

AN ACT in relation to taxes.

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

ARTICLE 1

Section 1-1. Earned income tax credit; continuation;  
validation.

(a) The General Assembly finds and declares:

(1) Section 212 of the Illinois Income Tax Act  
provided for its repeal on June 1, 2003.

(2) Senate Bill 4 of the 93rd General Assembly,  
among other things, deleted the language of Section 212  
repealing that Section on June 1, 2003. Senate Bill 4  
passed both houses of the General Assembly on May 31,  
2003. Senate Bill 4 was approved by the Governor on  
August 18, 2003 and took effect on that date as Public  
Act 93-534. It was the intention of the General Assembly  
in passing Senate Bill 4 that Section 212 of the Illinois  
Income Tax Act not be repealed.

(3) The Statute on Statutes sets forth general  
rules on the repeal of statutes, but Section 1 of that  
Act also states that these rules will not be observed  
when the result would be "inconsistent with the manifest  
intent of the General Assembly or repugnant to the  
context of the statute".

(4) The actions of the General Assembly clearly  
manifest the intention of the General Assembly not to  
repeal Section 212 of the Illinois Income Tax Act. Any  
construction of Public Act 93-534 that results in the  
repeal of Section 212 of the Illinois Income Tax Act on  
June 1, 2003 would be inconsistent with the manifest  
intent of the General Assembly.

(b) It is hereby declared to have been the intent of the General Assembly, in enacting Public Act 93-534, that Section 212 of the Illinois Income Tax Act be changed to, among other things, eliminate its repeal and that it not be subject to repeal on June 1, 2003.

(c) Section 212 of the Illinois Income Tax Act is deemed to have been in continuous effect since its original effective date, and it shall continue to be in effect until it is otherwise repealed.

(d) All otherwise lawful actions taken in reliance on or pursuant to Section 212 of the Illinois Income Tax Act before the effective date of this amendatory Act of the 93rd General Assembly by any officer or agency of State government or any other person or entity are validated.

(e) To ensure the continuing effectiveness of Section 212 of the Illinois Income Tax Act, it is set forth in full and re-enacted by this Act. This re-enactment is intended as a continuation of Section 212 of the Illinois Income Tax Act.

(f) This Article applies to all claims, actions, proceedings, and returns pending on or filed on, before, or after the effective date of this Act.

Section 1-5. The Illinois Income Tax Act is amended by re-enacting Section 212 as follows:

(35 ILCS 5/212)

Sec. 212. Earned income tax credit.

(a) With respect to the federal earned income tax credit allowed for the taxable year under Section 32 of the federal Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 5% of the federal tax credit for each taxable year beginning on or after January 1, 2000.

For a non-resident or part-year resident, the amount of the credit under this Section shall be in proportion to the amount of income attributable to this State.

(b) For taxable years beginning before January 1, 2003, in no event shall a credit under this Section reduce the taxpayer's liability to less than zero. For each taxable year beginning on or after January 1, 2003, if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer. The amount of a refund shall not be included in the taxpayer's income or resources for the purposes of determining eligibility or benefit level in any means-tested benefit program administered by a governmental entity unless required by federal law.

(b-5) Refunds authorized by subsection (b) are subject to the availability of funds from the federal Temporary Assistance for Needy Families Block Grant and the State's ability to meet its required Maintenance of Effort.

(c) This Section is exempt from the provisions of Section 250.

(Source: P.A. 93-534, eff. 8-18-03.)

## ARTICLE 2

Section 2-1. The State Finance Act is amended by adding Section 8.27a as follows:

(30 ILCS 105/8.27a new)

Sec. 8.27a. TANF funds; earned income tax credit. Funds from the federal Temporary Assistance for Needy Families block grant under Title IV-A of the federal Social Security Act designated by the Illinois Department of Human Services as reimbursement for expenditures made by the Illinois Department of Revenue for the refundable portion of the

earned income tax credit shall be deposited into the Income Tax Refund Fund. Such deposits shall be made as needed on approximately the fifteenth calendar day of each month.

ARTICLE 99

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