

1 AN ACT concerning State government.

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

4 ARTICLE 1. SHORT TITLE; PURPOSE

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

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

10 ARTICLE 5. AMENDATORY PROVISIONS

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

14 (20 ILCS 450/15)

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

16 "Agency" means all parts, boards, and commissions of the
17 executive branch of State government, other than public
18 universities or their governing boards, including, but not
19 limited to, ~~State colleges and universities and their governing~~

1 ~~boards~~ and all departments established by the Civil
2 Administrative Code of Illinois.

3 "Disposal by sale, donation, or transfer" includes, but is
4 not limited to, the sale, donation, or transfer of surplus
5 electronic data processing equipment to other agencies,
6 schools, individuals, and not-for-profit agencies.

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

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

14 "Department" means the Department of Central Management
15 Services.

16 "Overwrite" means the replacement of previously stored
17 information with a pre-determined pattern of meaningless
18 information.

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

20 (20 ILCS 450/17 new)

21 Sec. 17. Exemption from Act. This Act does not apply to the
22 legislative branch of State government, the Office of the
23 Lieutenant Governor, the Office of the Attorney General, the
24 Office of the Secretary of State, the Office of the State
25 Comptroller, or the Office of the State Treasurer.

1 (20 ILCS 450/20)

2 Sec. 20. Establishment and implementation. The Data
3 Security on State Computers Act is established to protect
4 sensitive data stored on State-owned electronic data
5 processing equipment to be (i) disposed of by sale, donation,
6 or transfer or (ii) relinquished to a successor executive
7 administration. This Act shall be administered by the
8 Department or an authorized agency. The governing board of each
9 public university in this State must implement and administer
10 the provisions of this Act with respect to State-owned
11 electronic data processing equipment utilized by the
12 university. The Department or an authorized agency shall
13 implement a policy to mandate that all hard drives of surplus
14 electronic data processing equipment be cleared of all data and
15 software before being prepared for sale, donation, or transfer
16 by (i) overwriting the previously stored data on a drive or a
17 disk at least 10 times and (ii) certifying in writing that the
18 overwriting process has been completed by providing the
19 following information: (1) the serial number of the computer or
20 other surplus electronic data processing equipment; (2) the
21 name of the overwriting software used; and (3) the name, date,
22 and signature of the person performing the overwriting process.
23 The head of each State agency shall establish a system for the
24 protection and preservation of State data on State-owned
25 electronic data processing equipment necessary for the

1 continuity of government functions upon it being relinquished
2 to a successor executive administration.

3 For purposes of this Act and any other State directive
4 requiring the clearing of data and software from State-owned
5 electronic data processing equipment prior to sale, donation,
6 or transfer by the General Assembly or a public university in
7 this State, the General Assembly or the governing board of the
8 university shall have and maintain responsibility for the
9 implementation and administration of the requirements for
10 clearing State-owned electronic data processing equipment
11 utilized by the General Assembly or the university.

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

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

16 (20 ILCS 805/805-125) (was 20 ILCS 805/63b1)

17 Sec. 805-125. Agreements with federal agencies. The
18 Department has the power and authority to enter into agreements
19 with appropriate federal agencies in order to better effect
20 cooperative undertakings in the conservation, preservation,
21 distribution, and propagation of fish, mussels, frogs,
22 turtles, game, wild animals, wild fowls, birds, trees, plants,
23 and forests. The Department's agreements with the United States
24 government may include general indemnification provisions.

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

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

5 (20 ILCS 2105/2105-300) (was 20 ILCS 2105/61e)

6 Sec. 2105-300. Professions Indirect Cost Fund;
7 allocations; analyses.

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

1 financed from appropriations from revenue sources other than
2 fees and fines.

3 (b) The Professions Indirect Cost Fund is hereby created as
4 a special fund in the State Treasury. Except as provided in
5 subsection (e), the Fund may receive transfers of moneys
6 authorized by the Department from the cash balances in special
7 funds that receive revenues from the fees and fines associated
8 with the licensing of regulated professions, trades,
9 occupations, and industries by the Department. For purposes of
10 this Section only, until June 30, 2010, the Fund may also
11 receive transfers of moneys authorized by the Department from
12 the cash balances in special funds that receive revenues from
13 the fees and fines associated with the licensing of regulated
14 professions, trades, occupations, and industries by the
15 Department of Insurance. Moneys in the Fund shall be invested
16 and earnings on the investments shall be retained in the Fund.
17 Subject to appropriation, the Department shall use moneys in
18 the Fund to pay the ordinary and necessary allocable indirect
19 expenses associated with each of the regulated professions,
20 trades, occupations, and industries.

21 (c) Before the beginning of each fiscal year, the
22 Department shall prepare a cost allocation analysis to be used
23 in establishing the necessary appropriation levels for each
24 cost purpose and revenue source. At the conclusion of each
25 fiscal year, the Department shall prepare a cost allocation
26 analysis reflecting the extent of the variation between how the

1 costs were actually financed in that year and the planned cost
2 allocation for that year. Variations between the planned and
3 actual cost allocations for the prior fiscal year shall be
4 adjusted into the Department's planned cost allocation for the
5 next fiscal year.

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

24 (d) Except as provided in subsection (e), the Department
25 may direct the State Comptroller and Treasurer to transfer
26 moneys from the special funds that receive fees and fines

1 associated with regulated professions, trades, occupations,
2 and industries into the Professions Indirect Cost Fund in
3 accordance with the Department's cost allocation analysis plan
4 for the applicable fiscal year. For a given fiscal year, the
5 Department shall not direct the transfer of moneys under this
6 subsection from a special fund associated with a specific
7 regulated profession, trade, occupation, or industry (or group
8 of professions, trades, occupations, or industries) in an
9 amount exceeding the allocable indirect costs associated with
10 that profession, trade, occupation, or industry (or group of
11 professions, trades, occupations, or industries) as provided
12 in the cost allocation analysis for that fiscal year and
13 adjusted for allocation variations from the prior fiscal year.
14 No direct costs identified in the cost allocation plan shall be
15 used as a basis for transfers into the Professions Indirect
16 Cost Fund or for expenditures from the Fund.

17 (e) No transfer may be made to the Professions Indirect
18 Cost Fund under this Section from the Public Pension Regulation
19 Fund.

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

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

23 (25 ILCS 130/1-5) (from Ch. 63, par. 1001-5)

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

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

4 (2) (Blank).

5 (2.1) The Board of each of the following Agencies shall
6 consist of the Secretary and Assistant Secretary of the Senate
7 and the Clerk and Assistant Clerk of the House of
8 Representatives: the Legislative Information System, the
9 Legislative Printing Unit, and the Legislative Reference
10 Bureau. ~~(Blank).~~

11 (2.5) The Board of the Office of the Architect of the
12 Capitol shall consist of the Secretary and Assistant Secretary
13 of the Senate and the Clerk and Assistant Clerk of the House of
14 Representatives.

15 (3) The other legislative support services agencies shall
16 each consist of 12 members of the General Assembly, of whom 3
17 shall be appointed by the President of the Senate, 3 shall be
18 appointed by the Minority Leader of the Senate, 3 shall be
19 appointed by the Speaker of the House of Representatives, and 3
20 shall be appointed by the Minority Leader of the House of
21 Representatives. All appointments shall be in writing and filed
22 with the Secretary of State as a public record.

23 Members shall serve a 2-year term, and must be appointed by
24 the Joint Committee during the month of January in each
25 odd-numbered year for terms beginning February 1. Any vacancy
26 in an Agency shall be filled by appointment for the balance of

1 the term in the same manner as the original appointment. A
2 vacancy shall exist when a member no longer holds the elected
3 legislative office held at the time of the appointment or at
4 the termination of the member's legislative service.

5 (b) (Blank).

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

25 Each Agency shall meet twice annually or more often upon
26 the call of the chair or any 9 members (or any 3 members in the

1 case of the Office of the Architect of the Capitol, the
2 Legislative Information System, the Legislative Printing Unit,
3 and the Legislative Reference Bureau). A quorum of the Agency
4 shall consist of a majority of the appointed members.

5 (d) Members of each Agency shall serve without
6 compensation, but shall be reimbursed for expenses incurred in
7 carrying out the duties of the Agency pursuant to rules and
8 regulations adopted by the Joint Committee on Legislative
9 Support Services.

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

22 The executive director of the Office of the Architect of
23 the Capitol shall be known as the Architect of the Capitol.

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

25 (25 ILCS 145/8 rep.)

1 Section 5-29. The Legislative Information System Act is
2 amended by repealing Section 8.

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

6 (30 ILCS 105/5.719 new)

7 Sec. 5.719. American Recovery and Reinvestment Act
8 Administrative Revolving Fund.

9 (30 ILCS 105/5.723 new)

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

11 (30 ILCS 105/6p-6 new)

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

1 (30 ILCS 105/6p-7 new)

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

15 (30 ILCS 105/6z-30)

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

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

20 (1) As soon as possible after the beginning of each
21 fiscal year (starting in fiscal year 2010 ~~1995~~), and in no
22 event later than July 30, the State Comptroller and the
23 State Treasurer shall automatically transfer \$30,000,000
24 ~~\$44,700,000~~ from the General Revenue Fund to the University
25 of Illinois Hospital Services Fund.

1 (2) All intergovernmental transfer payments to the
2 Department of Healthcare and Family Services ~~(formerly~~
3 ~~Illinois Department of Public Aid)~~ by the University of
4 Illinois made pursuant to an intergovernmental agreement
5 under subsection (b) or (c) of Section 5A-3 of the Illinois
6 Public Aid Code.

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

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

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

1 ~~be used to make monthly transfers to the General Revenue Fund~~
2 ~~as provided in subsection (c).~~

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

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

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

17 (30 ILCS 105/6z-64)

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

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

23 (1) amounts authorized for transfer to the Fund from
24 the General Revenue Fund and other State funds (except for
25 funds classified by the Comptroller as federal trust funds

1 or State trust funds) pursuant to State law or Executive
2 Order;

3 (2) federal funds received by the Department of Central
4 Management Services (the "Department") as a result of
5 expenditures from the Fund;

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

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

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

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

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

22 (1) providing workers' compensation services to State
23 agencies and State universities; or

24 (2) providing for payment of administrative and other
25 expenses incurred by the Department in providing workers'
26 compensation services.

1 (c) State agencies may direct the Comptroller to process
 2 inter-fund transfers or make payment through the voucher and
 3 warrant process to the Workers' Compensation Revolving Fund in
 4 satisfaction of billings issued under subsection (a) of this
 5 Section.

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

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

23	Mental Health Fund	\$17,694,000
24	Statistical Services Revolving Fund	\$1,252,600
25	Department of Corrections Reimbursement	
26	and Education Fund	\$1,198,600

1	Communications Revolving Fund	\$535,400
2	Child Support Administrative Fund	\$441,900
3	Health Insurance Reserve Fund	\$238,900
4	Fire Prevention Fund	\$234,100
5	Park and Conservation Fund	\$142,000
6	Motor Fuel Tax Fund	\$132,800
7	Illinois Workers' Compensation	
8	Commission Operations Fund	\$123,900
9	State Boating Act Fund	\$112,300
10	Public Utility Fund	\$106,500
11	State Lottery Fund	\$101,300
12	Traffic and Criminal Conviction	
13	Surcharge Fund	\$88,500
14	State Surplus Property Revolving Fund	\$82,700
15	Natural Areas Acquisition Fund	\$65,600
16	Securities Audit and Enforcement Fund	\$65,200
17	Agricultural Premium Fund	\$63,400
18	Capital Development Fund	\$57,500
19	State Gaming Fund	\$54,300
20	Underground Storage Tank Fund	\$53,700
21	Illinois State Medical Disciplinary Fund	\$53,000
22	Personal Property Tax Replacement Fund	\$53,000
23	General Professions Dedicated Fund	\$51,900
24	Total	\$23,003,100

25 (d-10) Notwithstanding any other provision of State law to
 26 the contrary and in addition to any other transfers that may be

1 provided for by law, on the first day of each calendar quarter
 2 of the fiscal year beginning July 1, 2005, or as soon as may be
 3 practical thereafter, the State Comptroller shall direct and
 4 the State Treasurer shall transfer from each designated fund
 5 into the Workers' Compensation Revolving Fund amounts equal to
 6 one-fourth of each of the following totals:

7	General Revenue Fund	\$34,000,000
8	Road Fund	\$25,987,000
9	Total	\$59,987,000

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

18	General Revenue Fund	\$10,000,000
19	Road Fund	\$5,000,000
20	Total	\$15,000,000

21 (d-15) 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 July 1, 2006, or as soon as may be
 24 practical thereafter, the State Comptroller shall direct and
 25 the State Treasurer shall transfer from each designated fund
 26 into the Workers' Compensation Revolving Fund the following

1 amounts:

2	General Revenue Fund	\$44,028,200
3	Road Fund	\$28,084,000
4	Total	\$72,112,200

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

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

1	State Lottery Fund	\$109,500
2	Traffic and Criminal Conviction Surcharge Fund ..	\$95,700
3	State Surplus Property Revolving Fund	\$89,400
4	Natural Areas Acquisition Fund	\$70,800
5	Securities Audit and Enforcement Fund	\$70,400
6	Agricultural Premium Fund	\$68,500
7	State Gaming Fund	\$58,600
8	Underground Storage Tank Fund	\$58,000
9	Illinois State Medical Disciplinary Fund	\$57,200
10	Personal Property Tax Replacement Fund	\$57,200
11	General Professions Dedicated Fund	\$56,100
12	Total	\$24,797,000

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

20	<u>General Revenue Fund</u>	<u>\$55,000,000</u>
21	<u>Road Fund</u>	<u>\$34,803,000</u>
22	<u>Total</u>	<u>\$89,803,000</u>

23 (d-30) Notwithstanding any other provision of State law to
24 the contrary, on or after July 1, 2009 and until June 30, 2010,
25 in addition to any other transfers that may be provided for by
26 law, at the direction of and upon notification of the Director

1 of Central Management Services, the State Comptroller shall
 2 direct and the State Treasurer shall transfer amounts into the
 3 Workers' Compensation Revolving Fund from the designated funds
 4 not exceeding the following totals:

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

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

1	<u>Open Space Lands Acquisition</u>	
2	<u>and Development Fund</u>	<u>\$28,400</u>
3	<u>Working Capital Revolving Fund</u>	<u>\$489,100</u>
4	<u>State Garage Revolving Fund</u>	<u>\$791,900</u>
5	<u>Statistical Services Revolving Fund</u>	<u>\$3,984,700</u>
6	<u>Communications Revolving Fund</u>	<u>\$1,432,800</u>
7	<u>Facilities Management Revolving Fund</u>	<u>\$1,911,600</u>
8	<u>Professional Services Fund</u>	<u>\$483,600</u>
9	<u>Motor Vehicle Review Board Fund</u>	<u>\$15,000</u>
10	<u>Environmental Laboratory Certification Fund</u>	<u>\$3,000</u>
11	<u>Public Health Laboratory Services</u>	
12	<u>Revolving Fund</u>	<u>\$2,500</u>
13	<u>Lead Poisoning Screening, Prevention,</u>	
14	<u>and Abatement Fund</u>	<u>\$28,200</u>
15	<u>Securities Audit and Enforcement Fund</u>	<u>\$258,400</u>
16	<u>Department of Business Services</u>	
17	<u>Special Operations Fund</u>	<u>\$111,900</u>
18	<u>Feed Control Fund</u>	<u>\$20,800</u>
19	<u>Tanning Facility Permit Fund</u>	<u>\$5,400</u>
20	<u>Plumbing Licensure and Program Fund</u>	<u>\$24,400</u>
21	<u>Tax Compliance and Administration Fund</u>	<u>\$27,200</u>
22	<u>Appraisal Administration Fund</u>	<u>\$2,400</u>
23	<u>Small Business Environmental Assistance Fund</u>	<u>\$2,200</u>
24	<u>Illinois State Fair Fund</u>	<u>\$31,400</u>
25	<u>Secretary of State Special Services Fund</u>	<u>\$317,600</u>
26	<u>Department of Corrections Reimbursement</u>	

1	<u>and Education Fund</u>	<u>\$324,500</u>
2	<u>Health Facility Plan Review Fund</u>	<u>\$31,200</u>
3	<u>Illinois Historic Sites Fund</u>	<u>\$11,500</u>
4	<u>Attorney General Court Ordered and Voluntary</u>	
5	<u>Compliance Payment Projects Fund</u>	<u>\$18,500</u>
6	<u>Public Pension Regulation Fund</u>	<u>\$5,600</u>
7	<u>Illinois Charity Bureau Fund</u>	<u>\$11,400</u>
8	<u>Renewable Energy Resources Trust Fund</u>	<u>\$6,700</u>
9	<u>Energy Efficiency Trust Fund</u>	<u>\$3,600</u>
10	<u>Pesticide Control Fund</u>	<u>\$56,800</u>
11	<u>Attorney General Whistleblower Reward</u>	
12	<u>and Protection Fund</u>	<u>\$14,200</u>
13	<u>Partners for Conservation Fund</u>	<u>\$36,900</u>
14	<u>Capital Litigation Trust Fund</u>	<u>\$800</u>
15	<u>Motor Vehicle License Plate Fund</u>	<u>\$99,700</u>
16	<u>Horse Racing Fund</u>	<u>\$18,900</u>
17	<u>Death Certificate Surcharge Fund</u>	<u>\$12,800</u>
18	<u>Auction Regulation Administration Fund</u>	<u>\$500</u>
19	<u>Motor Carrier Safety Inspection Fund</u>	<u>\$55,800</u>
20	<u>Assisted Living and Shared Housing</u>	
21	<u>Regulatory Fund</u>	<u>\$900</u>
22	<u>Illinois Thoroughbred Breeders Fund</u>	<u>\$9,200</u>
23	<u>Illinois Clean Water Fund</u>	<u>\$42,300</u>
24	<u>Secretary of State DUI Administration Fund</u>	<u>\$16,100</u>
25	<u>Child Support Administrative Fund</u>	<u>\$1,037,900</u>
26	<u>Secretary of State Police Services Fund</u>	<u>\$1,200</u>

1	<u>Tourism Promotion Fund</u>	<u>\$34,400</u>
2	<u>IMSA Income Fund</u>	<u>\$12,700</u>
3	<u>Presidential Library and Museum Operating Fund</u> ..	<u>\$83,000</u>
4	<u>Dram Shop Fund</u>	<u>\$44,500</u>
5	<u>Illinois State Dental Disciplinary Fund</u>	<u>\$5,700</u>
6	<u>Cycle Rider Safety Training Fund</u>	<u>\$8,700</u>
7	<u>Traffic and Criminal Conviction Surcharge Fund</u> ..	<u>\$106,100</u>
8	<u>Design Professionals Administration</u>	
9	<u>and Investigation Fund</u>	<u>\$4,500</u>
10	<u>State Police Services Fund</u>	<u>\$276,100</u>
11	<u>Metabolic Screening and Treatment Fund</u>	<u>\$90,800</u>
12	<u>Insurance Producer Administration Fund</u>	<u>\$45,600</u>
13	<u>Coal Technology Development Assistance Fund</u>	<u>\$11,700</u>
14	<u>Hearing Instrument Dispenser Examining</u>	
15	<u>and Disciplinary Fund</u>	<u>\$1,900</u>
16	<u>Low-Level Radioactive Waste Facility</u>	
17	<u>Development and Operation Fund</u>	<u>\$1,000</u>
18	<u>Environmental Protection Permit and</u>	
19	<u>Inspection Fund</u>	<u>\$66,900</u>
20	<u>Park and Conservation Fund</u>	<u>\$199,300</u>
21	<u>Local Tourism Fund</u>	<u>\$2,400</u>
22	<u>Illinois Capital Revolving Loan Fund</u>	<u>\$10,000</u>
23	<u>Large Business Attraction Fund</u>	<u>\$100</u>
24	<u>Adeline Jay Geo-Karis Illinois Beach</u>	
25	<u>Marina Fund</u>	<u>\$27,200</u>
26	<u>Public Infrastructure Construction</u>	

1	<u>Loan Revolving Fund</u>	<u>\$1,700</u>
2	<u>Insurance Financial Regulation Fund</u>	<u>\$69,200</u>
3	<u>Total</u>	<u>\$24,197,800</u>

4 (e) The term "workers' compensation services" means
5 services, claims expenses, and related administrative costs
6 incurred in performing the duties under Sections 405-105 and
7 405-411 of the Department of Central Management Services Law of
8 the Civil Administrative Code of Illinois.

