



Rep. Barbara Flynn Currie

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1 AMENDMENT TO HOUSE BILL 395

2 AMENDMENT NO. _____. Amend House Bill 395 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Revenue Sharing Act is amended by
5 changing Section 1 as follows:

6 (30 ILCS 115/1) (from Ch. 85, par. 611)

7 Sec. 1. Local Government Distributive Fund.

8 (a) Through June 30, 1994, as soon as may be after the
9 first day of each month the Department of Revenue shall certify
10 to the Treasurer an amount equal to 1/12 of the net revenue
11 realized from the tax imposed by subsections (a) and (b) of
12 Section 201 of the Illinois Income Tax Act during the preceding
13 month.

14 Beginning July 1, 1994, and continuing through June 30,
15 1995, as soon as may be after the first day of each month, the
16 Department of Revenue shall certify to the Treasurer an amount

1 equal to 1/11 of the net revenue realized from the tax imposed
2 by subsections (a) and (b) of Section 201 of the Illinois
3 Income Tax Act during the preceding month.

4 Beginning July 1, 1995, and continuing through January 31,
5 2011, as soon as may be after the first day of each month, the
6 Department of Revenue shall certify to the Treasurer an amount
7 equal to 1/10 of the net revenue realized from the tax imposed
8 by subsections (a) and (b) of Section 201 of the Illinois
9 Income Tax Act during the preceding month.

10 For the purpose of this subsection (a), net ~~Net~~ revenue
11 realized for a month shall be defined as the revenue from the
12 tax imposed by subsections (a) and (b) of Section 201 of the
13 Illinois Income Tax Act which is deposited in the General
14 Revenue Fund, the Education Assistance Fund and the Income Tax
15 Surcharge Local Government Distributive Fund during the month
16 minus the amount paid out of the General Revenue Fund in State
17 warrants during that same month as refunds to taxpayers for
18 overpayment of liability under the tax imposed by subsections
19 (a) and (b) of Section 201 of the Illinois Income Tax Act.

20 Upon receipt of a such certification under this subsection
21 (a), the Treasurer shall transfer from the General Revenue Fund
22 to a special fund in the State treasury, to be known as the
23 "Local Government Distributive Fund", the amount shown on such
24 certification.

25 (b) Beginning February 1, 2011, for all payments collected
26 on or after December 31, 2010, the Treasurer shall transfer

1 each month from the General Revenue Fund to the Local
2 Government Distributive Fund the amount determined under
3 subsection (b) of Section 901 of the Illinois Income Tax Act.

4 (c) All amounts paid into the Local Government Distributive
5 Fund in accordance with this Section and allocated pursuant to
6 this Act are appropriated on a continuing basis.

7 (Source: P.A. 88-89.)

8 Section 10. The Illinois Income Tax Act is amended by
9 changing Sections 201 and 901 as follows:

10 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

11 Sec. 201. Tax Imposed.

12 (a) In general. A tax measured by net income is hereby
13 imposed on every individual, corporation, trust and estate for
14 each taxable year ending after July 31, 1969 on the privilege
15 of earning or receiving income in or as a resident of this
16 State. Such tax shall be in addition to all other occupation or
17 privilege taxes imposed by this State or by any municipal
18 corporation or political subdivision thereof.

19 (b) Rates. The tax imposed by subsection (a) of this
20 Section shall be determined as follows, except as adjusted by
21 subsection (d-1):

22 (1) In the case of an individual, trust or estate, for
23 taxable years ending prior to July 1, 1989, an amount equal
24 to 2 1/2% of the taxpayer's net income for the taxable

1 year.

2 (2) In the case of an individual, trust or estate, for
3 taxable years beginning prior to July 1, 1989 and ending
4 after June 30, 1989, an amount equal to the sum of (i) 2
5 1/2% of the taxpayer's net income for the period prior to
6 July 1, 1989, as calculated under Section 202.3, and (ii)
7 3% of the taxpayer's net income for the period after June
8 30, 1989, as calculated under Section 202.3.

9 (3) In the case of an individual, trust or estate, for
10 taxable years beginning after June 30, 1989, and ending
11 prior to January 1, 2011, an amount equal to 3% of the
12 taxpayer's net income for the taxable year.

13 (4) In the case of an individual, trust, or estate, for
14 taxable years beginning prior to January 1, 2011, and
15 ending after December 31, 2010, an amount equal to the sum
16 of (i) 3% of the taxpayer's net income for the period prior
17 to January 1, 2011, as calculated under Section 202.5, and
18 (ii) 5% of the taxpayer's net income for the period after
19 December 31, 2010, as calculated under Section 202.5.

20 (5) In the case of an individual, trust, or estate, for
21 taxable years beginning on or after January 1, 2011, ~~and~~
22 ~~ending prior to January 1, 2015,~~ an amount equal to 5% of
23 the taxpayer's net income for the taxable year.

24 (5.1) (Blank). ~~In the case of an individual, trust, or~~
25 ~~estate, for taxable years beginning prior to January 1,~~
26 ~~2015, and ending after December 31, 2014, an amount equal~~

1 ~~to the sum of (i) 5% of the taxpayer's net income for the~~
2 ~~period prior to January 1, 2015, as calculated under~~
3 ~~Section 202.5, and (ii) 3.75% of the taxpayer's net income~~
4 ~~for the period after December 31, 2014, as calculated under~~
5 ~~Section 202.5.~~

6 (5.2) (Blank). ~~In the case of an individual, trust, or~~
7 ~~estate, for taxable years beginning on or after January 1,~~
8 ~~2015, and ending prior to January 1, 2025, an amount equal~~
9 ~~to 3.75% of the taxpayer's net income for the taxable year.~~

10 (5.3) (Blank). ~~In the case of an individual, trust, or~~
11 ~~estate, for taxable years beginning prior to January 1,~~
12 ~~2025, and ending after December 31, 2024, an amount equal~~
13 ~~to the sum of (i) 3.75% of the taxpayer's net income for~~
14 ~~the period prior to January 1, 2025, as calculated under~~
15 ~~Section 202.5, and (ii) 3.25% of the taxpayer's net income~~
16 ~~for the period after December 31, 2024, as calculated under~~
17 ~~Section 202.5.~~

18 (5.4) (Blank). ~~In the case of an individual, trust, or~~
19 ~~estate, for taxable years beginning on or after January 1,~~
20 ~~2025, an amount equal to 3.25% of the taxpayer's net income~~
21 ~~for the taxable year.~~

22 (6) In the case of a corporation, for taxable years
23 ending prior to July 1, 1989, an amount equal to 4% of the
24 taxpayer's net income for the taxable year.

25 (7) In the case of a corporation, for taxable years
26 beginning prior to July 1, 1989 and ending after June 30,

1 1989, an amount equal to the sum of (i) 4% of the
2 taxpayer's net income for the period prior to July 1, 1989,
3 as calculated under Section 202.3, and (ii) 4.8% of the
4 taxpayer's net income for the period after June 30, 1989,
5 as calculated under Section 202.3.

6 (8) In the case of a corporation, for taxable years
7 beginning after June 30, 1989, and ending prior to January
8 1, 2011, an amount equal to 4.8% of the taxpayer's net
9 income for the taxable year.

10 (9) In the case of a corporation, for taxable years
11 beginning prior to January 1, 2011, and ending after
12 December 31, 2010, an amount equal to the sum of (i) 4.8%
13 of the taxpayer's net income for the period prior to
14 January 1, 2011, as calculated under Section 202.5, and
15 (ii) 7% of the taxpayer's net income for the period after
16 December 31, 2010, as calculated under Section 202.5.

17 (10) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2011, ~~and ending prior to~~
19 ~~January 1, 2015,~~ an amount equal to 7% of the taxpayer's
20 net income for the taxable year.

