

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 Sections 201, 208, 502, and 901 and by adding Sections
6 201.1 and 229 as follows:

7 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

8 Sec. 201. Tax imposed.

9 (a) In general. A tax measured by net income is hereby
10 imposed on every individual, corporation, trust and estate for
11 each taxable year ending after July 31, 1969 on the privilege
12 of earning or receiving income in or as a resident of this
13 State. Such tax shall be in addition to all other occupation or
14 privilege taxes imposed by this State or by any municipal
15 corporation or political subdivision thereof.

16 (b) Rates. The tax imposed by subsection (a) of this
17 Section shall be determined as follows, except as adjusted by
18 subsection (d-1):

19 (1) In the case of an individual, trust or estate, for
20 taxable years ending prior to July 1, 1989, an amount equal
21 to 2 1/2% of the taxpayer's net income for the taxable
22 year.

23 (2) In the case of an individual, trust or estate, for

1 taxable years beginning prior to July 1, 1989 and ending
2 after June 30, 1989, an amount equal to the sum of (i) 2
3 1/2% of the taxpayer's net income for the period prior to
4 July 1, 1989, as calculated under Section 202.3, and (ii)
5 3% of the taxpayer's net income for the period after June
6 30, 1989, as calculated under Section 202.3.

7 (3) In the case of an individual, trust or estate, for
8 taxable years beginning after June 30, 1989, and ending
9 prior to January 1, 2011, an amount equal to 3% of the
10 taxpayer's net income for the taxable year.

11 (4) In the case of an individual, trust, or estate, for
12 taxable years beginning prior to January 1, 2011, and
13 ending after December 31, 2010, an amount equal to the sum
14 of (i) 3% of the taxpayer's net income for the period prior
15 to January 1, 2011, as calculated under Section 202.5, and
16 (ii) 5% of the taxpayer's net income for the period after
17 December 31, 2010, as calculated under Section 202.5.

18 (5) In the case of an individual, trust, or estate, for
19 taxable years beginning on or after January 1, 2011, and
20 ending prior to January 1, 2015, an amount equal to 5% of
21 the taxpayer's net income for the taxable year.

22 (5.1) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2015, and
24 ending after December 31, 2014, an amount equal to the sum
25 of (i) 5% of the taxpayer's net income for the period prior
26 to January 1, 2015, as calculated under Section 202.5, and

1 (ii) 3.75% of the taxpayer's net income for the period
2 after December 31, 2014, as calculated under Section 202.5.

3 (5.2) In the case of an individual, trust, or estate,
4 for taxable years beginning on or after January 1, 2015,
5 and ending prior to July 1, 2017, an amount equal to 3.75%
6 of the taxpayer's net income for the taxable year.

7 (5.3) In the case of an individual, trust, or estate,
8 for taxable years beginning prior to July 1, 2017, and
9 ending after June 30, 2017, an amount equal to the sum of
10 (i) 3.75% of the taxpayer's net income for the period prior
11 to July 1, 2017, as calculated under Section 202.5, and
12 (ii) 4.95% of the taxpayer's net income for the period
13 after June 30, 2017, as calculated under Section 202.5.

14 (5.4) In the case of an individual, trust, or estate,
15 for taxable years beginning on or after July 1, 2017 and
16 beginning prior to January 1, 2021, an amount equal to
17 4.95% of the taxpayer's net income for the taxable year.

18 (5.5) In the case of an individual, trust, or estate,
19 for taxable years beginning on or after January 1, 2021, an
20 amount calculated under the rate structure set forth in
21 Section 201.1.

22 (6) In the case of a corporation, for taxable years
23 ending prior to July 1, 1989, an amount equal to 4% of the
24 taxpayer's net income for the taxable year.

25 (7) In the case of a corporation, for taxable years
26 beginning prior to July 1, 1989 and ending after June 30,

1 1989, an amount equal to the sum of (i) 4% of the
2 taxpayer's net income for the period prior to July 1, 1989,
3 as calculated under Section 202.3, and (ii) 4.8% of the
4 taxpayer's net income for the period after June 30, 1989,
5 as calculated under Section 202.3.

6 (8) In the case of a corporation, for taxable years
7 beginning after June 30, 1989, and ending prior to January
8 1, 2011, an amount equal to 4.8% of the taxpayer's net
9 income for the taxable year.

10 (9) In the case of a corporation, for taxable years
11 beginning prior to January 1, 2011, and ending after
12 December 31, 2010, an amount equal to the sum of (i) 4.8%
13 of the taxpayer's net income for the period prior to
14 January 1, 2011, as calculated under Section 202.5, and
15 (ii) 7% of the taxpayer's net income for the period after
16 December 31, 2010, as calculated under Section 202.5.

17 (10) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2011, and ending prior to
19 January 1, 2015, an amount equal to 7% of the taxpayer's
20 net income for the taxable year.

21 (11) In the case of a corporation, for taxable years
22 beginning prior to January 1, 2015, and ending after
23 December 31, 2014, an amount equal to the sum of (i) 7% of
24 the taxpayer's net income for the period prior to January
25 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
26 of the taxpayer's net income for the period after December

1 31, 2014, as calculated under Section 202.5.

2 (12) In the case of a corporation, for taxable years
3 beginning on or after January 1, 2015, and ending prior to
4 July 1, 2017, an amount equal to 5.25% of the taxpayer's
5 net income for the taxable year.

6 (13) In the case of a corporation, for taxable years
7 beginning prior to July 1, 2017, and ending after June 30,
8 2017, an amount equal to the sum of (i) 5.25% of the
9 taxpayer's net income for the period prior to July 1, 2017,
10 as calculated under Section 202.5, and (ii) 7% of the
11 taxpayer's net income for the period after June 30, 2017,
12 as calculated under Section 202.5.

13 (14) In the case of a corporation, for taxable years
14 beginning on or after July 1, 2017 and beginning prior to
15 January 1, 2021, an amount equal to 7% of the taxpayer's
16 net income for the taxable year.

17 (15) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2021, an amount equal to
19 7.99% of the taxpayer's net income for the taxable year.

20 The rates under this subsection (b) are subject to the
21 provisions of Section 201.5.

22 (c) Personal Property Tax Replacement Income Tax.
23 Beginning on July 1, 1979 and thereafter, in addition to such
24 income tax, there is also hereby imposed the Personal Property
25 Tax Replacement Income Tax measured by net income on every
26 corporation (including Subchapter S corporations), partnership

1 and trust, for each taxable year ending after June 30, 1979.
2 Such taxes are imposed on the privilege of earning or receiving
3 income in or as a resident of this State. The Personal Property
4 Tax Replacement Income Tax shall be in addition to the income
5 tax imposed by subsections (a) and (b) of this Section and in
6 addition to all other occupation or privilege taxes imposed by
7 this State or by any municipal corporation or political
8 subdivision thereof.

9 (d) Additional Personal Property Tax Replacement Income
10 Tax Rates. The personal property tax replacement income tax
11 imposed by this subsection and subsection (c) of this Section
12 in the case of a corporation, other than a Subchapter S
13 corporation and except as adjusted by subsection (d-1), shall
14 be an additional amount equal to 2.85% of such taxpayer's net
15 income for the taxable year, except that beginning on January
16 1, 1981, and thereafter, the rate of 2.85% specified in this
17 subsection shall be reduced to 2.5%, and in the case of a
18 partnership, trust or a Subchapter S corporation shall be an
19 additional amount equal to 1.5% of such taxpayer's net income
20 for the taxable year.

21 (d-1) Rate reduction for certain foreign insurers. In the
22 case of a foreign insurer, as defined by Section 35A-5 of the
23 Illinois Insurance Code, whose state or country of domicile
24 imposes on insurers domiciled in Illinois a retaliatory tax
25 (excluding any insurer whose premiums from reinsurance assumed
26 are 50% or more of its total insurance premiums as determined

1 under paragraph (2) of subsection (b) of Section 304, except
2 that for purposes of this determination premiums from
3 reinsurance do not include premiums from inter-affiliate
4 reinsurance arrangements), beginning with taxable years ending
5 on or after December 31, 1999, the sum of the rates of tax
6 imposed by subsections (b) and (d) shall be reduced (but not
7 increased) to the rate at which the total amount of tax imposed
8 under this Act, net of all credits allowed under this Act,
9 shall equal (i) the total amount of tax that would be imposed
10 on the foreign insurer's net income allocable to Illinois for
11 the taxable year by such foreign insurer's state or country of
12 domicile if that net income were subject to all income taxes
13 and taxes measured by net income imposed by such foreign
14 insurer's state or country of domicile, net of all credits
15 allowed or (ii) a rate of zero if no such tax is imposed on such
16 income by the foreign insurer's state of domicile. For the
17 purposes of this subsection (d-1), an inter-affiliate includes
18 a mutual insurer under common management.

19 (1) For the purposes of subsection (d-1), in no event
20 shall the sum of the rates of tax imposed by subsections
21 (b) and (d) be reduced below the rate at which the sum of:

22 (A) the total amount of tax imposed on such foreign
23 insurer under this Act for a taxable year, net of all
24 credits allowed under this Act, plus

25 (B) the privilege tax imposed by Section 409 of the
26 Illinois Insurance Code, the fire insurance company

1 tax imposed by Section 12 of the Fire Investigation
2 Act, and the fire department taxes imposed under
3 Section 11-10-1 of the Illinois Municipal Code,
4 equals 1.25% for taxable years ending prior to December 31,
5 2003, or 1.75% for taxable years ending on or after
6 December 31, 2003, of the net taxable premiums written for
7 the taxable year, as described by subsection (1) of Section
8 409 of the Illinois Insurance Code. This paragraph will in
9 no event increase the rates imposed under subsections (b)
10 and (d).

11 (2) Any reduction in the rates of tax imposed by this
12 subsection shall be applied first against the rates imposed
13 by subsection (b) and only after the tax imposed by
14 subsection (a) net of all credits allowed under this
15 Section other than the credit allowed under subsection (i)
16 has been reduced to zero, against the rates imposed by
17 subsection (d).

