

1                                   AMENDMENT TO SENATE BILL 1461

2           AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1461, AS AMENDED,  
3 by replacing the title with the following:

4           "AN ACT concerning taxes, which may be referred to as the  
5 Retirement Community Economic Development Incentive Act.

6           WHEREAS, Over \$1,000,000,000 annually is transferred out  
7 of Illinois by retirees to Southern-tier states; and

8           WHEREAS, Illinois is second only to New York in net loss  
9 of people migrating to other states, averaging a net loss in  
10 excess of 20,000 people per year; and

11           WHEREAS, It takes 3.7 factory jobs to equal the economic  
12 impact of one active adult retirement household; and

13           WHEREAS, Retirees have money, spend it, and don't burden  
14 municipal services; and

15           WHEREAS, Active adult retirement communities are a magnet  
16 for new business development; and

17           WHEREAS, Retaining retirees in Illinois means more  
18 business, and more business means more jobs and more tax  
19 dollars; and

20           WHEREAS, A typical active adult retiree household will

1 spend in excess of \$2,000 per year in sales tax, income tax,  
 2 car registration fees, highway tolls, and, in some instances,  
 3 business license fees; property taxes are another major  
 4 expenditure; in addition to that, taxes will be paid by the  
 5 people newly employed; and

6 WHEREAS, Active adult planned unit development  
 7 communities' restrictions prohibit full-time residency by  
 8 anyone under age 19; and

9 WHEREAS, To level the playing field between Illinois and  
 10 the Southern-tier states, this legislation proposes a  
 11 refundable tax credit; the credit would apply only to those  
 12 living in active adult planned unit development communities  
 13 and would be equal to 50% of the amount the property owner in  
 14 an active adult community is paying to the schools through  
 15 property taxes; and

16 WHEREAS, The tax credit proposed by this legislation  
 17 would have the following benefits:

18 (1) Schools will not be penalized because they will  
 19 get the amount of their levy anyway;

20 (2) The State is not mortgaging new income flows,  
 21 but is providing the credit out of funds it already has  
 22 and will continue to receive; and

23 (3) Illinois money stays in Illinois; therefore";  
 24 and

25 by replacing everything after the enacting clause with the  
 26 following:

27 "Section 5. The State Revenue Sharing Act is amended by  
 28 changing Section 0.1 as follows:

29 (30 ILCS 115/0.1) (from Ch. 85, par. 610)

30 Sec. 0.1. Short title. This Act shall-be-known-and may

1 be cited as the State Revenue Sharing Act.

2 (Source: P.A. 91-51, eff. 6-30-99.)

3 Section 10. The Illinois Income Tax Act is amended by  
4 adding Section 208.2 as follows:

5 (35 ILCS 5/208.2 new)

6 Sec. 208.2. Retirement Community Economic Development  
7 Incentive Credit.

8 (a) Beginning with taxable years ending on or after  
9 December 31, 2003, every individual taxpayer who owns  
10 property in an active adult planned unit development  
11 community is entitled to a credit against the tax imposed by  
12 subsections (a) and (b) of Section 201 in an amount equal to  
13 50% of the real property taxes extended on behalf of the  
14 school district and paid by the taxpayer during the taxable  
15 year on the principal residence of the taxpayer.

16 (b) If a credit allowed under this Section exceeds the  
17 tax liability of the taxpayer, the taxpayer shall receive a  
18 refund for the amount of the excess.

19 (c) The Department shall adopt rules defining "active  
20 adult planned unit development community".

21 (d) This Section is exempt from the provisions of  
22 Section 250.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."