, or to
10 maintain a recognized school is not eligible to file for
11 such school year any claim upon the Common School Fund. In
12 case of nonrecognition of one or more attendance centers in
13 a school district otherwise operating recognized schools,
14 the claim of the district shall be reduced in the
15 proportion which the Average Daily Attendance in the
16 attendance center or centers bear to the Average Daily
17 Attendance in the school district. A "recognized school"
18 means any public school which meets the standards as
19 established for recognition by the State Board of
20 Education. A school district or attendance center not
21 having recognition status at the end of a school term is
22 entitled to receive State aid payments due upon a legal
23 claim which was filed while it was recognized.

24 (b) School district claims filed under this Section are
25 subject to Sections 18-9 and 18-12, except as otherwise
26 provided in this Section.

1 (c) If a school district operates a full year school
2 under Section 10-19.1, the general State aid to the school
3 district shall be determined by the State Board of
4 Education in accordance with this Section as near as may be
5 applicable.

6 (d) (Blank).

7 (4) Except as provided in subsections (H) and (L), the
8 board of any district receiving any of the grants provided for
9 in this Section may apply those funds to any fund so received
10 for which that board is authorized to make expenditures by law.

11 School districts are not required to exert a minimum
12 Operating Tax Rate in order to qualify for assistance under
13 this Section.

14 (5) As used in this Section the following terms, when
15 capitalized, shall have the meaning ascribed herein:

16 (a) "Average Daily Attendance": A count of pupil
17 attendance in school, averaged as provided for in
18 subsection (C) and utilized in deriving per pupil financial
19 support levels.

20 (b) "Available Local Resources": A computation of
21 local financial support, calculated on the basis of Average
22 Daily Attendance and derived as provided pursuant to
23 subsection (D).

24 (c) "Corporate Personal Property Replacement Taxes":
25 Funds paid to local school districts pursuant to "An Act in
26 relation to the abolition of ad valorem personal property

1 tax and the replacement of revenues lost thereby, and
2 amending and repealing certain Acts and parts of Acts in
3 connection therewith", certified August 14, 1979, as
4 amended (Public Act 81-1st S.S.-1).

5 (d) "Foundation Level": A prescribed level of per pupil
6 financial support as provided for in subsection (B).

7 (e) "Operating Tax Rate": All school district property
8 taxes extended for all purposes, except Bond and Interest,
9 Summer School, Rent, Capital Improvement, and Vocational
10 Education Building purposes.

11 (B) Foundation Level.

12 (1) The Foundation Level is a figure established by the
13 State representing the minimum level of per pupil financial
14 support that should be available to provide for the basic
15 education of each pupil in Average Daily Attendance. As set
16 forth in this Section, each school district is assumed to exert
17 a sufficient local taxing effort such that, in combination with
18 the aggregate of general State financial aid provided the
19 district, an aggregate of State and local resources are
20 available to meet the basic education needs of pupils in the
21 district.

22 (2) For the 1998-1999 school year, the Foundation Level of
23 support is \$4,225. For the 1999-2000 school year, the
24 Foundation Level of support is \$4,325. For the 2000-2001 school
25 year, the Foundation Level of support is \$4,425. For the

1 2001-2002 school year and 2002-2003 school year, the Foundation
2 Level of support is \$4,560. For the 2003-2004 school year, the
3 Foundation Level of support is \$4,810. For the 2004-2005 school
4 year, the Foundation Level of support is \$4,964. For the
5 2005-2006 school year, the Foundation Level of support is
6 \$5,164. For the 2006-2007 school year, the Foundation Level of
7 support is \$5,334. For the 2007-2008 school year, the
8 Foundation Level of support is \$5,734. For the 2008-2009 school
9 year, the Foundation Level of support is \$5,959.

10 (3) For the 2009-2010 ~~2008-2009~~ school year and each school
11 year thereafter, the Foundation Level of support is \$6,119
12 ~~\$5,959~~ or such greater amount as may be established by law by
13 the General Assembly.

14 (C) Average Daily Attendance.

15 (1) For purposes of calculating general State aid pursuant
16 to subsection (E), an Average Daily Attendance figure shall be
17 utilized. The Average Daily Attendance figure for formula
18 calculation purposes shall be the monthly average of the actual
19 number of pupils in attendance of each school district, as
20 further averaged for the best 3 months of pupil attendance for
21 each school district. In compiling the figures for the number
22 of pupils in attendance, school districts and the State Board
23 of Education shall, for purposes of general State aid funding,
24 conform attendance figures to the requirements of subsection
25 (F).

1 (2) The Average Daily Attendance figures utilized in
2 subsection (E) shall be the requisite attendance data for the
3 school year immediately preceding the school year for which
4 general State aid is being calculated or the average of the
5 attendance data for the 3 preceding school years, whichever is
6 greater. The Average Daily Attendance figures utilized in
7 subsection (H) shall be the requisite attendance data for the
8 school year immediately preceding the school year for which
9 general State aid is being calculated.

10 (D) Available Local Resources.

11 (1) For purposes of calculating general State aid pursuant
12 to subsection (E), a representation of Available Local
13 Resources per pupil, as that term is defined and determined in
14 this subsection, shall be utilized. Available Local Resources
15 per pupil shall include a calculated dollar amount representing
16 local school district revenues from local property taxes and
17 from Corporate Personal Property Replacement Taxes, expressed
18 on the basis of pupils in Average Daily Attendance. Calculation
19 of Available Local Resources shall exclude any tax amnesty
20 funds received as a result of Public Act 93-26.

21 (2) In determining a school district's revenue from local
22 property taxes, the State Board of Education shall utilize the
23 equalized assessed valuation of all taxable property of each
24 school district as of September 30 of the previous year. The
25 equalized assessed valuation utilized shall be obtained and

1 determined as provided in subsection (G).

2 (3) For school districts maintaining grades kindergarten
3 through 12, local property tax revenues per pupil shall be
4 calculated as the product of the applicable equalized assessed
5 valuation for the district multiplied by 3.00%, and divided by
6 the district's Average Daily Attendance figure. For school
7 districts maintaining grades kindergarten through 8, local
8 property tax revenues per pupil shall be calculated as the
9 product of the applicable equalized assessed valuation for the
10 district multiplied by 2.30%, and divided by the district's
11 Average Daily Attendance figure. For school districts
12 maintaining grades 9 through 12, local property tax revenues
13 per pupil shall be the applicable equalized assessed valuation
14 of the district multiplied by 1.05%, and divided by the
15 district's Average Daily Attendance figure.

16 For partial elementary unit districts created pursuant to
17 Article 11E of this Code, local property tax revenues per pupil
18 shall be calculated as the product of the equalized assessed
19 valuation for property within the partial elementary unit
20 district for elementary purposes, as defined in Article 11E of
21 this Code, multiplied by 2.06% and divided by the district's
22 Average Daily Attendance figure, plus the product of the
23 equalized assessed valuation for property within the partial
24 elementary unit district for high school purposes, as defined
25 in Article 11E of this Code, multiplied by 0.94% and divided by
26 the district's Average Daily Attendance figure.

1 (4) The Corporate Personal Property Replacement Taxes paid
2 to each school district during the calendar year 2 years before
3 the calendar year in which a school year begins, divided by the
4 Average Daily Attendance figure for that district, shall be
5 added to the local property tax revenues per pupil as derived
6 by the application of the immediately preceding paragraph (3).
7 The sum of these per pupil figures for each school district
8 shall constitute Available Local Resources as that term is
9 utilized in subsection (E) in the calculation of general State
10 aid.

11 (E) Computation of General State Aid.

12 (1) For each school year, the amount of general State aid
13 allotted to a school district shall be computed by the State
14 Board of Education as provided in this subsection.

15 (2) For any school district for which Available Local
16 Resources per pupil is less than the product of 0.93 times the
17 Foundation Level, general State aid for that district shall be
18 calculated as an amount equal to the Foundation Level minus
19 Available Local Resources, multiplied by the Average Daily
20 Attendance of the school district.

21 (3) For any school district for which Available Local
22 Resources per pupil is equal to or greater than the product of
23 0.93 times the Foundation Level and less than the product of
24 1.75 times the Foundation Level, the general State aid per
25 pupil shall be a decimal proportion of the Foundation Level

1 derived using a linear algorithm. Under this linear algorithm,
2 the calculated general State aid per pupil shall decline in
3 direct linear fashion from 0.07 times the Foundation Level for
4 a school district with Available Local Resources equal to the
5 product of 0.93 times the Foundation Level, to 0.05 times the
6 Foundation Level for a school district with Available Local
7 Resources equal to the product of 1.75 times the Foundation
8 Level. The allocation of general State aid for school districts
9 subject to this paragraph 3 shall be the calculated general
10 State aid per pupil figure multiplied by the Average Daily
11 Attendance of the school district.

12 (4) For any school district for which Available Local
13 Resources per pupil equals or exceeds the product of 1.75 times
14 the Foundation Level, the general State aid for the school
15 district shall be calculated as the product of \$218 multiplied
16 by the Average Daily Attendance of the school district.

17 (5) The amount of general State aid allocated to a school
18 district for the 1999-2000 school year meeting the requirements
19 set forth in paragraph (4) of subsection (G) shall be increased
20 by an amount equal to the general State aid that would have
21 been received by the district for the 1998-1999 school year by
22 utilizing the Extension Limitation Equalized Assessed
23 Valuation as calculated in paragraph (4) of subsection (G) less
24 the general State aid allotted for the 1998-1999 school year.
25 This amount shall be deemed a one time increase, and shall not
26 affect any future general State aid allocations.

1 (F) Compilation of Average Daily Attendance.

2 (1) Each school district shall, by July 1 of each year,
3 submit to the State Board of Education, on forms prescribed by
4 the State Board of Education, attendance figures for the school
5 year that began in the preceding calendar year. The attendance
6 information so transmitted shall identify the average daily
7 attendance figures for each month of the school year. Beginning
8 with the general State aid claim form for the 2002-2003 school
9 year, districts shall calculate Average Daily Attendance as
10 provided in subdivisions (a), (b), and (c) of this paragraph
11 (1).

