

SB3723



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3723

Introduced 2/14/2020, by Sen. Chuck Weaver

SYNOPSIS AS INTRODUCED:

35 ILCS 5/201

Amends the Illinois Income Tax Act. Increases the research and development credit by providing that the increase in research and development activities shall be based on an increase over 50% of the average of the qualifying expenditures for each year in the base period (instead of 100% of the average of the qualifying expenditures for each year in the base period). Provides that the research and development credit applies on a permanent basis. Effective immediately.

LRB101 19786 HLH 69297 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 201 as follows:

6 (35 ILCS 5/201)

7 (Text of Section before amendment by P.A. 101-8)

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, an
16 amount equal to 4.95% of the taxpayer's net income for the
17 taxable year.

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

21 (7) In the case of a corporation, for taxable years
22 beginning prior to July 1, 1989 and ending after June 30,
23 1989, an amount equal to the sum of (i) 4% of the
24 taxpayer's net income for the period prior to July 1, 1989,
25 as calculated under Section 202.3, and (ii) 4.8% of the
26 taxpayer's net income for the period after June 30, 1989,

1 as calculated under Section 202.3.

2 (8) In the case of a corporation, for taxable years
3 beginning after June 30, 1989, and ending prior to January
4 1, 2011, an amount equal to 4.8% of the taxpayer's net
5 income for the taxable year.

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

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

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

24 (12) In the case of a corporation, for taxable years
25 beginning on or after January 1, 2015, and ending prior to
26 July 1, 2017, an amount equal to 5.25% of the taxpayer's

1 net income for the taxable year.

2 (13) In the case of a corporation, for taxable years
3 beginning prior to July 1, 2017, and ending after June 30,
4 2017, an amount equal to the sum of (i) 5.25% of the
5 taxpayer's net income for the period prior to July 1, 2017,
6 as calculated under Section 202.5, and (ii) 7% of the
7 taxpayer's net income for the period after June 30, 2017,
8 as calculated under Section 202.5.

9 (14) In the case of a corporation, for taxable years
10 beginning on or after July 1, 2017, an amount equal to 7%
11 of the taxpayer's net income for the taxable year.

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

14 (b-5) Surcharge; sale or exchange of assets, properties,
15 and intangibles of organization gaming licensees. For each of
16 taxable years 2019 through 2027, a surcharge is imposed on all
17 taxpayers on income arising from the sale or exchange of
18 capital assets, depreciable business property, real property
19 used in the trade or business, and Section 197 intangibles (i)
20 of an organization licensee under the Illinois Horse Racing Act
21 of 1975 and (ii) of an organization gaming licensee under the
22 Illinois Gambling Act. The amount of the surcharge is equal to
23 the amount of federal income tax liability for the taxable year
24 attributable to those sales and exchanges. The surcharge
25 imposed shall not apply if:

26 (1) the organization gaming license, organization

1 license, or racetrack property is transferred as a result
2 of any of the following:

3 (A) bankruptcy, a receivership, or a debt
4 adjustment initiated by or against the initial
5 licensee or the substantial owners of the initial
6 licensee;

7 (B) cancellation, revocation, or termination of
8 any such license by the Illinois Gaming Board or the
9 Illinois Racing Board;

10 (C) a determination by the Illinois Gaming Board
11 that transfer of the license is in the best interests
12 of Illinois gaming;

13 (D) the death of an owner of the equity interest in
14 a licensee;

15 (E) the acquisition of a controlling interest in
16 the stock or substantially all of the assets of a
17 publicly traded company;

18 (F) a transfer by a parent company to a wholly
19 owned subsidiary; or

20 (G) the transfer or sale to or by one person to
21 another person where both persons were initial owners
22 of the license when the license was issued; or

23 (2) the controlling interest in the organization
24 gaming license, organization license, or racetrack
25 property is transferred in a transaction to lineal
26 descendants in which no gain or loss is recognized or as a

1 result of a transaction in accordance with Section 351 of
2 the Internal Revenue Code in which no gain or loss is
3 recognized; or

4 (3) live horse racing was not conducted in 2010 at a
5 racetrack located within 3 miles of the Mississippi River
6 under a license issued pursuant to the Illinois Horse
7 Racing Act of 1975.

8 The transfer of an organization gaming license,
9 organization license, or racetrack property by a person other
10 than the initial licensee to receive the organization gaming
11 license is not subject to a surcharge. The Department shall
12 adopt rules necessary to implement and administer this
13 subsection.

14 (c) Personal Property Tax Replacement Income Tax.
15 Beginning on July 1, 1979 and thereafter, in addition to such
16 income tax, there is also hereby imposed the Personal Property
17 Tax Replacement Income Tax measured by net income on every
18 corporation (including Subchapter S corporations), partnership
19 and trust, for each taxable year ending after June 30, 1979.
20 Such taxes are imposed on the privilege of earning or receiving
21 income in or as a resident of this State. The Personal Property
22 Tax Replacement Income Tax shall be in addition to the income
23 tax imposed by subsections (a) and (b) of this Section and in
24 addition to all other occupation or privilege taxes imposed by
25 this State or by any municipal corporation or political
26 subdivision thereof.

1 (d) Additional Personal Property Tax Replacement Income
2 Tax Rates. The personal property tax replacement income tax
3 imposed by this subsection and subsection (c) of this Section
4 in the case of a corporation, other than a Subchapter S
5 corporation and except as adjusted by subsection (d-1), shall
6 be an additional amount equal to 2.85% of such taxpayer's net
7 income for the taxable year, except that beginning on January
8 1, 1981, and thereafter, the rate of 2.85% specified in this
9 subsection shall be reduced to 2.5%, and in the case of a
10 partnership, trust or a Subchapter S corporation shall be an
11 additional amount equal to 1.5% of such taxpayer's net income
12 for the taxable year.

13 (d-1) Rate reduction for certain foreign insurers. In the
14 case of a foreign insurer, as defined by Section 35A-5 of the
15 Illinois Insurance Code, whose state or country of domicile
16 imposes on insurers domiciled in Illinois a retaliatory tax
17 (excluding any insurer whose premiums from reinsurance assumed
18 are 50% or more of its total insurance premiums as determined
19 under paragraph (2) of subsection (b) of Section 304, except
20 that for purposes of this determination premiums from
21 reinsurance do not include premiums from inter-affiliate
22 reinsurance arrangements), beginning with taxable years ending
23 on or after December 31, 1999, the sum of the rates of tax
24 imposed by subsections (b) and (d) shall be reduced (but not
25 increased) to the rate at which the total amount of tax imposed
26 under this Act, net of all credits allowed under this Act,

1 shall equal (i) the total amount of tax that would be imposed
2 on the foreign insurer's net income allocable to Illinois for
3 the taxable year by such foreign insurer's state or country of
4 domicile if that net income were subject to all income taxes
5 and taxes measured by net income imposed by such foreign
6 insurer's state or country of domicile, net of all credits
7 allowed or (ii) a rate of zero if no such tax is imposed on such
8 income by the foreign insurer's state of domicile. For the
9 purposes of this subsection (d-1), an inter-affiliate includes
10 a mutual insurer under common management.

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

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

17 (B) the privilege tax imposed by Section 409 of the
18 Illinois Insurance Code, the fire insurance company
19 tax imposed by Section 12 of the Fire Investigation
20 Act, and the fire department taxes imposed under
21 Section 11-10-1 of the Illinois Municipal Code,

22 equals 1.25% for taxable years ending prior to December 31,
23 2003, or 1.75% for taxable years ending on or after
24 December 31, 2003, of the net taxable premiums written for
25 the taxable year, as described by subsection (1) of Section
26 409 of the Illinois Insurance Code. This paragraph will in

1 no event increase the rates imposed under subsections (b)
2 and (d).

3 (2) Any reduction in the rates of tax imposed by this
4 subsection shall be applied first against the rates imposed
5 by subsection (b) and only after the tax imposed by
6 subsection (a) net of all credits allowed under this
7 Section other than the credit allowed under subsection (i)
8 has been reduced to zero, against the rates imposed by
9 subsection (d).

