

SB2912



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2912

Introduced 1/26/2024, by Sen. Rachel Ventura

SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new
5 ILCS 100/5-45.55 new

Amends the Illinois Income Tax Act. Creates an income tax credit for qualified housing developers who incur development costs in the construction of new housing. Sets forth the amount of the credit. Effective immediately.

LRB103 37135 HLH 67254 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 241 as follows:

6 (35 ILCS 5/241 new)

7 Sec. 241. Housing development credit.

8 (a) For taxable years ending on or after December 31, 2024
9 and ending on or before December 31, 2029, each qualified
10 housing developer may apply to the Authority, in the form and
11 manner prescribed by the Authority, for a credit against the
12 taxes imposed by subsections (a) and (b) of Section 201 in an
13 amount equal to (i) 1% of the total development costs incurred
14 by the qualified housing developer for the construction of new
15 housing or (ii) 5% of the total development costs incurred by
16 the qualified housing developer for the construction of
17 passive housing. The credit may be claimed for the taxable
18 year during which construction is completed. The total amount
19 of credits that may be awarded in any given taxable year shall
20 not exceed \$50,000,000. Credits shall be awarded on a
21 first-come, first-served basis.

22 (b) In no event shall a credit under this Section reduce
23 the taxpayer's liability to less than zero. If the amount of

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

8 (c) If the taxpayer is a partnership or Subchapter S
9 corporation, the credit is allowed to pass through to the
10 partners and shareholders as provided in Section 251.

11 (d) The Authority shall adopt rules to implement and
12 administer this Section, including rules concerning
13 applications for the tax credit. A taxpayer claiming the
14 credit under this Section must maintain and record any
15 information that the Authority may require regarding the
16 development project for which the credit is claimed.

17 (e) As used in this Section:

18 "Authority" means the Illinois Housing Development
19 Authority.

20 "Development costs" means any costs associated with the
21 construction or rehabilitation of new housing.

22 "New housing" means single-family housing that has not
23 been previously occupied for residential use in the 20 years
24 immediately preceding the taxable year in which the credit is
25 awarded.

26 "Passive housing" means new housing that, at the time

1 construction is completed:

2 (1) does not use over 120 kilowatt-hours of energy per
3 10 square feet of usable living space annually for
4 heating, cooling, hot water, and domestic electricity.

5 (2) does not exceed 15 kilowatt-hours of energy per 10
6 square feet of living space for heating or 10 watts of
7 energy per 10 square feet at peak demand;

8 (3) does not have more than 0.6 air changes per hour at
9 0.00725189 pound-force per square inch of pressure; and

10 (4) does not exceed 77 degrees Fahrenheit for more
11 than 10% of the calendar year.

12 Section 10. The Illinois Administrative Procedure Act is
13 amended by adding Section 5-45.55 as follows:

14 (5 ILCS 100/5-45.55 new)

15 Sec. 5-45.55. Emergency rulemaking. To provide for the
16 expeditious and timely implementation of this amendatory Act
17 of the 103rd General Assembly, emergency rules implementing
18 this amendatory Act of the 103rd General Assembly may be
19 adopted in accordance with Section 5-45 by the Illinois
20 Housing Development Authority. The adoption of emergency rules
21 authorized by Section 5-45 and this Section is deemed to be
22 necessary for the public interest, safety, and welfare.

23 This Section is repealed one year after the effective date
24 of this amendatory Act of the 103rd General Assembly.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.