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

11 (30 ILCS 105/6z-70)

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

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

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

23 (c) Notwithstanding any other provision of State law to the
24 contrary, on or after July 1, 2007, and until June 30, 2008, in
25 addition to any other transfers that may be provided for by

1 law, at the direction of and upon notification of the Secretary
 2 of State, the State Comptroller shall direct and the State
 3 Treasurer shall transfer amounts into the Secretary of State
 4 Identification Security and Theft Prevention Fund from the
 5 designated funds not exceeding the following totals:

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

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

- 21 Lobbyist Registration Administration Fund \$100,000
- 22 Registered Limited Liability Partnership Fund \$75,000
- 23 Securities Investors Education Fund \$500,000
- 24 Securities Audit and Enforcement Fund \$5,725,000
- 25 Department of Business Services
- 26 Special Operations Fund \$3,000,000

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

2 State Parking Facility Maintenance Fund \$100,000

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

4 contrary, on or after July 1, 2009, and until June 30, 2010, in

5 addition to any other transfers that may be provided for by

6 law, at the direction of and upon notification of the Secretary

7 of State, the State Comptroller shall direct and the State

8 Treasurer shall transfer amounts into the Secretary of State

9 Identification Security and Theft Prevention Fund from the

10 designated funds not exceeding the following totals:

11 Lobbyist Registration Administration Fund \$100,000

12 Registered Limited Liability Partnership Fund \$175,000

13 Securities Investors Education Fund \$750,000

14 Securities Audit and Enforcement Fund \$750,000

15 Department of Business Services

16 Special Operations Fund \$3,000,000

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

18 State Parking Facility Maintenance Fund \$100,000

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

20 (30 ILCS 105/8g)

21 Sec. 8g. Fund transfers.

22 (a) In addition to any other transfers that may be provided

23 for by law, as soon as may be practical after the effective

24 date of this amendatory Act of the 91st General Assembly, the

25 State Comptroller shall direct and the State Treasurer shall

1 transfer the sum of \$10,000,000 from the General Revenue Fund
2 to the Motor Vehicle License Plate Fund created by Senate Bill
3 1028 of the 91st General Assembly.

4 (b) In addition to any other transfers that may be provided
5 for by law, as soon as may be practical after the effective
6 date of this amendatory Act of the 91st General Assembly, the
7 State Comptroller shall direct and the State Treasurer shall
8 transfer the sum of \$25,000,000 from the General Revenue Fund
9 to the Fund for Illinois' Future created by Senate Bill 1066 of
10 the 91st General Assembly.

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

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

23 Beginning January 1, 2000, on the first day of each month,
24 or as soon as may be practical thereafter, the State
25 Comptroller shall direct and the State Treasurer shall transfer
26 from the General Revenue Fund to each of the special funds from

1 which payments are to be made under Section 28.1(d) of the
2 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
3 amount required for those payments from that special fund,
4 which annual amount shall not exceed the annual amount for
5 those payments from that special fund for the calendar year
6 1998. The special funds to which transfers shall be made under
7 this subsection (d) include, but are not necessarily limited
8 to, the Agricultural Premium Fund; the Metropolitan Exposition
9 Auditorium and Office Building Fund; the Fair and Exposition
10 Fund; the Standardbred Breeders Fund; the Thoroughbred
11 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

12 (e) In addition to any other transfers that may be provided
13 for by law, as soon as may be practical after the effective
14 date of this amendatory Act of the 91st General Assembly, but
15 in no event later than June 30, 2000, the State Comptroller
16 shall direct and the State Treasurer shall transfer the sum of
17 \$15,000,000 from the General Revenue Fund to the Fund for
18 Illinois' Future.

19 (f) In addition to any other transfers that may be provided
20 for by law, as soon as may be practical after the effective
21 date of this amendatory Act of the 91st General Assembly, but
22 in no event later than June 30, 2000, the State Comptroller
23 shall direct and the State Treasurer shall transfer the sum of
24 \$70,000,000 from the General Revenue Fund to the Long-Term Care
25 Provider Fund.

26 (f-1) In fiscal year 2002, in addition to any other

1 transfers that may be provided for by law, at the direction of
2 and upon notification from the Governor, the State Comptroller
3 shall direct and the State Treasurer shall transfer amounts not
4 exceeding a total of \$160,000,000 from the General Revenue Fund
5 to the Long-Term Care Provider Fund.

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

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

16 (i) On or after July 1, 2001 and until May 1, 2002, in
17 addition to any other transfers that may be provided for by
18 law, at the direction of and upon notification from the
19 Governor, the State Comptroller shall direct and the State
20 Treasurer shall transfer amounts not exceeding a total of
21 \$80,000,000 from the General Revenue Fund to the Tobacco
22 Settlement Recovery Fund. Any amounts so transferred shall be
23 re-transferred by the State Comptroller and the State Treasurer
24 from the Tobacco Settlement Recovery Fund to the General
25 Revenue Fund at the direction of and upon notification from the
26 Governor, but in any event on or before June 30, 2002.

1 (i-1) On or after July 1, 2002 and until May 1, 2003, in
 2 addition to any other transfers that may be provided for by
 3 law, at the direction of and upon notification from the
 4 Governor, the State Comptroller shall direct and the State
 5 Treasurer shall transfer amounts not exceeding a total of
 6 \$80,000,000 from the General Revenue Fund to the Tobacco
 7 Settlement Recovery Fund. Any amounts so transferred shall be
 8 re-transferred by the State Comptroller and the State Treasurer
 9 from the Tobacco Settlement Recovery Fund to the General
 10 Revenue Fund at the direction of and upon notification from the
 11 Governor, but in any event on or before June 30, 2003.

12 (j) On or after July 1, 2001 and no later than June 30,
 13 2002, 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 Statistical Services Revolving Fund:

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

1	From the Road Fund	2,000,000
2	From the Health Facilities	
3	Planning Fund	1,000,000
4	From the Savings and Residential Finance	
5	Regulatory Fund	130,800
6	From the Appraisal Administration Fund	28,600
7	From the Pawnbroker Regulation Fund	3,600
8	From the Auction Regulation	
9	Administration Fund	35,800
10	From the Bank and Trust Company Fund.....	634,800
11	From the Real Estate License	
12	Administration Fund	313,600

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

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

25 (k-2) In addition to any other transfers that may be
 26 provided for by law, on July 1, 2003, or as soon as may be

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

5 (k-3) On or after July 1, 2002 and no later than June 30,
 6 2003, in addition to any other transfers that may be provided
 7 for by law, at the direction of and upon notification from the
 8 Governor, the State Comptroller shall direct and the State
 9 Treasurer shall transfer amounts not to exceed the following
 10 sums into the Statistical Services Revolving Fund:

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

24 (l) In addition to any other transfers that may be provided
 25 for by law, on July 1, 2002, or as soon as may be practical
 26 thereafter, the State Comptroller shall direct and the State

1 Treasurer shall transfer the sum of \$3,000,000 from the General
2 Revenue Fund to the Presidential Library and Museum Operating
3 Fund.

4 (m) In addition to any other transfers that may be provided
5 for by law, on July 1, 2002 and on the effective date of this
6 amendatory Act of the 93rd General Assembly, or as soon
7 thereafter as may be practical, the State Comptroller shall
8 direct and the State Treasurer shall transfer the sum of
9 \$1,200,000 from the General Revenue Fund to the Violence
10 Prevention Fund.

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

16 (o) On or after July 1, 2003, and no later than June 30,
17 2004, in addition to any other transfers that may be provided
18 for by law, at the direction of and upon notification from the
19 Governor, the State Comptroller shall direct and the State
20 Treasurer shall transfer amounts not to exceed the following
21 sums into the Vehicle Inspection Fund:

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

23 (p) On or after July 1, 2003 and until May 1, 2004, 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 from the Tobacco Settlement Recovery Fund to the
5 General Revenue Fund at the direction of and upon notification
6 from the Governor, but in any event on or before June 30, 2004.

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

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

18 (s) In addition to any other transfers that may be provided
19 for by law, on or after July 1, 2003, the State Comptroller
20 shall direct and the State Treasurer shall transfer the sum of
21 \$4,800,000 from the Statewide Economic Development Fund to the
22 General Revenue Fund.

23 (t) In addition to any other transfers that may be provided
24 for by law, on or after July 1, 2003, the State Comptroller
25 shall direct and the State Treasurer shall transfer the sum of
26 \$50,000,000 from the General Revenue Fund to the Budget

1 Stabilization Fund.

2 (u) On or after July 1, 2004 and until May 1, 2005, in
3 addition to any other transfers that may be provided for by
4 law, at the direction of and upon notification from the
5 Governor, the State Comptroller shall direct and the State
6 Treasurer shall transfer amounts not exceeding a total of
7 \$80,000,000 from the General Revenue Fund to the Tobacco
8 Settlement Recovery Fund. Any amounts so transferred shall be
9 retransferred by the State Comptroller and the State Treasurer
10 from the Tobacco Settlement Recovery Fund to the General
11 Revenue Fund at the direction of and upon notification from the
12 Governor, but in any event on or before June 30, 2005.

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

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

24 (x) In addition to any other transfers that may be provided
25 for by law, on January 15, 2005, or as soon thereafter as may
26 be practical, the State Comptroller shall direct and the State

1 Treasurer shall transfer to the General Revenue Fund the
2 following sums:

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

4 From the State Police Wireless Service Emergency Fund,
5 \$200,000;

6 From the State Offender DNA Identification System
7 Fund, \$800,000; and

8 From the State Police Whistleblower Reward and
9 Protection Fund, \$500,000.

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

18 (1) the Keep Illinois Beautiful Fund;

19 (2) the Metropolitan Fair and Exposition Authority
20 Reconstruction Fund;

21 (3) the New Technology Recovery Fund;

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

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

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

25 (7) the State Postsecondary Review Program Fund;

26 (8) the Tourism Attraction Development Matching Grant

1 Fund;

2 (9) the Patent and Copyright Fund;

3 (10) the Credit Enhancement Development Fund;

4 (11) the Community Mental Health and Developmental
5 Disabilities Services Provider Participation Fee Trust
6 Fund;

7 (12) the Nursing Home Grant Assistance Fund;

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

9 (14) the Illinois Student Assistance Commission Higher
10 EdNet Fund;

11 (15) the DORS State Project Fund;

12 (16) the School Technology Revolving Fund;

13 (17) the Energy Assistance Contribution Fund;

14 (18) the Illinois Building Commission Revolving Fund;

15 (19) the Illinois Aquaculture Development Fund;

16 (20) the Homelessness Prevention Fund;

17 (21) the DCFS Refugee Assistance Fund;

18 (22) the Illinois Century Network Special Purposes
19 Fund; and

20 (23) the Build Illinois Purposes Fund.

21 (z) In addition to any other transfers that may be provided
22 for by law, on July 1, 2005, or as soon as may be practical
23 thereafter, the State Comptroller shall direct and the State
24 Treasurer shall transfer the sum of \$1,200,000 from the General
25 Revenue Fund to the Violence Prevention Fund.

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

1 provided for by law, on July 1, 2005, or as soon as may be
2 practical thereafter, the State Comptroller shall direct and
3 the State Treasurer shall transfer the sum of \$9,000,000 from
4 the General Revenue Fund to the Presidential Library and Museum
5 Operating Fund.

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

12 (cc) In addition to any other transfers that may be
13 provided for by law, on or after July 1, 2005 and until May 1,
14 2006, 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, 2006.

23 (dd) In addition to any other transfers that may be
24 provided for by law, on April 1, 2005, or as soon thereafter as
25 may be practical, at the direction of the Director of Public
26 Aid (now Director of Healthcare and Family Services), the State

1 Comptroller shall direct and the State Treasurer shall transfer
2 from the Public Aid Recoveries Trust Fund amounts not to exceed
3 \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

4 (ee) Notwithstanding any other provision of law, on July 1,
5 2006, or as soon thereafter as practical, the State Comptroller
6 shall direct and the State Treasurer shall transfer the
7 remaining balance from the Illinois Civic Center Bond Fund to
8 the Illinois Civic Center Bond Retirement and Interest Fund.

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

17 (gg) In addition to any other transfers that may be
18 provided for by law, on and after July 1, 2006 and until May 1,
19 2007, at the direction of and upon notification from the
20 Governor, the State Comptroller shall direct and the State
21 Treasurer shall transfer amounts not exceeding a total of
22 \$80,000,000 from the General Revenue Fund to the Tobacco
23 Settlement Recovery Fund. Any amounts so transferred shall be
24 retransferred by the State Comptroller and the State Treasurer
25 from the Tobacco Settlement Recovery Fund to the General
26 Revenue Fund at the direction of and upon notification from the

1 Governor, but in any event on or before June 30, 2007.

2 (hh) In addition to any other transfers that may be
3 provided for by law, on and after July 1, 2006 and until June
4 30, 2007, at the direction of and upon notification from the
5 Governor, the State Comptroller shall direct and the State
6 Treasurer shall transfer amounts from the Illinois Affordable
7 Housing Trust Fund to the designated funds not exceeding the
8 following amounts:

- 9 DCFS Children's Services Fund \$2,200,000
- 10 Department of Corrections Reimbursement
- 11 and Education Fund \$1,500,000
- 12 Supplemental Low-Income Energy
- 13 Assistance Fund \$75,000

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

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

1 provided for by law, on July 1, 2006, or as soon thereafter as
2 practical, the State Comptroller shall direct and the State
3 Treasurer shall transfer the sum of \$8,250,000 from the General
4 Revenue Fund to the Presidential Library and Museum Operating
5 Fund.

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

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

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

23 (nn) In addition to any other transfers that may be
24 provided for by law, on July 1, 2006, or as soon thereafter as
25 practical, the State Comptroller shall direct and the State
26 Treasurer shall transfer the sum of \$3,000,000 from the General

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

2 (oo) In addition to any other transfers that may be
3 provided for by law, on and after July 1, 2006 and until June
4 30, 2007, at the direction of and upon notification from the
5 Governor, the State Comptroller shall direct and the State
6 Treasurer shall transfer amounts identified as net receipts
7 from the sale of all or part of the Illinois Student Assistance
8 Commission loan portfolio from the Student Loan Operating Fund
9 to the General Revenue Fund. The maximum amount that may be
10 transferred pursuant to this Section is \$38,800,000. In
11 addition, no transfer may be made pursuant to this Section that
12 would have the effect of reducing the available balance in the
13 Student Loan Operating Fund to an amount less than the amount
14 remaining unexpended and unreserved from the total
15 appropriations from the Fund estimated to be expended for the
16 fiscal year. The State Treasurer and Comptroller shall transfer
17 the amounts designated under this Section as soon as may be
18 practical after receiving the direction to transfer from the
19 Governor.

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

25 (qq) In addition to any other transfers that may be
26 provided for by law, on and after July 1, 2007 and until May 1,

1 2008, at the direction of and upon notification from the
 2 Governor, the State Comptroller shall direct and the State
 3 Treasurer shall transfer amounts not exceeding a total of
 4 \$80,000,000 from the General Revenue Fund to the Tobacco
 5 Settlement Recovery Fund. Any amounts so transferred shall be
 6 retransferred by the State Comptroller and the State Treasurer
 7 from the Tobacco Settlement Recovery Fund to the General
 8 Revenue Fund at the direction of and upon notification from the
 9 Governor, but in any event on or before June 30, 2008.

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

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

22 (ss) In addition to any other transfers that may be
 23 provided for by law, on July 1, 2007, 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 (tt) In addition to any other transfers that may be
3 provided for by law, on July 1, 2007, or as soon thereafter as
4 practical, the State Comptroller shall direct and the State
5 Treasurer shall transfer the sum of \$1,400,000 from the General
6 Revenue Fund to the Violence Prevention Fund.

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

12 (vv) In addition to any other transfers that may be
13 provided for by law, on July 1, 2007, or as soon thereafter as
14 practical, the State Comptroller shall direct and the State
15 Treasurer shall transfer the sum of \$3,000,000 from the General
16 Revenue Fund to the African-American HIV/AIDS Response Fund.

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

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

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

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

12 (aaa) In addition to any other transfers that may be
13 provided for by law, on and after July 1, 2008 and until May 1,
14 2009, 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 retransferred 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, 2009.

23 (bbb) In addition to any other transfers that may be
24 provided for by law, on and after July 1, 2008 and until June
25 30, 2009, at the direction of and upon notification from the
26 Governor, the State Comptroller shall direct and the State

1 Treasurer shall transfer amounts from the Illinois Affordable
2 Housing Trust Fund to the designated funds not exceeding the
3 following amounts:

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

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

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

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

25 (fff) In addition to any other transfers that may be
26 provided for by law, on and after July 1, 2009 and until May 1,

1 2010, at the direction of and upon notification from the
2 Governor, the State Comptroller shall direct and the State
3 Treasurer shall transfer amounts not exceeding a total of
4 \$80,000,000 from the General Revenue Fund to the Tobacco
5 Settlement Recovery Fund. Any amounts so transferred shall be
6 retransferred by the State Comptroller and the State Treasurer
7 from the Tobacco Settlement Recovery Fund to the General
8 Revenue Fund at the direction of and upon notification from the
9 Governor, but in any event on or before June 30, 2010.

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

16 (hhh) 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 \$1,400,000 from the General
20 Revenue Fund to the Violence Prevention Fund.

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

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

1 provided for by law, on and after July 1, 2009 and until June
2 30, 2010, at the direction of and upon notification from the
3 Governor, the State Comptroller shall direct and the State
4 Treasurer shall transfer amounts not exceeding a total of
5 \$17,000,000 from the General Revenue Fund to the DCFS
6 Children's Services Fund.

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

12 (Source: P.A. 94-58, eff. 6-17-05; 94-91, eff. 7-1-05; 94-816,
13 eff. 5-30-06; 94-839, eff. 6-6-06; 95-331, eff. 8-21-07;
14 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

15 (30 ILCS 105/8o)

16 Sec. 8o. Transfer to the University of Illinois Income
17 Fund.

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

22 (b) In addition to any other transfers that may be provided
23 for by law, on the first day of each calendar quarter of the
24 fiscal year beginning July 1, 2009, or as soon as may be
25 practical thereafter, the State Comptroller shall direct and

1 the State Treasurer shall transfer an amount equal to
2 one-fourth of \$15,826,499 from the General Revenue Fund to the
3 University of Illinois Income Fund.

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

5 (30 ILCS 105/13.5)

6 Sec. 13.5. Appropriations for education.

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

23 (b) Within 120 days after the conclusion of each fiscal
24 year, each State-supported institution of higher learning must
25 provide, through the Illinois Board of Higher Education, a

1 financial report to the Governor and General Assembly
2 documenting the institution's revenues and expenditures of
3 funds for that fiscal year ending June 30 for all funds.

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

5 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

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

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

1 Appropriation Act.

2 (a-1) Beginning on the effective date of this amendatory
3 Act of the 93rd General Assembly through the payment of the
4 final payroll from fiscal year 2004 appropriations,
5 appropriations for State contributions to the State Employees'
6 Retirement System of Illinois shall be expended in the manner
7 provided in this subsection (a-1). At the time of each payment
8 of salary to an employee under the personal services line item
9 from a fund other than the General Revenue Fund, payment shall
10 be made for deposit into the General Revenue Fund from the
11 amount appropriated for State contributions to the State
12 Employees' Retirement System of an amount calculated at the
13 rate certified for fiscal year 2004 by the Board of Trustees of
14 the State Employees' Retirement System under Section 14-135.08
15 of the Illinois Pension Code. This payment shall be made to the
16 extent that a line item appropriation to an employer for this
17 purpose is available or unexhausted. No payment from
18 appropriations for State contributions shall be made in
19 conjunction with payment of salary to an employee under the
20 personal services line item from the General Revenue Fund.

