SYNOPSIS AS INTRODUCED:

Amends the State Budget Law of the Civil Administration Code of Illinois. Provides that certain amounts shall be transferred from the General Revenue Fund to the Common School Fund. Amends the Illinois Income Tax Act. Provides that the income tax rates on individuals, trusts, estates, and corporations shall be 5%. Increases the residential real property tax credit from to 10%. Increases the limitation on the education expense credit. Increases the percentage of the earned income tax credit. Makes changes concerning distributions to the Local Government Distributive Fund. Amends the Retailers' Occupation Tax Act. Provides that certain services are taxable under the Act. Amends the School Code. Creates the Education Financial Award System Fund, the Digital Learning Technology Grant Fund, and the STEM Education Center Grant Fund. Makes changes concerning the Early Childhood Education Block Grant; financial awards for school improvement and other awards; academic early warning and watch status; an educational improvement plan; the creation of the Digital Learning Technology Grant Program, a best practices clearinghouse, the Science, Technology, Engineering, and Mathematics Education Center Grant Program, and a resource management service; audits; school board member leadership training; a school district's school report card; financial policies and plans; a capital improvement plan; protection from suit; financial accountability; non-referendum bonds; the foundation level of support under the State aid formula; the New Teacher Induction and Mentoring Program; school board associations; and transportation reimbursement. Effective immediately.
AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The State Budget Law of the Civil Administrative Code of Illinois is amended by changing Section 50-20 as follows:

(15 ILCS 20/50-20) (was 15 ILCS 20/38.3)
Sec. 50-20. Responsible Education Funding Law.
(a) The Governor shall submit to the General Assembly a proposed budget for elementary and secondary education in which total General Revenue Fund appropriations are no less than the total General Revenue Fund appropriations of the previous fiscal year. In addition, the Governor shall specify the total amount of funds to be transferred from the General Revenue Fund to the Common School Fund during the budget year, which shall be no less than the total amount transferred during the previous fiscal year. The Governor may submit a proposed budget in which the total appropriated and transferred amounts are less than the previous fiscal year if the Governor declares in writing to the General Assembly the reason for the lesser amounts.
(b) The General Assembly shall appropriate amounts for elementary and secondary education from the General Revenue
Fund for each fiscal year so that the total General Revenue Fund appropriation is no less than the total General Revenue Fund appropriation for elementary and secondary education for the previous fiscal year. In addition, the General Assembly shall legislatively transfer from the General Revenue Fund to the Common School Fund for the fiscal year a total amount that is no less than the total amount transferred for the previous fiscal year. The General Assembly may appropriate or transfer lesser amounts if it declares by Joint Resolution the reason for the lesser amounts.

(b-5) In fiscal year 2016, no appropriation made from general funds to the State Board of Education, the Board of Higher Education, the Community College Board, the Student Assistance Commission, or any public university may be decreased from its fiscal year 2015 general appropriation level. An exception may be made only if a program's appropriation is based on actual cost and that cost has been determined by the Board or university to require a lesser appropriation; however, the aggregate appropriation to those Boards or universities for fiscal year 2016 shall not under any circumstances represent a decrease from the fiscal year 2015 aggregate general fund appropriation level for that Board or university.

(b-10) Beginning in fiscal year 2017 and in each fiscal year thereafter, in addition to the amounts required to be transferred under subsection (b), an amount equal to the first
33 1/3% of the amount of additional revenue generated through the taxes imposed by this amendatory Act of the 99th General Assembly in that fiscal year shall be transferred from the General Revenue Fund to the Common School Fund. In addition, beginning in fiscal year 2017 and in each fiscal year thereafter, an amount equal to the next 16 2/3% of the amount of additional revenue generated through those taxes shall be transferred from the General Revenue Fund to the Higher Education Fund.

(b-15) The Higher Education Fund is created as a special fund in the State treasury. Moneys in this Fund may be used only for purposes related to higher education. The Higher Education Fund is not subject to administrative charges that would in any way transfer any funds from the Higher Education Fund into any other fund of the State.

(c) This Section may be cited as the Responsible Education Funding Law.

(Source: P.A. 91-239, eff. 1-1-00.)

Section 10. The State Finance Act is amended by adding Sections 5.866, 5.867, 5.868, and 5.869 as follows:

(30 ILCS 105/5.866 new)

Sec. 5.866. The Education Financial Award System Fund.

(30 ILCS 105/5.867 new)
Sec. 5.867. The Digital Learning Technology Grant Fund.

(30 ILCS 105/5.868 new)

Sec. 5.868. The STEM Education Center Grant Fund.

(30 ILCS 105/5.869 new)

Sec. 5.869. The Higher Education Fund.