18 This subsection (d-1) is exempt from the provisions of
19 Section 250.

20 (e) Investment credit. A taxpayer shall be allowed a credit
21 against the Personal Property Tax Replacement Income Tax for
22 investment in qualified property.

23 (1) A taxpayer shall be allowed a credit equal to .5%
24 of the basis of qualified property placed in service during
25 the taxable year, provided such property is placed in
26 service on or after July 1, 1984. There shall be allowed an

1 additional credit equal to .5% of the basis of qualified
2 property placed in service during the taxable year,
3 provided such property is placed in service on or after
4 July 1, 1986, and the taxpayer's base employment within
5 Illinois has increased by 1% or more over the preceding
6 year as determined by the taxpayer's employment records
7 filed with the Illinois Department of Employment Security.
8 Taxpayers who are new to Illinois shall be deemed to have
9 met the 1% growth in base employment for the first year in
10 which they file employment records with the Illinois
11 Department of Employment Security. The provisions added to
12 this Section by Public Act 85-1200 (and restored by Public
13 Act 87-895) shall be construed as declaratory of existing
14 law and not as a new enactment. If, in any year, the
15 increase in base employment within Illinois over the
16 preceding year is less than 1%, the additional credit shall
17 be limited to that percentage times a fraction, the
18 numerator of which is .5% and the denominator of which is
19 1%, but shall not exceed .5%. The investment credit shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability in any tax year below zero, nor may
22 any credit for qualified property be allowed for any year
23 other than the year in which the property was placed in
24 service in Illinois. For tax years ending on or after
25 December 31, 1987, and on or before December 31, 1988, the
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the
2 credit exceeds the tax liability for that year, whether it
3 exceeds the original liability or the liability as later
4 amended, such excess may be carried forward and applied to
5 the tax liability of the 5 taxable years following the
6 excess credit years if the taxpayer (i) makes investments
7 which cause the creation of a minimum of 2,000 full-time
8 equivalent jobs in Illinois, (ii) is located in an
9 enterprise zone established pursuant to the Illinois
10 Enterprise Zone Act and (iii) is certified by the
11 Department of Commerce and Community Affairs (now
12 Department of Commerce and Economic Opportunity) as
13 complying with the requirements specified in clause (i) and
14 (ii) by July 1, 1986. The Department of Commerce and
15 Community Affairs (now Department of Commerce and Economic
16 Opportunity) shall notify the Department of Revenue of all
17 such certifications immediately. For tax years ending
18 after December 31, 1988, the credit shall be allowed for
19 the tax year in which the property is placed in service,
20 or, if the amount of the credit exceeds the tax liability
21 for that year, whether it exceeds the original liability or
22 the liability as later amended, such excess may be carried
23 forward and applied to the tax liability of the 5 taxable
24 years following the excess credit years. The credit shall
25 be applied to the earliest year for which there is a
26 liability. If there is credit from more than one tax year

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

3 (2) The term "qualified property" means property
4 which:

5 (A) is tangible, whether new or used, including
6 buildings and structural components of buildings and
7 signs that are real property, but not including land or
8 improvements to real property that are not a structural
9 component of a building such as landscaping, sewer
10 lines, local access roads, fencing, parking lots, and
11 other appurtenances;

12 (B) is depreciable pursuant to Section 167 of the
13 Internal Revenue Code, except that "3-year property"
14 as defined in Section 168(c)(2)(A) of that Code is not
15 eligible for the credit provided by this subsection
16 (e);

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is
20 primarily engaged in manufacturing, or in mining coal
21 or fluorite, or in retailing, or was placed in service
22 on or after July 1, 2006 in a River Edge Redevelopment
23 Zone established pursuant to the River Edge
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (e) or
2 subsection (f).

3 (3) For purposes of this subsection (e),
4 "manufacturing" means the material staging and production
5 of tangible personal property by procedures commonly
6 regarded as manufacturing, processing, fabrication, or
7 assembling which changes some existing material into new
8 shapes, new qualities, or new combinations. For purposes of
9 this subsection (e) the term "mining" shall have the same
10 meaning as the term "mining" in Section 613(c) of the
11 Internal Revenue Code. For purposes of this subsection (e),
12 the term "retailing" means the sale of tangible personal
13 property for use or consumption and not for resale, or
14 services rendered in conjunction with the sale of tangible
15 personal property for use or consumption and not for
16 resale. For purposes of this subsection (e), "tangible
17 personal property" has the same meaning as when that term
18 is used in the Retailers' Occupation Tax Act, and, for
19 taxable years ending after December 31, 2008, does not
20 include the generation, transmission, or distribution of
21 electricity.

22 (4) The basis of qualified property shall be the basis
23 used to compute the depreciation deduction for federal
24 income tax purposes.

25 (5) If the basis of the property for federal income tax
26 depreciation purposes is increased after it has been placed

1 in service in Illinois by the taxpayer, the amount of such
2 increase shall be deemed property placed in service on the
3 date of such increase in basis.

4 (6) The term "placed in service" shall have the same
5 meaning as under Section 46 of the Internal Revenue Code.

6 (7) If during any taxable year, any property ceases to
7 be qualified property in the hands of the taxpayer within
8 48 months after being placed in service, or the situs of
9 any qualified property is moved outside Illinois within 48
10 months after being placed in service, the Personal Property
11 Tax Replacement Income Tax for such taxable year shall be
12 increased. Such increase shall be determined by (i)
13 recomputing the investment credit which would have been
14 allowed for the year in which credit for such property was
15 originally allowed by eliminating such property from such
16 computation and, (ii) subtracting such recomputed credit
17 from the amount of credit previously allowed. For the
18 purposes of this paragraph (7), a reduction of the basis of
19 qualified property resulting from a redetermination of the
20 purchase price shall be deemed a disposition of qualified
21 property to the extent of such reduction.

22 (8) Unless the investment credit is extended by law,
23 the basis of qualified property shall not include costs
24 incurred after December 31, 2018, except for costs incurred
25 pursuant to a binding contract entered into on or before
26 December 31, 2018.

1 (9) Each taxable year ending before December 31, 2000,
2 a partnership may elect to pass through to its partners the
3 credits to which the partnership is entitled under this
4 subsection (e) for the taxable year. A partner may use the
5 credit allocated to him or her under this paragraph only
6 against the tax imposed in subsections (c) and (d) of this
7 Section. If the partnership makes that election, those
8 credits shall be allocated among the partners in the
9 partnership in accordance with the rules set forth in
10 Section 704(b) of the Internal Revenue Code, and the rules
11 promulgated under that Section, and the allocated amount of
12 the credits shall be allowed to the partners for that
13 taxable year. The partnership shall make this election on
14 its Personal Property Tax Replacement Income Tax return for
15 that taxable year. The election to pass through the credits
16 shall be irrevocable.

17 For taxable years ending on or after December 31, 2000,
18 a partner that qualifies its partnership for a subtraction
19 under subparagraph (I) of paragraph (2) of subsection (d)
20 of Section 203 or a shareholder that qualifies a Subchapter
21 S corporation for a subtraction under subparagraph (S) of
22 paragraph (2) of subsection (b) of Section 203 shall be
23 allowed a credit under this subsection (e) equal to its
24 share of the credit earned under this subsection (e) during
25 the taxable year by the partnership or Subchapter S
26 corporation, determined in accordance with the

1 determination of income and distributive share of income
2 under Sections 702 and 704 and Subchapter S of the Internal
3 Revenue Code. This paragraph is exempt from the provisions
4 of Section 250.

5 (f) Investment credit; Enterprise Zone; River Edge
6 Redevelopment Zone.

7 (1) A taxpayer shall be allowed a credit against the
8 tax imposed by subsections (a) and (b) of this Section for
9 investment in qualified property which is placed in service
10 in an Enterprise Zone created pursuant to the Illinois
11 Enterprise Zone Act or, for property placed in service on
12 or after July 1, 2006, a River Edge Redevelopment Zone
13 established pursuant to the River Edge Redevelopment Zone
14 Act. For partners, shareholders of Subchapter S
15 corporations, and owners of limited liability companies,
16 if the liability company is treated as a partnership for
17 purposes of federal and State income taxation, there shall
18 be allowed a credit under this subsection (f) to be
19 determined in accordance with the determination of income
20 and distributive share of income under Sections 702 and 704
21 and Subchapter S of the Internal Revenue Code. The credit
22 shall be .5% of the basis for such property. The credit
23 shall be available only in the taxable year in which the
24 property is placed in service in the Enterprise Zone or
25 River Edge Redevelopment Zone and shall not be allowed to
26 the extent that it would reduce a taxpayer's liability for

1 the tax imposed by subsections (a) and (b) of this Section
2 to below zero. For tax years ending on or after December
3 31, 1985, the credit shall be allowed for the tax year in
4 which the property is placed in service, or, if the amount
5 of the credit exceeds the tax liability for that year,
6 whether it exceeds the original liability or the liability
7 as later amended, such excess may be carried forward and
8 applied to the tax liability of the 5 taxable years
9 following the excess credit year. The credit shall be
10 applied to the earliest year for which there is a
11 liability. If there is credit from more than one tax year
12 that is available to offset a liability, the credit
13 accruing first in time shall be applied first.

14 (2) The term qualified property means property which:

15 (A) is tangible, whether new or used, including
16 buildings and structural components of buildings;

17 (B) is depreciable pursuant to Section 167 of the
18 Internal Revenue Code, except that "3-year property"
19 as defined in Section 168(c)(2)(A) of that Code is not
20 eligible for the credit provided by this subsection
21 (f);

22 (C) is acquired by purchase as defined in Section
23 179(d) of the Internal Revenue Code;

24 (D) is used in the Enterprise Zone or River Edge
25 Redevelopment Zone by the taxpayer; and

26 (E) has not been previously used in Illinois in

1 such a manner and by such a person as would qualify for
2 the credit provided by this subsection (f) or
3 subsection (e).

4 (3) The basis of qualified property shall be the basis
5 used to compute the depreciation deduction for federal
6 income tax purposes.