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

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

15 (1) A taxpayer shall be allowed a credit equal to .5%
16 of the basis of qualified property placed in service during
17 the taxable year, provided such property is placed in
18 service on or after July 1, 1984. There shall be allowed an
19 additional credit equal to .5% of the basis of qualified
20 property placed in service during the taxable year,
21 provided such property is placed in service on or after
22 July 1, 1986, and the taxpayer's base employment within
23 Illinois has increased by 1% or more over the preceding
24 year as determined by the taxpayer's employment records
25 filed with the Illinois Department of Employment Security.
26 Taxpayers who are new to Illinois shall be deemed to have

1 met the 1% growth in base employment for the first year in
2 which they file employment records with the Illinois
3 Department of Employment Security. The provisions added to
4 this Section by Public Act 85-1200 (and restored by Public
5 Act 87-895) shall be construed as declaratory of existing
6 law and not as a new enactment. If, in any year, the
7 increase in base employment within Illinois over the
8 preceding year is less than 1%, the additional credit shall
9 be limited to that percentage times a fraction, the
10 numerator of which is .5% and the denominator of which is
11 1%, but shall not exceed .5%. The investment credit shall
12 not be allowed to the extent that it would reduce a
13 taxpayer's liability in any tax year below zero, nor may
14 any credit for qualified property be allowed for any year
15 other than the year in which the property was placed in
16 service in Illinois. For tax years ending on or after
17 December 31, 1987, and on or before December 31, 1988, the
18 credit shall be allowed for the tax year in which the
19 property is placed in service, or, if the amount of the
20 credit exceeds the tax liability for that year, whether it
21 exceeds the original liability or the liability as later
22 amended, such excess may be carried forward and applied to
23 the tax liability of the 5 taxable years following the
24 excess credit years if the taxpayer (i) makes investments
25 which cause the creation of a minimum of 2,000 full-time
26 equivalent jobs in Illinois, (ii) is located in an

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

21 (2) The term "qualified property" means property
22 which:

23 (A) is tangible, whether new or used, including
24 buildings and structural components of buildings and
25 signs that are real property, but not including land or
26 improvements to real property that are not a structural

1 component of a building such as landscaping, sewer
2 lines, local access roads, fencing, parking lots, and
3 other appurtenances;

4 (B) is depreciable pursuant to Section 167 of the
5 Internal Revenue Code, except that "3-year property"
6 as defined in Section 168(c)(2)(A) of that Code is not
7 eligible for the credit provided by this subsection
8 (e);

9 (C) is acquired by purchase as defined in Section
10 179(d) of the Internal Revenue Code;

11 (D) is used in Illinois by a taxpayer who is
12 primarily engaged in manufacturing, or in mining coal
13 or fluorite, or in retailing, or was placed in service
14 on or after July 1, 2006 in a River Edge Redevelopment
15 Zone established pursuant to the River Edge
16 Redevelopment Zone Act; and

17 (E) has not previously been used in Illinois in
18 such a manner and by such a person as would qualify for
19 the credit provided by this subsection (e) or
20 subsection (f).

21 (3) For purposes of this subsection (e),
22 "manufacturing" means the material staging and production
23 of tangible personal property by procedures commonly
24 regarded as manufacturing, processing, fabrication, or
25 assembling which changes some existing material into new
26 shapes, new qualities, or new combinations. For purposes of

1 this subsection (e) the term "mining" shall have the same
2 meaning as the term "mining" in Section 613(c) of the
3 Internal Revenue Code. For purposes of this subsection (e),
4 the term "retailing" means the sale of tangible personal
5 property for use or consumption and not for resale, or
6 services rendered in conjunction with the sale of tangible
7 personal property for use or consumption and not for
8 resale. For purposes of this subsection (e), "tangible
9 personal property" has the same meaning as when that term
10 is used in the Retailers' Occupation Tax Act, and, for
11 taxable years ending after December 31, 2008, does not
12 include the generation, transmission, or distribution of
13 electricity.

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

17 (5) If the basis of the property for federal income tax
18 depreciation purposes is increased after it has been placed
19 in service in Illinois by the taxpayer, the amount of such
20 increase shall be deemed property placed in service on the
21 date of such increase in basis.

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

24 (7) If during any taxable year, any property ceases to
25 be qualified property in the hands of the taxpayer within
26 48 months after being placed in service, or the situs of

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

14 (8) Unless the investment credit is extended by law,
15 the basis of qualified property shall not include costs
16 incurred after December 31, 2018, except for costs incurred
17 pursuant to a binding contract entered into on or before
18 December 31, 2018.

19 (9) Each taxable year ending before December 31, 2000,
20 a partnership may elect to pass through to its partners the
21 credits to which the partnership is entitled under this
22 subsection (e) for the taxable year. A partner may use the
23 credit allocated to him or her under this paragraph only
24 against the tax imposed in subsections (c) and (d) of this
25 Section. If the partnership makes that election, those
26 credits shall be allocated among the partners in the

1 partnership in accordance with the rules set forth in
2 Section 704(b) of the Internal Revenue Code, and the rules
3 promulgated under that Section, and the allocated amount of
4 the credits shall be allowed to the partners for that
5 taxable year. The partnership shall make this election on
6 its Personal Property Tax Replacement Income Tax return for
7 that taxable year. The election to pass through the credits
8 shall be irrevocable.

9 For taxable years ending on or after December 31, 2000,
10 a partner that qualifies its partnership for a subtraction
11 under subparagraph (I) of paragraph (2) of subsection (d)
12 of Section 203 or a shareholder that qualifies a Subchapter
13 S corporation for a subtraction under subparagraph (S) of
14 paragraph (2) of subsection (b) of Section 203 shall be
15 allowed a credit under this subsection (e) equal to its
16 share of the credit earned under this subsection (e) during
17 the taxable year by the partnership or Subchapter S
18 corporation, determined in accordance with the
19 determination of income and distributive share of income
20 under Sections 702 and 704 and Subchapter S of the Internal
21 Revenue Code. This paragraph is exempt from the provisions
22 of Section 250.

23 (f) Investment credit; Enterprise Zone; River Edge
24 Redevelopment Zone.

25 (1) A taxpayer shall be allowed a credit against the
26 tax imposed by subsections (a) and (b) of this Section for

1 investment in qualified property which is placed in service
2 in an Enterprise Zone created pursuant to the Illinois
3 Enterprise Zone Act or, for property placed in service on
4 or after July 1, 2006, a River Edge Redevelopment Zone
5 established pursuant to the River Edge Redevelopment Zone
6 Act. For partners, shareholders of Subchapter S
7 corporations, and owners of limited liability companies,
8 if the liability company is treated as a partnership for
9 purposes of federal and State income taxation, there shall
10 be allowed a credit under this subsection (f) to be
11 determined in accordance with the determination of income
12 and distributive share of income under Sections 702 and 704
13 and Subchapter S of the Internal Revenue Code. The credit
14 shall be .5% of the basis for such property. The credit
15 shall be available only in the taxable year in which the
16 property is placed in service in the Enterprise Zone or
17 River Edge Redevelopment Zone and shall not be allowed to
18 the extent that it would reduce a taxpayer's liability for
19 the tax imposed by subsections (a) and (b) of this Section
20 to below zero. For tax years ending on or after December
21 31, 1985, the credit shall be allowed for the tax year in
22 which the property is placed in service, or, if the amount
23 of the credit exceeds the tax liability for that year,
24 whether it exceeds the original liability or the liability
25 as later amended, such excess may be carried forward and
26 applied to the tax liability of the 5 taxable years

1 following the excess credit year. The credit shall be
2 applied to the earliest year for which there is a
3 liability. If there is credit from more than one tax year
4 that is available to offset a liability, the credit
5 accruing first in time shall be applied first.

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

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

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

14 (C) is acquired by purchase as defined in Section
15 179(d) of the Internal Revenue Code;

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

18 (E) has not been previously used in Illinois in
19 such a manner and by such a person as would qualify for
20 the credit provided by this subsection (f) or
21 subsection (e).

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

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

1 in service in the Enterprise Zone or River Edge
2 Redevelopment Zone by the taxpayer, the amount of such
3 increase shall be deemed property placed in service on the
4 date of such increase in basis.

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

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

24 (7) There shall be allowed an additional credit equal
25 to 0.5% of the basis of qualified property placed in
26 service during the taxable year in a River Edge

1 Redevelopment Zone, provided such property is placed in
2 service on or after July 1, 2006, and the taxpayer's base
3 employment within Illinois has increased by 1% or more over
4 the preceding year as determined by the taxpayer's
5 employment records filed with the Illinois Department of
6 Employment Security. Taxpayers who are new to Illinois
7 shall be deemed to have met the 1% growth in base
8 employment for the first year in which they file employment
9 records with the Illinois Department of Employment
10 Security. If, in any year, the increase in base employment
11 within Illinois over the preceding year is less than 1%,
12 the additional credit shall be limited to that percentage
13 times a fraction, the numerator of which is 0.5% and the
14 denominator of which is 1%, but shall not exceed 0.5%.

15 (8) For taxable years beginning on or after January 1,
16 2021, there shall be allowed an Enterprise Zone
17 construction jobs credit against the taxes imposed under
18 subsections (a) and (b) of this Section as provided in
19 Section 13 of the Illinois Enterprise Zone Act.