12 (a) In districts that do not hold year-round classes,
13 days of attendance in August shall be added to the month of
14 September and any days of attendance in June shall be added
15 to the month of May.

16 (b) In districts in which all buildings hold year-round
17 classes, days of attendance in July and August shall be
18 added to the month of September and any days of attendance
19 in June shall be added to the month of May.

20 (c) In districts in which some buildings, but not all,
21 hold year-round classes, for the non-year-round buildings,
22 days of attendance in August shall be added to the month of
23 September and any days of attendance in June shall be added
24 to the month of May. The average daily attendance for the
25 year-round buildings shall be computed as provided in

1 subdivision (b) of this paragraph (1). To calculate the
2 Average Daily Attendance for the district, the average
3 daily attendance for the year-round buildings shall be
4 multiplied by the days in session for the non-year-round
5 buildings for each month and added to the monthly
6 attendance of the non-year-round buildings.

7 Except as otherwise provided in this Section, days of
8 attendance by pupils shall be counted only for sessions of not
9 less than 5 clock hours of school work per day under direct
10 supervision of: (i) teachers, or (ii) non-teaching personnel or
11 volunteer personnel when engaging in non-teaching duties and
12 supervising in those instances specified in subsection (a) of
13 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
14 of legal school age and in kindergarten and grades 1 through
15 12.

16 Days of attendance by tuition pupils shall be accredited
17 only to the districts that pay the tuition to a recognized
18 school.

19 (2) Days of attendance by pupils of less than 5 clock hours
20 of school shall be subject to the following provisions in the
21 compilation of Average Daily Attendance.

22 (a) Pupils regularly enrolled in a public school for
23 only a part of the school day may be counted on the basis
24 of 1/6 day for every class hour of instruction of 40
25 minutes or more attended pursuant to such enrollment,
26 unless a pupil is enrolled in a block-schedule format of 80

1 minutes or more of instruction, in which case the pupil may
2 be counted on the basis of the proportion of minutes of
3 school work completed each day to the minimum number of
4 minutes that school work is required to be held that day.

5 (b) Days of attendance may be less than 5 clock hours
6 on the opening and closing of the school term, and upon the
7 first day of pupil attendance, if preceded by a day or days
8 utilized as an institute or teachers' workshop.

9 (c) A session of 4 or more clock hours may be counted
10 as a day of attendance upon certification by the regional
11 superintendent, and approved by the State Superintendent
12 of Education to the extent that the district has been
13 forced to use daily multiple sessions.

14 (d) A session of 3 or more clock hours may be counted
15 as a day of attendance (1) when the remainder of the school
16 day or at least 2 hours in the evening of that day is
17 utilized for an in-service training program for teachers,
18 up to a maximum of 5 days per school year of which a
19 maximum of 4 days of such 5 days may be used for
20 parent-teacher conferences, provided a district conducts
21 an in-service training program for teachers which has been
22 approved by the State Superintendent of Education; or, in
23 lieu of 4 such days, 2 full days may be used, in which
24 event each such day may be counted as a day of attendance;
25 and (2) when days in addition to those provided in item (1)
26 are scheduled by a school pursuant to its school

1 improvement plan adopted under Article 34 or its revised or
2 amended school improvement plan adopted under Article 2,
3 provided that (i) such sessions of 3 or more clock hours
4 are scheduled to occur at regular intervals, (ii) the
5 remainder of the school days in which such sessions occur
6 are utilized for in-service training programs or other
7 staff development activities for teachers, and (iii) a
8 sufficient number of minutes of school work under the
9 direct supervision of teachers are added to the school days
10 between such regularly scheduled sessions to accumulate
11 not less than the number of minutes by which such sessions
12 of 3 or more clock hours fall short of 5 clock hours. Any
13 full days used for the purposes of this paragraph shall not
14 be considered for computing average daily attendance. Days
15 scheduled for in-service training programs, staff
16 development activities, or parent-teacher conferences may
17 be scheduled separately for different grade levels and
18 different attendance centers of the district.

19 (e) A session of not less than one clock hour of
20 teaching hospitalized or homebound pupils on-site or by
21 telephone to the classroom may be counted as 1/2 day of
22 attendance, however these pupils must receive 4 or more
23 clock hours of instruction to be counted for a full day of
24 attendance.

25 (f) A session of at least 4 clock hours may be counted
26 as a day of attendance for first grade pupils, and pupils

1 in full day kindergartens, and a session of 2 or more hours
2 may be counted as 1/2 day of attendance by pupils in
3 kindergartens which provide only 1/2 day of attendance.

4 (g) For children with disabilities who are below the
5 age of 6 years and who cannot attend 2 or more clock hours
6 because of their disability or immaturity, a session of not
7 less than one clock hour may be counted as 1/2 day of
8 attendance; however for such children whose educational
9 needs so require a session of 4 or more clock hours may be
10 counted as a full day of attendance.

11 (h) A recognized kindergarten which provides for only
12 1/2 day of attendance by each pupil shall not have more
13 than 1/2 day of attendance counted in any one day. However,
14 kindergartens may count 2 1/2 days of attendance in any 5
15 consecutive school days. When a pupil attends such a
16 kindergarten for 2 half days on any one school day, the
17 pupil shall have the following day as a day absent from
18 school, unless the school district obtains permission in
19 writing from the State Superintendent of Education.
20 Attendance at kindergartens which provide for a full day of
21 attendance by each pupil shall be counted the same as
22 attendance by first grade pupils. Only the first year of
23 attendance in one kindergarten shall be counted, except in
24 case of children who entered the kindergarten in their
25 fifth year whose educational development requires a second
26 year of kindergarten as determined under the rules and

1 regulations of the State Board of Education.

2 (i) On the days when the Prairie State Achievement
3 Examination is administered under subsection (c) of
4 Section 2-3.64 of this Code, the day of attendance for a
5 pupil whose school day must be shortened to accommodate
6 required testing procedures may be less than 5 clock hours
7 and shall be counted towards the 176 days of actual pupil
8 attendance required under Section 10-19 of this Code,
9 provided that a sufficient number of minutes of school work
10 in excess of 5 clock hours are first completed on other
11 school days to compensate for the loss of school work on
12 the examination days.

13 (G) Equalized Assessed Valuation Data.

14 (1) For purposes of the calculation of Available Local
15 Resources required pursuant to subsection (D), the State Board
16 of Education shall secure from the Department of Revenue the
17 value as equalized or assessed by the Department of Revenue of
18 all taxable property of every school district, together with
19 (i) the applicable tax rate used in extending taxes for the
20 funds of the district as of September 30 of the previous year
21 and (ii) the limiting rate for all school districts subject to
22 property tax extension limitations as imposed under the
23 Property Tax Extension Limitation Law.

24 The Department of Revenue shall add to the equalized
25 assessed value of all taxable property of each school district

1 situated entirely or partially within a county that is or was
2 subject to the provisions of Section 15-176 or 15-177 of the
3 Property Tax Code (a) an amount equal to the total amount by
4 which the homestead exemption allowed under Section 15-176 or
5 15-177 of the Property Tax Code for real property situated in
6 that school district exceeds the total amount that would have
7 been allowed in that school district if the maximum reduction
8 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
9 all other counties in tax year 2003 or (ii) \$5,000 in all
10 counties in tax year 2004 and thereafter and (b) an amount
11 equal to the aggregate amount for the taxable year of all
12 additional exemptions under Section 15-175 of the Property Tax
13 Code for owners with a household income of \$30,000 or less. The
14 county clerk of any county that is or was subject to the
15 provisions of Section 15-176 or 15-177 of the Property Tax Code
16 shall annually calculate and certify to the Department of
17 Revenue for each school district all homestead exemption
18 amounts under Section 15-176 or 15-177 of the Property Tax Code
19 and all amounts of additional exemptions under Section 15-175
20 of the Property Tax Code for owners with a household income of
21 \$30,000 or less. It is the intent of this paragraph that if the
22 general homestead exemption for a parcel of property is
23 determined under Section 15-176 or 15-177 of the Property Tax
24 Code rather than Section 15-175, then the calculation of
25 Available Local Resources shall not be affected by the
26 difference, if any, between the amount of the general homestead

1 exemption allowed for that parcel of property under Section
2 15-176 or 15-177 of the Property Tax Code and the amount that
3 would have been allowed had the general homestead exemption for
4 that parcel of property been determined under Section 15-175 of
5 the Property Tax Code. It is further the intent of this
6 paragraph that if additional exemptions are allowed under
7 Section 15-175 of the Property Tax Code for owners with a
8 household income of less than \$30,000, then the calculation of
9 Available Local Resources shall not be affected by the
10 difference, if any, because of those additional exemptions.

11 This equalized assessed valuation, as adjusted further by
12 the requirements of this subsection, shall be utilized in the
13 calculation of Available Local Resources.

14 (2) The equalized assessed valuation in paragraph (1) shall
15 be adjusted, as applicable, in the following manner:

16 (a) For the purposes of calculating State aid under
17 this Section, with respect to any part of a school district
18 within a redevelopment project area in respect to which a
19 municipality has adopted tax increment allocation
20 financing pursuant to the Tax Increment Allocation
21 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
22 of the Illinois Municipal Code or the Industrial Jobs
23 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
24 Illinois Municipal Code, no part of the current equalized
25 assessed valuation of real property located in any such
26 project area which is attributable to an increase above the

1 total initial equalized assessed valuation of such
2 property shall be used as part of the equalized assessed
3 valuation of the district, until such time as all
4 redevelopment project costs have been paid, as provided in
5 Section 11-74.4-8 of the Tax Increment Allocation
6 Redevelopment Act or in Section 11-74.6-35 of the
7 Industrial Jobs Recovery Law. For the purpose of the
8 equalized assessed valuation of the district, the total
9 initial equalized assessed valuation or the current
10 equalized assessed valuation, whichever is lower, shall be
11 used until such time as all redevelopment project costs
12 have been paid.

