



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

SB1677

Introduced 2/15/2013, by Sen. Matt Murphy

#### SYNOPSIS AS INTRODUCED:

15 ILCS 305/5	from Ch. 124, par. 5
35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 5/207	from Ch. 120, par. 2-207
35 ILCS 5/901	from Ch. 120, par. 9-901
30 ILCS 5/3-20 rep.	
30 ILCS 105/5.787 rep.	
30 ILCS 105/6z-85 rep.	
30 ILCS 105/6z-86 rep.	
30 ILCS 105/25.2 rep.	
35 ILCS 5/201.5 rep.	

Amends the Illinois Income Tax Act. Reduces the rate of tax to (i) 3% for individuals, trusts, and estates, and (ii) 4.8% for corporations. Makes corresponding changes concerning the distribution of tax proceeds. Effective immediately.

LRB098 08013 HLH 38104 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Secretary of State Act is amended by  
5 changing Section 5 as follows:

6 (15 ILCS 305/5) (from Ch. 124, par. 5)

7 Sec. 5. It shall be the duty of the Secretary of State:

8 1. To countersign and affix the seal of state to all  
9 commissions required by law to be issued by the Governor.

10 2. To make a register of all appointments by the Governor,  
11 specifying the person appointed, the office conferred, the date  
12 of the appointment, the date when bond or oath is taken and the  
13 date filed. If Senate confirmation is required, the date of the  
14 confirmation shall be included in the register.

15 3. To make proper indexes to public acts, resolutions,  
16 papers and documents in his office.

17 3-a. To review all rules of all State agencies adopted in  
18 compliance with the codification system prescribed by the  
19 Secretary. The review shall be for the purposes and include all  
20 the powers and duties provided in the Illinois Administrative  
21 Procedure Act. The Secretary of State shall cooperate with the  
22 Legislative Information System to insure the accuracy of the  
23 text of the rules maintained under the Legislative Information

1 System Act.

2 4. To give any person requiring the same paying the lawful  
3 fees therefor, a copy of any law, act, resolution, record or  
4 paper in his office, and attach thereto his certificate, under  
5 the seal of the state.

6 5. To take charge of and preserve from waste, and keep in  
7 repair, the houses, lots, grounds and appurtenances, situated  
8 in the City of Springfield, and belonging to or occupied by the  
9 State, the care of which is not otherwise provided for by law,  
10 and to take charge of and preserve from waste, and keep in  
11 repair, the houses, lots, grounds and appurtenances, situated  
12 in the State outside the City of Springfield where such houses,  
13 lots, grounds and appurtenances are occupied by the Secretary  
14 of State and no other State officer or agency.

15 6. To supervise the distribution of the laws.

16 7. To perform such other duties as may be required by law.  
17 The Secretary of State may, within appropriations authorized by  
18 the General Assembly, maintain offices in the State Capital and  
19 in such other places in the State as he may deem necessary to  
20 properly carry out the powers and duties vested in him by law.

21 8. In addition to all other authority granted to the  
22 Secretary by law, subject to appropriation, to make grants or  
23 otherwise provide assistance to, among others without  
24 limitation, units of local government, school districts,  
25 educational institutions, private agencies, not-for-profit  
26 organizations, and for-profit entities for the health, safety,

1 and welfare of Illinois residents for purposes related to  
2 education, transportation, construction, capital improvements,  
3 social services, and any other lawful public purpose. Upon  
4 request of the Secretary, all State agencies are mandated to  
5 provide the Secretary with assistance in administering the  
6 grants.

7 9. To notify the Auditor General of any Public Act filed  
8 with the Office of the Secretary of State making an  
9 appropriation or transfer of funds from the State treasury.  
10 This paragraph (9) applies only through the effective date of  
11 this amendatory Act of the 98th General Assembly June 30, 2015.  
12 (Source: P.A. 96-37, eff. 7-13-09; 96-1496, eff. 1-13-11.)

13 Section 10. The Illinois Income Tax Act is amended by  
14 changing Sections 201, 207, 804, and 901 as follows:

15 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

16 Sec. 201. Tax Imposed.

17 (a) In general. A tax measured by net income is hereby  
18 imposed on every individual, corporation, trust and estate for  
19 each taxable year ending after July 31, 1969 on the privilege  
20 of earning or receiving income in or as a resident of this  
21 State. Such tax shall be in addition to all other occupation or  
22 privilege taxes imposed by this State or by any municipal  
23 corporation or political subdivision thereof.

24 (b) Rates. The tax imposed by subsection (a) of this

1 Section shall be determined as follows, except as adjusted by  
2 subsection (d-1):

3 (1) In the case of an individual, trust or estate, for  
4 taxable years ending prior to July 1, 1989, an amount equal  
5 to 2 1/2% of the taxpayer's net income for the taxable  
6 year.

7 (2) In the case of an individual, trust or estate, for  
8 taxable years beginning prior to July 1, 1989 and ending  
9 after June 30, 1989, an amount equal to the sum of (i) 2  
10 1/2% of the taxpayer's net income for the period prior to  
11 July 1, 1989, as calculated under Section 202.3, and (ii)  
12 3% of the taxpayer's net income for the period after June  
13 30, 1989, as calculated under Section 202.3.

14 (3) In the case of an individual, trust or estate, for  
15 taxable years beginning after June 30, 1989, and ending  
16 prior to January 1, 2011, an amount equal to 3% of the  
17 taxpayer's net income for the taxable year.

18 (4) In the case of an individual, trust, or estate, for  
19 taxable years beginning prior to January 1, 2011, and  
20 ending after December 31, 2010, an amount equal to the sum  
21 of (i) 3% of the taxpayer's net income for the period prior  
22 to January 1, 2011, as calculated under Section 202.5, and  
23 (ii) 5% of the taxpayer's net income for the period after  
24 December 31, 2010, as calculated under Section 202.5.

25 (5) In the case of an individual, trust, or estate, for  
26 taxable years beginning on or after January 1, 2011, and

1 ending prior to January 1, 2014, ~~January 1, 2015,~~ an amount  
2 equal to 5% of the taxpayer's net income for the taxable  
3 year.

4 (5.1) In the case of an individual, trust, or estate,  
5 for taxable years beginning prior to January 1, 2014,  
6 ~~January 1, 2015,~~ and ending after December 31, 2013,  
7 ~~December 31, 2014,~~ an amount equal to the sum of (i) 5% of  
8 the taxpayer's net income for the period prior to January  
9 1, 2014, ~~January 1, 2015,~~ as calculated under Section  
10 202.5, and (ii) 3% ~~3.75%~~ of the taxpayer's net income for  
11 the period after December 31, 2013, ~~December 31, 2014,~~ as  
12 calculated under Section 202.5.

13 (5.2) In the case of an individual, trust, or estate,  
14 for taxable years beginning on or after January 1, 2014,  
15 ~~January 1, 2015,~~ and ending prior to ~~January 1, 2025,~~ an  
16 amount equal to 3% ~~3.75%~~ of the taxpayer's net income for  
17 the taxable year.

18 (5.3) (Blank). ~~In the case of an individual, trust, or~~  
19 ~~estate, for taxable years beginning prior to January 1,~~  
20 ~~2025, and ending after December 31, 2024, an amount equal~~  
21 ~~to the sum of (i) 3.75% of the taxpayer's net income for~~  
22 ~~the period prior to January 1, 2025, as calculated under~~  
23 ~~Section 202.5, and (ii) 3.25% of the taxpayer's net income~~  
24 ~~for the period after December 31, 2024, as calculated under~~  
25 ~~Section 202.5.~~

26 (5.4) (Blank). ~~In the case of an individual, trust, or~~

1 ~~estate, for taxable years beginning on or after January 1,~~  
2 ~~2025, an amount equal to 3.25% of the taxpayer's net income~~  
3 ~~for the taxable year.~~

4 (6) In the case of a corporation, for taxable years  
5 ending prior to July 1, 1989, an amount equal to 4% of the  
6 taxpayer's net income for the taxable year.

7 (7) In the case of a corporation, for taxable years  
8 beginning prior to July 1, 1989 and ending after June 30,  
9 1989, an amount equal to the sum of (i) 4% of the  
10 taxpayer's net income for the period prior to July 1, 1989,  
11 as calculated under Section 202.3, and (ii) 4.8% of the  
12 taxpayer's net income for the period after June 30, 1989,  
13 as calculated under Section 202.3.

14 (8) In the case of a corporation, for taxable years  
15 beginning after June 30, 1989, and ending prior to January  
16 1, 2011, an amount equal to 4.8% of the taxpayer's net  
17 income for the taxable year.

18 (9) In the case of a corporation, for taxable years  
19 beginning prior to January 1, 2011, and ending after  
20 December 31, 2010, an amount equal to the sum of (i) 4.8%  
21 of the taxpayer's net income for the period prior to  
22 January 1, 2011, as calculated under Section 202.5, and  
23 (ii) 7% of the taxpayer's net income for the period after  
24 December 31, 2010, as calculated under Section 202.5.