21 (a-2) For fiscal year 2010 only, at the time of each
22 payment of salary to an employee under the personal services
23 line item from a fund other than the General Revenue Fund,
24 payment shall be made for deposit into the State Employees'
25 Retirement System of Illinois from the amount appropriated for
26 State contributions to the State Employees' Retirement System

1 of Illinois of an amount calculated at the rate certified for
2 fiscal year 2010 by the Board of Trustees of the State
3 Employees' Retirement System of Illinois under Section
4 14-135.08 of the Illinois Pension Code. This payment shall be
5 made to the extent that a line item appropriation to an
6 employer for this purpose is available or unexhausted. For
7 fiscal year 2010 only, no payment from appropriations for State
8 contributions shall be made in conjunction with payment of
9 salary to an employee under the personal services line item
10 from the General Revenue Fund.

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

1 voucher under this Section for which the fund balance is
2 insufficient to pay the full amount of the required State
3 contribution to the State Employees' Retirement System, the
4 Comptroller shall promptly so notify the Retirement System.

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

23 (c) Notwithstanding any other provisions of law, beginning
24 July 1, 2007, required State and employee contributions to the
25 State Employees' Retirement System of Illinois relating to
26 affected legislative staff employees shall be paid out of

1 moneys appropriated for that purpose to the Commission on
2 Government Forecasting and Accountability, rather than out of
3 the lump-sum appropriations otherwise made for the payroll and
4 other costs of those employees.

5 These payments must be made pursuant to payroll vouchers
6 submitted by the employing entity as part of the regular
7 payroll voucher process.

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

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

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

17 (30 ILCS 115/12) (from Ch. 85, par. 616)

18 Sec. 12. Personal Property Tax Replacement Fund. There is
19 hereby created the Personal Property Tax Replacement Fund, a
20 special fund in the State Treasury into which shall be paid all
21 revenue realized:

22 (a) all amounts realized from the additional personal
23 property tax replacement income tax imposed by subsections (c)
24 and (d) of Section 201 of the Illinois Income Tax Act, except

1 for those amounts deposited into the Income Tax Refund Fund
2 pursuant to subsection (c) of Section 901 of the Illinois
3 Income Tax Act; and

4 (b) all amounts realized from the additional personal
5 property replacement invested capital taxes imposed by Section
6 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
7 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and
8 Section 3 of the Water Company Invested Capital Tax Act, and
9 amounts payable to the Department of Revenue under the
10 Telecommunications Infrastructure Maintenance Fee Act.

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

20 The payments of revenue into the Personal Property Tax
21 Replacement Fund shall be used exclusively for distribution to
22 taxing districts as provided in this Section, payment of the
23 ordinary and contingent expenses of the Property Tax Appeal
24 Board, payment of the expenses of the Department of Revenue
25 incurred in administering the collection and distribution of
26 monies paid into the Personal Property Tax Replacement Fund and

1 transfers due to refunds to taxpayers for overpayment of
2 liability for taxes paid into the Personal Property Tax
3 Replacement Fund.

4 As soon as may be after the effective date of this
5 amendatory Act of 1980, the Department of Revenue shall certify
6 to the Treasurer the amount of net replacement revenue paid
7 into the General Revenue Fund prior to that effective date from
8 the additional tax imposed by Section 2a.1 of the Messages Tax
9 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
10 the Public Utilities Revenue Act; Section 3 of the Water
11 Company Invested Capital Tax Act; amounts collected by the
12 Department of Revenue under the Telecommunications
13 Infrastructure Maintenance Fee Act; and the additional
14 personal property tax replacement income tax imposed by the
15 Illinois Income Tax Act, as amended by Public Act 81-1st
16 Special Session-1. Net replacement revenue shall be defined as
17 the total amount paid into and remaining in the General Revenue
18 Fund as a result of those Acts minus the amount outstanding and
19 obligated from the General Revenue Fund in state vouchers or
20 warrants prior to the effective date of this amendatory Act of
21 1980 as refunds to taxpayers for overpayment of liability under
22 those Acts.

23 All interest earned by monies accumulated in the Personal
24 Property Tax Replacement Fund shall be deposited in such Fund.
25 All amounts allocated pursuant to this Section are appropriated
26 on a continuing basis.

1 Prior to December 31, 1980, as soon as may be after the end
2 of each quarter beginning with the quarter ending December 31,
3 1979, and on and after December 31, 1980, as soon as may be
4 after January 1, March 1, April 1, May 1, July 1, August 1,
5 October 1 and December 1 of each year, the Department of
6 Revenue shall allocate to each taxing district as defined in
7 Section 1-150 of the Property Tax Code, in accordance with the
8 provisions of paragraph (2) of this Section the portion of the
9 funds held in the Personal Property Tax Replacement Fund which
10 is required to be distributed, as provided in paragraph (1),
11 for each quarter. Provided, however, under no circumstances
12 shall any taxing district during each of the first two years of
13 distribution of the taxes imposed by this amendatory Act of
14 1979 be entitled to an annual allocation which is less than the
15 funds such taxing district collected from the 1978 personal
16 property tax. Provided further that under no circumstances
17 shall any taxing district during the third year of distribution
18 of the taxes imposed by this amendatory Act of 1979 receive
19 less than 60% of the funds such taxing district collected from
20 the 1978 personal property tax. In the event that the total of
21 the allocations made as above provided for all taxing
22 districts, during either of such 3 years, exceeds the amount
23 available for distribution the allocation of each taxing
24 district shall be proportionately reduced. Except as provided
25 in Section 13 of this Act, the Department shall then certify,
26 pursuant to appropriation, such allocations to the State

1 Comptroller who shall pay over to the several taxing districts
2 the respective amounts allocated to them.

3 Any township which receives an allocation based in whole or
4 in part upon personal property taxes which it levied pursuant
5 to Section 6-507 or 6-512 of the Illinois Highway Code and
6 which was previously required to be paid over to a municipality
7 shall immediately pay over to that municipality a proportionate
8 share of the personal property replacement funds which such
9 township receives.

10 Any municipality or township, other than a municipality
11 with a population in excess of 500,000, which receives an
12 allocation based in whole or in part on personal property taxes
13 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
14 Illinois Local Library Act and which was previously required to
15 be paid over to a public library shall immediately pay over to
16 that library a proportionate share of the personal property tax
17 replacement funds which such municipality or township
18 receives; provided that if such a public library has converted
19 to a library organized under The Illinois Public Library
20 District Act, regardless of whether such conversion has
21 occurred on, after or before January 1, 1988, such
22 proportionate share shall be immediately paid over to the
23 library district which maintains and operates the library.
24 However, any library that has converted prior to January 1,
25 1988, and which hitherto has not received the personal property
26 tax replacement funds, shall receive such funds commencing on

1 January 1, 1988.

2 Any township which receives an allocation based in whole or
3 in part on personal property taxes which it levied pursuant to
4 Section 1c of the Public Graveyards Act and which taxes were
5 previously required to be paid over to or used for such public
6 cemetery or cemeteries shall immediately pay over to or use for
7 such public cemetery or cemeteries a proportionate share of the
8 personal property tax replacement funds which the township
9 receives.

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

20 (1) The portion of the Personal Property Tax
21 Replacement Fund required to be distributed as of the time
22 allocation is required to be made shall be the amount
23 available in such Fund as of the time allocation is
24 required to be made.

25 The amount available for distribution shall be the
26 total amount in the fund at such time minus the necessary

1 administrative expenses as limited by the appropriation
2 and the amount determined by: (a) \$2.8 million for fiscal
3 year 1981; (b) for fiscal year 1982, .54% of the funds
4 distributed from the fund during the preceding fiscal year;
5 (c) for fiscal year 1983 through fiscal year 1988, .54% of
6 the funds distributed from the fund during the preceding
7 fiscal year less .02% of such fund for fiscal year 1983 and
8 less .02% of such funds for each fiscal year thereafter, or
9 (d) for fiscal year 1989 and beyond no more than 105% of
10 the actual administrative expenses of the prior fiscal
11 year. Such portion of the fund shall be determined after
12 the transfer into the General Revenue Fund due to refunds,
13 if any, paid from the General Revenue Fund during the
14 preceding quarter. If at any time, for any reason, there is
15 insufficient amount in the Personal Property Tax
16 Replacement Fund for payment of costs of administration or
17 for transfers due to refunds at the end of any particular
18 month, the amount of such insufficiency shall be carried
19 over for the purposes of transfers into the General Revenue
20 Fund and for purposes of costs of administration to the
21 following month or months. Net replacement revenue held,
22 and defined above, shall be transferred by the Treasurer
23 and Comptroller to the Personal Property Tax Replacement
24 Fund within 10 days of such certification.

25 (2) Each quarterly allocation shall first be
26 apportioned in the following manner: 51.65% for taxing

1 districts in Cook County and 48.35% for taxing districts in
2 the remainder of the State.

3 The Personal Property Replacement Ratio of each taxing
4 district outside Cook County shall be the ratio which the Tax
5 Base of that taxing district bears to the Downstate Tax Base.
6 The Tax Base of each taxing district outside of Cook County is
7 the personal property tax collections for that taxing district
8 for the 1977 tax year. The Downstate Tax Base is the personal
9 property tax collections for all taxing districts in the State
10 outside of Cook County for the 1977 tax year. The Department of
11 Revenue shall have authority to review for accuracy and
12 completeness the personal property tax collections for each
13 taxing district outside Cook County for the 1977 tax year.

14 The Personal Property Replacement Ratio of each Cook County
15 taxing district shall be the ratio which the Tax Base of that
16 taxing district bears to the Cook County Tax Base. The Tax Base
17 of each Cook County taxing district is the personal property
18 tax collections for that taxing district for the 1976 tax year.
19 The Cook County Tax Base is the personal property tax
20 collections for all taxing districts in Cook County for the
21 1976 tax year. The Department of Revenue shall have authority
22 to review for accuracy and completeness the personal property
23 tax collections for each taxing district within Cook County for
24 the 1976 tax year.

25 For all purposes of this Section 12, amounts paid to a
26 taxing district for such tax years as may be applicable by a

1 foreign corporation under the provisions of Section 7-202 of
2 the Public Utilities Act, as amended, shall be deemed to be
3 personal property taxes collected by such taxing district for
4 such tax years as may be applicable. The Director shall
5 determine from the Illinois Commerce Commission, for any tax
6 year as may be applicable, the amounts so paid by any such
7 foreign corporation to any and all taxing districts. The
8 Illinois Commerce Commission shall furnish such information to
9 the Director. For all purposes of this Section 12, the Director
10 shall deem such amounts to be collected personal property taxes
11 of each such taxing district for the applicable tax year or
12 years.

13 Taxing districts located both in Cook County and in one or
14 more other counties shall receive both a Cook County allocation
15 and a Downstate allocation determined in the same way as all
16 other taxing districts.

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

24 If two or more taxing districts in existence on July 1,
25 1979, or a successor or successors thereto shall consolidate
26 into one taxing district, the Tax Base of such consolidated

1 taxing district shall be the sum of the Tax Bases of each of
2 the taxing districts which have consolidated.

3 If a single taxing district in existence on July 1, 1979,
4 or a successor or successors thereto shall be divided into two
5 or more separate taxing districts, the tax base of the taxing
6 district so divided shall be allocated to each of the resulting
7 taxing districts in proportion to the then current equalized
8 assessed value of each resulting taxing district.

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

19 If a community college district is created after July 1,
20 1979, beginning on the effective date of this amendatory Act of
21 1995, its Tax Base shall be 3.5% of the sum of the personal
22 property tax collected for the 1977 tax year within the
23 territorial jurisdiction of the district.

24 The amounts allocated and paid to taxing districts pursuant
25 to the provisions of this amendatory Act of 1979 shall be
26 deemed to be substitute revenues for the revenues derived from

1 taxes imposed on personal property pursuant to the provisions
2 of the "Revenue Act of 1939" or "An Act for the assessment and
3 taxation of private car line companies", approved July 22,
4 1943, as amended, or Section 414 of the Illinois Insurance
5 Code, prior to the abolition of such taxes and shall be used
6 for the same purposes as the revenues derived from ad valorem
7 taxes on real estate.

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

1 constitute a first and prior lien upon the monies received by
2 each such taxing district through the Personal Property Tax
3 Replacement Fund and shall be first applied or set aside for
4 such purpose. In counties having fewer than 3,000,000
5 inhabitants, the amendments to this paragraph as made by this
6 amendatory Act of 1980 shall be first applicable to 1980 taxes
7 to be collected in 1981.

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

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

11 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

12 Sec. 203. Base income defined.

13 (a) Individuals.

14 (1) In general. In the case of an individual, base
15 income means an amount equal to the taxpayer's adjusted
16 gross income for the taxable year as modified by paragraph
17 (2).

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

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

1 stock dividends of qualified public utilities
2 described in Section 305(e) of the Internal Revenue
3 Code;

4 (B) An amount equal to the amount of tax imposed by
5 this Act to the extent deducted from gross income in
6 the computation of adjusted gross income for the
7 taxable year;

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

20 (D) An amount equal to the amount of the capital
21 gain deduction allowable under the Internal Revenue
22 Code, to the extent deducted from gross income in the
23 computation of adjusted gross income;

24 (D-5) An amount, to the extent not included in
25 adjusted gross income, equal to the amount of money
26 withdrawn by the taxpayer in the taxable year from a

1 medical care savings account and the interest earned on
2 the account in the taxable year of a withdrawal
3 pursuant to subsection (b) of Section 20 of the Medical
4 Care Savings Account Act or subsection (b) of Section
5 20 of the Medical Care Savings Account Act of 2000;

6 (D-10) For taxable years ending after December 31,
7 1997, an amount equal to any eligible remediation costs
8 that the individual deducted in computing adjusted
9 gross income and for which the individual claims a
10 credit under subsection (l) of Section 201;

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

16 (D-16) If the taxpayer sells, transfers, abandons,
17 or otherwise disposes of property for which the
18 taxpayer was required in any taxable year to make an
19 addition modification under subparagraph (D-15), then
20 an amount equal to the aggregate amount of the
21 deductions taken in all taxable years under
22 subparagraph (Z) with respect to that property.

23 If the taxpayer continues to own property through
24 the last day of the last tax year for which the
25 taxpayer may claim a depreciation deduction for
26 federal income tax purposes and for which the taxpayer

1 was allowed in any taxable year to make a subtraction
2 modification under subparagraph (Z), then an amount
3 equal to that subtraction modification.

4 The taxpayer is required to make the addition
5 modification under this subparagraph only once with
6 respect to any one piece of property;

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

1 taxpayer's unitary business group (including amounts
2 included in gross income under Sections 951 through 964
3 of the Internal Revenue Code and amounts included in
4 gross income under Section 78 of the Internal Revenue
5 Code) with respect to the stock of the same person to
6 whom the interest was paid, accrued, or incurred.

7 This paragraph shall not apply to the following:

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

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

19 (a) the person, during the same taxable
20 year, paid, accrued, or incurred, the interest
21 to a person that is not a related member, and

22 (b) the transaction giving rise to the
23 interest expense between the taxpayer and the
24 person did not have as a principal purpose the
25 avoidance of Illinois income tax, and is paid
26 pursuant to a contract or agreement that

1 reflects an arm's-length interest rate and
2 terms; or

3 (iii) the taxpayer can establish, based on
4 clear and convincing evidence, that the interest
5 paid, accrued, or incurred relates to a contract or
6 agreement entered into at arm's-length rates and
7 terms and the principal purpose for the payment is
8 not federal or Illinois tax avoidance; or

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

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

25 (D-18) An amount equal to the amount of intangible
26 expenses and costs otherwise allowed as a deduction in

1 computing base income, and that were paid, accrued, or
2 incurred, directly or indirectly, (i) for taxable
3 years ending on or after December 31, 2004, to a
4 foreign person who would be a member of the same
5 unitary business group but for the fact that the
6 foreign person's business activity outside the United
7 States is 80% or more of that person's total business
8 activity and (ii) for taxable years ending on or after
9 December 31, 2008, to a person who would be a member of
10 the same unitary business group but for the fact that
11 the person is prohibited under Section 1501(a)(27)
12 from being included in the unitary business group
13 because he or she is ordinarily required to apportion
14 business income under different subsections of Section
15 304. The addition modification required by this
16 subparagraph shall be reduced to the extent that
17 dividends were included in base income of the unitary
18 group for the same taxable year and received by the
19 taxpayer or by a member of the taxpayer's unitary
20 business group (including amounts included in gross
21 income under Sections 951 through 964 of the Internal
22 Revenue Code and amounts included in gross income under
23 Section 78 of the Internal Revenue Code) with respect
24 to the stock of the same person to whom the intangible
25 expenses and costs were directly or indirectly paid,
26 incurred, or accrued. The preceding sentence does not

1 apply to the extent that the same dividends caused a
2 reduction to the addition modification required under
3 Section 203(a)(2)(D-17) of this Act. As used in this
4 subparagraph, the term "intangible expenses and costs"
5 includes (1) expenses, losses, and costs for, or
6 related to, the direct or indirect acquisition, use,
7 maintenance or management, ownership, sale, exchange,
8 or any other disposition of intangible property; (2)
9 losses incurred, directly or indirectly, from
10 factoring transactions or discounting transactions;
11 (3) royalty, patent, technical, and copyright fees;
12 (4) licensing fees; and (5) other similar expenses and
13 costs. For purposes of this subparagraph, "intangible
14 property" includes patents, patent applications, trade
15 names, trademarks, service marks, copyrights, mask
16 works, trade secrets, and similar types of intangible
17 assets.

18 This paragraph shall not apply to the following:

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

26 (ii) any item of intangible expense or cost

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

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

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

16 (iii) any item of intangible expense or cost
17 paid, accrued, or incurred, directly or
18 indirectly, from a transaction with a person if the
19 taxpayer establishes by clear and convincing
20 evidence, that the adjustments are unreasonable;
21 or if the taxpayer and the Director agree in
22 writing to the application or use of an alternative
23 method 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 (D-19) For taxable years ending on or after
8 December 31, 2008, an amount equal to the amount of
9 insurance premium expenses and costs otherwise allowed
10 as a deduction in computing base income, and that were
11 paid, accrued, or incurred, directly or indirectly, to
12 a person who would be a member of the same unitary
13 business group but for the fact that the person is
14 prohibited under Section 1501(a)(27) from being
15 included in the unitary business group because he or
16 she is ordinarily required to apportion business
17 income under different subsections of Section 304. The
18 addition modification required by this subparagraph
19 shall be reduced to the extent that dividends were
20 included in base income of the unitary group for the
21 same taxable year and received by the taxpayer or by a
22 member of the taxpayer's unitary business group
23 (including amounts included in gross income under
24 Sections 951 through 964 of the Internal Revenue Code
25 and amounts included in gross income under Section 78
26 of the Internal Revenue Code) with respect to the stock

1 of the same person to whom the premiums and costs were
2 directly or indirectly paid, incurred, or accrued. The
3 preceding sentence does not apply to the extent that
4 the same dividends caused a reduction to the addition
5 modification required under Section 203(a)(2)(D-17) or
6 Section 203(a)(2)(D-18) of this Act.

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

1 disclosure principles and (II) has made reasonable
2 efforts to inform in-state residents of the existence
3 of in-state qualified tuition programs by informing
4 Illinois residents directly and, where applicable, to
5 inform financial intermediaries distributing the
6 program to inform in-state residents of the existence
7 of in-state qualified tuition programs at least
8 annually, an amount equal to the amount excluded from
9 gross income under Section 529(c) (3) (B).

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

22 (D-21) For taxable years beginning on or after
23 January 1, 2007, in the case of transfer of moneys from
24 a qualified tuition program under Section 529 of the
25 Internal Revenue Code that is administered by the State
26 to an out-of-state program, an amount equal to the

1 amount of moneys previously deducted from base income
2 under subsection (a) (2) (Y) of this Section.