21 (11) (Blank). ~~In the case of a corporation, for taxable~~
22 ~~years beginning prior to January 1, 2015, and ending after~~
23 ~~December 31, 2014, an amount equal to the sum of (i) 7% of~~
24 ~~the taxpayer's net income for the period prior to January~~
25 ~~1, 2015, as calculated under Section 202.5, and (ii) 5.25%~~
26 ~~of the taxpayer's net income for the period after December~~

1 ~~31, 2014, as calculated under Section 202.5.~~

2 (12) (Blank). ~~In the case of a corporation, for taxable~~
3 ~~years beginning on or after January 1, 2015, and ending~~
4 ~~prior to January 1, 2025, an amount equal to 5.25% of the~~
5 ~~taxpayer's net income for the taxable year.~~

6 (13) (Blank). ~~In the case of a corporation, for taxable~~
7 ~~years beginning prior to January 1, 2025, and ending after~~
8 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~
9 ~~of the taxpayer's net income for the period prior to~~
10 ~~January 1, 2025, as calculated under Section 202.5, and~~
11 ~~(ii) 4.8% of the taxpayer's net income for the period after~~
12 ~~December 31, 2024, as calculated under Section 202.5.~~

13 ~~(14) In the case of a corporation, for taxable years~~
14 ~~beginning on or after January 1, 2025, an amount equal to~~
15 ~~4.8% of the taxpayer's net income for the taxable year.~~

16 The rates under this subsection (b) are subject to the
17 provisions of Section 201.5.

18 (c) Personal Property Tax Replacement Income Tax.
19 Beginning on July 1, 1979 and thereafter, in addition to such
20 income tax, there is also hereby imposed the Personal Property
21 Tax Replacement Income Tax measured by net income on every
22 corporation (including Subchapter S corporations), partnership
23 and trust, for each taxable year ending after June 30, 1979.
24 Such taxes are imposed on the privilege of earning or receiving
25 income in or as a resident of this State. The Personal Property
26 Tax Replacement Income Tax shall be in addition to the income

1 tax imposed by subsections (a) and (b) of this Section and in
2 addition to all other occupation or privilege taxes imposed by
3 this State or by any municipal corporation or political
4 subdivision thereof.

5 (d) Additional Personal Property Tax Replacement Income
6 Tax Rates. The personal property tax replacement income tax
7 imposed by this subsection and subsection (c) of this Section
8 in the case of a corporation, other than a Subchapter S
9 corporation and except as adjusted by subsection (d-1), shall
10 be an additional amount equal to 2.85% of such taxpayer's net
11 income for the taxable year, except that beginning on January
12 1, 1981, and thereafter, the rate of 2.85% specified in this
13 subsection shall be reduced to 2.5%, and in the case of a
14 partnership, trust or a Subchapter S corporation shall be an
15 additional amount equal to 1.5% of such taxpayer's net income
16 for the taxable year.

17 (d-1) Rate reduction for certain foreign insurers. In the
18 case of a foreign insurer, as defined by Section 35A-5 of the
19 Illinois Insurance Code, whose state or country of domicile
20 imposes on insurers domiciled in Illinois a retaliatory tax
21 (excluding any insurer whose premiums from reinsurance assumed
22 are 50% or more of its total insurance premiums as determined
23 under paragraph (2) of subsection (b) of Section 304, except
24 that for purposes of this determination premiums from
25 reinsurance do not include premiums from inter-affiliate
26 reinsurance arrangements), beginning with taxable years ending

1 on or after December 31, 1999, the sum of the rates of tax
2 imposed by subsections (b) and (d) shall be reduced (but not
3 increased) to the rate at which the total amount of tax imposed
4 under this Act, net of all credits allowed under this Act,
5 shall equal (i) the total amount of tax that would be imposed
6 on the foreign insurer's net income allocable to Illinois for
7 the taxable year by such foreign insurer's state or country of
8 domicile if that net income were subject to all income taxes
9 and taxes measured by net income imposed by such foreign
10 insurer's state or country of domicile, net of all credits
11 allowed or (ii) a rate of zero if no such tax is imposed on such
12 income by the foreign insurer's state of domicile. For the
13 purposes of this subsection (d-1), an inter-affiliate includes
14 a mutual insurer under common management.

15 (1) For the purposes of subsection (d-1), in no event
16 shall the sum of the rates of tax imposed by subsections
17 (b) and (d) be reduced below the rate at which the sum of:

18 (A) the total amount of tax imposed on such foreign
19 insurer under this Act for a taxable year, net of all
20 credits allowed under this Act, plus

21 (B) the privilege tax imposed by Section 409 of the
22 Illinois Insurance Code, the fire insurance company
23 tax imposed by Section 12 of the Fire Investigation
24 Act, and the fire department taxes imposed under
25 Section 11-10-1 of the Illinois Municipal Code,
26 equals 1.25% for taxable years ending prior to December 31,

1 2003, or 1.75% for taxable years ending on or after
2 December 31, 2003, of the net taxable premiums written for
3 the taxable year, as described by subsection (1) of Section
4 409 of the Illinois Insurance Code. This paragraph will in
5 no event increase the rates imposed under subsections (b)
6 and (d).

7 (2) Any reduction in the rates of tax imposed by this
8 subsection shall be applied first against the rates imposed
9 by subsection (b) and only after the tax imposed by
10 subsection (a) net of all credits allowed under this
11 Section other than the credit allowed under subsection (i)
12 has been reduced to zero, against the rates imposed by
13 subsection (d).

14 This subsection (d-1) is exempt from the provisions of
15 Section 250.

16 (e) Investment credit. A taxpayer shall be allowed a credit
17 against the Personal Property Tax Replacement Income Tax for
18 investment in qualified property.

19 (1) A taxpayer shall be allowed a credit equal to .5%
20 of the basis of qualified property placed in service during
21 the taxable year, provided such property is placed in
22 service on or after July 1, 1984. There shall be allowed an
23 additional credit equal to .5% of the basis of qualified
24 property placed in service during the taxable year,
25 provided such property is placed in service on or after
26 July 1, 1986, and the taxpayer's base employment within

1 Illinois has increased by 1% or more over the preceding
2 year as determined by the taxpayer's employment records
3 filed with the Illinois Department of Employment Security.
4 Taxpayers who are new to Illinois shall be deemed to have
5 met the 1% growth in base employment for the first year in
6 which they file employment records with the Illinois
7 Department of Employment Security. The provisions added to
8 this Section by Public Act 85-1200 (and restored by Public
9 Act 87-895) shall be construed as declaratory of existing
10 law and not as a new enactment. If, in any year, the
11 increase in base employment within Illinois over the
12 preceding year is less than 1%, the additional credit shall
13 be limited to that percentage times a fraction, the
14 numerator of which is .5% and the denominator of which is
15 1%, but shall not exceed .5%. The investment credit shall
16 not be allowed to the extent that it would reduce a
17 taxpayer's liability in any tax year below zero, nor may
18 any credit for qualified property be allowed for any year
19 other than the year in which the property was placed in
20 service in Illinois. For tax years ending on or after
21 December 31, 1987, and on or before December 31, 1988, the
22 credit shall be allowed for the tax year in which the
23 property is placed in service, or, if the amount of the
24 credit exceeds the tax liability for that year, whether it
25 exceeds the original liability or the liability as later
26 amended, such excess may be carried forward and applied to

1 the tax liability of the 5 taxable years following the
2 excess credit years if the taxpayer (i) makes investments
3 which cause the creation of a minimum of 2,000 full-time
4 equivalent jobs in Illinois, (ii) is located in an
5 enterprise zone established pursuant to the Illinois
6 Enterprise Zone Act and (iii) is certified by the
7 Department of Commerce and Community Affairs (now
8 Department of Commerce and Economic Opportunity) as
9 complying with the requirements specified in clause (i) and
10 (ii) by July 1, 1986. The Department of Commerce and
11 Community Affairs (now Department of Commerce and Economic
12 Opportunity) shall notify the Department of Revenue of all
13 such certifications immediately. For tax years ending
14 after December 31, 1988, the credit shall be allowed for
15 the tax year in which the property is placed in service,
16 or, if the amount of the credit exceeds the tax liability
17 for that year, whether it exceeds the original liability or
18 the liability as later amended, such excess may be carried
19 forward and applied to the tax liability of the 5 taxable
20 years following the excess credit years. The credit shall
21 be applied to the earliest year for which there is a
22 liability. If there is credit from more than one tax year
23 that is available to offset a liability, earlier credit
24 shall be applied first.