Section 15. The Illinois Income Tax Act is amended by changing Sections 201, 202.5, 204, 208, 212, and 901 as follows:

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

Sec. 201. Tax Imposed.

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

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

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

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

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

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

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

(5.1) (Blank). In the case of an individual, trust, or estate, for taxable years beginning prior to January 1,
2015, and ending after December 31, 2014, an amount equal to the sum of (i) 5% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 3.75% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

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

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

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

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

(7) In the case of a corporation, for taxable years
beginning prior to July 1, 1989 and ending after June 30, 1989, an amount equal to the sum of (i) 4% of the taxpayer's net income for the period prior to July 1, 1989, as calculated under Section 202.3, and (ii) 4.8% of the taxpayer's net income for the period after June 30, 1989, as calculated under Section 202.3.

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

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

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

(11) In the case of a corporation, for taxable years beginning prior to January 1, 2015, and ending after December 31, 2014, an amount equal to the sum of (i) 7% of the taxpayer's net income for the period prior to January 1, 2015, as calculated under Section 202.5, and (ii) 5%
5.25% of the taxpayer's net income for the period after December 31, 2014, as calculated under Section 202.5.

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

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

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

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

(c) Personal Property Tax Replacement Income Tax. Beginning on July 1, 1979 and thereafter, in addition to such income tax, there is also hereby imposed the Personal Property Tax Replacement Income Tax measured by net income on every corporation (including Subchapter S corporations), partnership and trust, for each taxable year ending after June 30, 1979. Such taxes are imposed on the privilege of earning or receiving
income in or as a resident of this State. The Personal Property
Tax Replacement Income Tax shall be in addition to the income
tax imposed by subsections (a) and (b) of this Section and in
addition to all other occupation or privilege taxes imposed by
this State or by any municipal corporation or political
subdivision thereof.

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

(d-1) Rate reduction for certain foreign insurers. In the
case of a foreign insurer, as defined by Section 35A-5 of the
Illinois Insurance Code, whose state or country of domicile
imposes on insurers domiciled in Illinois a retaliatory tax
(excluding any insurer whose premiums from reinsurance assumed
are 50% or more of its total insurance premiums as determined
under paragraph (2) of subsection (b) of Section 304, except
that for purposes of this determination premiums from
reinsurance do not include premiums from inter-affiliate
reinsurance arrangements), beginning with taxable years ending
on or after December 31, 1999, the sum of the rates of tax
imposed by subsections (b) and (d) shall be reduced (but not
increased) to the rate at which the total amount of tax imposed
under this Act, net of all credits allowed under this Act, shall equal (i) the total amount of tax that would be imposed
on the foreign insurer's net income allocable to Illinois for
the taxable year by such foreign insurer's state or country of
domicile if that net income were subject to all income taxes
and taxes measured by net income imposed by such foreign
insurer's state or country of domicile, net of all credits
allowed or (ii) a rate of zero if no such tax is imposed on such
income by the foreign insurer's state of domicile. For the
purposes of this subsection (d-1), an inter-affiliate includes
a mutual insurer under common management.

(1) For the purposes of subsection (d-1), in no event
shall the sum of the rates of tax imposed by subsections
(b) and (d) be reduced below the rate at which the sum of:
(A) the total amount of tax imposed on such foreign
insurer under this Act for a taxable year, net of all
credits allowed under this Act, plus
(B) the privilege tax imposed by Section 409 of the
Illinois Insurance Code, the fire insurance company
tax imposed by Section 12 of the Fire Investigation
Act, and the fire department taxes imposed under
Section 11-10-1 of the Illinois Municipal Code, equals 1.25% for taxable years ending prior to December 31, 2003, or 1.75% for taxable years ending on or after December 31, 2003, of the net taxable premiums written for the taxable year, as described by subsection (1) of Section 409 of the Illinois Insurance Code. This paragraph will in no event increase the rates imposed under subsections (b) and (d).