25 (10) In the case of a corporation, for taxable years  
26 beginning on or after January 1, 2011, and ending prior to

1 January 1, 2014, ~~January 1, 2015,~~ an amount equal to 7% of  
2 the taxpayer's net income for the taxable year.

3 (11) In the case of a corporation, for taxable years  
4 beginning prior to January 1, 2014, ~~January 1, 2015,~~ and  
5 ending after December 31, 2013, ~~December 31, 2014,~~ an  
6 amount equal to the sum of (i) 7% of the taxpayer's net  
7 income for the period prior to January 1, 2014, ~~January 1,~~  
8 ~~2015,~~ as calculated under Section 202.5, and (ii) 4.8%  
9 ~~5.25%~~ of the taxpayer's net income for the period after  
10 December 31, 2013, ~~December 31, 2014,~~ as calculated under  
11 Section 202.5.

12 (12) In the case of a corporation, for taxable years  
13 beginning on or after January 1, 2014, ~~January 1, 2015,~~ and  
14 ~~ending prior to January 1, 2025,~~ an amount equal to 4.8%  
15 ~~5.25%~~ of the taxpayer's net income for the taxable year.

16 (13) (Blank). ~~In the case of a corporation, for taxable~~  
17 ~~years beginning prior to January 1, 2025, and ending after~~  
18 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~  
19 ~~of the taxpayer's net income for the period prior to~~  
20 ~~January 1, 2025, as calculated under Section 202.5, and~~  
21 ~~(ii) 4.8% of the taxpayer's net income for the period after~~  
22 ~~December 31, 2024, as calculated under Section 202.5.~~

23 (14) (Blank). ~~In the case of a corporation, for taxable~~  
24 ~~years beginning on or after January 1, 2025, an amount~~  
25 ~~equal to 4.8% of the taxpayer's net income for the taxable~~  
26 ~~year.~~

1       ~~The rates under this subsection (b) are subject to the~~  
2       ~~provisions of Section 201.5.~~

3       (c) Personal Property Tax Replacement Income Tax.  
4       Beginning on July 1, 1979 and thereafter, in addition to such  
5       income tax, there is also hereby imposed the Personal Property  
6       Tax Replacement Income Tax measured by net income on every  
7       corporation (including Subchapter S corporations), partnership  
8       and trust, for each taxable year ending after June 30, 1979.  
9       Such taxes are imposed on the privilege of earning or receiving  
10      income in or as a resident of this State. The Personal Property  
11      Tax Replacement Income Tax shall be in addition to the income  
12      tax imposed by subsections (a) and (b) of this Section and in  
13      addition to all other occupation or privilege taxes imposed by  
14      this State or by any municipal corporation or political  
15      subdivision thereof.

16      (d) Additional Personal Property Tax Replacement Income  
17      Tax Rates. The personal property tax replacement income tax  
18      imposed by this subsection and subsection (c) of this Section  
19      in the case of a corporation, other than a Subchapter S  
20      corporation and except as adjusted by subsection (d-1), shall  
21      be an additional amount equal to 2.85% of such taxpayer's net  
22      income for the taxable year, except that beginning on January  
23      1, 1981, and thereafter, the rate of 2.85% specified in this  
24      subsection shall be reduced to 2.5%, and in the case of a  
25      partnership, trust or a Subchapter S corporation shall be an  
26      additional amount equal to 1.5% of such taxpayer's net income

1 for the taxable year.

2 (d-1) Rate reduction for certain foreign insurers. In the  
3 case of a foreign insurer, as defined by Section 35A-5 of the  
4 Illinois Insurance Code, whose state or country of domicile  
5 imposes on insurers domiciled in Illinois a retaliatory tax  
6 (excluding any insurer whose premiums from reinsurance assumed  
7 are 50% or more of its total insurance premiums as determined  
8 under paragraph (2) of subsection (b) of Section 304, except  
9 that for purposes of this determination premiums from  
10 reinsurance do not include premiums from inter-affiliate  
11 reinsurance arrangements), beginning with taxable years ending  
12 on or after December 31, 1999, the sum of the rates of tax  
13 imposed by subsections (b) and (d) shall be reduced (but not  
14 increased) to the rate at which the total amount of tax imposed  
15 under this Act, net of all credits allowed under this Act,  
16 shall equal (i) the total amount of tax that would be imposed  
17 on the foreign insurer's net income allocable to Illinois for  
18 the taxable year by such foreign insurer's state or country of  
19 domicile if that net income were subject to all income taxes  
20 and taxes measured by net income imposed by such foreign  
21 insurer's state or country of domicile, net of all credits  
22 allowed or (ii) a rate of zero if no such tax is imposed on such  
23 income by the foreign insurer's state of domicile. For the  
24 purposes of this subsection (d-1), an inter-affiliate includes  
25 a mutual insurer under common management.

26 (1) For the purposes of subsection (d-1), in no event

1 shall the sum of the rates of tax imposed by subsections  
2 (b) and (d) be reduced below the rate at which the sum of:

3 (A) the total amount of tax imposed on such foreign  
4 insurer under this Act for a taxable year, net of all  
5 credits allowed under this Act, plus

6 (B) the privilege tax imposed by Section 409 of the  
7 Illinois Insurance Code, the fire insurance company  
8 tax imposed by Section 12 of the Fire Investigation  
9 Act, and the fire department taxes imposed under  
10 Section 11-10-1 of the Illinois Municipal Code,  
11 equals 1.25% for taxable years ending prior to December 31,  
12 2003, or 1.75% for taxable years ending on or after  
13 December 31, 2003, of the net taxable premiums written for  
14 the taxable year, as described by subsection (1) of Section  
15 409 of the Illinois Insurance Code. This paragraph will in  
16 no event increase the rates imposed under subsections (b)  
17 and (d).

18 (2) Any reduction in the rates of tax imposed by this  
19 subsection shall be applied first against the rates imposed  
20 by subsection (b) and only after the tax imposed by  
21 subsection (a) net of all credits allowed under this  
22 Section other than the credit allowed under subsection (i)  
23 has been reduced to zero, against the rates imposed by  
24 subsection (d).

25 This subsection (d-1) is exempt from the provisions of  
26 Section 250.

1 (e) Investment credit. A taxpayer shall be allowed a credit  
2 against the Personal Property Tax Replacement Income Tax for  
3 investment in qualified property.

4 (1) A taxpayer shall be allowed a credit equal to .5%  
5 of the basis of qualified property placed in service during  
6 the taxable year, provided such property is placed in  
7 service on or after July 1, 1984. There shall be allowed an  
8 additional credit equal to .5% of the basis of qualified  
9 property placed in service during the taxable year,  
10 provided such property is placed in service on or after  
11 July 1, 1986, and the taxpayer's base employment within  
12 Illinois has increased by 1% or more over the preceding  
13 year as determined by the taxpayer's employment records  
14 filed with the Illinois Department of Employment Security.  
15 Taxpayers who are new to Illinois shall be deemed to have  
16 met the 1% growth in base employment for the first year in  
17 which they file employment records with the Illinois  
18 Department of Employment Security. The provisions added to  
19 this Section by Public Act 85-1200 (and restored by Public  
20 Act 87-895) shall be construed as declaratory of existing  
21 law and not as a new enactment. If, in any year, the  
22 increase in base employment within Illinois over the  
23 preceding year is less than 1%, the additional credit shall  
24 be limited to that percentage times a fraction, the  
25 numerator of which is .5% and the denominator of which is  
26 1%, but shall not exceed .5%. The investment credit shall

1 not be allowed to the extent that it would reduce a  
2 taxpayer's liability in any tax year below zero, nor may  
3 any credit for qualified property be allowed for any year  
4 other than the year in which the property was placed in  
5 service in Illinois. For tax years ending on or after  
6 December 31, 1987, and on or before December 31, 1988, the  
7 credit shall be allowed for the tax year in which the  
8 property is placed in service, or, if the amount of the  
9 credit exceeds the tax liability for that year, whether it  
10 exceeds the original liability or the liability as later  
11 amended, such excess may be carried forward and applied to  
12 the tax liability of the 5 taxable years following the  
13 excess credit years if the taxpayer (i) makes investments  
14 which cause the creation of a minimum of 2,000 full-time  
15 equivalent jobs in Illinois, (ii) is located in an  
16 enterprise zone established pursuant to the Illinois  
17 Enterprise Zone Act and (iii) is certified by the  
18 Department of Commerce and Community Affairs (now  
19 Department of Commerce and Economic Opportunity) as  
20 complying with the requirements specified in clause (i) and  
21 (ii) by July 1, 1986. The Department of Commerce and  
22 Community Affairs (now Department of Commerce and Economic  
23 Opportunity) shall notify the Department of Revenue of all  
24 such certifications immediately. For tax years ending  
25 after December 31, 1988, the credit shall be allowed for  
26 the tax year in which the property is placed in service,

1 or, if the amount of the credit exceeds the tax liability  
2 for that year, whether it exceeds the original liability or  
3 the liability as later amended, such excess may be carried  
4 forward and applied to the tax liability of the 5 taxable  
5 years following the excess credit years. The credit shall  
6 be applied to the earliest year for which there is a  
7 liability. If there is credit from more than one tax year  
8 that is available to offset a liability, earlier credit  
9 shall be applied first.