20 The credit or credits may not reduce the taxpayer's
21 liability to less than zero. If the amount of the credit or
22 credits exceeds the taxpayer's liability, the excess may be
23 carried forward and applied against the taxpayer's
24 liability in succeeding calendar years in the same manner
25 provided under paragraph (4) of Section 211 of this Act.
26 The credit or credits shall be applied to the earliest year

1 for which there is a tax liability. If there are credits
2 from more than one taxable year that are available to
3 offset a liability, the earlier credit shall be applied
4 first.

5 For partners, shareholders of Subchapter S
6 corporations, and owners of limited liability companies,
7 if the liability company is treated as a partnership for
8 the purposes of federal and State income taxation, there
9 shall be allowed a credit under this Section to be
10 determined in accordance with the determination of income
11 and distributive share of income under Sections 702 and 704
12 and Subchapter S of the Internal Revenue Code.

13 The total aggregate amount of credits awarded under the
14 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
15 ~~amendatory Act of the 101st General Assembly~~) shall not
16 exceed \$20,000,000 in any State fiscal year.

17 This paragraph (8) is exempt from the provisions of
18 Section 250.

19 (g) (Blank).

20 (h) Investment credit; High Impact Business.

21 (1) Subject to subsections (b) and (b-5) of Section 5.5
22 of the Illinois Enterprise Zone Act, a taxpayer shall be
23 allowed a credit against the tax imposed by subsections (a)
24 and (b) of this Section for investment in qualified
25 property which is placed in service by a Department of
26 Commerce and Economic Opportunity designated High Impact

1 Business. The credit shall be .5% of the basis for such
2 property. The credit shall not be available (i) until the
3 minimum investments in qualified property set forth in
4 subdivision (a)(3)(A) of Section 5.5 of the Illinois
5 Enterprise Zone Act have been satisfied or (ii) until the
6 time authorized in subsection (b-5) of the Illinois
7 Enterprise Zone Act for entities designated as High Impact
8 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
9 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
10 Act, and shall not be allowed to the extent that it would
11 reduce a taxpayer's liability for the tax imposed by
12 subsections (a) and (b) of this Section to below zero. The
13 credit applicable to such investments shall be taken in the
14 taxable year in which such investments have been completed.
15 The credit for additional investments beyond the minimum
16 investment by a designated high impact business authorized
17 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
18 Enterprise Zone Act shall be available only in the taxable
19 year in which the property is placed in service and shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability for the tax imposed by subsections (a)
22 and (b) of this Section to below zero. For tax years ending
23 on or after December 31, 1987, the credit shall be allowed
24 for the tax year in which the property is placed in
25 service, or, if the amount of the credit exceeds the tax
26 liability for that year, whether it exceeds the original

1 liability or the liability as later amended, such excess
2 may be carried forward and applied to the tax liability of
3 the 5 taxable years following the excess credit year. The
4 credit shall be applied to the earliest year for which
5 there is a liability. If there is credit from more than one
6 tax year that is available to offset a liability, the
7 credit accruing first in time shall be applied first.

8 Changes made in this subdivision (h) (1) by Public Act
9 88-670 restore changes made by Public Act 85-1182 and
10 reflect existing law.

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

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

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

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code; and

21 (D) is not eligible for the Enterprise Zone
22 Investment Credit provided by subsection (f) of this
23 Section.

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

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

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

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

1 (7) Beginning with tax years ending after December 31,
2 1996, if a taxpayer qualifies for the credit under this
3 subsection (h) and thereby is granted a tax abatement and
4 the taxpayer relocates its entire facility in violation of
5 the explicit terms and length of the contract under Section
6 18-183 of the Property Tax Code, the tax imposed under
7 subsections (a) and (b) of this Section shall be increased
8 for the taxable year in which the taxpayer relocated its
9 facility by an amount equal to the amount of credit
10 received by the taxpayer under this subsection (h).

11 (h-5) High Impact Business construction ~~constructions~~ jobs
12 credit. For taxable years beginning on or after January 1,
13 2021, there shall also be allowed a High Impact Business
14 construction jobs credit against the tax imposed under
15 subsections (a) and (b) of this Section as provided in
16 subsections (i) and (j) of Section 5.5 of the Illinois
17 Enterprise Zone Act.

18 The credit or credits may not reduce the taxpayer's
19 liability to less than zero. If the amount of the credit or
20 credits exceeds the taxpayer's liability, the excess may be
21 carried forward and applied against the taxpayer's liability in
22 succeeding calendar years in the manner provided under
23 paragraph (4) of Section 211 of this Act. The credit or credits
24 shall be applied to the earliest year for which there is a tax
25 liability. If there are credits from more than one taxable year
26 that are available to offset a liability, the earlier credit

1 shall be applied first.

2 For partners, shareholders of Subchapter S corporations,
3 and owners of limited liability companies, if the liability
4 company is treated as a partnership for the purposes of federal
5 and State income taxation, there shall be allowed a credit
6 under this Section to be determined in accordance with the
7 determination of income and distributive share of income under
8 Sections 702 and 704 and Subchapter S of the Internal Revenue
9 Code.

10 The total aggregate amount of credits awarded under the
11 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
12 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
13 \$20,000,000 in any State fiscal year.

14 This subsection (h-5) is exempt from the provisions of
15 Section 250.

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

26 Any credit earned on or after December 31, 1986 under this

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

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

24 (j) Training expense credit. Beginning with tax years
25 ending on or after December 31, 1986 and prior to December 31,
26 2003, a taxpayer shall be allowed a credit against the tax

1 imposed by subsections (a) and (b) under this Section for all
2 amounts paid or accrued, on behalf of all persons employed by
3 the taxpayer in Illinois or Illinois residents employed outside
4 of Illinois by a taxpayer, for educational or vocational
5 training in semi-technical or technical fields or semi-skilled
6 or skilled fields, which were deducted from gross income in the
7 computation of taxable income. The credit against the tax
8 imposed by subsections (a) and (b) shall be 1.6% of such
9 training expenses. 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 (j) 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 Any credit allowed under this subsection which is unused in
18 the year the credit is earned may be carried forward to each of
19 the 5 taxable years following the year for which the credit is
20 first computed until it is used. This credit shall be applied
21 first to the earliest year for which there is a liability. If
22 there is a credit under this subsection from more than one tax
23 year that is available to offset a liability, the earliest
24 credit arising under this subsection shall be applied first. No
25 carryforward credit may be claimed in any tax year ending on or
26 after December 31, 2003.

1 (k) Research and development credit. For tax years ending
2 after July 1, 1990 and prior to December 31, 2003, and
3 beginning again for tax years ending on or after December 31,
4 2004, ~~and ending prior to January 1, 2027,~~ a taxpayer shall be
5 allowed a credit against the tax imposed by subsections (a) and
6 (b) of this Section for increasing research activities in this
7 State. The credit allowed against the tax imposed by
8 subsections (a) and (b) shall be equal to 6 1/2% of the
9 qualifying expenditures for increasing research activities in
10 this State. For partners, shareholders of subchapter S
11 corporations, and owners of limited liability companies, if the
12 liability company is treated as a partnership for purposes of
13 federal and State income taxation, there shall be allowed a
14 credit under this subsection to be determined in accordance
15 with the determination of income and distributive share of
16 income under Sections 702 and 704 and subchapter S of the
17 Internal Revenue Code.

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

1 base period. "Qualifying, ~~"qualifying~~ expenditures for the
2 base period" means: (1) for taxable years ending prior to
3 December 31, 2020, the average of the qualifying expenditures
4 for each year in the base period; and (2) for taxable years
5 ending on or after December 31, 2020, 50% of the average of the
6 qualifying expenditures for each year in the base period.
7 "Base, and "base period" means the 3 taxable years immediately
8 preceding the taxable year for which the determination is being
9 made.

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

18 If an unused credit is carried forward to a given year from
19 2 or more earlier years, that credit arising in the earliest
20 year will be applied first against the tax liability for the
21 given year. If a tax liability for the given year still
22 remains, the credit from the next earliest year will then be
23 applied, and so on, until all credits have been used or no tax
24 liability for the given year remains. Any remaining unused
25 credit or credits then will be carried forward to the next
26 following year in which a tax liability is incurred, except

1 that no credit can be carried forward to a year which is more
2 than 5 years after the year in which the expense for which the
3 credit is given was incurred.

4 No inference shall be drawn from Public Act 91-644 ~~this~~
5 ~~amendatory Act of the 91st General Assembly~~ in construing this
6 Section for taxable years beginning before January 1, 1999.

7 It is the intent of the General Assembly that the research
8 and development credit under this subsection (k) shall apply
9 continuously for all tax years ending on or after December 31,
10 2004 and ending prior to January 1, 2027, including, but not
11 limited to, the period beginning on January 1, 2016 and ending
12 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
13 ~~amendatory Act of the 100th General Assembly~~. All actions taken
14 in reliance on the continuation of the credit under this
15 subsection (k) by any taxpayer are hereby validated.