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

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

1 of any compensation paid or accrued to a resident who
2 as a governmental employee was a prisoner of war or
3 missing in action, and in respect of any compensation
4 paid to a resident in 2001 or thereafter by reason of
5 being a member of the Illinois National Guard or,
6 beginning with taxable years ending on or after
7 December 31, 2007, the National Guard of any other
8 state. The provisions of this amendatory Act of the
9 92nd General Assembly are exempt from the provisions of
10 Section 250;

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

22 (G) The valuation limitation amount;

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

26 (I) An amount equal to all amounts included in such

1 total pursuant to the provisions of Section 111 of the
2 Internal Revenue Code as a recovery of items previously
3 deducted from adjusted gross income in the computation
4 of taxable income;

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

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

24 (L) For taxable years ending after December 31,
25 1983, an amount equal to all social security benefits
26 and railroad retirement benefits included in such

1 total pursuant to Sections 72(r) and 86 of the Internal
2 Revenue Code;

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

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

25 (O) An amount equal to any contribution made to a
26 job training project established pursuant to the Tax

1 Increment Allocation Redevelopment Act;

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

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

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

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

22 (T) An amount, to the extent included in adjusted
23 gross income, equal to the amount of interest earned in
24 the taxable year on a medical care savings account
25 established under the Medical Care Savings Account Act
26 or the Medical Care Savings Account Act of 2000 on

1 behalf of the taxpayer, other than interest added
2 pursuant to item (D-5) of this paragraph (2);

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

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

1 employer of the taxpayer or the taxpayer's spouse. The
2 amount of the health insurance and long-term care
3 insurance subtracted under this item (V) shall be
4 determined by multiplying total health insurance and
5 long-term care insurance premiums paid by the taxpayer
6 times a number that represents the fractional
7 percentage of eligible medical expenses under Section
8 213 of the Internal Revenue Code of 1986 not actually
9 deducted on the taxpayer's federal income tax return;

10 (W) For taxable years beginning on or after January
11 1, 1998, all amounts included in the taxpayer's federal
12 gross income in the taxable year from amounts converted
13 from a regular IRA to a Roth IRA. This paragraph is
14 exempt from the provisions of Section 250;

15 (X) For taxable year 1999 and thereafter, an amount
16 equal to the amount of any (i) distributions, to the
17 extent includible in gross income for federal income
18 tax purposes, made to the taxpayer because of his or
19 her status as a victim of persecution for racial or
20 religious reasons by Nazi Germany or any other Axis
21 regime or as an heir of the victim and (ii) items of
22 income, to the extent includible in gross income for
23 federal income tax purposes, attributable to, derived
24 from or in any way related to assets stolen from,
25 hidden from, or otherwise lost to a victim of
26 persecution for racial or religious reasons by Nazi

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

22 (Y) For taxable years beginning on or after January
23 1, 2002 and ending on or before December 31, 2004,
24 moneys contributed in the taxable year to a College
25 Savings Pool account under Section 16.5 of the State
26 Treasurer Act, except that amounts excluded from gross

1 income under Section 529(c)(3)(C)(i) of the Internal
2 Revenue Code shall not be considered moneys
3 contributed under this subparagraph (Y). For taxable
4 years beginning on or after January 1, 2005, a maximum
5 of \$10,000 contributed in the taxable year to (i) a
6 College Savings Pool account under Section 16.5 of the
7 State Treasurer Act or (ii) the Illinois Prepaid
8 Tuition Trust Fund, except that amounts excluded from
9 gross income under Section 529(c)(3)(C)(i) of the
10 Internal Revenue Code shall not be considered moneys
11 contributed under this subparagraph (Y). This
12 subparagraph (Y) is exempt from the provisions of
13 Section 250;

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

20 (1) "y" equals the amount of the depreciation
21 deduction taken for the taxable year on the
22 taxpayer's federal income tax return on property
23 for which the bonus depreciation deduction was
24 taken in any year under subsection (k) of Section
25 168 of the Internal Revenue Code, but not including
26 the bonus depreciation deduction;

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

5 (3) for taxable years ending after December
6 31, 2005:

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

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

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

24 (AA) If the taxpayer sells, transfers, abandons,
25 or otherwise disposes of property for which the
26 taxpayer was required in any taxable year to make an

1 addition modification under subparagraph (D-15), then
2 an amount equal to that addition modification.

3 If the taxpayer continues to own property through
4 the last day of the last tax year for which the
5 taxpayer may claim a depreciation deduction for
6 federal income tax purposes and for which the taxpayer
7 was required in any taxable year to make an addition
8 modification under subparagraph (D-15), then an amount
9 equal to that addition modification.

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

13 This subparagraph (AA) is exempt from the
14 provisions of Section 250;

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

18 (CC) 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 that 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 that
7 addition modification. This subparagraph (CC) is
8 exempt from the provisions of Section 250;

9 (DD) 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(a)(2)(D-17) for
26 interest paid, accrued, or incurred, directly or

1 indirectly, to the same person. This subparagraph (DD)
2 is exempt from the provisions of Section 250; and

3 (EE) 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(a)(2)(D-18) for
20 intangible expenses and costs paid, accrued, or
21 incurred, directly or indirectly, to the same foreign
22 person. This subparagraph (EE) is exempt from the
23 provisions of Section 250.

24 (b) Corporations.

25 (1) In general. In the case of a corporation, base

1 income means an amount equal to the taxpayer's taxable
2 income for the taxable year as modified by paragraph (2).

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

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

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

14 (C) In the case of a regulated investment company,
15 an amount equal to the excess of (i) the net long-term
16 capital gain for the taxable year, over (ii) the amount
17 of the capital gain dividends designated as such in
18 accordance with Section 852(b)(3)(C) of the Internal
19 Revenue Code and any amount designated under Section
20 852(b)(3)(D) of the Internal Revenue Code,
21 attributable to the taxable year (this amendatory Act
22 of 1995 (Public Act 89-89) is declarative of existing
23 law and is not a new enactment);

24 (D) The amount of any net operating loss deduction
25 taken in arriving at taxable income, other than a net
26 operating loss carried forward from a taxable year

1 ending prior to December 31, 1986;

2 (E) For taxable years in which a net operating loss
3 carryback or carryforward from a taxable year ending
4 prior to December 31, 1986 is an element of taxable
5 income under paragraph (1) of subsection (e) or
6 subparagraph (E) of paragraph (2) of subsection (e),
7 the amount by which addition modifications other than
8 those provided by this subparagraph (E) exceeded
9 subtraction modifications in such earlier taxable
10 year, with the following limitations applied in the
11 order that they are listed:

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

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

25 For taxable years in which there is a net operating
26 loss carryback or carryforward from more than one other

1 taxable year ending prior to December 31, 1986, the
2 addition modification provided in this subparagraph
3 (E) shall be the sum of the amounts computed
4 independently under the preceding provisions of this
5 subparagraph (E) for each such taxable year;

6 (E-5) For taxable years ending after December 31,
7 1997, an amount equal to any eligible remediation costs
8 that the corporation deducted in computing adjusted
9 gross income and for which the corporation claims a
10 credit under subsection (l) of Section 201;

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

16 (E-11) If the taxpayer sells, transfers, abandons,
17 or otherwise disposes of property for which the
18 taxpayer was required in any taxable year to make an
19 addition modification under subparagraph (E-10), then
20 an amount equal to the aggregate amount of the
21 deductions taken in all taxable years under
22 subparagraph (T) with respect to that property.

23 If the taxpayer continues to own property through
24 the last day of the last tax year for which the
25 taxpayer may claim a depreciation deduction for
26 federal income tax purposes and for which the taxpayer

1 was allowed in any taxable year to make a subtraction
2 modification under subparagraph (T), then an amount
3 equal to that subtraction modification.

4 The taxpayer is required to make the addition
5 modification under this subparagraph only once with
6 respect to any one piece of property;

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

1 taxpayer's unitary business group (including amounts
2 included in gross income pursuant to Sections 951
3 through 964 of the Internal Revenue Code and amounts
4 included in gross income under Section 78 of the
5 Internal Revenue Code) with respect to the stock of the
6 same person to whom the interest was paid, accrued, or
7 incurred.

8 This paragraph shall not apply to the following:

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

15 (ii) an item of interest paid, accrued, or
16 incurred, directly or indirectly, to a person if
17 the taxpayer can establish, based on a
18 preponderance of the evidence, both of the
19 following:

20 (a) the person, during the same taxable
21 year, paid, accrued, or incurred, the interest
22 to a person that is not a related member, and

23 (b) the transaction giving rise to the
24 interest expense between the taxpayer and the
25 person did not have as a principal purpose the
26 avoidance of Illinois income tax, and is paid

1 pursuant to a contract or agreement that
2 reflects an arm's-length interest rate and
3 terms; or

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

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

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

26 (E-13) An amount equal to the amount of intangible

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

1 indirectly paid, incurred, or accrued. The preceding
2 sentence shall not apply to the extent that the same
3 dividends caused a reduction to the addition
4 modification required under Section 203(b)(2)(E-12) of
5 this Act. As used in this subparagraph, the term
6 "intangible expenses and costs" includes (1) expenses,
7 losses, and costs for, or related to, the direct or
8 indirect acquisition, use, maintenance or management,
9 ownership, sale, exchange, or any other disposition of
10 intangible property; (2) losses incurred, directly or
11 indirectly, from factoring transactions or discounting
12 transactions; (3) royalty, patent, technical, and
13 copyright fees; (4) licensing fees; and (5) other
14 similar expenses and costs. For purposes of this
15 subparagraph, "intangible property" includes patents,
16 patent applications, trade names, trademarks, service
17 marks, copyrights, mask works, trade secrets, and
18 similar types of intangible assets.

19 This paragraph shall not apply to the following:

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

1 (ii) any item of intangible expense or cost
2 paid, accrued, or incurred, directly or
3 indirectly, if the taxpayer can establish, based
4 on a preponderance of the evidence, both of the
5 following:

6 (a) the person during the same taxable
7 year paid, accrued, or incurred, the
8 intangible expense or cost to a person that is
9 not a related member, and

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

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

25 Nothing in this subsection shall preclude the
26 Director from making any other adjustment

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

8 (E-14) For taxable years ending on or after
9 December 31, 2008, an amount equal to the amount of
10 insurance premium expenses and costs otherwise allowed
11 as a deduction in computing base income, and that were
12 paid, accrued, or incurred, directly or indirectly, to
13 a person who would be a member of the same unitary
14 business group but for the fact that the person is
15 prohibited under Section 1501(a)(27) from being
16 included in the unitary business group because he or
17 she is ordinarily required to apportion business
18 income under different subsections of Section 304. The
19 addition modification required by this subparagraph
20 shall be reduced to the extent that dividends were
21 included in base income of the unitary group for the
22 same taxable year and received by the taxpayer or by a
23 member of the taxpayer's unitary business group
24 (including amounts included in gross income under
25 Sections 951 through 964 of the Internal Revenue Code
26 and amounts included in gross income under Section 78

1 of the Internal Revenue Code) with respect to the stock
2 of the same person to whom the premiums and costs were
3 directly or indirectly paid, incurred, or accrued. The
4 preceding sentence does not apply to the extent that
5 the same dividends caused a reduction to the addition
6 modification required under Section 203(b)(2)(E-12) or
7 Section 203(b)(2)(E-13) of this Act;

8 (E-15) For taxable years beginning after December
9 31, 2008, any deduction for dividends paid by a captive
10 real estate investment trust that is allowed to a real
11 estate investment trust under Section 857(b)(2)(B) of
12 the Internal Revenue Code for dividends paid;

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

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

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

20 (H) In the case of a regulated investment company,
21 an amount equal to the amount of exempt interest
22 dividends as defined in subsection (b)(5) of Section
23 852 of the Internal Revenue Code, paid to shareholders
24 for the taxable year;

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

1 all amounts disallowed as deductions by (i) Sections
2 171(a) (2), and 265(a)(2) and amounts disallowed as
3 interest expense by Section 291(a)(3) of the Internal
4 Revenue Code, as now or hereafter amended, and all
5 amounts of expenses allocable to interest and
6 disallowed as deductions by Section 265(a)(1) of the
7 Internal Revenue Code, as now or hereafter amended; and
8 (ii) for taxable years ending on or after August 13,
9 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and
10 832(b)(5)(B)(i) of the Internal Revenue Code; the
11 provisions of this subparagraph are exempt from the
12 provisions of Section 250;

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

22 (K) An amount equal to those dividends included in
23 such total which were paid by a corporation which
24 conducts business operations in an Enterprise Zone or
25 zones created under the Illinois Enterprise Zone Act or
26 a River Edge Redevelopment Zone or zones created under

1 the River Edge Redevelopment Zone Act and conducts
2 substantially all of its operations in an Enterprise
3 Zone or zones or a River Edge Redevelopment Zone or
4 zones. This subparagraph (K) is exempt from the
5 provisions of Section 250;

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

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

1 the basis of the Section 201(f) investment credit
2 property which secures the loan or loans, using for
3 this purpose the original basis of such property on the
4 date that it was placed in service in the Enterprise
5 Zone or the River Edge Redevelopment Zone. The
6 subtraction modification available to taxpayer in any
7 year under this subsection shall be that portion of the
8 total interest paid by the borrower with respect to
9 such loan attributable to the eligible property as
10 calculated under the previous sentence. This
11 subparagraph (M) is exempt from the provisions of
12 Section 250;

13 (M-1) For any taxpayer that is a financial
14 organization within the meaning of Section 304(c) of
15 this Act, an amount included in such total as interest
16 income from a loan or loans made by such taxpayer to a
17 borrower, to the extent that such a loan is secured by
18 property which is eligible for the High Impact Business
19 Investment Credit. To determine the portion of a loan
20 or loans that is secured by property eligible for a
21 Section 201(h) investment credit to the borrower, the
22 entire principal amount of the loan or loans between
23 the taxpayer and the borrower should be divided into
24 the basis of the Section 201(h) investment credit
25 property which secures the loan or loans, using for
26 this purpose the original basis of such property on the

1 date that it was placed in service in a federally
2 designated Foreign Trade Zone or Sub-Zone located in
3 Illinois. No taxpayer that is eligible for the
4 deduction provided in subparagraph (M) of paragraph
5 (2) of this subsection shall be eligible for the
6 deduction provided under this subparagraph (M-1). The
7 subtraction modification available to taxpayers in any
8 year under this subsection shall be that portion of the
9 total interest paid by the borrower with respect to
10 such loan attributable to the eligible property as
11 calculated under the previous sentence;

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

23 (O) An amount equal to: (i) 85% for taxable years
24 ending on or before December 31, 1992, or, a percentage
25 equal to the percentage allowable under Section
26 243(a)(1) of the Internal Revenue Code of 1986 for

1 taxable years ending after December 31, 1992, of the
2 amount by which dividends included in taxable income
3 and received from a corporation that is not created or
4 organized under the laws of the United States or any
5 state or political subdivision thereof, including, for
6 taxable years ending on or after December 31, 1988,
7 dividends received or deemed received or paid or deemed
8 paid under Sections 951 through 964 of the Internal
9 Revenue Code, exceed the amount of the modification
10 provided under subparagraph (G) of paragraph (2) of
11 this subsection (b) which is related to such dividends,
12 and including, for taxable years ending on or after
13 December 31, 2008, dividends received from a captive
14 real estate investment trust; plus (ii) 100% of the
15 amount by which dividends, included in taxable income
16 and received, including, for taxable years ending on or
17 after December 31, 1988, dividends received or deemed
18 received or paid or deemed paid under Sections 951
19 through 964 of the Internal Revenue Code and including,
20 for taxable years ending on or after December 31, 2008,
21 dividends received from a captive real estate
22 investment trust, from any such corporation specified
23 in clause (i) that would but for the provisions of
24 Section 1504 (b) (3) of the Internal Revenue Code be
25 treated as a member of the affiliated group which
26 includes the dividend recipient, exceed the amount of

1 the modification provided under subparagraph (G) of
2 paragraph (2) of this subsection (b) which is related
3 to such dividends. This subparagraph (O) is exempt from
4 the provisions of Section 250 of this Act;

5 (P) An amount equal to any contribution made to a
6 job training project established pursuant to the Tax
7 Increment Allocation Redevelopment Act;

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

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

26 (S) For taxable years ending on or after December

1 31, 1997, in the case of a Subchapter S corporation, an
2 amount equal to all amounts of income allocable to a
3 shareholder subject to the Personal Property Tax
4 Replacement Income Tax imposed by subsections (c) and
5 (d) of Section 201 of this Act, including amounts
6 allocable to organizations exempt from federal income
7 tax by reason of Section 501(a) of the Internal Revenue
8 Code. This subparagraph (S) is exempt from the
9 provisions of Section 250;

10 (T) 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 (T) is exempt from the provisions of
19 Section 250;

20 (U) If the taxpayer sells, transfers, abandons, or
21 otherwise disposes of property for which the taxpayer
22 was required in any taxable year to make an addition
23 modification under subparagraph (E-10), then an amount
24 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 (E-10), 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 (U) is exempt from the
10 provisions of Section 250;

11 (V) The amount of: (i) any interest income (net of
12 the deductions allocable thereto) taken into account
13 for the taxable year with respect to a transaction with
14 a taxpayer that is required to make an addition
15 modification with respect to such transaction under
16 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
17 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
18 the amount of such addition modification, (ii) any
19 income from intangible property (net of the deductions
20 allocable thereto) taken into account for the taxable
21 year with respect to a transaction with a taxpayer that
22 is required to make an addition modification with
23 respect to such transaction under Section
24 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
25 203(d)(2)(D-8), but not to exceed the amount of such
26 addition modification, and (iii) any insurance premium

1 income (net of deductions allocable thereto) taken
2 into account for the taxable year with respect to a
3 transaction with a taxpayer that is required to make an
4 addition modification with respect to such transaction
5 under Section 203(a)(2)(D-19), Section
6 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
7 203(d)(2)(D-9), but not to exceed the amount of that
8 addition modification. This subparagraph (V) is exempt
9 from the provisions of Section 250;

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

1 interest paid, accrued, or incurred, directly or
2 indirectly, to the same person. This subparagraph (W)
3 is exempt from the provisions of Section 250; and

4 (X) An amount equal to the income from intangible
5 property taken into account for the taxable year (net
6 of the 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 that 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(b)(2)(E-13) for
21 intangible expenses and costs paid, accrued, or
22 incurred, directly or indirectly, to the same foreign
23 person. This subparagraph (X) is exempt from the
24 provisions of Section 250. ~~(Y)~~

25 (3) Special rule. For purposes of paragraph (2) (A),
26 "gross income" in the case of a life insurance company, for

1 tax years ending on and after December 31, 1994, shall mean
2 the gross investment income for the taxable year.

3 (c) Trusts and estates.

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

7 (2) Modifications. Subject to the provisions of
8 paragraph (3), the taxable income referred to in paragraph
9 (1) shall be modified by adding thereto the sum of the
10 following amounts:

11 (A) An amount equal to all amounts paid or accrued
12 to the taxpayer as interest or dividends during the
13 taxable year to the extent excluded from gross income
14 in the computation of taxable income;

15 (B) In the case of (i) an estate, \$600; (ii) a
16 trust which, under its governing instrument, is
17 required to distribute all of its income currently,
18 \$300; and (iii) any other trust, \$100, but in each such
19 case, only to the extent such amount was deducted in
20 the computation of taxable income;

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

24 (D) The amount of any net operating loss deduction
25 taken in arriving at taxable income, other than a net

1 operating loss carried forward from a taxable year
2 ending prior to December 31, 1986;

3 (E) For taxable years in which a net operating loss
4 carryback or carryforward from a taxable year ending
5 prior to December 31, 1986 is an element of taxable
6 income under paragraph (1) of subsection (e) or
7 subparagraph (E) of paragraph (2) of subsection (e),
8 the amount by which addition modifications other than
9 those provided by this subparagraph (E) exceeded
10 subtraction modifications in such taxable year, with
11 the following limitations applied in the order that
12 they are listed:

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

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

26 For taxable years in which there is a net operating

1 loss carryback or carryforward from more than one other
2 taxable year ending prior to December 31, 1986, the
3 addition modification provided in this subparagraph
4 (E) shall be the sum of the amounts computed
5 independently under the preceding provisions of this
6 subparagraph (E) for each such taxable year;

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

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

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

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

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

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

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

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

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

19 This paragraph shall not apply to the following:

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

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

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

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

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

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

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

1 of apportionment under Section 304(f).

