



Rep. Barbara Flynn Currie

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1 AMENDMENT TO SENATE BILL 2218

2 AMENDMENT NO. _____. Amend Senate Bill 2218, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 1. SHORT TITLE; PURPOSE

6 Section 1-1. Short title. This Act may be cited as the
7 FY2010 Budget Implementation Act.

8 Section 1-5. Purpose. It is the purpose of this Act to make
9 changes in state programs that are necessary to implement the
10 Governor's Fiscal Year 2010 budget recommendations.

11 ARTICLE 5. AMENDATORY PROVISIONS

12 Section 5-15. The Data Security on State Computers Act is
13 amended by changing Sections 15 and 20 and by adding Section 17

1 as follows:

2 (20 ILCS 450/15)

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

4 "Agency" means all parts, boards, and commissions of the
5 executive branch of State government, other than public
6 universities or their governing boards, including, but not
7 limited to, ~~State colleges and universities and their governing~~
8 ~~boards~~ and all departments established by the Civil
9 Administrative Code of Illinois.

10 "Disposal by sale, donation, or transfer" includes, but is
11 not limited to, the sale, donation, or transfer of surplus
12 electronic data processing equipment to other agencies,
13 schools, individuals, and not-for-profit agencies.

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

17 "Authorized agency" means an agency authorized by the
18 Department of Central Management Services to sell or transfer
19 electronic data processing equipment under Sections 5010.1210
20 and 5010.1220 of Title 44 of the Illinois Administrative Code.

21 "Department" means the Department of Central Management
22 Services.

23 "Overwrite" means the replacement of previously stored
24 information with a pre-determined pattern of meaningless
25 information.

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

2 (20 ILCS 450/17 new)

3 Sec. 17. Exemption from Act. This Act does not apply to the
4 legislative branch of State government, the Office of the
5 Lieutenant Governor, the Office of the Attorney General, the
6 Office of the Secretary of State, the Office of the State
7 Comptroller, or the Office of the State Treasurer.

8 (20 ILCS 450/20)

9 Sec. 20. Establishment and implementation. The Data
10 Security on State Computers Act is established to protect
11 sensitive data stored on State-owned electronic data
12 processing equipment to be (i) disposed of by sale, donation,
13 or transfer or (ii) relinquished to a successor executive
14 administration. This Act shall be administered by the
15 Department or an authorized agency. The governing board of each
16 public university in this State must implement and administer
17 the provisions of this Act with respect to State-owned
18 electronic data processing equipment utilized by the
19 university. The Department or an authorized agency shall
20 implement a policy to mandate that all hard drives of surplus
21 electronic data processing equipment be cleared of all data and
22 software before being prepared for sale, donation, or transfer
23 by (i) overwriting the previously stored data on a drive or a
24 disk at least 10 times and (ii) certifying in writing that the

1 overwriting process has been completed by providing the
2 following information: (1) the serial number of the computer or
3 other surplus electronic data processing equipment; (2) the
4 name of the overwriting software used; and (3) the name, date,
5 and signature of the person performing the overwriting process.
6 The head of each State agency shall establish a system for the
7 protection and preservation of State data on State-owned
8 electronic data processing equipment necessary for the
9 continuity of government functions upon it being relinquished
10 to a successor executive administration.

11 For purposes of this Act and any other State directive
12 requiring the clearing of data and software from State-owned
13 electronic data processing equipment prior to sale, donation,
14 or transfer by the General Assembly or a public university in
15 this State, the General Assembly or the governing board of the
16 university shall have and maintain responsibility for the
17 implementation and administration of the requirements for
18 clearing State-owned electronic data processing equipment
19 utilized by the General Assembly or the university.

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

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

24 (20 ILCS 2105/2105-300) (was 20 ILCS 2105/61e)

1 Sec. 2105-300. Professions Indirect Cost Fund;
2 allocations; analyses.

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

22 (b) The Professions Indirect Cost Fund is hereby created as
23 a special fund in the State Treasury. Except as provided in
24 subsection (e), the Fund may receive transfers of moneys
25 authorized by the Department from the cash balances in special
26 funds that receive revenues from the fees and fines associated

1 with the licensing of regulated professions, trades,
2 occupations, and industries by the Department. For purposes of
3 this Section only, until June 30, 2010, the Fund may also
4 receive transfers of moneys authorized by the Department from
5 the cash balances in special funds that receive revenues from
6 the fees and fines associated with the licensing of regulated
7 professions, trades, occupations, and industries by the
8 Department of Insurance. Moneys in the Fund shall be invested
9 and earnings on the investments shall be retained in the Fund.
10 Subject to appropriation, the Department shall use moneys in
11 the Fund to pay the ordinary and necessary allocable indirect
12 expenses associated with each of the regulated professions,
13 trades, occupations, and industries.

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

25 Each cost allocation analysis shall separately identify
26 the direct and allocable indirect costs of each regulated

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

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

1 of professions, trades, occupations, or industries) in an
2 amount exceeding the allocable indirect costs associated with
3 that profession, trade, occupation, or industry (or group of
4 professions, trades, occupations, or industries) as provided
5 in the cost allocation analysis for that fiscal year and
6 adjusted for allocation variations from the prior fiscal year.
7 No direct costs identified in the cost allocation plan shall be
8 used as a basis for transfers into the Professions Indirect
9 Cost Fund or for expenditures from the Fund.

10 (e) No transfer may be made to the Professions Indirect
11 Cost Fund under this Section from the Public Pension Regulation
12 Fund.

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

14 Section 5-28. The Legislative Commission Reorganization
15 Act of 1984 is amended by changing Section 1-5 as follows:

16 (25 ILCS 130/1-5) (from Ch. 63, par. 1001-5)

17 Sec. 1-5. Composition of agencies; directors.

18 (a)(1) Each legislative support services agency listed in
19 Section 1-3 is hereafter in this Section referred to as the
20 Agency.

21 (2) (Blank).

22 (2.1) The Board of each of the following Agencies shall
23 consist of the Secretary and Assistant Secretary of the Senate
24 and the Clerk and Assistant Clerk of the House of

1 Representatives: the Legislative Information System, the
2 Legislative Printing Unit, and the Legislative Reference
3 Bureau. ~~(Blank)~~.

4 (2.5) The Board of the Office of the Architect of the
5 Capitol shall consist of the Secretary and Assistant Secretary
6 of the Senate and the Clerk and Assistant Clerk of the House of
7 Representatives.

8 (3) The other legislative support services agencies shall
9 each consist of 12 members of the General Assembly, of whom 3
10 shall be appointed by the President of the Senate, 3 shall be
11 appointed by the Minority Leader of the Senate, 3 shall be
12 appointed by the Speaker of the House of Representatives, and 3
13 shall be appointed by the Minority Leader of the House of
14 Representatives. All appointments shall be in writing and filed
15 with the Secretary of State as a public record.

16 Members shall serve a 2-year term, and must be appointed by
17 the Joint Committee during the month of January in each
18 odd-numbered year for terms beginning February 1. Any vacancy
19 in an Agency shall be filled by appointment for the balance of
20 the term in the same manner as the original appointment. A
21 vacancy shall exist when a member no longer holds the elected
22 legislative office held at the time of the appointment or at
23 the termination of the member's legislative service.

24 (b) (Blank).

25 (c) During the month of February of each odd-numbered year,
26 the Joint Committee on Legislative Support Services shall

1 select from the members of each agency, other than the Office
2 of the Architect of the Capitol, the Legislative Information
3 System, the Legislative Printing Unit, and the Legislative
4 Reference Bureau, 2 co-chairmen and such other officers as the
5 Joint Committee deems necessary. The co-chairmen of each Agency
6 shall serve for a 2-year term, beginning February 1 of the
7 odd-numbered year, and the 2 co-chairmen shall not be members
8 of or identified with the same house or the same political
9 party. The chairman of the Board of each of the following
10 Agencies shall be the Secretary, Assistant Secretary, Clerk, or
11 Assistant Clerk who is affiliated with the same caucus as the
12 then serving Chairman of the Joint Committee: the Office of the
13 Architect of the Capitol, the Legislative Information System,
14 the Legislative Printing Unit, and the Legislative Reference
15 Bureau. ~~The co chairmen of the Board of the Office of the~~
16 ~~Architect of the Capitol shall be the Secretary of the Senate~~
17 ~~and the Clerk of the House of Representatives, each ex officio.~~

18 Each Agency shall meet twice annually or more often upon
19 the call of the chair or any 9 members (or any 3 members in the
20 case of the Office of the Architect of the Capitol, the
21 Legislative Information System, the Legislative Printing Unit,
22 and the Legislative Reference Bureau). A quorum of the Agency
23 shall consist of a majority of the appointed members.

24 (d) Members of each Agency shall serve without
25 compensation, but shall be reimbursed for expenses incurred in
26 carrying out the duties of the Agency pursuant to rules and

1 regulations adopted by the Joint Committee on Legislative
2 Support Services.

3 (e) Beginning February 1, 1985, and every 2 years
4 thereafter, the Joint Committee shall select an Executive
5 Director who shall be the chief executive officer and staff
6 director of each Agency. The Executive Director shall receive a
7 salary as fixed by the Joint Committee and shall be authorized
8 to employ and fix the compensation of necessary professional,
9 technical and secretarial staff and prescribe their duties,
10 sign contracts, and issue vouchers for the payment of
11 obligations pursuant to rules and regulations adopted by the
12 Joint Committee on Legislative Support Services. The Executive
13 Director and other employees of the Agency shall not be subject
14 to the Personnel Code.

15 The executive director of the Office of the Architect of
16 the Capitol shall be known as the Architect of the Capitol.

17 (Source: P.A. 93-632, eff. 2-1-04.)

18 (25 ILCS 145/8 rep.)

19 Section 5-29. The Legislative Information System Act is
20 amended by repealing Section 8.

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

1 (30 ILCS 105/5.719 new)

2 Sec. 5.719. American Recovery and Reinvestment Act
3 Administrative Revolving Fund.

4 (30 ILCS 105/5.723 new)

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

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

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

17 (30 ILCS 105/6p-7 new)

18 Sec. 6p-7. Court of Claims Federal Grant Fund. The Court of
19 Claims Federal Grant Fund is created as a special fund in the
20 State Treasury. The Fund shall consist of federal Victims of
21 Crime Act grant funds awarded to the Court of Claims from the
22 U.S. Department of Justice, Office of Justice Programs, Office
23 for Victims of Crime for the payment of claims pursuant to the

1 Crime Victims Compensation Act (740 ILCS 45/). All moneys in
2 the Fund shall be used for payment of claims pursuant to the
3 Crime Victims Compensation Act (740 ILCS 45/). The General
4 Assembly may appropriate moneys from the Court of Claims
5 Federal Grant Fund to the Court of Claims for the purpose of
6 payment of claims pursuant to the Crime Victims Compensation
7 Act (740 ILCS 45/).

8 (30 ILCS 105/6z-30)

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

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

13 (1) As soon as possible after the beginning of each
14 fiscal year (starting in fiscal year 2010 ~~1995~~), and in no
15 event later than July 30, the State Comptroller and the
16 State Treasurer shall automatically transfer an amount
17 which, when added to the balance in the University of
18 Illinois Hospital Services Fund as of July 1 of that fiscal
19 year, equals \$24,000,000 ~~\$44,700,000~~ from the General
20 Revenue Fund to the University of Illinois Hospital
21 Services Fund.

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

1 under subsection (b) or (c) of Section 5A-3 of the Illinois
2 Public Aid Code.

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

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

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

25 (c) (Blank). ~~The State Comptroller and State Treasurer~~
26 ~~shall automatically transfer on the last day of each month~~

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

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

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

13 (30 ILCS 105/6z-64)

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

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

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

24 (2) federal funds received by the Department of Central
25 Management Services (the "Department") as a result of

1 expenditures from the Fund;

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

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

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

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

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

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

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

23 (c) State agencies may direct the Comptroller to process
24 inter-fund transfers or make payment through the voucher and
25 warrant process to the Workers' Compensation Revolving Fund in
26 satisfaction of billings issued under subsection (a) of this

1 Section.

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

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

19	Mental Health Fund	\$17,694,000
20	Statistical Services Revolving Fund	\$1,252,600
21	Department of Corrections Reimbursement	
22	and Education Fund	\$1,198,600
23	Communications Revolving Fund	\$535,400
24	Child Support Administrative Fund	\$441,900
25	Health Insurance Reserve Fund	\$238,900
26	Fire Prevention Fund	\$234,100

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

21 (d-10) Notwithstanding any other provision of State law to
22 the contrary and 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, 2005, or as soon as may be
25 practical thereafter, the State Comptroller shall direct and
26 the State Treasurer shall transfer from each designated fund

1 into the Workers' Compensation Revolving Fund amounts equal to
2 one-fourth of each of the following totals:

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

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

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

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

24	General Revenue Fund	\$44,028,200
25	Road Fund	\$28,084,000
26	Total	\$72,112,200

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

9 Mental Health Fund \$19,121,800

10 Statistical Services Revolving Fund \$1,353,700

11 Department of Corrections Reimbursement

12 and Education Fund \$1,295,300

13 Communications Revolving Fund \$578,600

14 Child Support Administrative Fund \$477,600

15 Health Insurance Reserve Fund \$258,200

16 Fire Prevention Fund \$253,000

17 Park and Conservation Fund \$153,500

18 Motor Fuel Tax Fund \$143,500

19 Illinois Workers' Compensation

20 Commission Operations Fund \$133,900

21 State Boating Act Fund \$121,400

22 Public Utility Fund \$115,100

23 State Lottery Fund \$109,500

24 Traffic and Criminal Conviction Surcharge Fund .. \$95,700

25 State Surplus Property Revolving Fund \$89,400

26 Natural Areas Acquisition Fund \$70,800

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

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

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

19 (d-30) Notwithstanding any other provision of State law to
20 the contrary, on or after July 1, 2009 and until June 30, 2010,
21 in addition to any other transfers that may be provided for by
22 law, at the direction of and upon notification of the Director
23 of Central Management Services, the State Comptroller shall
24 direct and the State Treasurer shall transfer amounts into the
25 Workers' Compensation Revolving Fund from the designated funds
26 not exceeding the following totals:

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

1	<u>Administration and Disciplinary Fund</u>	\$1,500
2	<u>Weights and Measures Fund</u>	\$56,100
3	<u>Division of Corporations Registered</u>	
4	<u>Limited Liability Partnership Fund</u>	\$3,900
5	<u>Illinois School Asbestos Abatement Fund</u>	\$14,000
6	<u>Secretary of State Special License Plate Fund</u>	\$30,700
7	<u>Capital Development Board Revolving Fund</u>	\$27,000
8	<u>DCFS Children's Services Fund</u>	\$69,300
9	<u>Asbestos Abatement Fund</u>	\$17,200
10	<u>Illinois Health Facilities Planning Fund</u>	\$26,800
11	<u>Emergency Public Health Fund</u>	\$5,600
12	<u>Nursing Dedicated and Professional Fund</u>	\$10,000
13	<u>Optometric Licensing and Disciplinary</u>	
14	<u>Board Fund</u>	\$1,600
15	<u>Underground Resources Conservation</u>	
16	<u>Enforcement Fund</u>	\$11,500
17	<u>Drunk and Drugged Driving Prevention Fund</u>	\$18,200
18	<u>Long Term Care Monitor/Receiver Fund</u>	\$35,400
19	<u>Community Water Supply Laboratory Fund</u>	\$5,600
20	<u>Securities Investors Education Fund</u>	\$2,000
21	<u>Used Tire Management Fund</u>	\$32,400
22	<u>Natural Areas Acquisition Fund</u>	\$101,200
23	<u>Open Space Lands Acquisition</u>	
24	<u>and Development Fund</u>	\$28,400
25	<u>Working Capital Revolving Fund</u>	\$489,100
26	<u>State Garage Revolving Fund</u>	\$791,900

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

1	<u>Compliance Payment Projects Fund</u>	\$18,500
2	<u>Public Pension Regulation Fund</u>	\$5,600
3	<u>Illinois Charity Bureau Fund</u>	\$11,400
4	<u>Renewable Energy Resources Trust Fund</u>	\$6,700
5	<u>Energy Efficiency Trust Fund</u>	\$3,600
6	<u>Pesticide Control Fund</u>	\$56,800
7	<u>Attorney General Whistleblower Reward</u>	
8	<u>and Protection Fund</u>	\$14,200
9	<u>Partners for Conservation Fund</u>	\$36,900
10	<u>Capital Litigation Trust Fund</u>	\$800
11	<u>Motor Vehicle License Plate Fund</u>	\$99,700
12	<u>Horse Racing Fund</u>	\$18,900
13	<u>Death Certificate Surcharge Fund</u>	\$12,800
14	<u>Auction Regulation Administration Fund</u>	\$500
15	<u>Motor Carrier Safety Inspection Fund</u>	\$55,800
16	<u>Assisted Living and Shared Housing</u>	
17	<u>Regulatory Fund</u>	\$900
18	<u>Illinois Thoroughbred Breeders Fund</u>	\$9,200
19	<u>Illinois Clean Water Fund</u>	\$42,300
20	<u>Secretary of State DUI Administration Fund</u>	\$16,100
21	<u>Child Support Administrative Fund</u>	\$1,037,900
22	<u>Secretary of State Police Services Fund</u>	\$1,200
23	<u>Tourism Promotion Fund</u>	\$34,400
24	<u>IMSA Income Fund</u>	\$12,700
25	<u>Presidential Library and Museum Operating Fund</u> ..	\$83,000
26	<u>Dram Shop Fund</u>	\$44,500

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

26 (e) The term "workers' compensation services" means

1 services, claims expenses, and related administrative costs
2 incurred in performing the duties under Sections 405-105 and
3 405-411 of the Department of Central Management Services Law of
4 the Civil Administrative Code of Illinois.

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

7 (30 ILCS 105/6z-70)

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

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

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

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

1 designated funds not exceeding the following totals:

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

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

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

25 (e) Notwithstanding any other provision of State law to the
 26 contrary, on or after July 1, 2009, and until June 30, 2010, in

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

7 Lobbyist Registration Administration Fund \$100,000

8 Registered Limited Liability Partnership Fund \$175,000

9 Securities Investors Education Fund \$750,000

10 Securities Audit and Enforcement Fund \$750,000

11 Department of Business Services

12 Special Operations Fund \$3,000,000

13 Corporate Franchise Tax Refund Fund \$3,000,000

14 State Parking Facility Maintenance Fund \$100,000

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

16 (30 ILCS 105/8g)

17 Sec. 8g. Fund transfers.

18 (a) In addition to any other transfers that may be provided
 19 for by law, as soon as may be practical after the effective
 20 date of this amendatory Act of the 91st General Assembly, the
 21 State Comptroller shall direct and the State Treasurer shall
 22 transfer the sum of \$10,000,000 from the General Revenue Fund
 23 to the Motor Vehicle License Plate Fund created by Senate Bill
 24 1028 of the 91st General Assembly.

25 (b) In addition to any other transfers that may be provided

1 for by law, as soon as may be practical after the effective
2 date of this amendatory Act of the 91st General Assembly, the
3 State Comptroller shall direct and the State Treasurer shall
4 transfer the sum of \$25,000,000 from the General Revenue Fund
5 to the Fund for Illinois' Future created by Senate Bill 1066 of
6 the 91st General Assembly.

7 (c) In addition to any other transfers that may be provided
8 for by law, on August 30 of each fiscal year's license period,
9 the Illinois Liquor Control Commission shall direct and the
10 State Comptroller and State Treasurer shall transfer from the
11 General Revenue Fund to the Youth Alcoholism and Substance
12 Abuse Prevention Fund an amount equal to the number of retail
13 liquor licenses issued for that fiscal year multiplied by \$50.

14 (d) The payments to programs required under subsection (d)
15 of Section 28.1 of the Horse Racing Act of 1975 shall be made,
16 pursuant to appropriation, from the special funds referred to
17 in the statutes cited in that subsection, rather than directly
18 from the General Revenue Fund.

19 Beginning January 1, 2000, on the first day of each month,
20 or as soon as may be practical thereafter, the State
21 Comptroller shall direct and the State Treasurer shall transfer
22 from the General Revenue Fund to each of the special funds from
23 which payments are to be made under Section 28.1(d) of the
24 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
25 amount required for those payments from that special fund,
26 which annual amount shall not exceed the annual amount for

1 those payments from that special fund for the calendar year
2 1998. The special funds to which transfers shall be made under
3 this subsection (d) include, but are not necessarily limited
4 to, the Agricultural Premium Fund; the Metropolitan Exposition
5 Auditorium and Office Building Fund; the Fair and Exposition
6 Fund; the Standardbred Breeders Fund; the Thoroughbred
7 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

8 (e) In addition to any other transfers that may be provided
9 for by law, as soon as may be practical after the effective
10 date of this amendatory Act of the 91st General Assembly, but
11 in no event later than June 30, 2000, the State Comptroller
12 shall direct and the State Treasurer shall transfer the sum of
13 \$15,000,000 from the General Revenue Fund to the Fund for
14 Illinois' Future.

15 (f) In addition to any other transfers that may be provided
16 for by law, as soon as may be practical after the effective
17 date of this amendatory Act of the 91st General Assembly, but
18 in no event later than June 30, 2000, the State Comptroller
19 shall direct and the State Treasurer shall transfer the sum of
20 \$70,000,000 from the General Revenue Fund to the Long-Term Care
21 Provider Fund.

22 (f-1) In fiscal year 2002, in addition to any other
23 transfers that may be provided for by law, at the direction of
24 and upon notification from the Governor, the State Comptroller
25 shall direct and the State Treasurer shall transfer amounts not
26 exceeding a total of \$160,000,000 from the General Revenue Fund

1 to the Long-Term Care Provider Fund.

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

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

12 (i) On or after July 1, 2001 and until May 1, 2002, 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, 2002.

23 (i-1) On or after July 1, 2002 and until May 1, 2003, in
24 addition to any other transfers that may be provided for by
25 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 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, 2003.

8 (j) On or after July 1, 2001 and no later than June 30,
 9 2002, in addition to any other transfers that may be provided
 10 for by 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 to exceed the following
 13 sums into the Statistical Services Revolving Fund:

14	From the General Revenue Fund	\$8,450,000
15	From the Public Utility Fund	1,700,000
16	From the Transportation Regulatory Fund	2,650,000
17	From the Title III Social Security and	
18	Employment Fund	3,700,000
19	From the Professions Indirect Cost Fund	4,050,000
20	From the Underground Storage Tank Fund	550,000
21	From the Agricultural Premium Fund	750,000
22	From the State Pensions Fund	200,000
23	From the Road Fund	2,000,000
24	From the Health Facilities	
25	Planning Fund	1,000,000
26	From the Savings and Residential Finance	

1	Regulatory Fund	130,800
2	From the Appraisal Administration Fund	28,600
3	From the Pawnbroker Regulation Fund	3,600
4	From the Auction Regulation	
5	Administration Fund	35,800
6	From the Bank and Trust Company Fund.....	634,800
7	From the Real Estate License	
8	Administration Fund	313,600

9 (k) In addition to any other transfers that may be provided
10 for by law, as soon as may be practical after the effective
11 date of this amendatory Act of the 92nd General Assembly, the
12 State Comptroller shall direct and the State Treasurer shall
13 transfer the sum of \$2,000,000 from the General Revenue Fund to
14 the Teachers Health Insurance Security Fund.

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

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

1 (k-3) On or after July 1, 2002 and no later than June 30,
 2 2003, 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 Statistical Services Revolving Fund:

7	Appraisal Administration Fund	\$150,000
8	General Revenue Fund	10,440,000
9	Savings and Residential Finance	
10	Regulatory Fund	200,000
11	State Pensions Fund	100,000
12	Bank and Trust Company Fund	100,000
13	Professions Indirect Cost Fund	3,400,000
14	Public Utility Fund	2,081,200
15	Real Estate License Administration Fund	150,000
16	Title III Social Security and	
17	Employment Fund	1,000,000
18	Transportation Regulatory Fund	3,052,100
19	Underground Storage Tank Fund	50,000

20 (l) In addition to any other transfers that may be provided
 21 for by law, on July 1, 2002, or as soon as may be practical
 22 thereafter, the State Comptroller shall direct and the State
 23 Treasurer shall transfer the sum of \$3,000,000 from the General
 24 Revenue Fund to the Presidential Library and Museum Operating
 25 Fund.

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

1 for by law, on July 1, 2002 and on the effective date of this
2 amendatory Act of the 93rd General Assembly, or as soon
3 thereafter as may be practical, the State Comptroller shall
4 direct and the State Treasurer shall transfer the sum of
5 \$1,200,000 from the General Revenue Fund to the Violence
6 Prevention Fund.

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

12 (o) On or after July 1, 2003, and no later than June 30,
13 2004, in addition to any other transfers that may be provided
14 for by 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 to exceed the following
17 sums into the Vehicle Inspection Fund:

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

19 (p) On or after July 1, 2003 and until May 1, 2004, in
20 addition to any other transfers that may be provided for by
21 law, at the direction of and upon notification from the
22 Governor, the State Comptroller shall direct and the State
23 Treasurer shall transfer amounts not exceeding a total of
24 \$80,000,000 from the General Revenue Fund to the Tobacco
25 Settlement Recovery Fund. Any amounts so transferred shall be
26 re-transferred from the Tobacco Settlement Recovery Fund to the

1 General Revenue Fund at the direction of and upon notification
2 from the Governor, but in any event on or before June 30, 2004.

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

8 (r) In addition to any other transfers that may be provided
9 for by law, on July 1, 2003, or as soon as may be practical
10 thereafter, the State Comptroller shall direct and the State
11 Treasurer shall transfer the sum of \$1,922,000 from the General
12 Revenue Fund to the Presidential Library and Museum Operating
13 Fund.

14 (s) In addition to any other transfers that may be provided
15 for by law, on or after July 1, 2003, the State Comptroller
16 shall direct and the State Treasurer shall transfer the sum of
17 \$4,800,000 from the Statewide Economic Development Fund to the
18 General Revenue Fund.

19 (t) In addition to any other transfers that may be provided
20 for by law, on or after July 1, 2003, the State Comptroller
21 shall direct and the State Treasurer shall transfer the sum of
22 \$50,000,000 from the General Revenue Fund to the Budget
23 Stabilization Fund.

24 (u) On or after July 1, 2004 and until May 1, 2005, in
25 addition to any other transfers that may be provided for by
26 law, at the direction of and upon notification from the

1 Governor, the State Comptroller shall direct and the State
2 Treasurer shall transfer amounts not exceeding a total of
3 \$80,000,000 from the General Revenue Fund to the Tobacco
4 Settlement Recovery Fund. Any amounts so transferred shall be
5 retransferred by the State Comptroller and the State Treasurer
6 from the Tobacco Settlement Recovery Fund to the General
7 Revenue Fund at the direction of and upon notification from the
8 Governor, but in any event on or before June 30, 2005.

9 (v) In addition to any other transfers that may be provided
10 for by law, on July 1, 2004, or as soon thereafter as may be
11 practical, the State Comptroller shall direct and the State
12 Treasurer shall transfer the sum of \$1,200,000 from the General
13 Revenue Fund to the Violence Prevention Fund.

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

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

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

26 From the State Police Wireless Service Emergency Fund,

1 \$200,000;

2 From the State Offender DNA Identification System
3 Fund, \$800,000; and

4 From the State Police Whistleblower Reward and
5 Protection Fund, \$500,000.

6 (y) Notwithstanding any other provision of law to the
7 contrary, in addition to any other transfers that may be
8 provided for by law on June 30, 2005, or as soon as may be
9 practical thereafter, the State Comptroller shall direct and
10 the State Treasurer shall transfer the remaining balance from
11 the designated funds into the General Revenue Fund and any
12 future deposits that would otherwise be made into these funds
13 must instead be made into the General Revenue Fund:

14 (1) the Keep Illinois Beautiful Fund;

15 (2) the Metropolitan Fair and Exposition Authority
16 Reconstruction Fund;

17 (3) the New Technology Recovery Fund;

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

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

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

21 (7) the State Postsecondary Review Program Fund;

22 (8) the Tourism Attraction Development Matching Grant
23 Fund;

24 (9) the Patent and Copyright Fund;

25 (10) the Credit Enhancement Development Fund;

26 (11) the Community Mental Health and Developmental

1 Disabilities Services Provider Participation Fee Trust
2 Fund;

3 (12) the Nursing Home Grant Assistance Fund;

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

5 (14) the Illinois Student Assistance Commission Higher
6 EdNet Fund;

7 (15) the DORS State Project Fund;

8 (16) the School Technology Revolving Fund;

9 (17) the Energy Assistance Contribution Fund;

10 (18) the Illinois Building Commission Revolving Fund;

11 (19) the Illinois Aquaculture Development Fund;

12 (20) the Homelessness Prevention Fund;

13 (21) the DCFS Refugee Assistance Fund;

14 (22) the Illinois Century Network Special Purposes
15 Fund; and

16 (23) the Build Illinois Purposes Fund.