13 (b) The real property equalized assessed valuation for
14 a school district shall be adjusted by subtracting from the
15 real property value as equalized or assessed by the
16 Department of Revenue for the district an amount computed
17 by dividing the amount of any abatement of taxes under
18 Section 18-170 of the Property Tax Code by 3.00% for a
19 district maintaining grades kindergarten through 12, by
20 2.30% for a district maintaining grades kindergarten
21 through 8, or by 1.05% for a district maintaining grades 9
22 through 12 and adjusted by an amount computed by dividing
23 the amount of any abatement of taxes under subsection (a)
24 of Section 18-165 of the Property Tax Code by the same
25 percentage rates for district type as specified in this
26 subparagraph (b).

1 (3) For the 1999-2000 school year and each school year
2 thereafter, if a school district meets all of the criteria of
3 this subsection (G) (3), the school district's Available Local
4 Resources shall be calculated under subsection (D) using the
5 district's Extension Limitation Equalized Assessed Valuation
6 as calculated under this subsection (G) (3).

7 For purposes of this subsection (G) (3) the following terms
8 shall have the following meanings:

9 "Budget Year": The school year for which general State
10 aid is calculated and awarded under subsection (E).

11 "Base Tax Year": The property tax levy year used to
12 calculate the Budget Year allocation of general State aid.

13 "Preceding Tax Year": The property tax levy year
14 immediately preceding the Base Tax Year.

15 "Base Tax Year's Tax Extension": The product of the
16 equalized assessed valuation utilized by the County Clerk
17 in the Base Tax Year multiplied by the limiting rate as
18 calculated by the County Clerk and defined in the Property
19 Tax Extension Limitation Law.

20 "Preceding Tax Year's Tax Extension": The product of
21 the equalized assessed valuation utilized by the County
22 Clerk in the Preceding Tax Year multiplied by the Operating
23 Tax Rate as defined in subsection (A).

24 "Extension Limitation Ratio": A numerical ratio,
25 certified by the County Clerk, in which the numerator is
26 the Base Tax Year's Tax Extension and the denominator is

1 the Preceding Tax Year's Tax Extension.

2 "Operating Tax Rate": The operating tax rate as defined
3 in subsection (A).

4 If a school district is subject to property tax extension
5 limitations as imposed under the Property Tax Extension
6 Limitation Law, the State Board of Education shall calculate
7 the Extension Limitation Equalized Assessed Valuation of that
8 district. For the 1999-2000 school year, the Extension
9 Limitation Equalized Assessed Valuation of a school district as
10 calculated by the State Board of Education shall be equal to
11 the product of the district's 1996 Equalized Assessed Valuation
12 and the district's Extension Limitation Ratio. For the
13 2000-2001 school year and each school year thereafter, the
14 Extension Limitation Equalized Assessed Valuation of a school
15 district as calculated by the State Board of Education shall be
16 equal to the product of the Equalized Assessed Valuation last
17 used in the calculation of general State aid and the district's
18 Extension Limitation Ratio. If the Extension Limitation
19 Equalized Assessed Valuation of a school district as calculated
20 under this subsection (G)(3) is less than the district's
21 equalized assessed valuation as calculated pursuant to
22 subsections (G)(1) and (G)(2), then for purposes of calculating
23 the district's general State aid for the Budget Year pursuant
24 to subsection (E), that Extension Limitation Equalized
25 Assessed Valuation shall be utilized to calculate the
26 district's Available Local Resources under subsection (D).

1 Partial elementary unit districts created in accordance
2 with Article 11E of this Code shall not be eligible for the
3 adjustment in this subsection (G)(3) until the fifth year
4 following the effective date of the reorganization.

5 (4) For the purposes of calculating general State aid for
6 the 1999-2000 school year only, if a school district
7 experienced a triennial reassessment on the equalized assessed
8 valuation used in calculating its general State financial aid
9 apportionment for the 1998-1999 school year, the State Board of
10 Education shall calculate the Extension Limitation Equalized
11 Assessed Valuation that would have been used to calculate the
12 district's 1998-1999 general State aid. This amount shall equal
13 the product of the equalized assessed valuation used to
14 calculate general State aid for the 1997-1998 school year and
15 the district's Extension Limitation Ratio. If the Extension
16 Limitation Equalized Assessed Valuation of the school district
17 as calculated under this paragraph (4) is less than the
18 district's equalized assessed valuation utilized in
19 calculating the district's 1998-1999 general State aid
20 allocation, then for purposes of calculating the district's
21 general State aid pursuant to paragraph (5) of subsection (E),
22 that Extension Limitation Equalized Assessed Valuation shall
23 be utilized to calculate the district's Available Local
24 Resources.

25 (5) For school districts having a majority of their
26 equalized assessed valuation in any county except Cook, DuPage,

1 Kane, Lake, McHenry, or Will, if the amount of general State
2 aid allocated to the school district for the 1999-2000 school
3 year under the provisions of subsection (E), (H), and (J) of
4 this Section is less than the amount of general State aid
5 allocated to the district for the 1998-1999 school year under
6 these subsections, then the general State aid of the district
7 for the 1999-2000 school year only shall be increased by the
8 difference between these amounts. The total payments made under
9 this paragraph (5) shall not exceed \$14,000,000. Claims shall
10 be prorated if they exceed \$14,000,000.

11 (H) Supplemental General State Aid.

12 (1) In addition to the general State aid a school district
13 is allotted pursuant to subsection (E), qualifying school
14 districts shall receive a grant, paid in conjunction with a
15 district's payments of general State aid, for supplemental
16 general State aid based upon the concentration level of
17 children from low-income households within the school
18 district. Supplemental State aid grants provided for school
19 districts under this subsection shall be appropriated for
20 distribution to school districts as part of the same line item
21 in which the general State financial aid of school districts is
22 appropriated under this Section. If the appropriation in any
23 fiscal year for general State aid and supplemental general
24 State aid is insufficient to pay the amounts required under the
25 general State aid and supplemental general State aid

1 calculations, then the State Board of Education shall ensure
2 that each school district receives the full amount due for
3 general State aid and the remainder of the appropriation shall
4 be used for supplemental general State aid, which the State
5 Board of Education shall calculate and pay to eligible
6 districts on a prorated basis.

7 (1.5) This paragraph (1.5) applies only to those school
8 years preceding the 2003-2004 school year. For purposes of this
9 subsection (H), the term "Low-Income Concentration Level"
10 shall be the low-income eligible pupil count from the most
11 recently available federal census divided by the Average Daily
12 Attendance of the school district. If, however, (i) the
13 percentage decrease from the 2 most recent federal censuses in
14 the low-income eligible pupil count of a high school district
15 with fewer than 400 students exceeds by 75% or more the
16 percentage change in the total low-income eligible pupil count
17 of contiguous elementary school districts, whose boundaries
18 are coterminous with the high school district, or (ii) a high
19 school district within 2 counties and serving 5 elementary
20 school districts, whose boundaries are coterminous with the
21 high school district, has a percentage decrease from the 2 most
22 recent federal censuses in the low-income eligible pupil count
23 and there is a percentage increase in the total low-income
24 eligible pupil count of a majority of the elementary school
25 districts in excess of 50% from the 2 most recent federal
26 censuses, then the high school district's low-income eligible

1 pupil count from the earlier federal census shall be the number
2 used as the low-income eligible pupil count for the high school
3 district, for purposes of this subsection (H). The changes made
4 to this paragraph (1) by Public Act 92-28 shall apply to
5 supplemental general State aid grants for school years
6 preceding the 2003-2004 school year that are paid in fiscal
7 year 1999 or thereafter and to any State aid payments made in
8 fiscal year 1994 through fiscal year 1998 pursuant to
9 subsection 1(n) of Section 18-8 of this Code (which was
10 repealed on July 1, 1998), and any high school district that is
11 affected by Public Act 92-28 is entitled to a recomputation of
12 its supplemental general State aid grant or State aid paid in
13 any of those fiscal years. This recomputation shall not be
14 affected by any other funding.

15 (1.10) This paragraph (1.10) applies to the 2003-2004
16 school year and each school year thereafter. For purposes of
17 this subsection (H), the term "Low-Income Concentration Level"
18 shall, for each fiscal year, be the low-income eligible pupil
19 count as of July 1 of the immediately preceding fiscal year (as
20 determined by the Department of Human Services based on the
21 number of pupils who are eligible for at least one of the
22 following low income programs: Medicaid, the Children's Health
23 Insurance Program ~~KidCare~~, TANF, or Food Stamps, excluding
24 pupils who are eligible for services provided by the Department
25 of Children and Family Services, averaged over the 2
26 immediately preceding fiscal years for fiscal year 2004 and

1 over the 3 immediately preceding fiscal years for each fiscal
2 year thereafter) divided by the Average Daily Attendance of the
3 school district.

4 (2) Supplemental general State aid pursuant to this
5 subsection (H) shall be provided as follows for the 1998-1999,
6 1999-2000, and 2000-2001 school years only:

7 (a) For any school district with a Low Income
8 Concentration Level of at least 20% and less than 35%, the
9 grant for any school year shall be \$800 multiplied by the
10 low income eligible pupil count.

11 (b) For any school district with a Low Income
12 Concentration Level of at least 35% and less than 50%, the
13 grant for the 1998-1999 school year shall be \$1,100
14 multiplied by the low income eligible pupil count.

15 (c) For any school district with a Low Income
16 Concentration Level of at least 50% and less than 60%, the
17 grant for the 1998-99 school year shall be \$1,500
18 multiplied by the low income eligible pupil count.

19 (d) For any school district with a Low Income
20 Concentration Level of 60% or more, the grant for the
21 1998-99 school year shall be \$1,900 multiplied by the low
22 income eligible pupil count.

23 (e) For the 1999-2000 school year, the per pupil amount
24 specified in subparagraphs (b), (c), and (d) immediately
25 above shall be increased to \$1,243, \$1,600, and \$2,000,
26 respectively.

1 (f) For the 2000-2001 school year, the per pupil
2 amounts specified in subparagraphs (b), (c), and (d)
3 immediately above shall be \$1,273, \$1,640, and \$2,050,
4 respectively.

5 (2.5) Supplemental general State aid pursuant to this
6 subsection (H) shall be provided as follows for the 2002-2003
7 school year:

8 (a) For any school district with a Low Income
9 Concentration Level of less than 10%, the grant for each
10 school year shall be \$355 multiplied by the low income
11 eligible pupil count.