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

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

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

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

4 This paragraph shall not apply to the following:

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

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

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

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

1 or

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

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

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

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

19 and by deducting from the total so obtained the sum of the
20 following amounts:

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

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

6 (I) The valuation limitation amount;

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

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

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

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

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

18 (N) An amount equal to any contribution made to a
19 job training project established pursuant to the Tax
20 Increment Allocation Redevelopment Act;

21 (O) An amount equal to those dividends included in
22 such total that were paid by a corporation that
23 conducts business operations in a federally designated
24 Foreign Trade Zone or Sub-Zone and that is designated a
25 High Impact Business located in Illinois; provided
26 that dividends eligible for the deduction provided in

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

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

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

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

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

1 168 of the Internal Revenue Code, but not including
2 the bonus depreciation deduction;

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

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

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

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

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

26 (S) If the taxpayer sells, transfers, abandons, or

1 otherwise disposes of property for which the taxpayer
2 was required in any taxable year to make an addition
3 modification under subparagraph (G-10), then an amount
4 equal to that addition modification.

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

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

15 This subparagraph (S) is exempt from the
16 provisions of Section 250;

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

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

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

1 is exempt from the provisions of Section 250; and

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

23 (3) Limitation. The amount of any modification
24 otherwise required under this subsection shall, under
25 regulations prescribed by the Department, be adjusted by
26 any amounts included therein which were properly paid,

1 credited, or required to be distributed, or permanently set
2 aside for charitable purposes pursuant to Internal Revenue
3 Code Section 642(c) during the taxable year.

4 (d) Partnerships.

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

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

11 (A) An amount equal to all amounts paid or accrued
12 to the taxpayer as interest or dividends during the
13 taxable year to the extent excluded from gross income
14 in the computation of taxable income;

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

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

1 (D) An amount equal to the amount of the capital
2 gain deduction allowable under the Internal Revenue
3 Code, to the extent deducted from gross income in the
4 computation of taxable income;

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

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

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

24 The taxpayer is required to make the addition
25 modification under this subparagraph only once with
26 respect to any one piece of property;

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

1 incurred.

2 This paragraph shall not apply to the following:

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

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

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

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

24 (iii) the taxpayer can establish, based on
25 clear and convincing evidence, that the interest
26 paid, accrued, or incurred relates to a contract or

1 agreement entered into at arm's-length rates and
2 terms and the principal purpose for the payment is
3 not federal or Illinois tax avoidance; or

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

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

20 (D-8) An amount equal to the amount of intangible
21 expenses and costs otherwise allowed as a deduction in
22 computing base income, and that were paid, accrued, or
23 incurred, directly or indirectly, (i) for taxable
24 years ending on or after December 31, 2004, to a
25 foreign person who would be a member of the same
26 unitary business group but for the fact that the

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

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

13 This paragraph shall not apply to the following:

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

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

26 (a) the person during the same taxable

1 year paid, accrued, or incurred, the
2 intangible expense or cost to a person that is
3 not a related member, and

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

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

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

1 under Section 404 of this Act;

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

1 Section 203(d) (2) (D-8) of this Act.

2 and by deducting from the total so obtained the following
3 amounts:

4 (E) The valuation limitation amount;

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

8 (G) An amount equal to all amounts included in
9 taxable income as modified by subparagraphs (A), (B),
10 (C) and (D) which are exempt from taxation by this
11 State either by reason of its statutes or Constitution
12 or by reason of the Constitution, treaties or statutes
13 of the 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 (H) For taxable years ending before December 31,
19 2009, Any income of the partnership which constitutes
20 personal service income as defined in Section 1348 (b)
21 (1) of the Internal Revenue Code (as in effect December
22 31, 1981) or a reasonable allowance for compensation
23 paid or accrued for services rendered by partners to
24 the partnership, whichever is greater;

25 (I) An amount equal to all amounts of income
26 distributable to an entity subject to the Personal

1 Property Tax Replacement Income Tax imposed by
2 subsections (c) and (d) of Section 201 of this Act
3 including amounts distributable to organizations
4 exempt from federal income tax by reason of Section
5 501(a) of the Internal Revenue Code;

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

19 (K) An amount equal to those dividends included in
20 such total which were paid by a corporation which
21 conducts business operations in an Enterprise Zone or
22 zones created under the Illinois Enterprise Zone Act,
23 enacted by the 82nd General Assembly, or a River Edge
24 Redevelopment Zone or zones created under the River
25 Edge Redevelopment Zone Act and conducts substantially
26 all of its operations in an Enterprise Zone or Zones or

1 from a River Edge Redevelopment Zone or zones. This
2 subparagraph (K) is exempt from the provisions of
3 Section 250;

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

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

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

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

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

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

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

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

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

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

1 taxpayer's federal income tax return under subsection
2 (k) of Section 168 of the Internal Revenue Code. This
3 subparagraph (O) is exempt from the provisions of
4 Section 250;

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

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

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

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

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

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

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

1 subsections of Section 304, but not to exceed the
2 addition modification required to be made for the same
3 taxable year under Section 203(d)(2)(D-7) for interest
4 paid, accrued, or incurred, directly or indirectly, to
5 the same person. This subparagraph (R) is exempt from
6 Section 250; and

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

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

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

1 trusts and estates, exceed subtraction modifications, an
2 addition modification must be made under those
3 subparagraphs for any other taxable year to which the
4 taxable income less than zero (net operating loss) is
5 applied under Section 172 of the Internal Revenue Code or
6 under subparagraph (E) of paragraph (2) of this subsection
7 (e) applied in conjunction with Section 172 of the Internal
8 Revenue Code.

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

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

19 (B) Certain other insurance companies. In the case
20 of mutual insurance companies subject to the tax
21 imposed by Section 831 of the Internal Revenue Code,
22 insurance company taxable income;

23 (C) Regulated investment companies. In the case of
24 a regulated investment company subject to the tax
25 imposed by Section 852 of the Internal Revenue Code,
26 investment company taxable income;

1 (D) Real estate investment trusts. In the case of a
2 real estate investment trust subject to the tax imposed
3 by Section 857 of the Internal Revenue Code, real
4 estate investment trust taxable income;

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

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

22 (G) Subchapter S corporations. In the case of: (i)
23 a Subchapter S corporation for which there is in effect
24 an election for the taxable year under Section 1362 of
25 the Internal Revenue Code, the taxable income of such
26 corporation determined in accordance with Section

1 1363(b) of the Internal Revenue Code, except that
2 taxable income shall take into account those items
3 which are required by Section 1363(b)(1) of the
4 Internal Revenue Code to be separately stated; and (ii)
5 a Subchapter S corporation for which there is in effect
6 a federal election to opt out of the provisions of the
7 Subchapter S Revision Act of 1982 and have applied
8 instead the prior federal Subchapter S rules as in
9 effect on July 1, 1982, the taxable income of such
10 corporation determined in accordance with the federal
11 Subchapter S rules as in effect on July 1, 1982; and

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

19 (3) Recapture of business expenses on disposition of
20 asset or business. Notwithstanding any other law to the
21 contrary, if in prior years income from an asset or
22 business has been classified as business income and in a
23 later year is demonstrated to be non-business income, then
24 all expenses, without limitation, deducted in such later
25 year and in the 2 immediately preceding taxable years
26 related to that asset or business that generated the

1 non-business income shall be added back and recaptured as
2 business income in the year of the disposition of the asset
3 or business. Such amount shall be apportioned to Illinois
4 using the greater of the apportionment fraction computed
5 for the business under Section 304 of this Act for the
6 taxable year or the average of the apportionment fractions
7 computed for the business under Section 304 of this Act for
8 the taxable year and for the 2 immediately preceding
9 taxable years.

10 (f) Valuation limitation amount.

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

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

19 (B) The lesser of (i) the sum of the pre-August 1,
20 1969 appreciation amounts (to the extent consisting of
21 capital gain) for all property in respect of which such
22 gain was reported for federal income tax purposes for
23 the taxable year, or (ii) the net capital gain for the
24 taxable year, reduced in either case by any amount of
25 such gain included in the amount determined under

1 subsection (a) (2) (F) or (c) (2) (H).

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

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

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

25 (C) The Department shall prescribe such
26 regulations as may be necessary to carry out the

1 purposes of this paragraph.

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

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

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

19 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

20 Sec. 901. Collection Authority.

21 (a) In general.

22 The Department shall collect the taxes imposed by this Act.

23 The Department shall collect certified past due child support

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

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

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

1 realized from the tax imposed by subsections (a) and (b) of
2 Section 201 of this Act during the preceding month. Beginning
3 July 1, 1995, the Treasurer shall transfer each month from the
4 General Revenue Fund to the Local Government Distributive Fund
5 an amount equal to the net of (i) 1/10 of the net revenue
6 realized from the tax imposed by subsections (a) and (b) of
7 Section 201 of the Illinois Income Tax Act during the preceding
8 month (ii) minus, beginning July 1, 2003 and ending June 30,
9 2004, \$6,666,666, and beginning July 1, 2004, zero. Net revenue
10 realized for a month shall be defined as the revenue from the
11 tax imposed by subsections (a) and (b) of Section 201 of this
12 Act which is deposited in the General Revenue Fund, the
13 Educational Assistance Fund and the Income Tax Surcharge Local
14 Government Distributive Fund during the month minus the amount
15 paid out of the General Revenue Fund in State warrants during
16 that same month as refunds to taxpayers for overpayment of
17 liability under the tax imposed by subsections (a) and (b) of
18 Section 201 of this Act.

19 (c) Deposits Into Income Tax Refund Fund.

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

1 1989. Beginning with State fiscal year 1990 and for each
2 fiscal year thereafter, the percentage deposited into the
3 Income Tax Refund Fund during a fiscal year shall be the
4 Annual Percentage. For fiscal years 1999 through 2001, the
5 Annual Percentage shall be 7.1%. For fiscal year 2003, the
6 Annual Percentage shall be 8%. For fiscal year 2004, the
7 Annual Percentage shall be 11.7%. Upon the effective date
8 of this amendatory Act of the 93rd General Assembly, the
9 Annual Percentage shall be 10% for fiscal year 2005. For
10 fiscal year 2006, the Annual Percentage shall be 9.75%. For
11 fiscal year 2007, the Annual Percentage shall be 9.75%. For
12 fiscal year 2008, the Annual Percentage shall be 7.75%. For
13 fiscal year 2009, the Annual Percentage shall be 9.75%. For
14 fiscal year 2010, the Annual Percentage shall be 9.75%. For
15 all other fiscal years, the Annual Percentage shall be
16 calculated as a fraction, the numerator of which shall be
17 the amount of refunds approved for payment by the
18 Department during the preceding fiscal year as a result of
19 overpayment of tax liability under subsections (a) and
20 (b)(1), (2), and (3) of Section 201 of this Act plus the
21 amount of such refunds remaining approved but unpaid at the
22 end of the preceding fiscal year, minus the amounts
23 transferred into the Income Tax Refund Fund from the
24 Tobacco Settlement Recovery Fund, and the denominator of
25 which shall be the amounts which will be collected pursuant
26 to subsections (a) and (b)(1), (2), and (3) of Section 201

1 of this Act during the preceding fiscal year; except that
2 in State fiscal year 2002, the Annual Percentage shall in
3 no event exceed 7.6%. The Director of Revenue shall certify
4 the Annual Percentage to the Comptroller on the last
5 business day of the fiscal year immediately preceding the
6 fiscal year for which it is to be effective.

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

1 fiscal year 2010, the Annual Percentage shall be 17.5%. For
2 all other fiscal years, the Annual Percentage shall be
3 calculated as a fraction, the numerator of which shall be
4 the amount of refunds approved for payment by the
5 Department during the preceding fiscal year as a result of
6 overpayment of tax liability under subsections (a) and
7 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
8 Act plus the amount of such refunds remaining approved but
9 unpaid at the end of the preceding fiscal year, and the
10 denominator of which shall be the amounts which will be
11 collected pursuant to subsections (a) and (b) (6), (7), and
12 (8), (c) and (d) of Section 201 of this Act during the
13 preceding fiscal year; except that in State fiscal year
14 2002, the Annual Percentage shall in no event exceed 23%.
15 The Director of Revenue shall certify the Annual Percentage
16 to the Comptroller on the last business day of the fiscal
17 year immediately preceding the fiscal year for which it is
18 to be effective.

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

24 (d) Expenditures from Income Tax Refund Fund.

25 (1) Beginning January 1, 1989, money in the Income Tax
26 Refund Fund shall be expended exclusively for the purpose

1 of paying refunds resulting from overpayment of tax
2 liability under Section 201 of this Act, for paying rebates
3 under Section 208.1 in the event that the amounts in the
4 Homeowners' Tax Relief Fund are insufficient for that
5 purpose, and for making transfers pursuant to this
6 subsection (d).

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

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

26 (4) As soon as possible after the end of each fiscal

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

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

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

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

1 On July 1, 1991, and thereafter, of the amounts collected
2 pursuant to subsections (a) and (b) of Section 201 of this Act,
3 minus deposits into the Income Tax Refund Fund, the Department
4 shall deposit 7.3% into the Education Assistance Fund in the
5 State Treasury. Beginning July 1, 1991, and continuing through
6 January 31, 1993, of the amounts collected pursuant to
7 subsections (a) and (b) of Section 201 of the Illinois Income
8 Tax Act, minus deposits into the Income Tax Refund Fund, the
9 Department shall deposit 3.0% into the Income Tax Surcharge
10 Local Government Distributive Fund in the State Treasury.
11 Beginning February 1, 1993 and continuing through June 30,
12 1993, of the amounts collected pursuant to subsections (a) and
13 (b) of Section 201 of the Illinois Income Tax Act, minus
14 deposits into the Income Tax Refund Fund, the Department shall
15 deposit 4.4% into the Income Tax Surcharge Local Government
16 Distributive Fund in the State Treasury. Beginning July 1,
17 1993, and continuing through June 30, 1994, of the amounts
18 collected under subsections (a) and (b) of Section 201 of this
19 Act, minus deposits into the Income Tax Refund Fund, the
20 Department shall deposit 1.475% into the Income Tax Surcharge
21 Local Government Distributive Fund in the State Treasury.

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

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

1 (35 ILCS 505/8) (from Ch. 120, par. 424)

2 Sec. 8. Except as provided in Section 8a, subdivision
3 (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and
4 16 of Section 15, all money received by the Department under
5 this Act, including payments made to the Department by member
6 jurisdictions participating in the International Fuel Tax
7 Agreement, shall be deposited in a special fund in the State
8 treasury, to be known as the "Motor Fuel Tax Fund", and shall
9 be used as follows:

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

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

18 (c) \$2,250,000 shall be transferred each month to the Grade
19 Crossing Protection Fund to be used as follows: not less than
20 \$6,000,000 each fiscal year shall be used for the construction
21 or reconstruction of rail highway grade separation structures;
22 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
23 shall be transferred to the Transportation Regulatory Fund and
24 shall be accounted for as part of the rail carrier portion of
25 such funds and shall be used to pay the cost of administration

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

1 requirement an "accrual basis" assumes that the total cost of
2 the project is expended in the fiscal year in which the order
3 is entered, while a "cash basis" allocates the cost of the
4 project among fiscal years as expenditures are actually made.
5 To meet the requirements of this subsection, the Illinois
6 Commerce Commission shall develop annual and 5-year project
7 plans of rail crossing capital improvements that will be paid
8 for with moneys from the Grade Crossing Protection Fund. The
9 annual project plan shall identify projects for the succeeding
10 fiscal year and the 5-year project plan shall identify projects
11 for the 5 directly succeeding fiscal years. The Commission
12 shall submit the annual and 5-year project plans for this Fund
13 to the Governor, the President of the Senate, the Senate
14 Minority Leader, the Speaker of the House of Representatives,
15 and the Minority Leader of the House of Representatives on the
16 first Wednesday in April of each year;

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

20 (1) the costs of the Department of Revenue in
21 administering this Act;

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

26 (3) refunds provided for in Section 13 of this Act and

1 under the terms of the International Fuel Tax Agreement
2 referenced in Section 14a;

3 (4) from October 1, 1985 until June 30, 1994, the
4 administration of the Vehicle Emissions Inspection Law,
5 which amount shall be certified monthly by the
6 Environmental Protection Agency to the State Comptroller
7 and shall promptly be transferred by the State Comptroller
8 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
9 Inspection Fund, and for the period July 1, 1994 through
10 June 30, 2000, one-twelfth of \$25,000,000 each month, for
11 the period July 1, 2000 through June 30, 2003, one-twelfth
12 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
13 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
14 July 1 and October 1, or as soon thereafter as may be
15 practical, during the period July 1, 2004 through June 30,
16 2010 ~~2009~~, for the administration of the Vehicle Emissions
17 Inspection Law of 2005, to be transferred by the State
18 Comptroller and Treasurer from the Motor Fuel Tax Fund into
19 the Vehicle Inspection Fund;

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

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

1 on or before the last day of each month;

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

5 (1) Until January 1, 2000, 58.4%, and beginning January
6 1, 2000, 45.6% shall be deposited as follows:

7 (A) 37% into the State Construction Account Fund,
8 and

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

14 (2) Until January 1, 2000, 41.6%, and beginning January
15 1, 2000, 54.4% shall be transferred to the Department of
16 Transportation to be distributed as follows:

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

18 (B) 16.74% to the counties of the State having
19 1,000,000 or more inhabitants,

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

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

23 As soon as may be after the first day of each month the
24 Department of Transportation shall allot to each municipality
25 its share of the amount apportioned to the several
26 municipalities which shall be in proportion to the population

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

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

1 before April 15 of each year, transmit to the Department of
2 Transportation a full and complete report showing the amount of
3 motor vehicle license fees received from the residents of each
4 county, respectively, during the preceding calendar year. The
5 Department of Transportation shall, each month, use for
6 allotment purposes the last such report received from the
7 Secretary of State.

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

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

24 In counties in which a property tax extension limitation is
25 imposed under the Property Tax Extension Limitation Law, road
26 districts may retain their entitlement to a motor fuel tax

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

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

1 the mileage of all township and district roads for the purposes
2 of making allotments and allocations of motor fuel tax funds
3 for use in road districts.

4 Payment of motor fuel tax moneys to municipalities and
5 counties shall be made as soon as possible after the allotment
6 is made. The treasurer of the municipality or county may invest
7 these funds until their use is required and the interest earned
8 by these investments shall be limited to the same uses as the
9 principal funds.

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

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

13 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

14 Sec. 14-131. Contributions by State.

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

22 For the purposes of this Section and Section 14-135.08,
23 references to State contributions refer only to employer
24 contributions and do not include employee contributions that

1 are picked up or otherwise paid by the State or a department on
2 behalf of the employee.

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

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

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

25 (c) Contributions shall be made by the several departments
26 for each pay period by warrants drawn by the State Comptroller

1 against their respective funds or appropriations based upon
2 vouchers stating the amount to be so contributed. These amounts
3 shall be based on the full rate certified by the Board under
4 Section 14-135.08 for that fiscal year. From the effective date
5 of this amendatory Act of the 93rd General Assembly through the
6 payment of the final payroll from fiscal year 2004
7 appropriations, the several departments shall not make
8 contributions for the remainder of fiscal year 2004 but shall
9 instead make payments as required under subsection (a-1) of
10 Section 14.1 of the State Finance Act. The several departments
11 shall resume those contributions at the commencement of fiscal
12 year 2005.

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

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

24 (d) If an employee is paid from trust funds or federal
25 funds, the department or other employer shall pay employer
26 contributions from those funds to the System at the certified

1 rate, unless the terms of the trust or the federal-State
2 agreement preclude the use of the funds for that purpose, in
3 which case the required employer contributions shall be paid by
4 the State. From the effective date of this amendatory Act of
5 the 93rd General Assembly through the payment of the final
6 payroll from fiscal year 2004 appropriations, the department or
7 other employer shall not pay contributions for the remainder of
8 fiscal year 2004 but shall instead make payments as required
9 under subsection (a-1) of Section 14.1 of the State Finance
10 Act. The department or other employer shall resume payment of
11 contributions at the commencement of fiscal year 2005.