17 (z) In addition to any other transfers that may be provided
18 for by law, on July 1, 2005, or as soon as may be practical
19 thereafter, 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 (aa) In addition to any other transfers that may be
23 provided for by law, on July 1, 2005, or as soon as may be
24 practical thereafter, the State Comptroller shall direct and
25 the State Treasurer shall transfer the sum of \$9,000,000 from
26 the General Revenue Fund to the Presidential Library and Museum

1 Operating Fund.

2 (bb) In addition to any other transfers that may be
3 provided for by law, on July 1, 2005, or as soon as may be
4 practical thereafter, the State Comptroller shall direct and
5 the State Treasurer shall transfer the sum of \$6,803,600 from
6 the General Revenue Fund to the Securities Audit and
7 Enforcement Fund.

8 (cc) In addition to any other transfers that may be
9 provided for by law, on or after July 1, 2005 and until May 1,
10 2006, 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 by the State Comptroller and the State Treasurer
16 from the Tobacco Settlement Recovery Fund to the General
17 Revenue Fund at the direction of and upon notification from the
18 Governor, but in any event on or before June 30, 2006.

19 (dd) In addition to any other transfers that may be
20 provided for by law, on April 1, 2005, or as soon thereafter as
21 may be practical, at the direction of the Director of Public
22 Aid (now Director of Healthcare and Family Services), the State
23 Comptroller shall direct and the State Treasurer shall transfer
24 from the Public Aid Recoveries Trust Fund amounts not to exceed
25 \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

26 (ee) Notwithstanding any other provision of law, on July 1,

1 2006, or as soon thereafter as practical, the State Comptroller
2 shall direct and the State Treasurer shall transfer the
3 remaining balance from the Illinois Civic Center Bond Fund to
4 the Illinois Civic Center Bond Retirement and Interest Fund.

5 (ff) In addition to any other transfers that may be
6 provided for by law, on and after July 1, 2006 and until June
7 30, 2007, at the direction of and upon notification from the
8 Director of the Governor's Office of Management and Budget, the
9 State Comptroller shall direct and the State Treasurer shall
10 transfer amounts not exceeding a total of \$1,900,000 from the
11 General Revenue Fund to the Illinois Capital Revolving Loan
12 Fund.

13 (gg) In addition to any other transfers that may be
14 provided for by law, on and after July 1, 2006 and until May 1,
15 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 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, 2007.

24 (hh) In addition to any other transfers that may be
25 provided for by law, on and after July 1, 2006 and until June
26 30, 2007, at the direction of and upon notification from the

1 Governor, the State Comptroller shall direct and the State
 2 Treasurer shall transfer amounts from the Illinois Affordable
 3 Housing Trust Fund to the designated funds not exceeding the
 4 following amounts:

- 5 DCFS Children's Services Fund \$2,200,000
- 6 Department of Corrections Reimbursement
 7 and Education Fund \$1,500,000
- 8 Supplemental Low-Income Energy
 9 Assistance Fund \$75,000

10 (ii) In addition to any other transfers that may be
 11 provided for by law, on or before August 31, 2006, the Governor
 12 and the State Comptroller may agree to transfer the surplus
 13 cash balance from the General Revenue Fund to the Budget
 14 Stabilization Fund and the Pension Stabilization Fund in equal
 15 proportions. The determination of the amount of the surplus
 16 cash balance shall be made by the Governor, with the
 17 concurrence of the State Comptroller, after taking into account
 18 the June 30, 2006 balances in the general funds and the actual
 19 or estimated spending from the general funds during the lapse
 20 period. Notwithstanding the foregoing, the maximum amount that
 21 may be transferred under this subsection (ii) is \$50,000,000.

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

1 Fund.

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

7 (ll) In addition to any other transfers that may be
8 provided for by law, on the first day of each calendar quarter
9 of the fiscal year beginning July 1, 2006, or as soon
10 thereafter as practical, the State Comptroller shall direct and
11 the State Treasurer shall transfer from the General Revenue
12 Fund amounts equal to one-fourth of \$20,000,000 to the
13 Renewable Energy Resources Trust Fund.

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

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

24 (oo) In addition to any other transfers that may be
25 provided for by law, on and after July 1, 2006 and until June
26 30, 2007, at the direction of and upon notification from the

1 Governor, the State Comptroller shall direct and the State
2 Treasurer shall transfer amounts identified as net receipts
3 from the sale of all or part of the Illinois Student Assistance
4 Commission loan portfolio from the Student Loan Operating Fund
5 to the General Revenue Fund. The maximum amount that may be
6 transferred pursuant to this Section is \$38,800,000. In
7 addition, no transfer may be made pursuant to this Section that
8 would have the effect of reducing the available balance in the
9 Student Loan Operating Fund to an amount less than the amount
10 remaining unexpended and unreserved from the total
11 appropriations from the Fund estimated to be expended for the
12 fiscal year. The State Treasurer and Comptroller shall transfer
13 the amounts designated under this Section as soon as may be
14 practical after receiving the direction to transfer from the
15 Governor.

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

21 (qq) In addition to any other transfers that may be
22 provided for by law, on and after July 1, 2007 and until May 1,
23 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 not exceeding a total of
26 \$80,000,000 from the General Revenue Fund to the Tobacco

1 Settlement Recovery Fund. Any amounts so transferred shall be
 2 retransferred by the State Comptroller and the State Treasurer
 3 from the Tobacco Settlement Recovery Fund to the General
 4 Revenue Fund at the direction of and upon notification from the
 5 Governor, but in any event on or before June 30, 2008.

6 (rr) In addition to any other transfers that may be
 7 provided for by law, on and after July 1, 2007 and until June
 8 30, 2008, at the direction of and upon notification from the
 9 Governor, the State Comptroller shall direct and the State
 10 Treasurer shall transfer amounts from the Illinois Affordable
 11 Housing Trust Fund to the designated funds not exceeding the
 12 following amounts:

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

18 (ss) 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 \$8,250,000 from the General
 22 Revenue Fund to the Presidential Library and Museum Operating
 23 Fund.

24 (tt) In addition to any other transfers that may be
 25 provided for by law, on July 1, 2007, or as soon thereafter as
 26 practical, the State Comptroller shall direct and the State

1 Treasurer shall transfer the sum of \$1,400,000 from the General
2 Revenue Fund to the Violence Prevention Fund.

3 (uu) In addition to any other transfers that may be
4 provided for by law, on July 1, 2007, 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 (vv) In addition to any other transfers that may be
9 provided for by law, on July 1, 2007, 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 (ww) 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 \$3,500,000 from the General
17 Revenue Fund to the Predatory Lending Database Program Fund.

18 (xx) 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 \$5,000,000 from the General
22 Revenue Fund to the Digital Divide Elimination Fund.

23 (yy) 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 \$4,000,000 from the General

1 Revenue Fund to the Digital Divide Elimination Infrastructure
2 Fund.

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

8 (aaa) In addition to any other transfers that may be
9 provided for by law, on and after July 1, 2008 and until May 1,
10 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 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 retransferred by the State Comptroller and the State Treasurer
16 from the Tobacco Settlement Recovery Fund to the General
17 Revenue Fund at the direction of and upon notification from the
18 Governor, but in any event on or before June 30, 2009.

19 (bbb) In addition to any other transfers that may be
20 provided for by law, on and after July 1, 2008 and until June
21 30, 2009, at the direction of and upon notification from the
22 Governor, the State Comptroller shall direct and the State
23 Treasurer shall transfer amounts from the Illinois Affordable
24 Housing Trust Fund to the designated funds not exceeding the
25 following amounts:

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

1 Department of Corrections Reimbursement
 2 and Education Fund \$1,500,000
 3 Supplemental Low-Income Energy
 4 Assistance Fund..... \$75,000

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

11 (ddd) In addition to any other transfers that may be
 12 provided for by law, on July 1, 2008, or as soon thereafter as
 13 practical, the State Comptroller shall direct and the State
 14 Treasurer shall transfer the sum of \$1,400,000 from the General
 15 Revenue Fund to the Violence Prevention Fund.

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

21 (fff) In addition to any other transfers that may be
 22 provided for by law, on and after July 1, 2009 and until May 1,
 23 2010, at the direction of and upon notification from the
 24 Governor, the State Comptroller shall direct and the State
 25 Treasurer shall transfer amounts not exceeding a total of
 26 \$80,000,000 from the General Revenue Fund to the Tobacco

1 Settlement Recovery Fund. Any amounts so transferred shall be
2 retransferred by the State Comptroller and the State Treasurer
3 from the Tobacco Settlement Recovery Fund to the General
4 Revenue Fund at the direction of and upon notification from the
5 Governor, but in any event on or before June 30, 2010.

6 (ggg) 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 \$7,450,000 from the General
10 Revenue Fund to the Presidential Library and Museum Operating
11 Fund.

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

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

22 (jjj) In addition to any other transfers that may be
23 provided for by law, on and after July 1, 2009 and until June
24 30, 2010, at the direction of and upon notification from the
25 Governor, the State Comptroller shall direct and the State
26 Treasurer shall transfer amounts not exceeding a total of

1 \$17,000,000 from the General Revenue Fund to the DCFS
2 Children's Services Fund.

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

8 (Source: P.A. 94-58, eff. 6-17-05; 94-91, eff. 7-1-05; 94-816,
9 eff. 5-30-06; 94-839, eff. 6-6-06; 95-331, eff. 8-21-07;
10 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

11 (30 ILCS 105/80)

12 Sec. 80. Transfer to the University of Illinois Income
13 Fund.

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

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

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

1 (30 ILCS 105/13.5)

2 Sec. 13.5. Appropriations for education.

3 (a) Except for the State fiscal year beginning on July 1,
4 2009, State appropriations to the State Board of Education, the
5 Board of Trustees of Southern Illinois University, the Board of
6 Trustees of the University of Illinois, the Board of Trustees
7 of Chicago State University, the Board of Trustees of Eastern
8 Illinois University, the Board of Trustees of Illinois State
9 University, the Board of Trustees of Governors State
10 University, the Board of Trustees of Northeastern Illinois
11 University, the Board of Trustees of Northern Illinois
12 University, and the Board of Trustees of Western Illinois
13 University for operations shall identify the amounts
14 appropriated for personal services, State contributions to
15 social security for Medicare, contractual services, travel,
16 commodities, equipment, operation of automotive equipment,
17 telecommunications, awards and grants, and permanent
18 improvements.

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

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

1 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

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

4 (a) Appropriations for State contributions to the State
5 Employees' Retirement System of Illinois shall be expended in
6 the manner provided in this Section. Except as otherwise
7 provided in subsections ~~subsection~~ (a-1) and (a-2), at the time
8 of each payment of salary to an employee under the personal
9 services line item, payment shall be made to the State
10 Employees' Retirement System, from the amount appropriated for
11 State contributions to the State Employees' Retirement System,
12 of an amount calculated at the rate certified for the
13 applicable fiscal year by the Board of Trustees of the State
14 Employees' Retirement System under Section 14-135.08 of the
15 Illinois Pension Code. If a line item appropriation to an
16 employer for this purpose is exhausted or is unavailable due to
17 any limitation on appropriations that may apply, (including,
18 but not limited to, limitations on appropriations from the Road
19 Fund under Section 8.3 of the State Finance Act), the amounts
20 shall be paid under the continuing appropriation for this
21 purpose contained in the State Pension Funds Continuing
22 Appropriation Act.

23 (a-1) Beginning on the effective date of this amendatory
24 Act of the 93rd General Assembly through the payment of the
25 final payroll from fiscal year 2004 appropriations,

1 appropriations for State contributions to the State Employees'
2 Retirement System of Illinois shall be expended in the manner
3 provided in this subsection (a-1). At the time of each payment
4 of salary to an employee under the personal services line item
5 from a fund other than the General Revenue Fund, payment shall
6 be made for deposit into the General Revenue Fund from the
7 amount appropriated for State contributions to the State
8 Employees' Retirement System of an amount calculated at the
9 rate certified for fiscal year 2004 by the Board of Trustees of
10 the State Employees' Retirement System under Section 14-135.08
11 of the Illinois Pension Code. This payment shall be made to the
12 extent that a line item appropriation to an employer for this
13 purpose is available or unexhausted. No payment from
14 appropriations for State contributions shall be made in
15 conjunction with payment of salary to an employee under the
16 personal services line item from the General Revenue Fund.

17 (a-2) For fiscal year 2010 only, at the time of each
18 payment of salary to an employee under the personal services
19 line item from a fund other than the General Revenue Fund,
20 payment shall be made for deposit into the State Employees'
21 Retirement System of Illinois from the amount appropriated for
22 State contributions to the State Employees' Retirement System
23 of Illinois of an amount calculated at the rate certified for
24 fiscal year 2010 by the Board of Trustees of the State
25 Employees' Retirement System of Illinois under Section
26 14-135.08 of the Illinois Pension Code. This payment shall be

1 made to the extent that a line item appropriation to an
2 employer for this purpose is available or unexhausted. For
3 fiscal year 2010 only, no payment from appropriations for State
4 contributions shall be made in conjunction with payment of
5 salary to an employee under the personal services line item
6 from the General Revenue Fund.

7 (b) Except during the period beginning on the effective
8 date of this amendatory Act of the 93rd General Assembly and
9 ending at the time of the payment of the final payroll from
10 fiscal year 2004 appropriations, the State Comptroller shall
11 not approve for payment any payroll voucher that (1) includes
12 payments of salary to eligible employees in the State
13 Employees' Retirement System of Illinois and (2) does not
14 include the corresponding payment of State contributions to
15 that retirement system at the full rate certified under Section
16 14-135.08 for that fiscal year for eligible employees, unless
17 the balance in the fund on which the payroll voucher is drawn
18 is insufficient to pay the total payroll voucher, or
19 unavailable due to any limitation on appropriations that may
20 apply, including, but not limited to, limitations on
21 appropriations from the Road Fund under Section 8.3 of the
22 State Finance Act. If the State Comptroller approves a payroll
23 voucher under this Section for which the fund balance is
24 insufficient to pay the full amount of the required State
25 contribution to the State Employees' Retirement System, the
26 Comptroller shall promptly so notify the Retirement System.

1 (b-1) For fiscal year 2010 only, the State Comptroller
2 shall not approve for payment any non-General Revenue Fund
3 payroll voucher that (1) includes payments of salary to
4 eligible employees in the State Employees' Retirement System of
5 Illinois and (2) does not include the corresponding payment of
6 State contributions to that retirement system at the full rate
7 certified under Section 14-135.08 for that fiscal year for
8 eligible employees, unless the balance in the fund on which the
9 payroll voucher is drawn is insufficient to pay the total
10 payroll voucher, or unavailable due to any limitation on
11 appropriations that may apply, including, but not limited to,
12 limitations on appropriations from the Road Fund under Section
13 8.3 of the State Finance Act. If the State Comptroller approves
14 a payroll voucher under this Section for which the fund balance
15 is insufficient to pay the full amount of the required State
16 contribution to the State Employees' Retirement System of
17 Illinois, the Comptroller shall promptly so notify the
18 retirement system.

19 (c) Notwithstanding any other provisions of law, beginning
20 July 1, 2007, required State and employee contributions to the
21 State Employees' Retirement System of Illinois relating to
22 affected legislative staff employees shall be paid out of
23 moneys appropriated for that purpose to the Commission on
24 Government Forecasting and Accountability, rather than out of
25 the lump-sum appropriations otherwise made for the payroll and
26 other costs of those employees.

1 These payments must be made pursuant to payroll vouchers
2 submitted by the employing entity as part of the regular
3 payroll voucher process.

4 For the purpose of this subsection, "affected legislative
5 staff employees" means legislative staff employees paid out of
6 lump-sum appropriations made to the General Assembly, an
7 Officer of the General Assembly, or the Senate Operations
8 Commission, but does not include district-office staff or
9 employees of legislative support services agencies.

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

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

13 (30 ILCS 115/12) (from Ch. 85, par. 616)

14 Sec. 12. Personal Property Tax Replacement Fund. There is
15 hereby created the Personal Property Tax Replacement Fund, a
16 special fund in the State Treasury into which shall be paid all
17 revenue realized:

18 (a) all amounts realized from the additional personal
19 property tax replacement income tax imposed by subsections (c)
20 and (d) of Section 201 of the Illinois Income Tax Act, except
21 for those amounts deposited into the Income Tax Refund Fund
22 pursuant to subsection (c) of Section 901 of the Illinois
23 Income Tax Act; and

24 (b) all amounts realized from the additional personal

1 property replacement invested capital taxes imposed by Section
2 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
3 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and
4 Section 3 of the Water Company Invested Capital Tax Act, and
5 amounts payable to the Department of Revenue under the
6 Telecommunications Infrastructure Maintenance Fee Act.

7 As soon as may be after the end of each month, the
8 Department of Revenue shall certify to the Treasurer and the
9 Comptroller the amount of all refunds paid out of the General
10 Revenue Fund through the preceding month on account of
11 overpayment of liability on taxes paid into the Personal
12 Property Tax Replacement Fund. Upon receipt of such
13 certification, the Treasurer and the Comptroller shall
14 transfer the amount so certified from the Personal Property Tax
15 Replacement Fund into the General Revenue Fund.

16 The payments of revenue into the Personal Property Tax
17 Replacement Fund shall be used exclusively for distribution to
18 taxing districts as provided in this Section, payment of the
19 ordinary and contingent expenses of the Property Tax Appeal
20 Board, payment of the expenses of the Department of Revenue
21 incurred in administering the collection and distribution of
22 monies paid into the Personal Property Tax Replacement Fund and
23 transfers due to refunds to taxpayers for overpayment of
24 liability for taxes paid into the Personal Property Tax
25 Replacement Fund.

26 As soon as may be after the effective date of this

1 amendatory Act of 1980, the Department of Revenue shall certify
2 to the Treasurer the amount of net replacement revenue paid
3 into the General Revenue Fund prior to that effective date from
4 the additional tax imposed by Section 2a.1 of the Messages Tax
5 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
6 the Public Utilities Revenue Act; Section 3 of the Water
7 Company Invested Capital Tax Act; amounts collected by the
8 Department of Revenue under the Telecommunications
9 Infrastructure Maintenance Fee Act; and the additional
10 personal property tax replacement income tax imposed by the
11 Illinois Income Tax Act, as amended by Public Act 81-1st
12 Special Session-1. Net replacement revenue shall be defined as
13 the total amount paid into and remaining in the General Revenue
14 Fund as a result of those Acts minus the amount outstanding and
15 obligated from the General Revenue Fund in state vouchers or
16 warrants prior to the effective date of this amendatory Act of
17 1980 as refunds to taxpayers for overpayment of liability under
18 those Acts.

19 All interest earned by monies accumulated in the Personal
20 Property Tax Replacement Fund shall be deposited in such Fund.
21 All amounts allocated pursuant to this Section are appropriated
22 on a continuing basis.

23 Prior to December 31, 1980, as soon as may be after the end
24 of each quarter beginning with the quarter ending December 31,
25 1979, and on and after December 31, 1980, as soon as may be
26 after January 1, March 1, April 1, May 1, July 1, August 1,

1 October 1 and December 1 of each year, the Department of
2 Revenue shall allocate to each taxing district as defined in
3 Section 1-150 of the Property Tax Code, in accordance with the
4 provisions of paragraph (2) of this Section the portion of the
5 funds held in the Personal Property Tax Replacement Fund which
6 is required to be distributed, as provided in paragraph (1),
7 for each quarter. Provided, however, under no circumstances
8 shall any taxing district during each of the first two years of
9 distribution of the taxes imposed by this amendatory Act of
10 1979 be entitled to an annual allocation which is less than the
11 funds such taxing district collected from the 1978 personal
12 property tax. Provided further that under no circumstances
13 shall any taxing district during the third year of distribution
14 of the taxes imposed by this amendatory Act of 1979 receive
15 less than 60% of the funds such taxing district collected from
16 the 1978 personal property tax. In the event that the total of
17 the allocations made as above provided for all taxing
18 districts, during either of such 3 years, exceeds the amount
19 available for distribution the allocation of each taxing
20 district shall be proportionately reduced. Except as provided
21 in Section 13 of this Act, the Department shall then certify,
22 pursuant to appropriation, such allocations to the State
23 Comptroller who shall pay over to the several taxing districts
24 the respective amounts allocated to them.

25 Any township which receives an allocation based in whole or
26 in part upon personal property taxes which it levied pursuant

1 to Section 6-507 or 6-512 of the Illinois Highway Code and
2 which was previously required to be paid over to a municipality
3 shall immediately pay over to that municipality a proportionate
4 share of the personal property replacement funds which such
5 township receives.

6 Any municipality or township, other than a municipality
7 with a population in excess of 500,000, which receives an
8 allocation based in whole or in part on personal property taxes
9 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
10 Illinois Local Library Act and which was previously required to
11 be paid over to a public library shall immediately pay over to
12 that library a proportionate share of the personal property tax
13 replacement funds which such municipality or township
14 receives; provided that if such a public library has converted
15 to a library organized under The Illinois Public Library
16 District Act, regardless of whether such conversion has
17 occurred on, after or before January 1, 1988, such
18 proportionate share shall be immediately paid over to the
19 library district which maintains and operates the library.
20 However, any library that has converted prior to January 1,
21 1988, and which hitherto has not received the personal property
22 tax replacement funds, shall receive such funds commencing on
23 January 1, 1988.

24 Any township which receives an allocation based in whole or
25 in part on personal property taxes which it levied pursuant to
26 Section 1c of the Public Graveyards Act and which taxes were

1 previously required to be paid over to or used for such public
2 cemetery or cemeteries shall immediately pay over to or use for
3 such public cemetery or cemeteries a proportionate share of the
4 personal property tax replacement funds which the township
5 receives.

6 Any taxing district which receives an allocation based in
7 whole or in part upon personal property taxes which it levied
8 for another governmental body or school district in Cook County
9 in 1976 or for another governmental body or school district in
10 the remainder of the State in 1977 shall immediately pay over
11 to that governmental body or school district the amount of
12 personal property replacement funds which such governmental
13 body or school district would receive directly under the
14 provisions of paragraph (2) of this Section, had it levied its
15 own taxes.

16 (1) The portion of the Personal Property Tax
17 Replacement Fund required to be distributed as of the time
18 allocation is required to be made shall be the amount
19 available in such Fund as of the time allocation is
20 required to be made.

21 The amount available for distribution shall be the
22 total amount in the fund at such time minus the necessary
23 administrative expenses as limited by the appropriation
24 and the amount determined by: (a) \$2.8 million for fiscal
25 year 1981; (b) for fiscal year 1982, .54% of the funds
26 distributed from the fund during the preceding fiscal year;

1 (c) for fiscal year 1983 through fiscal year 1988, .54% of
2 the funds distributed from the fund during the preceding
3 fiscal year less .02% of such fund for fiscal year 1983 and
4 less .02% of such funds for each fiscal year thereafter, or
5 (d) for fiscal year 1989 and beyond no more than 105% of
6 the actual administrative expenses of the prior fiscal
7 year. Such portion of the fund shall be determined after
8 the transfer into the General Revenue Fund due to refunds,
9 if any, paid from the General Revenue Fund during the
10 preceding quarter. If at any time, for any reason, there is
11 insufficient amount in the Personal Property Tax
12 Replacement Fund for payment of costs of administration or
13 for transfers due to refunds at the end of any particular
14 month, the amount of such insufficiency shall be carried
15 over for the purposes of transfers into the General Revenue
16 Fund and for purposes of costs of administration to the
17 following month or months. Net replacement revenue held,
18 and defined above, shall be transferred by the Treasurer
19 and Comptroller to the Personal Property Tax Replacement
20 Fund within 10 days of such certification.

21 (2) Each quarterly allocation shall first be
22 apportioned in the following manner: 51.65% for taxing
23 districts in Cook County and 48.35% for taxing districts in
24 the remainder of the State.

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

1 Base of that taxing district bears to the Downstate Tax Base.
2 The Tax Base of each taxing district outside of Cook County is
3 the personal property tax collections for that taxing district
4 for the 1977 tax year. The Downstate Tax Base is the personal
5 property tax collections for all taxing districts in the State
6 outside of Cook County for the 1977 tax year. The Department of
7 Revenue shall have authority to review for accuracy and
8 completeness the personal property tax collections for each
9 taxing district outside Cook County for the 1977 tax year.

10 The Personal Property Replacement Ratio of each Cook County
11 taxing district shall be the ratio which the Tax Base of that
12 taxing district bears to the Cook County Tax Base. The Tax Base
13 of each Cook County taxing district is the personal property
14 tax collections for that taxing district for the 1976 tax year.
15 The Cook County Tax Base is the personal property tax
16 collections for all taxing districts in Cook County for the
17 1976 tax year. The Department of Revenue shall have authority
18 to review for accuracy and completeness the personal property
19 tax collections for each taxing district within Cook County for
20 the 1976 tax year.

21 For all purposes of this Section 12, amounts paid to a
22 taxing district for such tax years as may be applicable by a
23 foreign corporation under the provisions of Section 7-202 of
24 the Public Utilities Act, as amended, shall be deemed to be
25 personal property taxes collected by such taxing district for
26 such tax years as may be applicable. The Director shall

1 determine from the Illinois Commerce Commission, for any tax
2 year as may be applicable, the amounts so paid by any such
3 foreign corporation to any and all taxing districts. The
4 Illinois Commerce Commission shall furnish such information to
5 the Director. For all purposes of this Section 12, the Director
6 shall deem such amounts to be collected personal property taxes
7 of each such taxing district for the applicable tax year or
8 years.

9 Taxing districts located both in Cook County and in one or
10 more other counties shall receive both a Cook County allocation
11 and a Downstate allocation determined in the same way as all
12 other taxing districts.

13 If any taxing district in existence on July 1, 1979 ceases
14 to exist, or discontinues its operations, its Tax Base shall
15 thereafter be deemed to be zero. If the powers, duties and
16 obligations of the discontinued taxing district are assumed by
17 another taxing district, the Tax Base of the discontinued
18 taxing district shall be added to the Tax Base of the taxing
19 district assuming such powers, duties and obligations.

20 If two or more taxing districts in existence on July 1,
21 1979, or a successor or successors thereto shall consolidate
22 into one taxing district, the Tax Base of such consolidated
23 taxing district shall be the sum of the Tax Bases of each of
24 the taxing districts which have consolidated.

25 If a single taxing district in existence on July 1, 1979,
26 or a successor or successors thereto shall be divided into two

1 or more separate taxing districts, the tax base of the taxing
2 district so divided shall be allocated to each of the resulting
3 taxing districts in proportion to the then current equalized
4 assessed value of each resulting taxing district.

5 If a portion of the territory of a taxing district is
6 disconnected and annexed to another taxing district of the same
7 type, the Tax Base of the taxing district from which
8 disconnection was made shall be reduced in proportion to the
9 then current equalized assessed value of the disconnected
10 territory as compared with the then current equalized assessed
11 value within the entire territory of the taxing district prior
12 to disconnection, and the amount of such reduction shall be
13 added to the Tax Base of the taxing district to which
14 annexation is made.

15 If a community college district is created after July 1,
16 1979, beginning on the effective date of this amendatory Act of
17 1995, its Tax Base shall be 3.5% of the sum of the personal
18 property tax collected for the 1977 tax year within the
19 territorial jurisdiction of the district.

20 The amounts allocated and paid to taxing districts pursuant
21 to the provisions of this amendatory Act of 1979 shall be
22 deemed to be substitute revenues for the revenues derived from
23 taxes imposed on personal property pursuant to the provisions
24 of the "Revenue Act of 1939" or "An Act for the assessment and
25 taxation of private car line companies", approved July 22,
26 1943, as amended, or Section 414 of the Illinois Insurance

1 Code, prior to the abolition of such taxes and shall be used
2 for the same purposes as the revenues derived from ad valorem
3 taxes on real estate.

4 Monies received by any taxing districts from the Personal
5 Property Tax Replacement Fund shall be first applied toward
6 payment of the proportionate amount of debt service which was
7 previously levied and collected from extensions against
8 personal property on bonds outstanding as of December 31, 1978
9 and next applied toward payment of the proportionate share of
10 the pension or retirement obligations of the taxing district
11 which were previously levied and collected from extensions
12 against personal property. For each such outstanding bond
13 issue, the County Clerk shall determine the percentage of the
14 debt service which was collected from extensions against real
15 estate in the taxing district for 1978 taxes payable in 1979,
16 as related to the total amount of such levies and collections
17 from extensions against both real and personal property. For
18 1979 and subsequent years' taxes, the County Clerk shall levy
19 and extend taxes against the real estate of each taxing
20 district which will yield the said percentage or percentages of
21 the debt service on such outstanding bonds. The balance of the
22 amount necessary to fully pay such debt service shall
23 constitute a first and prior lien upon the monies received by
24 each such taxing district through the Personal Property Tax
25 Replacement Fund and shall be first applied or set aside for
26 such purpose. In counties having fewer than 3,000,000

1 inhabitants, the amendments to this paragraph as made by this
2 amendatory Act of 1980 shall be first applicable to 1980 taxes
3 to be collected in 1981.