12 (b) For any school district with a Low Income
13 Concentration Level of at least 10% and less than 20%, the
14 grant for each school year shall be \$675 multiplied by the
15 low income eligible pupil count.

16 (c) For any school district with a Low Income
17 Concentration Level of at least 20% and less than 35%, the
18 grant for each school year shall be \$1,330 multiplied by
19 the low income eligible pupil count.

20 (d) For any school district with a Low Income
21 Concentration Level of at least 35% and less than 50%, the
22 grant for each school year shall be \$1,362 multiplied by
23 the low income eligible pupil count.

24 (e) For any school district with a Low Income
25 Concentration Level of at least 50% and less than 60%, the
26 grant for each school year shall be \$1,680 multiplied by

1 the low income eligible pupil count.

2 (f) For any school district with a Low Income
3 Concentration Level of 60% or more, the grant for each
4 school year shall be \$2,080 multiplied by the low income
5 eligible pupil count.

6 (2.10) Except as otherwise provided, supplemental general
7 State aid pursuant to this subsection (H) shall be provided as
8 follows for the 2003-2004 school year and each school year
9 thereafter:

10 (a) For any school district with a Low Income
11 Concentration Level of 15% or less, the grant for each
12 school year shall be \$355 multiplied by the low income
13 eligible pupil count.

14 (b) For any school district with a Low Income
15 Concentration Level greater than 15%, the grant for each
16 school year shall be \$294.25 added to the product of \$2,700
17 and the square of the Low Income Concentration Level, all
18 multiplied by the low income eligible pupil count.

19 For the 2003-2004 school year and each school year
20 thereafter through the 2008-2009 school year only, the grant
21 shall be no less than the grant for the 2002-2003 school year.
22 For the 2009-2010 school year only, the grant shall be no less
23 than the grant for the 2002-2003 school year multiplied by
24 0.66. For the 2010-2011 school year only, the grant shall be no
25 less than the grant for the 2002-2003 school year multiplied by
26 0.33. Notwithstanding the provisions of this paragraph to the

1 contrary, if for any school year supplemental general State aid
2 grants are prorated as provided in paragraph (1) of this
3 subsection (H), then the grants under this paragraph shall be
4 prorated.

5 For the 2003-2004 school year only, the grant shall be no
6 greater than the grant received during the 2002-2003 school
7 year added to the product of 0.25 multiplied by the difference
8 between the grant amount calculated under subsection (a) or (b)
9 of this paragraph (2.10), whichever is applicable, and the
10 grant received during the 2002-2003 school year. For the
11 2004-2005 school year only, the grant shall be no greater than
12 the grant received during the 2002-2003 school year added to
13 the product of 0.50 multiplied by the difference between the
14 grant amount calculated under subsection (a) or (b) of this
15 paragraph (2.10), whichever is applicable, and the grant
16 received during the 2002-2003 school year. For the 2005-2006
17 school year only, the grant shall be no greater than the grant
18 received during the 2002-2003 school year added to the product
19 of 0.75 multiplied by the difference between the grant amount
20 calculated under subsection (a) or (b) of this paragraph
21 (2.10), whichever is applicable, and the grant received during
22 the 2002-2003 school year.

23 (3) School districts with an Average Daily Attendance of
24 more than 1,000 and less than 50,000 that qualify for
25 supplemental general State aid pursuant to this subsection
26 shall submit a plan to the State Board of Education prior to

1 October 30 of each year for the use of the funds resulting from
2 this grant of supplemental general State aid for the
3 improvement of instruction in which priority is given to
4 meeting the education needs of disadvantaged children. Such
5 plan shall be submitted in accordance with rules and
6 regulations promulgated by the State Board of Education.

7 (4) School districts with an Average Daily Attendance of
8 50,000 or more that qualify for supplemental general State aid
9 pursuant to this subsection shall be required to distribute
10 from funds available pursuant to this Section, no less than
11 \$261,000,000 in accordance with the following requirements:

12 (a) The required amounts shall be distributed to the
13 attendance centers within the district in proportion to the
14 number of pupils enrolled at each attendance center who are
15 eligible to receive free or reduced-price lunches or
16 breakfasts under the federal Child Nutrition Act of 1966
17 and under the National School Lunch Act during the
18 immediately preceding school year.

19 (b) The distribution of these portions of supplemental
20 and general State aid among attendance centers according to
21 these requirements shall not be compensated for or
22 contravened by adjustments of the total of other funds
23 appropriated to any attendance centers, and the Board of
24 Education shall utilize funding from one or several sources
25 in order to fully implement this provision annually prior
26 to the opening of school.

1 (c) Each attendance center shall be provided by the
2 school district a distribution of noncategorical funds and
3 other categorical funds to which an attendance center is
4 entitled under law in order that the general State aid and
5 supplemental general State aid provided by application of
6 this subsection supplements rather than supplants the
7 noncategorical funds and other categorical funds provided
8 by the school district to the attendance centers.

9 (d) Any funds made available under this subsection that
10 by reason of the provisions of this subsection are not
11 required to be allocated and provided to attendance centers
12 may be used and appropriated by the board of the district
13 for any lawful school purpose.

14 (e) Funds received by an attendance center pursuant to
15 this subsection shall be used by the attendance center at
16 the discretion of the principal and local school council
17 for programs to improve educational opportunities at
18 qualifying schools through the following programs and
19 services: early childhood education, reduced class size or
20 improved adult to student classroom ratio, enrichment
21 programs, remedial assistance, attendance improvement, and
22 other educationally beneficial expenditures which
23 supplement the regular and basic programs as determined by
24 the State Board of Education. Funds provided shall not be
25 expended for any political or lobbying purposes as defined
26 by board rule.

1 (f) Each district subject to the provisions of this
2 subdivision (H) (4) shall submit an acceptable plan to meet
3 the educational needs of disadvantaged children, in
4 compliance with the requirements of this paragraph, to the
5 State Board of Education prior to July 15 of each year.
6 This plan shall be consistent with the decisions of local
7 school councils concerning the school expenditure plans
8 developed in accordance with part 4 of Section 34-2.3. The
9 State Board shall approve or reject the plan within 60 days
10 after its submission. If the plan is rejected, the district
11 shall give written notice of intent to modify the plan
12 within 15 days of the notification of rejection and then
13 submit a modified plan within 30 days after the date of the
14 written notice of intent to modify. Districts may amend
15 approved plans pursuant to rules promulgated by the State
16 Board of Education.

17 Upon notification by the State Board of Education that
18 the district has not submitted a plan prior to July 15 or a
19 modified plan within the time period specified herein, the
20 State aid funds affected by that plan or modified plan
21 shall be withheld by the State Board of Education until a
22 plan or modified plan is submitted.

23 If the district fails to distribute State aid to
24 attendance centers in accordance with an approved plan, the
25 plan for the following year shall allocate funds, in
26 addition to the funds otherwise required by this

1 subsection, to those attendance centers which were
2 underfunded during the previous year in amounts equal to
3 such underfunding.

4 For purposes of determining compliance with this
5 subsection in relation to the requirements of attendance
6 center funding, each district subject to the provisions of
7 this subsection shall submit as a separate document by
8 December 1 of each year a report of expenditure data for
9 the prior year in addition to any modification of its
10 current plan. If it is determined that there has been a
11 failure to comply with the expenditure provisions of this
12 subsection regarding contravention or supplanting, the
13 State Superintendent of Education shall, within 60 days of
14 receipt of the report, notify the district and any affected
15 local school council. The district shall within 45 days of
16 receipt of that notification inform the State
17 Superintendent of Education of the remedial or corrective
18 action to be taken, whether by amendment of the current
19 plan, if feasible, or by adjustment in the plan for the
20 following year. Failure to provide the expenditure report
21 or the notification of remedial or corrective action in a
22 timely manner shall result in a withholding of the affected
23 funds.

24 The State Board of Education shall promulgate rules and
25 regulations to implement the provisions of this
26 subsection. No funds shall be released under this

1 subdivision (H) (4) to any district that has not submitted a
2 plan that has been approved by the State Board of
3 Education.

4 (I) (Blank).

5 (J) Supplementary Grants in Aid.

6 (1) Notwithstanding any other provisions of this Section,
7 the amount of the aggregate general State aid in combination
8 with supplemental general State aid under this Section for
9 which each school district is eligible shall be no less than
10 the amount of the aggregate general State aid entitlement that
11 was received by the district under Section 18-8 (exclusive of
12 amounts received under subsections 5(p) and 5(p-5) of that
13 Section) for the 1997-98 school year, pursuant to the
14 provisions of that Section as it was then in effect. If a
15 school district qualifies to receive a supplementary payment
16 made under this subsection (J), the amount of the aggregate
17 general State aid in combination with supplemental general
18 State aid under this Section which that district is eligible to
19 receive for each school year shall be no less than the amount
20 of the aggregate general State aid entitlement that was
21 received by the district under Section 18-8 (exclusive of
22 amounts received under subsections 5(p) and 5(p-5) of that
23 Section) for the 1997-1998 school year, pursuant to the
24 provisions of that Section as it was then in effect.

1 (2) If, as provided in paragraph (1) of this subsection
2 (J), a school district is to receive aggregate general State
3 aid in combination with supplemental general State aid under
4 this Section for the 1998-99 school year and any subsequent
5 school year that in any such school year is less than the
6 amount of the aggregate general State aid entitlement that the
7 district received for the 1997-98 school year, the school
8 district shall also receive, from a separate appropriation made
9 for purposes of this subsection (J), a supplementary payment
10 that is equal to the amount of the difference in the aggregate
11 State aid figures as described in paragraph (1).

12 (3) (Blank).

13 (K) Grants to Laboratory and Alternative Schools.

14 In calculating the amount to be paid to the governing board
15 of a public university that operates a laboratory school under
16 this Section or to any alternative school that is operated by a
17 regional superintendent of schools, the State Board of
18 Education shall require by rule such reporting requirements as
19 it deems necessary.

20 As used in this Section, "laboratory school" means a public
21 school which is created and operated by a public university and
22 approved by the State Board of Education. The governing board
23 of a public university which receives funds from the State
24 Board under this subsection (K) may not increase the number of
25 students enrolled in its laboratory school from a single

1 district, if that district is already sending 50 or more
2 students, except under a mutual agreement between the school
3 board of a student's district of residence and the university
4 which operates the laboratory school. A laboratory school may
5 not have more than 1,000 students, excluding students with
6 disabilities in a special education program.

