

1 AN ACT concerning taxation.

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

4 Section 5. The Illinois Income Tax Act is amended by  
5 changing Section 208 and adding Section 208.5 as follows:

6 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

7 Sec. 208. Tax credit for residential real property taxes.

8 (a) Beginning with tax years ending on or after December  
9 31, 1991, every individual taxpayer shall be entitled to a  
10 tax credit equal to 5% of real property taxes paid by such  
11 taxpayer during the taxable year on the principal residence  
12 of the taxpayer.

13 (b) In addition to the tax credit provided under  
14 subsection (a), for tax years ending on or after December 31,  
15 2001, every individual taxpayer whose principal residence has  
16 an equalized assessed value as determined by the Department  
17 of less than \$166,667 shall be entitled to an additional tax  
18 credit equal to 5% of the real property taxes paid by the  
19 taxpayer during the taxable year on the principal residence  
20 of the taxpayer. The changes made by this amendatory Act of  
21 the 92nd General Assembly are exempt from the provisions of  
22 Section 250.

23 (c) In the case of multi-unit or multi-use structures  
24 and farm dwellings, the taxes on the taxpayer's principal  
25 residence shall be that portion of the total taxes which is  
26 attributable to such principal residence.

27 (Source: P.A. 87-17.)

28 (35 ILCS 5/208.5 new)

29 Sec. 208.5. Tax credit for real property taxes paid by  
30 Subchapter S corporations or sole proprietorships. For tax

1 years ending on or after December 31, 2001, every Subchapter  
2 S corporation and sole proprietorship in this State shall be  
3 entitled to a tax credit equal to 5% of the real property  
4 taxes paid by the Subchapter S corporation or sole  
5 proprietorship during the taxable year on eligible property  
6 owned by the Subchapter S corporation or sole proprietorship.  
7 For purposes of this Section, "eligible property" means  
8 property with an equalized assessed value of less than (i)  
9 \$399,000 in a county with 3,000,000 or more inhabitants or  
10 (ii) \$166,667 in a county with fewer than 3,000,000  
11 inhabitants. In no event shall a credit under this Section  
12 reduce the liability under this Act of the Subchapter S  
13 corporation or sole proprietorship to less than zero. This  
14 Section is exempt from the provisions of Section 250.

15       Section 99. Effective date. This Act takes effect upon  
16 becoming law.