25 (2) The term "qualified property" means property
26 which:

1 (A) is tangible, whether new or used, including
2 buildings and structural components of buildings and
3 signs that are real property, but not including land or
4 improvements to real property that are not a structural
5 component of a building such as landscaping, sewer
6 lines, local access roads, fencing, parking lots, and
7 other appurtenances;

8 (B) is depreciable pursuant to Section 167 of the
9 Internal Revenue Code, except that "3-year property"
10 as defined in Section 168(c)(2)(A) of that Code is not
11 eligible for the credit provided by this subsection
12 (e);

13 (C) is acquired by purchase as defined in Section
14 179(d) of the Internal Revenue Code;

15 (D) is used in Illinois by a taxpayer who is
16 primarily engaged in manufacturing, or in mining coal
17 or fluorite, or in retailing, or was placed in service
18 on or after July 1, 2006 in a River Edge Redevelopment
19 Zone established pursuant to the River Edge
20 Redevelopment Zone Act; and

21 (E) has not previously been used in Illinois in
22 such a manner and by such a person as would qualify for
23 the credit provided by this subsection (e) or
24 subsection (f).

25 (3) For purposes of this subsection (e),
26 "manufacturing" means the material staging and production

1 of tangible personal property by procedures commonly
2 regarded as manufacturing, processing, fabrication, or
3 assembling which changes some existing material into new
4 shapes, new qualities, or new combinations. For purposes of
5 this subsection (e) the term "mining" shall have the same
6 meaning as the term "mining" in Section 613(c) of the
7 Internal Revenue Code. For purposes of this subsection (e),
8 the term "retailing" means the sale of tangible personal
9 property for use or consumption and not for resale, or
10 services rendered in conjunction with the sale of tangible
11 personal property for use or consumption and not for
12 resale. For purposes of this subsection (e), "tangible
13 personal property" has the same meaning as when that term
14 is used in the Retailers' Occupation Tax Act, and, for
15 taxable years ending after December 31, 2008, does not
16 include the generation, transmission, or distribution of
17 electricity.

18 (4) The basis of qualified property shall be the basis
19 used to compute the depreciation deduction for federal
20 income tax purposes.

21 (5) If the basis of the property for federal income tax
22 depreciation purposes is increased after it has been placed
23 in service in Illinois by the taxpayer, the amount of such
24 increase shall be deemed property placed in service on the
25 date of such increase in basis.

26 (6) The term "placed in service" shall have the same

1 meaning as under Section 46 of the Internal Revenue Code.

2 (7) If during any taxable year, any property ceases to
3 be qualified property in the hands of the taxpayer within
4 48 months after being placed in service, or the situs of
5 any qualified property is moved outside Illinois within 48
6 months after being placed in service, the Personal Property
7 Tax Replacement Income Tax for such taxable year shall be
8 increased. Such increase shall be determined by (i)
9 recomputing the investment credit which would have been
10 allowed for the year in which credit for such property was
11 originally allowed by eliminating such property from such
12 computation and, (ii) subtracting such recomputed credit
13 from the amount of credit previously allowed. For the
14 purposes of this paragraph (7), a reduction of the basis of
15 qualified property resulting from a redetermination of the
16 purchase price shall be deemed a disposition of qualified
17 property to the extent of such reduction.

18 (8) Unless the investment credit is extended by law,
19 the basis of qualified property shall not include costs
20 incurred after December 31, 2018, except for costs incurred
21 pursuant to a binding contract entered into on or before
22 December 31, 2018.

23 (9) Each taxable year ending before December 31, 2000,
24 a partnership may elect to pass through to its partners the
25 credits to which the partnership is entitled under this
26 subsection (e) for the taxable year. A partner may use the

1 credit allocated to him or her under this paragraph only
2 against the tax imposed in subsections (c) and (d) of this
3 Section. If the partnership makes that election, those
4 credits shall be allocated among the partners in the
5 partnership in accordance with the rules set forth in
6 Section 704(b) of the Internal Revenue Code, and the rules
7 promulgated under that Section, and the allocated amount of
8 the credits shall be allowed to the partners for that
9 taxable year. The partnership shall make this election on
10 its Personal Property Tax Replacement Income Tax return for
11 that taxable year. The election to pass through the credits
12 shall be irrevocable.

13 For taxable years ending on or after December 31, 2000,
14 a partner that qualifies its partnership for a subtraction
15 under subparagraph (I) of paragraph (2) of subsection (d)
16 of Section 203 or a shareholder that qualifies a Subchapter
17 S corporation for a subtraction under subparagraph (S) of
18 paragraph (2) of subsection (b) of Section 203 shall be
19 allowed a credit under this subsection (e) equal to its
20 share of the credit earned under this subsection (e) during
21 the taxable year by the partnership or Subchapter S
22 corporation, determined in accordance with the
23 determination of income and distributive share of income
24 under Sections 702 and 704 and Subchapter S of the Internal
25 Revenue Code. This paragraph is exempt from the provisions
26 of Section 250.

1 (f) Investment credit; Enterprise Zone; River Edge
2 Redevelopment Zone.

3 (1) A taxpayer shall be allowed a credit against the
4 tax imposed by subsections (a) and (b) of this Section for
5 investment in qualified property which is placed in service
6 in an Enterprise Zone created pursuant to the Illinois
7 Enterprise Zone Act or, for property placed in service on
8 or after July 1, 2006, a River Edge Redevelopment Zone
9 established pursuant to the River Edge Redevelopment Zone
10 Act. For partners, shareholders of Subchapter S
11 corporations, and owners of limited liability companies,
12 if the liability company is treated as a partnership for
13 purposes of federal and State income taxation, there shall
14 be allowed a credit under this subsection (f) to be
15 determined in accordance with the determination of income
16 and distributive share of income under Sections 702 and 704
17 and Subchapter S of the Internal Revenue Code. The credit
18 shall be .5% of the basis for such property. The credit
19 shall be available only in the taxable year in which the
20 property is placed in service in the Enterprise Zone or
21 River Edge Redevelopment Zone and shall not be allowed to
22 the extent that it would reduce a taxpayer's liability for
23 the tax imposed by subsections (a) and (b) of this Section
24 to below zero. For tax years ending on or after December
25 31, 1985, the credit shall be allowed for the tax year in
26 which the property is placed in service, or, if the amount

1 of the credit exceeds the tax liability for that year,
2 whether it exceeds the original liability or the liability
3 as later amended, such excess may be carried forward and
4 applied to the tax liability of the 5 taxable years
5 following the excess credit year. The credit shall be
6 applied to the earliest year for which there is a
7 liability. If there is credit from more than one tax year
8 that is available to offset a liability, the credit
9 accruing first in time shall be applied first.

10 (2) The term qualified property means property which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings;

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c)(2)(A) of that Code is not
16 eligible for the credit provided by this subsection
17 (f);

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code;

20 (D) is used in the Enterprise Zone or River Edge
21 Redevelopment Zone by the taxpayer; and

22 (E) has not been previously used in Illinois in
23 such a manner and by such a person as would qualify for
24 the credit provided by this subsection (f) or
25 subsection (e).

26 (3) The basis of qualified property shall be the basis

1 used to compute the depreciation deduction for federal
2 income tax purposes.