7 As used in this Section, "alternative school" means a
8 public school which is created and operated by a Regional
9 Superintendent of Schools and approved by the State Board of
10 Education. Such alternative schools may offer courses of
11 instruction for which credit is given in regular school
12 programs, courses to prepare students for the high school
13 equivalency testing program or vocational and occupational
14 training. A regional superintendent of schools may contract
15 with a school district or a public community college district
16 to operate an alternative school. An alternative school serving
17 more than one educational service region may be established by
18 the regional superintendents of schools of the affected
19 educational service regions. An alternative school serving
20 more than one educational service region may be operated under
21 such terms as the regional superintendents of schools of those
22 educational service regions may agree.

23 Each laboratory and alternative school shall file, on forms
24 provided by the State Superintendent of Education, an annual
25 State aid claim which states the Average Daily Attendance of
26 the school's students by month. The best 3 months' Average

1 Daily Attendance shall be computed for each school. The general
2 State aid entitlement shall be computed by multiplying the
3 applicable Average Daily Attendance by the Foundation Level as
4 determined under this Section.

5 (L) Payments, Additional Grants in Aid and Other Requirements.

6 (1) For a school district operating under the financial
7 supervision of an Authority created under Article 34A, the
8 general State aid otherwise payable to that district under this
9 Section, but not the supplemental general State aid, shall be
10 reduced by an amount equal to the budget for the operations of
11 the Authority as certified by the Authority to the State Board
12 of Education, and an amount equal to such reduction shall be
13 paid to the Authority created for such district for its
14 operating expenses in the manner provided in Section 18-11. The
15 remainder of general State school aid for any such district
16 shall be paid in accordance with Article 34A when that Article
17 provides for a disposition other than that provided by this
18 Article.

19 (2) (Blank).

20 (3) Summer school. Summer school payments shall be made as
21 provided in Section 18-4.3.

22 (M) Education Funding Advisory Board.

23 The Education Funding Advisory Board, hereinafter in this
24 subsection (M) referred to as the "Board", is hereby created.

1 The Board shall consist of 5 members who are appointed by the
2 Governor, by and with the advice and consent of the Senate. The
3 members appointed shall include representatives of education,
4 business, and the general public. One of the members so
5 appointed shall be designated by the Governor at the time the
6 appointment is made as the chairperson of the Board. The
7 initial members of the Board may be appointed any time after
8 the effective date of this amendatory Act of 1997. The regular
9 term of each member of the Board shall be for 4 years from the
10 third Monday of January of the year in which the term of the
11 member's appointment is to commence, except that of the 5
12 initial members appointed to serve on the Board, the member who
13 is appointed as the chairperson shall serve for a term that
14 commences on the date of his or her appointment and expires on
15 the third Monday of January, 2002, and the remaining 4 members,
16 by lots drawn at the first meeting of the Board that is held
17 after all 5 members are appointed, shall determine 2 of their
18 number to serve for terms that commence on the date of their
19 respective appointments and expire on the third Monday of
20 January, 2001, and 2 of their number to serve for terms that
21 commence on the date of their respective appointments and
22 expire on the third Monday of January, 2000. All members
23 appointed to serve on the Board shall serve until their
24 respective successors are appointed and confirmed. Vacancies
25 shall be filled in the same manner as original appointments. If
26 a vacancy in membership occurs at a time when the Senate is not

1 in session, the Governor shall make a temporary appointment
2 until the next meeting of the Senate, when he or she shall
3 appoint, by and with the advice and consent of the Senate, a
4 person to fill that membership for the unexpired term. If the
5 Senate is not in session when the initial appointments are
6 made, those appointments shall be made as in the case of
7 vacancies.

8 The Education Funding Advisory Board shall be deemed
9 established, and the initial members appointed by the Governor
10 to serve as members of the Board shall take office, on the date
11 that the Governor makes his or her appointment of the fifth
12 initial member of the Board, whether those initial members are
13 then serving pursuant to appointment and confirmation or
14 pursuant to temporary appointments that are made by the
15 Governor as in the case of vacancies.

16 The State Board of Education shall provide such staff
17 assistance to the Education Funding Advisory Board as is
18 reasonably required for the proper performance by the Board of
19 its responsibilities.

20 For school years after the 2000-2001 school year, the
21 Education Funding Advisory Board, in consultation with the
22 State Board of Education, shall make recommendations as
23 provided in this subsection (M) to the General Assembly for the
24 foundation level under subdivision (B)(3) of this Section and
25 for the supplemental general State aid grant level under
26 subsection (H) of this Section for districts with high

1 concentrations of children from poverty. The recommended
2 foundation level shall be determined based on a methodology
3 which incorporates the basic education expenditures of
4 low-spending schools exhibiting high academic performance. The
5 Education Funding Advisory Board shall make such
6 recommendations to the General Assembly on January 1 of odd
7 numbered years, beginning January 1, 2001.

8 (N) (Blank).

9 (O) References.

10 (1) References in other laws to the various subdivisions of
11 Section 18-8 as that Section existed before its repeal and
12 replacement by this Section 18-8.05 shall be deemed to refer to
13 the corresponding provisions of this Section 18-8.05, to the
14 extent that those references remain applicable.

15 (2) References in other laws to State Chapter 1 funds shall
16 be deemed to refer to the supplemental general State aid
17 provided under subsection (H) of this Section.

18 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
19 changes to this Section. Under Section 6 of the Statute on
20 Statutes there is an irreconcilable conflict between Public Act
21 93-808 and Public Act 93-838. Public Act 93-838, being the last
22 acted upon, is controlling. The text of Public Act 93-838 is
23 the law regardless of the text of Public Act 93-808.

1 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
2 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
3 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
4 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
5 9-5-08.)

6 Section 5-52. The Illinois Public Aid Code is amended by
7 changing Sections 5-5.4, 5A-8, and 12-10.3 as follows:

8 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

9 Sec. 5-5.4. Standards of Payment - Department of Healthcare
10 and Family Services. The Department of Healthcare and Family
11 Services shall develop standards of payment of skilled nursing
12 and intermediate care services in facilities providing such
13 services under this Article which:

14 (1) Provide for the determination of a facility's payment
15 for skilled nursing and intermediate care services on a
16 prospective basis. The amount of the payment rate for all
17 nursing facilities certified by the Department of Public Health
18 under the Nursing Home Care Act as Intermediate Care for the
19 Developmentally Disabled facilities, Long Term Care for Under
20 Age 22 facilities, Skilled Nursing facilities, or Intermediate
21 Care facilities under the medical assistance program shall be
22 prospectively established annually on the basis of historical,
23 financial, and statistical data reflecting actual costs from
24 prior years, which shall be applied to the current rate year

1 and updated for inflation, except that the capital cost element
2 for newly constructed facilities shall be based upon projected
3 budgets. The annually established payment rate shall take
4 effect on July 1 in 1984 and subsequent years. No rate increase
5 and no update for inflation shall be provided on or after July
6 1, 1994 and before July 1, 2010 ~~2009~~, unless specifically
7 provided for in this Section. The changes made by Public Act
8 93-841 extending the duration of the prohibition against a rate
9 increase or update for inflation are effective retroactive to
10 July 1, 2004.

11 For facilities licensed by the Department of Public Health
12 under the Nursing Home Care Act as Intermediate Care for the
13 Developmentally Disabled facilities or Long Term Care for Under
14 Age 22 facilities, the rates taking effect on July 1, 1998
15 shall include an increase of 3%. For facilities licensed by the
16 Department of Public Health under the Nursing Home Care Act as
17 Skilled Nursing facilities or Intermediate Care facilities,
18 the rates taking effect on July 1, 1998 shall include an
19 increase of 3% plus \$1.10 per resident-day, as defined by the
20 Department. For facilities licensed by the Department of Public
21 Health under the Nursing Home Care Act as Intermediate Care
22 Facilities for the Developmentally Disabled or Long Term Care
23 for Under Age 22 facilities, the rates taking effect on January
24 1, 2006 shall include an increase of 3%. For facilities
25 licensed by the Department of Public Health under the Nursing
26 Home Care Act as Intermediate Care Facilities for the

1 Developmentally Disabled or Long Term Care for Under Age 22
2 facilities, the rates taking effect on January 1, 2009 shall
3 include an increase sufficient to provide a \$0.50 per hour wage
4 increase for non-executive staff.

5 For facilities licensed by the Department of Public Health
6 under the Nursing Home Care Act as Intermediate Care for the
7 Developmentally Disabled facilities or Long Term Care for Under
8 Age 22 facilities, the rates taking effect on July 1, 1999
9 shall include an increase of 1.6% plus \$3.00 per resident-day,
10 as defined by the Department. For facilities licensed by the
11 Department of Public Health under the Nursing Home Care Act as
12 Skilled Nursing facilities or Intermediate Care facilities,
13 the rates taking effect on July 1, 1999 shall include an
14 increase of 1.6% and, for services provided on or after October
15 1, 1999, shall be increased by \$4.00 per resident-day, as
16 defined by the Department.

17 For facilities licensed by the Department of Public Health
18 under the Nursing Home Care Act as Intermediate Care for the
19 Developmentally Disabled facilities or Long Term Care for Under
20 Age 22 facilities, the rates taking effect on July 1, 2000
21 shall include an increase of 2.5% per resident-day, as defined
22 by the Department. For facilities licensed by the Department of
23 Public Health under the Nursing Home Care Act as Skilled
24 Nursing facilities or Intermediate Care facilities, the rates
25 taking effect on July 1, 2000 shall include an increase of 2.5%
26 per resident-day, as defined by the Department.