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

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

7 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

8 Sec. 203. Base income defined.

9 (a) Individuals.

10 (1) In general. In the case of an individual, base
11 income means an amount equal to the taxpayer's adjusted
12 gross income for the taxable year as modified by paragraph
13 (2).

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

17 (A) An amount equal to all amounts paid or accrued
18 to the taxpayer as interest or dividends during the
19 taxable year to the extent excluded from gross income
20 in the computation of adjusted gross income, except
21 stock dividends of qualified public utilities
22 described in Section 305(e) of the Internal Revenue
23 Code;

24 (B) An amount equal to the amount of tax imposed by

1 this Act to the extent deducted from gross income in
2 the computation of adjusted gross income for the
3 taxable year;

4 (C) An amount equal to the amount received during
5 the taxable year as a recovery or refund of real
6 property taxes paid with respect to the taxpayer's
7 principal residence under the Revenue Act of 1939 and
8 for which a deduction was previously taken under
9 subparagraph (L) of this paragraph (2) prior to July 1,
10 1991, the retrospective application date of Article 4
11 of Public Act 87-17. In the case of multi-unit or
12 multi-use structures and farm dwellings, the taxes on
13 the taxpayer's principal residence shall be that
14 portion of the total taxes for the entire property
15 which is attributable to such principal residence;

16 (D) An amount equal to the amount of the capital
17 gain deduction allowable under the Internal Revenue
18 Code, to the extent deducted from gross income in the
19 computation of adjusted gross income;

20 (D-5) An amount, to the extent not included in
21 adjusted gross income, equal to the amount of money
22 withdrawn by the taxpayer in the taxable year from a
23 medical care savings account and the interest earned on
24 the account in the taxable year of a withdrawal
25 pursuant to subsection (b) of Section 20 of the Medical
26 Care Savings Account Act or subsection (b) of Section

1 20 of the Medical Care Savings Account Act of 2000;

2 (D-10) For taxable years ending after December 31,
3 1997, an amount equal to any eligible remediation costs
4 that the individual deducted in computing adjusted
5 gross income and for which the individual claims a
6 credit under subsection (l) of Section 201;

7 (D-15) 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;

12 (D-16) 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 (D-15), then
16 an amount equal to the aggregate amount of the
17 deductions taken in all taxable years under
18 subparagraph (Z) 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 (Z), 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 (D-17) 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 foreign person's business activity outside
10 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 under Sections 951 through 964
25 of the Internal Revenue Code and amounts included in
26 gross income under Section 78 of the Internal Revenue

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

3 This paragraph shall not apply to the following:

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

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

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

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

25 (iii) the taxpayer can establish, based on
26 clear and convincing evidence, that the interest

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

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

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

21 (D-18) An amount equal to the amount of intangible
22 expenses and costs otherwise allowed as a deduction in
23 computing base income, and that were paid, accrued, or
24 incurred, directly or indirectly, (i) for taxable
25 years ending on or after December 31, 2004, to a
26 foreign person who would be a member of the same

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

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

14 This paragraph shall not apply to the following:

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

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

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

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

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

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

1 by which the Department will utilize its authority
2 under Section 404 of this Act;

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

1 modification required under Section 203(a)(2)(D-17) or
2 Section 203(a)(2)(D-18) of this Act.

3 (D-20) For taxable years beginning on or after
4 January 1, 2002 and ending on or before December 31,
5 2006, in the case of a distribution from a qualified
6 tuition program under Section 529 of the Internal
7 Revenue Code, other than (i) a distribution from a
8 College Savings Pool created under Section 16.5 of the
9 State Treasurer Act or (ii) a distribution from the
10 Illinois Prepaid Tuition Trust Fund, an amount equal to
11 the amount excluded from gross income under Section
12 529(c)(3)(B). For taxable years beginning on or after
13 January 1, 2007, in the case of a distribution from a
14 qualified tuition program under Section 529 of the
15 Internal Revenue Code, other than (i) a distribution
16 from a College Savings Pool created under Section 16.5
17 of the State Treasurer Act, (ii) a distribution from
18 the Illinois Prepaid Tuition Trust Fund, or (iii) a
19 distribution from a qualified tuition program under
20 Section 529 of the Internal Revenue Code that (I)
21 adopts and determines that its offering materials
22 comply with the College Savings Plans Network's
23 disclosure principles and (II) has made reasonable
24 efforts to inform in-state residents of the existence
25 of in-state qualified tuition programs by informing
26 Illinois residents directly and, where applicable, to

1 inform financial intermediaries distributing the
2 program to inform in-state residents of the existence
3 of in-state qualified tuition programs at least
4 annually, an amount equal to the amount excluded from
5 gross income under Section 529(c)(3)(B).

6 For the purposes of this subparagraph (D-20), a
7 qualified tuition program has made reasonable efforts
8 if it makes disclosures (which may use the term
9 "in-state program" or "in-state plan" and need not
10 specifically refer to Illinois or its qualified
11 programs by name) (i) directly to prospective
12 participants in its offering materials or makes a
13 public disclosure, such as a website posting; and (ii)
14 where applicable, to intermediaries selling the
15 out-of-state program in the same manner that the
16 out-of-state program distributes its offering
17 materials;

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

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

1 (E) For taxable years ending before December 31,
2 2001, any amount included in such total in respect of
3 any compensation (including but not limited to any
4 compensation paid or accrued to a serviceman while a
5 prisoner of war or missing in action) paid to a
6 resident by reason of being on active duty in the Armed
7 Forces of the United States and in respect of any
8 compensation paid or accrued to a resident who as a
9 governmental employee was a prisoner of war or missing
10 in action, and in respect of any compensation paid to a
11 resident in 1971 or thereafter for annual training
12 performed pursuant to Sections 502 and 503, Title 32,
13 United States Code as a member of the Illinois National
14 Guard or, beginning with taxable years ending on or
15 after December 31, 2007, the National Guard of any
16 other state. For taxable years ending on or after
17 December 31, 2001, any amount included in such total in
18 respect of any compensation (including but not limited
19 to any compensation paid or accrued to a serviceman
20 while a prisoner of war or missing in action) paid to a
21 resident by reason of being a member of any component
22 of the Armed Forces of the United States and in respect
23 of any compensation paid or accrued to a resident who
24 as a governmental employee was a prisoner of war or
25 missing in action, and in respect of any compensation
26 paid to a resident in 2001 or thereafter by reason of

1 being a member of the Illinois National Guard or,
2 beginning with taxable years ending on or after
3 December 31, 2007, the National Guard of any other
4 state. The provisions of this amendatory Act of the
5 92nd General Assembly are exempt from the provisions of
6 Section 250;

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

18 (G) The valuation limitation amount;

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

22 (I) An amount equal to all amounts included in such
23 total pursuant to the provisions of Section 111 of the
24 Internal Revenue Code as a recovery of items previously
25 deducted from adjusted gross income in the computation
26 of taxable income;

1 (J) An amount equal to those dividends included in
2 such total which were paid by a corporation which
3 conducts business operations in an Enterprise Zone or
4 zones created under the Illinois Enterprise Zone Act or
5 a River Edge Redevelopment Zone or zones created under
6 the River Edge Redevelopment Zone Act, and conducts
7 substantially all of its operations in an Enterprise
8 Zone or zones or a River Edge Redevelopment Zone or
9 zones. This subparagraph (J) is exempt from the
10 provisions of Section 250;

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

20 (L) For taxable years ending after December 31,
21 1983, an amount equal to all social security benefits
22 and railroad retirement benefits included in such
23 total pursuant to Sections 72(r) and 86 of the Internal
24 Revenue Code;

25 (M) With the exception of any amounts subtracted
26 under subparagraph (N), an amount equal to the sum of

1 all amounts disallowed as deductions by (i) Sections
2 171(a) (2), and 265(2) of the Internal Revenue Code of
3 1954, as now or hereafter amended, and all amounts of
4 expenses allocable to interest and disallowed as
5 deductions by Section 265(1) of the Internal Revenue
6 Code of 1954, as now or hereafter amended; and (ii) for
7 taxable years ending on or after August 13, 1999,
8 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
9 the Internal Revenue Code; the provisions of this
10 subparagraph are exempt from the provisions of Section
11 250;

12 (N) An amount equal to all amounts included in such
13 total which are exempt from taxation by this State
14 either by reason of its statutes or Constitution or by
15 reason of the Constitution, treaties or statutes of the
16 United States; provided that, in the case of any
17 statute of this State that exempts income derived from
18 bonds or other obligations from the tax imposed under
19 this Act, the amount exempted shall be the interest net
20 of bond premium amortization;

21 (O) An amount equal to any contribution made to a
22 job training project established pursuant to the Tax
23 Increment Allocation Redevelopment Act;

24 (P) An amount equal to the amount of the deduction
25 used to compute the federal income tax credit for
26 restoration of substantial amounts held under claim of

1 right for the taxable year pursuant to Section 1341 of
2 the Internal Revenue Code of 1986;

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

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

10 (S) An amount, to the extent included in adjusted
11 gross income, equal to the amount of a contribution
12 made in the taxable year on behalf of the taxpayer to a
13 medical care savings account established under the
14 Medical Care Savings Account Act or the Medical Care
15 Savings Account Act of 2000 to the extent the
16 contribution is accepted by the account administrator
17 as provided in that Act;

18 (T) An amount, to the extent included in adjusted
19 gross income, equal to the amount of interest earned in
20 the taxable year on a medical care savings account
21 established under the Medical Care Savings Account Act
22 or the Medical Care Savings Account Act of 2000 on
23 behalf of the taxpayer, other than interest added
24 pursuant to item (D-5) of this paragraph (2);

25 (U) For one taxable year beginning on or after
26 January 1, 1994, an amount equal to the total amount of

1 tax imposed and paid under subsections (a) and (b) of
2 Section 201 of this Act on grant amounts received by
3 the taxpayer under the Nursing Home Grant Assistance
4 Act during the taxpayer's taxable years 1992 and 1993;

5 (V) Beginning with tax years ending on or after
6 December 31, 1995 and ending with tax years ending on
7 or before December 31, 2004, an amount equal to the
8 amount paid by a taxpayer who is a self-employed
9 taxpayer, a partner of a partnership, or a shareholder
10 in a Subchapter S corporation for health insurance or
11 long-term care insurance for that taxpayer or that
12 taxpayer's spouse or dependents, to the extent that the
13 amount paid for that health insurance or long-term care
14 insurance may be deducted under Section 213 of the
15 Internal Revenue Code of 1986, has not been deducted on
16 the federal income tax return of the taxpayer, and does
17 not exceed the taxable income attributable to that
18 taxpayer's income, self-employment income, or
19 Subchapter S corporation income; except that no
20 deduction shall be allowed under this item (V) if the
21 taxpayer is eligible to participate in any health
22 insurance or long-term care insurance plan of an
23 employer of the taxpayer or the taxpayer's spouse. The
24 amount of the health insurance and long-term care
25 insurance subtracted under this item (V) shall be
26 determined by multiplying total health insurance and

1 long-term care insurance premiums paid by the taxpayer
2 times a number that represents the fractional
3 percentage of eligible medical expenses under Section
4 213 of the Internal Revenue Code of 1986 not actually
5 deducted on the taxpayer's federal income tax return;

6 (W) For taxable years beginning on or after January
7 1, 1998, all amounts included in the taxpayer's federal
8 gross income in the taxable year from amounts converted
9 from a regular IRA to a Roth IRA. This paragraph is
10 exempt from the provisions of Section 250;

11 (X) For taxable year 1999 and thereafter, an amount
12 equal to the amount of any (i) distributions, to the
13 extent includible in gross income for federal income
14 tax purposes, made to the taxpayer because of his or
15 her status as a victim of persecution for racial or
16 religious reasons by Nazi Germany or any other Axis
17 regime or as an heir of the victim and (ii) items of
18 income, to the extent includible in gross income for
19 federal income tax purposes, attributable to, derived
20 from or in any way related to assets stolen from,
21 hidden from, or otherwise lost to a victim of
22 persecution for racial or religious reasons by Nazi
23 Germany or any other Axis regime immediately prior to,
24 during, and immediately after World War II, including,
25 but not limited to, interest on the proceeds receivable
26 as insurance under policies issued to a victim of

1 persecution for racial or religious reasons by Nazi
2 Germany or any other Axis regime by European insurance
3 companies immediately prior to and during World War II;
4 provided, however, this subtraction from federal
5 adjusted gross income does not apply to assets acquired
6 with such assets or with the proceeds from the sale of
7 such assets; provided, further, this paragraph shall
8 only apply to a taxpayer who was the first recipient of
9 such assets after their recovery and who is a victim of
10 persecution for racial or religious reasons by Nazi
11 Germany or any other Axis regime or as an heir of the
12 victim. The amount of and the eligibility for any
13 public assistance, benefit, or similar entitlement is
14 not affected by the inclusion of items (i) and (ii) of
15 this paragraph in gross income for federal income tax
16 purposes. This paragraph is exempt from the provisions
17 of Section 250;

18 (Y) For taxable years beginning on or after January
19 1, 2002 and ending on or before December 31, 2004,
20 moneys contributed in the taxable year to a College
21 Savings Pool account under Section 16.5 of the State
22 Treasurer Act, except that amounts excluded from gross
23 income under Section 529(c)(3)(C)(i) of the Internal
24 Revenue Code shall not be considered moneys
25 contributed under this subparagraph (Y). For taxable
26 years beginning on or after January 1, 2005, a maximum

1 of \$10,000 contributed in the taxable year to (i) a
2 College Savings Pool account under Section 16.5 of the
3 State Treasurer Act or (ii) the Illinois Prepaid
4 Tuition Trust Fund, except that amounts excluded from
5 gross income under Section 529(c)(3)(C)(i) of the
6 Internal Revenue Code shall not be considered moneys
7 contributed under this subparagraph (Y). This
8 subparagraph (Y) is exempt from the provisions of
9 Section 250;

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

16 (1) "y" equals the amount of the depreciation
17 deduction taken for the taxable year on the
18 taxpayer's federal income tax return on property
19 for which the bonus depreciation deduction was
20 taken in any year under subsection (k) of Section
21 168 of the Internal Revenue Code, but not including
22 the bonus depreciation deduction;

23 (2) for taxable years ending on or before
24 December 31, 2005, "x" equals "y" multiplied by 30
25 and then divided by 70 (or "y" multiplied by
26 0.429); and

1 (3) for taxable years ending after December
2 31, 2005:

3 (i) for property on which a bonus
4 depreciation deduction of 30% of the adjusted
5 basis was taken, "x" equals "y" multiplied by
6 30 and then divided by 70 (or "y" multiplied by
7 0.429); and

8 (ii) for property on which a bonus
9 depreciation deduction of 50% of the adjusted
10 basis was taken, "x" equals "y" multiplied by
11 1.0.

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

20 (AA) If the taxpayer sells, transfers, abandons,
21 or otherwise disposes of property for which the
22 taxpayer was required in any taxable year to make an
23 addition modification under subparagraph (D-15), then
24 an amount equal to that addition modification.

25 If the taxpayer continues to own property through
26 the last day of the last tax year for which the

1 taxpayer may claim a depreciation deduction for
2 federal income tax purposes and for which the taxpayer
3 was required in any taxable year to make an addition
4 modification under subparagraph (D-15), then an amount
5 equal to that addition modification.

6 The taxpayer is allowed to take the deduction under
7 this subparagraph only once with respect to any one
8 piece of property.

9 This subparagraph (AA) is exempt from the
10 provisions of Section 250;

11 (BB) Any amount included in adjusted gross income,
12 other than salary, received by a driver in a
13 ridesharing arrangement using a motor vehicle;

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

1 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
2 203(d)(2)(D-8), but not to exceed the amount of that
3 addition modification. This subparagraph (CC) is
4 exempt from the provisions of Section 250;

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

25 (EF) An amount equal to the income from intangible
26 property taken into account for the taxable year (net

1 of the deductions allocable thereto) with respect to
2 transactions with (i) a foreign person who would be a
3 member of the taxpayer's unitary business group but for
4 the fact that the foreign person's business activity
5 outside the United States is 80% or more of that
6 person's total business activity and (ii) for taxable
7 years ending on or after December 31, 2008, to a person
8 who would be a member of the same unitary business
9 group but for the fact that the person is prohibited
10 under Section 1501(a)(27) from being included in the
11 unitary business group because he or she is ordinarily
12 required to apportion business income under different
13 subsections of Section 304, but not to exceed the
14 addition modification required to be made for the same
15 taxable year under Section 203(a)(2)(D-18) for
16 intangible expenses and costs paid, accrued, or
17 incurred, directly or indirectly, to the same foreign
18 person. This subparagraph (EE) is exempt from the
19 provisions of Section 250.

20 (b) Corporations.

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

24 (2) Modifications. The taxable income referred to in
25 paragraph (1) shall be modified by adding thereto the sum

1 of the following amounts:

2 (A) An amount equal to all amounts paid or accrued
3 to the taxpayer as interest and all distributions
4 received from regulated investment companies during
5 the taxable year to the extent excluded from gross
6 income in the computation of taxable income;

7 (B) 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 (C) In the case of a regulated investment company,
11 an amount equal to the excess of (i) the net long-term
12 capital gain for the taxable year, over (ii) the amount
13 of the capital gain dividends designated as such in
14 accordance with Section 852(b)(3)(C) of the Internal
15 Revenue Code and any amount designated under Section
16 852(b)(3)(D) of the Internal Revenue Code,
17 attributable to the taxable year (this amendatory Act
18 of 1995 (Public Act 89-89) is declarative of existing
19 law and is not a new enactment);

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

24 (E) For taxable years in which a net operating loss
25 carryback or carryforward from a taxable year ending
26 prior to December 31, 1986 is an element of taxable

1 income under paragraph (1) of subsection (e) or
2 subparagraph (E) of paragraph (2) of subsection (e),
3 the amount by which addition modifications other than
4 those provided by this subparagraph (E) exceeded
5 subtraction modifications in such earlier taxable
6 year, with the following limitations applied in the
7 order that they are listed:

8 (i) the addition modification relating to the
9 net operating loss carried back or forward to the
10 taxable year from any taxable year ending prior to
11 December 31, 1986 shall be reduced by the amount of
12 addition modification under this subparagraph (E)
13 which related to that net operating loss and which
14 was taken into account in calculating the base
15 income of an earlier taxable year, and

16 (ii) the addition modification relating to the
17 net operating loss carried back or forward to the
18 taxable year from any taxable year ending prior to
19 December 31, 1986 shall not exceed the amount of
20 such carryback or carryforward;

21 For taxable years in which there is a net operating
22 loss carryback or carryforward from more than one other
23 taxable year ending prior to December 31, 1986, the
24 addition modification provided in this subparagraph
25 (E) shall be the sum of the amounts computed
26 independently under the preceding provisions of this

1 subparagraph (E) for each such taxable year;

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

7 (E-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;

12 (E-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 (E-10), then
16 an amount equal to the aggregate amount of the
17 deductions taken in all taxable years under
18 subparagraph (T) 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 (T), 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 (E-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 the foreign person's business activity outside
10 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 (E-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(b)(2)(E-12) of

1 this Act. As used in this subparagraph, the term
2 "intangible expenses and costs" includes (1) expenses,
3 losses, and costs for, or related to, the direct or
4 indirect acquisition, use, maintenance or management,
5 ownership, sale, exchange, or any other disposition of
6 intangible property; (2) losses incurred, directly or
7 indirectly, from factoring transactions or discounting
8 transactions; (3) royalty, patent, technical, and
9 copyright fees; (4) licensing fees; and (5) other
10 similar expenses and costs. For purposes of this
11 subparagraph, "intangible property" includes patents,
12 patent applications, trade names, trademarks, service
13 marks, copyrights, mask works, trade secrets, and
14 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 (E-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(b) (2) (E-12) or
3 Section 203(b) (2) (E-13) of this Act;

4 (E-15) For taxable years beginning after December
5 31, 2008, any deduction for dividends paid by a captive
6 real estate investment trust that is allowed to a real
7 estate investment trust under Section 857(b) (2) (B) of
8 the Internal Revenue Code for dividends paid;

9 and by deducting from the total so obtained the sum of the
10 following amounts:

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

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

16 (H) In the case of a regulated investment company,
17 an amount equal to the amount of exempt interest
18 dividends as defined in subsection (b) (5) of Section
19 852 of the Internal Revenue Code, paid to shareholders
20 for the taxable year;

21 (I) With the exception of any amounts subtracted
22 under subparagraph (J), an amount equal to the sum of
23 all amounts disallowed as deductions by (i) Sections
24 171(a) (2), and 265(a) (2) and amounts disallowed as
25 interest expense by Section 291(a) (3) of the Internal
26 Revenue Code, as now or hereafter amended, and all

1 amounts of expenses allocable to interest and
2 disallowed as deductions by Section 265(a)(1) of the
3 Internal Revenue Code, as now or hereafter amended; and
4 (ii) for taxable years ending on or after August 13,
5 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and
6 832(b)(5)(B)(i) of the Internal Revenue Code; the
7 provisions of this subparagraph are exempt from the
8 provisions of Section 250;

9 (J) An amount equal to all amounts included in such
10 total which are exempt from taxation by this State
11 either by reason of its statutes or Constitution or by
12 reason of the Constitution, treaties or statutes of the
13 United States; provided that, in the case of any
14 statute of this State that exempts income derived from
15 bonds or other obligations from the tax imposed under
16 this Act, the amount exempted shall be the interest net
17 of bond premium amortization;

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

1 provisions of Section 250;

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

11 (M) For any taxpayer that is a financial
12 organization within the meaning of Section 304(c) of
13 this Act, an amount included in such total as interest
14 income from a loan or loans made by such taxpayer to a
15 borrower, to the extent that such a loan is secured by
16 property which is eligible for the Enterprise Zone
17 Investment Credit or the River Edge Redevelopment Zone
18 Investment Credit. To determine the portion of a loan
19 or loans that is secured by property eligible for a
20 Section 201(f) investment credit to the borrower, the
21 entire principal amount of the loan or loans between
22 the taxpayer and the borrower should be divided into
23 the basis of the Section 201(f) investment credit
24 property which secures the loan or loans, using for
25 this purpose the original basis of such property on the
26 date that it was placed in service in the Enterprise

1 Zone or the River Edge Redevelopment Zone. The
2 subtraction modification available to taxpayer in any
3 year under this subsection shall be that portion of the
4 total interest paid by the borrower with respect to
5 such loan attributable to the eligible property as
6 calculated under the previous sentence. This
7 subparagraph (M) is exempt from the provisions of
8 Section 250;

9 (M-1) For any taxpayer that is a financial
10 organization within the meaning of Section 304(c) of
11 this Act, an amount included in such total as interest
12 income from a loan or loans made by such taxpayer to a
13 borrower, to the extent that such a loan is secured by
14 property which is eligible for the High Impact Business
15 Investment Credit. To determine the portion of a loan
16 or loans that is secured by property eligible for a
17 Section 201(h) investment credit to the borrower, the
18 entire principal amount of the loan or loans between
19 the taxpayer and the borrower should be divided into
20 the basis of the Section 201(h) investment credit
21 property which secures the loan or loans, using for
22 this purpose the original basis of such property on the
23 date that it was placed in service in a federally
24 designated Foreign Trade Zone or Sub-Zone located in
25 Illinois. No taxpayer that is eligible for the
26 deduction provided in subparagraph (M) of paragraph

1 (2) of this subsection shall be eligible for the
2 deduction provided under this subparagraph (M-1). The
3 subtraction modification available to taxpayers in any
4 year under this subsection shall be that portion of the
5 total interest paid by the borrower with respect to
6 such loan attributable to the eligible property as
7 calculated under the previous sentence;

8 (N) Two times any contribution made during the
9 taxable year to a designated zone organization to the
10 extent that the contribution (i) qualifies as a
11 charitable contribution under subsection (c) of
12 Section 170 of the Internal Revenue Code and (ii) must,
13 by its terms, be used for a project approved by the
14 Department of Commerce and Economic Opportunity under
15 Section 11 of the Illinois Enterprise Zone Act or under
16 Section 10-10 of the River Edge Redevelopment Zone Act.
17 This subparagraph (N) is exempt from the provisions of
18 Section 250;

19 (O) An amount equal to: (i) 85% for taxable years
20 ending on or before December 31, 1992, or, a percentage
21 equal to the percentage allowable under Section
22 243(a)(1) of the Internal Revenue Code of 1986 for
23 taxable years ending after December 31, 1992, of the
24 amount by which dividends included in taxable income
25 and received from a corporation that is not created or
26 organized under the laws of the United States or any

1 state or political subdivision thereof, including, for
2 taxable years ending on or after December 31, 1988,
3 dividends received or deemed received or paid or deemed
4 paid under Sections 951 through 964 of the Internal
5 Revenue Code, exceed the amount of the modification
6 provided under subparagraph (G) of paragraph (2) of
7 this subsection (b) which is related to such dividends,
8 and including, for taxable years ending on or after
9 December 31, 2008, dividends received from a captive
10 real estate investment trust; plus (ii) 100% of the
11 amount by which dividends, included in taxable income
12 and received, including, for taxable years ending on or
13 after December 31, 1988, dividends received or deemed
14 received or paid or deemed paid under Sections 951
15 through 964 of the Internal Revenue Code and including,
16 for taxable years ending on or after December 31, 2008,
17 dividends received from a captive real estate
18 investment trust, from any such corporation specified
19 in clause (i) that would but for the provisions of
20 Section 1504 (b) (3) of the Internal Revenue Code be
21 treated as a member of the affiliated group which
22 includes the dividend recipient, exceed the amount of
23 the modification provided under subparagraph (G) of
24 paragraph (2) of this subsection (b) which is related
25 to such dividends. This subparagraph (O) is exempt from
26 the provisions of Section 250 of this Act;

1 (P) An amount equal to any contribution made to a
2 job training project established pursuant to the Tax
3 Increment Allocation Redevelopment Act;

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

9 (R) On and after July 20, 1999, in the case of an
10 attorney-in-fact with respect to whom an interinsurer
11 or a reciprocal insurer has made the election under
12 Section 835 of the Internal Revenue Code, 26 U.S.C.
13 835, an amount equal to the excess, if any, of the
14 amounts paid or incurred by that interinsurer or
15 reciprocal insurer in the taxable year to the
16 attorney-in-fact over the deduction allowed to that
17 interinsurer or reciprocal insurer with respect to the
18 attorney-in-fact under Section 835(b) of the Internal
19 Revenue Code for the taxable year; the provisions of
20 this subparagraph are exempt from the provisions of
21 Section 250;

22 (S) For taxable years ending on or after December
23 31, 1997, in the case of a Subchapter S corporation, an
24 amount equal to all amounts of income allocable to a
25 shareholder subject to the Personal Property Tax
26 Replacement Income Tax imposed by subsections (c) and

1 (d) of Section 201 of this Act, including amounts
2 allocable to organizations exempt from federal income
3 tax by reason of Section 501(a) of the Internal Revenue
4 Code. This subparagraph (S) is exempt from the
5 provisions of Section 250;

6 (T) 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 (T) is exempt from the provisions of
15 Section 250;

16 (U) 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 (E-10), 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 (E-10), 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 (U) is exempt from the
6 provisions of Section 250;

7 (V) 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, (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, and (iii) any insurance premium
23 income (net of deductions allocable thereto) taken
24 into account for the taxable year with respect to a
25 transaction with a taxpayer that is required to make an
26 addition modification with respect to such transaction

1 under Section 203(a)(2)(D-19), Section
2 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
3 203(d)(2)(D-9), but not to exceed the amount of that
4 addition modification. This subparagraph (V) is exempt
5 from the provisions of Section 250;

6 (W) An amount equal to the interest income taken
7 into account for the taxable year (net of the
8 deductions allocable thereto) with respect to
9 transactions with (i) a foreign person who would be a
10 member of the taxpayer's unitary business group but for
11 the fact that the foreign person's business activity
12 outside the United States is 80% or more of that
13 person's total business activity and (ii) for taxable
14 years ending on or after December 31, 2008, to a person
15 who would be a member of the same unitary business
16 group but for the fact that the person is prohibited
17 under Section 1501(a)(27) from being included in the
18 unitary business group because he or she is ordinarily
19 required to apportion business income under different
20 subsections of Section 304, but not to exceed the
21 addition modification required to be made for the same
22 taxable year under Section 203(b)(2)(E-12) for
23 interest paid, accrued, or incurred, directly or
24 indirectly, to the same person. This subparagraph (W)
25 is exempt from the provisions of Section 250; and

26 (X) An amount equal to the income from intangible

1 property taken into account for the taxable year (net
2 of the deductions allocable thereto) with respect to
3 transactions with (i) a foreign person who would be a
4 member of the taxpayer's unitary business group but for
5 the fact that the foreign person's business activity
6 outside the United States is 80% or more of that
7 person's total business activity and (ii) for taxable
8 years ending on or after December 31, 2008, to a person
9 who would be a member of the same unitary business
10 group but for the fact that the person is prohibited
11 under Section 1501(a)(27) from being included in the
12 unitary business group because he or she is ordinarily
13 required to apportion business income under different
14 subsections of Section 304, but not to exceed the
15 addition modification required to be made for the same
16 taxable year under Section 203(b)(2)(E-13) for
17 intangible expenses and costs paid, accrued, or
18 incurred, directly or indirectly, to the same foreign
19 person. This subparagraph (X) is exempt from the
20 provisions of Section 250. ~~(Y)~~

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

25 (c) Trusts and estates.