3 (4) If the basis of the property for federal income tax
4 depreciation purposes is increased after it has been placed
5 in service in the Enterprise Zone or River Edge
6 Redevelopment Zone by the taxpayer, the amount of such
7 increase shall be deemed property placed in service on the
8 date of such increase in basis.

9 (5) The term "placed in service" shall have the same
10 meaning as under Section 46 of the Internal Revenue Code.

11 (6) If during any taxable year, any property ceases to
12 be qualified property in the hands of the taxpayer within
13 48 months after being placed in service, or the situs of
14 any qualified property is moved outside the Enterprise Zone
15 or River Edge Redevelopment Zone within 48 months after
16 being placed in service, the tax imposed under subsections
17 (a) and (b) of this Section for such taxable year shall be
18 increased. Such increase shall be determined by (i)
19 recomputing the investment credit which would have been
20 allowed for the year in which credit for such property was
21 originally allowed by eliminating such property from such
22 computation, and (ii) subtracting such recomputed credit
23 from the amount of credit previously allowed. For the
24 purposes of this paragraph (6), a reduction of the basis of
25 qualified property resulting from a redetermination of the
26 purchase price shall be deemed a disposition of qualified

1 property to the extent of such reduction.

2 (7) There shall be allowed an additional credit equal
3 to 0.5% of the basis of qualified property placed in
4 service during the taxable year in a River Edge
5 Redevelopment Zone, provided such property is placed in
6 service on or after July 1, 2006, and the taxpayer's base
7 employment within Illinois has increased by 1% or more over
8 the preceding year as determined by the taxpayer's
9 employment records filed with the Illinois Department of
10 Employment Security. Taxpayers who are new to Illinois
11 shall be deemed to have met the 1% growth in base
12 employment for the first year in which they file employment
13 records with the Illinois Department of Employment
14 Security. If, in any year, the increase in base employment
15 within Illinois over the preceding year is less than 1%,
16 the additional credit shall be limited to that percentage
17 times a fraction, the numerator of which is 0.5% and the
18 denominator of which is 1%, but shall not exceed 0.5%.

19 (g) (Blank).

20 (h) Investment credit; High Impact Business.

21 (1) Subject to subsections (b) and (b-5) of Section 5.5
22 of the Illinois Enterprise Zone Act, a taxpayer shall be
23 allowed a credit against the tax imposed by subsections (a)
24 and (b) of this Section for investment in qualified
25 property which is placed in service by a Department of
26 Commerce and Economic Opportunity designated High Impact

1 Business. The credit shall be .5% of the basis for such
2 property. The credit shall not be available (i) until the
3 minimum investments in qualified property set forth in
4 subdivision (a)(3)(A) of Section 5.5 of the Illinois
5 Enterprise Zone Act have been satisfied or (ii) until the
6 time authorized in subsection (b-5) of the Illinois
7 Enterprise Zone Act for entities designated as High Impact
8 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
9 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
10 Act, and shall not be allowed to the extent that it would
11 reduce a taxpayer's liability for the tax imposed by
12 subsections (a) and (b) of this Section to below zero. The
13 credit applicable to such investments shall be taken in the
14 taxable year in which such investments have been completed.
15 The credit for additional investments beyond the minimum
16 investment by a designated high impact business authorized
17 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
18 Enterprise Zone Act shall be available only in the taxable
19 year in which the property is placed in service and shall
20 not be allowed to the extent that it would reduce a
21 taxpayer's liability for the tax imposed by subsections (a)
22 and (b) of this Section to below zero. For tax years ending
23 on or after December 31, 1987, the credit shall be allowed
24 for the tax year in which the property is placed in
25 service, or, if the amount of the credit exceeds the tax
26 liability for that year, whether it exceeds the original

1 liability or the liability as later amended, such excess
2 may be carried forward and applied to the tax liability of
3 the 5 taxable years following the excess credit year. The
4 credit shall be applied to the earliest year for which
5 there is a liability. If there is credit from more than one
6 tax year that is available to offset a liability, the
7 credit accruing first in time shall be applied first.

8 Changes made in this subdivision (h) (1) by Public Act
9 88-670 restore changes made by Public Act 85-1182 and
10 reflect existing law.

11 (2) The term qualified property means property which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings;

14 (B) is depreciable pursuant to Section 167 of the
15 Internal Revenue Code, except that "3-year property"
16 as defined in Section 168(c) (2) (A) of that Code is not
17 eligible for the credit provided by this subsection
18 (h);

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code; and

21 (D) is not eligible for the Enterprise Zone
22 Investment Credit provided by subsection (f) of this
23 Section.

24 (3) The basis of qualified property shall be the basis
25 used to compute the depreciation deduction for federal
26 income tax purposes.

1 (4) If the basis of the property for federal income tax
2 depreciation purposes is increased after it has been placed
3 in service in a federally designated Foreign Trade Zone or
4 Sub-Zone located in Illinois by the taxpayer, the amount of
5 such increase shall be deemed property placed in service on
6 the date of such increase in basis.

7 (5) The term "placed in service" shall have the same
8 meaning as under Section 46 of the Internal Revenue Code.

9 (6) If during any taxable year ending on or before
10 December 31, 1996, any property ceases to be qualified
11 property in the hands of the taxpayer within 48 months
12 after being placed in service, or the situs of any
13 qualified property is moved outside Illinois within 48
14 months after being placed in service, the tax imposed under
15 subsections (a) and (b) of this Section for such taxable
16 year shall be increased. Such increase shall be determined
17 by (i) recomputing the investment credit which would have
18 been allowed for the year in which credit for such property
19 was originally allowed by eliminating such property from
20 such computation, and (ii) subtracting such recomputed
21 credit from the amount of credit previously allowed. For
22 the purposes of this paragraph (6), a reduction of the
23 basis of qualified property resulting from a
24 redetermination of the purchase price shall be deemed a
25 disposition of qualified property to the extent of such
26 reduction.

1 (7) Beginning with tax years ending after December 31,
2 1996, if a taxpayer qualifies for the credit under this
3 subsection (h) and thereby is granted a tax abatement and
4 the taxpayer relocates its entire facility in violation of
5 the explicit terms and length of the contract under Section
6 18-183 of the Property Tax Code, the tax imposed under
7 subsections (a) and (b) of this Section shall be increased
8 for the taxable year in which the taxpayer relocated its
9 facility by an amount equal to the amount of credit
10 received by the taxpayer under this subsection (h).

11 (i) Credit for Personal Property Tax Replacement Income
12 Tax. For tax years ending prior to December 31, 2003, a credit
13 shall be allowed against the tax imposed by subsections (a) and
14 (b) of this Section for the tax imposed by subsections (c) and
15 (d) of this Section. This credit shall be computed by
16 multiplying the tax imposed by subsections (c) and (d) of this
17 Section by a fraction, the numerator of which is base income
18 allocable to Illinois and the denominator of which is Illinois
19 base income, and further multiplying the product by the tax
20 rate imposed by subsections (a) and (b) of this Section.

21 Any credit earned on or after December 31, 1986 under this
22 subsection which is unused in the year the credit is computed
23 because it exceeds the tax liability imposed by subsections (a)
24 and (b) for that year (whether it exceeds the original
25 liability or the liability as later amended) may be carried
26 forward and applied to the tax liability imposed by subsections

1 (a) and (b) of the 5 taxable years following the excess credit
2 year, provided that no credit may be carried forward to any
3 year ending on or after December 31, 2003. This credit shall be
4 applied first to the earliest year for which there is a
5 liability. If there is a credit under this subsection from more
6 than one tax year that is available to offset a liability the
7 earliest credit arising under this subsection shall be applied
8 first.

9 If, during any taxable year ending on or after December 31,
10 1986, the tax imposed by subsections (c) and (d) of this
11 Section for which a taxpayer has claimed a credit under this
12 subsection (i) is reduced, the amount of credit for such tax
13 shall also be reduced. Such reduction shall be determined by
14 recomputing the credit to take into account the reduced tax
15 imposed by subsections (c) and (d). If any portion of the
16 reduced amount of credit has been carried to a different
17 taxable year, an amended return shall be filed for such taxable
18 year to reduce the amount of credit claimed.