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

18 (1) Environmental Remediation Tax Credit.

19 (i) For tax years ending after December 31, 1997 and on
20 or before December 31, 2001, a taxpayer shall be allowed a
21 credit against the tax imposed by subsections (a) and (b)
22 of this Section for certain amounts paid for unreimbursed
23 eligible remediation costs, as specified in this
24 subsection. For purposes of this Section, "unreimbursed
25 eligible remediation costs" means costs approved by the
26 Illinois Environmental Protection Agency ("Agency") under

1 Section 58.14 of the Environmental Protection Act that were
2 paid in performing environmental remediation at a site for
3 which a No Further Remediation Letter was issued by the
4 Agency and recorded under Section 58.10 of the
5 Environmental Protection Act. The credit must be claimed
6 for the taxable year in which Agency approval of the
7 eligible remediation costs is granted. The credit is not
8 available to any taxpayer if the taxpayer or any related
9 party caused or contributed to, in any material respect, a
10 release of regulated substances on, in, or under the site
11 that was identified and addressed by the remedial action
12 pursuant to the Site Remediation Program of the
13 Environmental Protection Act. After the Pollution Control
14 Board rules are adopted pursuant to the Illinois
15 Administrative Procedure Act for the administration and
16 enforcement of Section 58.9 of the Environmental
17 Protection Act, determinations as to credit availability
18 for purposes of this Section shall be made consistent with
19 those rules. For purposes of this Section, "taxpayer"
20 includes a person whose tax attributes the taxpayer has
21 succeeded to under Section 381 of the Internal Revenue Code
22 and "related party" includes the persons disallowed a
23 deduction for losses by paragraphs (b), (c), and (f)(1) of
24 Section 267 of the Internal Revenue Code by virtue of being
25 a related taxpayer, as well as any of its partners. The
26 credit allowed against the tax imposed by subsections (a)

1 and (b) shall be equal to 25% of the unreimbursed eligible
2 remediation costs in excess of \$100,000 per site, except
3 that the \$100,000 threshold shall not apply to any site
4 contained in an enterprise zone as determined by the
5 Department of Commerce and Community Affairs (now
6 Department of Commerce and Economic Opportunity). The
7 total credit allowed shall not exceed \$40,000 per year with
8 a maximum total of \$150,000 per site. For partners and
9 shareholders of subchapter S corporations, there shall be
10 allowed a credit under this subsection to be determined in
11 accordance with the determination of income and
12 distributive share of income under Sections 702 and 704 and
13 subchapter S of the Internal Revenue Code.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. The
18 term "unused credit" does not include any amounts of
19 unreimbursed eligible remediation costs in excess of the
20 maximum credit per site authorized under paragraph (i).
21 This credit shall be applied first to the earliest year for
22 which there is a liability. If there is a credit under this
23 subsection from more than one tax year that is available to
24 offset a liability, the earliest credit arising under this
25 subsection shall be applied first. A credit allowed under
26 this subsection may be sold to a buyer as part of a sale of

1 all or part of the remediation site for which the credit
2 was granted. The purchaser of a remediation site and the
3 tax credit shall succeed to the unused credit and remaining
4 carry-forward period of the seller. To perfect the
5 transfer, the assignor shall record the transfer in the
6 chain of title for the site and provide written notice to
7 the Director of the Illinois Department of Revenue of the
8 assignor's intent to sell the remediation site and the
9 amount of the tax credit to be transferred as a portion of
10 the sale. In no event may a credit be transferred to any
11 taxpayer if the taxpayer or a related party would not be
12 eligible under the provisions of subsection (i).

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

16 (m) Education expense credit. Beginning with tax years
17 ending after December 31, 1999, a taxpayer who is the custodian
18 of one or more qualifying pupils shall be allowed a credit
19 against the tax imposed by subsections (a) and (b) of this
20 Section for qualified education expenses incurred on behalf of
21 the qualifying pupils. The credit shall be equal to 25% of
22 qualified education expenses, but in no event may the total
23 credit under this subsection claimed by a family that is the
24 custodian of qualifying pupils exceed (i) \$500 for tax years
25 ending prior to December 31, 2017, and (ii) \$750 for tax years
26 ending on or after December 31, 2017. In no event shall a

1 credit under this subsection reduce the taxpayer's liability
2 under this Act to less than zero. Notwithstanding any other
3 provision of law, for taxable years beginning on or after
4 January 1, 2017, no taxpayer may claim a credit under this
5 subsection (m) if the taxpayer's adjusted gross income for the
6 taxable year exceeds (i) \$500,000, in the case of spouses
7 filing a joint federal tax return or (ii) \$250,000, in the case
8 of all other taxpayers. This subsection is exempt from the
9 provisions of Section 250 of this Act.

10 For purposes of this subsection:

11 "Qualifying pupils" means individuals who (i) are
12 residents of the State of Illinois, (ii) are under the age of
13 21 at the close of the school year for which a credit is
14 sought, and (iii) during the school year for which a credit is
15 sought were full-time pupils enrolled in a kindergarten through
16 twelfth grade education program at any school, as defined in
17 this subsection.

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

22 "School" means any public or nonpublic elementary or
23 secondary school in Illinois that is in compliance with Title
24 VI of the Civil Rights Act of 1964 and attendance at which
25 satisfies the requirements of Section 26-1 of the School Code,
26 except that nothing shall be construed to require a child to

1 attend any particular public or nonpublic school to qualify for
2 the credit under this Section.

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

6 (n) River Edge Redevelopment Zone site remediation tax
7 credit.

8 (i) For tax years ending on or after December 31, 2006,
9 a taxpayer shall be allowed a credit against the tax
10 imposed by subsections (a) and (b) of this Section for
11 certain amounts paid for unreimbursed eligible remediation
12 costs, as specified in this subsection. For purposes of
13 this Section, "unreimbursed eligible remediation costs"
14 means costs approved by the Illinois Environmental
15 Protection Agency ("Agency") under Section 58.14a of the
16 Environmental Protection Act that were paid in performing
17 environmental remediation at a site within a River Edge
18 Redevelopment Zone for which a No Further Remediation
19 Letter was issued by the Agency and recorded under Section
20 58.10 of the Environmental Protection Act. The credit must
21 be claimed for the taxable year in which Agency approval of
22 the eligible remediation costs is granted. The credit is
23 not available to any taxpayer if the taxpayer or any
24 related party caused or contributed to, in any material
25 respect, a release of regulated substances on, in, or under
26 the site that was identified and addressed by the remedial

1 action pursuant to the Site Remediation Program of the
2 Environmental Protection Act. Determinations as to credit
3 availability for purposes of this Section shall be made
4 consistent with rules adopted by the Pollution Control
5 Board pursuant to the Illinois Administrative Procedure
6 Act for the administration and enforcement of Section 58.9
7 of the Environmental Protection Act. For purposes of this
8 Section, "taxpayer" includes a person whose tax attributes
9 the taxpayer has succeeded to under Section 381 of the
10 Internal Revenue Code and "related party" includes the
11 persons disallowed a deduction for losses by paragraphs
12 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
13 Code by virtue of being a related taxpayer, as well as any
14 of its partners. The credit allowed against the tax imposed
15 by subsections (a) and (b) shall be equal to 25% of the
16 unreimbursed eligible remediation costs in excess of
17 \$100,000 per site.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. This
22 credit shall be applied first to the earliest year for
23 which there is a liability. If there is a credit under this
24 subsection from more than one tax year that is available to
25 offset a liability, the earliest credit arising under this
26 subsection shall be applied first. A credit allowed under

1 this subsection may be sold to a buyer as part of a sale of
2 all or part of the remediation site for which the credit
3 was granted. The purchaser of a remediation site and the
4 tax credit shall succeed to the unused credit and remaining
5 carry-forward period of the seller. To perfect the
6 transfer, the assignor shall record the transfer in the
7 chain of title for the site and provide written notice to
8 the Director of the Illinois Department of Revenue of the
9 assignor's intent to sell the remediation site and the
10 amount of the tax credit to be transferred as a portion of
11 the sale. In no event may a credit be transferred to any
12 taxpayer if the taxpayer or a related party would not be
13 eligible under the provisions of subsection (i).