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

4 (2) Modifications. Subject to the provisions of
5 paragraph (3), the taxable income referred to in paragraph
6 (1) shall be modified by adding thereto the sum of the
7 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 taxable income;

12 (B) In the case of (i) an estate, \$600; (ii) a
13 trust which, under its governing instrument, is
14 required to distribute all of its income currently,
15 \$300; and (iii) any other trust, \$100, but in each such
16 case, only to the extent such amount was deducted in
17 the computation of taxable income;

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

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

25 (E) For taxable years in which a net operating loss
26 carryback or carryforward from a taxable year ending

1 prior to December 31, 1986 is an element of taxable
2 income under paragraph (1) of subsection (e) or
3 subparagraph (E) of paragraph (2) of subsection (e),
4 the amount by which addition modifications other than
5 those provided by this subparagraph (E) exceeded
6 subtraction modifications in such taxable year, with
7 the following limitations applied in the order that
8 they are listed:

9 (i) the addition modification relating to the
10 net operating loss carried back or forward to the
11 taxable year from any taxable year ending prior to
12 December 31, 1986 shall be reduced by the amount of
13 addition modification under this subparagraph (E)
14 which related to that net operating loss and which
15 was taken into account in calculating the base
16 income of an earlier taxable year, and

17 (ii) the addition modification relating to the
18 net operating loss carried back or forward to the
19 taxable year from any taxable year ending prior to
20 December 31, 1986 shall not exceed the amount of
21 such carryback or carryforward;

22 For taxable years in which there is a net operating
23 loss carryback or carryforward from more than one other
24 taxable year ending prior to December 31, 1986, the
25 addition modification provided in this subparagraph
26 (E) shall be the sum of the amounts computed

1 independently under the preceding provisions of this
2 subparagraph (E) for each such taxable year;

3 (F) For taxable years ending on or after January 1,
4 1989, an amount equal to the tax deducted pursuant to
5 Section 164 of the Internal Revenue Code if the trust
6 or estate is claiming the same tax for purposes of the
7 Illinois foreign tax credit under Section 601 of this
8 Act;

9 (G) An amount equal to the amount of the capital
10 gain deduction allowable under the Internal Revenue
11 Code, to the extent deducted from gross income in the
12 computation of taxable income;

13 (G-5) For taxable years ending after December 31,
14 1997, an amount equal to any eligible remediation costs
15 that the trust or estate deducted in computing adjusted
16 gross income and for which the trust or estate claims a
17 credit under subsection (l) of Section 201;

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

23 (G-11) If the taxpayer sells, transfers, abandons,
24 or otherwise disposes of property for which the
25 taxpayer was required in any taxable year to make an
26 addition modification under subparagraph (G-10), then

1 an amount equal to the aggregate amount of the
2 deductions taken in all taxable years under
3 subparagraph (R) with respect to that property.

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

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

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

15 This paragraph shall not apply to the following:

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

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

1 (a) the person, during the same taxable
2 year, paid, accrued, or incurred, the interest
3 to a person that is not a related member, and

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

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

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

24 Nothing in this subsection shall preclude the
25 Director from making any other adjustment
26 otherwise allowed under Section 404 of this Act for

1 any tax year beginning after the effective date of
2 this amendment provided such adjustment is made
3 pursuant to regulation adopted by the Department
4 and such regulations provide methods and standards
5 by which the Department will utilize its authority
6 under Section 404 of this Act;

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

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

26 This paragraph shall not apply to the following:

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

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

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

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

24 (iii) any item of intangible expense or cost
25 paid, accrued, or incurred, directly or
26 indirectly, from a transaction with a person if the

1 taxpayer establishes by clear and convincing
2 evidence, that the adjustments are unreasonable;
3 or if the taxpayer and the Director agree in
4 writing to the application or use of an alternative
5 method of apportionment under Section 304(f);

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

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

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

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

17 (H) An amount equal to all amounts included in such
18 total pursuant to the provisions of Sections 402(a),
19 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the
20 Internal Revenue Code or included in such total as
21 distributions under the provisions of any retirement
22 or disability plan for employees of any governmental
23 agency or unit, or retirement payments to retired
24 partners, which payments are excluded in computing net
25 earnings from self employment by Section 1402 of the
26 Internal Revenue Code and regulations adopted pursuant

1 thereto;

2 (I) The valuation limitation amount;

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

6 (K) An amount equal to all amounts included in
7 taxable income as modified by subparagraphs (A), (B),
8 (C), (D), (E), (F) and (G) which are exempt from
9 taxation by this State either by reason of its statutes
10 or Constitution or by reason of the Constitution,
11 treaties or statutes of the United States; provided
12 that, in the case of any statute of this State that
13 exempts income derived from bonds or other obligations
14 from the tax imposed under this Act, the amount
15 exempted shall be the interest net of bond premium
16 amortization;

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

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

4 (M) 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 or
8 a River Edge Redevelopment Zone or zones created under
9 the River Edge Redevelopment Zone Act and conducts
10 substantially all of its operations in an Enterprise
11 Zone or Zones or a River Edge Redevelopment Zone or
12 zones. This subparagraph (M) is exempt from the
13 provisions of Section 250;

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

17 (O) 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 (M) of paragraph (2) of this subsection
24 shall not be eligible for the deduction provided under
25 this subparagraph (O);

26 (P) An amount equal to the amount of the deduction

1 used to compute the federal income tax credit for
2 restoration of substantial amounts held under claim of
3 right for the taxable year pursuant to Section 1341 of
4 the Internal Revenue Code of 1986;

5 (Q) For taxable year 1999 and thereafter, an amount
6 equal to the amount of any (i) distributions, to the
7 extent includible in gross income for federal income
8 tax purposes, made to the taxpayer because of his or
9 her status as a victim of persecution for racial or
10 religious reasons by Nazi Germany or any other Axis
11 regime or as an heir of the victim and (ii) items of
12 income, to the extent includible in gross income for
13 federal income tax purposes, attributable to, derived
14 from or in any way related to assets stolen from,
15 hidden from, or otherwise lost to a victim of
16 persecution for racial or religious reasons by Nazi
17 Germany or any other Axis regime immediately prior to,
18 during, and immediately after World War II, including,
19 but not limited to, interest on the proceeds receivable
20 as insurance under policies issued to a victim of
21 persecution for racial or religious reasons by Nazi
22 Germany or any other Axis regime by European insurance
23 companies immediately prior to and during World War II;
24 provided, however, this subtraction from federal
25 adjusted gross income does not apply to assets acquired
26 with such assets or with the proceeds from the sale of

1 such assets; provided, further, this paragraph shall
2 only apply to a taxpayer who was the first recipient of
3 such assets after their recovery and who is a victim of
4 persecution for racial or religious reasons by Nazi
5 Germany or any other Axis regime or as an heir of the
6 victim. The amount of and the eligibility for any
7 public assistance, benefit, or similar entitlement is
8 not affected by the inclusion of items (i) and (ii) of
9 this paragraph in gross income for federal income tax
10 purposes. This paragraph is exempt from the provisions
11 of Section 250;

12 (R) For taxable years 2001 and thereafter, for the
13 taxable year in which the bonus depreciation deduction
14 is taken on the taxpayer's federal income tax return
15 under subsection (k) of Section 168 of the Internal
16 Revenue Code and for each applicable taxable year
17 thereafter, an amount equal to "x", where:

18 (1) "y" equals the amount of the depreciation
19 deduction taken for the taxable year on the
20 taxpayer's federal income tax return on property
21 for which the bonus depreciation deduction was
22 taken in any year under subsection (k) of Section
23 168 of the Internal Revenue Code, but not including
24 the bonus depreciation deduction;

25 (2) for taxable years ending on or before
26 December 31, 2005, "x" equals "y" multiplied by 30

1 and then divided by 70 (or "y" multiplied by
2 0.429); and

3 (3) for taxable years ending after December
4 31, 2005:

5 (i) for property on which a bonus
6 depreciation deduction of 30% of the adjusted
7 basis was taken, "x" equals "y" multiplied by
8 30 and then divided by 70 (or "y" multiplied by
9 0.429); and

10 (ii) for property on which a bonus
11 depreciation deduction of 50% of the adjusted
12 basis was taken, "x" equals "y" multiplied by
13 1.0.

14 The aggregate amount deducted under this
15 subparagraph in all taxable years for any one piece of
16 property may not exceed the amount of the bonus
17 depreciation deduction taken on that property on the
18 taxpayer's federal income tax return under subsection
19 (k) of Section 168 of the Internal Revenue Code. This
20 subparagraph (R) is exempt from the provisions of
21 Section 250;

22 (S) If the taxpayer sells, transfers, abandons, or
23 otherwise disposes of property for which the taxpayer
24 was required in any taxable year to make an addition
25 modification under subparagraph (G-10), then an amount
26 equal to that addition modification.

1 If the taxpayer continues to own property through
2 the last day of the last tax year for which the
3 taxpayer may claim a depreciation deduction for
4 federal income tax purposes and for which the taxpayer
5 was required in any taxable year to make an addition
6 modification under subparagraph (G-10), then an amount
7 equal to that addition modification.

8 The taxpayer is allowed to take the deduction under
9 this subparagraph only once with respect to any one
10 piece of property.

11 This subparagraph (S) is exempt from the
12 provisions of Section 250;

13 (T) The amount of (i) any interest income (net of
14 the deductions allocable thereto) taken into account
15 for the taxable year with respect to a transaction with
16 a taxpayer that is required to make an addition
17 modification with respect to such transaction under
18 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
19 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
20 the amount of such addition modification and (ii) any
21 income from intangible property (net of the deductions
22 allocable thereto) taken into account for the taxable
23 year with respect to a transaction with a taxpayer that
24 is required to make an addition modification with
25 respect to such transaction under Section
26 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or

1 203(d)(2)(D-8), but not to exceed the amount of such
2 addition modification. This subparagraph (T) is exempt
3 from the provisions of Section 250;

4 (U) An amount equal to the interest income taken
5 into account for the taxable year (net of the
6 deductions allocable thereto) with respect to
7 transactions with (i) a foreign person who would be a
8 member of the taxpayer's unitary business group but for
9 the fact the foreign person's business activity
10 outside the United States is 80% or more of that
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, but not to exceed the
19 addition modification required to be made for the same
20 taxable year under Section 203(c)(2)(G-12) for
21 interest paid, accrued, or incurred, directly or
22 indirectly, to the same person. This subparagraph (U)
23 is exempt from the provisions of Section 250; and

24 (V) An amount equal to the income from intangible
25 property taken into account for the taxable year (net
26 of the 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(c)(2)(G-13) for
15 intangible expenses and costs paid, accrued, or
16 incurred, directly or indirectly, to the same foreign
17 person. This subparagraph (V) is exempt from the
18 provisions of Section 250. ~~(W)~~

19 (3) Limitation. The amount of any modification
20 otherwise required under this subsection shall, under
21 regulations prescribed by the Department, be adjusted by
22 any amounts included therein which were properly paid,
23 credited, or required to be distributed, or permanently set
24 aside for charitable purposes pursuant to Internal Revenue
25 Code Section 642(c) during the taxable year.

1 (d) Partnerships.

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

5 (2) Modifications. The taxable income referred to in
6 paragraph (1) shall be modified by adding thereto the sum
7 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 taxable income;

12 (B) An amount equal to the amount of tax imposed by
13 this Act to the extent deducted from gross income for
14 the taxable year;

15 (C) The amount of deductions allowed to the
16 partnership pursuant to Section 707 (c) of the Internal
17 Revenue Code in calculating its taxable income;
18 provided that no addition shall be required under this
19 subparagraph (C) for taxable years ending on or after
20 December 31, 2009, for deductions allowed for
21 guaranteed payments to an individual partner for
22 personal services by that partner;

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

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

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

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

20 The taxpayer is required to make the addition
21 modification under this subparagraph only once with
22 respect to any one piece of property;

23 (D-7) An amount equal to the amount otherwise
24 allowed as a deduction in computing base income for
25 interest paid, accrued, or incurred, directly or
26 indirectly, (i) for taxable years ending on or after

1 December 31, 2004, to a foreign person who would be a
2 member of the same unitary business group but for the
3 fact the foreign person's business activity outside
4 the United States is 80% or more of the foreign
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. The addition modification
13 required by this subparagraph shall be reduced to the
14 extent that dividends were included in base income of
15 the unitary group for the same taxable year and
16 received by the taxpayer or by a member of the
17 taxpayer's unitary business group (including amounts
18 included in gross income pursuant to Sections 951
19 through 964 of the Internal Revenue Code and amounts
20 included in gross income under Section 78 of the
21 Internal Revenue Code) with respect to the stock of the
22 same person to whom the interest was paid, accrued, or
23 incurred.

24 This paragraph shall not apply to the following:

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

1 is subject in a foreign country or state, other
2 than a state which requires mandatory unitary
3 reporting, to a tax on or measured by net income
4 with respect to such interest; or

5 (ii) an item of interest paid, accrued, or
6 incurred, directly or indirectly, to a person if
7 the taxpayer can establish, based on a
8 preponderance of the evidence, both of the
9 following:

10 (a) the person, during the same taxable
11 year, paid, accrued, or incurred, the interest
12 to a person that is not a related member, and

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

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

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

1 incurred, directly or indirectly, to a person if
2 the taxpayer establishes by clear and convincing
3 evidence that the adjustments are unreasonable; or
4 if the taxpayer and the Director agree in writing
5 to the application or use of an alternative method
6 of apportionment under Section 304(f).

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

16 (D-8) An amount equal to the amount of intangible
17 expenses and costs otherwise allowed as a deduction in
18 computing base income, and that were paid, accrued, or
19 incurred, directly or indirectly, (i) for taxable
20 years ending on or after December 31, 2004, to a
21 foreign person who would be a member of the same
22 unitary business group but for the fact that the
23 foreign person's business activity outside the United
24 States is 80% or more of that person's total business
25 activity and (ii) for taxable years ending on or after
26 December 31, 2008, to a person who would be a member of

1 the same unitary business group but for the fact that
2 the person is prohibited under Section 1501(a)(27)
3 from being included in the unitary business group
4 because he or she is ordinarily required to apportion
5 business income under different subsections of Section
6 304. The addition modification required by this
7 subparagraph shall be reduced to the extent that
8 dividends were included in base income of the unitary
9 group for the same taxable year and received by the
10 taxpayer or by a member of the taxpayer's unitary
11 business group (including amounts included in gross
12 income pursuant to Sections 951 through 964 of the
13 Internal Revenue Code and amounts included in gross
14 income under Section 78 of the Internal Revenue Code)
15 with respect to the stock of the same person to whom
16 the intangible expenses and costs were directly or
17 indirectly paid, incurred or accrued. The preceding
18 sentence shall not apply to the extent that the same
19 dividends caused a reduction to the addition
20 modification required under Section 203(d)(2)(D-7) of
21 this Act. As used in this subparagraph, the term
22 "intangible expenses and costs" includes (1) expenses,
23 losses, and costs for, or related to, the direct or
24 indirect acquisition, use, maintenance or management,
25 ownership, sale, exchange, or any other disposition of
26 intangible property; (2) losses incurred, directly or

1 indirectly, from factoring transactions or discounting
2 transactions; (3) royalty, patent, technical, and
3 copyright fees; (4) licensing fees; and (5) other
4 similar expenses and costs. For purposes of this
5 subparagraph, "intangible property" includes patents,
6 patent applications, trade names, trademarks, service
7 marks, copyrights, mask works, trade secrets, and
8 similar types of intangible assets;

9 This paragraph shall not apply to the following:

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

17 (ii) any item of intangible expense or cost
18 paid, accrued, or incurred, directly or
19 indirectly, if the taxpayer can establish, based
20 on a preponderance of the evidence, both of the
21 following:

22 (a) the person during the same taxable
23 year paid, accrued, or incurred, the
24 intangible expense or cost to a person that is
25 not a related member, and

26 (b) the transaction giving rise to the

1 intangible expense or cost between the
2 taxpayer and the person did not have as a
3 principal purpose the avoidance of Illinois
4 income tax, and is paid pursuant to a contract
5 or agreement that reflects arm's-length terms;
6 or

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

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

24 (D-9) For taxable years ending on or after December
25 31, 2008, an amount equal to the amount of insurance
26 premium expenses and costs otherwise allowed as a

1 deduction in computing base income, and that were paid,
2 accrued, or incurred, directly or indirectly, to a
3 person who would be a member of the same unitary
4 business group but for the fact that the person is
5 prohibited under Section 1501(a)(27) from being
6 included in the unitary business group because he or
7 she is ordinarily required to apportion business
8 income under different subsections of Section 304. The
9 addition modification required by this subparagraph
10 shall be reduced to the extent that dividends were
11 included in base income of the unitary group for the
12 same taxable year and received by the taxpayer or by a
13 member of the taxpayer's unitary business group
14 (including amounts included in gross income under
15 Sections 951 through 964 of the Internal Revenue Code
16 and amounts included in gross income under Section 78
17 of the Internal Revenue Code) with respect to the stock
18 of the same person to whom the premiums and costs were
19 directly or indirectly paid, incurred, or accrued. The
20 preceding sentence does not apply to the extent that
21 the same dividends caused a reduction to the addition
22 modification required under Section 203(d)(2)(D-7) or
23 Section 203(d)(2)(D-8) of this Act.

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

26 (E) The valuation limitation amount;

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

4 (G) An amount equal to all amounts included in
5 taxable income as modified by subparagraphs (A), (B),
6 (C) and (D) which are exempt from taxation by this
7 State either by reason of its statutes or Constitution
8 or by reason of the Constitution, treaties or statutes
9 of the United States; provided that, in the case of any
10 statute of this State that exempts income derived from
11 bonds or other obligations from the tax imposed under
12 this Act, the amount exempted shall be the interest net
13 of bond premium amortization;

14 (H) For taxable years ending before December 31,
15 2009, Any income of the partnership which constitutes
16 personal service income as defined in Section 1348 (b)
17 (1) of the Internal Revenue Code (as in effect December
18 31, 1981) or a reasonable allowance for compensation
19 paid or accrued for services rendered by partners to
20 the partnership, whichever is greater;

21 (I) An amount equal to all amounts of income
22 distributable to an entity subject to the Personal
23 Property Tax Replacement Income Tax imposed by
24 subsections (c) and (d) of Section 201 of this Act
25 including amounts distributable to organizations
26 exempt from federal income tax by reason of Section

1 501(a) of the Internal Revenue Code;

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

15 (K) An amount equal to those dividends included in
16 such total which were paid by a corporation which
17 conducts business operations in an Enterprise Zone or
18 zones created under the Illinois Enterprise Zone Act,
19 enacted by the 82nd General Assembly, or a River Edge
20 Redevelopment Zone or zones created under the River
21 Edge Redevelopment Zone Act and conducts substantially
22 all of its operations in an Enterprise Zone or Zones or
23 from a River Edge Redevelopment Zone or zones. This
24 subparagraph (K) is exempt from the provisions of
25 Section 250;

26 (L) An amount equal to any contribution made to a

1 job training project established pursuant to the Real
2 Property Tax Increment Allocation Redevelopment Act;

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

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

17 (O) For taxable years 2001 and thereafter, for the
18 taxable year in which the bonus depreciation deduction
19 is taken on the taxpayer's federal income tax return
20 under subsection (k) of Section 168 of the Internal
21 Revenue Code and for each applicable taxable year
22 thereafter, an amount equal to "x", where:

23 (1) "y" equals the amount of the depreciation
24 deduction taken for the taxable year on the
25 taxpayer's federal income tax return on property
26 for which the bonus depreciation deduction was

1 taken in any year under subsection (k) of Section
2 168 of the Internal Revenue Code, but not including
3 the bonus depreciation deduction;

4 (2) for taxable years ending on or before
5 December 31, 2005, "x" equals "y" multiplied by 30
6 and then divided by 70 (or "y" multiplied by
7 0.429); and

8 (3) for taxable years ending after December
9 31, 2005:

10 (i) for property on which a bonus
11 depreciation deduction of 30% of the adjusted
12 basis was taken, "x" equals "y" multiplied by
13 30 and then divided by 70 (or "y" multiplied by
14 0.429); and

15 (ii) for property on which a bonus
16 depreciation deduction of 50% of the adjusted
17 basis was taken, "x" equals "y" multiplied by
18 1.0.

19 The aggregate amount deducted under this
20 subparagraph in all taxable years for any one piece of
21 property may not exceed the amount of the bonus
22 depreciation deduction taken on that property on the
23 taxpayer's federal income tax return under subsection
24 (k) of Section 168 of the Internal Revenue Code. This
25 subparagraph (O) is exempt from the provisions of
26 Section 250;

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

6 If the taxpayer continues to own property through
7 the last day of the last tax year for which the
8 taxpayer may claim a depreciation deduction for
9 federal income tax purposes and for which the taxpayer
10 was required in any taxable year to make an addition
11 modification under subparagraph (D-5), then an amount
12 equal to that addition modification.

13 The taxpayer is allowed to take the deduction under
14 this subparagraph only once with respect to any one
15 piece of property.

16 This subparagraph (P) is exempt from the
17 provisions of Section 250;

18 (Q) The amount of (i) any interest income (net of
19 the deductions allocable thereto) taken into account
20 for the taxable year with respect to a transaction with
21 a taxpayer that is required to make an addition
22 modification with respect to such transaction under
23 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
24 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
25 the amount of such addition modification and (ii) any
26 income from intangible property (net of the deductions

1 allocable thereto) taken into account for the taxable
2 year with respect to a transaction with a taxpayer that
3 is required to make an addition modification with
4 respect to such transaction under Section
5 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
6 203(d)(2)(D-8), but not to exceed the amount of such
7 addition modification. This subparagraph (Q) is exempt
8 from Section 250;

9 (R) An amount equal to the interest income taken
10 into account for the taxable year (net of the
11 deductions allocable thereto) with respect to
12 transactions with (i) a foreign person who would be a
13 member of the taxpayer's unitary business group but for
14 the fact that the foreign person's business activity
15 outside the United States is 80% or more of that
16 person's total business activity and (ii) for taxable
17 years ending on or after December 31, 2008, to a person
18 who would be a member of the same unitary business
19 group but for the fact that the person is prohibited
20 under Section 1501(a)(27) from being included in the
21 unitary business group because he or she is ordinarily
22 required to apportion business income under different
23 subsections of Section 304, but not to exceed the
24 addition modification required to be made for the same
25 taxable year under Section 203(d)(2)(D-7) for interest
26 paid, accrued, or incurred, directly or indirectly, to

1 the same person. This subparagraph (R) is exempt from
2 Section 250; and

3 (S) An amount equal to the income from intangible
4 property taken into account for the taxable year (net
5 of the deductions allocable thereto) with respect to
6 transactions with (i) a foreign person who would be a
7 member of the taxpayer's unitary business group but for
8 the fact that the foreign person's business activity
9 outside the United States is 80% or more of that
10 person's total business activity and (ii) for taxable
11 years ending on or after December 31, 2008, to a person
12 who would be a member of the same unitary business
13 group but for the fact that the person is prohibited
14 under Section 1501(a)(27) from being included in the
15 unitary business group because he or she is ordinarily
16 required to apportion business income under different
17 subsections of Section 304, but not to exceed the
18 addition modification required to be made for the same
19 taxable year under Section 203(d)(2)(D-8) for
20 intangible expenses and costs paid, accrued, or
21 incurred, directly or indirectly, to the same person.
22 This subparagraph (S) is exempt from Section 250. ~~(T)~~

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

24 (1) In general. Subject to the provisions of paragraph
25 (2) and subsection (b) (3), for purposes of this Section

1 and Section 803(e), a taxpayer's gross income, adjusted
2 gross income, or taxable income for the taxable year shall
3 mean the amount of gross income, adjusted gross income or
4 taxable income properly reportable for federal income tax
5 purposes for the taxable year under the provisions of the
6 Internal Revenue Code. Taxable income may be less than
7 zero. However, for taxable years ending on or after
8 December 31, 1986, net operating loss carryforwards from
9 taxable years ending prior to December 31, 1986, may not
10 exceed the sum of federal taxable income for the taxable
11 year before net operating loss deduction, plus the excess
12 of addition modifications over subtraction modifications
13 for the taxable year. For taxable years ending prior to
14 December 31, 1986, taxable income may never be an amount in
15 excess of the net operating loss for the taxable year as
16 defined in subsections (c) and (d) of Section 172 of the
17 Internal Revenue Code, provided that when taxable income of
18 a corporation (other than a Subchapter S corporation),
19 trust, or estate is less than zero and addition
20 modifications, other than those provided by subparagraph
21 (E) of paragraph (2) of subsection (b) for corporations or
22 subparagraph (E) of paragraph (2) of subsection (c) for
23 trusts and estates, exceed subtraction modifications, an
24 addition modification must be made under those
25 subparagraphs for any other taxable year to which the
26 taxable income less than zero (net operating loss) is

1 applied under Section 172 of the Internal Revenue Code or
2 under subparagraph (E) of paragraph (2) of this subsection
3 (e) applied in conjunction with Section 172 of the Internal
4 Revenue Code.

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

8 (A) Certain life insurance companies. In the case
9 of a life insurance company subject to the tax imposed
10 by Section 801 of the Internal Revenue Code, life
11 insurance company taxable income, plus the amount of
12 distribution from pre-1984 policyholder surplus
13 accounts as calculated under Section 815a of the
14 Internal Revenue Code;

15 (B) Certain other insurance companies. In the case
16 of mutual insurance companies subject to the tax
17 imposed by Section 831 of the Internal Revenue Code,
18 insurance company taxable income;

19 (C) Regulated investment companies. In the case of
20 a regulated investment company subject to the tax
21 imposed by Section 852 of the Internal Revenue Code,
22 investment company taxable income;

23 (D) Real estate investment trusts. In the case of a
24 real estate investment trust subject to the tax imposed
25 by Section 857 of the Internal Revenue Code, real
26 estate investment trust taxable income;

1 (E) Consolidated corporations. In the case of a
2 corporation which is a member of an affiliated group of
3 corporations filing a consolidated income tax return
4 for the taxable year for federal income tax purposes,
5 taxable income determined as if such corporation had
6 filed a separate return for federal income tax purposes
7 for the taxable year and each preceding taxable year
8 for which it was a member of an affiliated group. For
9 purposes of this subparagraph, the taxpayer's separate
10 taxable income shall be determined as if the election
11 provided by Section 243(b) (2) of the Internal Revenue
12 Code had been in effect for all such years;

13 (F) Cooperatives. In the case of a cooperative
14 corporation or association, the taxable income of such
15 organization determined in accordance with the
16 provisions of Section 1381 through 1388 of the Internal
17 Revenue Code;

18 (G) Subchapter S corporations. In the case of: (i)
19 a Subchapter S corporation for which there is in effect
20 an election for the taxable year under Section 1362 of
21 the Internal Revenue Code, the taxable income of such
22 corporation determined in accordance with Section
23 1363(b) of the Internal Revenue Code, except that
24 taxable income shall take into account those items
25 which are required by Section 1363(b)(1) of the
26 Internal Revenue Code to be separately stated; and (ii)

1 a Subchapter S corporation for which there is in effect
2 a federal election to opt out of the provisions of the
3 Subchapter S Revision Act of 1982 and have applied
4 instead the prior federal Subchapter S rules as in
5 effect on July 1, 1982, the taxable income of such
6 corporation determined in accordance with the federal
7 Subchapter S rules as in effect on July 1, 1982; and

8 (H) Partnerships. In the case of a partnership,
9 taxable income determined in accordance with Section
10 703 of the Internal Revenue Code, except that taxable
11 income shall take into account those items which are
12 required by Section 703(a)(1) to be separately stated
13 but which would be taken into account by an individual
14 in calculating his taxable income.

