

HB3399



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3399

by Rep. Michael P. McAuliffe

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that each taxpayer is allowed a credit against the tax imposed under the Act in an amount equal to a percentage of wages paid to an employee who was drawing unemployment compensation at the time of hire and who has been employed by the taxpayer as a full-time employee for a period of 12 consecutive months at any point during the taxable year.

LRB098 08349 HLH 38454 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 adding
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Credit for wages paid to recently unemployed
8 persons.

9 (a) Each taxpayer is allowed a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 in an amount
11 equal to a percentage of wages paid to an employee who, as
12 certified by the Illinois Department of Employment Security,
13 was drawing unemployment compensation, or whose unemployment
14 benefits had expired, at the time of hire and who has been
15 employed by the taxpayer as a full-time employee for a period
16 of 12 consecutive months at any point during the taxable year.
17 The credit shall be calculated as follows:

18 (1) fifty percent of wages paid if the employee's wages
19 are not less than \$14 per hour at any point during the
20 taxable year;

21 (2) forty percent of wages paid if the employee's wages
22 are less than \$14 per hour but not less than \$12 per hour
23 at any point during the taxable year;

1 (3) thirty-five percent of wages paid if the employee's
2 wages are less than \$12 per hour but not less than \$10 per
3 hour at any point during the taxable year; and

4 (4) zero percent of wages paid if the employee's wages
5 are less than \$10 per hour at any point during the taxable
6 year.

7 (b) For purposes of this Section, "full-time employee"
8 means an employee who works no less than 37.5 hours per week.

9 (c) The tax credit may not reduce the taxpayer's liability
10 to less than zero. If the amount of the credit exceeds the
11 income tax liability for the applicable tax year, then the
12 excess credit may not be refunded to, or transferred by, the
13 taxpayer.

14 (d) The tax credit may be claimed for only one taxable
15 year.

16 (e) Partners, shareholders of subchapter S corporations,
17 and owners of limited liability companies (if the limited
18 liability company is treated as a partnership for purposes of
19 federal and State income taxation) are entitled to a credit
20 under this Section to be determined in accordance with the
21 determination of income and distributive share of income under
22 Sections 702 and 703 and subchapter S of the Internal Revenue
23 Code.