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

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

1 (1) the medical cannabis cultivation center
2 registration, medical cannabis dispensary registration, or
3 the property of a registration is transferred as a result
4 of any of the following:

5 (A) bankruptcy, a receivership, or a debt
6 adjustment initiated by or against the initial
7 registration or the substantial owners of the initial
8 registration;

9 (B) cancellation, revocation, or termination of
10 any registration by the Illinois Department of Public
11 Health;

12 (C) a determination by the Illinois Department of
13 Public Health that transfer of the registration is in
14 the best interests of Illinois qualifying patients as
15 defined by the Compassionate Use of Medical Cannabis
16 Program Act;

17 (D) the death of an owner of the equity interest in
18 a registrant;

19 (E) the acquisition of a controlling interest in
20 the stock or substantially all of the assets of a
21 publicly traded company;

22 (F) a transfer by a parent company to a wholly
23 owned subsidiary; or

24 (G) the transfer or sale to or by one person to
25 another person where both persons were initial owners
26 of the registration when the registration was issued;

1 or

2 (2) the cannabis cultivation center registration,
3 medical cannabis dispensary registration, or the
4 controlling interest in a registrant's property is
5 transferred in a transaction to lineal descendants in which
6 no gain or loss is recognized or as a result of a
7 transaction in accordance with Section 351 of the Internal
8 Revenue Code in which no gain or loss is recognized.

9 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,
10 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
11 revised 9-17-19.)

12 (Text of Section after amendment by P.A. 101-8)

13 Sec. 201. Tax imposed.

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

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

24 (1) In the case of an individual, trust or estate, for
25 taxable years ending prior to July 1, 1989, an amount equal

1 to 2 1/2% of the taxpayer's net income for the taxable
2 year.

3 (2) In the case of an individual, trust or estate, for
4 taxable years beginning prior to July 1, 1989 and ending
5 after June 30, 1989, an amount equal to the sum of (i) 2
6 1/2% of the taxpayer's net income for the period prior to
7 July 1, 1989, as calculated under Section 202.3, and (ii)
8 3% of the taxpayer's net income for the period after June
9 30, 1989, as calculated under Section 202.3.

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

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

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

25 (5.1) In the case of an individual, trust, or estate,
26 for taxable years beginning prior to January 1, 2015, and

1 ending after December 31, 2014, an amount equal to the sum
2 of (i) 5% of the taxpayer's net income for the period prior
3 to January 1, 2015, as calculated under Section 202.5, and
4 (ii) 3.75% of the taxpayer's net income for the period
5 after December 31, 2014, as calculated under Section 202.5.

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

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

17 (5.4) In the case of an individual, trust, or estate,
18 for taxable years beginning on or after July 1, 2017 and
19 beginning prior to January 1, 2021, an amount equal to
20 4.95% of the taxpayer's net income for the taxable year.

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

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1, 1989,
6 as calculated under Section 202.3, and (ii) 4.8% of the
7 taxpayer's net income for the period after June 30, 1989,
8 as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

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

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

24 (11) In the case of a corporation, for taxable years
25 beginning prior to January 1, 2015, and ending after
26 December 31, 2014, an amount equal to the sum of (i) 7% of

1 the taxpayer's net income for the period prior to January
2 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
3 of the taxpayer's net income for the period after December
4 31, 2014, as calculated under Section 202.5.

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

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

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

20 (15) In the case of a corporation, for taxable years
21 beginning on or after January 1, 2021, an amount equal to
22 7.99% of the taxpayer's net income for the taxable year.

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

25 (b-5) Surcharge; sale or exchange of assets, properties,
26 and intangibles of organization gaming licensees. For each of

1 taxable years 2019 through 2027, a surcharge is imposed on all
2 taxpayers on income arising from the sale or exchange of
3 capital assets, depreciable business property, real property
4 used in the trade or business, and Section 197 intangibles (i)
5 of an organization licensee under the Illinois Horse Racing Act
6 of 1975 and (ii) of an organization gaming licensee under the
7 Illinois Gambling Act. The amount of the surcharge is equal to
8 the amount of federal income tax liability for the taxable year
9 attributable to those sales and exchanges. The surcharge
10 imposed shall not apply if:

11 (1) the organization gaming license, organization
12 license, or racetrack property is transferred as a result
13 of any of the following:

14 (A) bankruptcy, a receivership, or a debt
15 adjustment initiated by or against the initial
16 licensee or the substantial owners of the initial
17 licensee;

18 (B) cancellation, revocation, or termination of
19 any such license by the Illinois Gaming Board or the
20 Illinois Racing Board;

21 (C) a determination by the Illinois Gaming Board
22 that transfer of the license is in the best interests
23 of Illinois gaming;

24 (D) the death of an owner of the equity interest in
25 a licensee;

26 (E) the acquisition of a controlling interest in

1 the stock or substantially all of the assets of a
2 publicly traded company;

3 (F) a transfer by a parent company to a wholly
4 owned subsidiary; or

5 (G) the transfer or sale to or by one person to
6 another person where both persons were initial owners
7 of the license when the license was issued; or

8 (2) the controlling interest in the organization
9 gaming license, organization license, or racetrack
10 property is transferred in a transaction to lineal
11 descendants in which no gain or loss is recognized or as a
12 result of a transaction in accordance with Section 351 of
13 the Internal Revenue Code in which no gain or loss is
14 recognized; or

15 (3) live horse racing was not conducted in 2010 at a
16 racetrack located within 3 miles of the Mississippi River
17 under a license issued pursuant to the Illinois Horse
18 Racing Act of 1975.

19 The transfer of an organization gaming license,
20 organization license, or racetrack property by a person other
21 than the initial licensee to receive the organization gaming
22 license is not subject to a surcharge. The Department shall
23 adopt rules necessary to implement and administer this
24 subsection.

25 (c) Personal Property Tax Replacement Income Tax.
26 Beginning on July 1, 1979 and thereafter, in addition to such

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

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

24 (d-1) Rate reduction for certain foreign insurers. In the
25 case of a foreign insurer, as defined by Section 35A-5 of the
26 Illinois Insurance Code, whose state or country of domicile

1 imposes on insurers domiciled in Illinois a retaliatory tax
2 (excluding any insurer whose premiums from reinsurance assumed
3 are 50% or more of its total insurance premiums as determined
4 under paragraph (2) of subsection (b) of Section 304, except
5 that for purposes of this determination premiums from
6 reinsurance do not include premiums from inter-affiliate
7 reinsurance arrangements), beginning with taxable years ending
8 on or after December 31, 1999, the sum of the rates of tax
9 imposed by subsections (b) and (d) shall be reduced (but not
10 increased) to the rate at which the total amount of tax imposed
11 under this Act, net of all credits allowed under this Act,
12 shall equal (i) the total amount of tax that would be imposed
13 on the foreign insurer's net income allocable to Illinois for
14 the taxable year by such foreign insurer's state or country of
15 domicile if that net income were subject to all income taxes
16 and taxes measured by net income imposed by such foreign
17 insurer's state or country of domicile, net of all credits
18 allowed or (ii) a rate of zero if no such tax is imposed on such
19 income by the foreign insurer's state of domicile. For the
20 purposes of this subsection (d-1), an inter-affiliate includes
21 a mutual insurer under common management.

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

25 (A) the total amount of tax imposed on such foreign
26 insurer under this Act for a taxable year, net of all

1 credits allowed under this Act, plus

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

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

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

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

26 (1) A taxpayer shall be allowed a credit equal to .5%

1 of the basis of qualified property placed in service during
2 the taxable year, provided such property is placed in
3 service on or after July 1, 1984. There shall be allowed an
4 additional credit equal to .5% of the basis of qualified
5 property placed in service during the taxable year,
6 provided such property is placed in service on or after
7 July 1, 1986, and the taxpayer's base employment within
8 Illinois has increased by 1% or more over the preceding
9 year as determined by the taxpayer's employment records
10 filed with the Illinois Department of Employment Security.
11 Taxpayers who are new to Illinois shall be deemed to have
12 met the 1% growth in base employment for the first year in
13 which they file employment records with the Illinois
14 Department of Employment Security. The provisions added to
15 this Section by Public Act 85-1200 (and restored by Public
16 Act 87-895) shall be construed as declaratory of existing
17 law and not as a new enactment. If, in any year, the
18 increase in base employment within Illinois over the
19 preceding year is less than 1%, the additional credit shall
20 be limited to that percentage times a fraction, the
21 numerator of which is .5% and the denominator of which is
22 1%, but shall not exceed .5%. The investment credit shall
23 not be allowed to the extent that it would reduce a
24 taxpayer's liability in any tax year below zero, nor may
25 any credit for qualified property be allowed for any year
26 other than the year in which the property was placed in

1 service in Illinois. For tax years ending on or after
2 December 31, 1987, and on or before December 31, 1988, the
3 credit shall be allowed for the tax year in which the
4 property is placed in service, or, if the amount of the
5 credit exceeds the tax liability for that year, whether it
6 exceeds the original liability or the liability as later
7 amended, such excess may be carried forward and applied to
8 the tax liability of the 5 taxable years following the
9 excess credit years if the taxpayer (i) makes investments
10 which cause the creation of a minimum of 2,000 full-time
11 equivalent jobs in Illinois, (ii) is located in an
12 enterprise zone established pursuant to the Illinois
13 Enterprise Zone Act and (iii) is certified by the
14 Department of Commerce and Community Affairs (now
15 Department of Commerce and Economic Opportunity) as
16 complying with the requirements specified in clause (i) and
17 (ii) by July 1, 1986. The Department of Commerce and
18 Community Affairs (now Department of Commerce and Economic
19 Opportunity) shall notify the Department of Revenue of all
20 such certifications immediately. For tax years ending
21 after December 31, 1988, the credit shall be allowed for
22 the tax year in which the property is placed in service,
23 or, if the amount of the credit exceeds the tax liability
24 for that year, whether it exceeds the original liability or
25 the liability as later amended, such excess may be carried
26 forward and applied to the tax liability of the 5 taxable

1 years following the excess credit years. The credit shall
2 be applied to the earliest year for which there is a
3 liability. If there is credit from more than one tax year
4 that is available to offset a liability, earlier credit
5 shall be applied first.