19 (j) Training expense credit. Beginning with tax years
20 ending on or after December 31, 1986 and prior to December 31,
21 2003, a taxpayer shall be allowed a credit against the tax
22 imposed by subsections (a) and (b) under this Section for all
23 amounts paid or accrued, on behalf of all persons employed by
24 the taxpayer in Illinois or Illinois residents employed outside
25 of Illinois by a taxpayer, for educational or vocational
26 training in semi-technical or technical fields or semi-skilled

1 or skilled fields, which were deducted from gross income in the
2 computation of taxable income. The credit against the tax
3 imposed by subsections (a) and (b) shall be 1.6% of such
4 training expenses. For partners, shareholders of subchapter S
5 corporations, and owners of limited liability companies, if the
6 liability company is treated as a partnership for purposes of
7 federal and State income taxation, there shall be allowed a
8 credit under this subsection (j) to be determined in accordance
9 with the determination of income and distributive share of
10 income under Sections 702 and 704 and subchapter S of the
11 Internal Revenue Code.

12 Any credit allowed under this subsection which 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 subsection from more than one tax
18 year that is available to offset a liability the earliest
19 credit arising under this subsection shall be applied first. No
20 carryforward credit may be claimed in any tax year ending on or
21 after December 31, 2003.

22 (k) Research and development credit. For tax years ending
23 after July 1, 1990 and prior to December 31, 2003, and
24 beginning again for tax years ending on or after December 31,
25 2004, and ending prior to January 1, 2016, a taxpayer shall be
26 allowed a credit against the tax imposed by subsections (a) and

1 (b) of this Section for increasing research activities in this
2 State. The credit allowed against the tax imposed by
3 subsections (a) and (b) shall be equal to 6 1/2% of the
4 qualifying expenditures for increasing research activities in
5 this State. For partners, shareholders of subchapter S
6 corporations, and owners of limited liability companies, if the
7 liability company is treated as a partnership for purposes of
8 federal and State income taxation, there shall be allowed a
9 credit under this subsection to be determined in accordance
10 with the determination of income and distributive share of
11 income under Sections 702 and 704 and subchapter S of the
12 Internal Revenue Code.

13 For purposes of this subsection, "qualifying expenditures"
14 means the qualifying expenditures as defined for the federal
15 credit for increasing research activities which would be
16 allowable under Section 41 of the Internal Revenue Code and
17 which are conducted in this State, "qualifying expenditures for
18 increasing research activities in this State" means the excess
19 of qualifying expenditures for the taxable year in which
20 incurred over qualifying expenditures for the base period,
21 "qualifying expenditures for the base period" means the average
22 of the qualifying expenditures for each year in the base
23 period, and "base period" means the 3 taxable years immediately
24 preceding the taxable year for which the determination is being
25 made.

26 Any credit in excess of the tax liability for the taxable

1 year may be carried forward. A taxpayer may elect to have the
2 unused credit shown on its final completed return carried over
3 as a credit against the tax liability for the following 5
4 taxable years or until it has been fully used, whichever occurs
5 first; provided that no credit earned in a tax year ending
6 prior to December 31, 2003 may be carried forward to any year
7 ending on or after December 31, 2003.

8 If an unused credit is carried forward to a given year from
9 2 or more earlier years, that credit arising in the earliest
10 year will be applied first against the tax liability for the
11 given year. If a tax liability for the given year still
12 remains, the credit from the next earliest year will then be
13 applied, and so on, until all credits have been used or no tax
14 liability for the given year remains. Any remaining unused
15 credit or credits then will be carried forward to the next
16 following year in which a tax liability is incurred, except
17 that no credit can be carried forward to a year which is more
18 than 5 years after the year in which the expense for which the
19 credit is given was incurred.

20 No inference shall be drawn from this amendatory Act of the
21 91st General Assembly in construing this Section for taxable
22 years beginning before January 1, 1999.

23 (1) Environmental Remediation Tax Credit.

24 (i) For tax years ending after December 31, 1997 and on
25 or before December 31, 2001, a taxpayer shall be allowed a
26 credit against the tax imposed by subsections (a) and (b)

1 of this Section for certain amounts paid for unreimbursed
2 eligible remediation costs, as specified in this
3 subsection. For purposes of this Section, "unreimbursed
4 eligible remediation costs" means costs approved by the
5 Illinois Environmental Protection Agency ("Agency") under
6 Section 58.14 of the Environmental Protection Act that were
7 paid in performing environmental remediation at a site for
8 which a No Further Remediation Letter was issued by the
9 Agency and recorded under Section 58.10 of the
10 Environmental Protection Act. The credit must be claimed
11 for the taxable year in which Agency approval of the
12 eligible remediation costs is granted. The credit is not
13 available to any taxpayer if the taxpayer or any related
14 party caused or contributed to, in any material respect, a
15 release of regulated substances on, in, or under the site
16 that was identified and addressed by the remedial action
17 pursuant to the Site Remediation Program of the
18 Environmental Protection Act. After the Pollution Control
19 Board rules are adopted pursuant to the Illinois
20 Administrative Procedure Act for the administration and
21 enforcement of Section 58.9 of the Environmental
22 Protection Act, determinations as to credit availability
23 for purposes of this Section shall be made consistent with
24 those rules. For purposes of this Section, "taxpayer"
25 includes a person whose tax attributes the taxpayer has
26 succeeded to under Section 381 of the Internal Revenue Code

1 and "related party" includes the persons disallowed a
2 deduction for losses by paragraphs (b), (c), and (f)(1) of
3 Section 267 of the Internal Revenue Code by virtue of being
4 a related taxpayer, as well as any of its partners. The
5 credit allowed against the tax imposed by subsections (a)
6 and (b) shall be equal to 25% of the unreimbursed eligible
7 remediation costs in excess of \$100,000 per site, except
8 that the \$100,000 threshold shall not apply to any site
9 contained in an enterprise zone as determined by the
10 Department of Commerce and Community Affairs (now
11 Department of Commerce and Economic Opportunity). The
12 total credit allowed shall not exceed \$40,000 per year with
13 a maximum total of \$150,000 per site. For partners and
14 shareholders of subchapter S corporations, there shall be
15 allowed a credit under this subsection to be determined in
16 accordance with the determination of income and
17 distributive share of income under Sections 702 and 704 and
18 subchapter S of the Internal Revenue Code.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. The
23 term "unused credit" does not include any amounts of
24 unreimbursed eligible remediation costs in excess of the
25 maximum credit per site authorized under paragraph (i).
26 This credit shall be applied first to the earliest year for

1 which there is a liability. If there is a credit under this
2 subsection from more than one tax year that is available to
3 offset a liability, the earliest credit arising under this
4 subsection shall be applied first. A credit allowed under
5 this subsection may be sold to a buyer as part of a sale of
6 all or part of the remediation site for which the credit
7 was granted. The purchaser of a remediation site and the
8 tax credit shall succeed to the unused credit and remaining
9 carry-forward period of the seller. To perfect the
10 transfer, the assignor shall record the transfer in the
11 chain of title for the site and provide written notice to
12 the Director of the Illinois Department of Revenue of the
13 assignor's intent to sell the remediation site and the
14 amount of the tax credit to be transferred as a portion of
15 the sale. In no event may a credit be transferred to any
16 taxpayer if the taxpayer or a related party would not be
17 eligible under the provisions of subsection (i).

18 (iii) For purposes of this Section, the term "site"
19 shall have the same meaning as under Section 58.2 of the
20 Environmental Protection Act.

