



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1290

Introduced 1/28/2025, by Rep. Dave Vella

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Provides that, for taxable years beginning on or after January 1, 2026, each corporation that increases its average employee head count in the State by more than 10% over the corporation's average employee head count in the State in the immediately preceding taxable year is entitled to an income tax credit in an amount equal to 2% of the corporation's Illinois Income Tax liability for the taxable year.

LRB104 03196 HLH 13217 b

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 Illinois Income Tax Act is amended by
5 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Corporate hiring credit.

8 (a) For taxable years beginning on or after January 1,
9 2026, each corporation that increases its average employee
10 head count in the State by more than 10% over the corporation's
11 average employee head count in the State in the immediately
12 preceding taxable year is entitled to a credit against the tax
13 imposed by subsections (a) and (b) of Section 201 in an amount
14 equal to 2% of the corporation's Illinois Income Tax liability
15 for the taxable year, calculated without regard to the
16 application of this credit.

17 (b) In no event shall a credit under this Section reduce
18 the taxpayer's liability to less than zero. If the amount of
19 the credit exceeds the tax liability for the year, the excess
20 may be carried forward and applied to the tax liability of the
21 5 taxable years following the excess credit year. The tax
22 credit shall be applied to the earliest year for which there is
23 a tax liability. If there are credits for more than one year

1 that are available to offset a liability, the earlier credit
2 shall be applied first.

3 (c) For partners and shareholders of Subchapter S
4 corporations, the provisions of Section 251 shall apply with
5 respect to the credit under this Section.

6 (d) This Section is exempt from the provisions of Section
7 250.