6 (2) The term "qualified property" means property
7 which:

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

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

20 (C) is acquired by purchase as defined in Section
21 179(d) of the Internal Revenue Code;

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

1 Redevelopment Zone Act; and

2 (E) has not previously been used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (e) or
5 subsection (f).

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

25 (4) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

2 (5) If the basis of the property for federal income tax
3 depreciation purposes is increased after it has been placed
4 in service in Illinois by the taxpayer, the amount of such
5 increase shall be deemed property placed in service on the
6 date of such increase in basis.

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

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

25 (8) Unless the investment credit is extended by law,
26 the basis of qualified property shall not include costs

1 incurred after December 31, 2018, except for costs incurred
2 pursuant to a binding contract entered into on or before
3 December 31, 2018.

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

20 For taxable years ending on or after December 31, 2000,
21 a partner that qualifies its partnership for a subtraction
22 under subparagraph (I) of paragraph (2) of subsection (d)
23 of Section 203 or a shareholder that qualifies a Subchapter
24 S corporation for a subtraction under subparagraph (S) of
25 paragraph (2) of subsection (b) of Section 203 shall be
26 allowed a credit under this subsection (e) equal to its

1 share of the credit earned under this subsection (e) during
2 the taxable year by the partnership or Subchapter S
3 corporation, determined in accordance with the
4 determination of income and distributive share of income
5 under Sections 702 and 704 and Subchapter S of the Internal
6 Revenue Code. This paragraph is exempt from the provisions
7 of Section 250.

8 (f) Investment credit; Enterprise Zone; River Edge
9 Redevelopment Zone.

10 (1) A taxpayer shall be allowed a credit against the
11 tax imposed by subsections (a) and (b) of this Section for
12 investment in qualified property which is placed in service
13 in an Enterprise Zone created pursuant to the Illinois
14 Enterprise Zone Act or, for property placed in service on
15 or after July 1, 2006, a River Edge Redevelopment Zone
16 established pursuant to the River Edge Redevelopment Zone
17 Act. For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies,
19 if the liability company is treated as a partnership for
20 purposes of federal and State income taxation, there shall
21 be allowed a credit under this subsection (f) to be
22 determined in accordance with the determination of income
23 and distributive share of income under Sections 702 and 704
24 and Subchapter S of the Internal Revenue Code. The credit
25 shall be .5% of the basis for such property. The credit
26 shall be available only in the taxable year in which the

1 property is placed in service in the Enterprise Zone or
2 River Edge Redevelopment Zone and shall not be allowed to
3 the extent that it would reduce a taxpayer's liability for
4 the tax imposed by subsections (a) and (b) of this Section
5 to below zero. For tax years ending on or after December
6 31, 1985, the credit shall be allowed for the tax year in
7 which the property is placed in service, or, if the amount
8 of the credit exceeds the tax liability for that year,
9 whether it exceeds the original liability or the liability
10 as later amended, such excess may be carried forward and
11 applied to the tax liability of the 5 taxable years
12 following the excess credit year. The credit shall be
13 applied to the earliest year for which there is a
14 liability. If there is credit from more than one tax year
15 that is available to offset a liability, the credit
16 accruing first in time shall be applied first.

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

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

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

25 (C) is acquired by purchase as defined in Section
26 179(d) of the Internal Revenue Code;

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

3 (E) has not been previously used in Illinois in
4 such a manner and by such a person as would qualify for
5 the credit provided by this subsection (f) or
6 subsection (e).

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

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

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

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

1 allowed for the year in which credit for such property was
2 originally allowed by eliminating such property from such
3 computation, and (ii) subtracting such recomputed credit
4 from the amount of credit previously allowed. For the
5 purposes of this paragraph (6), a reduction of the basis of
6 qualified property resulting from a redetermination of the
7 purchase price shall be deemed a disposition of qualified
8 property to the extent of such reduction.

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

26 (8) For taxable years beginning on or after January 1,

1 2021, there shall be allowed an Enterprise Zone
2 construction jobs credit against the taxes imposed under
3 subsections (a) and (b) of this Section as provided in
4 Section 13 of the Illinois Enterprise Zone Act.

5 The credit or credits may not reduce the taxpayer's
6 liability to less than zero. If the amount of the credit or
7 credits exceeds the taxpayer's liability, the excess may be
8 carried forward and applied against the taxpayer's
9 liability in succeeding calendar years in the same manner
10 provided under paragraph (4) of Section 211 of this Act.
11 The credit or credits shall be applied to the earliest year
12 for which there is a tax liability. If there are credits
13 from more than one taxable year that are available to
14 offset a liability, the earlier credit shall be applied
15 first.

16 For partners, shareholders of Subchapter S
17 corporations, and owners of limited liability companies,
18 if the liability company is treated as a partnership for
19 the purposes of federal and State income taxation, there
20 shall be allowed a credit under this Section to be
21 determined in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code.

24 The total aggregate amount of credits awarded under the
25 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
26 ~~amendatory Act of the 101st General Assembly~~) shall not

1 exceed \$20,000,000 in any State fiscal year.

2 This paragraph (8) is exempt from the provisions of
3 Section 250.

4 (g) (Blank).

5 (h) Investment credit; High Impact Business.

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

1 investment by a designated high impact business authorized
2 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
3 Enterprise Zone Act shall be available only in the taxable
4 year in which the property is placed in service and shall
5 not be allowed to the extent that it would reduce a
6 taxpayer's liability for the tax imposed by subsections (a)
7 and (b) of this Section to below zero. For tax years ending
8 on or after December 31, 1987, the credit shall be allowed
9 for the tax year in which the property is placed in
10 service, or, if the amount of the credit exceeds the tax
11 liability for that year, whether it exceeds the original
12 liability or the liability as later amended, such excess
13 may be carried forward and applied to the tax liability of
14 the 5 taxable years following the excess credit year. The
15 credit shall be applied to the earliest year for which
16 there is a liability. If there is credit from more than one
17 tax year that is available to offset a liability, the
18 credit accruing first in time shall be applied first.

19 Changes made in this subdivision (h) (1) by Public Act
20 88-670 restore changes made by Public Act 85-1182 and
21 reflect existing law.

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

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

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (h);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code; and

6 (D) is not eligible for the Enterprise Zone
7 Investment Credit provided by subsection (f) of this
8 Section.

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

12 (4) If the basis of the property for federal income tax
13 depreciation purposes is increased after it has been placed
14 in service in a federally designated Foreign Trade Zone or
15 Sub-Zone located in Illinois by the taxpayer, the amount of
16 such increase shall be deemed property placed in service on
17 the date of such increase in basis.

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

20 (6) If during any taxable year ending on or before
21 December 31, 1996, any property ceases to be qualified
22 property in the hands of the taxpayer within 48 months
23 after being placed in service, or the situs of any
24 qualified property is moved outside Illinois within 48
25 months after being placed in service, the tax imposed under
26 subsections (a) and (b) of this Section for such taxable

1 year shall be increased. Such increase shall be determined
2 by (i) recomputing the investment credit which would have
3 been allowed for the year in which credit for such property
4 was originally allowed by eliminating such property from
5 such computation, and (ii) subtracting such recomputed
6 credit from the amount of credit previously allowed. For
7 the purposes of this paragraph (6), a reduction of the
8 basis of qualified property resulting from a
9 redetermination of the purchase price shall be deemed a
10 disposition of qualified property to the extent of such
11 reduction.

