

SB2523



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB2523

Introduced 2/6/2018, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

35 ILCS 5/227 new

Amends the Illinois Income Tax Act. Provides that each taxpayer who is employed by a business that would qualify as a federal HUBZone small business concern but for the fact that fewer than 35% of its employees reside within a federal HUBZone is eligible for an income tax credit in the amount of \$500 if the employee first moves into a federal HUBZone during the taxable year. Effective immediately.

LRB100 16624 HLH 31760 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 adding
5 Section 227 as follows:

6 (35 ILCS 5/227 new)

7 Sec. 227. HUBZone employee credit.

8 (a) For taxable years beginning on or after January 1,
9 2018, each taxpayer who is employed by a business that would
10 qualify as a federal HUBZone small business concern but for the
11 fact that fewer than 35% of its employees reside within a
12 federal HUBZone is eligible for a credit against the taxes
13 imposed under subsections (a) and (b) of Section 201 of this
14 Act in the amount of \$500 if the employee first moves into a
15 federal HUBZone during the taxable year.

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

1 shall be applied first.

2 (c) As used in this Section, "federal HUBZone" means an
3 area designated as a HUBZone under the federal Historically
4 Underutilized Business Zones program.

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

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