1 For facilities licensed by the Department of Public Health
2 under the Nursing Home Care Act as skilled nursing facilities
3 or intermediate care facilities, a new payment methodology must
4 be implemented for the nursing component of the rate effective
5 July 1, 2003. The Department of Public Aid (now Healthcare and
6 Family Services) shall develop the new payment methodology
7 using the Minimum Data Set (MDS) as the instrument to collect
8 information concerning nursing home resident condition
9 necessary to compute the rate. The Department shall develop the
10 new payment methodology to meet the unique needs of Illinois
11 nursing home residents while remaining subject to the
12 appropriations provided by the General Assembly. A transition
13 period from the payment methodology in effect on June 30, 2003
14 to the payment methodology in effect on July 1, 2003 shall be
15 provided for a period not exceeding 3 years and 184 days after
16 implementation of the new payment methodology as follows:

17 (A) For a facility that would receive a lower nursing
18 component rate per patient day under the new system than
19 the facility received effective on the date immediately
20 preceding the date that the Department implements the new
21 payment methodology, the nursing component rate per
22 patient day for the facility shall be held at the level in
23 effect on the date immediately preceding the date that the
24 Department implements the new payment methodology until a
25 higher nursing component rate of reimbursement is achieved
26 by that facility.

1 (B) For a facility that would receive a higher nursing
2 component rate per patient day under the payment
3 methodology in effect on July 1, 2003 than the facility
4 received effective on the date immediately preceding the
5 date that the Department implements the new payment
6 methodology, the nursing component rate per patient day for
7 the facility shall be adjusted.

8 (C) Notwithstanding paragraphs (A) and (B), the
9 nursing component rate per patient day for the facility
10 shall be adjusted subject to appropriations provided by the
11 General Assembly.

12 For facilities licensed by the Department of Public Health
13 under the Nursing Home Care Act as Intermediate Care for the
14 Developmentally Disabled facilities or Long Term Care for Under
15 Age 22 facilities, the rates taking effect on March 1, 2001
16 shall include a statewide increase of 7.85%, as defined by the
17 Department.

18 Notwithstanding any other provision of this Section, for
19 facilities licensed by the Department of Public Health under
20 the Nursing Home Care Act as skilled nursing facilities or
21 intermediate care facilities, the numerator of the ratio used
22 by the Department of Healthcare and Family Services to compute
23 the rate payable under this Section using the Minimum Data Set
24 (MDS) methodology shall incorporate the following annual
25 amounts as the additional funds appropriated to the Department
26 specifically to pay for rates based on the MDS nursing

1 component methodology in excess of the funding in effect on
2 December 31, 2006:

3 (i) For rates taking effect January 1, 2007,
4 \$60,000,000.

5 (ii) For rates taking effect January 1, 2008,
6 \$110,000,000.

7 (iii) For rates taking effect January 1, 2009,
8 \$194,000,000.

9 Notwithstanding any other provision of this Section, for
10 facilities licensed by the Department of Public Health under
11 the Nursing Home Care Act as skilled nursing facilities or
12 intermediate care facilities, the support component of the
13 rates taking effect on January 1, 2008 shall be computed using
14 the most recent cost reports on file with the Department of
15 Healthcare and Family Services no later than April 1, 2005,
16 updated for inflation to January 1, 2006.

17 For facilities licensed by the Department of Public Health
18 under the Nursing Home Care Act as Intermediate Care for the
19 Developmentally Disabled facilities or Long Term Care for Under
20 Age 22 facilities, the rates taking effect on April 1, 2002
21 shall include a statewide increase of 2.0%, as defined by the
22 Department. This increase terminates on July 1, 2002; beginning
23 July 1, 2002 these rates are reduced to the level of the rates
24 in effect on March 31, 2002, as defined by the Department.

25 For facilities licensed by the Department of Public Health
26 under the Nursing Home Care Act as skilled nursing facilities

1 or intermediate care facilities, the rates taking effect on
2 July 1, 2001 shall be computed using the most recent cost
3 reports on file with the Department of Public Aid no later than
4 April 1, 2000, updated for inflation to January 1, 2001. For
5 rates effective July 1, 2001 only, rates shall be the greater
6 of the rate computed for July 1, 2001 or the rate effective on
7 June 30, 2001.

8 Notwithstanding any other provision of this Section, for
9 facilities licensed by the Department of Public Health under
10 the Nursing Home Care Act as skilled nursing facilities or
11 intermediate care facilities, the Illinois Department shall
12 determine by rule the rates taking effect on July 1, 2002,
13 which shall be 5.9% less than the rates in effect on June 30,
14 2002.

15 Notwithstanding any other provision of this Section, for
16 facilities licensed by the Department of Public Health under
17 the Nursing Home Care Act as skilled nursing facilities or
18 intermediate care facilities, if the payment methodologies
19 required under Section 5A-12 and the waiver granted under 42
20 CFR 433.68 are approved by the United States Centers for
21 Medicare and Medicaid Services, the rates taking effect on July
22 1, 2004 shall be 3.0% greater than the rates in effect on June
23 30, 2004. These rates shall take effect only upon approval and
24 implementation of the payment methodologies required under
25 Section 5A-12.

26 Notwithstanding any other provisions of this Section, for

1 facilities licensed by the Department of Public Health under
2 the Nursing Home Care Act as skilled nursing facilities or
3 intermediate care facilities, the rates taking effect on
4 January 1, 2005 shall be 3% more than the rates in effect on
5 December 31, 2004.

6 Notwithstanding any other provision of this Section, for
7 facilities licensed by the Department of Public Health under
8 the Nursing Home Care Act as skilled nursing facilities or
9 intermediate care facilities, effective January 1, 2009, the
10 per diem support component of the rates effective on January 1,
11 2008, computed using the most recent cost reports on file with
12 the Department of Healthcare and Family Services no later than
13 April 1, 2005, updated for inflation to January 1, 2006, shall
14 be increased to the amount that would have been derived using
15 standard Department of Healthcare and Family Services methods,
16 procedures, and inflators.

17 Notwithstanding any other provisions of this Section, for
18 facilities licensed by the Department of Public Health under
19 the Nursing Home Care Act as intermediate care facilities that
20 are federally defined as Institutions for Mental Disease, a
21 socio-development component rate equal to 6.6% of the
22 facility's nursing component rate as of January 1, 2006 shall
23 be established and paid effective July 1, 2006. The
24 socio-development component of the rate shall be increased by a
25 factor of 2.53 on the first day of the month that begins at
26 least 45 days after January 11, 2008 (the effective date of

1 Public Act 95-707). As of August 1, 2008, the socio-development
2 component rate shall be equal to 6.6% of the facility's nursing
3 component rate as of January 1, 2006, multiplied by a factor of
4 3.53. The Illinois Department may by rule adjust these
5 socio-development component rates, but in no case may such
6 rates be diminished.

7 For facilities licensed by the Department of Public Health
8 under the Nursing Home Care Act as Intermediate Care for the
9 Developmentally Disabled facilities or as long-term care
10 facilities for residents under 22 years of age, the rates
11 taking effect on July 1, 2003 shall include a statewide
12 increase of 4%, as defined by the Department.

13 For facilities licensed by the Department of Public Health
14 under the Nursing Home Care Act as Intermediate Care for the
15 Developmentally Disabled facilities or Long Term Care for Under
16 Age 22 facilities, the rates taking effect on the first day of
17 the month that begins at least 45 days after the effective date
18 of this amendatory Act of the 95th General Assembly shall
19 include a statewide increase of 2.5%, as defined by the
20 Department.

21 Notwithstanding any other provision of this Section, for
22 facilities licensed by the Department of Public Health under
23 the Nursing Home Care Act as skilled nursing facilities or
24 intermediate care facilities, effective January 1, 2005,
25 facility rates shall be increased by the difference between (i)
26 a facility's per diem property, liability, and malpractice

1 insurance costs as reported in the cost report filed with the
2 Department of Public Aid and used to establish rates effective
3 July 1, 2001 and (ii) those same costs as reported in the
4 facility's 2002 cost report. These costs shall be passed
5 through to the facility without caps or limitations, except for
6 adjustments required under normal auditing procedures.

7 Rates established effective each July 1 shall govern
8 payment for services rendered throughout that fiscal year,
9 except that rates established on July 1, 1996 shall be
10 increased by 6.8% for services provided on or after January 1,
11 1997. Such rates will be based upon the rates calculated for
12 the year beginning July 1, 1990, and for subsequent years
13 thereafter until June 30, 2001 shall be based on the facility
14 cost reports for the facility fiscal year ending at any point
15 in time during the previous calendar year, updated to the
16 midpoint of the rate year. The cost report shall be on file
17 with the Department no later than April 1 of the current rate
18 year. Should the cost report not be on file by April 1, the
19 Department shall base the rate on the latest cost report filed
20 by each skilled care facility and intermediate care facility,
21 updated to the midpoint of the current rate year. In
22 determining rates for services rendered on and after July 1,
23 1985, fixed time shall not be computed at less than zero. The
24 Department shall not make any alterations of regulations which
25 would reduce any component of the Medicaid rate to a level
26 below what that component would have been utilizing in the rate

1 effective on July 1, 1984.

2 (2) Shall take into account the actual costs incurred by
3 facilities in providing services for recipients of skilled
4 nursing and intermediate care services under the medical
5 assistance program.

6 (3) Shall take into account the medical and psycho-social
7 characteristics and needs of the patients.

8 (4) Shall take into account the actual costs incurred by
9 facilities in meeting licensing and certification standards
10 imposed and prescribed by the State of Illinois, any of its
11 political subdivisions or municipalities and by the U.S.
12 Department of Health and Human Services pursuant to Title XIX
13 of the Social Security Act.

14 The Department of Healthcare and Family Services shall
15 develop precise standards for payments to reimburse nursing
16 facilities for any utilization of appropriate rehabilitative
17 personnel for the provision of rehabilitative services which is
18 authorized by federal regulations, including reimbursement for
19 services provided by qualified therapists or qualified
20 assistants, and which is in accordance with accepted
21 professional practices. Reimbursement also may be made for
22 utilization of other supportive personnel under appropriate
23 supervision.

24 (Source: P.A. 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697,
25 eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06;
26 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;

1 95-744, eff. 7-18-08.)

2 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

3 Sec. 5A-8. Hospital Provider Fund.

4 (a) There is created in the State Treasury the Hospital
5 Provider Fund. Interest earned by the Fund shall be credited to
6 the Fund. The Fund shall not be used to replace any moneys
7 appropriated to the Medicaid program by the General Assembly.

