



## 93RD GENERAL ASSEMBLY

### State of Illinois

#### 2003 and 2004

Introduced 02/09/04, by William B. Black - Patricia Reid  
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al.

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new  
35 ILCS 5/217 new

Amends the Illinois Income Tax Act. Creates a \$2,000 tax credit for each taxpayer who purchases a new E85 ethanol powered motor vehicle for each vehicle purchased during the taxable year. Creates a \$10,000 tax credit for each motor fuel retailer who installs one or more new E85 ethanol fuel dispensing pumps at his or her motor fuel retail store in Illinois during the taxable year. Provides that each of the credits applies to taxable years ending on or after December 31, 2004 and on or before December 30, 2009. Provides that the credits may not reduce the taxpayer's liability to less than zero. Effective January 1, 2005.

LRB093 17827 SJM 43508 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT in relation to taxation.

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 Sections 216 and 217 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Tax credit for purchasing E85 ethanol-powered  
8 motor vehicle and using E85 blend fuel. Beginning with taxable  
9 years ending on or after December 31, 2004 and on or before  
10 December 30, 2009, each taxpayer who purchases a new E85  
11 ethanol-powered motor vehicle is entitled to a credit against  
12 the tax imposed by subsections (a) and (b) of Section 201 in  
13 the following amounts:

14 (1) For the taxable year of the purchase, \$500 for each  
15 vehicle purchased during the taxable year.

16 (2) For the year following the taxable year of the  
17 purchase, \$500 for each vehicle for which a credit was  
18 allowed under item (1), if the taxpayer verifies that the  
19 taxpayer purchased at least 1,000 gallons of E85 blend fuel  
20 during the taxable year for each E85 ethanol-powered motor  
21 vehicle for which a credit was allowed under item (1).

22 (3) For the second year following the taxable year of  
23 the purchase, \$500 for each vehicle for which a credit was  
24 allowed under item (1), if the taxpayer verifies that the  
25 taxpayer purchased at least 1,000 gallons of E85 blend fuel  
26 during the taxable year for each E85 ethanol-powered motor  
27 vehicle for which a credit was allowed under item (1).

28 (4) For the third year following the taxable year of  
29 the purchase, \$500 for each vehicle for which a credit was  
30 allowed under item (1), if the taxpayer verifies that the  
31 taxpayer purchased at least 1,000 gallons of E85 blend fuel  
32 during the taxable year for each E85 ethanol-powered motor

1 vehicle for which a credit was allowed under item (1).

2 For purposes of this Section, "E85 ethanol-powered motor  
3 vehicle" means a motor vehicle that is powered by E85 blend  
4 fuel that consists of at least 85% ethanol and no more than 15%  
5 gasoline. The tax credits under this Section may not reduce the  
6 taxpayer's liability in any taxable year to less than zero.

7 (35 ILCS 5/217 new)

8 Sec. 217. Tax credit for installing E85 ethanol fuel  
9 dispensing pumps. For taxable years ending on or after December  
10 31, 2004 and on or before December 30, 2009, each motor fuel  
11 retailer who installs one or more new E85 ethanol fuel  
12 dispensing pumps at his or her motor fuel retail store in  
13 Illinois during the taxable year is entitled to a credit  
14 against the tax imposed by subsections (a) and (b) of Section  
15 201 in the amount of \$10,000. For purposes of this Section "E85  
16 ethanol fuel dispensing pump" means a fuel dispensing pump that  
17 dispenses E85 blend fuel which consists of at least 85% ethanol  
18 and no more than 15% gasoline. The tax credit may not reduce  
19 the taxpayer's liability to less than zero.

20 Section 99. Effective date. This Act takes effect January  
21 1, 2005