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

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

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

(1) A taxpayer shall be allowed a credit equal to .5% of the basis of qualified property placed in service during the taxable year, provided such property is placed in service on or after July 1, 1984. There shall be allowed an additional credit equal to .5% of the basis of qualified property placed in service during the taxable year,
provided such property is placed in service on or after July 1, 1986, and the taxpayer's base employment within Illinois has increased by 1% or more over the preceding year as determined by the taxpayer's employment records filed with the Illinois Department of Employment Security. Taxpayers who are new to Illinois shall be deemed to have met the 1% growth in base employment for the first year in which they file employment records with the Illinois Department of Employment Security. The provisions added to this Section by Public Act 85-1200 (and restored by Public Act 87-895) shall be construed as declaratory of existing law and not as a new enactment. If, in any year, the increase in base employment within Illinois over the preceding year is less than 1%, the additional credit shall be limited to that percentage times a fraction, the numerator of which is .5% and the denominator of which is 1%, but shall not exceed .5%. The investment credit shall not be allowed to the extent that it would reduce a taxpayer's liability in any tax year below zero, nor may any credit for qualified property be allowed for any year other than the year in which the property was placed in service in Illinois. For tax years ending on or after December 31, 1987, and on or before December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it
exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years if the taxpayer (i) makes investments which cause the creation of a minimum of 2,000 full-time equivalent jobs in Illinois, (ii) is located in an enterprise zone established pursuant to the Illinois Enterprise Zone Act and (iii) is certified by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) as complying with the requirements specified in clause (i) and (ii) by July 1, 1986. The Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity) shall notify the Department of Revenue of all such certifications immediately. For tax years ending after December 31, 1988, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit years. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, earlier credit shall be applied first.
(2) The term "qualified property" means property which:

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

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

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

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

(E) has not previously been used in Illinois in such a manner and by such a person as would qualify for the credit provided by this subsection (e) or subsection (f).
(3) For purposes of this subsection (e), "manufacturing" means the material staging and production of tangible personal property by procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes some existing material into new shapes, new qualities, or new combinations. For purposes of this subsection (e) the term "mining" shall have the same meaning as the term "mining" in Section 613(c) of the Internal Revenue Code. For purposes of this subsection (e), the term "retailing" means the sale of tangible personal property for use or consumption and not for resale, or services rendered in conjunction with the sale of tangible personal property for use or consumption and not for resale. For purposes of this subsection (e), "tangible personal property" has the same meaning as when that term is used in the Retailers' Occupation Tax Act, and, for taxable years ending after December 31, 2008, does not include the generation, transmission, or distribution of electricity.

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

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

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

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

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

(9) Each taxable year ending before December 31, 2000, a partnership may elect to pass through to its partners the
credits to which the partnership is entitled under this subsection (e) for the taxable year. A partner may use the credit allocated to him or her under this paragraph only against the tax imposed in subsections (c) and (d) of this Section. If the partnership makes that election, those credits shall be allocated among the partners in the partnership in accordance with the rules set forth in Section 704(b) of the Internal Revenue Code, and the rules promulgated under that Section, and the allocated amount of the credits shall be allowed to the partners for that taxable year. The partnership shall make this election on its Personal Property Tax Replacement Income Tax return for that taxable year. The election to pass through the credits shall be irrevocable.

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

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

(1) A taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for investment in qualified property which is placed in service in an Enterprise Zone created pursuant to the Illinois Enterprise Zone Act or, for property placed in service on or after July 1, 2006, a River Edge Redevelopment Zone established pursuant to the River Edge Redevelopment Zone Act. For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (f) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code. The credit shall be .5% of the basis for such property. The credit shall be available only in the taxable year in which the property is placed in service in the Enterprise Zone or River Edge Redevelopment Zone and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December
31, 1985, the credit shall be allowed for the tax year in which the property is placed in service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

(g) (Blank).

(h) Investment credit; High Impact Business.

(1) Subject to subsections (b) and (b-5) of Section 5.5
of the Illinois Enterprise Zone Act, a taxpayer shall be
allowed a credit against the tax imposed by subsections (a)
and (b) of this Section for investment in qualified
property which is placed in service by a Department of Commerce and Economic Opportunity designated High Impact Business. The credit shall be .5% of the basis for such property. The credit shall not be available (i) until the minimum investments in qualified property set forth in subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act have been satisfied or (ii) until the time authorized in subsection (b-5) of the Illinois Enterprise Zone Act for entities designated as High Impact Businesses under subdivisions (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone Act, and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. The credit applicable to such investments shall be taken in the taxable year in which such investments have been completed. The credit for additional investments beyond the minimum investment by a designated high impact business authorized under subdivision (a)(3)(A) of Section 5.5 of the Illinois Enterprise Zone Act shall be available only in the taxable year in which the property is placed in service and shall not be allowed to the extent that it would reduce a taxpayer's liability for the tax imposed by subsections (a) and (b) of this Section to below zero. For tax years ending on or after December 31, 1987, the credit shall be allowed for the tax year in which the property is placed in
service, or, if the amount of the credit exceeds the tax liability for that year, whether it exceeds the original liability or the liability as later amended, such excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a liability. If there is credit from more than one tax year that is available to offset a liability, the credit accruing first in time shall be applied first.

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

(2) The term qualified property means property which:

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

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

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

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

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

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

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

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

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

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

Any credit earned on or after December 31, 1986 under this subsection which is unused in the year the credit is computed because it exceeds the tax liability imposed by subsections (a) and (b) for that year (whether it exceeds the original
liability or the liability as later amended) may be carried forward and applied to the tax liability imposed by subsections (a) and (b) of the 5 taxable years following the excess credit year, provided that no credit may be carried forward to any year ending on or after December 31, 2003. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first.