7 (4) If the basis of the property for federal income tax
8 depreciation purposes is increased after it has been placed
9 in service in the Enterprise Zone or River Edge
10 Redevelopment Zone by the taxpayer, the amount of such
11 increase shall be deemed property placed in service on the
12 date of such increase in basis.

13 (5) The term "placed in service" shall have the same
14 meaning as under Section 46 of the Internal Revenue Code.

15 (6) If during any taxable year, any property ceases to
16 be qualified property in the hands of the taxpayer within
17 48 months after being placed in service, or the situs of
18 any qualified property is moved outside the Enterprise Zone
19 or River Edge Redevelopment Zone within 48 months after
20 being placed in service, the tax imposed under subsections
21 (a) and (b) of this Section for such taxable year shall be
22 increased. Such increase shall be determined by (i)
23 recomputing the investment credit which would have been
24 allowed for the year in which credit for such property was
25 originally allowed by eliminating such property from such
26 computation, and (ii) subtracting such recomputed credit

1 from the amount of credit previously allowed. For the
2 purposes of this paragraph (6), a reduction of the basis of
3 qualified property resulting from a redetermination of the
4 purchase price shall be deemed a disposition of qualified
5 property to the extent of such reduction.

6 (7) There shall be allowed an additional credit equal
7 to 0.5% of the basis of qualified property placed in
8 service during the taxable year in a River Edge
9 Redevelopment Zone, provided such property is placed in
10 service on or after July 1, 2006, and the taxpayer's base
11 employment within Illinois has increased by 1% or more over
12 the preceding year as determined by the taxpayer's
13 employment records filed with the Illinois Department of
14 Employment Security. Taxpayers who are new to Illinois
15 shall be deemed to have met the 1% growth in base
16 employment for the first year in which they file employment
17 records with the Illinois Department of Employment
18 Security. If, in any year, the increase in base employment
19 within Illinois over the preceding year is less than 1%,
20 the additional credit shall be limited to that percentage
21 times a fraction, the numerator of which is 0.5% and the
22 denominator of which is 1%, but shall not exceed 0.5%.

23 (g) (Blank).

24 (h) Investment credit; High Impact Business.

25 (1) Subject to subsections (b) and (b-5) of Section 5.5
26 of the Illinois Enterprise Zone Act, a taxpayer shall be

1 allowed a credit against the tax imposed by subsections (a)
2 and (b) of this Section for investment in qualified
3 property which is placed in service by a Department of
4 Commerce and Economic Opportunity designated High Impact
5 Business. The credit shall be .5% of the basis for such
6 property. The credit shall not be available (i) until the
7 minimum investments in qualified property set forth in
8 subdivision (a)(3)(A) of Section 5.5 of the Illinois
9 Enterprise Zone Act have been satisfied or (ii) until the
10 time authorized in subsection (b-5) of the Illinois
11 Enterprise Zone Act for entities designated as High Impact
12 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
13 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
14 Act, and shall not be allowed to the extent that it would
15 reduce a taxpayer's liability for the tax imposed by
16 subsections (a) and (b) of this Section to below zero. The
17 credit applicable to such investments shall be taken in the
18 taxable year in which such investments have been completed.
19 The credit for additional investments beyond the minimum
20 investment by a designated high impact business authorized
21 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
22 Enterprise Zone Act shall be available only in the taxable
23 year in which the property is placed in service and shall
24 not be allowed to the extent that it would reduce a
25 taxpayer's liability for the tax imposed by subsections (a)
26 and (b) of this Section to below zero. For tax years ending

1 on or after December 31, 1987, the credit shall be allowed
2 for the tax year in which the property is placed in
3 service, or, if the amount of the credit exceeds the tax
4 liability for that year, whether it exceeds the original
5 liability or the liability as later amended, such excess
6 may be carried forward and applied to the tax liability of
7 the 5 taxable years following the excess credit year. The
8 credit shall be applied to the earliest year for which
9 there is a liability. If there is credit from more than one
10 tax year that is available to offset a liability, the
11 credit accruing first in time shall be applied first.

12 Changes made in this subdivision (h) (1) by Public Act
13 88-670 restore changes made by Public Act 85-1182 and
14 reflect existing law.

15 (2) The term qualified property means property which:

16 (A) is tangible, whether new or used, including
17 buildings and structural components of buildings;

18 (B) is depreciable pursuant to Section 167 of the
19 Internal Revenue Code, except that "3-year property"
20 as defined in Section 168(c) (2) (A) of that Code is not
21 eligible for the credit provided by this subsection
22 (h);

23 (C) is acquired by purchase as defined in Section
24 179(d) of the Internal Revenue Code; and

25 (D) is not eligible for the Enterprise Zone
26 Investment Credit provided by subsection (f) of this

1 Section.

2 (3) The basis of qualified property shall be the basis
3 used to compute the depreciation deduction for federal
4 income tax purposes.

5 (4) If the basis of the property for federal income tax
6 depreciation purposes is increased after it has been placed
7 in service in a federally designated Foreign Trade Zone or
8 Sub-Zone located in Illinois by the taxpayer, the amount of
9 such increase shall be deemed property placed in service on
10 the date of such increase in basis.

11 (5) The term "placed in service" shall have the same
12 meaning as under Section 46 of the Internal Revenue Code.

13 (6) If during any taxable year ending on or before
14 December 31, 1996, any property ceases to be qualified
15 property in the hands of the taxpayer within 48 months
16 after being placed in service, or the situs of any
17 qualified property is moved outside Illinois within 48
18 months after being placed in service, the tax imposed under
19 subsections (a) and (b) of this Section for such taxable
20 year shall be increased. Such increase shall be determined
21 by (i) recomputing the investment credit which would have
22 been allowed for the year in which credit for such property
23 was originally allowed by eliminating such property from
24 such computation, and (ii) subtracting such recomputed
25 credit from the amount of credit previously allowed. For
26 the purposes of this paragraph (6), a reduction of the

1 basis of qualified property resulting from a
2 redetermination of the purchase price shall be deemed a
3 disposition of qualified property to the extent of such
4 reduction.

5 (7) Beginning with tax years ending after December 31,
6 1996, if a taxpayer qualifies for the credit under this
7 subsection (h) and thereby is granted a tax abatement and
8 the taxpayer relocates its entire facility in violation of
9 the explicit terms and length of the contract under Section
10 18-183 of the Property Tax Code, the tax imposed under
11 subsections (a) and (b) of this Section shall be increased
12 for the taxable year in which the taxpayer relocated its
13 facility by an amount equal to the amount of credit
14 received by the taxpayer under this subsection (h).

15 (i) Credit for Personal Property Tax Replacement Income
16 Tax. For tax years ending prior to December 31, 2003, a credit
17 shall be allowed against the tax imposed by subsections (a) and
18 (b) of this Section for the tax imposed by subsections (c) and
19 (d) of this Section. This credit shall be computed by
20 multiplying the tax imposed by subsections (c) and (d) of this
21 Section by a fraction, the numerator of which is base income
22 allocable to Illinois and the denominator of which is Illinois
23 base income, and further multiplying the product by the tax
24 rate imposed by subsections (a) and (b) of this Section.

25 Any credit earned on or after December 31, 1986 under this
26 subsection which is unused in the year the credit is computed

1 because it exceeds the tax liability imposed by subsections (a)
2 and (b) for that year (whether it exceeds the original
3 liability or the liability as later amended) may be carried
4 forward and applied to the tax liability imposed by subsections
5 (a) and (b) of the 5 taxable years following the excess credit
6 year, provided that no credit may be carried forward to any
7 year ending on or after December 31, 2003. This credit shall be
8 applied first to the earliest year for which there is a
9 liability. If there is a credit under this subsection from more
10 than one tax year that is available to offset a liability the
11 earliest credit arising under this subsection shall be applied
12 first.

13 If, during any taxable year ending on or after December 31,
14 1986, the tax imposed by subsections (c) and (d) of this
15 Section for which a taxpayer has claimed a credit under this
16 subsection (i) is reduced, the amount of credit for such tax
17 shall also be reduced. Such reduction shall be determined by
18 recomputing the credit to take into account the reduced tax
19 imposed by subsections (c) and (d). If any portion of the
20 reduced amount of credit has been carried to a different
21 taxable year, an amended return shall be filed for such taxable
22 year to reduce the amount of credit claimed.

23 (j) Training expense credit. Beginning with tax years
24 ending on or after December 31, 1986 and prior to December 31,
25 2003, a taxpayer shall be allowed a credit against the tax
26 imposed by subsections (a) and (b) under this Section for all

1 amounts paid or accrued, on behalf of all persons employed by
2 the taxpayer in Illinois or Illinois residents employed outside
3 of Illinois by a taxpayer, for educational or vocational
4 training in semi-technical or technical fields or semi-skilled
5 or skilled fields, which were deducted from gross income in the
6 computation of taxable income. The credit against the tax
7 imposed by subsections (a) and (b) shall be 1.6% of such
8 training expenses. For partners, shareholders of subchapter S
9 corporations, and owners of limited liability companies, if the
10 liability company is treated as a partnership for purposes of
11 federal and State income taxation, there shall be allowed a
12 credit under this subsection (j) to be determined in accordance
13 with the determination of income and distributive share of
14 income under Sections 702 and 704 and subchapter S of the
15 Internal Revenue Code.

16 Any credit allowed under this subsection which is unused in
17 the year the credit is earned may be carried forward to each of
18 the 5 taxable years following the year for which the credit is
19 first computed until it is used. This credit shall be applied
20 first to the earliest year for which there is a liability. If
21 there is a credit under this subsection from more than one tax
22 year that is available to offset a liability the earliest
23 credit arising under this subsection shall be applied first. No
24 carryforward credit may be claimed in any tax year ending on or
25 after December 31, 2003.