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

22 For State fiscal years 1996 through 2005, the State
23 contribution to the System, as a percentage of the applicable
24 employee payroll, shall be increased in equal annual increments
25 so that by State fiscal year 2011, the State is contributing at
26 the rate required under this Section; except that (i) for State

1 fiscal year 1998, for all purposes of this Code and any other
2 law of this State, the certified percentage of the applicable
3 employee payroll shall be 5.052% for employees earning eligible
4 creditable service under Section 14-110 and 6.500% for all
5 other employees, notwithstanding any contrary certification
6 made under Section 14-135.08 before the effective date of this
7 amendatory Act of 1997, and (ii) in the following specified
8 State fiscal years, the State contribution to the System shall
9 not be less than the following indicated percentages of the
10 applicable employee payroll, even if the indicated percentage
11 will produce a State contribution in excess of the amount
12 otherwise required under this subsection and subsection (a):
13 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
14 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

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

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

21 For each of State fiscal years 2008 through 2010, the State
22 contribution to the System, as a percentage of the applicable
23 employee payroll, shall be increased in equal annual increments
24 from the required State contribution for State fiscal year
25 2007, so that by State fiscal year 2011, the State is
26 contributing at the rate otherwise required under this Section.

1 Beginning in State fiscal year 2046, the minimum State
2 contribution for each fiscal year shall be the amount needed to
3 maintain the total assets of the System at 90% of the total
4 actuarial liabilities of the System.

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

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

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

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

1 received by the System in fiscal year 2004 through payments
2 under this Section and under Section 6z-61 of the State Finance
3 Act. If the amount due is more than the amount received, the
4 difference shall be termed the "Fiscal Year 2004 Shortfall" for
5 purposes of this Section, and the Fiscal Year 2004 Shortfall
6 shall be satisfied under Section 1.2 of the State Pension Funds
7 Continuing Appropriation Act. If the amount due is less than
8 the amount received, the difference shall be termed the "Fiscal
9 Year 2004 Overpayment" for purposes of this Section, and the
10 Fiscal Year 2004 Overpayment shall be repaid by the System to
11 the Pension Contribution Fund as soon as practicable after the
12 certification.

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

1 due is more than the amount received, the difference shall be
2 termed the "Fiscal Year 2010 Shortfall" for purposes of this
3 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
4 under Section 1.2 of the State Pension Funds Continuing
5 Appropriation Act. If the amount due is less than the amount
6 received, the difference shall be termed the "Fiscal Year 2010
7 Overpayment" for purposes of this Section, and the Fiscal Year
8 2010 Overpayment shall be repaid by the System to the General
9 Revenue Fund as soon as practicable after the certification.

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

12 Section 5-50.6. The State Pension Funds Continuing
13 Appropriation Act is amended by changing Section 1.2 as
14 follows:

15 (40 ILCS 15/1.2)

16 Sec. 1.2. Appropriations for the State Employees'
17 Retirement System.

18 (a) From each fund from which an amount is appropriated for
19 personal services to a department or other employer under
20 Article 14 of the Illinois Pension Code, there is hereby
21 appropriated to that department or other employer, on a
22 continuing annual basis for each State fiscal year, an
23 additional amount equal to the amount, if any, by which (1) an
24 amount equal to the percentage of the personal services line

1 item for that department or employer from that fund for that
2 fiscal year that the Board of Trustees of the State Employees'
3 Retirement System of Illinois has certified under Section
4 14-135.08 of the Illinois Pension Code to be necessary to meet
5 the State's obligation under Section 14-131 of the Illinois
6 Pension Code for that fiscal year, exceeds (2) the amounts
7 otherwise appropriated to that department or employer from that
8 fund for State contributions to the State Employees' Retirement
9 System for that fiscal year. From the effective date of this
10 amendatory Act of the 93rd General Assembly through the final
11 payment from a department or employer's personal services line
12 item for fiscal year 2004, payments to the State Employees'
13 Retirement System that otherwise would have been made under
14 this subsection (a) shall be governed by the provisions in
15 subsection (a-1).

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

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

1 Year 2010 Shortfall.

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

4 (c) Beginning in Fiscal Year 2005, any continuing
5 appropriation under this Section arising out of an
6 appropriation for personal services from the Road Fund to the
7 Department of State Police or the Secretary of State shall be
8 payable from the General Revenue Fund rather than the Road
9 Fund.

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

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

13 (105 ILCS 5/18-8.05)

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

17 (A) General Provisions.

18 (1) The provisions of this Section apply to the 1998-1999
19 and subsequent school years. The system of general State
20 financial aid provided for in this Section is designed to
21 assure that, through a combination of State financial aid and
22 required local resources, the financial support provided each
23 pupil in Average Daily Attendance equals or exceeds a

1 prescribed per pupil Foundation Level. This formula approach
2 imputes a level of per pupil Available Local Resources and
3 provides for the basis to calculate a per pupil level of
4 general State financial aid that, when added to Available Local
5 Resources, equals or exceeds the Foundation Level. The amount
6 of per pupil general State financial aid for school districts,
7 in general, varies in inverse relation to Available Local
8 Resources. Per pupil amounts are based upon each school
9 district's Average Daily Attendance as that term is defined in
10 this Section.

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

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

23 (a) Any school district which fails for any given
24 school year to maintain school as required by law, or to
25 maintain a recognized school is not eligible to file for
26 such school year any claim upon the Common School Fund. In

1 case of nonrecognition of one or more attendance centers in
2 a school district otherwise operating recognized schools,
3 the claim of the district shall be reduced in the
4 proportion which the Average Daily Attendance in the
5 attendance center or centers bear to the Average Daily
6 Attendance in the school district. A "recognized school"
7 means any public school which meets the standards as
8 established for recognition by the State Board of
9 Education. A school district or attendance center not
10 having recognition status at the end of a school term is
11 entitled to receive State aid payments due upon a legal
12 claim which was filed while it was recognized.

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

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

21 (d) (Blank).

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

26 School districts are not required to exert a minimum

1 Operating Tax Rate in order to qualify for assistance under
2 this Section.

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

5 (a) "Average Daily Attendance": A count of pupil
6 attendance in school, averaged as provided for in
7 subsection (C) and utilized in deriving per pupil financial
8 support levels.

9 (b) "Available Local Resources": A computation of
10 local financial support, calculated on the basis of Average
11 Daily Attendance and derived as provided pursuant to
12 subsection (D).

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

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

22 (e) "Operating Tax Rate": All school district property
23 taxes extended for all purposes, except Bond and Interest,
24 Summer School, Rent, Capital Improvement, and Vocational
25 Education Building purposes.

1 (B) Foundation Level.

2 (1) The Foundation Level is a figure established by the
3 State representing the minimum level of per pupil financial
4 support that should be available to provide for the basic
5 education of each pupil in Average Daily Attendance. As set
6 forth in this Section, each school district is assumed to exert
7 a sufficient local taxing effort such that, in combination with
8 the aggregate of general State financial aid provided the
9 district, an aggregate of State and local resources are
10 available to meet the basic education needs of pupils in the
11 district.

12 (2) For the 1998-1999 school year, the Foundation Level of
13 support is \$4,225. For the 1999-2000 school year, the
14 Foundation Level of support is \$4,325. For the 2000-2001 school
15 year, the Foundation Level of support is \$4,425. For the
16 2001-2002 school year and 2002-2003 school year, the Foundation
17 Level of support is \$4,560. For the 2003-2004 school year, the
18 Foundation Level of support is \$4,810. For the 2004-2005 school
19 year, the Foundation Level of support is \$4,964. For the
20 2005-2006 school year, the Foundation Level of support is
21 \$5,164. For the 2006-2007 school year, the Foundation Level of
22 support is \$5,334. For the 2007-2008 school year, the
23 Foundation Level of support is \$5,734. For the 2008-2009 school
24 year, the Foundation Level of support is \$5,959.

25 (3) For the 2009-2010 ~~2008-2009~~ school year and each school
26 year thereafter, the Foundation Level of support is \$6,190

1 ~~\$5,959~~ or such greater amount as may be established by law by
2 the General Assembly.

3 (C) Average Daily Attendance.

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

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

24 (D) Available Local Resources.

1 (1) For purposes of calculating general State aid pursuant
2 to subsection (E), a representation of Available Local
3 Resources per pupil, as that term is defined and determined in
4 this subsection, shall be utilized. Available Local Resources
5 per pupil shall include a calculated dollar amount representing
6 local school district revenues from local property taxes and
7 from Corporate Personal Property Replacement Taxes, expressed
8 on the basis of pupils in Average Daily Attendance. Calculation
9 of Available Local Resources shall exclude any tax amnesty
10 funds received as a result of Public Act 93-26.

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

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

1 maintaining grades 9 through 12, local property tax revenues
2 per pupil shall be the applicable equalized assessed valuation
3 of the district multiplied by 1.05%, and divided by the
4 district's Average Daily Attendance figure.

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

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

1 (E) Computation of General State Aid.

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

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

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

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

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

16 (F) Compilation of Average Daily Attendance.

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

1 (1).

2 (a) In districts that do not hold year-round classes,
3 days of attendance in August shall be added to the month of
4 September and any days of attendance in June shall be added
5 to the month of May.

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

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

22 Except as otherwise provided in this Section, days of
23 attendance by pupils shall be counted only for sessions of not
24 less than 5 clock hours of school work per day under direct
25 supervision of: (i) teachers, or (ii) non-teaching personnel or
26 volunteer personnel when engaging in non-teaching duties and

1 supervising in those instances specified in subsection (a) of
2 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
3 of legal school age and in kindergarten and grades 1 through
4 12.

5 Days of attendance by tuition pupils shall be accredited
6 only to the districts that pay the tuition to a recognized
7 school.

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

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

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

24 (c) A session of 4 or more clock hours may be counted
25 as a day of attendance upon certification by the regional
26 superintendent, and approved by the State Superintendent

1 of Education to the extent that the district has been
2 forced to use daily multiple sessions.

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

1 of 3 or more clock hours fall short of 5 clock hours. Any
2 full days used for the purposes of this paragraph shall not
3 be considered for computing average daily attendance. Days
4 scheduled for in-service training programs, staff
5 development activities, or parent-teacher conferences may
6 be scheduled separately for different grade levels and
7 different attendance centers of the district.

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

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

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

26 (h) A recognized kindergarten which provides for only

1 1/2 day of attendance by each pupil shall not have more
2 than 1/2 day of attendance counted in any one day. However,
3 kindergartens may count 2 1/2 days of attendance in any 5
4 consecutive school days. When a pupil attends such a
5 kindergarten for 2 half days on any one school day, the
6 pupil shall have the following day as a day absent from
7 school, unless the school district obtains permission in
8 writing from the State Superintendent of Education.
9 Attendance at kindergartens which provide for a full day of
10 attendance by each pupil shall be counted the same as
11 attendance by first grade pupils. Only the first year of
12 attendance in one kindergarten shall be counted, except in
13 case of children who entered the kindergarten in their
14 fifth year whose educational development requires a second
15 year of kindergarten as determined under the rules and
16 regulations of the State Board of Education.

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

1 the examination days.

2 (G) Equalized Assessed Valuation Data.

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

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

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

26 This equalized assessed valuation, as adjusted further by

1 the requirements of this subsection, shall be utilized in the
2 calculation of Available Local Resources.

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

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

1 have been paid.

2 (b) The real property equalized assessed valuation for
3 a school district shall be adjusted by subtracting from the
4 real property value as equalized or assessed by the
5 Department of Revenue for the district an amount computed
6 by dividing the amount of any abatement of taxes under
7 Section 18-170 of the Property Tax Code by 3.00% for a
8 district maintaining grades kindergarten through 12, by
9 2.30% for a district maintaining grades kindergarten
10 through 8, or by 1.05% for a district maintaining grades 9
11 through 12 and adjusted by an amount computed by dividing
12 the amount of any abatement of taxes under subsection (a)
13 of Section 18-165 of the Property Tax Code by the same
14 percentage rates for district type as specified in this
15 subparagraph (b).

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

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

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

26 "Base Tax Year": The property tax levy year used to

1 calculate the Budget Year allocation of general State aid.

2 "Preceding Tax Year": The property tax levy year
3 immediately preceding the Base Tax Year.

4 "Base Tax Year's Tax Extension": The product of the
5 equalized assessed valuation utilized by the County Clerk
6 in the Base Tax Year multiplied by the limiting rate as
7 calculated by the County Clerk and defined in the Property
8 Tax Extension Limitation Law.

9 "Preceding Tax Year's Tax Extension": The product of
10 the equalized assessed valuation utilized by the County
11 Clerk in the Preceding Tax Year multiplied by the Operating
12 Tax Rate as defined in subsection (A).

13 "Extension Limitation Ratio": A numerical ratio,
14 certified by the County Clerk, in which the numerator is
15 the Base Tax Year's Tax Extension and the denominator is
16 the Preceding Tax Year's Tax Extension.

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

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

1 and the district's Extension Limitation Ratio. For the
2 2000-2001 school year and each school year thereafter, the
3 Extension Limitation Equalized Assessed Valuation of a school
4 district as calculated by the State Board of Education shall be
5 equal to the product of the Equalized Assessed Valuation last
6 used in the calculation of general State aid and the district's
7 Extension Limitation Ratio. If the Extension Limitation
8 Equalized Assessed Valuation of a school district as calculated
9 under this subsection (G)(3) is less than the district's
10 equalized assessed valuation as calculated pursuant to
11 subsections (G)(1) and (G)(2), then for purposes of calculating
12 the district's general State aid for the Budget Year pursuant
13 to subsection (E), that Extension Limitation Equalized
14 Assessed Valuation shall be utilized to calculate the
15 district's Available Local Resources under subsection (D).

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

20 (4) For the purposes of calculating general State aid for
21 the 1999-2000 school year only, if a school district
22 experienced a triennial reassessment on the equalized assessed
23 valuation used in calculating its general State financial aid
24 apportionment for the 1998-1999 school year, the State Board of
25 Education shall calculate the Extension Limitation Equalized
26 Assessed Valuation that would have been used to calculate the

1 district's 1998-1999 general State aid. This amount shall equal
2 the product of the equalized assessed valuation used to
3 calculate general State aid for the 1997-1998 school year and
4 the district's Extension Limitation Ratio. If the Extension
5 Limitation Equalized Assessed Valuation of the school district
6 as calculated under this paragraph (4) is less than the
7 district's equalized assessed valuation utilized in
8 calculating the district's 1998-1999 general State aid
9 allocation, then for purposes of calculating the district's
10 general State aid pursuant to paragraph (5) of subsection (E),
11 that Extension Limitation Equalized Assessed Valuation shall
12 be utilized to calculate the district's Available Local
13 Resources.

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

1 (H) Supplemental General State Aid.

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

22 (1.5) This paragraph (1.5) applies only to those school
23 years preceding the 2003-2004 school year. For purposes of this
24 subsection (H), the term "Low-Income Concentration Level"
25 shall be the low-income eligible pupil count from the most
26 recently available federal census divided by the Average Daily

1 Attendance of the school district. If, however, (i) the
2 percentage decrease from the 2 most recent federal censuses in
3 the low-income eligible pupil count of a high school district
4 with fewer than 400 students exceeds by 75% or more the
5 percentage change in the total low-income eligible pupil count
6 of contiguous elementary school districts, whose boundaries
7 are coterminous with the high school district, or (ii) a high
8 school district within 2 counties and serving 5 elementary
9 school districts, whose boundaries are coterminous with the
10 high school district, has a percentage decrease from the 2 most
11 recent federal censuses in the low-income eligible pupil count
12 and there is a percentage increase in the total low-income
13 eligible pupil count of a majority of the elementary school
14 districts in excess of 50% from the 2 most recent federal
15 censuses, then the high school district's low-income eligible
16 pupil count from the earlier federal census shall be the number
17 used as the low-income eligible pupil count for the high school
18 district, for purposes of this subsection (H). The changes made
19 to this paragraph (1) by Public Act 92-28 shall apply to
20 supplemental general State aid grants for school years
21 preceding the 2003-2004 school year that are paid in fiscal
22 year 1999 or thereafter and to any State aid payments made in
23 fiscal year 1994 through fiscal year 1998 pursuant to
24 subsection 1(n) of Section 18-8 of this Code (which was
25 repealed on July 1, 1998), and any high school district that is
26 affected by Public Act 92-28 is entitled to a recomputation of

1 its supplemental general State aid grant or State aid paid in
2 any of those fiscal years. This recomputation shall not be
3 affected by any other funding.

4 (1.10) This paragraph (1.10) applies to the 2003-2004
5 school year and each school year thereafter. For purposes of
6 this subsection (H), the term "Low-Income Concentration Level"
7 shall, for each fiscal year, be the low-income eligible pupil
8 count as of July 1 of the immediately preceding fiscal year (as
9 determined by the Department of Human Services based on the
10 number of pupils who are eligible for at least one of the
11 following low income programs: Medicaid, the Children's Health
12 Insurance Program ~~KidCare~~, TANF, or Food Stamps, excluding
13 pupils who are eligible for services provided by the Department
14 of Children and Family Services, averaged over the 2
15 immediately preceding fiscal years for fiscal year 2004 and
16 over the 3 immediately preceding fiscal years for each fiscal
17 year thereafter) divided by the Average Daily Attendance of the
18 school district.

19 (2) Supplemental general State aid pursuant to this
20 subsection (H) shall be provided as follows for the 1998-1999,
21 1999-2000, and 2000-2001 school years only:

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

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

1 Concentration Level of at least 35% and less than 50%, the
2 grant for the 1998-1999 school year shall be \$1,100
3 multiplied by the low income eligible pupil count.

4 (c) For any school district with a Low Income
5 Concentration Level of at least 50% and less than 60%, the
6 grant for the 1998-99 school year shall be \$1,500
7 multiplied by the low income eligible pupil count.

8 (d) For any school district with a Low Income
9 Concentration Level of 60% or more, the grant for the
10 1998-99 school year shall be \$1,900 multiplied by the low
11 income eligible pupil count.

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

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

20 (2.5) Supplemental general State aid pursuant to this
21 subsection (H) shall be provided as follows for the 2002-2003
22 school year:

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

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

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

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

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

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

21 (2.10) Except as otherwise provided, supplemental general
22 State aid pursuant to this subsection (H) shall be provided as
23 follows for the 2003-2004 school year and each school year
24 thereafter:

25 (a) For any school district with a Low Income
26 Concentration Level of 15% or less, the grant for each

1 school year shall be \$355 multiplied by the low income
2 eligible pupil count.

3 (b) For any school district with a Low Income
4 Concentration Level greater than 15%, the grant for each
5 school year shall be \$294.25 added to the product of \$2,700
6 and the square of the Low Income Concentration Level, all
7 multiplied by the low income eligible pupil count.

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

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

1 the grant received during the 2002-2003 school year added to
2 the product of 0.50 multiplied by the difference between the
3 grant amount calculated under subsection (a) or (b) of this
4 paragraph (2.10), whichever is applicable, and the grant
5 received during the 2002-2003 school year. For the 2005-2006
6 school year only, the grant shall be no greater than the grant
7 received during the 2002-2003 school year added to the product
8 of 0.75 multiplied by the difference between the grant amount
9 calculated under subsection (a) or (b) of this paragraph
10 (2.10), whichever is applicable, and the grant received during
11 the 2002-2003 school year.

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

22 (4) School districts with an Average Daily Attendance of
23 50,000 or more that qualify for supplemental general State aid
24 pursuant to this subsection shall be required to distribute
25 from funds available pursuant to this Section, no less than
26 \$261,000,000 in accordance with the following requirements:

1 (a) The required amounts shall be distributed to the
2 attendance centers within the district in proportion to the
3 number of pupils enrolled at each attendance center who are
4 eligible to receive free or reduced-price lunches or
5 breakfasts under the federal Child Nutrition Act of 1966
6 and under the National School Lunch Act during the
7 immediately preceding school year.

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

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

24 (d) Any funds made available under this subsection that
25 by reason of the provisions of this subsection are not
26 required to be allocated and provided to attendance centers

1 may be used and appropriated by the board of the district
2 for any lawful school purpose.