8 (b) The Fund is created for the purpose of receiving moneys
9 in accordance with Section 5A-6 and disbursing moneys only for
10 the following purposes, notwithstanding any other provision of
11 law:

12 (1) For making payments to hospitals as required under
13 Articles V, V-A, VI, and XIV of this Code, under the
14 Children's Health Insurance Program Act, and under the
15 Covering ALL KIDS Health Insurance Act.

16 (2) For the reimbursement of moneys collected by the
17 Illinois Department from hospitals or hospital providers
18 through error or mistake in performing the activities
19 authorized under this Article and Article V of this Code.

20 (3) For payment of administrative expenses incurred by
21 the Illinois Department or its agent in performing the
22 activities authorized by this Article.

23 (4) For payments of any amounts which are reimbursable
24 to the federal government for payments from this Fund which
25 are required to be paid by State warrant.

1 (5) For making transfers, as those transfers are
2 authorized in the proceedings authorizing debt under the
3 Short Term Borrowing Act, but transfers made under this
4 paragraph (5) shall not exceed the principal amount of debt
5 issued in anticipation of the receipt by the State of
6 moneys to be deposited into the Fund.

7 (6) For making transfers to any other fund in the State
8 treasury, but transfers made under this paragraph (6) shall
9 not exceed the amount transferred previously from that
10 other fund into the Hospital Provider Fund.

11 (7) For State fiscal years 2004 and 2005 for making
12 transfers to the Health and Human Services Medicaid Trust
13 Fund, including 20% of the moneys received from hospital
14 providers under Section 5A-4 and transferred into the
15 Hospital Provider Fund under Section 5A-6. For State fiscal
16 year 2006 for making transfers to the Health and Human
17 Services Medicaid Trust Fund of up to \$130,000,000 per year
18 of the moneys received from hospital providers under
19 Section 5A-4 and transferred into the Hospital Provider
20 Fund under Section 5A-6. Transfers under this paragraph
21 shall be made within 7 days after the payments have been
22 received pursuant to the schedule of payments provided in
23 subsection (a) of Section 5A-4.

24 (7.5) For State fiscal year 2007 for making transfers
25 of the moneys received from hospital providers under
26 Section 5A-4 and transferred into the Hospital Provider

1 Fund under Section 5A-6 to the designated funds not
2 exceeding the following amounts in that State fiscal year:

3 Health and Human Services

4	Medicaid Trust Fund	\$20,000,000
5	Long-Term Care Provider Fund	\$30,000,000
6	General Revenue Fund	\$80,000,000.

7 Transfers under this paragraph shall be made within 7
8 days after the payments have been received pursuant to the
9 schedule of payments provided in subsection (a) of Section
10 5A-4.

11 (7.8) For State fiscal year 2008, for making transfers
12 of the moneys received from hospital providers under
13 Section 5A-4 and transferred into the Hospital Provider
14 Fund under Section 5A-6 to the designated funds not
15 exceeding the following amounts in that State fiscal year:

16 Health and Human Services

17	Medicaid Trust Fund	\$40,000,000
18	Long-Term Care Provider Fund	\$60,000,000
19	General Revenue Fund	\$160,000,000.

20 Transfers under this paragraph shall be made within 7
21 days after the payments have been received pursuant to the
22 schedule of payments provided in subsection (a) of Section
23 5A-4.

24 (7.9) For State fiscal years 2009 through 2013, for
25 making transfers of the moneys received from hospital
26 providers under Section 5A-4 and transferred into the

1 Hospital Provider Fund under Section 5A-6 to the designated
2 funds not exceeding the following amounts in that State
3 fiscal year:

4	Health and Human Services	
5	Medicaid Trust Fund	\$20,000,000
6	Long Term Care Provider Fund	\$30,000,000
7	General Revenue Fund	\$80,000,000.

8 Except as provided under this paragraph, transfers
9 under this paragraph shall be made within 7 business days
10 after the payments have been received pursuant to the
11 schedule of payments provided in subsection (a) of Section
12 5A-4. For State fiscal year 2009, transfers to the General
13 Revenue Fund under this paragraph shall be made on or
14 before June 30, 2009, as sufficient funds become available
15 in the Hospital Provider Fund to both make the transfers
16 and continue hospital payments.

17 (8) For making refunds to hospital providers pursuant
18 to Section 5A-10.

19 Disbursements from the Fund, other than transfers
20 authorized under paragraphs (5) and (6) of this subsection,
21 shall be by warrants drawn by the State Comptroller upon
22 receipt of vouchers duly executed and certified by the Illinois
23 Department.

24 (c) The Fund shall consist of the following:

25 (1) All moneys collected or received by the Illinois
26 Department from the hospital provider assessment imposed

1 by this Article.

2 (2) All federal matching funds received by the Illinois
3 Department as a result of expenditures made by the Illinois
4 Department that are attributable to moneys deposited in the
5 Fund.

6 (3) Any interest or penalty levied in conjunction with
7 the administration of this Article.

8 (4) Moneys transferred from another fund in the State
9 treasury.

10 (5) All other moneys received for the Fund from any
11 other source, including interest earned thereon.

12 (d) (Blank).

13 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,
14 eff. 2-27-09.)

15 (305 ILCS 5/12-10.3) (from Ch. 23, par. 12-10.3)

16 Sec. 12-10.3. Employment and Training Fund; uses.

17 (a) The Employment and Training Fund is hereby created in
18 the State Treasury for the purpose of receiving and disbursing
19 moneys in accordance with the provisions of Title IV-A of the
20 federal Social Security Act; the Food Stamp Act, Title 7 of the
21 United States Code; and related rules and regulations governing
22 the use of those moneys for the purposes of providing
23 employment and training services, supportive services, cash
24 assistance payments, short-term non-recurrent payments, and
25 other related social services.

1 (b) All federal funds received by the Illinois Department
2 as reimbursement for expenditures for employment and training
3 programs made by the Illinois Department from grants, gifts, or
4 legacies as provided in Section 12-4.18 or by an entity other
5 than the Department, and all federal funds received from the
6 Emergency Contingency Fund for State Temporary Assistance for
7 Needy Families Programs established by the American Recovery
8 and Reinvestment Act of 2009 ~~except as a result of~~
9 ~~appropriations made for the costs of providing adult education~~
10 ~~to public assistance recipients,~~ shall be deposited into the
11 Employment and Training Fund; ~~provided, however, that all~~
12 ~~funds, except those that are specified in the interagency~~
13 ~~agreement between the Illinois Community College Board and the~~
14 ~~Department, that are received by the Department as~~
15 ~~reimbursement under Title IV-A of the federal Social Security~~
16 ~~Act for expenditures that are made by the Illinois Community~~
17 ~~College Board or by any public community college of this State~~
18 ~~shall be credited to a special account that the State Treasurer~~
19 ~~shall establish and maintain within the Employment and Training~~
20 ~~Fund for the purpose and in the manner provided in Section~~
21 ~~12-5.~~

22 (c) Except as provided in subsection (d) of this Section,
23 the Employment and Training Fund shall be administered by the
24 Illinois Department, and the Illinois Department may make
25 payments from the Employment and Training Fund to clients or to
26 public and private entities on behalf of clients for employment

1 and training services, ~~for~~ supportive services, cash
2 assistance payments, short-term non-recurrent payments, and
3 other related social services consistent with the purposes
4 authorized under this Code. ~~or to public and private entities~~
5 ~~for employment and training services. Such payments shall not~~
6 ~~include any funds generated by Illinois community colleges as~~
7 ~~part of the Opportunities Program.~~

8 (d) (Blank). ~~On or before the 10th day of August, 1992, and~~
9 ~~on or before the 10th day of each month thereafter, the State~~
10 ~~Treasurer and State Comptroller shall automatically transfer~~
11 ~~to the TANF Opportunities Fund of the Illinois Community~~
12 ~~College Board from the special account established and~~
13 ~~maintained in the Employment and Training Fund all amounts~~
14 ~~credited to that special account as provided in Section 12-5~~
15 ~~during the preceding month as reimbursement for expenditures~~
16 ~~under Title IV A of the federal Social Security Act made by the~~
17 ~~Illinois Community College Board or any public community~~
18 ~~college of this State.~~

19 (e) The Illinois Department shall execute a written
20 contract when purchasing employment and training services from
21 entities qualified to provide services under the programs. The
22 contract shall be filed with the Illinois Department and the
23 State Comptroller.

24 (Source: P.A. 92-111, eff. 1-1-02.)

25 Section 5-53. The Veterans' Health Insurance Program Act of

1 2008 is amended by changing Sections 3, 5, 15, 20, 30, 40, and
2 45 as follows:

3 (330 ILCS 126/3)

4 (Section scheduled to be repealed on January 1, 2012)

5 Sec. 3. Legislative intent. The General Assembly finds that
6 those who have served their country honorably in military
7 service and who are residing in this State deserve access to
8 affordable, comprehensive health insurance. Many veterans are
9 uninsured and unable to afford healthcare. This lack of
10 healthcare, including preventative care, often exacerbates
11 health conditions. The effects of lack of insurance negatively
12 impact those residents of the State who are insured because the
13 cost of paying for care to the uninsured is often shifted to
14 those who have insurance in the form of higher health insurance
15 premiums. It is, therefore, the intent of this legislation to
16 provide access to affordable health insurance for veterans and
17 their spouses residing in Illinois who are unable to afford
18 such coverage. However, the State has only a limited amount of
19 resources, and the General Assembly therefore declares that
20 while it intends to cover as many such veterans and spouses as
21 possible, the State may not be able to cover every eligible
22 person who qualifies for this Program as a matter of
23 entitlement due to limited funding.

24 (Source: P.A. 95-755, eff. 7-25-08.)

1 (330 ILCS 126/5)

2 (Section scheduled to be repealed on January 1, 2012)

3 Sec. 5. Definitions. The following words have the following
4 meanings:

5 "Department" means the Department of Healthcare and Family
6 Services, or any successor agency.

7 "Director" means the Director of Healthcare and Family
8 Services, or any successor agency.

9 "Medical assistance" means health care benefits provided
10 under Article V of the Illinois Public Aid Code.

11 "Program" means the Veterans' Health Insurance Program.