21 (m) Education expense credit. Beginning with tax years
22 ending after December 31, 1999, a taxpayer who is the custodian
23 of one or more qualifying pupils shall be allowed a credit
24 against the tax imposed by subsections (a) and (b) of this
25 Section for qualified education expenses incurred on behalf of
26 the qualifying pupils. The credit shall be equal to 25% of

1 qualified education expenses, but in no event may the total
2 credit under this subsection claimed by a family that is the
3 custodian of qualifying pupils exceed \$500. In no event shall a
4 credit under this subsection reduce the taxpayer's liability
5 under this Act to less than zero. This subsection is exempt
6 from the provisions of Section 250 of this Act.

7 For purposes of this subsection:

8 "Qualifying pupils" means individuals who (i) are
9 residents of the State of Illinois, (ii) are under the age of
10 21 at the close of the school year for which a credit is
11 sought, and (iii) during the school year for which a credit is
12 sought were full-time pupils enrolled in a kindergarten through
13 twelfth grade education program at any school, as defined in
14 this subsection.

15 "Qualified education expense" means the amount incurred on
16 behalf of a qualifying pupil in excess of \$250 for tuition,
17 book fees, and lab fees at the school in which the pupil is
18 enrolled during the regular school year.

19 "School" means any public or nonpublic elementary or
20 secondary school in Illinois that is in compliance with Title
21 VI of the Civil Rights Act of 1964 and attendance at which
22 satisfies the requirements of Section 26-1 of the School Code,
23 except that nothing shall be construed to require a child to
24 attend any particular public or nonpublic school to qualify for
25 the credit under this Section.

26 "Custodian" means, with respect to qualifying pupils, an

1 Illinois resident who is a parent, the parents, a legal
2 guardian, or the legal guardians of the qualifying pupils.

3 (n) River Edge Redevelopment Zone site remediation tax
4 credit.

5 (i) For tax years ending on or after December 31, 2006,
6 a taxpayer shall be allowed a credit against the tax
7 imposed by subsections (a) and (b) of this Section for
8 certain amounts paid for unreimbursed eligible remediation
9 costs, as specified in this subsection. For purposes of
10 this Section, "unreimbursed eligible remediation costs"
11 means costs approved by the Illinois Environmental
12 Protection Agency ("Agency") under Section 58.14a of the
13 Environmental Protection Act that were paid in performing
14 environmental remediation at a site within a River Edge
15 Redevelopment Zone for which a No Further Remediation
16 Letter was issued by the Agency and recorded under Section
17 58.10 of the Environmental Protection Act. The credit must
18 be claimed for the taxable year in which Agency approval of
19 the eligible remediation costs is granted. The credit is
20 not available to any taxpayer if the taxpayer or any
21 related party caused or contributed to, in any material
22 respect, a release of regulated substances on, in, or under
23 the site that was identified and addressed by the remedial
24 action pursuant to the Site Remediation Program of the
25 Environmental Protection Act. Determinations as to credit
26 availability for purposes of this Section shall be made

1 consistent with rules adopted by the Pollution Control
2 Board pursuant to the Illinois Administrative Procedure
3 Act for the administration and enforcement of Section 58.9
4 of the Environmental Protection Act. For purposes of this
5 Section, "taxpayer" includes a person whose tax attributes
6 the taxpayer has succeeded to under Section 381 of the
7 Internal Revenue Code and "related party" includes the
8 persons disallowed a deduction for losses by paragraphs
9 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
10 Code by virtue of being a related taxpayer, as well as any
11 of its partners. The credit allowed against the tax imposed
12 by subsections (a) and (b) shall be equal to 25% of the
13 unreimbursed eligible remediation costs in excess of
14 \$100,000 per site.

15 (ii) A credit allowed under this subsection that is
16 unused in the year the credit is earned may be carried
17 forward to each of the 5 taxable years following the year
18 for which the credit is first earned until it is used. This
19 credit shall be applied first to the earliest year for
20 which there is a liability. If there is a credit under this
21 subsection from more than one tax year that is available to
22 offset a liability, the earliest credit arising under this
23 subsection shall be applied first. A credit allowed under
24 this subsection may be sold to a buyer as part of a sale of
25 all or part of the remediation site for which the credit
26 was granted. The purchaser of a remediation site and the

1 tax credit shall succeed to the unused credit and remaining
2 carry-forward period of the seller. To perfect the
3 transfer, the assignor shall record the transfer in the
4 chain of title for the site and provide written notice to
5 the Director of the Illinois Department of Revenue of the
6 assignor's intent to sell the remediation site and the
7 amount of the tax credit to be transferred as a portion of
8 the sale. In no event may a credit be transferred to any
9 taxpayer if the taxpayer or a related party would not be
10 eligible under the provisions of subsection (i).

11 (iii) For purposes of this Section, the term "site"
12 shall have the same meaning as under Section 58.2 of the
13 Environmental Protection Act.

14 (o) For each of taxable years during the Compassionate Use
15 of Medical Cannabis Pilot Program, a surcharge is imposed on
16 all taxpayers on income arising from the sale or exchange of
17 capital assets, depreciable business property, real property
18 used in the trade or business, and Section 197 intangibles of
19 an organization registrant under the Compassionate Use of
20 Medical Cannabis Pilot Program Act. The amount of the surcharge
21 is equal to the amount of federal income tax liability for the
22 taxable year attributable to those sales and exchanges. The
23 surcharge imposed does not apply if:

24 (1) the medical cannabis cultivation center
25 registration, medical cannabis dispensary registration, or
26 the property of a registration is transferred as a result

1 of any of the following:

2 (A) bankruptcy, a receivership, or a debt
3 adjustment initiated by or against the initial
4 registration or the substantial owners of the initial
5 registration;

6 (B) cancellation, revocation, or termination of
7 any registration by the Illinois Department of Public
8 Health;

9 (C) a determination by the Illinois Department of
10 Public Health that transfer of the registration is in
11 the best interests of Illinois qualifying patients as
12 defined by the Compassionate Use of Medical Cannabis
13 Pilot Program Act;

14 (D) the death of an owner of the equity interest in
15 a registrant;

16 (E) the acquisition of a controlling interest in
17 the stock or substantially all of the assets of a
18 publicly traded company;

19 (F) a transfer by a parent company to a wholly
20 owned subsidiary; or

21 (G) the transfer or sale to or by one person to
22 another person where both persons were initial owners
23 of the registration when the registration was issued;
24 or

25 (2) the cannabis cultivation center registration,
26 medical cannabis dispensary registration, or the

1 controlling interest in a registrant's property is
2 transferred in a transaction to lineal descendants in which
3 no gain or loss is recognized or as a result of a
4 transaction in accordance with Section 351 of the Internal
5 Revenue Code in which no gain or loss is recognized.

6 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
7 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; revised
8 8-9-13.)

9 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

10 Sec. 901. Collection Authority.

11 (a) In general.

12 The Department shall collect the taxes imposed by this Act.
13 The Department shall collect certified past due child support
14 amounts under Section 2505-650 of the Department of Revenue Law
15 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
16 (e), (f), and (g) of this Section, money collected pursuant to
17 subsections (a) and (b) of Section 201 of this Act shall be
18 paid into the General Revenue Fund in the State treasury; money
19 collected pursuant to subsections (c) and (d) of Section 201 of
20 this Act shall be paid into the Personal Property Tax
21 Replacement Fund, a special fund in the State Treasury; and
22 money collected under Section 2505-650 of the Department of
23 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
24 Child Support Enforcement Trust Fund, a special fund outside
25 the State Treasury, or to the State Disbursement Unit

1 established under Section 10-26 of the Illinois Public Aid
2 Code, as directed by the Department of Healthcare and Family
3 Services.

4 (b) Local Government Distributive Fund.

