

HB0630



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB0630

by Rep. David Harris

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Provides that, for each taxable year beginning on or after January 1, 2017, the earned income tax credit shall be 15% (currently, 10%) of the federal tax credit. Provides that, if the amount of the earned income tax credit exceeds the taxpayer's income tax liability, then 50% of the excess credit amount shall be refunded to the taxpayer (currently, the entire excess credit amount is refundable). Effective immediately.

LRB100 05883 HLH 15909 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 Illinois Income Tax Act is amended by
5 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending prior to December 31, 2012, (ii)
15 7.5% of the federal tax credit for each taxable year beginning
16 on or after January 1, 2012 and ending prior to December 31,
17 2013, ~~and~~ (iii) 10% of the federal tax credit for each taxable
18 year beginning on or after January 1, 2013 and beginning prior
19 to January 1, 2017, and (iv) 15% of the federal tax credit for
20 each taxable year beginning on or after January 1, 2017.

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

1 (b) For taxable years beginning before January 1, 2003, in
2 no event shall a credit under this Section reduce the
3 taxpayer's liability to less than zero. For each taxable year
4 beginning on or after January 1, 2003 and beginning prior to
5 January 1, 2017, if the amount of the credit exceeds the income
6 tax liability for the applicable tax year, then the excess
7 credit shall be refunded to the taxpayer. For each taxable year
8 beginning on or after January 1, 2017, if the amount of the
9 credit exceeds the income tax liability for the applicable tax
10 year, then 50% of the excess credit shall be refunded to the
11 taxpayer. The amount of a refund shall not be included in the
12 taxpayer's income or resources for the purposes of determining
13 eligibility or benefit level in any means-tested benefit
14 program administered by a governmental entity unless required
15 by federal law.

16 (c) This Section is exempt from the provisions of Section
17 250.

18 (Source: P.A. 97-652, eff. 6-1-12.)

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