

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
5 changing Section 210.5 as follows:

6 (35 ILCS 5/210.5)

7 Sec. 210.5. Tax credit for employee child care.

8 (a) Each corporate taxpayer is entitled to a credit
9 against the tax imposed by subsections (a) and (b) of Section
10 201 of this Act in an amount equal to (i) for taxable years
11 ending on or after December 31, 2000 and on or before
12 December 31, 2004, 30% of the start-up costs expended by the
13 corporate taxpayer to provide a child care facility for the
14 children of its employees and (ii) for taxable years ending
15 on or after December 31, 2000, 5% of the annual amount paid
16 by the corporate taxpayer in providing the child care
17 facility for the children of its employees. The provisions
18 of Section 250 do not apply to the 5% credit under item (ii)
19 of this subsection. If the 5% credit authorized under item
20 (ii) of this subsection is claimed, the 5% credit authorized
21 under Section 210 cannot also be claimed.

22 To receive the tax credit under this Section a corporate
23 taxpayer may either independently provide and operate a child
24 care facility for the children of its employees or it may
25 join in a partnership with one or more other corporations to
26 jointly provide and operate a child care facility for the
27 children of employees of the corporations in the partnership.

28 (b) The tax credit may not reduce the taxpayer's
29 liability to less than zero. If the amount of the tax credit
30 exceeds the tax liability for the year, the excess may be
31 carried forward and applied to the tax liability of the 5

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

6 (c) As used in this Section, "start-up costs" means
7 planning, site-preparation, construction, renovation, or
8 acquisition of a child care facility. As used in this
9 Section, "child care facility" is limited to a child care
10 facility located in Illinois.

11 (d) A corporate taxpayer claiming the credit provided by
12 this Section shall maintain and record such information as
13 the Department may require by rule regarding the child care
14 facility for which the credit is claimed.

15 (Source: P.A. 91-930, eff. 12-15-00.)