10 (2) The term "qualified property" means property  
11 which:

12 (A) is tangible, whether new or used, including  
13 buildings and structural components of buildings and  
14 signs that are real property, but not including land or  
15 improvements to real property that are not a structural  
16 component of a building such as landscaping, sewer  
17 lines, local access roads, fencing, parking lots, and  
18 other appurtenances;

19 (B) is depreciable pursuant to Section 167 of the  
20 Internal Revenue Code, except that "3-year property"  
21 as defined in Section 168(c)(2)(A) of that Code is not  
22 eligible for the credit provided by this subsection  
23 (e);

24 (C) is acquired by purchase as defined in Section  
25 179(d) of the Internal Revenue Code;

26 (D) is used in Illinois by a taxpayer who is

1 primarily engaged in manufacturing, or in mining coal  
2 or fluorite, or in retailing, or was placed in service  
3 on or after July 1, 2006 in a River Edge Redevelopment  
4 Zone established pursuant to the River Edge  
5 Redevelopment Zone Act; and

6 (E) has not previously been used in Illinois in  
7 such a manner and by such a person as would qualify for  
8 the credit provided by this subsection (e) or  
9 subsection (f).

10 (3) For purposes of this subsection (e),  
11 "manufacturing" means the material staging and production  
12 of tangible personal property by procedures commonly  
13 regarded as manufacturing, processing, fabrication, or  
14 assembling which changes some existing material into new  
15 shapes, new qualities, or new combinations. For purposes of  
16 this subsection (e) the term "mining" shall have the same  
17 meaning as the term "mining" in Section 613(c) of the  
18 Internal Revenue Code. For purposes of this subsection (e),  
19 the term "retailing" means the sale of tangible personal  
20 property for use or consumption and not for resale, or  
21 services rendered in conjunction with the sale of tangible  
22 personal property for use or consumption and not for  
23 resale. For purposes of this subsection (e), "tangible  
24 personal property" has the same meaning as when that term  
25 is used in the Retailers' Occupation Tax Act, and, for  
26 taxable years ending after December 31, 2008, does not

1 include the generation, transmission, or distribution of  
2 electricity.

3 (4) The basis of qualified property shall be the basis  
4 used to compute the depreciation deduction for federal  
5 income tax purposes.

6 (5) If the basis of the property for federal income tax  
7 depreciation purposes is increased after it has been placed  
8 in service in Illinois by the taxpayer, the amount of such  
9 increase shall be deemed property placed in service on the  
10 date of such increase in basis.

11 (6) The term "placed in service" shall have the same  
12 meaning as under Section 46 of the Internal Revenue Code.

13 (7) If during any taxable year, any property ceases to  
14 be qualified property in the hands of the taxpayer within  
15 48 months after being placed in service, or the situs of  
16 any qualified property is moved outside Illinois within 48  
17 months after being placed in service, the Personal Property  
18 Tax Replacement Income Tax for such taxable year shall be  
19 increased. Such increase shall be determined by (i)  
20 recomputing the investment credit which would have been  
21 allowed for the year in which credit for such property was  
22 originally allowed by eliminating such property from such  
23 computation and, (ii) subtracting such recomputed credit  
24 from the amount of credit previously allowed. For the  
25 purposes of this paragraph (7), a reduction of the basis of  
26 qualified property resulting from a redetermination of the

1 purchase price shall be deemed a disposition of qualified  
2 property to the extent of such reduction.

3 (8) Unless the investment credit is extended by law,  
4 the basis of qualified property shall not include costs  
5 incurred after December 31, 2018, except for costs incurred  
6 pursuant to a binding contract entered into on or before  
7 December 31, 2018.

8 (9) Each taxable year ending before December 31, 2000,  
9 a partnership may elect to pass through to its partners the  
10 credits to which the partnership is entitled under this  
11 subsection (e) for the taxable year. A partner may use the  
12 credit allocated to him or her under this paragraph only  
13 against the tax imposed in subsections (c) and (d) of this  
14 Section. If the partnership makes that election, those  
15 credits shall be allocated among the partners in the  
16 partnership in accordance with the rules set forth in  
17 Section 704(b) of the Internal Revenue Code, and the rules  
18 promulgated under that Section, and the allocated amount of  
19 the credits shall be allowed to the partners for that  
20 taxable year. The partnership shall make this election on  
21 its Personal Property Tax Replacement Income Tax return for  
22 that taxable year. The election to pass through the credits  
23 shall be irrevocable.

24 For taxable years ending on or after December 31, 2000,  
25 a partner that qualifies its partnership for a subtraction  
26 under subparagraph (I) of paragraph (2) of subsection (d)

1 of Section 203 or a shareholder that qualifies a Subchapter  
2 S corporation for a subtraction under subparagraph (S) of  
3 paragraph (2) of subsection (b) of Section 203 shall be  
4 allowed a credit under this subsection (e) equal to its  
5 share of the credit earned under this subsection (e) during  
6 the taxable year by the partnership or Subchapter S  
7 corporation, determined in accordance with the  
8 determination of income and distributive share of income  
9 under Sections 702 and 704 and Subchapter S of the Internal  
10 Revenue Code. This paragraph is exempt from the provisions  
11 of Section 250.

12 (f) Investment credit; Enterprise Zone; River Edge  
13 Redevelopment Zone.

14 (1) A taxpayer shall be allowed a credit against the  
15 tax imposed by subsections (a) and (b) of this Section for  
16 investment in qualified property which is placed in service  
17 in an Enterprise Zone created pursuant to the Illinois  
18 Enterprise Zone Act or, for property placed in service on  
19 or after July 1, 2006, a River Edge Redevelopment Zone  
20 established pursuant to the River Edge Redevelopment Zone  
21 Act. For partners, shareholders of Subchapter S  
22 corporations, and owners of limited liability companies,  
23 if the liability company is treated as a partnership for  
24 purposes of federal and State income taxation, there shall  
25 be allowed a credit under this subsection (f) to be  
26 determined in accordance with the determination of income

1 and distributive share of income under Sections 702 and 704  
2 and Subchapter S of the Internal Revenue Code. The credit  
3 shall be .5% of the basis for such property. The credit  
4 shall be available only in the taxable year in which the  
5 property is placed in service in the Enterprise Zone or  
6 River Edge Redevelopment Zone and shall not be allowed to  
7 the extent that it would reduce a taxpayer's liability for  
8 the tax imposed by subsections (a) and (b) of this Section  
9 to below zero. For tax years ending on or after December  
10 31, 1985, the credit shall be allowed for the tax year in  
11 which the property is placed in service, or, if the amount  
12 of the credit exceeds the tax liability for that year,  
13 whether it exceeds the original liability or the liability  
14 as later amended, such excess may be carried forward and  
15 applied to the tax liability of the 5 taxable years  
16 following the excess credit year. The credit shall be  
17 applied to the earliest year for which there is a  
18 liability. If there is credit from more than one tax year  
19 that is available to offset a liability, the credit  
20 accruing first in time shall be applied first.

21 (2) The term qualified property means property which:

22 (A) is tangible, whether new or used, including  
23 buildings and structural components of buildings;

24 (B) is depreciable pursuant to Section 167 of the  
25 Internal Revenue Code, except that "3-year property"  
26 as defined in Section 168(c)(2)(A) of that Code is not

1 eligible for the credit provided by this subsection  
2 (f);

3 (C) is acquired by purchase as defined in Section  
4 179(d) of the Internal Revenue Code;

5 (D) is used in the Enterprise Zone or River Edge  
6 Redevelopment Zone by the taxpayer; and

7 (E) has not been previously used in Illinois in  
8 such a manner and by such a person as would qualify for  
9 the credit provided by this subsection (f) or  
10 subsection (e).

11 (3) The basis of qualified property shall be the basis  
12 used to compute the depreciation deduction for federal  
13 income tax purposes.

14 (4) If the basis of the property for federal income tax  
15 depreciation purposes is increased after it has been placed  
16 in service in the Enterprise Zone or River Edge  
17 Redevelopment Zone by the taxpayer, the amount of such  
18 increase shall be deemed property placed in service on the  
19 date of such increase in basis.

20 (5) The term "placed in service" shall have the same  
21 meaning as under Section 46 of the Internal Revenue Code.