15 (3) Recapture of business expenses on disposition of
16 asset or business. Notwithstanding any other law to the
17 contrary, if in prior years income from an asset or
18 business has been classified as business income and in a
19 later year is demonstrated to be non-business income, then
20 all expenses, without limitation, deducted in such later
21 year and in the 2 immediately preceding taxable years
22 related to that asset or business that generated the
23 non-business income shall be added back and recaptured as
24 business income in the year of the disposition of the asset
25 or business. Such amount shall be apportioned to Illinois
26 using the greater of the apportionment fraction computed

1 for the business under Section 304 of this Act for the
2 taxable year or the average of the apportionment fractions
3 computed for the business under Section 304 of this Act for
4 the taxable year and for the 2 immediately preceding
5 taxable years.

6 (f) Valuation limitation amount.

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

10 (A) The sum of the pre-August 1, 1969 appreciation
11 amounts (to the extent consisting of gain reportable
12 under the provisions of Section 1245 or 1250 of the
13 Internal Revenue Code) for all property in respect of
14 which such gain was reported for the taxable year; plus

15 (B) The lesser of (i) the sum of the pre-August 1,
16 1969 appreciation amounts (to the extent consisting of
17 capital gain) for all property in respect of which such
18 gain was reported for federal income tax purposes for
19 the taxable year, or (ii) the net capital gain for the
20 taxable year, reduced in either case by any amount of
21 such gain included in the amount determined under
22 subsection (a) (2) (F) or (c) (2) (H).

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

24 (A) If the fair market value of property referred
25 to in paragraph (1) was readily ascertainable on August

1 1, 1969, the pre-August 1, 1969 appreciation amount for
2 such property is the lesser of (i) the excess of such
3 fair market value over the taxpayer's basis (for
4 determining gain) for such property on that date
5 (determined under the Internal Revenue Code as in
6 effect on that date), or (ii) the total gain realized
7 and reportable for federal income tax purposes in
8 respect of the sale, exchange or other disposition of
9 such property.

10 (B) If the fair market value of property referred
11 to in paragraph (1) was not readily ascertainable on
12 August 1, 1969, the pre-August 1, 1969 appreciation
13 amount for such property is that amount which bears the
14 same ratio to the total gain reported in respect of the
15 property for federal income tax purposes for the
16 taxable year, as the number of full calendar months in
17 that part of the taxpayer's holding period for the
18 property ending July 31, 1969 bears to the number of
19 full calendar months in the taxpayer's entire holding
20 period for the property.

21 (C) The Department shall prescribe such
22 regulations as may be necessary to carry out the
23 purposes of this paragraph.

24 (g) Double deductions. Unless specifically provided
25 otherwise, nothing in this Section shall permit the same item

1 to be deducted more than once.

2 (h) Legislative intention. Except as expressly provided by
3 this Section there shall be no modifications or limitations on
4 the amounts of income, gain, loss or deduction taken into
5 account in determining gross income, adjusted gross income or
6 taxable income for federal income tax purposes for the taxable
7 year, or in the amount of such items entering into the
8 computation of base income and net income under this Act for
9 such taxable year, whether in respect of property values as of
10 August 1, 1969 or otherwise.

11 (Source: P.A. 94-776, eff. 5-19-06; 94-789, eff. 5-19-06;
12 94-1021, eff. 7-12-06; 94-1074, eff. 12-26-06; 95-23, eff.
13 8-3-07; 95-233, eff. 8-16-07; 95-286, eff. 8-20-07; 95-331,
14 eff. 8-21-07; 95-707, eff. 1-11-08; 95-876, eff. 8-21-08;
15 revised 10-15-08.)

16 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

17 Sec. 901. Collection Authority.

18 (a) In general.

19 The Department shall collect the taxes imposed by this Act.
20 The Department shall collect certified past due child support
21 amounts under Section 2505-650 of the Department of Revenue Law
22 (20 ILCS 2505/2505-650). Except as provided in subsections (c)
23 and (e) of this Section, money collected pursuant to
24 subsections (a) and (b) of Section 201 of this Act shall be

1 paid into the General Revenue Fund in the State treasury; money
2 collected pursuant to subsections (c) and (d) of Section 201 of
3 this Act shall be paid into the Personal Property Tax
4 Replacement Fund, a special fund in the State Treasury; and
5 money collected under Section 2505-650 of the Department of
6 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
7 Child Support Enforcement Trust Fund, a special fund outside
8 the State Treasury, or to the State Disbursement Unit
9 established under Section 10-26 of the Illinois Public Aid
10 Code, as directed by the Department of Healthcare and Family
11 Services.

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

13 Beginning August 1, 1969, and continuing through June 30,
14 1994, the Treasurer shall transfer each month from the General
15 Revenue Fund to a special fund in the State treasury, to be
16 known as the "Local Government Distributive Fund", an amount
17 equal to 1/12 of the net revenue realized from the tax imposed
18 by subsections (a) and (b) of Section 201 of this Act during
19 the preceding month. Beginning July 1, 1994, and continuing
20 through June 30, 1995, the Treasurer shall transfer each month
21 from the General Revenue Fund to the Local Government
22 Distributive Fund an amount equal to 1/11 of the net revenue
23 realized from the tax imposed by subsections (a) and (b) of
24 Section 201 of this Act during the preceding month. Beginning
25 July 1, 1995, the Treasurer shall transfer each month from the
26 General Revenue Fund to the Local Government Distributive Fund

1 an amount equal to the net of (i) 1/10 of the net revenue
2 realized from the tax imposed by subsections (a) and (b) of
3 Section 201 of the Illinois Income Tax Act during the preceding
4 month (ii) minus, beginning July 1, 2003 and ending June 30,
5 2004, \$6,666,666, and beginning July 1, 2004, zero. Net revenue
6 realized for a month shall be defined as the revenue from the
7 tax imposed by subsections (a) and (b) of Section 201 of this
8 Act which is deposited in the General Revenue Fund, the
9 Educational Assistance Fund and the Income Tax Surcharge Local
10 Government Distributive Fund during the month minus the amount
11 paid out of the General Revenue Fund in State warrants during
12 that same month as refunds to taxpayers for overpayment of
13 liability under the tax imposed by subsections (a) and (b) of
14 Section 201 of this Act.

15 (c) Deposits Into Income Tax Refund Fund.

16 (1) Beginning on January 1, 1989 and thereafter, the
17 Department shall deposit a percentage of the amounts
18 collected pursuant to subsections (a) and (b)(1), (2), and
19 (3), of Section 201 of this Act into a fund in the State
20 treasury known as the Income Tax Refund Fund. The
21 Department shall deposit 6% of such amounts during the
22 period beginning January 1, 1989 and ending on June 30,
23 1989. Beginning with State fiscal year 1990 and for each
24 fiscal year thereafter, the percentage deposited into the
25 Income Tax Refund Fund during a fiscal year shall be the
26 Annual Percentage. For fiscal years 1999 through 2001, the

1 Annual Percentage shall be 7.1%. For fiscal year 2003, the
2 Annual Percentage shall be 8%. For fiscal year 2004, the
3 Annual Percentage shall be 11.7%. Upon the effective date
4 of this amendatory Act of the 93rd General Assembly, the
5 Annual Percentage shall be 10% for fiscal year 2005. For
6 fiscal year 2006, the Annual Percentage shall be 9.75%. For
7 fiscal year 2007, the Annual Percentage shall be 9.75%. For
8 fiscal year 2008, the Annual Percentage shall be 7.75%. For
9 fiscal year 2009, the Annual Percentage shall be 9.75%. For
10 fiscal year 2010, the Annual Percentage shall be 9.75%. For
11 all other fiscal years, the Annual Percentage shall be
12 calculated as a fraction, the numerator of which shall be
13 the amount of refunds approved for payment by the
14 Department during the preceding fiscal year as a result of
15 overpayment of tax liability under subsections (a) and
16 (b) (1), (2), and (3) of Section 201 of this Act plus the
17 amount of such refunds remaining approved but unpaid at the
18 end of the preceding fiscal year, minus the amounts
19 transferred into the Income Tax Refund Fund from the
20 Tobacco Settlement Recovery Fund, and the denominator of
21 which shall be the amounts which will be collected pursuant
22 to subsections (a) and (b) (1), (2), and (3) of Section 201
23 of this Act during the preceding fiscal year; except that
24 in State fiscal year 2002, the Annual Percentage shall in
25 no event exceed 7.6%. The Director of Revenue shall certify
26 the Annual Percentage to the Comptroller on the last

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

3 (2) Beginning on January 1, 1989 and thereafter, the
4 Department shall deposit a percentage of the amounts
5 collected pursuant to subsections (a) and (b)(6), (7), and
6 (8), (c) and (d) of Section 201 of this Act into a fund in
7 the State treasury known as the Income Tax Refund Fund. The
8 Department shall deposit 18% of such amounts during the
9 period beginning January 1, 1989 and ending on June 30,
10 1989. Beginning with State fiscal year 1990 and for each
11 fiscal year thereafter, the percentage deposited into the
12 Income Tax Refund Fund during a fiscal year shall be the
13 Annual Percentage. For fiscal years 1999, 2000, and 2001,
14 the Annual Percentage shall be 19%. For fiscal year 2003,
15 the Annual Percentage shall be 27%. For fiscal year 2004,
16 the Annual Percentage shall be 32%. Upon the effective date
17 of this amendatory Act of the 93rd General Assembly, the
18 Annual Percentage shall be 24% for fiscal year 2005. For
19 fiscal year 2006, the Annual Percentage shall be 20%. For
20 fiscal year 2007, the Annual Percentage shall be 17.5%. For
21 fiscal year 2008, the Annual Percentage shall be 15.5%. For
22 fiscal year 2009, the Annual Percentage shall be 17.5%. For
23 fiscal year 2010, the Annual Percentage shall be 17.5%. For
24 all other fiscal years, the Annual Percentage shall be
25 calculated as a fraction, the numerator of which shall be
26 the amount of refunds approved for payment by the

1 Department during the preceding fiscal year as a result of
2 overpayment of tax liability under subsections (a) and
3 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
4 Act plus the amount of such refunds remaining approved but
5 unpaid at the end of the preceding fiscal year, and the
6 denominator of which shall be the amounts which will be
7 collected pursuant to subsections (a) and (b) (6), (7), and
8 (8), (c) and (d) of Section 201 of this Act during the
9 preceding fiscal year; except that in State fiscal year
10 2002, the Annual Percentage shall in no event exceed 23%.
11 The Director of Revenue shall certify the Annual Percentage
12 to the Comptroller on the last business day of the fiscal
13 year immediately preceding the fiscal year for which it is
14 to be effective.

15 (3) The Comptroller shall order transferred and the
16 Treasurer shall transfer from the Tobacco Settlement
17 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
18 in January, 2001, (ii) \$35,000,000 in January, 2002, and
19 (iii) \$35,000,000 in January, 2003.

20 (d) Expenditures from Income Tax Refund Fund.

21 (1) Beginning January 1, 1989, money in the Income Tax
22 Refund Fund shall be expended exclusively for the purpose
23 of paying refunds resulting from overpayment of tax
24 liability under Section 201 of this Act, for paying rebates
25 under Section 208.1 in the event that the amounts in the
26 Homeowners' Tax Relief Fund are insufficient for that

1 purpose, and for making transfers pursuant to this
2 subsection (d).

3 (2) The Director shall order payment of refunds
4 resulting from overpayment of tax liability under Section
5 201 of this Act from the Income Tax Refund Fund only to the
6 extent that amounts collected pursuant to Section 201 of
7 this Act and transfers pursuant to this subsection (d) and
8 item (3) of subsection (c) have been deposited and retained
9 in the Fund.

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

22 (4) As soon as possible after the end of each fiscal
23 year, the Director shall order transferred and the State
24 Treasurer and State Comptroller shall transfer from the
25 Personal Property Tax Replacement Fund to the Income Tax
26 Refund Fund an amount, certified by the Director to the

1 Comptroller, equal to the excess of the amount of refunds
2 resulting from overpayment of tax liability under
3 subsections (c) and (d) of Section 201 of this Act paid
4 from the Income Tax Refund Fund during the fiscal year over
5 the amount collected pursuant to subsections (c) and (d) of
6 Section 201 of this Act deposited into the Income Tax
7 Refund Fund during the fiscal year.

8 (4.5) As soon as possible after the end of fiscal year
9 1999 and of each fiscal year thereafter, the Director shall
10 order transferred and the State Treasurer and State
11 Comptroller shall transfer from the Income Tax Refund Fund
12 to the General Revenue Fund any surplus remaining in the
13 Income Tax Refund Fund as of the end of such fiscal year;
14 excluding for fiscal years 2000, 2001, and 2002 amounts
15 attributable to transfers under item (3) of subsection (c)
16 less refunds resulting from the earned income tax credit.

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

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

23 On July 1, 1991, and thereafter, of the amounts collected
24 pursuant to subsections (a) and (b) of Section 201 of this Act,
25 minus deposits into the Income Tax Refund Fund, the Department
26 shall deposit 7.3% into the Education Assistance Fund in the

1 State Treasury. Beginning July 1, 1991, and continuing through
2 January 31, 1993, of the amounts collected pursuant to
3 subsections (a) and (b) of Section 201 of the Illinois Income
4 Tax Act, minus deposits into the Income Tax Refund Fund, the
5 Department shall deposit 3.0% into the Income Tax Surcharge
6 Local Government Distributive Fund in the State Treasury.
7 Beginning February 1, 1993 and continuing through June 30,
8 1993, of the amounts collected pursuant to subsections (a) and
9 (b) of Section 201 of the Illinois Income Tax Act, minus
10 deposits into the Income Tax Refund Fund, the Department shall
11 deposit 4.4% into the Income Tax Surcharge Local Government
12 Distributive Fund in the State Treasury. Beginning July 1,
13 1993, and continuing through June 30, 1994, of the amounts
14 collected under subsections (a) and (b) of Section 201 of this
15 Act, minus deposits into the Income Tax Refund Fund, the
16 Department shall deposit 1.475% into the Income Tax Surcharge
17 Local Government Distributive Fund in the State Treasury.

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

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

22 (35 ILCS 505/8) (from Ch. 120, par. 424)

23 Sec. 8. Except as provided in Section 8a, subdivision
24 (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and

1 16 of Section 15, all money received by the Department under
2 this Act, including payments made to the Department by member
3 jurisdictions participating in the International Fuel Tax
4 Agreement, shall be deposited in a special fund in the State
5 treasury, to be known as the "Motor Fuel Tax Fund", and shall
6 be used as follows:

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

11 (b) \$420,000 shall be transferred each month to the State
12 Boating Act Fund to be used by the Department of Natural
13 Resources for the purposes specified in Article X of the Boat
14 Registration and Safety Act;

15 (c) \$2,250,000 shall be transferred each month to the Grade
16 Crossing Protection Fund to be used as follows: not less than
17 \$6,000,000 each fiscal year shall be used for the construction
18 or reconstruction of rail highway grade separation structures;
19 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
20 shall be transferred to the Transportation Regulatory Fund and
21 shall be accounted for as part of the rail carrier portion of
22 such funds and shall be used to pay the cost of administration
23 of the Illinois Commerce Commission's railroad safety program
24 in connection with its duties under subsection (3) of Section
25 18c-7401 of the Illinois Vehicle Code, with the remainder to be
26 used by the Department of Transportation upon order of the

1 Illinois Commerce Commission, to pay that part of the cost
2 apportioned by such Commission to the State to cover the
3 interest of the public in the use of highways, roads, streets,
4 or pedestrian walkways in the county highway system, township
5 and district road system, or municipal street system as defined
6 in the Illinois Highway Code, as the same may from time to time
7 be amended, for separation of grades, for installation,
8 construction or reconstruction of crossing protection or
9 reconstruction, alteration, relocation including construction
10 or improvement of any existing highway necessary for access to
11 property or improvement of any grade crossing including the
12 necessary highway approaches thereto of any railroad across the
13 highway or public road, or for the installation, construction,
14 reconstruction, or maintenance of a pedestrian walkway over or
15 under a railroad right-of-way, as provided for in and in
16 accordance with Section 18c-7401 of the Illinois Vehicle Code.
17 The Commission shall not order more than \$2,000,000 per year in
18 Grade Crossing Protection Fund moneys for pedestrian walkways.
19 In entering orders for projects for which payments from the
20 Grade Crossing Protection Fund will be made, the Commission
21 shall account for expenditures authorized by the orders on a
22 cash rather than an accrual basis. For purposes of this
23 requirement an "accrual basis" assumes that the total cost of
24 the project is expended in the fiscal year in which the order
25 is entered, while a "cash basis" allocates the cost of the
26 project among fiscal years as expenditures are actually made.

1 To meet the requirements of this subsection, the Illinois
2 Commerce Commission shall develop annual and 5-year project
3 plans of rail crossing capital improvements that will be paid
4 for with moneys from the Grade Crossing Protection Fund. The
5 annual project plan shall identify projects for the succeeding
6 fiscal year and the 5-year project plan shall identify projects
7 for the 5 directly succeeding fiscal years. The Commission
8 shall submit the annual and 5-year project plans for this Fund
9 to the Governor, the President of the Senate, the Senate
10 Minority Leader, the Speaker of the House of Representatives,
11 and the Minority Leader of the House of Representatives on the
12 first Wednesday in April of each year;

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

16 (1) the costs of the Department of Revenue in
17 administering this Act;

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

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

25 (4) from October 1, 1985 until June 30, 1994, the
26 administration of the Vehicle Emissions Inspection Law,

1 which amount shall be certified monthly by the
2 Environmental Protection Agency to the State Comptroller
3 and shall promptly be transferred by the State Comptroller
4 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
5 Inspection Fund, and for the period July 1, 1994 through
6 June 30, 2000, one-twelfth of \$25,000,000 each month, for
7 the period July 1, 2000 through June 30, 2003, one-twelfth
8 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
9 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
10 July 1 and October 1, or as soon thereafter as may be
11 practical, during the period July 1, 2004 through June 30,
12 2010 ~~2009~~, for the administration of the Vehicle Emissions
13 Inspection Law of 2005, to be transferred by the State
14 Comptroller and Treasurer from the Motor Fuel Tax Fund into
15 the Vehicle Inspection Fund;

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

17 (6) payment of motor fuel use taxes due to member
18 jurisdictions under the terms of the International Fuel Tax
19 Agreement. The Department shall certify these amounts to
20 the Comptroller by the 15th day of each month; the
21 Comptroller shall cause orders to be drawn for such
22 amounts, and the Treasurer shall administer those amounts
23 on or before the last day of each month;

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

1 (1) Until January 1, 2000, 58.4%, and beginning January
2 1, 2000, 45.6% shall be deposited as follows:

3 (A) 37% into the State Construction Account Fund,
4 and

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

10 (2) Until January 1, 2000, 41.6%, and beginning January
11 1, 2000, 54.4% shall be transferred to the Department of
12 Transportation to be distributed as follows:

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

14 (B) 16.74% to the counties of the State having
15 1,000,000 or more inhabitants,

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

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

19 As soon as may be after the first day of each month the
20 Department of Transportation shall allot to each municipality
21 its share of the amount apportioned to the several
22 municipalities which shall be in proportion to the population
23 of such municipalities as determined by the last preceding
24 municipal census if conducted by the Federal Government or
25 Federal census. If territory is annexed to any municipality
26 subsequent to the time of the last preceding census the

1 corporate authorities of such municipality may cause a census
2 to be taken of such annexed territory and the population so
3 ascertained for such territory shall be added to the population
4 of the municipality as determined by the last preceding census
5 for the purpose of determining the allotment for that
6 municipality. If the population of any municipality was not
7 determined by the last Federal census preceding any
8 apportionment, the apportionment to such municipality shall be
9 in accordance with any census taken by such municipality. Any
10 municipal census used in accordance with this Section shall be
11 certified to the Department of Transportation by the clerk of
12 such municipality, and the accuracy thereof shall be subject to
13 approval of the Department which may make such corrections as
14 it ascertains to be necessary.

15 As soon as may be after the first day of each month the
16 Department of Transportation shall allot to each county its
17 share of the amount apportioned to the several counties of the
18 State as herein provided. Each allotment to the several
19 counties having less than 1,000,000 inhabitants shall be in
20 proportion to the amount of motor vehicle license fees received
21 from the residents of such counties, respectively, during the
22 preceding calendar year. The Secretary of State shall, on or
23 before April 15 of each year, transmit to the Department of
24 Transportation a full and complete report showing the amount of
25 motor vehicle license fees received from the residents of each
26 county, respectively, during the preceding calendar year. The

1 Department of Transportation shall, each month, use for
2 allotment purposes the last such report received from the
3 Secretary of State.

4 As soon as may be after the first day of each month, the
5 Department of Transportation shall allot to the several
6 counties their share of the amount apportioned for the use of
7 road districts. The allotment shall be apportioned among the
8 several counties in the State in the proportion which the total
9 mileage of township or district roads in the respective
10 counties bears to the total mileage of all township and
11 district roads in the State. Funds allotted to the respective
12 counties for the use of road districts therein shall be
13 allocated to the several road districts in the county in the
14 proportion which the total mileage of such township or district
15 roads in the respective road districts bears to the total
16 mileage of all such township or district roads in the county.
17 After July 1 of any year, no allocation shall be made for any
18 road district unless it levied a tax for road and bridge
19 purposes in an amount which will require the extension of such
20 tax against the taxable property in any such road district at a
21 rate of not less than either .08% of the value thereof, based
22 upon the assessment for the year immediately prior to the year
23 in which such tax was levied and as equalized by the Department
24 of Revenue or, in DuPage County, an amount equal to or greater
25 than \$12,000 per mile of road under the jurisdiction of the
26 road district, whichever is less. If any road district has

1 levied a special tax for road purposes pursuant to Sections
2 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such
3 tax was levied in an amount which would require extension at a
4 rate of not less than .08% of the value of the taxable property
5 thereof, as equalized or assessed by the Department of Revenue,
6 or, in DuPage County, an amount equal to or greater than
7 \$12,000 per mile of road under the jurisdiction of the road
8 district, whichever is less, such levy shall, however, be
9 deemed a proper compliance with this Section and shall qualify
10 such road district for an allotment under this Section. If a
11 township has transferred to the road and bridge fund money
12 which, when added to the amount of any tax levy of the road
13 district would be the equivalent of a tax levy requiring
14 extension at a rate of at least .08%, or, in DuPage County, an
15 amount equal to or greater than \$12,000 per mile of road under
16 the jurisdiction of the road district, whichever is less, such
17 transfer, together with any such tax levy, shall be deemed a
18 proper compliance with this Section and shall qualify the road
19 district for an allotment under this Section.

20 In counties in which a property tax extension limitation is
21 imposed under the Property Tax Extension Limitation Law, road
22 districts may retain their entitlement to a motor fuel tax
23 allotment if, at the time the property tax extension limitation
24 was imposed, the road district was levying a road and bridge
25 tax at a rate sufficient to entitle it to a motor fuel tax
26 allotment and continues to levy the maximum allowable amount

1 after the imposition of the property tax extension limitation.
2 Any road district may in all circumstances retain its
3 entitlement to a motor fuel tax allotment if it levied a road
4 and bridge tax in an amount that will require the extension of
5 the tax against the taxable property in the road district at a
6 rate of not less than 0.08% of the assessed value of the
7 property, based upon the assessment for the year immediately
8 preceding the year in which the tax was levied and as equalized
9 by the Department of Revenue or, in DuPage County, an amount
10 equal to or greater than \$12,000 per mile of road under the
11 jurisdiction of the road district, whichever is less.

12 As used in this Section the term "road district" means any
13 road district, including a county unit road district, provided
14 for by the Illinois Highway Code; and the term "township or
15 district road" means any road in the township and district road
16 system as defined in the Illinois Highway Code. For the
17 purposes of this Section, "road district" also includes park
18 districts, forest preserve districts and conservation
19 districts organized under Illinois law and "township or
20 district road" also includes such roads as are maintained by
21 park districts, forest preserve districts and conservation
22 districts. The Department of Transportation shall determine
23 the mileage of all township and district roads for the purposes
24 of making allotments and allocations of motor fuel tax funds
25 for use in road districts.

26 Payment of motor fuel tax moneys to municipalities and

1 counties shall be made as soon as possible after the allotment
2 is made. The treasurer of the municipality or county may invest
3 these funds until their use is required and the interest earned
4 by these investments shall be limited to the same uses as the
5 principal funds.

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

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

9 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

10 Sec. 14-131. Contributions by State.

11 (a) The State shall make contributions to the System by
12 appropriations of amounts which, together with other employer
13 contributions from trust, federal, and other funds, employee
14 contributions, investment income, and other income, will be
15 sufficient to meet the cost of maintaining and administering
16 the System on a 90% funded basis in accordance with actuarial
17 recommendations.

18 For the purposes of this Section and Section 14-135.08,
19 references to State contributions refer only to employer
20 contributions and do not include employee contributions that
21 are picked up or otherwise paid by the State or a department on
22 behalf of the employee.

23 (b) The Board shall determine the total amount of State
24 contributions required for each fiscal year on the basis of the

1 actuarial tables and other assumptions adopted by the Board,
2 using the formula in subsection (e).

3 The Board shall also determine a State contribution rate
4 for each fiscal year, expressed as a percentage of payroll,
5 based on the total required State contribution for that fiscal
6 year (less the amount received by the System from
7 appropriations under Section 8.12 of the State Finance Act and
8 Section 1 of the State Pension Funds Continuing Appropriation
9 Act, if any, for the fiscal year ending on the June 30
10 immediately preceding the applicable November 15 certification
11 deadline), the estimated payroll (including all forms of
12 compensation) for personal services rendered by eligible
13 employees, and the recommendations of the actuary.

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

21 (c) Contributions shall be made by the several departments
22 for each pay period by warrants drawn by the State Comptroller
23 against their respective funds or appropriations based upon
24 vouchers stating the amount to be so contributed. These amounts
25 shall be based on the full rate certified by the Board under
26 Section 14-135.08 for that fiscal year. From the effective date

1 of this amendatory Act of the 93rd General Assembly through the
2 payment of the final payroll from fiscal year 2004
3 appropriations, the several departments shall not make
4 contributions for the remainder of fiscal year 2004 but shall
5 instead make payments as required under subsection (a-1) of
6 Section 14.1 of the State Finance Act. The several departments
7 shall resume those contributions at the commencement of fiscal
8 year 2005.

9 (c-1) Notwithstanding subsection (c) of this Section, for
10 fiscal year 2010 only, contributions by the several departments
11 are not required to be made for General Revenue Funds payrolls
12 processed by the Comptroller. Payrolls paid by the several
13 departments from all other State funds must continue to be
14 processed pursuant to subsection (c) of this Section.

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

20 (d) If an employee is paid from trust funds or federal
21 funds, the department or other employer shall pay employer
22 contributions from those funds to the System at the certified
23 rate, unless the terms of the trust or the federal-State
24 agreement preclude the use of the funds for that purpose, in
25 which case the required employer contributions shall be paid by
26 the State. From the effective date of this amendatory Act of

1 the 93rd General Assembly through the payment of the final
2 payroll from fiscal year 2004 appropriations, the department or
3 other employer shall not pay contributions for the remainder of
4 fiscal year 2004 but shall instead make payments as required
5 under subsection (a-1) of Section 14.1 of the State Finance
6 Act. The department or other employer shall resume payment of
7 contributions at the commencement of fiscal year 2005.

8 (e) For State fiscal years 2011 through 2045, the minimum
9 contribution to the System to be made by the State for each
10 fiscal year shall be an amount determined by the System to be
11 sufficient to bring the total assets of the System up to 90% of
12 the total actuarial liabilities of the System by the end of
13 State fiscal year 2045. In making these determinations, the
14 required State contribution shall be calculated each year as a
15 level percentage of payroll over the years remaining to and
16 including fiscal year 2045 and shall be determined under the
17 projected unit credit actuarial cost method.

18 For State fiscal years 1996 through 2005, the State
19 contribution to the System, as a percentage of the applicable
20 employee payroll, shall be increased in equal annual increments
21 so that by State fiscal year 2011, the State is contributing at
22 the rate required under this Section; except that (i) for State
23 fiscal year 1998, for all purposes of this Code and any other
24 law of this State, the certified percentage of the applicable
25 employee payroll shall be 5.052% for employees earning eligible
26 creditable service under Section 14-110 and 6.500% for all

1 other employees, notwithstanding any contrary certification
2 made under Section 14-135.08 before the effective date of this
3 amendatory Act of 1997, and (ii) in the following specified
4 State fiscal years, the State contribution to the System shall
5 not be less than the following indicated percentages of the
6 applicable employee payroll, even if the indicated percentage
7 will produce a State contribution in excess of the amount
8 otherwise required under this subsection and subsection (a):
9 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
10 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution to the System for State
13 fiscal year 2006 is \$203,783,900.