5 Beginning August 1, 1969, and continuing through June 30,
6 1994, the Treasurer shall transfer each month from the General
7 Revenue Fund to a special fund in the State treasury, to be
8 known as the "Local Government Distributive Fund", an amount
9 equal to 1/12 of the net revenue realized from the tax imposed
10 by subsections (a) and (b) of Section 201 of this Act during
11 the preceding month. Beginning July 1, 1994, and continuing
12 through June 30, 1995, the Treasurer shall transfer each month
13 from the General Revenue Fund to the Local Government
14 Distributive Fund an amount equal to 1/11 of the net revenue
15 realized from the tax imposed by subsections (a) and (b) of
16 Section 201 of this Act during the preceding month. Beginning
17 July 1, 1995 and continuing through January 31, 2011, the
18 Treasurer shall transfer each month from the General Revenue
19 Fund to the Local Government Distributive Fund an amount equal
20 to the net of (i) 1/10 of the net revenue realized from the tax
21 imposed by subsections (a) and (b) of Section 201 of the
22 Illinois Income Tax Act during the preceding month (ii) minus,
23 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
24 and beginning July 1, 2004, zero. Beginning February 1, 2011,
25 ~~and continuing through January 31, 2015,~~ the Treasurer shall
26 transfer each month from the General Revenue Fund to the Local

1 Government Distributive Fund an amount equal to the sum of (i)
2 6% (10% of the ratio of the 3% individual income tax rate prior
3 to 2011 to the 5% individual income tax rate after 2010) of the
4 net revenue realized from the tax imposed by subsections (a)
5 and (b) of Section 201 of this Act upon individuals, trusts,
6 and estates during the preceding month and (ii) 6.86% (10% of
7 the ratio of the 4.8% corporate income tax rate prior to 2011
8 to the 7% corporate income tax rate after 2010) of the net
9 revenue realized from the tax imposed by subsections (a) and
10 (b) of Section 201 of this Act upon corporations during the
11 preceding month. ~~Beginning February 1, 2015 and continuing~~
12 ~~through January 31, 2025, the Treasurer shall transfer each~~
13 ~~month from the General Revenue Fund to the Local Government~~
14 ~~Distributive Fund an amount equal to the sum of (i) 8% (10% of~~
15 ~~the ratio of the 3% individual income tax rate prior to 2011 to~~
16 ~~the 3.75% individual income tax rate after 2014) of the net~~
17 ~~revenue realized from the tax imposed by subsections (a) and~~
18 ~~(b) of Section 201 of this Act upon individuals, trusts, and~~
19 ~~estates during the preceding month and (ii) 9.14% (10% of the~~
20 ~~ratio of the 4.8% corporate income tax rate prior to 2011 to~~
21 ~~the 5.25% corporate income tax rate after 2014) of the net~~
22 ~~revenue realized from the tax imposed by subsections (a) and~~
23 ~~(b) of Section 201 of this Act upon corporations during the~~
24 ~~preceding month. Beginning February 1, 2025, the Treasurer~~
25 ~~shall transfer each month from the General Revenue Fund to the~~
26 ~~Local Government Distributive Fund an amount equal to the sum~~

1 ~~of (i) 9.23% (10% of the ratio of the 3% individual income tax~~
2 ~~rate prior to 2011 to the 3.25% individual income tax rate~~
3 ~~after 2024) of the net revenue realized from the tax imposed by~~
4 ~~subsections (a) and (b) of Section 201 of this Act upon~~
5 ~~individuals, trusts, and estates during the preceding month and~~
6 ~~(ii) 10% of the net revenue realized from the tax imposed by~~
7 ~~subsections (a) and (b) of Section 201 of this Act upon~~
8 ~~corporations during the preceding month.~~ Net revenue realized
9 for a month shall be defined as the revenue from the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 which is deposited in the General Revenue Fund, the Education
12 Assistance Fund, the Income Tax Surcharge Local Government
13 Distributive Fund, the Fund for the Advancement of Education,
14 and the Commitment to Human Services Fund during the month
15 minus the amount paid out of the General Revenue Fund in State
16 warrants during that same month as refunds to taxpayers for
17 overpayment of liability under the tax imposed by subsections
18 (a) and (b) of Section 201 of this Act.

19 (c) Deposits Into Income Tax Refund Fund.

20 (1) Beginning on January 1, 1989 and thereafter, the
21 Department shall deposit a percentage of the amounts
22 collected pursuant to subsections (a) and (b) (1), (2), ~~and~~
23 (3), (4), and (5) of Section 201 of this Act into a fund in
24 the State treasury known as the Income Tax Refund Fund. The
25 Department shall deposit 6% of such amounts during the
26 period beginning January 1, 1989 and ending on June 30,

1 1989. Beginning with State fiscal year 1990 and for each
2 fiscal year thereafter, the percentage deposited into the
3 Income Tax Refund Fund during a fiscal year shall be the
4 Annual Percentage. For fiscal years 1999 through 2001, the
5 Annual Percentage shall be 7.1%. For fiscal year 2003, the
6 Annual Percentage shall be 8%. For fiscal year 2004, the
7 Annual Percentage shall be 11.7%. Upon the effective date
8 of this amendatory Act of the 93rd General Assembly, the
9 Annual Percentage shall be 10% for fiscal year 2005. For
10 fiscal year 2006, the Annual Percentage shall be 9.75%. For
11 fiscal year 2007, the Annual Percentage shall be 9.75%. For
12 fiscal year 2008, the Annual Percentage shall be 7.75%. For
13 fiscal year 2009, the Annual Percentage shall be 9.75%. For
14 fiscal year 2010, the Annual Percentage shall be 9.75%. For
15 fiscal year 2011, the Annual Percentage shall be 8.75%. For
16 fiscal year 2012, the Annual Percentage shall be 8.75%. For
17 fiscal year 2013, the Annual Percentage shall be 9.75%. For
18 fiscal year 2014, the Annual Percentage shall be 9.5%. For
19 all other fiscal years, the Annual Percentage shall be
20 calculated as a fraction, the numerator of which shall be
21 the amount of refunds approved for payment by the
22 Department during the preceding fiscal year as a result of
23 overpayment of tax liability under subsections (a) and
24 (b) (1), (2), ~~and~~ (3), (4), and (5) of Section 201 of this
25 Act plus the amount of such refunds remaining approved but
26 unpaid at the end of the preceding fiscal year, minus the

1 amounts transferred into the Income Tax Refund Fund from
2 the Tobacco Settlement Recovery Fund, and the denominator
3 of which shall be the amounts which will be collected
4 pursuant to subsections (a) and (b) (1), (2), ~~and (3)~~, (4),
5 and (5) of Section 201 of this Act during the preceding
6 fiscal year; except that in State fiscal year 2002, the
7 Annual Percentage shall in no event exceed 7.6%. The
8 Director of Revenue shall certify the Annual Percentage to
9 the Comptroller on the last business day of the fiscal year
10 immediately preceding the fiscal year for which it is to be
11 effective.