22 (6) If during any taxable year, any property ceases to  
23 be qualified property in the hands of the taxpayer within  
24 48 months after being placed in service, or the situs of  
25 any qualified property is moved outside the Enterprise Zone  
26 or River Edge Redevelopment Zone within 48 months after

1 being placed in service, the tax imposed under subsections  
2 (a) and (b) of this Section for such taxable year shall be  
3 increased. Such increase shall be determined by (i)  
4 recomputing the investment credit which would have been  
5 allowed for the year in which credit for such property was  
6 originally allowed by eliminating such property from such  
7 computation, and (ii) subtracting such recomputed credit  
8 from the amount of credit previously allowed. For the  
9 purposes of this paragraph (6), a reduction of the basis of  
10 qualified property resulting from a redetermination of the  
11 purchase price shall be deemed a disposition of qualified  
12 property to the extent of such reduction.

13 (7) There shall be allowed an additional credit equal  
14 to 0.5% of the basis of qualified property placed in  
15 service during the taxable year in a River Edge  
16 Redevelopment Zone, provided such property is placed in  
17 service on or after July 1, 2006, and the taxpayer's base  
18 employment within Illinois has increased by 1% or more over  
19 the preceding year as determined by the taxpayer's  
20 employment records filed with the Illinois Department of  
21 Employment Security. Taxpayers who are new to Illinois  
22 shall be deemed to have met the 1% growth in base  
23 employment for the first year in which they file employment  
24 records with the Illinois Department of Employment  
25 Security. If, in any year, the increase in base employment  
26 within Illinois over the preceding year is less than 1%,

1 the additional credit shall be limited to that percentage  
2 times a fraction, the numerator of which is 0.5% and the  
3 denominator of which is 1%, but shall not exceed 0.5%.

4 (g) Jobs Tax Credit; River Edge Redevelopment Zone and  
5 Foreign Trade Zone or Sub-Zone.

6 (1) A taxpayer conducting a trade or business, for  
7 taxable years ending on or after December 31, 2006, in a  
8 River Edge Redevelopment Zone or conducting a trade or  
9 business in a federally designated Foreign Trade Zone or  
10 Sub-Zone shall be allowed a credit against the tax imposed  
11 by subsections (a) and (b) of this Section in the amount of  
12 \$500 per eligible employee hired to work in the zone during  
13 the taxable year.

14 (2) To qualify for the credit:

15 (A) the taxpayer must hire 5 or more eligible  
16 employees to work in a River Edge Redevelopment Zone or  
17 federally designated Foreign Trade Zone or Sub-Zone  
18 during the taxable year;

19 (B) the taxpayer's total employment within the  
20 River Edge Redevelopment Zone or federally designated  
21 Foreign Trade Zone or Sub-Zone must increase by 5 or  
22 more full-time employees beyond the total employed in  
23 that zone at the end of the previous tax year for which  
24 a jobs tax credit under this Section was taken, or  
25 beyond the total employed by the taxpayer as of  
26 December 31, 1985, whichever is later; and

1 (C) the eligible employees must be employed 180  
2 consecutive days in order to be deemed hired for  
3 purposes of this subsection.

4 (3) An "eligible employee" means an employee who is:

5 (A) Certified by the Department of Commerce and  
6 Economic Opportunity as "eligible for services"  
7 pursuant to regulations promulgated in accordance with  
8 Title II of the Job Training Partnership Act, Training  
9 Services for the Disadvantaged or Title III of the Job  
10 Training Partnership Act, Employment and Training  
11 Assistance for Dislocated Workers Program.

12 (B) Hired after the River Edge Redevelopment Zone  
13 or federally designated Foreign Trade Zone or Sub-Zone  
14 was designated or the trade or business was located in  
15 that zone, whichever is later.

16 (C) Employed in the River Edge Redevelopment Zone  
17 or Foreign Trade Zone or Sub-Zone. An employee is  
18 employed in a federally designated Foreign Trade Zone  
19 or Sub-Zone if his services are rendered there or it is  
20 the base of operations for the services performed.

21 (D) A full-time employee working 30 or more hours  
22 per week.

23 (4) For tax years ending on or after December 31, 1985  
24 and prior to December 31, 1988, the credit shall be allowed  
25 for the tax year in which the eligible employees are hired.  
26 For tax years ending on or after December 31, 1988, the

1 credit shall be allowed for the tax year immediately  
2 following the tax year in which the eligible employees are  
3 hired. If the amount of the credit exceeds the tax  
4 liability for that year, whether it exceeds the original  
5 liability or the liability as later amended, such excess  
6 may be carried forward and applied to the tax liability of  
7 the 5 taxable years following the excess credit year. The  
8 credit shall be applied to the earliest year for which  
9 there is a liability. If there is credit from more than one  
10 tax year that is available to offset a liability, earlier  
11 credit shall be applied first.

12 (5) The Department of Revenue shall promulgate such  
13 rules and regulations as may be deemed necessary to carry  
14 out the purposes of this subsection (g).

15 (6) The credit shall be available for eligible  
16 employees hired on or after January 1, 1986.

17 (h) Investment credit; High Impact Business.

18 (1) Subject to subsections (b) and (b-5) of Section 5.5  
19 of the Illinois Enterprise Zone Act, a taxpayer shall be  
20 allowed a credit against the tax imposed by subsections (a)  
21 and (b) of this Section for investment in qualified  
22 property which is placed in service by a Department of  
23 Commerce and Economic Opportunity designated High Impact  
24 Business. The credit shall be .5% of the basis for such  
25 property. The credit shall not be available (i) until the  
26 minimum investments in qualified property set forth in

1 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
2 Enterprise Zone Act have been satisfied or (ii) until the  
3 time authorized in subsection (b-5) of the Illinois  
4 Enterprise Zone Act for entities designated as High Impact  
5 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
6 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
7 Act, and shall not be allowed to the extent that it would  
8 reduce a taxpayer's liability for the tax imposed by  
9 subsections (a) and (b) of this Section to below zero. The  
10 credit applicable to such investments shall be taken in the  
11 taxable year in which such investments have been completed.  
12 The credit for additional investments beyond the minimum  
13 investment by a designated high impact business authorized  
14 under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
15 Enterprise Zone Act shall be available only in the taxable  
16 year in which the property is placed in service and shall  
17 not be allowed to the extent that it would reduce a  
18 taxpayer's liability for the tax imposed by subsections (a)  
19 and (b) of this Section to below zero. For tax years ending  
20 on or after December 31, 1987, the credit shall be allowed  
21 for the tax year in which the property is placed in  
22 service, or, if the amount of the credit exceeds the tax  
23 liability for that year, whether it exceeds the original  
24 liability or the liability as later amended, such excess  
25 may be carried forward and applied to the tax liability of  
26 the 5 taxable years following the excess credit year. The

1 credit shall be applied to the earliest year for which  
2 there is a liability. If there is credit from more than one  
3 tax year that is available to offset a liability, the  
4 credit accruing first in time shall be applied first.

5 Changes made in this subdivision (h) (1) by Public Act  
6 88-670 restore changes made by Public Act 85-1182 and  
7 reflect existing law.

8 (2) The term qualified property means property which:

9 (A) is tangible, whether new or used, including  
10 buildings and structural components of buildings;

11 (B) is depreciable pursuant to Section 167 of the  
12 Internal Revenue Code, except that "3-year property"  
13 as defined in Section 168(c) (2) (A) of that Code is not  
14 eligible for the credit provided by this subsection  
15 (h);

16 (C) is acquired by purchase as defined in Section  
17 179(d) of the Internal Revenue Code; and

18 (D) is not eligible for the Enterprise Zone  
19 Investment Credit provided by subsection (f) of this  
20 Section.

21 (3) The basis of qualified property shall be the basis  
22 used to compute the depreciation deduction for federal  
23 income tax purposes.

24 (4) If the basis of the property for federal income tax  
25 depreciation purposes is increased after it has been placed  
26 in service in a federally designated Foreign Trade Zone or

1 Sub-Zone located in Illinois by the taxpayer, the amount of  
2 such increase shall be deemed property placed in service on  
3 the date of such increase in basis.

4 (5) The term "placed in service" shall have the same  
5 meaning as under Section 46 of the Internal Revenue Code.

6 (6) If during any taxable year ending on or before  
7 December 31, 1996, any property ceases to be qualified  
8 property in the hands of the taxpayer within 48 months  
9 after being placed in service, or the situs of any  
10 qualified property is moved outside Illinois within 48  
11 months after being placed in service, the tax imposed under  
12 subsections (a) and (b) of this Section for such taxable  
13 year shall be increased. Such increase shall be determined  
14 by (i) recomputing the investment credit which would have  
15 been allowed for the year in which credit for such property  
16 was originally allowed by eliminating such property from  
17 such computation, and (ii) subtracting such recomputed  
18 credit from the amount of credit previously allowed. For  
19 the purposes of this paragraph (6), a reduction of the  
20 basis of qualified property resulting from a  
21 redetermination of the purchase price shall be deemed a  
22 disposition of qualified property to the extent of such  
23 reduction.