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

17 For each of State fiscal years 2008 through 2010, the State
18 contribution to the System, as a percentage of the applicable
19 employee payroll, shall be increased in equal annual increments
20 from the required State contribution for State fiscal year
21 2007, so that by State fiscal year 2011, the State is
22 contributing at the rate otherwise required under this Section.

23 Beginning in State fiscal year 2046, the minimum State
24 contribution for each fiscal year shall be the amount needed to
25 maintain the total assets of the System at 90% of the total
26 actuarial liabilities of the System.

1 Amounts received by the System pursuant to Section 25 of
2 the Budget Stabilization Act or Section 8.12 of the State
3 Finance Act in any fiscal year do not reduce and do not
4 constitute payment of any portion of the minimum State
5 contribution required under this Article in that fiscal year.
6 Such amounts shall not reduce, and shall not be included in the
7 calculation of, the required State contributions under this
8 Article in any future year until the System has reached a
9 funding ratio of at least 90%. A reference in this Article to
10 the "required State contribution" or any substantially similar
11 term does not include or apply to any amounts payable to the
12 System under Section 25 of the Budget Stabilization Act.

13 Notwithstanding any other provision of this Section, the
14 required State contribution for State fiscal year 2005 and for
15 fiscal year 2008 and each fiscal year thereafter, as calculated
16 under this Section and certified under Section 14-135.08, shall
17 not exceed an amount equal to (i) the amount of the required
18 State contribution that would have been calculated under this
19 Section for that fiscal year if the System had not received any
20 payments under subsection (d) of Section 7.2 of the General
21 Obligation Bond Act, minus (ii) the portion of the State's
22 total debt service payments for that fiscal year on the bonds
23 issued for the purposes of that Section 7.2, as determined and
24 certified by the Comptroller, that is the same as the System's
25 portion of the total moneys distributed under subsection (d) of
26 Section 7.2 of the General Obligation Bond Act. In determining

1 this maximum for State fiscal years 2008 through 2010, however,
2 the amount referred to in item (i) shall be increased, as a
3 percentage of the applicable employee payroll, in equal
4 increments calculated from the sum of the required State
5 contribution for State fiscal year 2007 plus the applicable
6 portion of the State's total debt service payments for fiscal
7 year 2007 on the bonds issued for the purposes of Section 7.2
8 of the General Obligation Bond Act, so that, by State fiscal
9 year 2011, the State is contributing at the rate otherwise
10 required under this Section.

11 (f) After the submission of all payments for eligible
12 employees from personal services line items in fiscal year 2004
13 have been made, the Comptroller shall provide to the System a
14 certification of the sum of all fiscal year 2004 expenditures
15 for personal services that would have been covered by payments
16 to the System under this Section if the provisions of this
17 amendatory Act of the 93rd General Assembly had not been
18 enacted. Upon receipt of the certification, the System shall
19 determine the amount due to the System based on the full rate
20 certified by the Board under Section 14-135.08 for fiscal year
21 2004 in order to meet the State's obligation under this
22 Section. The System shall compare this amount due to the amount
23 received by the System in fiscal year 2004 through payments
24 under this Section and under Section 6z-61 of the State Finance
25 Act. If the amount due is more than the amount received, the
26 difference shall be termed the "Fiscal Year 2004 Shortfall" for

1 purposes of this Section, and the Fiscal Year 2004 Shortfall
2 shall be satisfied under Section 1.2 of the State Pension Funds
3 Continuing Appropriation Act. If the amount due is less than
4 the amount received, the difference shall be termed the "Fiscal
5 Year 2004 Overpayment" for purposes of this Section, and the
6 Fiscal Year 2004 Overpayment shall be repaid by the System to
7 the Pension Contribution Fund as soon as practicable after the
8 certification.

9 (g) After the submission of all payments for eligible
10 employees from personal services line items paid from the
11 General Revenue Fund in fiscal year 2010 have been made, the
12 Comptroller shall provide to the System a certification of the
13 sum of all fiscal year 2010 expenditures for personal services
14 that would have been covered by payments to the System under
15 this Section if the provisions of this amendatory Act of the
16 96th General Assembly had not been enacted. Upon receipt of the
17 certification, the System shall determine the amount due to the
18 System based on the full rate certified by the Board under
19 Section 14-135.08 for fiscal year 2010 in order to meet the
20 State's obligation under this Section. The System shall compare
21 this amount due to the amount received by the System in fiscal
22 year 2010 through payments under this Section. If the amount
23 due is more than the amount received, the difference shall be
24 termed the "Fiscal Year 2010 Shortfall" for purposes of this
25 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
26 under Section 1.2 of the State Pension Funds Continuing

1 Appropriation Act. If the amount due is less than the amount
2 received, the difference shall be termed the "Fiscal Year 2010
3 Overpayment" for purposes of this Section, and the Fiscal Year
4 2010 Overpayment shall be repaid by the System to the General
5 Revenue Fund as soon as practicable after the certification.

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

8 Section 5-50.6. The State Pension Funds Continuing
9 Appropriation Act is amended by changing Section 1.2 as
10 follows:

11 (40 ILCS 15/1.2)

12 Sec. 1.2. Appropriations for the State Employees'
13 Retirement System.

14 (a) From each fund from which an amount is appropriated for
15 personal services to a department or other employer under
16 Article 14 of the Illinois Pension Code, there is hereby
17 appropriated to that department or other employer, on a
18 continuing annual basis for each State fiscal year, an
19 additional amount equal to the amount, if any, by which (1) an
20 amount equal to the percentage of the personal services line
21 item for that department or employer from that fund for that
22 fiscal year that the Board of Trustees of the State Employees'
23 Retirement System of Illinois has certified under Section
24 14-135.08 of the Illinois Pension Code to be necessary to meet

1 the State's obligation under Section 14-131 of the Illinois
2 Pension Code for that fiscal year, exceeds (2) the amounts
3 otherwise appropriated to that department or employer from that
4 fund for State contributions to the State Employees' Retirement
5 System for that fiscal year. From the effective date of this
6 amendatory Act of the 93rd General Assembly through the final
7 payment from a department or employer's personal services line
8 item for fiscal year 2004, payments to the State Employees'
9 Retirement System that otherwise would have been made under
10 this subsection (a) shall be governed by the provisions in
11 subsection (a-1).

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

18 (a-2) If a Fiscal Year 2010 Shortfall is certified under
19 subsection (g) of Section 14-131 of the Illinois Pension Code,
20 there is hereby appropriated to the State Employees' Retirement
21 System of Illinois on a continuing basis from the General
22 Revenue Fund an additional aggregate amount equal to the Fiscal
23 Year 2010 Shortfall.

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

26 (c) Beginning in Fiscal Year 2005, any continuing

1 appropriation under this Section arising out of an
2 appropriation for personal services from the Road Fund to the
3 Department of State Police or the Secretary of State shall be
4 payable from the General Revenue Fund rather than the Road
5 Fund.

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

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

9 (105 ILCS 5/18-8.05)

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

13 (A) General Provisions.

14 (1) The provisions of this Section apply to the 1998-1999
15 and subsequent school years. The system of general State
16 financial aid provided for in this Section is designed to
17 assure that, through a combination of State financial aid and
18 required local resources, the financial support provided each
19 pupil in Average Daily Attendance equals or exceeds a
20 prescribed per pupil Foundation Level. This formula approach
21 imputes a level of per pupil Available Local Resources and
22 provides for the basis to calculate a per pupil level of
23 general State financial aid that, when added to Available Local

1 Resources, equals or exceeds the Foundation Level. The amount
2 of per pupil general State financial aid for school districts,
3 in general, varies in inverse relation to Available Local
4 Resources. Per pupil amounts are based upon each school
5 district's Average Daily Attendance as that term is defined in
6 this Section.

7 (2) In addition to general State financial aid, school
8 districts with specified levels or concentrations of pupils
9 from low income households are eligible to receive supplemental
10 general State financial aid grants as provided pursuant to
11 subsection (H). The supplemental State aid grants provided for
12 school districts under subsection (H) shall be appropriated for
13 distribution to school districts as part of the same line item
14 in which the general State financial aid of school districts is
15 appropriated under this Section.

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

19 (a) Any school district which fails for any given
20 school year to maintain school as required by law, or to
21 maintain a recognized school is not eligible to file for
22 such school year any claim upon the Common School Fund. In
23 case of nonrecognition of one or more attendance centers in
24 a school district otherwise operating recognized schools,
25 the claim of the district shall be reduced in the
26 proportion which the Average Daily Attendance in the

1 attendance center or centers bear to the Average Daily
2 Attendance in the school district. A "recognized school"
3 means any public school which meets the standards as
4 established for recognition by the State Board of
5 Education. A school district or attendance center not
6 having recognition status at the end of a school term is
7 entitled to receive State aid payments due upon a legal
8 claim which was filed while it was recognized.

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

12 (c) If a school district operates a full year school
13 under Section 10-19.1, the general State aid to the school
14 district shall be determined by the State Board of
15 Education in accordance with this Section as near as may be
16 applicable.

17 (d) (Blank).

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

22 School districts are not required to exert a minimum
23 Operating Tax Rate in order to qualify for assistance under
24 this Section.

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

1 (a) "Average Daily Attendance": A count of pupil
2 attendance in school, averaged as provided for in
3 subsection (C) and utilized in deriving per pupil financial
4 support levels.

5 (b) "Available Local Resources": A computation of
6 local financial support, calculated on the basis of Average
7 Daily Attendance and derived as provided pursuant to
8 subsection (D).

9 (c) "Corporate Personal Property Replacement Taxes":
10 Funds paid to local school districts pursuant to "An Act in
11 relation to the abolition of ad valorem personal property
12 tax and the replacement of revenues lost thereby, and
13 amending and repealing certain Acts and parts of Acts in
14 connection therewith", certified August 14, 1979, as
15 amended (Public Act 81-1st S.S.-1).

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

18 (e) "Operating Tax Rate": All school district property
19 taxes extended for all purposes, except Bond and Interest,
20 Summer School, Rent, Capital Improvement, and Vocational
21 Education Building purposes.

22 (B) Foundation Level.

23 (1) The Foundation Level is a figure established by the
24 State representing the minimum level of per pupil financial
25 support that should be available to provide for the basic

1 education of each pupil in Average Daily Attendance. As set
2 forth in this Section, each school district is assumed to exert
3 a sufficient local taxing effort such that, in combination with
4 the aggregate of general State financial aid provided the
5 district, an aggregate of State and local resources are
6 available to meet the basic education needs of pupils in the
7 district.

8 (2) For the 1998-1999 school year, the Foundation Level of
9 support is \$4,225. For the 1999-2000 school year, the
10 Foundation Level of support is \$4,325. For the 2000-2001 school
11 year, the Foundation Level of support is \$4,425. For the
12 2001-2002 school year and 2002-2003 school year, the Foundation
13 Level of support is \$4,560. For the 2003-2004 school year, the
14 Foundation Level of support is \$4,810. For the 2004-2005 school
15 year, the Foundation Level of support is \$4,964. For the
16 2005-2006 school year, the Foundation Level of support is
17 \$5,164. For the 2006-2007 school year, the Foundation Level of
18 support is \$5,334. For the 2007-2008 school year, the
19 Foundation Level of support is \$5,734. For the 2008-2009 school
20 year, the Foundation Level of support is \$5,959.

21 (3) For the 2009-2010 ~~2008-2009~~ school year and each school
22 year thereafter, the Foundation Level of support is \$6,190
23 ~~\$5,959~~ or such greater amount as may be established by law by
24 the General Assembly.

25 (C) Average Daily Attendance.

1 (1) For purposes of calculating general State aid pursuant
2 to subsection (E), an Average Daily Attendance figure shall be
3 utilized. The Average Daily Attendance figure for formula
4 calculation purposes shall be the monthly average of the actual
5 number of pupils in attendance of each school district, as
6 further averaged for the best 3 months of pupil attendance for
7 each school district. In compiling the figures for the number
8 of pupils in attendance, school districts and the State Board
9 of Education shall, for purposes of general State aid funding,
10 conform attendance figures to the requirements of subsection
11 (F).

12 (2) The Average Daily Attendance figures utilized in
13 subsection (E) shall be the requisite attendance data for the
14 school year immediately preceding the school year for which
15 general State aid is being calculated or the average of the
16 attendance data for the 3 preceding school years, whichever is
17 greater. The Average Daily Attendance figures utilized in
18 subsection (H) shall be the requisite attendance data for the
19 school year immediately preceding the school year for which
20 general State aid is being calculated.

21 (D) Available Local Resources.

22 (1) For purposes of calculating general State aid pursuant
23 to subsection (E), a representation of Available Local
24 Resources per pupil, as that term is defined and determined in
25 this subsection, shall be utilized. Available Local Resources

1 per pupil shall include a calculated dollar amount representing
2 local school district revenues from local property taxes and
3 from Corporate Personal Property Replacement Taxes, expressed
4 on the basis of pupils in Average Daily Attendance. Calculation
5 of Available Local Resources shall exclude any tax amnesty
6 funds received as a result of Public Act 93-26.

7 (2) In determining a school district's revenue from local
8 property taxes, the State Board of Education shall utilize the
9 equalized assessed valuation of all taxable property of each
10 school district as of September 30 of the previous year. The
11 equalized assessed valuation utilized shall be obtained and
12 determined as provided in subsection (G).

13 (3) For school districts maintaining grades kindergarten
14 through 12, local property tax revenues per pupil shall be
15 calculated as the product of the applicable equalized assessed
16 valuation for the district multiplied by 3.00%, and divided by
17 the district's Average Daily Attendance figure. For school
18 districts maintaining grades kindergarten through 8, local
19 property tax revenues per pupil shall be calculated as the
20 product of the applicable equalized assessed valuation for the
21 district multiplied by 2.30%, and divided by the district's
22 Average Daily Attendance figure. For school districts
23 maintaining grades 9 through 12, local property tax revenues
24 per pupil shall be the applicable equalized assessed valuation
25 of the district multiplied by 1.05%, and divided by the
26 district's Average Daily Attendance figure.

1 For partial elementary unit districts created pursuant to
2 Article 11E of this Code, local property tax revenues per pupil
3 shall be calculated as the product of the equalized assessed
4 valuation for property within the partial elementary unit
5 district for elementary purposes, as defined in Article 11E of
6 this Code, multiplied by 2.06% and divided by the district's
7 Average Daily Attendance figure, plus the product of the
8 equalized assessed valuation for property within the partial
9 elementary unit district for high school purposes, as defined
10 in Article 11E of this Code, multiplied by 0.94% and divided by
11 the district's Average Daily Attendance figure.

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

22 (E) Computation of General State Aid.

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

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

7 (3) For any school district for which Available Local
8 Resources per pupil is equal to or greater than the product of
9 0.93 times the Foundation Level and less than the product of
10 1.75 times the Foundation Level, the general State aid per
11 pupil shall be a decimal proportion of the Foundation Level
12 derived using a linear algorithm. Under this linear algorithm,
13 the calculated general State aid per pupil shall decline in
14 direct linear fashion from 0.07 times the Foundation Level for
15 a school district with Available Local Resources equal to the
16 product of 0.93 times the Foundation Level, to 0.05 times the
17 Foundation Level for a school district with Available Local
18 Resources equal to the product of 1.75 times the Foundation
19 Level. The allocation of general State aid for school districts
20 subject to this paragraph 3 shall be the calculated general
21 State aid per pupil figure multiplied by the Average Daily
22 Attendance of the school district.

23 (4) For any school district for which Available Local
24 Resources per pupil equals or exceeds the product of 1.75 times
25 the Foundation Level, the general State aid for the school
26 district shall be calculated as the product of \$218 multiplied

1 by the Average Daily Attendance of the school district.

2 (5) The amount of general State aid allocated to a school
3 district for the 1999-2000 school year meeting the requirements
4 set forth in paragraph (4) of subsection (G) shall be increased
5 by an amount equal to the general State aid that would have
6 been received by the district for the 1998-1999 school year by
7 utilizing the Extension Limitation Equalized Assessed
8 Valuation as calculated in paragraph (4) of subsection (G) less
9 the general State aid allotted for the 1998-1999 school year.
10 This amount shall be deemed a one time increase, and shall not
11 affect any future general State aid allocations.

12 (F) Compilation of Average Daily Attendance.

13 (1) Each school district shall, by July 1 of each year,
14 submit to the State Board of Education, on forms prescribed by
15 the State Board of Education, attendance figures for the school
16 year that began in the preceding calendar year. The attendance
17 information so transmitted shall identify the average daily
18 attendance figures for each month of the school year. Beginning
19 with the general State aid claim form for the 2002-2003 school
20 year, districts shall calculate Average Daily Attendance as
21 provided in subdivisions (a), (b), and (c) of this paragraph
22 (1).

23 (a) In districts that do not hold year-round classes,
24 days of attendance in August shall be added to the month of
25 September and any days of attendance in June shall be added

1 to the month of May.

2 (b) In districts in which all buildings hold year-round
3 classes, days of attendance in July and August shall be
4 added to the month of September and any days of attendance
5 in June shall be added to the month of May.

6 (c) In districts in which some buildings, but not all,
7 hold year-round classes, for the non-year-round buildings,
8 days of attendance in August shall be added to the month of
9 September and any days of attendance in June shall be added
10 to the month of May. The average daily attendance for the
11 year-round buildings shall be computed as provided in
12 subdivision (b) of this paragraph (1). To calculate the
13 Average Daily Attendance for the district, the average
14 daily attendance for the year-round buildings shall be
15 multiplied by the days in session for the non-year-round
16 buildings for each month and added to the monthly
17 attendance of the non-year-round buildings.

18 Except as otherwise provided in this Section, days of
19 attendance by pupils shall be counted only for sessions of not
20 less than 5 clock hours of school work per day under direct
21 supervision of: (i) teachers, or (ii) non-teaching personnel or
22 volunteer personnel when engaging in non-teaching duties and
23 supervising in those instances specified in subsection (a) of
24 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
25 of legal school age and in kindergarten and grades 1 through
26 12.

1 Days of attendance by tuition pupils shall be accredited
2 only to the districts that pay the tuition to a recognized
3 school.

4 (2) Days of attendance by pupils of less than 5 clock hours
5 of school shall be subject to the following provisions in the
6 compilation of Average Daily Attendance.

7 (a) Pupils regularly enrolled in a public school for
8 only a part of the school day may be counted on the basis
9 of 1/6 day for every class hour of instruction of 40
10 minutes or more attended pursuant to such enrollment,
11 unless a pupil is enrolled in a block-schedule format of 80
12 minutes or more of instruction, in which case the pupil may
13 be counted on the basis of the proportion of minutes of
14 school work completed each day to the minimum number of
15 minutes that school work is required to be held that day.

16 (b) Days of attendance may be less than 5 clock hours
17 on the opening and closing of the school term, and upon the
18 first day of pupil attendance, if preceded by a day or days
19 utilized as an institute or teachers' workshop.

20 (c) A session of 4 or more clock hours may be counted
21 as a day of attendance upon certification by the regional
22 superintendent, and approved by the State Superintendent
23 of Education to the extent that the district has been
24 forced to use daily multiple sessions.

25 (d) A session of 3 or more clock hours may be counted
26 as a day of attendance (1) when the remainder of the school

1 day or at least 2 hours in the evening of that day is
2 utilized for an in-service training program for teachers,
3 up to a maximum of 5 days per school year of which a
4 maximum of 4 days of such 5 days may be used for
5 parent-teacher conferences, provided a district conducts
6 an in-service training program for teachers which has been
7 approved by the State Superintendent of Education; or, in
8 lieu of 4 such days, 2 full days may be used, in which
9 event each such day may be counted as a day of attendance;
10 and (2) when days in addition to those provided in item (1)
11 are scheduled by a school pursuant to its school
12 improvement plan adopted under Article 34 or its revised or
13 amended school improvement plan adopted under Article 2,
14 provided that (i) such sessions of 3 or more clock hours
15 are scheduled to occur at regular intervals, (ii) the
16 remainder of the school days in which such sessions occur
17 are utilized for in-service training programs or other
18 staff development activities for teachers, and (iii) a
19 sufficient number of minutes of school work under the
20 direct supervision of teachers are added to the school days
21 between such regularly scheduled sessions to accumulate
22 not less than the number of minutes by which such sessions
23 of 3 or more clock hours fall short of 5 clock hours. Any
24 full days used for the purposes of this paragraph shall not
25 be considered for computing average daily attendance. Days
26 scheduled for in-service training programs, staff

1 development activities, or parent-teacher conferences may
2 be scheduled separately for different grade levels and
3 different attendance centers of the district.

4 (e) A session of not less than one clock hour of
5 teaching hospitalized or homebound pupils on-site or by
6 telephone to the classroom may be counted as 1/2 day of
7 attendance, however these pupils must receive 4 or more
8 clock hours of instruction to be counted for a full day of
9 attendance.

10 (f) A session of at least 4 clock hours may be counted
11 as a day of attendance for first grade pupils, and pupils
12 in full day kindergartens, and a session of 2 or more hours
13 may be counted as 1/2 day of attendance by pupils in
14 kindergartens which provide only 1/2 day of attendance.

15 (g) For children with disabilities who are below the
16 age of 6 years and who cannot attend 2 or more clock hours
17 because of their disability or immaturity, a session of not
18 less than one clock hour may be counted as 1/2 day of
19 attendance; however for such children whose educational
20 needs so require a session of 4 or more clock hours may be
21 counted as a full day of attendance.

22 (h) A recognized kindergarten which provides for only
23 1/2 day of attendance by each pupil shall not have more
24 than 1/2 day of attendance counted in any one day. However,
25 kindergartens may count 2 1/2 days of attendance in any 5
26 consecutive school days. When a pupil attends such a

1 kindergarten for 2 half days on any one school day, the
2 pupil shall have the following day as a day absent from
3 school, unless the school district obtains permission in
4 writing from the State Superintendent of Education.
5 Attendance at kindergartens which provide for a full day of
6 attendance by each pupil shall be counted the same as
7 attendance by first grade pupils. Only the first year of
8 attendance in one kindergarten shall be counted, except in
9 case of children who entered the kindergarten in their
10 fifth year whose educational development requires a second
11 year of kindergarten as determined under the rules and
12 regulations of the State Board of Education.

13 (i) On the days when the Prairie State Achievement
14 Examination is administered under subsection (c) of
15 Section 2-3.64 of this Code, the day of attendance for a
16 pupil whose school day must be shortened to accommodate
17 required testing procedures may be less than 5 clock hours
18 and shall be counted towards the 176 days of actual pupil
19 attendance required under Section 10-19 of this Code,
20 provided that a sufficient number of minutes of school work
21 in excess of 5 clock hours are first completed on other
22 school days to compensate for the loss of school work on
23 the examination days.

24 (G) Equalized Assessed Valuation Data.

25 (1) For purposes of the calculation of Available Local

1 Resources required pursuant to subsection (D), the State Board
2 of Education shall secure from the Department of Revenue the
3 value as equalized or assessed by the Department of Revenue of
4 all taxable property of every school district, together with
5 (i) the applicable tax rate used in extending taxes for the
6 funds of the district as of September 30 of the previous year
7 and (ii) the limiting rate for all school districts subject to
8 property tax extension limitations as imposed under the
9 Property Tax Extension Limitation Law.

10 The Department of Revenue shall add to the equalized
11 assessed value of all taxable property of each school district
12 situated entirely or partially within a county that is or was
13 subject to the provisions of Section 15-176 or 15-177 of the
14 Property Tax Code (a) an amount equal to the total amount by
15 which the homestead exemption allowed under Section 15-176 or
16 15-177 of the Property Tax Code for real property situated in
17 that school district exceeds the total amount that would have
18 been allowed in that school district if the maximum reduction
19 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
20 all other counties in tax year 2003 or (ii) \$5,000 in all
21 counties in tax year 2004 and thereafter and (b) an amount
22 equal to the aggregate amount for the taxable year of all
23 additional exemptions under Section 15-175 of the Property Tax
24 Code for owners with a household income of \$30,000 or less. The
25 county clerk of any county that is or was subject to the
26 provisions of Section 15-176 or 15-177 of the Property Tax Code

1 shall annually calculate and certify to the Department of
2 Revenue for each school district all homestead exemption
3 amounts under Section 15-176 or 15-177 of the Property Tax Code
4 and all amounts of additional exemptions under Section 15-175
5 of the Property Tax Code for owners with a household income of
6 \$30,000 or less. It is the intent of this paragraph that if the
7 general homestead exemption for a parcel of property is
8 determined under Section 15-176 or 15-177 of the Property Tax
9 Code rather than Section 15-175, then the calculation of
10 Available Local Resources shall not be affected by the
11 difference, if any, between the amount of the general homestead
12 exemption allowed for that parcel of property under Section
13 15-176 or 15-177 of the Property Tax Code and the amount that
14 would have been allowed had the general homestead exemption for
15 that parcel of property been determined under Section 15-175 of
16 the Property Tax Code. It is further the intent of this
17 paragraph that if additional exemptions are allowed under
18 Section 15-175 of the Property Tax Code for owners with a
19 household income of less than \$30,000, then the calculation of
20 Available Local Resources shall not be affected by the
21 difference, if any, because of those additional exemptions.

22 This equalized assessed valuation, as adjusted further by
23 the requirements of this subsection, shall be utilized in the
24 calculation of Available Local Resources.

25 (2) The equalized assessed valuation in paragraph (1) shall
26 be adjusted, as applicable, in the following manner:

1 (a) For the purposes of calculating State aid under
2 this Section, with respect to any part of a school district
3 within a redevelopment project area in respect to which a
4 municipality has adopted tax increment allocation
5 financing pursuant to the Tax Increment Allocation
6 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
7 of the Illinois Municipal Code or the Industrial Jobs
8 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
9 Illinois Municipal Code, no part of the current equalized
10 assessed valuation of real property located in any such
11 project area which is attributable to an increase above the
12 total initial equalized assessed valuation of such
13 property shall be used as part of the equalized assessed
14 valuation of the district, until such time as all
15 redevelopment project costs have been paid, as provided in
16 Section 11-74.4-8 of the Tax Increment Allocation
17 Redevelopment Act or in Section 11-74.6-35 of the
18 Industrial Jobs Recovery Law. For the purpose of the
19 equalized assessed valuation of the district, the total
20 initial equalized assessed valuation or the current
21 equalized assessed valuation, whichever is lower, shall be
22 used until such time as all redevelopment project costs
23 have been paid.

24 (b) The real property equalized assessed valuation for
25 a school district shall be adjusted by subtracting from the
26 real property value as equalized or assessed by the

1 Department of Revenue for the district an amount computed
2 by dividing the amount of any abatement of taxes under
3 Section 18-170 of the Property Tax Code by 3.00% for a
4 district maintaining grades kindergarten through 12, by
5 2.30% for a district maintaining grades kindergarten
6 through 8, or by 1.05% for a district maintaining grades 9
7 through 12 and adjusted by an amount computed by dividing
8 the amount of any abatement of taxes under subsection (a)
9 of Section 18-165 of the Property Tax Code by the same
10 percentage rates for district type as specified in this
11 subparagraph (b).

12 (3) For the 1999-2000 school year and each school year
13 thereafter, if a school district meets all of the criteria of
14 this subsection (G) (3), the school district's Available Local
15 Resources shall be calculated under subsection (D) using the
16 district's Extension Limitation Equalized Assessed Valuation
17 as calculated under this subsection (G) (3).

18 For purposes of this subsection (G) (3) the following terms
19 shall have the following meanings:

20 "Budget Year": The school year for which general State
21 aid is calculated and awarded under subsection (E).

22 "Base Tax Year": The property tax levy year used to
23 calculate the Budget Year allocation of general State aid.

24 "Preceding Tax Year": The property tax levy year
25 immediately preceding the Base Tax Year.

26 "Base Tax Year's Tax Extension": The product of the

1 equalized assessed valuation utilized by the County Clerk
2 in the Base Tax Year multiplied by the limiting rate as
3 calculated by the County Clerk and defined in the Property
4 Tax Extension Limitation Law.

5 "Preceding Tax Year's Tax Extension": The product of
6 the equalized assessed valuation utilized by the County
7 Clerk in the Preceding Tax Year multiplied by the Operating
8 Tax Rate as defined in subsection (A).

9 "Extension Limitation Ratio": A numerical ratio,
10 certified by the County Clerk, in which the numerator is
11 the Base Tax Year's Tax Extension and the denominator is
12 the Preceding Tax Year's Tax Extension.

13 "Operating Tax Rate": The operating tax rate as defined
14 in subsection (A).

