

# SB0141



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0141

Introduced 1/24/2023, by Sen. Jil Tracy

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who make an investment in depreciable property used primarily to collect or process reclaimable material or to manufacture products from reclaimed material. Sets forth the amount of the credit. Effective immediately.

LRB103 25119 HLH 51456 b

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 adding Section 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Reclaimable material.

8 (a) For taxable years beginning on or after January 1,  
9 2024, a taxpayer who makes an investment in depreciable  
10 property used primarily to collect or process reclaimable  
11 material or to manufacture products from reclaimed material is  
12 entitled to a credit against the taxes imposed by subsections  
13 (a) and (b) of Section 201 as provided in this Section. The  
14 amount of the credit shall be as follows:

15 (1) 25% of the cost of the property on the first  
16 \$250,000 invested;

17 (2) 15% of the cost of the property on the next  
18 \$250,000 invested; and

19 (3) 5% of the cost of the property on the next \$500,000  
20 invested.

21 A credit may not be claimed for investments in depreciable  
22 property in excess of \$1,000,000.

23 (b) In no event shall a credit under this Section reduce

1 the taxpayer's liability to less than zero. If the amount of  
2 the credit exceeds the tax liability for the year, the excess  
3 may be carried forward and applied to the tax liability of the  
4 5 taxable years following the excess credit year. The tax  
5 credit shall be applied to the earliest year for which there is  
6 a tax liability. If there are credits for more than one year  
7 that are available to offset a liability, the earlier credit  
8 shall be applied first.

9 (c) If the taxpayer is a partnership, a Subchapter S  
10 corporation, or a limited liability company that has elected  
11 partnership tax treatment, the credit shall be allowed to the  
12 partners, shareholders, or members in accordance with the  
13 determination of income and distributive share of income under  
14 Sections 702 and 704 and subchapter S of the Internal Revenue  
15 Code, as applicable.

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

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