

HB0557



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0557

Introduced 2/5/2007, by Rep. Barbara Flynn Currie

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the amount of the earned income tax credit from 5% of the federal tax credit to (i) 10% of the federal tax credit for each taxable year beginning on or after January 1, 2007, (ii) 15% of the federal tax credit for each taxable year beginning on or after January 1, 2009, and (iii) 20% of the federal tax credit for each taxable year beginning on or after January 1, 2011. Effective immediately.

LRB095 06360 BDD 26456 b

FISCAL NOTE ACT
MAY APPLY

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 changing Section 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to:

13 (1) 5% of the federal tax credit for each taxable year
14 beginning on or after January 1, 2000 and ending on or
15 before December 31, 2006;

16 (2) 10% of the federal tax credit for each taxable year
17 beginning on or after January 1, 2007 and ending on or
18 before December 31, 2008;

19 (3) 15% of the federal tax credit for each taxable year
20 beginning on or after January 1, 2009 and ending on or
21 before December 31, 2010; and

22 (4) 20% of the federal tax credit for each taxable year
23 beginning on or after January 1, 2011.

1 For a non-resident or part-year resident, the amount of the
2 credit under this Section shall be in proportion to the amount
3 of income attributable to this State.

4 (b) For taxable years beginning before January 1, 2003, in
5 no event shall a credit under this Section reduce the
6 taxpayer's liability to less than zero. For each taxable year
7 beginning on or after January 1, 2003, if the amount of the
8 credit exceeds the income tax liability for the applicable tax
9 year, then the excess credit shall be refunded to the taxpayer.
10 The amount of a refund shall not be included in the taxpayer's
11 income or resources for the purposes of determining eligibility
12 or benefit level in any means-tested benefit program
13 administered by a governmental entity unless required by
14 federal law.

15 (b-5) Refunds authorized by subsection (b) are subject to
16 the availability of funds from the federal Temporary Assistance
17 for Needy Families Block Grant and the State's ability to meet
18 its required Maintenance of Effort.

19 (c) This Section is exempt from the provisions of Section
20 250.

21 (Source: P.A. 93-534, eff. 8-18-03; 93-653, eff. 1-8-04.)

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