26 (k) Research and development credit. For tax years ending

1 after July 1, 1990 and prior to December 31, 2003, and
2 beginning again for tax years ending on or after December 31,
3 2004, and ending prior to January 1, 2022, a taxpayer shall be
4 allowed a credit against the tax imposed by subsections (a) and
5 (b) of this Section for increasing research activities in this
6 State. The credit allowed against the tax imposed by
7 subsections (a) and (b) shall be equal to 6 1/2% of the
8 qualifying expenditures for increasing research activities in
9 this State. For partners, shareholders of subchapter S
10 corporations, and owners of limited liability companies, if the
11 liability company is treated as a partnership for purposes of
12 federal and State income taxation, there shall be allowed a
13 credit under this subsection to be determined in accordance
14 with the determination of income and distributive share of
15 income under Sections 702 and 704 and subchapter S of the
16 Internal Revenue Code.

17 For purposes of this subsection, "qualifying expenditures"
18 means the qualifying expenditures as defined for the federal
19 credit for increasing research activities which would be
20 allowable under Section 41 of the Internal Revenue Code and
21 which are conducted in this State, "qualifying expenditures for
22 increasing research activities in this State" means the excess
23 of qualifying expenditures for the taxable year in which
24 incurred over qualifying expenditures for the base period,
25 "qualifying expenditures for the base period" means the average
26 of the qualifying expenditures for each year in the base

1 period, and "base period" means the 3 taxable years immediately
2 preceding the taxable year for which the determination is being
3 made.

4 Any credit in excess of the tax liability for the taxable
5 year may be carried forward. A taxpayer may elect to have the
6 unused credit shown on its final completed return carried over
7 as a credit against the tax liability for the following 5
8 taxable years or until it has been fully used, whichever occurs
9 first; provided that no credit earned in a tax year ending
10 prior to December 31, 2003 may be carried forward to any year
11 ending on or after December 31, 2003.

12 If an unused credit is carried forward to a given year from
13 2 or more earlier years, that credit arising in the earliest
14 year will be applied first against the tax liability for the
15 given year. If a tax liability for the given year still
16 remains, the credit from the next earliest year will then be
17 applied, and so on, until all credits have been used or no tax
18 liability for the given year remains. Any remaining unused
19 credit or credits then will be carried forward to the next
20 following year in which a tax liability is incurred, except
21 that no credit can be carried forward to a year which is more
22 than 5 years after the year in which the expense for which the
23 credit is given was incurred.

24 No inference shall be drawn from this amendatory Act of the
25 91st General Assembly in construing this Section for taxable
26 years beginning before January 1, 1999.

1 It is the intent of the General Assembly that the research
2 and development credit under this subsection (k) shall apply
3 continuously for all tax years ending on or after December 31,
4 2004 and ending prior to January 1, 2022, including, but not
5 limited to, the period beginning on January 1, 2016 and ending
6 on the effective date of this amendatory Act of the 100th
7 General Assembly. All actions taken in reliance on the
8 continuation of the credit under this subsection (k) by any
9 taxpayer are hereby validated.

10 (1) Environmental Remediation Tax Credit.

11 (i) For tax years ending after December 31, 1997 and on
12 or before December 31, 2001, a taxpayer shall be allowed a
13 credit against the tax imposed by subsections (a) and (b)
14 of this Section for certain amounts paid for unreimbursed
15 eligible remediation costs, as specified in this
16 subsection. For purposes of this Section, "unreimbursed
17 eligible remediation costs" means costs approved by the
18 Illinois Environmental Protection Agency ("Agency") under
19 Section 58.14 of the Environmental Protection Act that were
20 paid in performing environmental remediation at a site for
21 which a No Further Remediation Letter was issued by the
22 Agency and recorded under Section 58.10 of the
23 Environmental Protection Act. The credit must be claimed
24 for the taxable year in which Agency approval of the
25 eligible remediation costs is granted. The credit is not
26 available to any taxpayer if the taxpayer or any related

1 party caused or contributed to, in any material respect, a
2 release of regulated substances on, in, or under the site
3 that was identified and addressed by the remedial action
4 pursuant to the Site Remediation Program of the
5 Environmental Protection Act. After the Pollution Control
6 Board rules are adopted pursuant to the Illinois
7 Administrative Procedure Act for the administration and
8 enforcement of Section 58.9 of the Environmental
9 Protection Act, determinations as to credit availability
10 for purposes of this Section shall be made consistent with
11 those rules. For purposes of this Section, "taxpayer"
12 includes a person whose tax attributes the taxpayer has
13 succeeded to under Section 381 of the Internal Revenue Code
14 and "related party" includes the persons disallowed a
15 deduction for losses by paragraphs (b), (c), and (f)(1) of
16 Section 267 of the Internal Revenue Code by virtue of being
17 a related taxpayer, as well as any of its partners. The
18 credit allowed against the tax imposed by subsections (a)
19 and (b) shall be equal to 25% of the unreimbursed eligible
20 remediation costs in excess of \$100,000 per site, except
21 that the \$100,000 threshold shall not apply to any site
22 contained in an enterprise zone as determined by the
23 Department of Commerce and Community Affairs (now
24 Department of Commerce and Economic Opportunity). The
25 total credit allowed shall not exceed \$40,000 per year with
26 a maximum total of \$150,000 per site. For partners and

1 shareholders of subchapter S corporations, there shall be
2 allowed a credit under this subsection to be determined in
3 accordance with the determination of income and
4 distributive share of income under Sections 702 and 704 and
5 subchapter S of the Internal Revenue Code.

6 (ii) A credit allowed under this subsection that is
7 unused in the year the credit is earned may be carried
8 forward to each of the 5 taxable years following the year
9 for which the credit is first earned until it is used. The
10 term "unused credit" does not include any amounts of
11 unreimbursed eligible remediation costs in excess of the
12 maximum credit per site authorized under paragraph (i).
13 This credit shall be applied first to the earliest year for
14 which there is a liability. If there is a credit under this
15 subsection from more than one tax year that is available to
16 offset a liability, the earliest credit arising under this
17 subsection shall be applied first. A credit allowed under
18 this subsection may be sold to a buyer as part of a sale of
19 all or part of the remediation site for which the credit
20 was granted. The purchaser of a remediation site and the
21 tax credit shall succeed to the unused credit and remaining
22 carry-forward period of the seller. To perfect the
23 transfer, the assignor shall record the transfer in the
24 chain of title for the site and provide written notice to
25 the Director of the Illinois Department of Revenue of the
26 assignor's intent to sell the remediation site and the

1 amount of the tax credit to be transferred as a portion of
2 the sale. In no event may a credit be transferred to any
3 taxpayer if the taxpayer or a related party would not be
4 eligible under the provisions of subsection (i).

5 (iii) For purposes of this Section, the term "site"
6 shall have the same meaning as under Section 58.2 of the
7 Environmental Protection Act.

8 (m) Education expense credit. Beginning with tax years
9 ending after December 31, 1999, a taxpayer who is the custodian
10 of one or more qualifying pupils shall be allowed a credit
11 against the tax imposed by subsections (a) and (b) of this
12 Section for qualified education expenses incurred on behalf of
13 the qualifying pupils. The credit shall be equal to 25% of
14 qualified education expenses, but in no event may the total
15 credit under this subsection claimed by a family that is the
16 custodian of qualifying pupils exceed (i) \$500 for tax years
17 ending prior to December 31, 2017, and (ii) \$750 for tax years
18 ending on or after December 31, 2017. In no event shall a
19 credit under this subsection reduce the taxpayer's liability
20 under this Act to less than zero. Notwithstanding any other
21 provision of law, for taxable years beginning on or after
22 January 1, 2017, no taxpayer may claim a credit under this
23 subsection (m) if the taxpayer's adjusted gross income for the
24 taxable year exceeds (i) \$500,000, in the case of spouses
25 filing a joint federal tax return or (ii) \$250,000, in the case
26 of all other taxpayers. This subsection is exempt from the

1 provisions of Section 250 of this Act.

2 For purposes of this subsection:

3 "Qualifying pupils" means individuals who (i) are
4 residents of the State of Illinois, (ii) are under the age of
5 21 at the close of the school year for which a credit is
6 sought, and (iii) during the school year for which a credit is
7 sought were full-time pupils enrolled in a kindergarten through
8 twelfth grade education program at any school, as defined in
9 this subsection.

10 "Qualified education expense" means the amount incurred on
11 behalf of a qualifying pupil in excess of \$250 for tuition,
12 book fees, and lab fees at the school in which the pupil is
13 enrolled during the regular school year.

14 "School" means any public or nonpublic elementary or
15 secondary school in Illinois that is in compliance with Title
16 VI of the Civil Rights Act of 1964 and attendance at which
17 satisfies the requirements of Section 26-1 of the School Code,
18 except that nothing shall be construed to require a child to
19 attend any particular public or nonpublic school to qualify for
20 the credit under this Section.

21 "Custodian" means, with respect to qualifying pupils, an
22 Illinois resident who is a parent, the parents, a legal
23 guardian, or the legal guardians of the qualifying pupils.

24 (n) River Edge Redevelopment Zone site remediation tax
25 credit.

26 (i) For tax years ending on or after December 31, 2006,

1 a taxpayer shall be allowed a credit against the tax
2 imposed by subsections (a) and (b) of this Section for
3 certain amounts paid for unreimbursed eligible remediation
4 costs, as specified in this subsection. For purposes of
5 this Section, "unreimbursed eligible remediation costs"
6 means costs approved by the Illinois Environmental
7 Protection Agency ("Agency") under Section 58.14a of the
8 Environmental Protection Act that were paid in performing
9 environmental remediation at a site within a River Edge
10 Redevelopment Zone for which a No Further Remediation
11 Letter was issued by the Agency and recorded under Section
12 58.10 of the Environmental Protection Act. The credit must
13 be claimed for the taxable year in which Agency approval of
14 the eligible remediation costs is granted. The credit is
15 not available to any taxpayer if the taxpayer or any
16 related party caused or contributed to, in any material
17 respect, a release of regulated substances on, in, or under
18 the site that was identified and addressed by the remedial
19 action pursuant to the Site Remediation Program of the
20 Environmental Protection Act. Determinations as to credit
21 availability for purposes of this Section shall be made
22 consistent with rules adopted by the Pollution Control
23 Board pursuant to the Illinois Administrative Procedure
24 Act for the administration and enforcement of Section 58.9
25 of the Environmental Protection Act. For purposes of this
26 Section, "taxpayer" includes a person whose tax attributes

1 the taxpayer has succeeded to under Section 381 of the
2 Internal Revenue Code and "related party" includes the
3 persons disallowed a deduction for losses by paragraphs
4 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
5 Code by virtue of being a related taxpayer, as well as any
6 of its partners. The credit allowed against the tax imposed
7 by subsections (a) and (b) shall be equal to 25% of the
8 unreimbursed eligible remediation costs in excess of
9 \$100,000 per site.