12 (7) Beginning with tax years ending after December 31,
13 1996, if a taxpayer qualifies for the credit under this
14 subsection (h) and thereby is granted a tax abatement and
15 the taxpayer relocates its entire facility in violation of
16 the explicit terms and length of the contract under Section
17 18-183 of the Property Tax Code, the tax imposed under
18 subsections (a) and (b) of this Section shall be increased
19 for the taxable year in which the taxpayer relocated its
20 facility by an amount equal to the amount of credit
21 received by the taxpayer under this subsection (h).

22 (h-5) High Impact Business construction ~~constructions~~ jobs
23 credit. For taxable years beginning on or after January 1,
24 2021, there shall also be allowed a High Impact Business
25 construction jobs credit against the tax imposed under
26 subsections (a) and (b) of this Section as provided in

1 subsections (i) and (j) of Section 5.5 of the Illinois
2 Enterprise Zone Act.

3 The credit or credits may not reduce the taxpayer's
4 liability to less than zero. If the amount of the credit or
5 credits exceeds the taxpayer's liability, the excess may be
6 carried forward and applied against the taxpayer's liability in
7 succeeding calendar years in the manner provided under
8 paragraph (4) of Section 211 of this Act. The credit or credits
9 shall be applied to the earliest year for which there is a tax
10 liability. If there are credits from more than one taxable year
11 that are available to offset a liability, the earlier credit
12 shall be applied first.

13 For partners, shareholders of Subchapter S corporations,
14 and owners of limited liability companies, if the liability
15 company is treated as a partnership for the purposes of federal
16 and State income taxation, there shall be allowed a credit
17 under this Section to be determined in accordance with the
18 determination of income and distributive share of income under
19 Sections 702 and 704 and Subchapter S of the Internal Revenue
20 Code.

21 The total aggregate amount of credits awarded under the
22 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
23 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
24 \$20,000,000 in any State fiscal year.

25 This subsection (h-5) is exempt from the provisions of
26 Section 250.

1 (i) Credit for Personal Property Tax Replacement Income
2 Tax. For tax years ending prior to December 31, 2003, a credit
3 shall be allowed against the tax imposed by subsections (a) and
4 (b) of this Section for the tax imposed by subsections (c) and
5 (d) of this Section. This credit shall be computed by
6 multiplying the tax imposed by subsections (c) and (d) of this
7 Section by a fraction, the numerator of which is base income
8 allocable to Illinois and the denominator of which is Illinois
9 base income, and further multiplying the product by the tax
10 rate imposed by subsections (a) and (b) of this Section.

11 Any credit earned on or after December 31, 1986 under this
12 subsection which is unused in the year the credit is computed
13 because it exceeds the tax liability imposed by subsections (a)
14 and (b) for that year (whether it exceeds the original
15 liability or the liability as later amended) may be carried
16 forward and applied to the tax liability imposed by subsections
17 (a) and (b) of the 5 taxable years following the excess credit
18 year, provided that no credit may be carried forward to any
19 year ending on or after December 31, 2003. This credit shall be
20 applied first to the earliest year for which there is a
21 liability. If there is a credit under this subsection from more
22 than one tax year that is available to offset a liability the
23 earliest credit arising under this subsection shall be applied
24 first.

25 If, during any taxable year ending on or after December 31,
26 1986, the tax imposed by subsections (c) and (d) of this

1 Section for which a taxpayer has claimed a credit under this
2 subsection (i) is reduced, the amount of credit for such tax
3 shall also be reduced. Such reduction shall be determined by
4 recomputing the credit to take into account the reduced tax
5 imposed by subsections (c) and (d). If any portion of the
6 reduced amount of credit has been carried to a different
7 taxable year, an amended return shall be filed for such taxable
8 year to reduce the amount of credit claimed.

9 (j) Training expense credit. Beginning with tax years
10 ending on or after December 31, 1986 and prior to December 31,
11 2003, a taxpayer shall be allowed a credit against the tax
12 imposed by subsections (a) and (b) under this Section for all
13 amounts paid or accrued, on behalf of all persons employed by
14 the taxpayer in Illinois or Illinois residents employed outside
15 of Illinois by a taxpayer, for educational or vocational
16 training in semi-technical or technical fields or semi-skilled
17 or skilled fields, which were deducted from gross income in the
18 computation of taxable income. The credit against the tax
19 imposed by subsections (a) and (b) shall be 1.6% of such
20 training expenses. For partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies, if the
22 liability company is treated as a partnership for purposes of
23 federal and State income taxation, there shall be allowed a
24 credit under this subsection (j) to be determined in accordance
25 with the determination of income and distributive share of
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

2 Any credit allowed under this subsection which is unused in
3 the year the credit is earned may be carried forward to each of
4 the 5 taxable years following the year for which the credit is
5 first computed until it is used. This credit shall be applied
6 first to the earliest year for which there is a liability. If
7 there is a credit under this subsection from more than one tax
8 year that is available to offset a liability, the earliest
9 credit arising under this subsection shall be applied first. No
10 carryforward credit may be claimed in any tax year ending on or
11 after December 31, 2003.

12 (k) Research and development credit. For tax years ending
13 after July 1, 1990 and prior to December 31, 2003, and
14 beginning again for tax years ending on or after December 31,
15 2004, ~~and ending prior to January 1, 2027,~~ a taxpayer shall be
16 allowed a credit against the tax imposed by subsections (a) and
17 (b) of this Section for increasing research activities in this
18 State. The credit allowed against the tax imposed by
19 subsections (a) and (b) shall be equal to 6 1/2% of the
20 qualifying expenditures for increasing research activities in
21 this State. For partners, shareholders of subchapter S
22 corporations, and owners of limited liability companies, if the
23 liability company is treated as a partnership for purposes of
24 federal and State income taxation, there shall be allowed a
25 credit under this subsection to be determined in accordance
26 with the determination of income and distributive share of

1 income under Sections 702 and 704 and subchapter S of the
2 Internal Revenue Code.

3 For purposes of this subsection the following terms have
4 the following meanings. "Qualifying, ~~"qualifying~~ expenditures"
5 means the qualifying expenditures as defined for the federal
6 credit for increasing research activities which would be
7 allowable under Section 41 of the Internal Revenue Code and
8 which are conducted in this State. "Qualifying, ~~"qualifying~~
9 expenditures for increasing research activities in this State"
10 means the excess of qualifying expenditures for the taxable
11 year in which incurred over qualifying expenditures for the
12 base period. "Qualifying, ~~"qualifying~~ expenditures for the
13 base period" means: (1) for taxable years ending prior to
14 December 31, 2020, the average of the qualifying expenditures
15 for each year in the base period; and (2) for taxable years
16 ending on or after December 31, 2020, 50% of the average of the
17 qualifying expenditures for each year in the base period.
18 "Base, and ~~"base period"~~ means the 3 taxable years immediately
19 preceding the taxable year for which the determination is being
20 made.

21 Any credit in excess of the tax liability for the taxable
22 year may be carried forward. A taxpayer may elect to have the
23 unused credit shown on its final completed return carried over
24 as a credit against the tax liability for the following 5
25 taxable years or until it has been fully used, whichever occurs
26 first; provided that no credit earned in a tax year ending

1 prior to December 31, 2003 may be carried forward to any year
2 ending on or after December 31, 2003.

3 If an unused credit is carried forward to a given year from
4 2 or more earlier years, that credit arising in the earliest
5 year will be applied first against the tax liability for the
6 given year. If a tax liability for the given year still
7 remains, the credit from the next earliest year will then be
8 applied, and so on, until all credits have been used or no tax
9 liability for the given year remains. Any remaining unused
10 credit or credits then will be carried forward to the next
11 following year in which a tax liability is incurred, except
12 that no credit can be carried forward to a year which is more
13 than 5 years after the year in which the expense for which the
14 credit is given was incurred.

15 No inference shall be drawn from Public Act 91-644 ~~this~~
16 ~~amendatory Act of the 91st General Assembly~~ in construing this
17 Section for taxable years beginning before January 1, 1999.

18 It is the intent of the General Assembly that the research
19 and development credit under this subsection (k) shall apply
20 continuously for all tax years ending on or after December 31,
21 2004 and ending prior to January 1, 2027, including, but not
22 limited to, the period beginning on January 1, 2016 and ending
23 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
24 ~~amendatory Act of the 100th General Assembly~~. All actions taken
25 in reliance on the continuation of the credit under this
26 subsection (k) by any taxpayer are hereby validated.

1 This subsection (k) is exempt from the provisions of
2 Section 250.

3 (1) Environmental Remediation Tax Credit.