12 (2) Beginning on January 1, 1989 and thereafter, the
13 Department shall deposit a percentage of the amounts
14 collected pursuant to subsections (a) ~~and~~ (b) (6), (7), ~~and~~
15 (8), (9), and (10), (c) ~~and~~ (d) of Section 201 of this Act
16 into a fund in the State treasury known as the Income Tax
17 Refund Fund. The Department shall deposit 18% of such
18 amounts during the period beginning January 1, 1989 and
19 ending on June 30, 1989. Beginning with State fiscal year
20 1990 and for each fiscal year thereafter, the percentage
21 deposited into the Income Tax Refund Fund during a fiscal
22 year shall be the Annual Percentage. For fiscal years 1999,
23 2000, and 2001, the Annual Percentage shall be 19%. For
24 fiscal year 2003, the Annual Percentage shall be 27%. For
25 fiscal year 2004, the Annual Percentage shall be 32%. Upon
26 the effective date of this amendatory Act of the 93rd

1 General Assembly, the Annual Percentage shall be 24% for
2 fiscal year 2005. For fiscal year 2006, the Annual
3 Percentage shall be 20%. For fiscal year 2007, the Annual
4 Percentage shall be 17.5%. For fiscal year 2008, the Annual
5 Percentage shall be 15.5%. For fiscal year 2009, the Annual
6 Percentage shall be 17.5%. For fiscal year 2010, the Annual
7 Percentage shall be 17.5%. For fiscal year 2011, the Annual
8 Percentage shall be 17.5%. For fiscal year 2012, the Annual
9 Percentage shall be 17.5%. For fiscal year 2013, the Annual
10 Percentage shall be 14%. For fiscal year 2014, the Annual
11 Percentage shall be 13.4%. For all other fiscal years, the
12 Annual Percentage shall be calculated as a fraction, the
13 numerator of which shall be the amount of refunds approved
14 for payment by the Department during the preceding fiscal
15 year as a result of overpayment of tax liability under
16 subsections (a) ~~and~~ (b) (6), (7), ~~and~~ (8), (9), and 10,
17 (c) ~~and~~ (d) of Section 201 of this Act plus the amount of
18 such refunds remaining approved but unpaid at the end of
19 the preceding fiscal year, and the denominator of which
20 shall be the amounts which will be collected pursuant to
21 subsections (a) ~~and~~ (b) (6), (7), ~~and~~ (8), (9), and (10)
22 (c) ~~and~~ (d) of Section 201 of this Act during the
23 preceding fiscal year; except that in State fiscal year
24 2002, the Annual Percentage shall in no event exceed 23%.
25 The Director of Revenue shall certify the Annual Percentage
26 to the Comptroller on the last business day of the fiscal

1 year immediately preceding the fiscal year for which it is
2 to be effective.

3 (3) The Comptroller shall order transferred and the
4 Treasurer shall transfer from the Tobacco Settlement
5 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
6 in January, 2001, (ii) \$35,000,000 in January, 2002, and
7 (iii) \$35,000,000 in January, 2003.

8 (d) Expenditures from Income Tax Refund Fund.

9 (1) Beginning January 1, 1989, money in the Income Tax
10 Refund Fund shall be expended exclusively for the purpose
11 of paying refunds resulting from overpayment of tax
12 liability under Section 201 of this Act, for paying rebates
13 under Section 208.1 in the event that the amounts in the
14 Homeowners' Tax Relief Fund are insufficient for that
15 purpose, and for making transfers pursuant to this
16 subsection (d).

17 (2) The Director shall order payment of refunds
18 resulting from overpayment of tax liability under Section
19 201 of this Act from the Income Tax Refund Fund only to the
20 extent that amounts collected pursuant to Section 201 of
21 this Act and transfers pursuant to this subsection (d) and
22 item (3) of subsection (c) have been deposited and retained
23 in the Fund.

24 (3) As soon as possible after the end of each fiscal
25 year, the Director shall order transferred and the State
26 Treasurer and State Comptroller shall transfer from the

1 Income Tax Refund Fund to the Personal Property Tax
2 Replacement Fund an amount, certified by the Director to
3 the Comptroller, equal to the excess of the amount
4 collected pursuant to subsections (c) and (d) of Section
5 201 of this Act deposited into the Income Tax Refund Fund
6 during the fiscal year over the amount of refunds resulting
7 from overpayment of tax liability under subsections (c) and
8 (d) of Section 201 of this Act paid from the Income Tax
9 Refund Fund during the fiscal year.

10 (4) As soon as possible after the end of each fiscal
11 year, the Director shall order transferred and the State
12 Treasurer and State Comptroller shall transfer from the
13 Personal Property Tax Replacement Fund to the Income Tax
14 Refund Fund an amount, certified by the Director to the
15 Comptroller, equal to the excess of the amount of refunds
16 resulting from overpayment of tax liability under
17 subsections (c) and (d) of Section 201 of this Act paid
18 from the Income Tax Refund Fund during the fiscal year over
19 the amount collected pursuant to subsections (c) and (d) of
20 Section 201 of this Act deposited into the Income Tax
21 Refund Fund during the fiscal year.

22 (4.5) As soon as possible after the end of fiscal year
23 1999 and of each fiscal year thereafter, the Director shall
24 order transferred and the State Treasurer and State
25 Comptroller shall transfer from the Income Tax Refund Fund
26 to the General Revenue Fund any surplus remaining in the

1 Income Tax Refund Fund as of the end of such fiscal year;
2 excluding for fiscal years 2000, 2001, and 2002 amounts
3 attributable to transfers under item (3) of subsection (c)
4 less refunds resulting from the earned income tax credit.

5 (5) This Act shall constitute an irrevocable and
6 continuing appropriation from the Income Tax Refund Fund
7 for the purpose of paying refunds upon the order of the
8 Director in accordance with the provisions of this Section.

9 (e) Deposits into the Education Assistance Fund and the
10 Income Tax Surcharge Local Government Distributive Fund.

11 On July 1, 1991, and thereafter, of the amounts collected
12 pursuant to subsections (a) and (b) of Section 201 of this Act,
13 minus deposits into the Income Tax Refund Fund, the Department
14 shall deposit 7.3% into the Education Assistance Fund in the
15 State Treasury. Beginning July 1, 1991, and continuing through
16 January 31, 1993, of the amounts collected pursuant to
17 subsections (a) and (b) of Section 201 of the Illinois Income
18 Tax Act, minus deposits into the Income Tax Refund Fund, the
19 Department shall deposit 3.0% into the Income Tax Surcharge
20 Local Government Distributive Fund in the State Treasury.
21 Beginning February 1, 1993 and continuing through June 30,
22 1993, of the amounts collected pursuant to subsections (a) and
23 (b) of Section 201 of the Illinois Income Tax Act, minus
24 deposits into the Income Tax Refund Fund, the Department shall
25 deposit 4.4% into the Income Tax Surcharge Local Government
26 Distributive Fund in the State Treasury. Beginning July 1,

1 1993, and continuing through June 30, 1994, of the amounts
2 collected under subsections (a) and (b) of Section 201 of this
3 Act, minus deposits into the Income Tax Refund Fund, the
4 Department shall deposit 1.475% into the Income Tax Surcharge
5 Local Government Distributive Fund in the State Treasury.

6 (f) Deposits into the Fund for the Advancement of
7 Education. Beginning February 1, 2015, the Department shall
8 deposit 1/40 ~~the following portions~~ of the revenue realized
9 from the tax imposed upon individuals, trusts, and estates by
10 subsections (a) and (b) of Section 201 of this Act during the
11 preceding month, minus deposits into the Income Tax Refund
12 Fund, into the Fund for the Advancement of Education. ÷

13 ~~(1) beginning February 1, 2015, and prior to February~~
14 ~~1, 2025, 1/30; and~~

15 ~~(2) beginning February 1, 2025, 1/26.~~

16 If the rate of tax imposed by subsection (a) and (b) of
17 Section 201 is reduced pursuant to Section 201.5 of this Act,
18 the Department shall not make the deposits required by this
19 subsection (f) on or after the effective date of the reduction.

20 (g) Deposits into the Commitment to Human Services Fund.
21 Beginning February 1, 2015, the Department shall deposit 1/40
22 ~~the following portions~~ of the revenue realized from the tax
23 imposed upon individuals, trusts, and estates by subsections
24 (a) and (b) of Section 201 of this Act during the preceding
25 month, minus deposits into the Income Tax Refund Fund, into the
26 Commitment to Human Services Fund. ÷

1 ~~(1) beginning February 1, 2015, and prior to February~~
2 ~~1, 2025, 1/30; and~~

3 ~~(2) beginning February 1, 2025, 1/26.~~

4 If the rate of tax imposed by subsection (a) and (b) of
5 Section 201 is reduced pursuant to Section 201.5 of this Act,
6 the Department shall not make the deposits required by this
7 subsection (g) on or after the effective date of the reduction.

8 (Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24,
9 eff. 6-19-13.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law."