10 (ii) A credit allowed under this subsection that is
11 unused in the year the credit is earned may be carried
12 forward to each of the 5 taxable years following the year
13 for which the credit is first earned until it is used. This
14 credit shall be applied first to the earliest year for
15 which there is a liability. If there is a credit under this
16 subsection from more than one tax year that is available to
17 offset a liability, the earliest credit arising under this
18 subsection shall be applied first. A credit allowed under
19 this subsection may be sold to a buyer as part of a sale of
20 all or part of the remediation site for which the credit
21 was granted. The purchaser of a remediation site and the
22 tax credit shall succeed to the unused credit and remaining
23 carry-forward period of the seller. To perfect the
24 transfer, the assignor shall record the transfer in the
25 chain of title for the site and provide written notice to
26 the Director of the Illinois Department of Revenue of the

1 assignor's intent to sell the remediation site and the
2 amount of the tax credit to be transferred as a portion of
3 the sale. In no event may a credit be transferred to any
4 taxpayer if the taxpayer or a related party would not be
5 eligible under the provisions of subsection (i).

6 (iii) For purposes of this Section, the term "site"
7 shall have the same meaning as under Section 58.2 of the
8 Environmental Protection Act.

9 (o) For each of taxable years during the Compassionate Use
10 of Medical Cannabis Pilot Program, a surcharge is imposed on
11 all taxpayers on income arising from the sale or exchange of
12 capital assets, depreciable business property, real property
13 used in the trade or business, and Section 197 intangibles of
14 an organization registrant under the Compassionate Use of
15 Medical Cannabis Pilot Program Act. The amount of the surcharge
16 is equal to the amount of federal income tax liability for the
17 taxable year attributable to those sales and exchanges. The
18 surcharge imposed does not apply if:

19 (1) the medical cannabis cultivation center
20 registration, medical cannabis dispensary registration, or
21 the property of a registration is transferred as a result
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt
24 adjustment initiated by or against the initial
25 registration or the substantial owners of the initial
26 registration;

1 (B) cancellation, revocation, or termination of
2 any registration by the Illinois Department of Public
3 Health;

4 (C) a determination by the Illinois Department of
5 Public Health that transfer of the registration is in
6 the best interests of Illinois qualifying patients as
7 defined by the Compassionate Use of Medical Cannabis
8 Pilot Program Act;

9 (D) the death of an owner of the equity interest in
10 a registrant;

11 (E) the acquisition of a controlling interest in
12 the stock or substantially all of the assets of a
13 publicly traded company;

14 (F) a transfer by a parent company to a wholly
15 owned subsidiary; or

16 (G) the transfer or sale to or by one person to
17 another person where both persons were initial owners
18 of the registration when the registration was issued;
19 or

20 (2) the cannabis cultivation center registration,
21 medical cannabis dispensary registration, or the
22 controlling interest in a registrant's property is
23 transferred in a transaction to lineal descendants in which
24 no gain or loss is recognized or as a result of a
25 transaction in accordance with Section 351 of the Internal
26 Revenue Code in which no gain or loss is recognized.

1 (Source: P.A. 100-22, eff. 7-6-17.)

2 (35 ILCS 5/201.1 new)

3 Sec. 201.1. Tax rates. In the case of an individual, trust,
4 or estate, for taxable years beginning on or after January 1,
5 2021, the amount of the tax imposed by subsection (a) of
6 Section 201 of this Act shall be determined according to the
7 following tax rate structure:

8 (1) for taxpayers who do not file a joint return and
9 have a net income of \$750,000 or less:

10 (A) 4.75% of the portion of the taxpayer's net
11 income that does not exceed \$10,000;

12 (B) 4.9% of the portion of the taxpayer's net
13 income that exceeds \$10,000 but does not exceed
14 \$100,000;

15 (C) 4.95% of the portion of the taxpayer's net
16 income that exceeds \$100,000 but does not exceed
17 \$250,000;

18 (D) 7.75% of the portion of the taxpayer's net
19 income that exceeds \$250,000 but does not exceed
20 \$350,000; and

21 (E) 7.85% of the portion of the taxpayer's net
22 income that exceeds \$350,000 but does not exceed
23 \$750,000; and

24 (2) for taxpayers who do not file a joint return and
25 have a net income that exceeds \$750,000, 7.99% of the

1 taxpayer's net income;

2 (3) for taxpayers who file a joint return and have a
3 net income of \$1,000,000 or less:

4 (A) 4.75% of the portion of the taxpayer's net
5 income that does not exceed \$10,000;

6 (B) 4.9% of the portion of the taxpayer's net
7 income that exceeds \$10,000 but does not exceed
8 \$100,000;

9 (C) 4.95% of the portion of the taxpayer's net
10 income that exceeds \$100,000 but does not exceed
11 \$250,000;

12 (D) 7.75% of the portion of the taxpayer's net
13 income that exceeds \$250,000 but does not exceed
14 \$500,000; and

15 (E) 7.85% of the portion of the taxpayer's net
16 income that exceeds \$500,000 but does not exceed
17 \$1,000,000; and

18 (4) for taxpayers who file a joint return and have a
19 net income of more than \$1,000,000, 7.99% of the taxpayer's
20 net income.

21 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

22 Sec. 208. Tax credit for residential real property taxes.

23 For ~~Beginning with~~ tax years ending on or after December 31,

24 1991 and ending prior to December 31, 2021, every individual

25 taxpayer shall be entitled to a tax credit equal to 5% of real

1 property taxes paid by such taxpayer during the taxable year on
2 the principal residence of the taxpayer. For tax years ending
3 on or after December 31, 2021, every individual taxpayer shall
4 be entitled to a tax credit equal to 6% of real property taxes
5 paid by such taxpayer during the taxable year on the principal
6 residence of the taxpayer. In the case of multi-unit or
7 multi-use structures and farm dwellings, the taxes on the
8 taxpayer's principal residence shall be that portion of the
9 total taxes which is attributable to such principal residence.
10 Notwithstanding any other provision of law, for taxable years
11 beginning on or after January 1, 2017, no taxpayer may claim a
12 credit under this Section if the taxpayer's adjusted gross
13 income for the taxable year exceeds (i) \$500,000, in the case
14 of spouses filing a joint federal tax return, or (ii) \$250,000,
15 in the case of all other taxpayers. This Section is exempt from
16 the provisions of Section 250.

17 (Source: P.A. 100-22, eff. 7-6-17.)

18 (35 ILCS 5/229 new)

19 Sec. 229. Child tax credit.

20 (a) For taxable years beginning on or after January 1,
21 2021, there shall be allowed as a credit against the tax
22 imposed by Section 201 for the taxable year with respect to
23 each child of the taxpayer who is under the age of 17 and for
24 whom the taxpayer is allowed an additional exemption under
25 Section 204 an amount equal to \$100.

1 (b) The amount of the credit allowed under subsection (a)
2 shall be reduced by \$5 for each \$2,000 by which the taxpayer's
3 net income exceeds \$60,000 in the case of a joint return or
4 exceeds \$40,000 in the case of any other form of return.

5 (c) In no event shall a credit under this Section reduce
6 the taxpayer's liability to less than zero.

7 (d) This Section is exempt from the provisions of Section
8 250.

9 (35 ILCS 5/502) (from Ch. 120, par. 5-502)

10 Sec. 502. Returns and notices.

11 (a) In general. A return with respect to the taxes imposed
12 by this Act shall be made by every person for any taxable year:

13 (1) for which such person is liable for a tax imposed
14 by this Act, or

15 (2) in the case of a resident or in the case of a
16 corporation which is qualified to do business in this
17 State, for which such person is required to make a federal
18 income tax return, regardless of whether such person is
19 liable for a tax imposed by this Act. However, this
20 paragraph shall not require a resident to make a return if
21 such person has an Illinois base income of the basic amount
22 in Section 204(b) or less and is either claimed as a
23 dependent on another person's tax return under the Internal
24 Revenue Code, or is claimed as a dependent on another
25 person's tax return under this Act.

1 Notwithstanding the provisions of paragraph (1), a
2 nonresident (other than, for taxable years ending on or after
3 December 31, 2011, a nonresident required to withhold tax under
4 Section 709.5) whose Illinois income tax liability under
5 subsections (a), (b), (c), and (d) of Section 201 of this Act
6 is paid in full after taking into account the credits allowed
7 under subsection (f) of this Section or allowed under Section
8 709.5 of this Act shall not be required to file a return under
9 this subsection (a).

10 (b) Fiduciaries and receivers.

11 (1) Decedents. If an individual is deceased, any return
12 or notice required of such individual under this Act shall
13 be made by his executor, administrator, or other person
14 charged with the property of such decedent.

15 (2) Individuals under a disability. If an individual is
16 unable to make a return or notice required under this Act,
17 the return or notice required of such individual shall be
18 made by his duly authorized agent, guardian, fiduciary or
19 other person charged with the care of the person or
20 property of such individual.

21 (3) Estates and trusts. Returns or notices required of
22 an estate or a trust shall be made by the fiduciary
23 thereof.

24 (4) Receivers, trustees and assignees for
25 corporations. In a case where a receiver, trustee in
26 bankruptcy, or assignee, by order of a court of competent

1 jurisdiction, by operation of law, or otherwise, has
2 possession of or holds title to all or substantially all
3 the property or business of a corporation, whether or not
4 such property or business is being operated, such receiver,
5 trustee, or assignee shall make the returns and notices
6 required of such corporation in the same manner and form as
7 corporations are required to make such returns and notices.