24 (7) Beginning with tax years ending after December 31,  
25 1996, if a taxpayer qualifies for the credit under this  
26 subsection (h) and thereby is granted a tax abatement and

1 the taxpayer relocates its entire facility in violation of  
2 the explicit terms and length of the contract under Section  
3 18-183 of the Property Tax Code, the tax imposed under  
4 subsections (a) and (b) of this Section shall be increased  
5 for the taxable year in which the taxpayer relocated its  
6 facility by an amount equal to the amount of credit  
7 received by the taxpayer under this subsection (h).

8 (i) Credit for Personal Property Tax Replacement Income  
9 Tax. For tax years ending prior to December 31, 2003, a credit  
10 shall be allowed against the tax imposed by subsections (a) and  
11 (b) of this Section for the tax imposed by subsections (c) and  
12 (d) of this Section. This credit shall be computed by  
13 multiplying the tax imposed by subsections (c) and (d) of this  
14 Section by a fraction, the numerator of which is base income  
15 allocable to Illinois and the denominator of which is Illinois  
16 base income, and further multiplying the product by the tax  
17 rate imposed by subsections (a) and (b) of this Section.

18 Any credit earned on or after December 31, 1986 under this  
19 subsection which is unused in the year the credit is computed  
20 because it exceeds the tax liability imposed by subsections (a)  
21 and (b) for that year (whether it exceeds the original  
22 liability or the liability as later amended) may be carried  
23 forward and applied to the tax liability imposed by subsections  
24 (a) and (b) of the 5 taxable years following the excess credit  
25 year, provided that no credit may be carried forward to any  
26 year ending on or after December 31, 2003. This credit shall be

1 applied first to the earliest year for which there is a  
2 liability. If there is a credit under this subsection from more  
3 than one tax year that is available to offset a liability the  
4 earliest credit arising under this subsection shall be applied  
5 first.

6 If, during any taxable year ending on or after December 31,  
7 1986, the tax imposed by subsections (c) and (d) of this  
8 Section for which a taxpayer has claimed a credit under this  
9 subsection (i) is reduced, the amount of credit for such tax  
10 shall also be reduced. Such reduction shall be determined by  
11 recomputing the credit to take into account the reduced tax  
12 imposed by subsections (c) and (d). If any portion of the  
13 reduced amount of credit has been carried to a different  
14 taxable year, an amended return shall be filed for such taxable  
15 year to reduce the amount of credit claimed.

16 (j) Training expense credit. Beginning with tax years  
17 ending on or after December 31, 1986 and prior to December 31,  
18 2003, a taxpayer shall be allowed a credit against the tax  
19 imposed by subsections (a) and (b) under this Section for all  
20 amounts paid or accrued, on behalf of all persons employed by  
21 the taxpayer in Illinois or Illinois residents employed outside  
22 of Illinois by a taxpayer, for educational or vocational  
23 training in semi-technical or technical fields or semi-skilled  
24 or skilled fields, which were deducted from gross income in the  
25 computation of taxable income. The credit against the tax  
26 imposed by subsections (a) and (b) shall be 1.6% of such

1 training expenses. For partners, shareholders of subchapter S  
2 corporations, and owners of limited liability companies, if the  
3 liability company is treated as a partnership for purposes of  
4 federal and State income taxation, there shall be allowed a  
5 credit under this subsection (j) to be determined in accordance  
6 with the determination of income and distributive share of  
7 income under Sections 702 and 704 and subchapter S of the  
8 Internal Revenue Code.

9 Any credit allowed under this subsection which is unused in  
10 the year the credit is earned may be carried forward to each of  
11 the 5 taxable years following the year for which the credit is  
12 first computed until it is used. This credit shall be applied  
13 first to the earliest year for which there is a liability. If  
14 there is a credit under this subsection from more than one tax  
15 year that is available to offset a liability the earliest  
16 credit arising under this subsection shall be applied first. No  
17 carryforward credit may be claimed in any tax year ending on or  
18 after December 31, 2003.

19 (k) Research and development credit. For tax years ending  
20 after July 1, 1990 and prior to December 31, 2003, and  
21 beginning again for tax years ending on or after December 31,  
22 2004, and ending prior to January 1, 2016, a taxpayer shall be  
23 allowed a credit against the tax imposed by subsections (a) and  
24 (b) of this Section for increasing research activities in this  
25 State. The credit allowed against the tax imposed by  
26 subsections (a) and (b) shall be equal to 6 1/2% of the

1 qualifying expenditures for increasing research activities in  
2 this State. For partners, shareholders of subchapter S  
3 corporations, and owners of limited liability companies, if the  
4 liability company is treated as a partnership for purposes of  
5 federal and State income taxation, there shall be allowed a  
6 credit under this subsection to be determined in accordance  
7 with the determination of income and distributive share of  
8 income under Sections 702 and 704 and subchapter S of the  
9 Internal Revenue Code.

10 For purposes of this subsection, "qualifying expenditures"  
11 means the qualifying expenditures as defined for the federal  
12 credit for increasing research activities which would be  
13 allowable under Section 41 of the Internal Revenue Code and  
14 which are conducted in this State, "qualifying expenditures for  
15 increasing research activities in this State" means the excess  
16 of qualifying expenditures for the taxable year in which  
17 incurred over qualifying expenditures for the base period,  
18 "qualifying expenditures for the base period" means the average  
19 of the qualifying expenditures for each year in the base  
20 period, and "base period" means the 3 taxable years immediately  
21 preceding the taxable year for which the determination is being  
22 made.

23 Any credit in excess of the tax liability for the taxable  
24 year may be carried forward. A taxpayer may elect to have the  
25 unused credit shown on its final completed return carried over  
26 as a credit against the tax liability for the following 5

1 taxable years or until it has been fully used, whichever occurs  
2 first; provided that no credit earned in a tax year ending  
3 prior to December 31, 2003 may be carried forward to any year  
4 ending on or after December 31, 2003.

5 If an unused credit is carried forward to a given year from  
6 2 or more earlier years, that credit arising in the earliest  
7 year will be applied first against the tax liability for the  
8 given year. If a tax liability for the given year still  
9 remains, the credit from the next earliest year will then be  
10 applied, and so on, until all credits have been used or no tax  
11 liability for the given year remains. Any remaining unused  
12 credit or credits then will be carried forward to the next  
13 following year in which a tax liability is incurred, except  
14 that no credit can be carried forward to a year which is more  
15 than 5 years after the year in which the expense for which the  
16 credit is given was incurred.

17 No inference shall be drawn from this amendatory Act of the  
18 91st General Assembly in construing this Section for taxable  
19 years beginning before January 1, 1999.

20 (1) Environmental Remediation Tax Credit.

21 (i) For tax years ending after December 31, 1997 and on  
22 or before December 31, 2001, a taxpayer shall be allowed a  
23 credit against the tax imposed by subsections (a) and (b)  
24 of this Section for certain amounts paid for unreimbursed  
25 eligible remediation costs, as specified in this  
26 subsection. For purposes of this Section, "unreimbursed

1 eligible remediation costs" means costs approved by the  
2 Illinois Environmental Protection Agency ("Agency") under  
3 Section 58.14 of the Environmental Protection Act that were  
4 paid in performing environmental remediation at a site for  
5 which a No Further Remediation Letter was issued by the  
6 Agency and recorded under Section 58.10 of the  
7 Environmental Protection Act. The credit must be claimed  
8 for the taxable year in which Agency approval of the  
9 eligible remediation costs is granted. The credit is not  
10 available to any taxpayer if the taxpayer or any related  
11 party caused or contributed to, in any material respect, a  
12 release of regulated substances on, in, or under the site  
13 that was identified and addressed by the remedial action  
14 pursuant to the Site Remediation Program of the  
15 Environmental Protection Act. After the Pollution Control  
16 Board rules are adopted pursuant to the Illinois  
17 Administrative Procedure Act for the administration and  
18 enforcement of Section 58.9 of the Environmental  
19 Protection Act, determinations as to credit availability  
20 for purposes of this Section shall be made consistent with  
21 those rules. For purposes of this Section, "taxpayer"  
22 includes a person whose tax attributes the taxpayer has  
23 succeeded to under Section 381 of the Internal Revenue Code  
24 and "related party" includes the persons disallowed a  
25 deduction for losses by paragraphs (b), (c), and (f)(1) of  
26 Section 267 of the Internal Revenue Code by virtue of being

1 a related taxpayer, as well as any of its partners. The  
2 credit allowed against the tax imposed by subsections (a)  
3 and (b) shall be equal to 25% of the unreimbursed eligible  
4 remediation costs in excess of \$100,000 per site, except  
5 that the \$100,000 threshold shall not apply to any site  
6 contained in an enterprise zone as determined by the  
7 Department of Commerce and Community Affairs (now  
8 Department of Commerce and Economic Opportunity). The  
9 total credit allowed shall not exceed \$40,000 per year with  
10 a maximum total of \$150,000 per site. For partners and  
11 shareholders of subchapter S corporations, there shall be  
12 allowed a credit under this subsection to be determined in  
13 accordance with the determination of income and  
14 distributive share of income under Sections 702 and 704 and  
15 subchapter S of the Internal Revenue Code.

