



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**  
**HB4482**

Introduced 02/03/04, by Calvin L. Giles

**SYNOPSIS AS INTRODUCED:**

35 ILCS 5/220 new

Amends the Illinois Income Tax Act. Provides that for each taxable year beginning on or after January 1, 2005, a taxpayer employer is allowed an income tax credit in the amount of \$1,200 or 5% of the salary paid to the employee during the taxable year, whichever is less, for each eligible ex-felon employed by the taxpayer as of the last day of the taxable year. Sets forth the standards for an employee to be an "eligible ex-felon". Provides that unused amounts of the credit may be carried forward for a period of 5 years. Exempts the credit from the sunset requirements of the Act. Requires the Department of Revenue and the Department of Corrections to adopt rules concerning the credit.

LRB093 20114 SJM 45859 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning taxes.

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

4 Section 5. The Illinois Income Tax Act is amended by adding  
5 Section 220 as follows:

6 (35 ILCS 5/220 new)

7 Sec. 220. Ex-felon employee credit.

8 (a) For each taxable year beginning on or after January 1,  
9 2005, a taxpayer employer is allowed a credit against the tax  
10 imposed by subsections (a) and (b) of Section 201 of this Act  
11 for employing an eligible ex-felon. The amount of the credit is  
12 \$1,200 or 5% of the salary paid to the employee during the  
13 taxable year, whichever is less, for each eligible ex-felon  
14 employed by the taxpayer as of the last day of the taxable  
15 year.

16 (b) An employee is an "eligible ex-felon" only if all of  
17 the following criteria are met:

18 (1) The Illinois Department of Corrections and the  
19 Department of Revenue have certified the employee as:

20 (A) having been convicted of a felony under any  
21 statute of the United States or of the State;

22 (B) having a hiring date that is not more than 1  
23 year after the date on which the employee was convicted  
24 or released from prison, whichever is later; and

25 (C) being a member of a family that had an income  
26 during the 6 months immediately preceding the earlier  
27 of the month in which the income determination occurs  
28 or the month in which the hiring date occurs, which, on  
29 an annual basis, would be 70% or less of the Bureau of  
30 Labor Statistics lower living standard; and

31 (2) The employee is a full-time employee working 30 or  
32 more hours per week for 26 consecutive weeks; provided,

1 however, that the 26-week period may be completed after the  
2 end of the taxable year for which the credit under this  
3 Section is claimed.

4 (c) For partners, shareholders of subchapter S  
5 corporations, and owners of limited liability companies, if the  
6 limited liability company is treated as a partnership for  
7 purposes of federal and State income taxation, there shall be  
8 allowed a credit under this Section to be determined in  
9 accordance with the determination of income and distributive  
10 share if income under Sections 702 and 702 of the federal  
11 Internal Revenue Code of 1986.

12 (d) Any credit allowed under this Section that is unused in  
13 the year the credit is earned may be carried forward to each of  
14 the 5 taxable years following the year for which the credit is  
15 first computed until it is used. This credit shall be applied  
16 first to the earliest year for which there is a liability. If  
17 there is a credit under this Section form more than one tax  
18 year that is available to offset a liability, then the earliest  
19 credit arising under this Section shall be applied first.

20 (e) This Section is exempt from the provisions of Section  
21 250 of this Act.

22 (f) The Department of Revenue and the Department of  
23 Corrections must adopt any rules that are necessary to carry  
24 out the purposes of this Section.