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

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

1 within 15 days of the notification of rejection and then
2 submit a modified plan within 30 days after the date of the
3 written notice of intent to modify. Districts may amend
4 approved plans pursuant to rules promulgated by the State
5 Board of Education.

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

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

19 For purposes of determining compliance with this
20 subsection in relation to the requirements of attendance
21 center funding, each district subject to the provisions of
22 this subsection shall submit as a separate document by
23 December 1 of each year a report of expenditure data for
24 the prior year in addition to any modification of its
25 current plan. If it is determined that there has been a
26 failure to comply with the expenditure provisions of this

1 subsection regarding contravention or supplanting, the
2 State Superintendent of Education shall, within 60 days of
3 receipt of the report, notify the district and any affected
4 local school council. The district shall within 45 days of
5 receipt of that notification inform the State
6 Superintendent of Education of the remedial or corrective
7 action to be taken, whether by amendment of the current
8 plan, if feasible, or by adjustment in the plan for the
9 following year. Failure to provide the expenditure report
10 or the notification of remedial or corrective action in a
11 timely manner shall result in a withholding of the affected
12 funds.

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

19 (I) (Blank).

20 (J) Supplementary Grants in Aid.

21 (1) Notwithstanding any other provisions of this Section,
22 the amount of the aggregate general State aid in combination
23 with supplemental general State aid under this Section for
24 which each school district is eligible shall be no less than

1 the amount of the aggregate general State aid entitlement that
2 was received by the district under Section 18-8 (exclusive of
3 amounts received under subsections 5(p) and 5(p-5) of that
4 Section) for the 1997-98 school year, pursuant to the
5 provisions of that Section as it was then in effect. If a
6 school district qualifies to receive a supplementary payment
7 made under this subsection (J), the amount of the aggregate
8 general State aid in combination with supplemental general
9 State aid under this Section which that district is eligible to
10 receive for each school year shall be no less than the amount
11 of the aggregate general State aid entitlement that was
12 received by the district under Section 18-8 (exclusive of
13 amounts received under subsections 5(p) and 5(p-5) of that
14 Section) for the 1997-1998 school year, pursuant to the
15 provisions of that Section as it was then in effect.

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

1 (3) (Blank).

2 (K) Grants to Laboratory and Alternative Schools.

3 In calculating the amount to be paid to the governing board
4 of a public university that operates a laboratory school under
5 this Section or to any alternative school that is operated by a
6 regional superintendent of schools, the State Board of
7 Education shall require by rule such reporting requirements as
8 it deems necessary.

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

21 As used in this Section, "alternative school" means a
22 public school which is created and operated by a Regional
23 Superintendent of Schools and approved by the State Board of
24 Education. Such alternative schools may offer courses of
25 instruction for which credit is given in regular school

1 programs, courses to prepare students for the high school
2 equivalency testing program or vocational and occupational
3 training. A regional superintendent of schools may contract
4 with a school district or a public community college district
5 to operate an alternative school. An alternative school serving
6 more than one educational service region may be established by
7 the regional superintendents of schools of the affected
8 educational service regions. An alternative school serving
9 more than one educational service region may be operated under
10 such terms as the regional superintendents of schools of those
11 educational service regions may agree.

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

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

21 (1) For a school district operating under the financial
22 supervision of an Authority created under Article 34A, the
23 general State aid otherwise payable to that district under this
24 Section, but not the supplemental general State aid, shall be
25 reduced by an amount equal to the budget for the operations of

1 the Authority as certified by the Authority to the State Board
2 of Education, and an amount equal to such reduction shall be
3 paid to the Authority created for such district for its
4 operating expenses in the manner provided in Section 18-11. The
5 remainder of general State school aid for any such district
6 shall be paid in accordance with Article 34A when that Article
7 provides for a disposition other than that provided by this
8 Article.

9 (2) (Blank).

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

12 (M) Education Funding Advisory Board.

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

1 initial members appointed to serve on the Board, the member who
2 is appointed as the chairperson shall serve for a term that
3 commences on the date of his or her appointment and expires on
4 the third Monday of January, 2002, and the remaining 4 members,
5 by lots drawn at the first meeting of the Board that is held
6 after all 5 members are appointed, shall determine 2 of their
7 number to serve for terms that commence on the date of their
8 respective appointments and expire on the third Monday of
9 January, 2001, and 2 of their number to serve for terms that
10 commence on the date of their respective appointments and
11 expire on the third Monday of January, 2000. All members
12 appointed to serve on the Board shall serve until their
13 respective successors are appointed and confirmed. Vacancies
14 shall be filled in the same manner as original appointments. If
15 a vacancy in membership occurs at a time when the Senate is not
16 in session, the Governor shall make a temporary appointment
17 until the next meeting of the Senate, when he or she shall
18 appoint, by and with the advice and consent of the Senate, a
19 person to fill that membership for the unexpired term. If the
20 Senate is not in session when the initial appointments are
21 made, those appointments shall be made as in the case of
22 vacancies.

23 The Education Funding Advisory Board shall be deemed
24 established, and the initial members appointed by the Governor
25 to serve as members of the Board shall take office, on the date
26 that the Governor makes his or her appointment of the fifth

1 initial member of the Board, whether those initial members are
2 then serving pursuant to appointment and confirmation or
3 pursuant to temporary appointments that are made by the
4 Governor as in the case of vacancies.

5 The State Board of Education shall provide such staff
6 assistance to the Education Funding Advisory Board as is
7 reasonably required for the proper performance by the Board of
8 its responsibilities.

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

23 (N) (Blank).

24 (O) References.

1 (1) References in other laws to the various subdivisions of
2 Section 18-8 as that Section existed before its repeal and
3 replacement by this Section 18-8.05 shall be deemed to refer to
4 the corresponding provisions of this Section 18-8.05, to the
5 extent that those references remain applicable.

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

9 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
10 changes to this Section. Under Section 6 of the Statute on
11 Statutes there is an irreconcilable conflict between Public Act
12 93-808 and Public Act 93-838. Public Act 93-838, being the last
13 acted upon, is controlling. The text of Public Act 93-838 is
14 the law regardless of the text of Public Act 93-808.

15 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
16 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
17 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
18 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
19 9-5-08.)

20 Section 5-52. The Illinois Public Aid Code is amended by
21 changing Sections 5-5.4, 5A-8, and 12-10.3 as follows:

22 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

23 Sec. 5-5.4. Standards of Payment - Department of Healthcare

1 and Family Services. The Department of Healthcare and Family
2 Services shall develop standards of payment of skilled nursing
3 and intermediate care services in facilities providing such
4 services under this Article which:

5 (1) Provide for the determination of a facility's payment
6 for skilled nursing and intermediate care services on a
7 prospective basis. The amount of the payment rate for all
8 nursing facilities certified by the Department of Public Health
9 under the Nursing Home Care Act as Intermediate Care for the
10 Developmentally Disabled facilities, Long Term Care for Under
11 Age 22 facilities, Skilled Nursing facilities, or Intermediate
12 Care facilities under the medical assistance program shall be
13 prospectively established annually on the basis of historical,
14 financial, and statistical data reflecting actual costs from
15 prior years, which shall be applied to the current rate year
16 and updated for inflation, except that the capital cost element
17 for newly constructed facilities shall be based upon projected
18 budgets. The annually established payment rate shall take
19 effect on July 1 in 1984 and subsequent years. No rate increase
20 and no update for inflation shall be provided on or after July
21 1, 1994 and before July 1, 2010 ~~2009~~, unless specifically
22 provided for in this Section. The changes made by Public Act
23 93-841 extending the duration of the prohibition against a rate
24 increase or update for inflation are effective retroactive to
25 July 1, 2004.

26 For facilities licensed by the Department of Public Health

1 under the Nursing Home Care Act as Intermediate Care for the
2 Developmentally Disabled facilities or Long Term Care for Under
3 Age 22 facilities, the rates taking effect on July 1, 1998
4 shall include an increase of 3%. For facilities licensed by the
5 Department of Public Health under the Nursing Home Care Act as
6 Skilled Nursing facilities or Intermediate Care facilities,
7 the rates taking effect on July 1, 1998 shall include an
8 increase of 3% plus \$1.10 per resident-day, as defined by the
9 Department. For facilities licensed by the Department of Public
10 Health under the Nursing Home Care Act as Intermediate Care
11 Facilities for the Developmentally Disabled or Long Term Care
12 for Under Age 22 facilities, the rates taking effect on January
13 1, 2006 shall include an increase of 3%. For facilities
14 licensed by the Department of Public Health under the Nursing
15 Home Care Act as Intermediate Care Facilities for the
16 Developmentally Disabled or Long Term Care for Under Age 22
17 facilities, the rates taking effect on January 1, 2009 shall
18 include an increase sufficient to provide a \$0.50 per hour wage
19 increase for non-executive staff.

20 For facilities licensed by the Department of Public Health
21 under the Nursing Home Care Act as Intermediate Care for the
22 Developmentally Disabled facilities or Long Term Care for Under
23 Age 22 facilities, the rates taking effect on July 1, 1999
24 shall include an increase of 1.6% plus \$3.00 per resident-day,
25 as defined by the Department. For facilities licensed by the
26 Department of Public Health under the Nursing Home Care Act as

1 Skilled Nursing facilities or Intermediate Care facilities,
2 the rates taking effect on July 1, 1999 shall include an
3 increase of 1.6% and, for services provided on or after October
4 1, 1999, shall be increased by \$4.00 per resident-day, as
5 defined by the Department.

6 For facilities licensed by the Department of Public Health
7 under the Nursing Home Care Act as Intermediate Care for the
8 Developmentally Disabled facilities or Long Term Care for Under
9 Age 22 facilities, the rates taking effect on July 1, 2000
10 shall include an increase of 2.5% per resident-day, as defined
11 by the Department. For facilities licensed by the Department of
12 Public Health under the Nursing Home Care Act as Skilled
13 Nursing facilities or Intermediate Care facilities, the rates
14 taking effect on July 1, 2000 shall include an increase of 2.5%
15 per resident-day, as defined by the Department.

16 For facilities licensed by the Department of Public Health
17 under the Nursing Home Care Act as skilled nursing facilities
18 or intermediate care facilities, a new payment methodology must
19 be implemented for the nursing component of the rate effective
20 July 1, 2003. The Department of Public Aid (now Healthcare and
21 Family Services) shall develop the new payment methodology
22 using the Minimum Data Set (MDS) as the instrument to collect
23 information concerning nursing home resident condition
24 necessary to compute the rate. The Department shall develop the
25 new payment methodology to meet the unique needs of Illinois
26 nursing home residents while remaining subject to the

1 appropriations provided by the General Assembly. A transition
2 period from the payment methodology in effect on June 30, 2003
3 to the payment methodology in effect on July 1, 2003 shall be
4 provided for a period not exceeding 3 years and 184 days after
5 implementation of the new payment methodology as follows:

6 (A) For a facility that would receive a lower nursing
7 component rate per patient day under the new system than
8 the facility received effective on the date immediately
9 preceding the date that the Department implements the new
10 payment methodology, the nursing component rate per
11 patient day for the facility shall be held at the level in
12 effect on the date immediately preceding the date that the
13 Department implements the new payment methodology until a
14 higher nursing component rate of reimbursement is achieved
15 by that facility.

16 (B) For a facility that would receive a higher nursing
17 component rate per patient day under the payment
18 methodology in effect on July 1, 2003 than the facility
19 received effective on the date immediately preceding the
20 date that the Department implements the new payment
21 methodology, the nursing component rate per patient day for
22 the facility shall be adjusted.

23 (C) Notwithstanding paragraphs (A) and (B), the
24 nursing component rate per patient day for the facility
25 shall be adjusted subject to appropriations provided by the
26 General Assembly.

1 For facilities licensed by the Department of Public Health
2 under the Nursing Home Care Act as Intermediate Care for the
3 Developmentally Disabled facilities or Long Term Care for Under
4 Age 22 facilities, the rates taking effect on March 1, 2001
5 shall include a statewide increase of 7.85%, as defined by the
6 Department.

7 Notwithstanding any other provision of this Section, for
8 facilities licensed by the Department of Public Health under
9 the Nursing Home Care Act as skilled nursing facilities or
10 intermediate care facilities, the numerator of the ratio used
11 by the Department of Healthcare and Family Services to compute
12 the rate payable under this Section using the Minimum Data Set
13 (MDS) methodology shall incorporate the following annual
14 amounts as the additional funds appropriated to the Department
15 specifically to pay for rates based on the MDS nursing
16 component methodology in excess of the funding in effect on
17 December 31, 2006:

18 (i) For rates taking effect January 1, 2007,
19 \$60,000,000.

20 (ii) For rates taking effect January 1, 2008,
21 \$110,000,000.

22 (iii) For rates taking effect January 1, 2009,
23 \$194,000,000.

24 Notwithstanding any other provision of this Section, for
25 facilities licensed by the Department of Public Health under
26 the Nursing Home Care Act as skilled nursing facilities or

1 intermediate care facilities, the support component of the
2 rates taking effect on January 1, 2008 shall be computed using
3 the most recent cost reports on file with the Department of
4 Healthcare and Family Services no later than April 1, 2005,
5 updated for inflation to January 1, 2006.

6 For facilities licensed by the Department of Public Health
7 under the Nursing Home Care Act as Intermediate Care for the
8 Developmentally Disabled facilities or Long Term Care for Under
9 Age 22 facilities, the rates taking effect on April 1, 2002
10 shall include a statewide increase of 2.0%, as defined by the
11 Department. This increase terminates on July 1, 2002; beginning
12 July 1, 2002 these rates are reduced to the level of the rates
13 in effect on March 31, 2002, as defined by the Department.

14 For facilities licensed by the Department of Public Health
15 under the Nursing Home Care Act as skilled nursing facilities
16 or intermediate care facilities, the rates taking effect on
17 July 1, 2001 shall be computed using the most recent cost
18 reports on file with the Department of Public Aid no later than
19 April 1, 2000, updated for inflation to January 1, 2001. For
20 rates effective July 1, 2001 only, rates shall be the greater
21 of the rate computed for July 1, 2001 or the rate effective on
22 June 30, 2001.

23 Notwithstanding any other provision of this Section, for
24 facilities licensed by the Department of Public Health under
25 the Nursing Home Care Act as skilled nursing facilities or
26 intermediate care facilities, the Illinois Department shall

1 determine by rule the rates taking effect on July 1, 2002,
2 which shall be 5.9% less than the rates in effect on June 30,
3 2002.

4 Notwithstanding any other provision of this Section, for
5 facilities licensed by the Department of Public Health under
6 the Nursing Home Care Act as skilled nursing facilities or
7 intermediate care facilities, if the payment methodologies
8 required under Section 5A-12 and the waiver granted under 42
9 CFR 433.68 are approved by the United States Centers for
10 Medicare and Medicaid Services, the rates taking effect on July
11 1, 2004 shall be 3.0% greater than the rates in effect on June
12 30, 2004. These rates shall take effect only upon approval and
13 implementation of the payment methodologies required under
14 Section 5A-12.

15 Notwithstanding any other provisions of this Section, for
16 facilities licensed by the Department of Public Health under
17 the Nursing Home Care Act as skilled nursing facilities or
18 intermediate care facilities, the rates taking effect on
19 January 1, 2005 shall be 3% more than the rates in effect on
20 December 31, 2004.

21 Notwithstanding any other provision of this Section, for
22 facilities licensed by the Department of Public Health under
23 the Nursing Home Care Act as skilled nursing facilities or
24 intermediate care facilities, effective January 1, 2009, the
25 per diem support component of the rates effective on January 1,
26 2008, computed using the most recent cost reports on file with

1 the Department of Healthcare and Family Services no later than
2 April 1, 2005, updated for inflation to January 1, 2006, shall
3 be increased to the amount that would have been derived using
4 standard Department of Healthcare and Family Services methods,
5 procedures, and inflators.

6 Notwithstanding any other provisions of this Section, for
7 facilities licensed by the Department of Public Health under
8 the Nursing Home Care Act as intermediate care facilities that
9 are federally defined as Institutions for Mental Disease, a
10 socio-development component rate equal to 6.6% of the
11 facility's nursing component rate as of January 1, 2006 shall
12 be established and paid effective July 1, 2006. The
13 socio-development component of the rate shall be increased by a
14 factor of 2.53 on the first day of the month that begins at
15 least 45 days after January 11, 2008 (the effective date of
16 Public Act 95-707). As of August 1, 2008, the socio-development
17 component rate shall be equal to 6.6% of the facility's nursing
18 component rate as of January 1, 2006, multiplied by a factor of
19 3.53. The Illinois Department may by rule adjust these
20 socio-development component rates, but in no case may such
21 rates be diminished.

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 as long-term care
25 facilities for residents under 22 years of age, the rates
26 taking effect on July 1, 2003 shall include a statewide

1 increase of 4%, as 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 the first day of
6 the month that begins at least 45 days after the effective date
7 of this amendatory Act of the 95th General Assembly shall
8 include a statewide increase of 2.5%, as defined by the
9 Department.

10 Notwithstanding any other provision of this Section, for
11 facilities licensed by the Department of Public Health under
12 the Nursing Home Care Act as skilled nursing facilities or
13 intermediate care facilities, effective January 1, 2005,
14 facility rates shall be increased by the difference between (i)
15 a facility's per diem property, liability, and malpractice
16 insurance costs as reported in the cost report filed with the
17 Department of Public Aid and used to establish rates effective
18 July 1, 2001 and (ii) those same costs as reported in the
19 facility's 2002 cost report. These costs shall be passed
20 through to the facility without caps or limitations, except for
21 adjustments required under normal auditing procedures.

22 Rates established effective each July 1 shall govern
23 payment for services rendered throughout that fiscal year,
24 except that rates established on July 1, 1996 shall be
25 increased by 6.8% for services provided on or after January 1,
26 1997. Such rates will be based upon the rates calculated for

1 the year beginning July 1, 1990, and for subsequent years
2 thereafter until June 30, 2001 shall be based on the facility
3 cost reports for the facility fiscal year ending at any point
4 in time during the previous calendar year, updated to the
5 midpoint of the rate year. The cost report shall be on file
6 with the Department no later than April 1 of the current rate
7 year. Should the cost report not be on file by April 1, the
8 Department shall base the rate on the latest cost report filed
9 by each skilled care facility and intermediate care facility,
10 updated to the midpoint of the current rate year. In
11 determining rates for services rendered on and after July 1,
12 1985, fixed time shall not be computed at less than zero. The
13 Department shall not make any alterations of regulations which
14 would reduce any component of the Medicaid rate to a level
15 below what that component would have been utilizing in the rate
16 effective on July 1, 1984.

17 (2) Shall take into account the actual costs incurred by
18 facilities in providing services for recipients of skilled
19 nursing and intermediate care services under the medical
20 assistance program.

21 (3) Shall take into account the medical and psycho-social
22 characteristics and needs of the patients.

23 (4) Shall take into account the actual costs incurred by
24 facilities in meeting licensing and certification standards
25 imposed and prescribed by the State of Illinois, any of its
26 political subdivisions or municipalities and by the U.S.

1 Department of Health and Human Services pursuant to Title XIX
2 of the Social Security Act.

3 The Department of Healthcare and Family Services shall
4 develop precise standards for payments to reimburse nursing
5 facilities for any utilization of appropriate rehabilitative
6 personnel for the provision of rehabilitative services which is
7 authorized by federal regulations, including reimbursement for
8 services provided by qualified therapists or qualified
9 assistants, and which is in accordance with accepted
10 professional practices. Reimbursement also may be made for
11 utilization of other supportive personnel under appropriate
12 supervision.

13 (Source: P.A. 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697,
14 eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06;
15 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
16 95-744, eff. 7-18-08.)

17 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

18 Sec. 5A-8. Hospital Provider Fund.

19 (a) There is created in the State Treasury the Hospital
20 Provider Fund. Interest earned by the Fund shall be credited to
21 the Fund. The Fund shall not be used to replace any moneys
22 appropriated to the Medicaid program by the General Assembly.