15 If a school district is subject to property tax extension
16 limitations as imposed under the Property Tax Extension
17 Limitation Law, the State Board of Education shall calculate
18 the Extension Limitation Equalized Assessed Valuation of that
19 district. For the 1999-2000 school year, the Extension
20 Limitation Equalized Assessed Valuation of a school district as
21 calculated by the State Board of Education shall be equal to
22 the product of the district's 1996 Equalized Assessed Valuation
23 and the district's Extension Limitation Ratio. For the
24 2000-2001 school year and each school year thereafter, the
25 Extension Limitation Equalized Assessed Valuation of a school
26 district as calculated by the State Board of Education shall be

1 equal to the product of the Equalized Assessed Valuation last
2 used in the calculation of general State aid and the district's
3 Extension Limitation Ratio. If the Extension Limitation
4 Equalized Assessed Valuation of a school district as calculated
5 under this subsection (G)(3) is less than the district's
6 equalized assessed valuation as calculated pursuant to
7 subsections (G)(1) and (G)(2), then for purposes of calculating
8 the district's general State aid for the Budget Year pursuant
9 to subsection (E), that Extension Limitation Equalized
10 Assessed Valuation shall be utilized to calculate the
11 district's Available Local Resources under subsection (D).

12 Partial elementary unit districts created in accordance
13 with Article 11E of this Code shall not be eligible for the
14 adjustment in this subsection (G)(3) until the fifth year
15 following the effective date of the reorganization.

16 (4) For the purposes of calculating general State aid for
17 the 1999-2000 school year only, if a school district
18 experienced a triennial reassessment on the equalized assessed
19 valuation used in calculating its general State financial aid
20 apportionment for the 1998-1999 school year, the State Board of
21 Education shall calculate the Extension Limitation Equalized
22 Assessed Valuation that would have been used to calculate the
23 district's 1998-1999 general State aid. This amount shall equal
24 the product of the equalized assessed valuation used to
25 calculate general State aid for the 1997-1998 school year and
26 the district's Extension Limitation Ratio. If the Extension

1 Limitation Equalized Assessed Valuation of the school district
2 as calculated under this paragraph (4) is less than the
3 district's equalized assessed valuation utilized in
4 calculating the district's 1998-1999 general State aid
5 allocation, then for purposes of calculating the district's
6 general State aid pursuant to paragraph (5) of subsection (E),
7 that Extension Limitation Equalized Assessed Valuation shall
8 be utilized to calculate the district's Available Local
9 Resources.

10 (5) For school districts having a majority of their
11 equalized assessed valuation in any county except Cook, DuPage,
12 Kane, Lake, McHenry, or Will, if the amount of general State
13 aid allocated to the school district for the 1999-2000 school
14 year under the provisions of subsection (E), (H), and (J) of
15 this Section is less than the amount of general State aid
16 allocated to the district for the 1998-1999 school year under
17 these subsections, then the general State aid of the district
18 for the 1999-2000 school year only shall be increased by the
19 difference between these amounts. The total payments made under
20 this paragraph (5) shall not exceed \$14,000,000. Claims shall
21 be prorated if they exceed \$14,000,000.

22 (H) Supplemental General State Aid.

23 (1) In addition to the general State aid a school district
24 is allotted pursuant to subsection (E), qualifying school
25 districts shall receive a grant, paid in conjunction with a

1 district's payments of general State aid, for supplemental
2 general State aid based upon the concentration level of
3 children from low-income households within the school
4 district. Supplemental State aid grants provided for school
5 districts under this subsection shall be appropriated for
6 distribution to school districts as part of the same line item
7 in which the general State financial aid of school districts is
8 appropriated under this Section. If the appropriation in any
9 fiscal year for general State aid and supplemental general
10 State aid is insufficient to pay the amounts required under the
11 general State aid and supplemental general State aid
12 calculations, then the State Board of Education shall ensure
13 that each school district receives the full amount due for
14 general State aid and the remainder of the appropriation shall
15 be used for supplemental general State aid, which the State
16 Board of Education shall calculate and pay to eligible
17 districts on a prorated basis.

18 (1.5) This paragraph (1.5) applies only to those school
19 years preceding the 2003-2004 school year. For purposes of this
20 subsection (H), the term "Low-Income Concentration Level"
21 shall be the low-income eligible pupil count from the most
22 recently available federal census divided by the Average Daily
23 Attendance of the school district. If, however, (i) the
24 percentage decrease from the 2 most recent federal censuses in
25 the low-income eligible pupil count of a high school district
26 with fewer than 400 students exceeds by 75% or more the

1 percentage change in the total low-income eligible pupil count
2 of contiguous elementary school districts, whose boundaries
3 are coterminous with the high school district, or (ii) a high
4 school district within 2 counties and serving 5 elementary
5 school districts, whose boundaries are coterminous with the
6 high school district, has a percentage decrease from the 2 most
7 recent federal censuses in the low-income eligible pupil count
8 and there is a percentage increase in the total low-income
9 eligible pupil count of a majority of the elementary school
10 districts in excess of 50% from the 2 most recent federal
11 censuses, then the high school district's low-income eligible
12 pupil count from the earlier federal census shall be the number
13 used as the low-income eligible pupil count for the high school
14 district, for purposes of this subsection (H). The changes made
15 to this paragraph (1) by Public Act 92-28 shall apply to
16 supplemental general State aid grants for school years
17 preceding the 2003-2004 school year that are paid in fiscal
18 year 1999 or thereafter and to any State aid payments made in
19 fiscal year 1994 through fiscal year 1998 pursuant to
20 subsection 1(n) of Section 18-8 of this Code (which was
21 repealed on July 1, 1998), and any high school district that is
22 affected by Public Act 92-28 is entitled to a recomputation of
23 its supplemental general State aid grant or State aid paid in
24 any of those fiscal years. This recomputation shall not be
25 affected by any other funding.

26 (1.10) This paragraph (1.10) applies to the 2003-2004

1 school year and each school year thereafter. For purposes of
2 this subsection (H), the term "Low-Income Concentration Level"
3 shall, for each fiscal year, be the low-income eligible pupil
4 count as of July 1 of the immediately preceding fiscal year (as
5 determined by the Department of Human Services based on the
6 number of pupils who are eligible for at least one of the
7 following low income programs: Medicaid, the Children's Health
8 Insurance Program ~~KidCare~~, TANF, or Food Stamps, excluding
9 pupils who are eligible for services provided by the Department
10 of Children and Family Services, averaged over the 2
11 immediately preceding fiscal years for fiscal year 2004 and
12 over the 3 immediately preceding fiscal years for each fiscal
13 year thereafter) divided by the Average Daily Attendance of the
14 school district.

15 (2) Supplemental general State aid pursuant to this
16 subsection (H) shall be provided as follows for the 1998-1999,
17 1999-2000, and 2000-2001 school years only:

18 (a) For any school district with a Low Income
19 Concentration Level of at least 20% and less than 35%, the
20 grant for any school year shall be \$800 multiplied by the
21 low income eligible pupil count.

22 (b) For any school district with a Low Income
23 Concentration Level of at least 35% and less than 50%, the
24 grant for the 1998-1999 school year shall be \$1,100
25 multiplied by the low income eligible pupil count.

26 (c) For any school district with a Low Income

1 Concentration Level of at least 50% and less than 60%, the
2 grant for the 1998-99 school year shall be \$1,500
3 multiplied by the low income eligible pupil count.

4 (d) For any school district with a Low Income
5 Concentration Level of 60% or more, the grant for the
6 1998-99 school year shall be \$1,900 multiplied by the low
7 income eligible pupil count.

8 (e) For the 1999-2000 school year, the per pupil amount
9 specified in subparagraphs (b), (c), and (d) immediately
10 above shall be increased to \$1,243, \$1,600, and \$2,000,
11 respectively.

12 (f) For the 2000-2001 school year, the per pupil
13 amounts specified in subparagraphs (b), (c), and (d)
14 immediately above shall be \$1,273, \$1,640, and \$2,050,
15 respectively.

16 (2.5) Supplemental general State aid pursuant to this
17 subsection (H) shall be provided as follows for the 2002-2003
18 school year:

19 (a) For any school district with a Low Income
20 Concentration Level of less than 10%, the grant for each
21 school year shall be \$355 multiplied by the low income
22 eligible pupil count.

23 (b) For any school district with a Low Income
24 Concentration Level of at least 10% and less than 20%, the
25 grant for each school year shall be \$675 multiplied by the
26 low income eligible pupil count.

1 (c) For any school district with a Low Income
2 Concentration Level of at least 20% and less than 35%, the
3 grant for each school year shall be \$1,330 multiplied by
4 the low income eligible pupil count.

5 (d) For any school district with a Low Income
6 Concentration Level of at least 35% and less than 50%, the
7 grant for each school year shall be \$1,362 multiplied by
8 the low income eligible pupil count.

9 (e) For any school district with a Low Income
10 Concentration Level of at least 50% and less than 60%, the
11 grant for each school year shall be \$1,680 multiplied by
12 the low income eligible pupil count.

13 (f) For any school district with a Low Income
14 Concentration Level of 60% or more, the grant for each
15 school year shall be \$2,080 multiplied by the low income
16 eligible pupil count.

17 (2.10) Except as otherwise provided, supplemental general
18 State aid pursuant to this subsection (H) shall be provided as
19 follows for the 2003-2004 school year and each school year
20 thereafter:

21 (a) For any school district with a Low Income
22 Concentration Level of 15% or less, the grant for each
23 school year shall be \$355 multiplied by the low income
24 eligible pupil count.

25 (b) For any school district with a Low Income
26 Concentration Level greater than 15%, the grant for each

1 school year shall be \$294.25 added to the product of \$2,700
2 and the square of the Low Income Concentration Level, all
3 multiplied by the low income eligible pupil count.

4 For the 2003-2004 school year and each school year
5 thereafter through the 2008-2009 school year only, the grant
6 shall be no less than the grant for the 2002-2003 school year.
7 For the 2009-2010 school year only, the grant shall be no less
8 than the grant for the 2002-2003 school year multiplied by
9 0.66. For the 2010-2011 school year only, the grant shall be no
10 less than the grant for the 2002-2003 school year multiplied by
11 0.33. Notwithstanding the provisions of this paragraph to the
12 contrary, if for any school year supplemental general State aid
13 grants are prorated as provided in paragraph (1) of this
14 subsection (H), then the grants under this paragraph shall be
15 prorated.

16 For the 2003-2004 school year only, the grant shall be no
17 greater than the grant received during the 2002-2003 school
18 year added to the product of 0.25 multiplied by the difference
19 between the grant amount calculated under subsection (a) or (b)
20 of this paragraph (2.10), whichever is applicable, and the
21 grant received during the 2002-2003 school year. For the
22 2004-2005 school year only, the grant shall be no greater than
23 the grant received during the 2002-2003 school year added to
24 the product of 0.50 multiplied by the difference between the
25 grant amount calculated under subsection (a) or (b) of this
26 paragraph (2.10), whichever is applicable, and the grant

1 received during the 2002-2003 school year. For the 2005-2006
2 school year only, the grant shall be no greater than the grant
3 received during the 2002-2003 school year added to the product
4 of 0.75 multiplied by the difference between the grant amount
5 calculated under subsection (a) or (b) of this paragraph
6 (2.10), whichever is applicable, and the grant received during
7 the 2002-2003 school year.

8 (3) School districts with an Average Daily Attendance of
9 more than 1,000 and less than 50,000 that qualify for
10 supplemental general State aid pursuant to this subsection
11 shall submit a plan to the State Board of Education prior to
12 October 30 of each year for the use of the funds resulting from
13 this grant of supplemental general State aid for the
14 improvement of instruction in which priority is given to
15 meeting the education needs of disadvantaged children. Such
16 plan shall be submitted in accordance with rules and
17 regulations promulgated by the State Board of Education.

18 (4) School districts with an Average Daily Attendance of
19 50,000 or more that qualify for supplemental general State aid
20 pursuant to this subsection shall be required to distribute
21 from funds available pursuant to this Section, no less than
22 \$261,000,000 in accordance with the following requirements:

23 (a) The required amounts shall be distributed to the
24 attendance centers within the district in proportion to the
25 number of pupils enrolled at each attendance center who are
26 eligible to receive free or reduced-price lunches or

1 breakfasts under the federal Child Nutrition Act of 1966
2 and under the National School Lunch Act during the
3 immediately preceding school year.

4 (b) The distribution of these portions of supplemental
5 and general State aid among attendance centers according to
6 these requirements shall not be compensated for or
7 contravened by adjustments of the total of other funds
8 appropriated to any attendance centers, and the Board of
9 Education shall utilize funding from one or several sources
10 in order to fully implement this provision annually prior
11 to the opening of school.

12 (c) Each attendance center shall be provided by the
13 school district a distribution of noncategorical funds and
14 other categorical funds to which an attendance center is
15 entitled under law in order that the general State aid and
16 supplemental general State aid provided by application of
17 this subsection supplements rather than supplants the
18 noncategorical funds and other categorical funds provided
19 by the school district to the attendance centers.

20 (d) Any funds made available under this subsection that
21 by reason of the provisions of this subsection are not
22 required to be allocated and provided to attendance centers
23 may be used and appropriated by the board of the district
24 for any lawful school purpose.

25 (e) Funds received by an attendance center pursuant to
26 this subsection shall be used by the attendance center at

1 the discretion of the principal and local school council
2 for programs to improve educational opportunities at
3 qualifying schools through the following programs and
4 services: early childhood education, reduced class size or
5 improved adult to student classroom ratio, enrichment
6 programs, remedial assistance, attendance improvement, and
7 other educationally beneficial expenditures which
8 supplement the regular and basic programs as determined by
9 the State Board of Education. Funds provided shall not be
10 expended for any political or lobbying purposes as defined
11 by board rule.

12 (f) Each district subject to the provisions of this
13 subdivision (H) (4) shall submit an acceptable plan to meet
14 the educational needs of disadvantaged children, in
15 compliance with the requirements of this paragraph, to the
16 State Board of Education prior to July 15 of each year.
17 This plan shall be consistent with the decisions of local
18 school councils concerning the school expenditure plans
19 developed in accordance with part 4 of Section 34-2.3. The
20 State Board shall approve or reject the plan within 60 days
21 after its submission. If the plan is rejected, the district
22 shall give written notice of intent to modify the plan
23 within 15 days of the notification of rejection and then
24 submit a modified plan within 30 days after the date of the
25 written notice of intent to modify. Districts may amend
26 approved plans pursuant to rules promulgated by the State

1 Board of Education.

2 Upon notification by the State Board of Education that
3 the district has not submitted a plan prior to July 15 or a
4 modified plan within the time period specified herein, the
5 State aid funds affected by that plan or modified plan
6 shall be withheld by the State Board of Education until a
7 plan or modified plan is submitted.

8 If the district fails to distribute State aid to
9 attendance centers in accordance with an approved plan, the
10 plan for the following year shall allocate funds, in
11 addition to the funds otherwise required by this
12 subsection, to those attendance centers which were
13 underfunded during the previous year in amounts equal to
14 such underfunding.

15 For purposes of determining compliance with this
16 subsection in relation to the requirements of attendance
17 center funding, each district subject to the provisions of
18 this subsection shall submit as a separate document by
19 December 1 of each year a report of expenditure data for
20 the prior year in addition to any modification of its
21 current plan. If it is determined that there has been a
22 failure to comply with the expenditure provisions of this
23 subsection regarding contravention or supplanting, the
24 State Superintendent of Education shall, within 60 days of
25 receipt of the report, notify the district and any affected
26 local school council. The district shall within 45 days of

1 receipt of that notification inform the State
2 Superintendent of Education of the remedial or corrective
3 action to be taken, whether by amendment of the current
4 plan, if feasible, or by adjustment in the plan for the
5 following year. Failure to provide the expenditure report
6 or the notification of remedial or corrective action in a
7 timely manner shall result in a withholding of the affected
8 funds.

9 The State Board of Education shall promulgate rules and
10 regulations to implement the provisions of this
11 subsection. No funds shall be released under this
12 subdivision (H) (4) to any district that has not submitted a
13 plan that has been approved by the State Board of
14 Education.

15 (I) (Blank).

16 (J) Supplementary Grants in Aid.

17 (1) Notwithstanding any other provisions of this Section,
18 the amount of the aggregate general State aid in combination
19 with supplemental general State aid under this Section for
20 which each school district is eligible shall be no less than
21 the amount of the aggregate general State aid entitlement that
22 was received by the district under Section 18-8 (exclusive of
23 amounts received under subsections 5(p) and 5(p-5) of that
24 Section) for the 1997-98 school year, pursuant to the

1 provisions of that Section as it was then in effect. If a
2 school district qualifies to receive a supplementary payment
3 made under this subsection (J), the amount of the aggregate
4 general State aid in combination with supplemental general
5 State aid under this Section which that district is eligible to
6 receive for each school year shall be no less than the amount
7 of the aggregate general State aid entitlement that was
8 received by the district under Section 18-8 (exclusive of
9 amounts received under subsections 5(p) and 5(p-5) of that
10 Section) for the 1997-1998 school year, pursuant to the
11 provisions of that Section as it was then in effect.

12 (2) If, as provided in paragraph (1) of this subsection
13 (J), a school district is to receive aggregate general State
14 aid in combination with supplemental general State aid under
15 this Section for the 1998-99 school year and any subsequent
16 school year that in any such school year is less than the
17 amount of the aggregate general State aid entitlement that the
18 district received for the 1997-98 school year, the school
19 district shall also receive, from a separate appropriation made
20 for purposes of this subsection (J), a supplementary payment
21 that is equal to the amount of the difference in the aggregate
22 State aid figures as described in paragraph (1).

23 (3) (Blank).

24 (K) Grants to Laboratory and Alternative Schools.

25 In calculating the amount to be paid to the governing board

1 of a public university that operates a laboratory school under
2 this Section or to any alternative school that is operated by a
3 regional superintendent of schools, the State Board of
4 Education shall require by rule such reporting requirements as
5 it deems necessary.

6 As used in this Section, "laboratory school" means a public
7 school which is created and operated by a public university and
8 approved by the State Board of Education. The governing board
9 of a public university which receives funds from the State
10 Board under this subsection (K) may not increase the number of
11 students enrolled in its laboratory school from a single
12 district, if that district is already sending 50 or more
13 students, except under a mutual agreement between the school
14 board of a student's district of residence and the university
15 which operates the laboratory school. A laboratory school may
16 not have more than 1,000 students, excluding students with
17 disabilities in a special education program.

18 As used in this Section, "alternative school" means a
19 public school which is created and operated by a Regional
20 Superintendent of Schools and approved by the State Board of
21 Education. Such alternative schools may offer courses of
22 instruction for which credit is given in regular school
23 programs, courses to prepare students for the high school
24 equivalency testing program or vocational and occupational
25 training. A regional superintendent of schools may contract
26 with a school district or a public community college district

1 to operate an alternative school. An alternative school serving
2 more than one educational service region may be established by
3 the regional superintendents of schools of the affected
4 educational service regions. An alternative school serving
5 more than one educational service region may be operated under
6 such terms as the regional superintendents of schools of those
7 educational service regions may agree.

8 Each laboratory and alternative school shall file, on forms
9 provided by the State Superintendent of Education, an annual
10 State aid claim which states the Average Daily Attendance of
11 the school's students by month. The best 3 months' Average
12 Daily Attendance shall be computed for each school. The general
13 State aid entitlement shall be computed by multiplying the
14 applicable Average Daily Attendance by the Foundation Level as
15 determined under this Section.

16 (L) Payments, Additional Grants in Aid and Other Requirements.

17 (1) For a school district operating under the financial
18 supervision of an Authority created under Article 34A, the
19 general State aid otherwise payable to that district under this
20 Section, but not the supplemental general State aid, shall be
21 reduced by an amount equal to the budget for the operations of
22 the Authority as certified by the Authority to the State Board
23 of Education, and an amount equal to such reduction shall be
24 paid to the Authority created for such district for its
25 operating expenses in the manner provided in Section 18-11. The

1 remainder of general State school aid for any such district
2 shall be paid in accordance with Article 34A when that Article
3 provides for a disposition other than that provided by this
4 Article.

5 (2) (Blank).

6 (3) Summer school. Summer school payments shall be made as
7 provided in Section 18-4.3.

8 (M) Education Funding Advisory Board.

9 The Education Funding Advisory Board, hereinafter in this
10 subsection (M) referred to as the "Board", is hereby created.
11 The Board shall consist of 5 members who are appointed by the
12 Governor, by and with the advice and consent of the Senate. The
13 members appointed shall include representatives of education,
14 business, and the general public. One of the members so
15 appointed shall be designated by the Governor at the time the
16 appointment is made as the chairperson of the Board. The
17 initial members of the Board may be appointed any time after
18 the effective date of this amendatory Act of 1997. The regular
19 term of each member of the Board shall be for 4 years from the
20 third Monday of January of the year in which the term of the
21 member's appointment is to commence, except that of the 5
22 initial members appointed to serve on the Board, the member who
23 is appointed as the chairperson shall serve for a term that
24 commences on the date of his or her appointment and expires on
25 the third Monday of January, 2002, and the remaining 4 members,

1 by lots drawn at the first meeting of the Board that is held
2 after all 5 members are appointed, shall determine 2 of their
3 number to serve for terms that commence on the date of their
4 respective appointments and expire on the third Monday of
5 January, 2001, and 2 of their number to serve for terms that
6 commence on the date of their respective appointments and
7 expire on the third Monday of January, 2000. All members
8 appointed to serve on the Board shall serve until their
9 respective successors are appointed and confirmed. Vacancies
10 shall be filled in the same manner as original appointments. If
11 a vacancy in membership occurs at a time when the Senate is not
12 in session, the Governor shall make a temporary appointment
13 until the next meeting of the Senate, when he or she shall
14 appoint, by and with the advice and consent of the Senate, a
15 person to fill that membership for the unexpired term. If the
16 Senate is not in session when the initial appointments are
17 made, those appointments shall be made as in the case of
18 vacancies.

19 The Education Funding Advisory Board shall be deemed
20 established, and the initial members appointed by the Governor
21 to serve as members of the Board shall take office, on the date
22 that the Governor makes his or her appointment of the fifth
23 initial member of the Board, whether those initial members are
24 then serving pursuant to appointment and confirmation or
25 pursuant to temporary appointments that are made by the
26 Governor as in the case of vacancies.

1 The State Board of Education shall provide such staff
2 assistance to the Education Funding Advisory Board as is
3 reasonably required for the proper performance by the Board of
4 its responsibilities.

5 For school years after the 2000-2001 school year, the
6 Education Funding Advisory Board, in consultation with the
7 State Board of Education, shall make recommendations as
8 provided in this subsection (M) to the General Assembly for the
9 foundation level under subdivision (B)(3) of this Section and
10 for the supplemental general State aid grant level under
11 subsection (H) of this Section for districts with high
12 concentrations of children from poverty. The recommended
13 foundation level shall be determined based on a methodology
14 which incorporates the basic education expenditures of
15 low-spending schools exhibiting high academic performance. The
16 Education Funding Advisory Board shall make such
17 recommendations to the General Assembly on January 1 of odd
18 numbered years, beginning January 1, 2001.

19 (N) (Blank).

20 (O) References.

21 (1) References in other laws to the various subdivisions of
22 Section 18-8 as that Section existed before its repeal and
23 replacement by this Section 18-8.05 shall be deemed to refer to
24 the corresponding provisions of this Section 18-8.05, to the

1 extent that those references remain applicable.

2 (2) References in other laws to State Chapter 1 funds shall
3 be deemed to refer to the supplemental general State aid
4 provided under subsection (H) of this Section.

5 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
6 changes to this Section. Under Section 6 of the Statute on
7 Statutes there is an irreconcilable conflict between Public Act
8 93-808 and Public Act 93-838. Public Act 93-838, being the last
9 acted upon, is controlling. The text of Public Act 93-838 is
10 the law regardless of the text of Public Act 93-808.

11 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
12 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
13 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
14 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
15 9-5-08.)

16 Section 5-52. The Illinois Public Aid Code is amended by
17 changing Sections 5-5.4, 5A-8, and 12-10.3 as follows:

18 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

19 Sec. 5-5.4. Standards of Payment - Department of Healthcare
20 and Family Services. The Department of Healthcare and Family
21 Services shall develop standards of payment of skilled nursing
22 and intermediate care services in facilities providing such
23 services under this Article which:

1 (1) Provide for the determination of a facility's payment
2 for skilled nursing and intermediate care services on a
3 prospective basis. The amount of the payment rate for all
4 nursing facilities certified by the Department of Public Health
5 under the Nursing Home Care Act as Intermediate Care for the
6 Developmentally Disabled facilities, Long Term Care for Under
7 Age 22 facilities, Skilled Nursing facilities, or Intermediate
8 Care facilities under the medical assistance program shall be
9 prospectively established annually on the basis of historical,
10 financial, and statistical data reflecting actual costs from
11 prior years, which shall be applied to the current rate year
12 and updated for inflation, except that the capital cost element
13 for newly constructed facilities shall be based upon projected
14 budgets. The annually established payment rate shall take
15 effect on July 1 in 1984 and subsequent years. No rate increase
16 and no update for inflation shall be provided on or after July
17 1, 1994 and before July 1, 2010 ~~2009~~, unless specifically
18 provided for in this Section. The changes made by Public Act
19 93-841 extending the duration of the prohibition against a rate
20 increase or update for inflation are effective retroactive to
21 July 1, 2004.

22 For facilities licensed by the Department of Public Health
23 under the Nursing Home Care Act as Intermediate Care for the
24 Developmentally Disabled facilities or Long Term Care for Under
25 Age 22 facilities, the rates taking effect on July 1, 1998
26 shall include an increase of 3%. For facilities licensed by the

1 Department of Public Health under the Nursing Home Care Act as
2 Skilled Nursing facilities or Intermediate Care facilities,
3 the rates taking effect on July 1, 1998 shall include an
4 increase of 3% plus \$1.10 per resident-day, as defined by the
5 Department. For facilities licensed by the Department of Public
6 Health under the Nursing Home Care Act as Intermediate Care
7 Facilities for the Developmentally Disabled or Long Term Care
8 for Under Age 22 facilities, the rates taking effect on January
9 1, 2006 shall include an increase of 3%. For facilities
10 licensed by the Department of Public Health under the Nursing
11 Home Care Act as Intermediate Care Facilities for the
12 Developmentally Disabled or Long Term Care for Under Age 22
13 facilities, the rates taking effect on January 1, 2009 shall
14 include an increase sufficient to provide a \$0.50 per hour wage
15 increase for non-executive staff.

16 For facilities licensed by the Department of Public Health
17 under the Nursing Home Care Act as Intermediate Care for the
18 Developmentally Disabled facilities or Long Term Care for Under
19 Age 22 facilities, the rates taking effect on July 1, 1999
20 shall include an increase of 1.6% plus \$3.00 per resident-day,
21 as defined by the Department. For facilities licensed by the
22 Department of Public Health under the Nursing Home Care Act as
23 Skilled Nursing facilities or Intermediate Care facilities,
24 the rates taking effect on July 1, 1999 shall include an
25 increase of 1.6% and, for services provided on or after October
26 1, 1999, shall be increased by \$4.00 per resident-day, as

1 defined by the Department.

2 For facilities licensed by the Department of Public Health
3 under the Nursing Home Care Act as Intermediate Care for the
4 Developmentally Disabled facilities or Long Term Care for Under
5 Age 22 facilities, the rates taking effect on July 1, 2000
6 shall include an increase of 2.5% per resident-day, as defined
7 by the Department. For facilities licensed by the Department of
8 Public Health under the Nursing Home Care Act as Skilled
9 Nursing facilities or Intermediate Care facilities, the rates
10 taking effect on July 1, 2000 shall include an increase of 2.5%
11 per resident-day, as defined by the Department.

12 For facilities licensed by the Department of Public Health
13 under the Nursing Home Care Act as skilled nursing facilities
14 or intermediate care facilities, a new payment methodology must
15 be implemented for the nursing component of the rate effective
16 July 1, 2003. The Department of Public Aid (now Healthcare and
17 Family Services) shall develop the new payment methodology
18 using the Minimum Data Set (MDS) as the instrument to collect
19 information concerning nursing home resident condition
20 necessary to compute the rate. The Department shall develop the
21 new payment methodology to meet the unique needs of Illinois
22 nursing home residents while remaining subject to the
23 appropriations provided by the General Assembly. A transition
24 period from the payment methodology in effect on June 30, 2003
25 to the payment methodology in effect on July 1, 2003 shall be
26 provided for a period not exceeding 3 years and 184 days after

1 implementation of the new payment methodology as follows:

2 (A) For a facility that would receive a lower nursing
3 component rate per patient day under the new system than
4 the facility received effective on the date immediately
5 preceding the date that the Department implements the new
6 payment methodology, the nursing component rate per
7 patient day for the facility shall be held at the level in
8 effect on the date immediately preceding the date that the
9 Department implements the new payment methodology until a
10 higher nursing component rate of reimbursement is achieved
11 by that facility.