16 (ii) A credit allowed under this subsection that is  
17 unused in the year the credit is earned may be carried  
18 forward to each of the 5 taxable years following the year  
19 for which the credit is first earned until it is used. The  
20 term "unused credit" does not include any amounts of  
21 unreimbursed eligible remediation costs in excess of the  
22 maximum credit per site authorized under paragraph (i).  
23 This credit shall be applied first to the earliest year for  
24 which there is a liability. If there is a credit under this  
25 subsection from more than one tax year that is available to  
26 offset a liability, the earliest credit arising under this

1 subsection shall be applied first. A credit allowed under  
2 this subsection may be sold to a buyer as part of a sale of  
3 all or part of the remediation site for which the credit  
4 was granted. The purchaser of a remediation site and the  
5 tax credit shall succeed to the unused credit and remaining  
6 carry-forward period of the seller. To perfect the  
7 transfer, the assignor shall record the transfer in the  
8 chain of title for the site and provide written notice to  
9 the Director of the Illinois Department of Revenue of the  
10 assignor's intent to sell the remediation site and the  
11 amount of the tax credit to be transferred as a portion of  
12 the sale. In no event may a credit be transferred to any  
13 taxpayer if the taxpayer or a related party would not be  
14 eligible under the provisions of subsection (i).

15 (iii) For purposes of this Section, the term "site"  
16 shall have the same meaning as under Section 58.2 of the  
17 Environmental Protection Act.

18 (m) Education expense credit. Beginning with tax years  
19 ending after December 31, 1999, a taxpayer who is the custodian  
20 of one or more qualifying pupils shall be allowed a credit  
21 against the tax imposed by subsections (a) and (b) of this  
22 Section for qualified education expenses incurred on behalf of  
23 the qualifying pupils. The credit shall be equal to 25% of  
24 qualified education expenses, but in no event may the total  
25 credit under this subsection claimed by a family that is the  
26 custodian of qualifying pupils exceed \$500. In no event shall a

1 credit under this subsection reduce the taxpayer's liability  
2 under this Act to less than zero. This subsection is exempt  
3 from the provisions of Section 250 of this Act.

4 For purposes of this subsection:

5 "Qualifying pupils" means individuals who (i) are  
6 residents of the State of Illinois, (ii) are under the age of  
7 21 at the close of the school year for which a credit is  
8 sought, and (iii) during the school year for which a credit is  
9 sought were full-time pupils enrolled in a kindergarten through  
10 twelfth grade education program at any school, as defined in  
11 this subsection.

12 "Qualified education expense" means the amount incurred on  
13 behalf of a qualifying pupil in excess of \$250 for tuition,  
14 book fees, and lab fees at the school in which the pupil is  
15 enrolled during the regular school year.

16 "School" means any public or nonpublic elementary or  
17 secondary school in Illinois that is in compliance with Title  
18 VI of the Civil Rights Act of 1964 and attendance at which  
19 satisfies the requirements of Section 26-1 of the School Code,  
20 except that nothing shall be construed to require a child to  
21 attend any particular public or nonpublic school to qualify for  
22 the credit under this Section.

23 "Custodian" means, with respect to qualifying pupils, an  
24 Illinois resident who is a parent, the parents, a legal  
25 guardian, or the legal guardians of the qualifying pupils.

26 (n) River Edge Redevelopment Zone site remediation tax

1 credit.

2 (i) For tax years ending on or after December 31, 2006,  
3 a taxpayer shall be allowed a credit against the tax  
4 imposed by subsections (a) and (b) of this Section for  
5 certain amounts paid for unreimbursed eligible remediation  
6 costs, as specified in this subsection. For purposes of  
7 this Section, "unreimbursed eligible remediation costs"  
8 means costs approved by the Illinois Environmental  
9 Protection Agency ("Agency") under Section 58.14a of the  
10 Environmental Protection Act that were paid in performing  
11 environmental remediation at a site within a River Edge  
12 Redevelopment Zone for which a No Further Remediation  
13 Letter was issued by the Agency and recorded under Section  
14 58.10 of the Environmental Protection Act. The credit must  
15 be claimed for the taxable year in which Agency approval of  
16 the eligible remediation costs is granted. The credit is  
17 not available to any taxpayer if the taxpayer or any  
18 related party caused or contributed to, in any material  
19 respect, a release of regulated substances on, in, or under  
20 the site that was identified and addressed by the remedial  
21 action pursuant to the Site Remediation Program of the  
22 Environmental Protection Act. Determinations as to credit  
23 availability for purposes of this Section shall be made  
24 consistent with rules adopted by the Pollution Control  
25 Board pursuant to the Illinois Administrative Procedure  
26 Act for the administration and enforcement of Section 58.9

1 of the Environmental Protection Act. For purposes of this  
2 Section, "taxpayer" includes a person whose tax attributes  
3 the taxpayer has succeeded to under Section 381 of the  
4 Internal Revenue Code and "related party" includes the  
5 persons disallowed a deduction for losses by paragraphs  
6 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
7 Code by virtue of being a related taxpayer, as well as any  
8 of its partners. The credit allowed against the tax imposed  
9 by subsections (a) and (b) shall be equal to 25% of the  
10 unreimbursed eligible remediation costs in excess of  
11 \$100,000 per site.

12 (ii) A credit allowed under this subsection that is  
13 unused in the year the credit is earned may be carried  
14 forward to each of the 5 taxable years following the year  
15 for which the credit is first earned until it is used. This  
16 credit shall be applied first to the earliest year for  
17 which there is a liability. If there is a credit under this  
18 subsection from more than one tax year that is available to  
19 offset a liability, the earliest credit arising under this  
20 subsection shall be applied first. A credit allowed under  
21 this subsection may be sold to a buyer as part of a sale of  
22 all or part of the remediation site for which the credit  
23 was granted. The purchaser of a remediation site and the  
24 tax credit shall succeed to the unused credit and remaining  
25 carry-forward period of the seller. To perfect the  
26 transfer, the assignor shall record the transfer in the

1 chain of title for the site and provide written notice to  
2 the Director of the Illinois Department of Revenue of the  
3 assignor's intent to sell the remediation site and the  
4 amount of the tax credit to be transferred as a portion of  
5 the sale. In no event may a credit be transferred to any  
6 taxpayer if the taxpayer or a related party would not be  
7 eligible under the provisions of subsection (i).

8 (iii) For purposes of this Section, the term "site"  
9 shall have the same meaning as under Section 58.2 of the  
10 Environmental Protection Act.

11 (Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09;  
12 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff.  
13 1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff.  
14 8-7-12.)

15 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

16 Sec. 207. Net Losses.

17 (a) If after applying all of the (i) modifications provided  
18 for in paragraph (2) of Section 203(b), paragraph (2) of  
19 Section 203(c) and paragraph (2) of Section 203(d) and (ii) the  
20 allocation and apportionment provisions of Article 3 of this  
21 Act and subsection (c) of this Section, the taxpayer's net  
22 income results in a loss;

23 (1) for any taxable year ending prior to December 31,  
24 1999, such loss shall be allowed as a carryover or  
25 carryback deduction in the manner allowed under Section 172

1 of the Internal Revenue Code;

2 (2) for any taxable year ending on or after December  
3 31, 1999 and prior to December 31, 2003, such loss shall be  
4 allowed as a carryback to each of the 2 taxable years  
5 preceding the taxable year of such loss and shall be a net  
6 operating loss carryover to each of the 20 taxable years  
7 following the taxable year of such loss; and

8 (3) for any taxable year ending on or after December  
9 31, 2003, such loss shall be allowed as a net operating  
10 loss carryover to each of the 12 taxable years following  
11 the taxable year of such loss, except as provided in  
12 subsection (d).

13 (a-5) Election to relinquish carryback and order of  
14 application of losses.

15 (A) For losses incurred in tax years ending prior  
16 to December 31, 2003, the taxpayer may elect to  
17 relinquish the entire carryback period with respect to  
18 such loss. Such election shall be made in the form and  
19 manner prescribed by the Department and shall be made  
20 by the due date (including extensions of time) for  
21 filing the taxpayer's return for the taxable year in  
22 which such loss is incurred, and such election, once  
23 made, shall be irrevocable.