12 "Resident" means an individual who has an Illinois
13 residence, as provided in Section 5-3 of the Illinois Public
14 Aid Code.

15 "Spouse" means the person who is the person who, under the
16 laws of the State of Illinois, is married to an eligible
17 veteran at the time of application and subsequent
18 re-determinations for the Program and includes enrolled
19 spouses surviving the death of veteran spouses.

20 "Veteran" means any person who has served in a branch of
21 the United States military for greater than 180 ~~consecutive~~
22 days after initial training.

23 "Veterans' Affairs" or "VA" means the United States
24 Department of Veterans' Affairs.

25 (Source: P.A. 95-755, eff. 7-25-08.)

1 (330 ILCS 126/15)

2 (Section scheduled to be repealed on January 1, 2012)

3 Sec. 15. Eligibility.

4 (a) To be eligible for the Program, a person must:

5 (1) be a veteran who is not on active duty and who has
6 not been dishonorably discharged from service or the spouse
7 of such a veteran;

8 (2) be a resident of the State of Illinois;

9 (3) be at least 19 years of age and no older than 64
10 years of age;

11 (4) be uninsured, as defined by the Department by rule,
12 for a period of time established by the Department by rule,
13 which shall be no less than 3 ~~6~~ months;

14 (5) not be eligible for medical assistance under the
15 Illinois Public Aid Code or healthcare benefits under the
16 Children's Health Insurance Program Act or the Covering ALL
17 KIDS Health Insurance Act;

18 (6) not be eligible for medical benefits through the
19 Veterans Health Administration; and

20 (7) have a household income no greater than the sum of
21 (i) an amount equal to 25% of the federal poverty level
22 plus (ii) an amount equal to the Veterans Administration
23 means test income threshold at the initiation of the
24 Program; depending on the availability of funds, this level
25 may be increased to an amount equal to the sum of (iii) an
26 amount equal to 50% of the federal poverty level plus (iv)

1 an amount equal to the Veterans Administration means test
2 income threshold. This means test income threshold is
3 subject to alteration by the Department as set forth in
4 subsection (b) of Section 10.

5 (b) A veteran or spouse who is determined eligible for the
6 Program shall remain eligible for 12 months, provided the
7 veteran or spouse remains a resident of the State and is not
8 excluded under subsection (c) of this Section and provided the
9 Department has not limited the enrollment period as set forth
10 in subsection (b) of Section 10.

11 (c) A veteran or spouse is not eligible for coverage under
12 the Program if:

13 (1) the premium required under Section 35 of this Act
14 has not been timely paid; if the required premiums are not
15 paid, the liability of the Program shall be limited to
16 benefits incurred under the Program for the time period for
17 which premiums have been paid and for grace periods as
18 established under subsection (d); if the required monthly
19 premium is not paid, the veteran or spouse is ineligible
20 for re-enrollment for a minimum period of 3 months; or

21 (2) the veteran or spouse is a resident of a nursing
22 facility or an inmate of a public institution, as defined
23 by 42 CFR 435.1009.

24 (d) The Department shall adopt rules for the Program,
25 including, but not limited to, rules relating to eligibility,
26 re-enrollment, grace periods, notice requirements, hearing

1 procedures, cost-sharing, covered services, and provider
2 requirements.

3 (Source: P.A. 95-755, eff. 7-25-08.)

4 (330 ILCS 126/20)

5 (Section scheduled to be repealed on January 1, 2012)

6 Sec. 20. Notice of decisions to terminate eligibility.
7 Whenever the Department decides to either deny or terminate
8 eligibility under this Act, the veteran or spouse shall have a
9 right to notice and a hearing, as provided by the Department by
10 rule.

11 (Source: P.A. 95-755, eff. 7-25-08.)

12 (330 ILCS 126/30)

13 (Section scheduled to be repealed on January 1, 2012)

14 Sec. 30. Health care benefits.

15 (a) For veterans or spouses eligible and enrolled, the
16 Department shall purchase or provide health care benefits for
17 eligible veterans or spouses that are identical to the benefits
18 provided to adults under the State's approved plan under Title
19 XIX of the Social Security Act, except for nursing facility
20 services and non-emergency transportation.

21 (b) Providers shall be subject to approval by the
22 Department to provide health care under the Illinois Public Aid
23 Code and shall be reimbursed at the same rates as providers
24 reimbursed under the State's approved plan under Title XIX of

1 the Social Security Act.

2 (c) As an alternative to the benefits set forth in
3 subsection (a) of this Section, and when cost-effective, the
4 Department may offer veterans or spouses subsidies toward the
5 cost of privately sponsored health insurance, including
6 employer-sponsored health insurance.

7 (Source: P.A. 95-755, eff. 7-25-08.)

8 (330 ILCS 126/40)

9 (Section scheduled to be repealed on January 1, 2012)

10 Sec. 40. Charge upon claims and causes of action; right of
11 subrogation; recoveries. Sections 11-22, 11-22a, 11-22b, and
12 11-22c of the Illinois Public Aid Code apply to health benefits
13 provided to veterans or spouses under this Act, as provided in
14 those Sections.

15 (Source: P.A. 95-755, eff. 7-25-08.)

16 (330 ILCS 126/45)

17 (Section scheduled to be repealed on January 1, 2012)

18 Sec. 45. Reporting. The Department shall prepare an annual
19 report for submission to the General Assembly. The report shall
20 be due to the General Assembly by January 1 of each year
21 beginning in 2009. This report shall include information
22 regarding implementation of the Program, including the number
23 of veterans or spouses enrolled and any available information
24 regarding other benefits derived from the Program, including

1 screening for and acquisition of other veterans' benefits
2 through the Veterans' Service Officers and the Veterans'
3 Assistance Commissions. This report may also include
4 recommendations regarding improvements that may be made to the
5 Program and regarding the extension of the repeal date set
6 forth in Section 85 of this Act.

7 (Source: P.A. 95-755, eff. 7-25-08.)

8 Section 5-55. The Environmental Protection Act is amended
9 by changing Section 58.13 as follows:

10 (415 ILCS 5/58.13)

11 Sec. 58.13. Municipal Brownfields Redevelopment Grant
12 Program.

13 (a) (1) The Agency shall establish and administer a program
14 of grants, to be known as the Municipal Brownfields
15 Redevelopment Grant Program, to provide municipalities in
16 Illinois with financial assistance to be used for
17 coordination of activities related to brownfields
18 redevelopment, including but not limited to identification
19 of brownfields sites, including those sites within River
20 Edge Redevelopment Zones, site investigation and
21 determination of remediation objectives and related plans
22 and reports, development of remedial action plans, and
23 implementation of remedial action plans and remedial
24 action completion reports. The plans and reports shall be

1 developed in accordance with Title XVII of this Act.

2 (2) Grants shall be awarded on a competitive basis
3 subject to availability of funding. Criteria for awarding
4 grants shall include, but shall not be limited to the
5 following:

6 (A) problem statement and needs assessment;

7 (B) community-based planning and involvement;

8 (C) implementation planning; and

9 (D) long-term benefits and sustainability.

10 (3) The Agency may give weight to geographic location
11 to enhance geographic distribution of grants across this
12 State.

13 (4) Except for grants to municipalities with
14 designated River Edge Redevelopment Zones, grants shall be
15 limited to a maximum of \$240,000, and no municipality shall
16 receive more than this amount under this Section. For
17 grants to municipalities with designated River Edge
18 Redevelopment Zones and grants to municipalities awarded
19 from funds provided under the American Recovery and
20 Reinvestment Act of 2009, grants shall be limited to a
21 maximum of \$2,000,000 and no municipality shall receive
22 more than this amount under this Section. For grants to
23 municipalities awarded from funds provided under the
24 American Recovery and Reinvestment Act of 2009, grants
25 shall be limited to a maximum of \$1,000,000 and no
26 municipality shall receive more than this amount under this

1 Section.

2 (5) Grant amounts shall not exceed 70% of the project
3 amount, with the remainder to be provided by the
4 municipality as local matching funds.

5 (b) The Agency shall have the authority to enter into any
6 contracts or agreements that may be necessary to carry out its
7 duties or responsibilities under this Section. The Agency shall
8 have the authority to adopt rules setting forth procedures and
9 criteria for administering the Municipal Brownfields
10 Redevelopment Grant Program. The rules adopted by the Agency
11 may include but shall not be limited to the following:

12 (1) purposes for which grants are available;

13 (2) application periods and content of applications;

14 (3) procedures and criteria for Agency review of grant
15 applications, grant approvals and denials, and grantee
16 acceptance;

17 (4) grant payment schedules;

18 (5) grantee responsibilities for work schedules, work
19 plans, reports, and record keeping;

20 (6) evaluation of grantee performance, including but
21 not limited to auditing and access to sites and records;

22 (7) requirements applicable to contracting and
23 subcontracting by the grantee;

24 (8) penalties for noncompliance with grant
25 requirements and conditions, including stop-work orders,
26 termination of grants, and recovery of grant funds;

1 (9) indemnification of this State and the Agency by the
2 grantee; and

3 (10) manner of compliance with the Local Government
4 Professional Services Selection Act.

5 (c) Moneys in the Brownfields Redevelopment Fund may be
6 used by the Agency to take whatever preventive or corrective
7 action, including but not limited to removal or remedial
8 action, is necessary or appropriate in response to a release or
9 substantial threat of a release of:

10 (1) a hazardous substance or pesticide; or

11 (2) petroleum from an underground storage tank.

12 The State, the Director, and any State employee shall be
13 indemnified for any damages or injury arising out of or
14 resulting from any action taken pursuant to this subsection (c)
15 and subsection (d) (2) of Section 4 of this Act. The Agency has
16 the authority to enter into such contracts and agreements as
17 may be necessary, and as expeditiously as necessary, to carry
18 out preventive or corrective action pursuant to this subsection
19 (c) and subsection (d) (2) of Section 4 of this Act.

20 (Source: P.A. 94-1021, eff. 7-12-06.)

21 ARTICLE 99. SEVERABILITY; EFFECTIVE DATE

22 Section 99-95. Severability. The provisions of this Act are
23 severable under Section 1.31 of the Statute on Statutes.

24 Section 99-99. Effective date. This Act takes effect upon

1 becoming law.