12 (B) For a facility that would receive a higher nursing
13 component rate per patient day under the payment
14 methodology in effect on July 1, 2003 than the facility
15 received effective on the date immediately preceding the
16 date that the Department implements the new payment
17 methodology, the nursing component rate per patient day for
18 the facility shall be adjusted.

19 (C) Notwithstanding paragraphs (A) and (B), the
20 nursing component rate per patient day for the facility
21 shall be adjusted subject to appropriations provided by the
22 General Assembly.

23 For facilities licensed by the Department of Public Health
24 under the Nursing Home Care Act as Intermediate Care for the
25 Developmentally Disabled facilities or Long Term Care for Under
26 Age 22 facilities, the rates taking effect on March 1, 2001

1 shall include a statewide increase of 7.85%, as defined by the
2 Department.

3 Notwithstanding any other provision of this Section, for
4 facilities licensed by the Department of Public Health under
5 the Nursing Home Care Act as skilled nursing facilities or
6 intermediate care facilities, the numerator of the ratio used
7 by the Department of Healthcare and Family Services to compute
8 the rate payable under this Section using the Minimum Data Set
9 (MDS) methodology shall incorporate the following annual
10 amounts as the additional funds appropriated to the Department
11 specifically to pay for rates based on the MDS nursing
12 component methodology in excess of the funding in effect on
13 December 31, 2006:

14 (i) For rates taking effect January 1, 2007,
15 \$60,000,000.

16 (ii) For rates taking effect January 1, 2008,
17 \$110,000,000.

18 (iii) For rates taking effect January 1, 2009,
19 \$194,000,000.

20 Notwithstanding any other provision of this Section, for
21 facilities licensed by the Department of Public Health under
22 the Nursing Home Care Act as skilled nursing facilities or
23 intermediate care facilities, the support component of the
24 rates taking effect on January 1, 2008 shall be computed using
25 the most recent cost reports on file with the Department of
26 Healthcare and Family Services no later than April 1, 2005,

1 updated for inflation to January 1, 2006.

2 For facilities licensed by the Department of Public Health
3 under the Nursing Home Care Act as Intermediate Care for the
4 Developmentally Disabled facilities or Long Term Care for Under
5 Age 22 facilities, the rates taking effect on April 1, 2002
6 shall include a statewide increase of 2.0%, as defined by the
7 Department. This increase terminates on July 1, 2002; beginning
8 July 1, 2002 these rates are reduced to the level of the rates
9 in effect on March 31, 2002, as defined by the Department.

10 For facilities licensed by the Department of Public Health
11 under the Nursing Home Care Act as skilled nursing facilities
12 or intermediate care facilities, the rates taking effect on
13 July 1, 2001 shall be computed using the most recent cost
14 reports on file with the Department of Public Aid no later than
15 April 1, 2000, updated for inflation to January 1, 2001. For
16 rates effective July 1, 2001 only, rates shall be the greater
17 of the rate computed for July 1, 2001 or the rate effective on
18 June 30, 2001.

19 Notwithstanding any other provision of this Section, for
20 facilities licensed by the Department of Public Health under
21 the Nursing Home Care Act as skilled nursing facilities or
22 intermediate care facilities, the Illinois Department shall
23 determine by rule the rates taking effect on July 1, 2002,
24 which shall be 5.9% less than the rates in effect on June 30,
25 2002.

26 Notwithstanding any other provision 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, if the payment methodologies
4 required under Section 5A-12 and the waiver granted under 42
5 CFR 433.68 are approved by the United States Centers for
6 Medicare and Medicaid Services, the rates taking effect on July
7 1, 2004 shall be 3.0% greater than the rates in effect on June
8 30, 2004. These rates shall take effect only upon approval and
9 implementation of the payment methodologies required under
10 Section 5A-12.

11 Notwithstanding any other provisions of this Section, for
12 facilities licensed by the Department of Public Health under
13 the Nursing Home Care Act as skilled nursing facilities or
14 intermediate care facilities, the rates taking effect on
15 January 1, 2005 shall be 3% more than the rates in effect on
16 December 31, 2004.

17 Notwithstanding any other provision of this Section, for
18 facilities licensed by the Department of Public Health under
19 the Nursing Home Care Act as skilled nursing facilities or
20 intermediate care facilities, effective January 1, 2009, the
21 per diem support component of the rates effective on January 1,
22 2008, computed using the most recent cost reports on file with
23 the Department of Healthcare and Family Services no later than
24 April 1, 2005, updated for inflation to January 1, 2006, shall
25 be increased to the amount that would have been derived using
26 standard Department of Healthcare and Family Services methods,

1 procedures, and inflators.

2 Notwithstanding any other provisions of this Section, for
3 facilities licensed by the Department of Public Health under
4 the Nursing Home Care Act as intermediate care facilities that
5 are federally defined as Institutions for Mental Disease, a
6 socio-development component rate equal to 6.6% of the
7 facility's nursing component rate as of January 1, 2006 shall
8 be established and paid effective July 1, 2006. The
9 socio-development component of the rate shall be increased by a
10 factor of 2.53 on the first day of the month that begins at
11 least 45 days after January 11, 2008 (the effective date of
12 Public Act 95-707). As of August 1, 2008, the socio-development
13 component rate shall be equal to 6.6% of the facility's nursing
14 component rate as of January 1, 2006, multiplied by a factor of
15 3.53. The Illinois Department may by rule adjust these
16 socio-development component rates, but in no case may such
17 rates be diminished.

18 For facilities licensed by the Department of Public Health
19 under the Nursing Home Care Act as Intermediate Care for the
20 Developmentally Disabled facilities or as long-term care
21 facilities for residents under 22 years of age, the rates
22 taking effect on July 1, 2003 shall include a statewide
23 increase of 4%, as defined by the Department.

24 For facilities licensed by the Department of Public Health
25 under the Nursing Home Care Act as Intermediate Care for the
26 Developmentally Disabled facilities or Long Term Care for Under

1 Age 22 facilities, the rates taking effect on the first day of
2 the month that begins at least 45 days after the effective date
3 of this amendatory Act of the 95th General Assembly shall
4 include a statewide increase of 2.5%, as defined by the
5 Department.

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, 2005,
10 facility rates shall be increased by the difference between (i)
11 a facility's per diem property, liability, and malpractice
12 insurance costs as reported in the cost report filed with the
13 Department of Public Aid and used to establish rates effective
14 July 1, 2001 and (ii) those same costs as reported in the
15 facility's 2002 cost report. These costs shall be passed
16 through to the facility without caps or limitations, except for
17 adjustments required under normal auditing procedures.

18 Rates established effective each July 1 shall govern
19 payment for services rendered throughout that fiscal year,
20 except that rates established on July 1, 1996 shall be
21 increased by 6.8% for services provided on or after January 1,
22 1997. Such rates will be based upon the rates calculated for
23 the year beginning July 1, 1990, and for subsequent years
24 thereafter until June 30, 2001 shall be based on the facility
25 cost reports for the facility fiscal year ending at any point
26 in time during the previous calendar year, updated to the

1 midpoint of the rate year. The cost report shall be on file
2 with the Department no later than April 1 of the current rate
3 year. Should the cost report not be on file by April 1, the
4 Department shall base the rate on the latest cost report filed
5 by each skilled care facility and intermediate care facility,
6 updated to the midpoint of the current rate year. In
7 determining rates for services rendered on and after July 1,
8 1985, fixed time shall not be computed at less than zero. The
9 Department shall not make any alterations of regulations which
10 would reduce any component of the Medicaid rate to a level
11 below what that component would have been utilizing in the rate
12 effective on July 1, 1984.

13 (2) Shall take into account the actual costs incurred by
14 facilities in providing services for recipients of skilled
15 nursing and intermediate care services under the medical
16 assistance program.

17 (3) Shall take into account the medical and psycho-social
18 characteristics and needs of the patients.

19 (4) Shall take into account the actual costs incurred by
20 facilities in meeting licensing and certification standards
21 imposed and prescribed by the State of Illinois, any of its
22 political subdivisions or municipalities and by the U.S.
23 Department of Health and Human Services pursuant to Title XIX
24 of the Social Security Act.

25 The Department of Healthcare and Family Services shall
26 develop precise standards for payments to reimburse nursing

1 facilities for any utilization of appropriate rehabilitative
2 personnel for the provision of rehabilitative services which is
3 authorized by federal regulations, including reimbursement for
4 services provided by qualified therapists or qualified
5 assistants, and which is in accordance with accepted
6 professional practices. Reimbursement also may be made for
7 utilization of other supportive personnel under appropriate
8 supervision.

9 (Source: P.A. 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697,
10 eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06;
11 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
12 95-744, eff. 7-18-08.)

13 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

14 Sec. 5A-8. Hospital Provider Fund.

15 (a) There is created in the State Treasury the Hospital
16 Provider Fund. Interest earned by the Fund shall be credited to
17 the Fund. The Fund shall not be used to replace any moneys
18 appropriated to the Medicaid program by the General Assembly.

19 (b) The Fund is created for the purpose of receiving moneys
20 in accordance with Section 5A-6 and disbursing moneys only for
21 the following purposes, notwithstanding any other provision of
22 law:

23 (1) For making payments to hospitals as required under
24 Articles V, V-A, VI, and XIV of this Code, under the
25 Children's Health Insurance Program Act, and under the

1 Covering ALL KIDS Health Insurance Act.

2 (2) For the reimbursement of moneys collected by the
3 Illinois Department from hospitals or hospital providers
4 through error or mistake in performing the activities
5 authorized under this Article and Article V of this Code.

6 (3) For payment of administrative expenses incurred by
7 the Illinois Department or its agent in performing the
8 activities authorized by this Article.

9 (4) For payments of any amounts which are reimbursable
10 to the federal government for payments from this Fund which
11 are required to be paid by State warrant.

12 (5) For making transfers, as those transfers are
13 authorized in the proceedings authorizing debt under the
14 Short Term Borrowing Act, but transfers made under this
15 paragraph (5) shall not exceed the principal amount of debt
16 issued in anticipation of the receipt by the State of
17 moneys to be deposited into the Fund.

18 (6) For making transfers to any other fund in the State
19 treasury, but transfers made under this paragraph (6) shall
20 not exceed the amount transferred previously from that
21 other fund into the Hospital Provider Fund.

22 (7) For State fiscal years 2004 and 2005 for making
23 transfers to the Health and Human Services Medicaid Trust
24 Fund, including 20% of the moneys received from hospital
25 providers under Section 5A-4 and transferred into the
26 Hospital Provider Fund under Section 5A-6. For State fiscal

1 year 2006 for making transfers to the Health and Human
 2 Services Medicaid Trust Fund of up to \$130,000,000 per year
 3 of the moneys received from hospital providers under
 4 Section 5A-4 and transferred into the Hospital Provider
 5 Fund under Section 5A-6. Transfers under this paragraph
 6 shall be made within 7 days after the payments have been
 7 received pursuant to the schedule of payments provided in
 8 subsection (a) of Section 5A-4.

9 (7.5) For State fiscal year 2007 for making transfers
 10 of the moneys received from hospital providers under
 11 Section 5A-4 and transferred into the Hospital Provider
 12 Fund under Section 5A-6 to the designated funds not
 13 exceeding the following amounts in that State fiscal year:

14 Health and Human Services

15 Medicaid Trust Fund	\$20,000,000
16 Long-Term Care Provider Fund	\$30,000,000
17 General Revenue Fund	\$80,000,000.

18 Transfers under this paragraph shall be made within 7
 19 days after the payments have been received pursuant to the
 20 schedule of payments provided in subsection (a) of Section
 21 5A-4.

22 (7.8) For State fiscal year 2008, for making transfers
 23 of the moneys received from hospital providers under
 24 Section 5A-4 and transferred into the Hospital Provider
 25 Fund under Section 5A-6 to the designated funds not
 26 exceeding the following amounts in that State fiscal year:

1 Health and Human Services

2 Medicaid Trust Fund \$40,000,000

3 Long-Term Care Provider Fund \$60,000,000

4 General Revenue Fund \$160,000,000.

5 Transfers under this paragraph shall be made within 7

6 days after the payments have been received pursuant to the

7 schedule of payments provided in subsection (a) of Section

8 5A-4.

9 (7.9) For State fiscal years 2009 through 2013, for

10 making transfers of the moneys received from hospital

11 providers under Section 5A-4 and transferred into the

12 Hospital Provider Fund under Section 5A-6 to the designated

13 funds not exceeding the following amounts in that State

14 fiscal year:

15 Health and Human Services

16 Medicaid Trust Fund \$20,000,000

17 Long Term Care Provider Fund \$30,000,000

18 General Revenue Fund \$80,000,000.

19 Except as provided under this paragraph, transfers

20 under this paragraph shall be made within 7 business days

21 after the payments have been received pursuant to the

22 schedule of payments provided in subsection (a) of Section

23 5A-4. For State fiscal year 2009, transfers to the General

24 Revenue Fund under this paragraph shall be made on or

25 before June 30, 2009, as sufficient funds become available

26 in the Hospital Provider Fund to both make the transfers

1 and continue hospital payments.

2 (8) For making refunds to hospital providers pursuant
3 to Section 5A-10.

4 Disbursements from the Fund, other than transfers
5 authorized under paragraphs (5) and (6) of this subsection,
6 shall be by warrants drawn by the State Comptroller upon
7 receipt of vouchers duly executed and certified by the Illinois
8 Department.

9 (c) The Fund shall consist of the following:

10 (1) All moneys collected or received by the Illinois
11 Department from the hospital provider assessment imposed
12 by this Article.

13 (2) All federal matching funds received by the Illinois
14 Department as a result of expenditures made by the Illinois
15 Department that are attributable to moneys deposited in the
16 Fund.

17 (3) Any interest or penalty levied in conjunction with
18 the administration of this Article.

19 (4) Moneys transferred from another fund in the State
20 treasury.

21 (5) All other moneys received for the Fund from any
22 other source, including interest earned thereon.

23 (d) (Blank).

24 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,
25 eff. 2-27-09.)

1 (305 ILCS 5/12-10.3) (from Ch. 23, par. 12-10.3)

2 Sec. 12-10.3. Employment and Training Fund; uses.

3 (a) The Employment and Training Fund is hereby created in
4 the State Treasury for the purpose of receiving and disbursing
5 moneys in accordance with the provisions of Title IV-A of the
6 federal Social Security Act; the Food Stamp Act, Title 7 of the
7 United States Code; and related rules and regulations governing
8 the use of those moneys for the purposes of providing
9 employment and training services, supportive services, cash
10 assistance payments, short-term non-recurrent payments, and
11 other related social services.

12 (b) All federal funds received by the Illinois Department
13 as reimbursement for expenditures for employment and training
14 programs made by the Illinois Department from grants, gifts, or
15 legacies as provided in Section 12-4.18 or by an entity other
16 than the Department, and all federal funds received from the
17 Emergency Contingency Fund for State Temporary Assistance for
18 Needy Families Programs established by the American Recovery
19 and Reinvestment Act of 2009 ~~except as a result of~~
20 ~~appropriations made for the costs of providing adult education~~
21 ~~to public assistance recipients,~~ shall be deposited into the
22 Employment and Training Fund; ~~provided, however, that all~~
23 ~~funds, except those that are specified in the interagency~~
24 ~~agreement between the Illinois Community College Board and the~~
25 ~~Department, that are received by the Department as~~
26 ~~reimbursement under Title IV A of the federal Social Security~~

1 ~~Act for expenditures that are made by the Illinois Community~~
2 ~~College Board or by any public community college of this State~~
3 ~~shall be credited to a special account that the State Treasurer~~
4 ~~shall establish and maintain within the Employment and Training~~
5 ~~Fund for the purpose and in the manner provided in Section~~
6 ~~12-5.~~

7 (c) Except as provided in subsection (d) of this Section,
8 the Employment and Training Fund shall be administered by the
9 Illinois Department, and the Illinois Department may make
10 payments from the Employment and Training Fund to clients or to
11 public and private entities on behalf of clients for employment
12 and training services, for supportive services, cash
13 assistance payments, short-term non-recurrent payments, and
14 other related social services consistent with the purposes
15 authorized under this Code. ~~or to public and private entities~~
16 ~~for employment and training services. Such payments shall not~~
17 ~~include any funds generated by Illinois community colleges as~~
18 ~~part of the Opportunities Program.~~

19 (d) (Blank). ~~On or before the 10th day of August, 1992, and~~
20 ~~on or before the 10th day of each month thereafter, the State~~
21 ~~Treasurer and State Comptroller shall automatically transfer~~
22 ~~to the TANF Opportunities Fund of the Illinois Community~~
23 ~~College Board from the special account established and~~
24 ~~maintained in the Employment and Training Fund all amounts~~
25 ~~credited to that special account as provided in Section 12-5~~
26 ~~during the preceding month as reimbursement for expenditures~~

1 ~~under Title IV-A of the federal Social Security Act made by the~~
2 ~~Illinois Community College Board or any public community~~
3 ~~college of this State.~~

4 (e) The Illinois Department shall execute a written
5 contract when purchasing employment and training services from
6 entities qualified to provide services under the programs. The
7 contract shall be filed with the Illinois Department and the
8 State Comptroller.

9 (Source: P.A. 92-111, eff. 1-1-02.)

10 Section 5-53. The Veterans' Health Insurance Program Act of
11 2008 is amended by changing Sections 3, 5, 15, 20, 30, 40, and
12 45 as follows:

13 (330 ILCS 126/3)

14 (Section scheduled to be repealed on January 1, 2012)

15 Sec. 3. Legislative intent. The General Assembly finds that
16 those who have served their country honorably in military
17 service and who are residing in this State deserve access to
18 affordable, comprehensive health insurance. Many veterans are
19 uninsured and unable to afford healthcare. This lack of
20 healthcare, including preventative care, often exacerbates
21 health conditions. The effects of lack of insurance negatively
22 impact those residents of the State who are insured because the
23 cost of paying for care to the uninsured is often shifted to
24 those who have insurance in the form of higher health insurance

1 premiums. It is, therefore, the intent of this legislation to
2 provide access to affordable health insurance for veterans and
3 their spouses residing in Illinois who are unable to afford
4 such coverage. However, the State has only a limited amount of
5 resources, and the General Assembly therefore declares that
6 while it intends to cover as many such veterans and spouses as
7 possible, the State may not be able to cover every eligible
8 person who qualifies for this Program as a matter of
9 entitlement due to limited funding.

10 (Source: P.A. 95-755, eff. 7-25-08.)

11 (330 ILCS 126/5)

12 (Section scheduled to be repealed on January 1, 2012)

13 Sec. 5. Definitions. The following words have the following
14 meanings:

15 "Department" means the Department of Healthcare and Family
16 Services, or any successor agency.

17 "Director" means the Director of Healthcare and Family
18 Services, or any successor agency.

19 "Medical assistance" means health care benefits provided
20 under Article V of the Illinois Public Aid Code.

21 "Program" means the Veterans' Health Insurance Program.

22 "Resident" means an individual who has an Illinois
23 residence, as provided in Section 5-3 of the Illinois Public
24 Aid Code.

25 "Spouse" means the person who is the person who, under the

1 laws of the State of Illinois, is married to an eligible
2 veteran at the time of application and subsequent
3 re-determinations for the Program and includes enrolled
4 spouses surviving the death of veteran spouses.

5 "Veteran" means any person who has served in a branch of
6 the United States military for greater than 180 ~~consecutive~~
7 days after initial training.

8 "Veterans' Affairs" or "VA" means the United States
9 Department of Veterans' Affairs.

10 (Source: P.A. 95-755, eff. 7-25-08.)

11 (330 ILCS 126/15)

12 (Section scheduled to be repealed on January 1, 2012)

13 Sec. 15. Eligibility.

14 (a) To be eligible for the Program, a person must:

15 (1) be a veteran who is not on active duty and who has
16 not been dishonorably discharged from service or the spouse
17 of such a veteran;

18 (2) be a resident of the State of Illinois;

19 (3) be at least 19 years of age and no older than 64
20 years of age;

21 (4) be uninsured, as defined by the Department by rule,
22 for a period of time established by the Department by rule,
23 which shall be no less than 3 ~~6~~ months;

24 (5) not be eligible for medical assistance under the
25 Illinois Public Aid Code or healthcare benefits under the

1 Children's Health Insurance Program Act or the Covering ALL
2 KIDS Health Insurance Act;

3 (6) not be eligible for medical benefits through the
4 Veterans Health Administration; and

5 (7) have a household income no greater than the sum of
6 (i) an amount equal to 25% of the federal poverty level
7 plus (ii) an amount equal to the Veterans Administration
8 means test income threshold at the initiation of the
9 Program; depending on the availability of funds, this level
10 may be increased to an amount equal to the sum of (iii) an
11 amount equal to 50% of the federal poverty level plus (iv)
12 an amount equal to the Veterans Administration means test
13 income threshold. This means test income threshold is
14 subject to alteration by the Department as set forth in
15 subsection (b) of Section 10.

16 (b) A veteran or spouse who is determined eligible for the
17 Program shall remain eligible for 12 months, provided the
18 veteran or spouse remains a resident of the State and is not
19 excluded under subsection (c) of this Section and provided the
20 Department has not limited the enrollment period as set forth
21 in subsection (b) of Section 10.

22 (c) A veteran or spouse is not eligible for coverage under
23 the Program if:

24 (1) the premium required under Section 35 of this Act
25 has not been timely paid; if the required premiums are not
26 paid, the liability of the Program shall be limited to

1 benefits incurred under the Program for the time period for
2 which premiums have been paid and for grace periods as
3 established under subsection (d); if the required monthly
4 premium is not paid, the veteran or spouse is ineligible
5 for re-enrollment for a minimum period of 3 months; or

6 (2) the veteran or spouse is a resident of a nursing
7 facility or an inmate of a public institution, as defined
8 by 42 CFR 435.1009.

9 (d) The Department shall adopt rules for the Program,
10 including, but not limited to, rules relating to eligibility,
11 re-enrollment, grace periods, notice requirements, hearing
12 procedures, cost-sharing, covered services, and provider
13 requirements.

14 (Source: P.A. 95-755, eff. 7-25-08.)

15 (330 ILCS 126/20)

16 (Section scheduled to be repealed on January 1, 2012)

17 Sec. 20. Notice of decisions to terminate eligibility.
18 Whenever the Department decides to either deny or terminate
19 eligibility under this Act, the veteran or spouse shall have a
20 right to notice and a hearing, as provided by the Department by
21 rule.

22 (Source: P.A. 95-755, eff. 7-25-08.)

23 (330 ILCS 126/30)

24 (Section scheduled to be repealed on January 1, 2012)

1 Sec. 30. Health care benefits.

2 (a) For veterans or spouses eligible and enrolled, the
3 Department shall purchase or provide health care benefits for
4 eligible veterans or spouses that are identical to the benefits
5 provided to adults under the State's approved plan under Title
6 XIX of the Social Security Act, except for nursing facility
7 services and non-emergency transportation.

8 (b) Providers shall be subject to approval by the
9 Department to provide health care under the Illinois Public Aid
10 Code and shall be reimbursed at the same rates as providers
11 reimbursed under the State's approved plan under Title XIX of
12 the Social Security Act.

13 (c) As an alternative to the benefits set forth in
14 subsection (a) of this Section, and when cost-effective, the
15 Department may offer veterans or spouses subsidies toward the
16 cost of privately sponsored health insurance, including
17 employer-sponsored health insurance.

18 (Source: P.A. 95-755, eff. 7-25-08.)

19 (330 ILCS 126/40)

20 (Section scheduled to be repealed on January 1, 2012)

21 Sec. 40. Charge upon claims and causes of action; right of
22 subrogation; recoveries. Sections 11-22, 11-22a, 11-22b, and
23 11-22c of the Illinois Public Aid Code apply to health benefits
24 provided to veterans or spouses under this Act, as provided in
25 those Sections.

1 (Source: P.A. 95-755, eff. 7-25-08.)

2 (330 ILCS 126/45)

3 (Section scheduled to be repealed on January 1, 2012)

4 Sec. 45. Reporting. The Department shall prepare an annual
5 report for submission to the General Assembly. The report shall
6 be due to the General Assembly by January 1 of each year
7 beginning in 2009. This report shall include information
8 regarding implementation of the Program, including the number
9 of veterans or spouses enrolled and any available information
10 regarding other benefits derived from the Program, including
11 screening for and acquisition of other veterans' benefits
12 through the Veterans' Service Officers and the Veterans'
13 Assistance Commissions. This report may also include
14 recommendations regarding improvements that may be made to the
15 Program and regarding the extension of the repeal date set
16 forth in Section 85 of this Act.

17 (Source: P.A. 95-755, eff. 7-25-08.)

18 Section 5-55. The Environmental Protection Act is amended
19 by changing Section 58.13 as follows:

20 (415 ILCS 5/58.13)

21 Sec. 58.13. Municipal Brownfields Redevelopment Grant
22 Program.

23 (a) (1) The Agency shall establish and administer a program

1 of grants, to be known as the Municipal Brownfields
2 Redevelopment Grant Program, to provide municipalities in
3 Illinois with financial assistance to be used for
4 coordination of activities related to brownfields
5 redevelopment, including but not limited to identification
6 of brownfields sites, including those sites within River
7 Edge Redevelopment Zones, site investigation and
8 determination of remediation objectives and related plans
9 and reports, development of remedial action plans, and
10 implementation of remedial action plans and remedial
11 action completion reports. The plans and reports shall be
12 developed in accordance with Title XVII of this Act.

13 (2) Grants shall be awarded on a competitive basis
14 subject to availability of funding. Criteria for awarding
15 grants shall include, but shall not be limited to the
16 following:

- 17 (A) problem statement and needs assessment;
- 18 (B) community-based planning and involvement;
- 19 (C) implementation planning; and
- 20 (D) long-term benefits and sustainability.

21 (3) The Agency may give weight to geographic location
22 to enhance geographic distribution of grants across this
23 State.

24 (4) Except for grants to municipalities with
25 designated River Edge Redevelopment Zones, grants shall be
26 limited to a maximum of \$240,000, and no municipality shall

1 receive more than this amount under this Section. For
2 grants to municipalities with designated River Edge
3 Redevelopment Zones and grants to municipalities awarded
4 from funds provided under the American Recovery and
5 Reinvestment Act of 2009, grants shall be limited to a
6 maximum of \$2,000,000 and no municipality shall receive
7 more than this amount under this Section. For grants to
8 municipalities awarded from funds provided under the
9 American Recovery and Reinvestment Act of 2009, grants
10 shall be limited to a maximum of \$1,000,000 and no
11 municipality shall receive more than this amount under this
12 Section.

13 (5) Grant amounts shall not exceed 70% of the project
14 amount, with the remainder to be provided by the
15 municipality as local matching funds.

16 (b) The Agency shall have the authority to enter into any
17 contracts or agreements that may be necessary to carry out its
18 duties or responsibilities under this Section. The Agency shall
19 have the authority to adopt rules setting forth procedures and
20 criteria for administering the Municipal Brownfields
21 Redevelopment Grant Program. The rules adopted by the Agency
22 may include but shall not be limited to the following:

- 23 (1) purposes for which grants are available;
- 24 (2) application periods and content of applications;
- 25 (3) procedures and criteria for Agency review of grant
26 applications, grant approvals and denials, and grantee

1 acceptance;

2 (4) grant payment schedules;

3 (5) grantee responsibilities for work schedules, work
4 plans, reports, and record keeping;

5 (6) evaluation of grantee performance, including but
6 not limited to auditing and access to sites and records;

7 (7) requirements applicable to contracting and
8 subcontracting by the grantee;

9 (8) penalties for noncompliance with grant
10 requirements and conditions, including stop-work orders,
11 termination of grants, and recovery of grant funds;

12 (9) indemnification of this State and the Agency by the
13 grantee; and

14 (10) manner of compliance with the Local Government
15 Professional Services Selection Act.

16 (c) Moneys in the Brownfields Redevelopment Fund may be
17 used by the Agency to take whatever preventive or corrective
18 action, including but not limited to removal or remedial
19 action, is necessary or appropriate in response to a release or
20 substantial threat of a release of:

21 (1) a hazardous substance or pesticide; or

22 (2) petroleum from an underground storage tank.

23 The State, the Director, and any State employee shall be
24 indemnified for any damages or injury arising out of or
25 resulting from any action taken pursuant to this subsection (c)
26 and subsection (d) (2) of Section 4 of this Act. The Agency has

1 the authority to enter into such contracts and agreements as
2 may be necessary, and as expeditiously as necessary, to carry
3 out preventive or corrective action pursuant to this subsection
4 (c) and subsection (d) (2) of Section 4 of this Act.

5 (Source: P.A. 94-1021, eff. 7-12-06.)

6 ARTICLE 99. EFFECTIVE DATE

7 Section 99-99. Effective date. This Act takes effect upon
8 becoming law.".