24 (B) The entire amount of such loss shall be carried  
25 to the earliest taxable year to which such loss may be  
26 carried. The amount of such loss which shall be carried

1 to each of the other taxable years shall be the excess,  
2 if any, of the amount of such loss over the sum of the  
3 deductions for carryback or carryover of such loss  
4 allowable for each of the prior taxable years to which  
5 such loss may be carried.

6 (b) Any loss determined under subsection (a) of this  
7 Section must be carried back or carried forward in the same  
8 manner for purposes of subsections (a) and (b) of Section 201  
9 of this Act as for purposes of subsections (c) and (d) of  
10 Section 201 of this Act.

11 (c) Notwithstanding any other provision of this Act, for  
12 each taxable year ending on or after December 31, 2008, for  
13 purposes of computing the loss for the taxable year under  
14 subsection (a) of this Section and the deduction taken into  
15 account for the taxable year for a net operating loss carryover  
16 under paragraphs (1), (2), and (3) of subsection (a) of this  
17 Section, the loss and net operating loss carryover shall be  
18 reduced in an amount equal to the reduction to the net  
19 operating loss and net operating loss carryover to the taxable  
20 year, respectively, required under Section 108(b)(2)(A) of the  
21 Internal Revenue Code, multiplied by a fraction, the numerator  
22 of which is the amount of discharge of indebtedness income that  
23 is excluded from gross income for the taxable year (but only if  
24 the taxable year ends on or after December 31, 2008) under  
25 Section 108(a) of the Internal Revenue Code and that would have  
26 been allocated and apportioned to this State under Article 3 of

1 this Act but for that exclusion, and the denominator of which  
2 is the total amount of discharge of indebtedness income  
3 excluded from gross income under Section 108(a) of the Internal  
4 Revenue Code for the taxable year. The reduction required under  
5 this subsection (c) shall be made after the determination of  
6 Illinois net income for the taxable year in which the  
7 indebtedness is discharged.

8 (d) In the case of a corporation (other than a Subchapter S  
9 corporation), no carryover deduction shall be allowed under  
10 this Section for any taxable year ending after December 31,  
11 2010 and prior to December 31, 2013, ~~December 31, 2012~~, and no  
12 carryover deduction shall exceed \$100,000 for any taxable year  
13 ending on or after December 31, 2012 and prior to December 31,  
14 2014; provided that, for purposes of determining the taxable  
15 years to which a net loss may be carried under subsection (a)  
16 of this Section, no taxable year for which a deduction is  
17 disallowed under this subsection, or for which the deduction  
18 would exceed \$100,000 if not for this subsection, shall be  
19 counted.

20 (e) In the case of a residual interest holder in a real  
21 estate mortgage investment conduit subject to Section 860E of  
22 the Internal Revenue Code, the net loss in subsection (a) shall  
23 be equal to:

- 24 (1) the amount computed under subsection (a), without  
25 regard to this subsection (e), or if that amount is  
26 positive, zero;

1           (2) minus an amount equal to the amount computed under  
2           subsection (a), without regard to this subsection (e),  
3           minus the amount that would be computed under subsection  
4           (a) if the taxpayer's federal taxable income were computed  
5           without regard to Section 860E of the Internal Revenue Code  
6           and without regard to this subsection (e).

7           The modification in this subsection (e) is exempt from the  
8           provisions of Section 250.

9           (Source: P.A. 96-1496, eff. 1-13-11; 97-507, eff. 8-23-11;  
10          97-636, eff. 6-1-12.)

11          (35 ILCS 5/901) (from Ch. 120, par. 9-901)

12          Sec. 901. Collection Authority.

13          (a) In general.

14          The Department shall collect the taxes imposed by this Act.  
15          The Department shall collect certified past due child support  
16          amounts under Section 2505-650 of the Department of Revenue Law  
17          (20 ILCS 2505/2505-650). Except as provided in subsections (c)  
18          and, (e), ~~(f)~~, and ~~(g)~~ of this Section, money collected  
19          pursuant to subsections (a) and (b) of Section 201 of this Act  
20          shall be paid into the General Revenue Fund in the State  
21          treasury; money collected pursuant to subsections (c) and (d)  
22          of Section 201 of this Act shall be paid into the Personal  
23          Property Tax Replacement Fund, a special fund in the State  
24          Treasury; and money collected under Section 2505-650 of the  
25          Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid

1 into the Child Support Enforcement Trust Fund, a special fund  
2 outside the State Treasury, or to the State Disbursement Unit  
3 established under Section 10-26 of the Illinois Public Aid  
4 Code, as directed by the Department of Healthcare and Family  
5 Services.

6 (b) Local Government Distributive Fund.

7 Beginning August 1, 1969, and continuing through June 30,  
8 1994, the Treasurer shall transfer each month from the General  
9 Revenue Fund to a special fund in the State treasury, to be  
10 known as the "Local Government Distributive Fund", an amount  
11 equal to 1/12 of the net revenue realized from the tax imposed  
12 by subsections (a) and (b) of Section 201 of this Act during  
13 the preceding month. Beginning July 1, 1994, and continuing  
14 through June 30, 1995, the Treasurer shall transfer each month  
15 from the General Revenue Fund to the Local Government  
16 Distributive Fund an amount equal to 1/11 of the net revenue  
17 realized from the tax imposed by subsections (a) and (b) of  
18 Section 201 of this Act during the preceding month. Beginning  
19 July 1, 1995 and continuing through January 31, 2011, and  
20 beginning again on February 1, 2014, the Treasurer shall  
21 transfer each month from the General Revenue Fund to the Local  
22 Government Distributive Fund an amount equal to the net of (i)  
23 1/10 of the net revenue realized from the tax imposed by  
24 subsections (a) and (b) of Section 201 of the Illinois Income  
25 Tax Act during the preceding month (ii) minus, beginning July  
26 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning

1 July 1, 2004, zero. Beginning February 1, 2011, and continuing  
2 through January 31, 2014, ~~January 31, 2015,~~ the Treasurer shall  
3 transfer each month from the General Revenue Fund to the Local  
4 Government Distributive Fund an amount equal to the sum of (i)  
5 6% (10% of the ratio of the 3% individual income tax rate prior  
6 to 2011 to the 5% individual income tax rate after 2010) of the  
7 net revenue realized from the tax imposed by subsections (a)  
8 and (b) of Section 201 of this Act upon individuals, trusts,  
9 and estates during the preceding month and (ii) 6.86% (10% of  
10 the ratio of the 4.8% corporate income tax rate prior to 2011  
11 to the 7% corporate income tax rate after 2010) of the net  
12 revenue realized from the tax imposed by subsections (a) and  
13 (b) of Section 201 of this Act upon corporations during the  
14 preceding month. ~~Beginning February 1, 2015 and continuing~~  
15 ~~through January 31, 2025, the Treasurer shall transfer each~~  
16 ~~month from the General Revenue Fund to the Local Government~~  
17 ~~Distributive Fund an amount equal to the sum of (i) 8% (10% of~~  
18 ~~the ratio of the 3% individual income tax rate prior to 2011 to~~  
19 ~~the 3.75% individual income tax rate after 2014) of the net~~  
20 ~~revenue realized from the tax imposed by subsections (a) and~~  
21 ~~(b) of Section 201 of this Act upon individuals, trusts, and~~  
22 ~~estates during the preceding month and (ii) 9.14% (10% of the~~  
23 ~~ratio of the 4.8% corporate income tax rate prior to 2011 to~~  
24 ~~the 5.25% corporate income tax rate after 2014) of the net~~  
25 ~~revenue realized from the tax imposed by subsections (a) and~~  
26 ~~(b) of Section 201 of this Act upon corporations during the~~

1 ~~preceding month. Beginning February 1, 2025, the Treasurer~~  
2 ~~shall transfer each month from the General Revenue Fund to the~~  
3 ~~Local Government Distributive Fund an amount equal to the sum~~  
4 ~~of (i) 9.23% (10% of the ratio of the 3% individual income tax~~  
5 ~~rate prior to 2011 to the 3.25% individual income tax rate~~  
6 ~~after 2024) of the net revenue realized from the tax imposed by~~  
7 ~~subsections (a) and (b) of Section 201 of this Act upon~~  
8 ~~individuals, trusts, and estates during the preceding month and~~  
9 ~~(ii) 10% of the net revenue realized from the tax imposed by~~  
10 ~~subsections (a) and (b) of Section 201 of this Act upon~~  
11 ~~corporations during the preceding month. Net revenue realized~~  
12 ~~for a month shall be defined as the revenue from the tax~~  
13 ~~imposed by subsections (a) and (b) of Section 201 of this Act~~  
14 ~~which is deposited in the General Revenue Fund, the Education~~  
15 ~~Assistance Fund, and the Income Tax Surcharge Local Government~~  
16 ~~Distributive Fund, ~~the Fund for the Advancement of Education,~~~~  
17 ~~and the Commitment to Human Services Fund during the month~~  
18 ~~minus the amount paid out of the General Revenue Fund in State~~  
19 ~~warrants during that same month as refunds to taxpayers for~~  
20 ~~overpayment of liability under the tax imposed by subsections~~  
21 ~~(a) and (b) of Section 201 of this Act.~~

22 (c) Deposits Into Income Tax Refund Fund.