8 (c) Joint returns by spouses ~~husband and wife~~.

9 (1) Except as provided in paragraph (3):

10 (A) if spouses ~~a husband and wife~~ file a joint
11 federal income tax return for a taxable year ending
12 before December 31, 2009 or ending on or after December
13 31, 2021, they shall file a joint return under this Act
14 for such taxable year and their liabilities shall be
15 joint and several;

16 (B) if spouses ~~a husband and wife~~ file a joint
17 federal income tax return for a taxable year ending on
18 or after December 31, 2009 and ending prior to December
19 31, 2021, they may elect to file separate returns under
20 this Act for such taxable year. The election under this
21 paragraph must be made on or before the due date
22 (including extensions) of the return and, once made,
23 shall be irrevocable. If no election is timely made
24 under this paragraph for a taxable year:

25 (i) the couple must file a joint return under
26 this Act for such taxable year,

1 (ii) their liabilities shall be joint and
2 several, and

3 (iii) any overpayment for that taxable year
4 may be withheld under Section 909 of this Act or
5 under Section 2505-275 of the Civil Administrative
6 Code of Illinois and applied against a debt of
7 either spouse without regard to the amount of the
8 overpayment attributable to the other spouse; and

9 (C) if the federal income tax liability of either
10 spouse is determined on a separate federal income tax
11 return, they shall file separate returns under this
12 Act.

13 (2) If neither spouse is required to file a federal
14 income tax return and either or both are required to file a
15 return under this Act, they may elect to file separate or
16 joint returns and pursuant to such election their
17 liabilities shall be separate or joint and several.

18 (3) If either spouse ~~husband or wife~~ is a resident and
19 the other is a nonresident, they shall file separate
20 returns in this State on such forms as may be required by
21 the Department in which event their tax liabilities shall
22 be separate; but if they file a joint federal income tax
23 return for a taxable year, they may elect to determine
24 their joint net income and file a joint return for that
25 taxable year under the provisions of paragraph (1) of this
26 subsection as if both were residents and in such case,

1 their liabilities shall be joint and several.

2 (4) Innocent spouses.

3 (A) However, for tax liabilities arising and paid
4 prior to August 13, 1999, an innocent spouse shall be
5 relieved of liability for tax (including interest and
6 penalties) for any taxable year for which a joint
7 return has been made, upon submission of proof that the
8 Internal Revenue Service has made a determination
9 under Section 6013(e) of the Internal Revenue Code, for
10 the same taxable year, which determination relieved
11 the spouse from liability for federal income taxes. If
12 there is no federal income tax liability at issue for
13 the same taxable year, the Department shall rely on the
14 provisions of Section 6013(e) to determine whether the
15 person requesting innocent spouse abatement of tax,
16 penalty, and interest is entitled to that relief.

17 (B) For tax liabilities arising on and after August
18 13, 1999 or which arose prior to that date, but remain
19 unpaid as of that date, if an individual who filed a
20 joint return for any taxable year has made an election
21 under this paragraph, the individual's liability for
22 any tax shown on the joint return shall not exceed the
23 individual's separate return amount and the
24 individual's liability for any deficiency assessed for
25 that taxable year shall not exceed the portion of the
26 deficiency properly allocable to the individual. For

1 purposes of this paragraph:

2 (i) An election properly made pursuant to
3 Section 6015 of the Internal Revenue Code shall
4 constitute an election under this paragraph,
5 provided that the election shall not be effective
6 until the individual has notified the Department
7 of the election in the form and manner prescribed
8 by the Department.

9 (ii) If no election has been made under Section
10 6015, the individual may make an election under
11 this paragraph in the form and manner prescribed by
12 the Department, provided that no election may be
13 made if the Department finds that assets were
14 transferred between individuals filing a joint
15 return as part of a scheme by such individuals to
16 avoid payment of Illinois income tax and the
17 election shall not eliminate the individual's
18 liability for any portion of a deficiency
19 attributable to an error on the return of which the
20 individual had actual knowledge as of the date of
21 filing.

22 (iii) In determining the separate return
23 amount or portion of any deficiency attributable
24 to an individual, the Department shall follow the
25 provisions in subsections (c) and (d) of Section
26 6015 of the Internal Revenue Code.

1 (iv) In determining the validity of an
2 individual's election under subparagraph (ii) and
3 in determining an electing individual's separate
4 return amount or portion of any deficiency under
5 subparagraph (iii), any determination made by the
6 Secretary of the Treasury, by the United States Tax
7 Court on petition for review of a determination by
8 the Secretary of the Treasury, or on appeal from
9 the United States Tax Court under Section 6015 of
10 the Internal Revenue Code regarding criteria for
11 eligibility or under subsection (d) of Section
12 6015 of the Internal Revenue Code regarding the
13 allocation of any item of income, deduction,
14 payment, or credit between an individual making
15 the federal election and that individual's spouse
16 shall be conclusively presumed to be correct. With
17 respect to any item that is not the subject of a
18 determination by the Secretary of the Treasury or
19 the federal courts, in any proceeding involving
20 this subsection, the individual making the
21 election shall have the burden of proof with
22 respect to any item except that the Department
23 shall have the burden of proof with respect to
24 items in subdivision (ii).

25 (v) Any election made by an individual under
26 this subsection shall apply to all years for which

1 that individual and the spouse named in the
2 election have filed a joint return.

3 (vi) After receiving a notice that the federal
4 election has been made or after receiving an
5 election under subdivision (ii), the Department
6 shall take no collection action against the
7 electing individual for any liability arising from
8 a joint return covered by the election until the
9 Department has notified the electing individual in
10 writing that the election is invalid or of the
11 portion of the liability the Department has
12 allocated to the electing individual. Within 60
13 days (150 days if the individual is outside the
14 United States) after the issuance of such
15 notification, the individual may file a written
16 protest of the denial of the election or of the
17 Department's determination of the liability
18 allocated to him or her and shall be granted a
19 hearing within the Department under the provisions
20 of Section 908. If a protest is filed, the
21 Department shall take no collection action against
22 the electing individual until the decision
23 regarding the protest has become final under
24 subsection (d) of Section 908 or, if
25 administrative review of the Department's decision
26 is requested under Section 1201, until the

1 decision of the court becomes final.

2 (d) Partnerships. Every partnership having any base income
3 allocable to this State in accordance with section 305(c) shall
4 retain information concerning all items of income, gain, loss
5 and deduction; the names and addresses of all of the partners,
6 or names and addresses of members of a limited liability
7 company, or other persons who would be entitled to share in the
8 base income of the partnership if distributed; the amount of
9 the distributive share of each; and such other pertinent
10 information as the Department may by forms or regulations
11 prescribe. The partnership shall make that information
12 available to the Department when requested by the Department.

13 (e) For taxable years ending on or after December 31, 1985,
14 and before December 31, 1993, taxpayers that are corporations
15 (other than Subchapter S corporations) having the same taxable
16 year and that are members of the same unitary business group
17 may elect to be treated as one taxpayer for purposes of any
18 original return, amended return which includes the same
19 taxpayers of the unitary group which joined in the election to
20 file the original return, extension, claim for refund,
21 assessment, collection and payment and determination of the
22 group's tax liability under this Act. This subsection (e) does
23 not permit the election to be made for some, but not all, of
24 the purposes enumerated above. For taxable years ending on or
25 after December 31, 1987, corporate members (other than
26 Subchapter S corporations) of the same unitary business group

1 making this subsection (e) election are not required to have
2 the same taxable year.

3 For taxable years ending on or after December 31, 1993,
4 taxpayers that are corporations (other than Subchapter S
5 corporations) and that are members of the same unitary business
6 group shall be treated as one taxpayer for purposes of any
7 original return, amended return which includes the same
8 taxpayers of the unitary group which joined in filing the
9 original return, extension, claim for refund, assessment,
10 collection and payment and determination of the group's tax
11 liability under this Act.

12 (f) For taxable years ending prior to December 31, 2014,
13 the Department may promulgate regulations to permit
14 nonresident individual partners of the same partnership,
15 nonresident Subchapter S corporation shareholders of the same
16 Subchapter S corporation, and nonresident individuals
17 transacting an insurance business in Illinois under a Lloyds
18 plan of operation, and nonresident individual members of the
19 same limited liability company that is treated as a partnership
20 under Section 1501 (a)(16) of this Act, to file composite
21 individual income tax returns reflecting the composite income
22 of such individuals allocable to Illinois and to make composite
23 individual income tax payments. For taxable years ending prior
24 to December 31, 2014, the Department may by regulation also
25 permit such composite returns to include the income tax owed by
26 Illinois residents attributable to their income from

1 partnerships, Subchapter S corporations, insurance businesses
2 organized under a Lloyds plan of operation, or limited
3 liability companies that are treated as partnership under
4 Section 1501(a)(16) of this Act, in which case such Illinois
5 residents will be permitted to claim credits on their
6 individual returns for their shares of the composite tax
7 payments. This paragraph of subsection (f) applies to taxable
8 years ending on or after December 31, 1987 and ending prior to
9 December 31, 2014.

10 For taxable years ending on or after December 31, 1999, the
11 Department may, by regulation, permit any persons transacting
12 an insurance business organized under a Lloyds plan of
13 operation to file composite returns reflecting the income of
14 such persons allocable to Illinois and the tax rates applicable
15 to such persons under Section 201 and to make composite tax
16 payments and shall, by regulation, also provide that the income
17 and apportionment factors attributable to the transaction of an
18 insurance business organized under a Lloyds plan of operation
19 by any person joining in the filing of a composite return
20 shall, for purposes of allocating and apportioning income under
21 Article 3 of this Act and computing net income under Section
22 202 of this Act, be excluded from any other income and
23 apportionment factors of that person or of any unitary business
24 group, as defined in subdivision (a)(27) of Section 1501, to
25 which that person may belong.

