

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 adding Sections 213 and 214 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Power generation system; cost; credit.

8 (a) For taxable years ending on or after December 31,  
9 2001 and on or before December 30, 2006, each taxpayer is  
10 allowed a credit against the tax imposed by subsections (a)  
11 and (b) of Section 201 in an amount equal to the applicable  
12 percentage of the cost paid or incurred by a taxpayer during  
13 the taxable year for the purchase or lease and installation  
14 of any power generation system installed onsite on property  
15 in this State.

16 (b) For purposes of this Section:

17 "Power generation system" means devices used for the  
18 individual function of producing electricity at the rate of  
19 50 megawatts per day or less. "Power generation system"  
20 includes, but is not limited to, any solar energy,  
21 wind-driven, fuel cell, microturbine, photovoltaic, and  
22 natural gas generation system. "Power generation system" does  
23 not include any diesel, oil, or steam generation system.

24 "Applicable percentage" means:

25 (1) 30% in the case of any solar energy,  
26 wind-driven, or photovoltaic generation system.

27 (2) 25% in the case of any power generation system  
28 that is placed in service on or before the effective date  
29 of this amendatory Act of the 92nd General Assembly.

30 (3) 20% in the case of any other power generation  
31 system.

1       (c) The credit is allowed by this Section only if both  
2 of the following apply:

3           (1) The power generation systems generate at least  
4 80% of the electricity used by the taxpayer for each of  
5 the 5 consecutive taxable years commencing with the first  
6 taxable year in which the power generation systems are  
7 purchased or leased.

8           (2) The taxpayer uses electricity generated by the  
9 power generation systems during peak load hours.

10       (d) If the requirements of subsection (c) are not met,  
11 all tax credits previously claimed under this Section shall  
12 be disallowed.

13       (e) If the credit allowed by this Section exceeds the  
14 tax liability for the year, the excess may be carried forward  
15 for 5 taxable years following the excess credit year. The  
16 credit shall be applied to the earliest year for which there  
17 is a tax liability. If there are credits from more than one  
18 tax year that are available to offset a liability, the  
19 earlier credit shall be applied first.

20       (35 ILCS 5/214 new)

21       Sec. 214. Power generation system; occupation and use tax  
22 paid; credit.

23       (a) For taxable years ending on or after December 31,  
24 2001 and on or before December 30, 2006, instead of the  
25 credit allowed under Section 213, each taxpayer is allowed a  
26 credit against the tax imposed by subsections (a) and (b) of  
27 Section 201 in an amount equal to the occupation or use tax  
28 paid or incurred during the taxable year for the purchase or  
29 lease of any power generation system, as defined in Section  
30 213.

31       (b) If the requirements of subsection (c) of Section 213  
32 are not met, all tax credits previously claimed under this  
33 Section shall be disallowed.

1       (c) If the credit allowed by this Section exceeds the  
2       tax liability for the year, the excess may be carried forward  
3       for 5 taxable years following the excess credit year. The  
4       credit shall be applied to the earliest year for which there  
5       is a tax liability. If there are credits from more than one  
6       tax year that are available to offset a liability, the  
7       earlier credit shall be applied first.

8       Section 99. Effective date. This Act takes effect upon  
9       becoming law.