23 (1) Beginning on January 1, 1989 and thereafter, the  
24 Department shall deposit a percentage of the amounts  
25 collected pursuant to subsections (a) and (b) (1), (2), and  
26 (3), of Section 201 of this Act into a fund in the State

1 treasury known as the Income Tax Refund Fund. The  
2 Department shall deposit 6% of such amounts during the  
3 period beginning January 1, 1989 and ending on June 30,  
4 1989. Beginning with State fiscal year 1990 and for each  
5 fiscal year thereafter, the percentage deposited into the  
6 Income Tax Refund Fund during a fiscal year shall be the  
7 Annual Percentage. For fiscal years 1999 through 2001, the  
8 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
9 Annual Percentage shall be 8%. For fiscal year 2004, the  
10 Annual Percentage shall be 11.7%. Upon the effective date  
11 of this amendatory Act of the 93rd General Assembly, the  
12 Annual Percentage shall be 10% for fiscal year 2005. For  
13 fiscal year 2006, the Annual Percentage shall be 9.75%. For  
14 fiscal year 2007, the Annual Percentage shall be 9.75%. For  
15 fiscal year 2008, the Annual Percentage shall be 7.75%. For  
16 fiscal year 2009, the Annual Percentage shall be 9.75%. For  
17 fiscal year 2010, the Annual Percentage shall be 9.75%. For  
18 fiscal year 2011, the Annual Percentage shall be 8.75%. For  
19 fiscal year 2012, the Annual Percentage shall be 8.75%. For  
20 fiscal year 2013, the Annual Percentage shall be 9.75%. For  
21 all other fiscal years, the Annual Percentage shall be  
22 calculated as a fraction, the numerator of which shall be  
23 the amount of refunds approved for payment by the  
24 Department during the preceding fiscal year as a result of  
25 overpayment of tax liability under subsections (a) and  
26 (b) (1), (2), and (3) of Section 201 of this Act plus the

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

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

1 of this amendatory Act of the 93rd General Assembly, the  
2 Annual Percentage shall be 24% for fiscal year 2005. For  
3 fiscal year 2006, the Annual Percentage shall be 20%. For  
4 fiscal year 2007, the Annual Percentage shall be 17.5%. For  
5 fiscal year 2008, the Annual Percentage shall be 15.5%. For  
6 fiscal year 2009, the Annual Percentage shall be 17.5%. For  
7 fiscal year 2010, the Annual Percentage shall be 17.5%. For  
8 fiscal year 2011, the Annual Percentage shall be 17.5%. For  
9 fiscal year 2012, the Annual Percentage shall be 17.5%. For  
10 fiscal year 2013, the Annual Percentage shall be 14%. For  
11 all other fiscal years, the Annual Percentage shall be  
12 calculated as a fraction, the numerator of which shall be  
13 the amount of refunds approved for payment by the  
14 Department during the preceding fiscal year as a result of  
15 overpayment of tax liability under subsections (a) and  
16 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
17 Act plus the amount of such refunds remaining approved but  
18 unpaid at the end of the preceding fiscal year, and the  
19 denominator of which shall be the amounts which will be  
20 collected pursuant to subsections (a) and (b) (6), (7), and  
21 (8), (c) and (d) of Section 201 of this Act during the  
22 preceding fiscal year; except that in State fiscal year  
23 2002, the Annual Percentage shall in no event exceed 23%.  
24 The Director of Revenue shall certify the Annual Percentage  
25 to the Comptroller on the last business day of the fiscal  
26 year immediately preceding the fiscal year for which it is

1 to be effective.

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

7 (d) Expenditures from Income Tax Refund Fund.

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

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

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

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

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

21 (4.5) As soon as possible after the end of fiscal year  
22 1999 and of each fiscal year thereafter, the Director shall  
23 order transferred and the State Treasurer and State  
24 Comptroller shall transfer from the Income Tax Refund Fund  
25 to the General Revenue Fund any surplus remaining in the  
26 Income Tax Refund Fund as of the end of such fiscal year;

1           excluding for fiscal years 2000, 2001, and 2002 amounts  
2           attributable to transfers under item (3) of subsection (c)  
3           less refunds resulting from the earned income tax credit.

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

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

10           On July 1, 1991, and thereafter, of the amounts collected  
11           pursuant to subsections (a) and (b) of Section 201 of this Act,  
12           minus deposits into the Income Tax Refund Fund, the Department  
13           shall deposit 7.3% into the Education Assistance Fund in the  
14           State Treasury. Beginning July 1, 1991, and continuing through  
15           January 31, 1993, of the amounts collected pursuant to  
16           subsections (a) and (b) of Section 201 of the Illinois Income  
17           Tax Act, minus deposits into the Income Tax Refund Fund, the  
18           Department shall deposit 3.0% into the Income Tax Surcharge  
19           Local Government Distributive Fund in the State Treasury.  
20           Beginning February 1, 1993 and continuing through June 30,  
21           1993, of the amounts collected pursuant to subsections (a) and  
22           (b) of Section 201 of the Illinois Income Tax Act, minus  
23           deposits into the Income Tax Refund Fund, the Department shall  
24           deposit 4.4% into the Income Tax Surcharge Local Government  
25           Distributive Fund in the State Treasury. Beginning July 1,  
26           1993, and continuing through June 30, 1994, of the amounts

1 collected under subsections (a) and (b) of Section 201 of this  
2 Act, minus deposits into the Income Tax Refund Fund, the  
3 Department shall deposit 1.475% into the Income Tax Surcharge  
4 Local Government Distributive Fund in the State Treasury.

5 (f) (Blank). ~~Deposits into the Fund for the Advancement of~~  
6 ~~Education. Beginning February 1, 2015, the Department shall~~  
7 ~~deposit the following portions of the revenue realized from the~~  
8 ~~tax imposed upon individuals, trusts, and estates by~~  
9 ~~subsections (a) and (b) of Section 201 of this Act during the~~  
10 ~~preceding month, minus deposits into the Income Tax Refund~~  
11 ~~Fund, into the Fund for the Advancement of Education:~~

12 ~~(1) beginning February 1, 2015, and prior to February~~  
13 ~~1, 2025, 1/30; and~~

14 ~~(2) beginning February 1, 2025, 1/26.~~

15 ~~If the rate of tax imposed by subsection (a) and (b) of~~  
16 ~~Section 201 is reduced pursuant to Section 201.5 of this Act,~~  
17 ~~the Department shall not make the deposits required by this~~  
18 ~~subsection (f) on or after the effective date of the reduction.~~

19 (g) (Blank). ~~Deposits into the Commitment to Human Services~~  
20 ~~Fund. Beginning February 1, 2015, the Department shall deposit~~  
21 ~~the following portions of the revenue realized from the tax~~  
22 ~~imposed upon individuals, trusts, and estates by subsections~~  
23 ~~(a) and (b) of Section 201 of this Act during the preceding~~  
24 ~~month, minus deposits into the Income Tax Refund Fund, into the~~  
25 ~~Commitment to Human Services Fund:~~

26 ~~(1) beginning February 1, 2015, and prior to February~~

1 ~~1, 2025, 1/30; and~~

2 ~~(2) beginning February 1, 2025, 1/26.~~

3 ~~If the rate of tax imposed by subsection (a) and (b) of~~  
4 ~~Section 201 is reduced pursuant to Section 201.5 of this Act,~~  
5 ~~the Department shall not make the deposits required by this~~  
6 ~~subsection (g) on or after the effective date of the reduction.~~

7 (Source: P.A. 96-45, eff. 7-15-09; 96-328, eff. 8-11-09;  
8 96-959, eff. 7-1-10; 96-1496, eff. 1-13-11; 97-72, eff. 7-1-11;  
9 97-732, eff. 6-30-12.)

10 (30 ILCS 5/3-20 rep.)

11 Section 20. The Illinois State Auditing Act is amended by  
12 repealing Section 3-20.

13 (30 ILCS 105/5.787 rep.)

14 (30 ILCS 105/6z-85 rep.)

15 (30 ILCS 105/6z-86 rep.)

16 (30 ILCS 105/25.2 rep.)

17 Section 25. The State Finance Act is amended by repealing  
18 Sections 5.787, 6z-85, 6z-86, and 25.2.

19 (35 ILCS 5/201.5 rep.)

20 Section 30. The Illinois Income Tax Act is amended by  
21 repealing Section 201.5.

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.