26 For taxable years ending on or after December 31, 2008,

1 every nonresident shall be allowed a credit against his or her
2 liability under subsections (a) and (b) of Section 201 for any
3 amount of tax reported on a composite return and paid on his or
4 her behalf under this subsection (f). Residents (other than
5 persons transacting an insurance business organized under a
6 Lloyds plan of operation) may claim a credit for taxes reported
7 on a composite return and paid on their behalf under this
8 subsection (f) only as permitted by the Department by rule.

9 (f-5) For taxable years ending on or after December 31,
10 2008, the Department may adopt rules to provide that, when a
11 partnership or Subchapter S corporation has made an error in
12 determining the amount of any item of income, deduction,
13 addition, subtraction, or credit required to be reported on its
14 return that affects the liability imposed under this Act on a
15 partner or shareholder, the partnership or Subchapter S
16 corporation may report the changes in liabilities of its
17 partners or shareholders and claim a refund of the resulting
18 overpayments, or pay the resulting underpayments, on behalf of
19 its partners and shareholders.

20 (g) The Department may adopt rules to authorize the
21 electronic filing of any return required to be filed under this
22 Section.

23 (Source: P.A. 97-507, eff. 8-23-11; 98-478, eff. 1-1-14.)

24 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

25 Sec. 901. Collection authority.

1 (a) In general. The Department shall collect the taxes
2 imposed by this Act. The Department shall collect certified
3 past due child support amounts under Section 2505-650 of the
4 Department of Revenue Law of the Civil Administrative Code of
5 Illinois. Except as provided in subsections (b), (c), (e), (f),
6 (g), and (h) of this Section, money collected pursuant to
7 subsections (a) and (b) of Section 201 of this Act shall be
8 paid into the General Revenue Fund in the State treasury; money
9 collected pursuant to subsections (c) and (d) of Section 201 of
10 this Act shall be paid into the Personal Property Tax
11 Replacement Fund, a special fund in the State Treasury; and
12 money collected under Section 2505-650 of the Department of
13 Revenue Law of the Civil Administrative Code of Illinois shall
14 be paid into the Child Support Enforcement Trust Fund, a
15 special fund outside the State Treasury, or to the State
16 Disbursement Unit established under Section 10-26 of the
17 Illinois Public Aid Code, as directed by the Department of
18 Healthcare and Family Services.

19 (b) Local Government Distributive Fund. Beginning August
20 1, 1969, and continuing through June 30, 1994, the Treasurer
21 shall transfer each month from the General Revenue Fund to a
22 special fund in the State treasury, to be known as the "Local
23 Government Distributive Fund", an amount equal to 1/12 of the
24 net revenue realized from the tax imposed by subsections (a)
25 and (b) of Section 201 of this Act during the preceding month.
26 Beginning July 1, 1994, and continuing through June 30, 1995,

1 the Treasurer shall transfer each month from the General
2 Revenue Fund to the Local Government Distributive Fund an
3 amount equal to 1/11 of the net revenue realized from the tax
4 imposed by subsections (a) and (b) of Section 201 of this Act
5 during the preceding month. Beginning July 1, 1995 and
6 continuing through January 31, 2011, the Treasurer shall
7 transfer each month from the General Revenue Fund to the Local
8 Government Distributive Fund an amount equal to the net of (i)
9 1/10 of the net revenue realized from the tax imposed by
10 subsections (a) and (b) of Section 201 of the Illinois Income
11 Tax Act during the preceding month (ii) minus, beginning July
12 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning
13 July 1, 2004, zero. Beginning February 1, 2011, and continuing
14 through January 31, 2015, the Treasurer shall transfer each
15 month from the General Revenue Fund to the Local Government
16 Distributive Fund an amount equal to the sum of (i) 6% (10% of
17 the ratio of the 3% individual income tax rate prior to 2011 to
18 the 5% individual income tax rate after 2010) of the net
19 revenue realized from the tax imposed by subsections (a) and
20 (b) of Section 201 of this Act upon individuals, trusts, and
21 estates during the preceding month and (ii) 6.86% (10% of the
22 ratio of the 4.8% corporate income tax rate prior to 2011 to
23 the 7% corporate income tax rate after 2010) of the net revenue
24 realized from the tax imposed by subsections (a) and (b) of
25 Section 201 of this Act upon corporations during the preceding
26 month. Beginning February 1, 2015 and continuing through July

1 31, 2017, the Treasurer shall transfer each month from the
2 General Revenue Fund to the Local Government Distributive Fund
3 an amount equal to the sum of (i) 8% (10% of the ratio of the 3%
4 individual income tax rate prior to 2011 to the 3.75%
5 individual income tax rate after 2014) of the net revenue
6 realized from the tax imposed by subsections (a) and (b) of
7 Section 201 of this Act upon individuals, trusts, and estates
8 during the preceding month and (ii) 9.14% (10% of the ratio of
9 the 4.8% corporate income tax rate prior to 2011 to the 5.25%
10 corporate income tax rate after 2014) of the net revenue
11 realized from the tax imposed by subsections (a) and (b) of
12 Section 201 of this Act upon corporations during the preceding
13 month. Beginning August 1, 2017 and continuing through January
14 31, 2021, the Treasurer shall transfer each month from the
15 General Revenue Fund to the Local Government Distributive Fund
16 an amount equal to the sum of (i) 6.06% (10% of the ratio of the
17 3% individual income tax rate prior to 2011 to the 4.95%
18 individual income tax rate after July 1, 2017) of the net
19 revenue realized from the tax imposed by subsections (a) and
20 (b) of Section 201 of this Act upon individuals, trusts, and
21 estates during the preceding month and (ii) 6.85% (10% of the
22 ratio of the 4.8% corporate income tax rate prior to 2011 to
23 the 7% corporate income tax rate after July 1, 2017) of the net
24 revenue realized from the tax imposed by subsections (a) and
25 (b) of Section 201 of this Act upon corporations during the
26 preceding month. Beginning on February 1, 2021, the Treasurer

1 shall transfer each month from the General Revenue Fund to the
2 Local Government Distributive Fund an amount equal to 10.75% of
3 the amount that would have been generated under subsections (a)
4 and (b) of Section 201 if the taxes had been imposed at the
5 rate of 3% for individuals, trusts, and estates and at the rate
6 of 4.8% for corporations. Net revenue realized for a month
7 shall be defined as the revenue from the tax imposed by
8 subsections (a) and (b) of Section 201 of this Act which is
9 deposited in the General Revenue Fund, the Education Assistance
10 Fund, the Income Tax Surcharge Local Government Distributive
11 Fund, the Fund for the Advancement of Education, and the
12 Commitment to Human Services Fund during the month minus the
13 amount paid out of the General Revenue Fund in State warrants
14 during that same month as refunds to taxpayers for overpayment
15 of liability under the tax imposed by subsections (a) and (b)
16 of Section 201 of this Act.

17 Notwithstanding any provision of law to the contrary,
18 beginning on July 6, 2017 (the effective date of Public Act
19 100-23), those amounts required under this subsection (b) to be
20 transferred by the Treasurer into the Local Government
21 Distributive Fund from the General Revenue Fund shall be
22 directly deposited into the Local Government Distributive Fund
23 as the revenue is realized from the tax imposed by subsections
24 (a) and (b) of Section 201 of this Act.

25 For State fiscal year 2018 only, notwithstanding any
26 provision of law to the contrary, the total amount of revenue

1 and deposits under this Section attributable to revenues
2 realized during State fiscal year 2018 shall be reduced by 10%.

3 For State fiscal year 2019 only, notwithstanding any
4 provision of law to the contrary, the total amount of revenue
5 and deposits under this Section attributable to revenues
6 realized during State fiscal year 2019 shall be reduced by 5%.

7 (c) Deposits Into Income Tax Refund Fund.

8 (1) Beginning on January 1, 1989 and thereafter, the
9 Department shall deposit a percentage of the amounts
10 collected pursuant to subsections (a) and (b) (1), (2), and
11 (3) of Section 201 of this Act into a fund in the State
12 treasury known as the Income Tax Refund Fund. The
13 Department shall deposit 6% of such amounts during the
14 period beginning January 1, 1989 and ending on June 30,
15 1989. Beginning with State fiscal year 1990 and for each
16 fiscal year thereafter, the percentage deposited into the
17 Income Tax Refund Fund during a fiscal year shall be the
18 Annual Percentage. For fiscal years 1999 through 2001, the
19 Annual Percentage shall be 7.1%. For fiscal year 2003, the
20 Annual Percentage shall be 8%. For fiscal year 2004, the
21 Annual Percentage shall be 11.7%. Upon the effective date
22 of Public Act 93-839 (July 30, 2004), the Annual Percentage
23 shall be 10% for fiscal year 2005. For fiscal year 2006,
24 the Annual Percentage shall be 9.75%. For fiscal year 2007,
25 the Annual Percentage shall be 9.75%. For fiscal year 2008,
26 the Annual Percentage shall be 7.75%. For fiscal year 2009,

1 the Annual Percentage shall be 9.75%. For fiscal year 2010,
2 the Annual Percentage shall be 9.75%. For fiscal year 2011,
3 the Annual Percentage shall be 8.75%. For fiscal year 2012,
4 the Annual Percentage shall be 8.75%. For fiscal year 2013,
5 the Annual Percentage shall be 9.75%. For fiscal year 2014,
6 the Annual Percentage shall be 9.5%. For fiscal year 2015,
7 the Annual Percentage shall be 10%. For fiscal year 2018,
8 the Annual Percentage shall be 9.8%. For fiscal year 2019,
9 the Annual Percentage shall be 9.7%. For all other fiscal
10 years, the Annual Percentage shall be calculated as a
11 fraction, the numerator of which shall be the amount of
12 refunds approved for payment by the Department during the
13 preceding fiscal year as a result of overpayment of tax
14 liability under subsections (a) and (b) (1), (2), and (3) of
15 Section 201 of this Act plus the amount of such refunds
16 remaining approved but unpaid at the end of the preceding
17 fiscal year, minus the amounts transferred into the Income
18 Tax Refund Fund from the Tobacco Settlement Recovery Fund,
19 and the denominator of which shall be the amounts which
20 will be collected pursuant to subsections (a) and (b) (1),
21 (2), and (3) of Section 201 of this Act during the
22 preceding fiscal year; except that in State fiscal year
23 2002, the Annual Percentage shall in no event exceed 7.6%.
24 The Director of Revenue shall certify the Annual Percentage
25 to the Comptroller on the last business day of the fiscal
26 year immediately preceding the fiscal year for which it is

1 to be effective.