4 (i) For tax years ending after December 31, 1997 and on
5 or before December 31, 2001, a taxpayer shall be allowed a
6 credit against the tax imposed by subsections (a) and (b)
7 of this Section for certain amounts paid for unreimbursed
8 eligible remediation costs, as specified in this
9 subsection. For purposes of this Section, "unreimbursed
10 eligible remediation costs" means costs approved by the
11 Illinois Environmental Protection Agency ("Agency") under
12 Section 58.14 of the Environmental Protection Act that were
13 paid in performing environmental remediation at a site for
14 which a No Further Remediation Letter was issued by the
15 Agency and recorded under Section 58.10 of the
16 Environmental Protection Act. The credit must be claimed
17 for the taxable year in which Agency approval of the
18 eligible remediation costs is granted. The credit is not
19 available to any taxpayer if the taxpayer or any related
20 party caused or contributed to, in any material respect, a
21 release of regulated substances on, in, or under the site
22 that was identified and addressed by the remedial action
23 pursuant to the Site Remediation Program of the
24 Environmental Protection Act. After the Pollution Control
25 Board rules are adopted pursuant to the Illinois
26 Administrative Procedure Act for the administration and

1 enforcement of Section 58.9 of the Environmental
2 Protection Act, determinations as to credit availability
3 for purposes of this Section shall be made consistent with
4 those rules. For purposes of this Section, "taxpayer"
5 includes a person whose tax attributes the taxpayer has
6 succeeded to under Section 381 of the Internal Revenue Code
7 and "related party" includes the persons disallowed a
8 deduction for losses by paragraphs (b), (c), and (f) (1) of
9 Section 267 of the Internal Revenue Code by virtue of being
10 a related taxpayer, as well as any of its partners. The
11 credit allowed against the tax imposed by subsections (a)
12 and (b) shall be equal to 25% of the unreimbursed eligible
13 remediation costs in excess of \$100,000 per site, except
14 that the \$100,000 threshold shall not apply to any site
15 contained in an enterprise zone as determined by the
16 Department of Commerce and Community Affairs (now
17 Department of Commerce and Economic Opportunity). The
18 total credit allowed shall not exceed \$40,000 per year with
19 a maximum total of \$150,000 per site. For partners and
20 shareholders of subchapter S corporations, there shall be
21 allowed a credit under this subsection to be determined in
22 accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and
24 subchapter S of the Internal Revenue Code.

25 (ii) A credit allowed under this subsection that is
26 unused in the year the credit is earned may be carried

1 forward to each of the 5 taxable years following the year
2 for which the credit is first earned until it is used. The
3 term "unused credit" does not include any amounts of
4 unreimbursed eligible remediation costs in excess of the
5 maximum credit per site authorized under paragraph (i).
6 This credit shall be applied first to the earliest year for
7 which there is a liability. If there is a credit under this
8 subsection from more than one tax year that is available to
9 offset a liability, the earliest credit arising under this
10 subsection shall be applied first. A credit allowed under
11 this subsection may be sold to a buyer as part of a sale of
12 all or part of the remediation site for which the credit
13 was granted. The purchaser of a remediation site and the
14 tax credit shall succeed to the unused credit and remaining
15 carry-forward period of the seller. To perfect the
16 transfer, the assignor shall record the transfer in the
17 chain of title for the site and provide written notice to
18 the Director of the Illinois Department of Revenue of the
19 assignor's intent to sell the remediation site and the
20 amount of the tax credit to be transferred as a portion of
21 the sale. In no event may a credit be transferred to any
22 taxpayer if the taxpayer or a related party would not be
23 eligible under the provisions of subsection (i).

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

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

21 For purposes of this subsection:

22 "Qualifying pupils" means individuals who (i) are
23 residents of the State of Illinois, (ii) are under the age of
24 21 at the close of the school year for which a credit is
25 sought, and (iii) during the school year for which a credit is
26 sought were full-time pupils enrolled in a kindergarten through

1 twelfth grade education program at any school, as defined in
2 this subsection.

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

7 "School" means any public or nonpublic elementary or
8 secondary school in Illinois that is in compliance with Title
9 VI of the Civil Rights Act of 1964 and attendance at which
10 satisfies the requirements of Section 26-1 of the School Code,
11 except that nothing shall be construed to require a child to
12 attend any particular public or nonpublic school to qualify for
13 the credit under this Section.

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

17 (n) River Edge Redevelopment Zone site remediation tax
18 credit.

19 (i) For tax years ending on or after December 31, 2006,
20 a taxpayer shall be allowed a credit against the tax
21 imposed by subsections (a) and (b) of this Section for
22 certain amounts paid for unreimbursed eligible remediation
23 costs, as specified in this subsection. For purposes of
24 this Section, "unreimbursed eligible remediation costs"
25 means costs approved by the Illinois Environmental
26 Protection Agency ("Agency") under Section 58.14a of the

1 Environmental Protection Act that were paid in performing
2 environmental remediation at a site within a River Edge
3 Redevelopment Zone for which a No Further Remediation
4 Letter was issued by the Agency and recorded under Section
5 58.10 of the Environmental Protection Act. The credit must
6 be claimed for the taxable year in which Agency approval of
7 the eligible remediation costs is granted. The credit is
8 not available to any taxpayer if the taxpayer or any
9 related party caused or contributed to, in any material
10 respect, a release of regulated substances on, in, or under
11 the site that was identified and addressed by the remedial
12 action pursuant to the Site Remediation Program of the
13 Environmental Protection Act. Determinations as to credit
14 availability for purposes of this Section shall be made
15 consistent with rules adopted by the Pollution Control
16 Board pursuant to the Illinois Administrative Procedure
17 Act for the administration and enforcement of Section 58.9
18 of the Environmental Protection Act. For purposes of this
19 Section, "taxpayer" includes a person whose tax attributes
20 the taxpayer has succeeded to under Section 381 of the
21 Internal Revenue Code and "related party" includes the
22 persons disallowed a deduction for losses by paragraphs
23 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
24 Code by virtue of being a related taxpayer, as well as any
25 of its partners. The credit allowed against the tax imposed
26 by subsections (a) and (b) shall be equal to 25% of the

1 unreimbursed eligible remediation costs in excess of
2 \$100,000 per site.

3 (ii) A credit allowed under this subsection that is
4 unused in the year the credit is earned may be carried
5 forward to each of the 5 taxable years following the year
6 for which the credit is first earned until it is used. This
7 credit shall be applied first to the earliest year for
8 which there is a liability. If there is a credit under this
9 subsection from more than one tax year that is available to
10 offset a liability, the earliest credit arising under this
11 subsection shall be applied first. A credit allowed under
12 this subsection may be sold to a buyer as part of a sale of
13 all or part of the remediation site for which the credit
14 was granted. The purchaser of a remediation site and the
15 tax credit shall succeed to the unused credit and remaining
16 carry-forward period of the seller. To perfect the
17 transfer, the assignor shall record the transfer in the
18 chain of title for the site and provide written notice to
19 the Director of the Illinois Department of Revenue of the
20 assignor's intent to sell the remediation site and the
21 amount of the tax credit to be transferred as a portion of
22 the sale. In no event may a credit be transferred to any
23 taxpayer if the taxpayer or a related party would not be
24 eligible under the provisions of subsection (i).

25 (iii) For purposes of this Section, the term "site"
26 shall have the same meaning as under Section 58.2 of the

1 Environmental Protection Act.

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

12 (1) the medical cannabis cultivation center
13 registration, medical cannabis dispensary registration, or
14 the property of a registration is transferred as a result
15 of any of the following:

16 (A) bankruptcy, a receivership, or a debt
17 adjustment initiated by or against the initial
18 registration or the substantial owners of the initial
19 registration;

20 (B) cancellation, revocation, or termination of
21 any registration by the Illinois Department of Public
22 Health;

23 (C) a determination by the Illinois Department of
24 Public Health that transfer of the registration is in
25 the best interests of Illinois qualifying patients as
26 defined by the Compassionate Use of Medical Cannabis

1 Program Act;

2 (D) the death of an owner of the equity interest in
3 a registrant;

4 (E) the acquisition of a controlling interest in
5 the stock or substantially all of the assets of a
6 publicly traded company;

7 (F) a transfer by a parent company to a wholly
8 owned subsidiary; or

9 (G) the transfer or sale to or by one person to
10 another person where both persons were initial owners
11 of the registration when the registration was issued;
12 or

13 (2) the cannabis cultivation center registration,
14 medical cannabis dispensary registration, or the
15 controlling interest in a registrant's property is
16 transferred in a transaction to lineal descendants in which
17 no gain or loss is recognized or as a result of a
18 transaction in accordance with Section 351 of the Internal
19 Revenue Code in which no gain or loss is recognized.

20 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
21 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
22 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 9-17-19.)

23 Section 95. No acceleration or delay. Where this Act makes
24 changes in a statute that is represented in this Act by text
25 that is not yet or no longer in effect (for example, a Section

1 represented by multiple versions), the use of that text does
2 not accelerate or delay the taking effect of (i) the changes
3 made by this Act or (ii) provisions derived from any other
4 Public Act.

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