23 (b) The Fund is created for the purpose of receiving moneys
24 in accordance with Section 5A-6 and disbursing moneys only for
25 the following purposes, notwithstanding any other provision of

1 law:

2 (1) For making payments to hospitals as required under
3 Articles V, V-A, VI, and XIV of this Code, under the
4 Children's Health Insurance Program Act, and under the
5 Covering ALL KIDS Health Insurance Act.

6 (2) For the reimbursement of moneys collected by the
7 Illinois Department from hospitals or hospital providers
8 through error or mistake in performing the activities
9 authorized under this Article and Article V of this Code.

10 (3) For payment of administrative expenses incurred by
11 the Illinois Department or its agent in performing the
12 activities authorized by this Article.

13 (4) For payments of any amounts which are reimbursable
14 to the federal government for payments from this Fund which
15 are required to be paid by State warrant.

16 (5) For making transfers, as those transfers are
17 authorized in the proceedings authorizing debt under the
18 Short Term Borrowing Act, but transfers made under this
19 paragraph (5) shall not exceed the principal amount of debt
20 issued in anticipation of the receipt by the State of
21 moneys to be deposited into the Fund.

22 (6) For making transfers to any other fund in the State
23 treasury, but transfers made under this paragraph (6) shall
24 not exceed the amount transferred previously from that
25 other fund into the Hospital Provider Fund.

26 (7) For State fiscal years 2004 and 2005 for making

1 transfers to the Health and Human Services Medicaid Trust
 2 Fund, including 20% of the moneys received from hospital
 3 providers under Section 5A-4 and transferred into the
 4 Hospital Provider Fund under Section 5A-6. For State fiscal
 5 year 2006 for making transfers to the Health and Human
 6 Services Medicaid Trust Fund of up to \$130,000,000 per year
 7 of the moneys received from hospital providers under
 8 Section 5A-4 and transferred into the Hospital Provider
 9 Fund under Section 5A-6. Transfers under this paragraph
 10 shall be made within 7 days after the payments have been
 11 received pursuant to the schedule of payments provided in
 12 subsection (a) of Section 5A-4.

13 (7.5) For State fiscal year 2007 for making transfers
 14 of the moneys received from hospital providers under
 15 Section 5A-4 and transferred into the Hospital Provider
 16 Fund under Section 5A-6 to the designated funds not
 17 exceeding the following amounts in that State fiscal year:

18 Health and Human Services

19 Medicaid Trust Fund	\$20,000,000
20 Long-Term Care Provider Fund	\$30,000,000
21 General Revenue Fund	\$80,000,000.

22 Transfers under this paragraph shall be made within 7
 23 days after the payments have been received pursuant to the
 24 schedule of payments provided in subsection (a) of Section
 25 5A-4.

26 (7.8) For State fiscal year 2008, for making transfers

1 of the moneys received from hospital providers under
 2 Section 5A-4 and transferred into the Hospital Provider
 3 Fund under Section 5A-6 to the designated funds not
 4 exceeding the following amounts in that State fiscal year:

5 Health and Human Services

6 Medicaid Trust Fund	\$40,000,000
7 Long-Term Care Provider Fund	\$60,000,000
8 General Revenue Fund	\$160,000,000.

9 Transfers under this paragraph shall be made within 7
 10 days after the payments have been received pursuant to the
 11 schedule of payments provided in subsection (a) of Section
 12 5A-4.

13 (7.9) For State fiscal years 2009 through 2013, for
 14 making transfers of the moneys received from hospital
 15 providers under Section 5A-4 and transferred into the
 16 Hospital Provider Fund under Section 5A-6 to the designated
 17 funds not exceeding the following amounts in that State
 18 fiscal year:

19 Health and Human Services

20 Medicaid Trust Fund	\$20,000,000
21 Long Term Care Provider Fund	\$30,000,000
22 General Revenue Fund	\$80,000,000.

23 Except as provided under this paragraph, transfers
 24 under this paragraph shall be made within 7 business days
 25 after the payments have been received pursuant to the
 26 schedule of payments provided in subsection (a) of Section

1 5A-4. For State fiscal year 2009, transfers to the General
2 Revenue Fund under this paragraph shall be made on or
3 before June 30, 2009, as sufficient funds become available
4 in the Hospital Provider Fund to both make the transfers
5 and continue hospital payments.

6 (8) For making refunds to hospital providers pursuant
7 to Section 5A-10.

8 Disbursements from the Fund, other than transfers
9 authorized under paragraphs (5) and (6) of this subsection,
10 shall be by warrants drawn by the State Comptroller upon
11 receipt of vouchers duly executed and certified by the Illinois
12 Department.

13 (c) The Fund shall consist of the following:

14 (1) All moneys collected or received by the Illinois
15 Department from the hospital provider assessment imposed
16 by this Article.

17 (2) All federal matching funds received by the Illinois
18 Department as a result of expenditures made by the Illinois
19 Department that are attributable to moneys deposited in the
20 Fund.

21 (3) Any interest or penalty levied in conjunction with
22 the administration of this Article.

23 (4) Moneys transferred from another fund in the State
24 treasury.

25 (5) All other moneys received for the Fund from any
26 other source, including interest earned thereon.

1 (d) (Blank).

2 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,
3 eff. 2-27-09.)

4 (305 ILCS 5/12-10.3) (from Ch. 23, par. 12-10.3)

5 Sec. 12-10.3. Employment and Training Fund; uses.

6 (a) The Employment and Training Fund is hereby created in
7 the State Treasury for the purpose of receiving and disbursing
8 moneys in accordance with the provisions of Title IV-A of the
9 federal Social Security Act; the Food Stamp Act, Title 7 of the
10 United States Code; and related rules and regulations governing
11 the use of those moneys for the purposes of providing
12 employment and training services, supportive services, cash
13 assistance payments, short-term non-recurrent payments, and
14 other related social services.

15 (b) All federal funds received by the Illinois Department
16 as reimbursement for expenditures for employment and training
17 programs made by the Illinois Department from grants, gifts, or
18 legacies as provided in Section 12-4.18 or by an entity other
19 than the Department, and all federal funds received from the
20 Emergency Contingency Fund for State Temporary Assistance for
21 Needy Families Programs established by the American Recovery
22 and Reinvestment Act of 2009 ~~except as a result of~~
23 ~~appropriations made for the costs of providing adult education~~
24 ~~to public assistance recipients,~~ shall be deposited into the
25 Employment and Training Fund; ~~provided, however, that all~~

1 ~~funds, except those that are specified in the interagency~~
2 ~~agreement between the Illinois Community College Board and the~~
3 ~~Department, that are received by the Department as~~
4 ~~reimbursement under Title IV-A of the federal Social Security~~
5 ~~Act for expenditures that are made by the Illinois Community~~
6 ~~College Board or by any public community college of this State~~
7 ~~shall be credited to a special account that the State Treasurer~~
8 ~~shall establish and maintain within the Employment and Training~~
9 ~~Fund for the purpose and in the manner provided in Section~~
10 ~~12-5.~~

11 (c) Except as provided in subsection (d) of this Section,
12 the Employment and Training Fund shall be administered by the
13 Illinois Department, and the Illinois Department may make
14 payments from the Employment and Training Fund to clients or to
15 public and private entities on behalf of clients for employment
16 and training services, for supportive services, cash
17 assistance payments, short-term non-recurrent payments, and
18 other related social services consistent with the purposes
19 authorized under this Code. ~~or to public and private entities~~
20 ~~for employment and training services. Such payments shall not~~
21 ~~include any funds generated by Illinois community colleges as~~
22 ~~part of the Opportunities Program.~~

23 (d) (Blank). ~~On or before the 10th day of August, 1992, and~~
24 ~~on or before the 10th day of each month thereafter, the State~~
25 ~~Treasurer and State Comptroller shall automatically transfer~~
26 ~~to the TANF Opportunities Fund of the Illinois Community~~

1 ~~College Board from the special account established and~~
2 ~~maintained in the Employment and Training Fund all amounts~~
3 ~~credited to that special account as provided in Section 12-5~~
4 ~~during the preceding month as reimbursement for expenditures~~
5 ~~under Title IV A of the federal Social Security Act made by the~~
6 ~~Illinois Community College Board or any public community~~
7 ~~college of this State.~~

8 (e) The Illinois Department shall execute a written
9 contract when purchasing employment and training services from
10 entities qualified to provide services under the programs. The
11 contract shall be filed with the Illinois Department and the
12 State Comptroller.

13 (Source: P.A. 92-111, eff. 1-1-02.)

14 Section 5-53. The Veterans' Health Insurance Program Act of
15 2008 is amended by changing Sections 3, 5, 15, 20, 30, 40, and
16 45 as follows:

17 (330 ILCS 126/3)

18 (Section scheduled to be repealed on January 1, 2012)

19 Sec. 3. Legislative intent. The General Assembly finds that
20 those who have served their country honorably in military
21 service and who are residing in this State deserve access to
22 affordable, comprehensive health insurance. Many veterans are
23 uninsured and unable to afford healthcare. This lack of
24 healthcare, including preventative care, often exacerbates

1 health conditions. The effects of lack of insurance negatively
2 impact those residents of the State who are insured because the
3 cost of paying for care to the uninsured is often shifted to
4 those who have insurance in the form of higher health insurance
5 premiums. It is, therefore, the intent of this legislation to
6 provide access to affordable health insurance for veterans and
7 their spouses residing in Illinois who are unable to afford
8 such coverage. However, the State has only a limited amount of
9 resources, and the General Assembly therefore declares that
10 while it intends to cover as many such veterans and spouses as
11 possible, the State may not be able to cover every eligible
12 person who qualifies for this Program as a matter of
13 entitlement due to limited funding.

14 (Source: P.A. 95-755, eff. 7-25-08.)

15 (330 ILCS 126/5)

16 (Section scheduled to be repealed on January 1, 2012)

17 Sec. 5. Definitions. The following words have the following
18 meanings:

19 "Department" means the Department of Healthcare and Family
20 Services, or any successor agency.

21 "Director" means the Director of Healthcare and Family
22 Services, or any successor agency.

23 "Medical assistance" means health care benefits provided
24 under Article V of the Illinois Public Aid Code.

25 "Program" means the Veterans' Health Insurance Program.

1 "Resident" means an individual who has an Illinois
2 residence, as provided in Section 5-3 of the Illinois Public
3 Aid Code.

4 "Spouse" means the person who is the person who, under the
5 laws of the State of Illinois, is married to an eligible
6 veteran at the time of application and subsequent
7 re-determinations for the Program and includes enrolled
8 spouses surviving the death of veteran spouses.

9 "Veteran" means any person who has served in a branch of
10 the United States military for greater than 180 ~~consecutive~~
11 days after initial training.

12 "Veterans' Affairs" or "VA" means the United States
13 Department of Veterans' Affairs.

14 (Source: P.A. 95-755, eff. 7-25-08.)

15 (330 ILCS 126/15)

16 (Section scheduled to be repealed on January 1, 2012)

17 Sec. 15. Eligibility.

18 (a) To be eligible for the Program, a person must:

19 (1) be a veteran who is not on active duty and who has
20 not been dishonorably discharged from service or the spouse
21 of such a veteran;

22 (2) be a resident of the State of Illinois;

23 (3) be at least 19 years of age and no older than 64
24 years of age;

25 (4) be uninsured, as defined by the Department by rule,

1 for a period of time established by the Department by rule,
2 which shall be no less than 3 ~~6~~ months;

3 (5) not be eligible for medical assistance under the
4 Illinois Public Aid Code or healthcare benefits under the
5 Children's Health Insurance Program Act or the Covering ALL
6 KIDS Health Insurance Act;

7 (6) not be eligible for medical benefits through the
8 Veterans Health Administration; and

9 (7) have a household income no greater than the sum of
10 (i) an amount equal to 25% of the federal poverty level
11 plus (ii) an amount equal to the Veterans Administration
12 means test income threshold at the initiation of the
13 Program; depending on the availability of funds, this level
14 may be increased to an amount equal to the sum of (iii) an
15 amount equal to 50% of the federal poverty level plus (iv)
16 an amount equal to the Veterans Administration means test
17 income threshold. This means test income threshold is
18 subject to alteration by the Department as set forth in
19 subsection (b) of Section 10.

20 (b) A veteran or spouse who is determined eligible for the
21 Program shall remain eligible for 12 months, provided the
22 veteran or spouse remains a resident of the State and is not
23 excluded under subsection (c) of this Section and provided the
24 Department has not limited the enrollment period as set forth
25 in subsection (b) of Section 10.

26 (c) A veteran or spouse is not eligible for coverage under

1 the Program if:

2 (1) the premium required under Section 35 of this Act
3 has not been timely paid; if the required premiums are not
4 paid, the liability of the Program shall be limited to
5 benefits incurred under the Program for the time period for
6 which premiums have been paid and for grace periods as
7 established under subsection (d); if the required monthly
8 premium is not paid, the veteran or spouse is ineligible
9 for re-enrollment for a minimum period of 3 months; or

10 (2) the veteran or spouse is a resident of a nursing
11 facility or an inmate of a public institution, as defined
12 by 42 CFR 435.1009.

13 (d) The Department shall adopt rules for the Program,
14 including, but not limited to, rules relating to eligibility,
15 re-enrollment, grace periods, notice requirements, hearing
16 procedures, cost-sharing, covered services, and provider
17 requirements.

18 (Source: P.A. 95-755, eff. 7-25-08.)

19 (330 ILCS 126/20)

20 (Section scheduled to be repealed on January 1, 2012)

21 Sec. 20. Notice of decisions to terminate eligibility.
22 Whenever the Department decides to either deny or terminate
23 eligibility under this Act, the veteran or spouse shall have a
24 right to notice and a hearing, as provided by the Department by
25 rule.

1 (Source: P.A. 95-755, eff. 7-25-08.)

2 (330 ILCS 126/30)

3 (Section scheduled to be repealed on January 1, 2012)

4 Sec. 30. Health care benefits.

5 (a) For veterans or spouses eligible and enrolled, the
6 Department shall purchase or provide health care benefits for
7 eligible veterans or spouses that are identical to the benefits
8 provided to adults under the State's approved plan under Title
9 XIX of the Social Security Act, except for nursing facility
10 services and non-emergency transportation.

11 (b) Providers shall be subject to approval by the
12 Department to provide health care under the Illinois Public Aid
13 Code and shall be reimbursed at the same rates as providers
14 reimbursed under the State's approved plan under Title XIX of
15 the Social Security Act.

16 (c) As an alternative to the benefits set forth in
17 subsection (a) of this Section, and when cost-effective, the
18 Department may offer veterans or spouses subsidies toward the
19 cost of privately sponsored health insurance, including
20 employer-sponsored health insurance.

21 (Source: P.A. 95-755, eff. 7-25-08.)

22 (330 ILCS 126/40)

23 (Section scheduled to be repealed on January 1, 2012)

24 Sec. 40. Charge upon claims and causes of action; right of

1 subrogation; recoveries. Sections 11-22, 11-22a, 11-22b, and
2 11-22c of the Illinois Public Aid Code apply to health benefits
3 provided to veterans or spouses under this Act, as provided in
4 those Sections.

5 (Source: P.A. 95-755, eff. 7-25-08.)

6 (330 ILCS 126/45)

7 (Section scheduled to be repealed on January 1, 2012)

8 Sec. 45. Reporting. The Department shall prepare an annual
9 report for submission to the General Assembly. The report shall
10 be due to the General Assembly by January 1 of each year
11 beginning in 2009. This report shall include information
12 regarding implementation of the Program, including the number
13 of veterans or spouses enrolled and any available information
14 regarding other benefits derived from the Program, including
15 screening for and acquisition of other veterans' benefits
16 through the Veterans' Service Officers and the Veterans'
17 Assistance Commissions. This report may also include
18 recommendations regarding improvements that may be made to the
19 Program and regarding the extension of the repeal date set
20 forth in Section 85 of this Act.

21 (Source: P.A. 95-755, eff. 7-25-08.)

22 Section 5-55. The Environmental Protection Act is amended
23 by changing Section 58.13 as follows:

1 (415 ILCS 5/58.13)

2 Sec. 58.13. Municipal Brownfields Redevelopment Grant
3 Program.

4 (a) (1) The Agency shall establish and administer a program
5 of grants, to be known as the Municipal Brownfields
6 Redevelopment Grant Program, to provide municipalities in
7 Illinois with financial assistance to be used for
8 coordination of activities related to brownfields
9 redevelopment, including but not limited to identification
10 of brownfields sites, including those sites within River
11 Edge Redevelopment Zones, site investigation and
12 determination of remediation objectives and related plans
13 and reports, development of remedial action plans, and
14 implementation of remedial action plans and remedial
15 action completion reports. The plans and reports shall be
16 developed in accordance with Title XVII of this Act.

17 (2) Grants shall be awarded on a competitive basis
18 subject to availability of funding. Criteria for awarding
19 grants shall include, but shall not be limited to the
20 following:

- 21 (A) problem statement and needs assessment;
22 (B) community-based planning and involvement;
23 (C) implementation planning; and
24 (D) long-term benefits and sustainability.

25 (3) The Agency may give weight to geographic location
26 to enhance geographic distribution of grants across this

1 State.

2 (4) Except for grants to municipalities with
3 designated River Edge Redevelopment Zones, grants shall be
4 limited to a maximum of \$240,000, and no municipality shall
5 receive more than this amount under this Section. For
6 grants to municipalities with designated River Edge
7 Redevelopment Zones and grants to municipalities awarded
8 from funds provided under the American Recovery and
9 Reinvestment Act of 2009, grants shall be limited to a
10 maximum of \$2,000,000 and no municipality shall receive
11 more than this amount under this Section. For grants to
12 municipalities awarded from funds provided under the
13 American Recovery and Reinvestment Act of 2009, grants
14 shall be limited to a maximum of \$1,000,000 and no
15 municipality shall receive more than this amount under this
16 Section.

17 (5) Grant amounts shall not exceed 70% of the project
18 amount, with the remainder to be provided by the
19 municipality as local matching funds.

20 (b) The Agency shall have the authority to enter into any
21 contracts or agreements that may be necessary to carry out its
22 duties or responsibilities under this Section. The Agency shall
23 have the authority to adopt rules setting forth procedures and
24 criteria for administering the Municipal Brownfields
25 Redevelopment Grant Program. The rules adopted by the Agency
26 may include but shall not be limited to the following:

- 1 (1) purposes for which grants are available;
- 2 (2) application periods and content of applications;
- 3 (3) procedures and criteria for Agency review of grant
4 applications, grant approvals and denials, and grantee
5 acceptance;
- 6 (4) grant payment schedules;
- 7 (5) grantee responsibilities for work schedules, work
8 plans, reports, and record keeping;
- 9 (6) evaluation of grantee performance, including but
10 not limited to auditing and access to sites and records;
- 11 (7) requirements applicable to contracting and
12 subcontracting by the grantee;
- 13 (8) penalties for noncompliance with grant
14 requirements and conditions, including stop-work orders,
15 termination of grants, and recovery of grant funds;
- 16 (9) indemnification of this State and the Agency by the
17 grantee; and
- 18 (10) manner of compliance with the Local Government
19 Professional Services Selection Act.

20 (c) Moneys in the Brownfields Redevelopment Fund may be
21 used by the Agency to take whatever preventive or corrective
22 action, including but not limited to removal or remedial
23 action, is necessary or appropriate in response to a release or
24 substantial threat of a release of:

- 25 (1) a hazardous substance or pesticide; or
- 26 (2) petroleum from an underground storage tank.

1 The State, the Director, and any State employee shall be
2 indemnified for any damages or injury arising out of or
3 resulting from any action taken pursuant to this subsection (c)
4 and subsection (d) (2) of Section 4 of this Act. The Agency has
5 the authority to enter into such contracts and agreements as
6 may be necessary, and as expeditiously as necessary, to carry
7 out preventive or corrective action pursuant to this subsection
8 (c) and subsection (d) (2) of Section 4 of this Act.

9 (Source: P.A. 94-1021, eff. 7-12-06.)

10 ARTICLE 99. EFFECTIVE DATE

11 Section 99-99. Effective date. This Act takes effect upon
12 becoming law.