2 (2) Beginning on January 1, 1989 and thereafter, the
3 Department shall deposit a percentage of the amounts
4 collected pursuant to subsections (a) and (b) (6), (7), and
5 (8), (c) and (d) of Section 201 of this Act into a fund in
6 the State treasury known as the Income Tax Refund Fund. The
7 Department shall deposit 18% of such amounts during the
8 period beginning January 1, 1989 and ending on June 30,
9 1989. Beginning with State fiscal year 1990 and for each
10 fiscal year thereafter, the percentage deposited into the
11 Income Tax Refund Fund during a fiscal year shall be the
12 Annual Percentage. For fiscal years 1999, 2000, and 2001,
13 the Annual Percentage shall be 19%. For fiscal year 2003,
14 the Annual Percentage shall be 27%. For fiscal year 2004,
15 the Annual Percentage shall be 32%. Upon the effective date
16 of Public Act 93-839 (July 30, 2004), the Annual Percentage
17 shall be 24% for fiscal year 2005. For fiscal year 2006,
18 the Annual Percentage shall be 20%. For fiscal year 2007,
19 the Annual Percentage shall be 17.5%. For fiscal year 2008,
20 the Annual Percentage shall be 15.5%. For fiscal year 2009,
21 the Annual Percentage shall be 17.5%. For fiscal year 2010,
22 the Annual Percentage shall be 17.5%. For fiscal year 2011,
23 the Annual Percentage shall be 17.5%. For fiscal year 2012,
24 the Annual Percentage shall be 17.5%. For fiscal year 2013,
25 the Annual Percentage shall be 14%. For fiscal year 2014,
26 the Annual Percentage shall be 13.4%. For fiscal year 2015,

1 the Annual Percentage shall be 14%. For fiscal year 2018,
2 the Annual Percentage shall be 17.5%. For fiscal year 2019,
3 the Annual Percentage shall be 15.5%. For all other fiscal
4 years, the Annual Percentage shall be calculated as a
5 fraction, the numerator of which shall be the amount of
6 refunds approved for payment by the Department during the
7 preceding fiscal year as a result of overpayment of tax
8 liability under subsections (a) and (b) (6), (7), and (8),
9 (c) and (d) of Section 201 of this Act plus the amount of
10 such refunds remaining approved but unpaid at the end of
11 the preceding fiscal year, and the denominator of which
12 shall be the amounts which will be collected pursuant to
13 subsections (a) and (b) (6), (7), and (8), (c) and (d) of
14 Section 201 of this Act during the preceding fiscal year;
15 except that in State fiscal year 2002, the Annual
16 Percentage shall in no event exceed 23%. The Director of
17 Revenue shall certify the Annual Percentage to the
18 Comptroller on the last business day of the fiscal year
19 immediately preceding the fiscal year for which it is to be
20 effective.

21 (3) The Comptroller shall order transferred and the
22 Treasurer shall transfer from the Tobacco Settlement
23 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
24 in January, 2001, (ii) \$35,000,000 in January, 2002, and
25 (iii) \$35,000,000 in January, 2003.

26 (d) Expenditures from Income Tax Refund Fund.

1 (1) Beginning January 1, 1989, money in the Income Tax
2 Refund Fund shall be expended exclusively for the purpose
3 of paying refunds resulting from overpayment of tax
4 liability under Section 201 of this Act and for making
5 transfers pursuant to this subsection (d).

6 (2) The Director shall order payment of refunds
7 resulting from overpayment of tax liability under Section
8 201 of this Act from the Income Tax Refund Fund only to the
9 extent that amounts collected pursuant to Section 201 of
10 this Act and transfers pursuant to this subsection (d) and
11 item (3) of subsection (c) have been deposited and retained
12 in the Fund.

13 (3) As soon as possible after the end of each fiscal
14 year, the Director shall order transferred and the State
15 Treasurer and State Comptroller shall transfer from the
16 Income Tax Refund Fund to the Personal Property Tax
17 Replacement Fund an amount, certified by the Director to
18 the Comptroller, equal to the excess of the amount
19 collected pursuant to subsections (c) and (d) of Section
20 201 of this Act deposited into the Income Tax Refund Fund
21 during the fiscal year over the amount of refunds resulting
22 from overpayment of tax liability under subsections (c) and
23 (d) of Section 201 of this Act paid from the Income Tax
24 Refund Fund during the fiscal year.

25 (4) As soon as possible after the end of each fiscal
26 year, the Director shall order transferred and the State

1 Treasurer and State Comptroller shall transfer from the
2 Personal Property Tax Replacement Fund to the Income Tax
3 Refund Fund an amount, certified by the Director to the
4 Comptroller, equal to the excess of the amount of refunds
5 resulting from overpayment of tax liability under
6 subsections (c) and (d) of Section 201 of this Act paid
7 from the Income Tax Refund Fund during the fiscal year over
8 the amount collected pursuant to subsections (c) and (d) of
9 Section 201 of this Act deposited into the Income Tax
10 Refund Fund during the fiscal year.

11 (4.5) As soon as possible after the end of fiscal year
12 1999 and of each fiscal year thereafter, the Director shall
13 order transferred and the State Treasurer and State
14 Comptroller shall transfer from the Income Tax Refund Fund
15 to the General Revenue Fund any surplus remaining in the
16 Income Tax Refund Fund as of the end of such fiscal year;
17 excluding for fiscal years 2000, 2001, and 2002 amounts
18 attributable to transfers under item (3) of subsection (c)
19 less refunds resulting from the earned income tax credit.

20 (5) This Act shall constitute an irrevocable and
21 continuing appropriation from the Income Tax Refund Fund
22 for the purpose of paying refunds upon the order of the
23 Director in accordance with the provisions of this Section.

24 (e) Deposits into the Education Assistance Fund and the
25 Income Tax Surcharge Local Government Distributive Fund. On
26 July 1, 1991, and thereafter, of the amounts collected pursuant

1 to subsections (a) and (b) of Section 201 of this Act, minus
2 deposits into the Income Tax Refund Fund, the Department shall
3 deposit 7.3% into the Education Assistance Fund in the State
4 Treasury. Beginning July 1, 1991, and continuing through
5 January 31, 1993, of the amounts collected pursuant to
6 subsections (a) and (b) of Section 201 of the Illinois Income
7 Tax Act, minus deposits into the Income Tax Refund Fund, the
8 Department shall deposit 3.0% into the Income Tax Surcharge
9 Local Government Distributive Fund in the State Treasury.
10 Beginning February 1, 1993 and continuing through June 30,
11 1993, of the amounts collected pursuant to subsections (a) and
12 (b) of Section 201 of the Illinois Income Tax Act, minus
13 deposits into the Income Tax Refund Fund, the Department shall
14 deposit 4.4% into the Income Tax Surcharge Local Government
15 Distributive Fund in the State Treasury. Beginning July 1,
16 1993, and continuing through June 30, 1994, of the amounts
17 collected under subsections (a) and (b) of Section 201 of this
18 Act, minus deposits into the Income Tax Refund Fund, the
19 Department shall deposit 1.475% into the Income Tax Surcharge
20 Local Government Distributive Fund in the State Treasury.

21 (f) Deposits into the Fund for the Advancement of
22 Education. Beginning February 1, 2015, the Department shall
23 deposit the following portions of the revenue realized from the
24 tax imposed upon individuals, trusts, and estates by
25 subsections (a) and (b) of Section 201 of this Act, minus
26 deposits into the Income Tax Refund Fund, into the Fund for the

1 Advancement of Education:

2 (1) beginning February 1, 2015, and prior to February
3 1, 2025, 1/30; and

4 (2) beginning February 1, 2025, 1/26.

5 If the rate of tax imposed by subsection (a) and (b) of
6 Section 201 is reduced pursuant to Section 201.5 of this Act,
7 the Department shall not make the deposits required by this
8 subsection (f) on or after the effective date of the reduction.

9 (g) Deposits into the Commitment to Human Services Fund.
10 Beginning February 1, 2015, the Department shall deposit the
11 following portions of the revenue realized from the tax imposed
12 upon individuals, trusts, and estates by subsections (a) and
13 (b) of Section 201 of this Act, minus deposits into the Income
14 Tax Refund Fund, into the Commitment to Human Services Fund:

15 (1) beginning February 1, 2015, and prior to February
16 1, 2025, 1/30; and

17 (2) beginning February 1, 2025, 1/26.

18 If the rate of tax imposed by subsection (a) and (b) of
19 Section 201 is reduced pursuant to Section 201.5 of this Act,
20 the Department shall not make the deposits required by this
21 subsection (g) on or after the effective date of the reduction.

22 (h) Deposits into the Tax Compliance and Administration
23 Fund. Beginning on the first day of the first calendar month to
24 occur on or after August 26, 2014 (the effective date of Public
25 Act 98-1098), each month the Department shall pay into the Tax
26 Compliance and Administration Fund, to be used, subject to

1 appropriation, to fund additional auditors and compliance
2 personnel at the Department, an amount equal to 1/12 of 5% of
3 the cash receipts collected during the preceding fiscal year by
4 the Audit Bureau of the Department from the tax imposed by
5 subsections (a), (b), (c), and (d) of Section 201 of this Act,
6 net of deposits into the Income Tax Refund Fund made from those
7 cash receipts.

8 (Source: P.A. 99-78, eff. 7-20-15; 100-22, eff. 7-6-17; 100-23,
9 eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18;
10 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

11 Section 99. Effective date. This Act takes effect on
12 January 1, 2021, but does not take effect at all unless Senate
13 Joint Resolution Constitutional Amendment No. 1 of the 101st
14 General Assembly is approved by the voters of the State prior
15 to that date.