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

(j) Training expense credit. Beginning with tax years ending on or after December 31, 1986 and prior to December 31, 2003, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) under this Section for all amounts paid or accrued, on behalf of all persons employed by the taxpayer in Illinois or Illinois residents employed outside
of Illinois by a taxpayer, for educational or vocational training in semi-technical or technical fields or semi-skilled or skilled fields, which were deducted from gross income in the computation of taxable income. The credit against the tax imposed by subsections (a) and (b) shall be 1.6% of such training expenses. For partners, shareholders of subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this subsection (j) to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

Any credit allowed under this subsection which is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first computed until it is used. This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability the earliest credit arising under this subsection shall be applied first. No carryforward credit may be claimed in any tax year ending on or after December 31, 2003.

(k) Research and development credit. For tax years ending after July 1, 1990 and prior to December 31, 2003, and beginning again for tax years ending on or after December 31,
2004, and ending prior to January 1, 2016, a taxpayer shall be
allowed a credit against the tax imposed by subsections (a) and
(b) of this Section for increasing research activities in this
State. The credit allowed against the tax imposed by
subsections (a) and (b) shall be equal to 6 1/2% of the
qualifying expenditures for increasing research activities in
this State. For partners, shareholders of subchapter S
corporations, and owners of limited liability companies, if the
liability company is treated as a partnership for purposes of
federal and State income taxation, there shall be allowed a
credit under this subsection to be determined in accordance
with the determination of income and distributive share of
income under Sections 702 and 704 and subchapter S of the
Internal Revenue Code.

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

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

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

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

(l) Environmental Remediation Tax Credit.

(i) For tax years ending after December 31, 1997 and on
or before December 31, 2001, a taxpayer shall be allowed a credit against the tax imposed by subsections (a) and (b) of this Section for certain amounts paid for unreimbursed eligible remediation costs, as specified in this subsection. For purposes of this Section, "unreimbursed eligible remediation costs" means costs approved by the Illinois Environmental Protection Agency ("Agency") under Section 58.14 of the Environmental Protection Act that were paid in performing environmental remediation at a site for which a No Further Remediation Letter was issued by the Agency and recorded under Section 58.10 of the Environmental Protection Act. The credit must be claimed for the taxable year in which Agency approval of the eligible remediation costs is granted. The credit is not available to any taxpayer if the taxpayer or any related party caused or contributed to, in any material respect, a release of regulated substances on, in, or under the site that was identified and addressed by the remedial action pursuant to the Site Remediation Program of the Environmental Protection Act. After the Pollution Control Board rules are adopted pursuant to the Illinois Administrative Procedure Act for the administration and enforcement of Section 58.9 of the Environmental Protection Act, determinations as to credit availability for purposes of this Section shall be made consistent with those rules. For purposes of this Section, "taxpayer"
includes a person whose tax attributes the taxpayer has succeeded to under Section 381 of the Internal Revenue Code and "related party" includes the persons disallowed a deduction for losses by paragraphs (b), (c), and (f)(1) of Section 267 of the Internal Revenue Code by virtue of being a related taxpayer, as well as any of its partners. The credit allowed against the tax imposed by subsections (a) and (b) shall be equal to 25% of the unreimbursed eligible remediation costs in excess of $100,000 per site, except that the $100,000 threshold shall not apply to any site contained in an enterprise zone as determined by the Department of Commerce and Community Affairs (now Department of Commerce and Economic Opportunity). The total credit allowed shall not exceed $40,000 per year with a maximum total of $150,000 per site. For partners and shareholders of subchapter S corporations, there shall be allowed a credit under this subsection to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code.

(ii) A credit allowed under this subsection that is unused in the year the credit is earned may be carried forward to each of the 5 taxable years following the year for which the credit is first earned until it is used. The term "unused credit" does not include any amounts of unreimbursed eligible remediation costs in excess of the
maximum credit per site authorized under paragraph (i). This credit shall be applied first to the earliest year for which there is a liability. If there is a credit under this subsection from more than one tax year that is available to offset a liability, the earliest credit arising under this subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

(m) Education expense credit. Beginning with tax years ending after December 31, 1999, a taxpayer who is the custodian of one or more qualifying pupils shall be allowed a credit against the tax imposed by subsections (a) and (b) of this
Section for qualified education expenses incurred on behalf of the qualifying pupils. The credit shall be equal to 25% of qualified education expenses, but in no event may the total credit under this subsection claimed by a family that is the custodian of qualifying pupils exceed $500 for taxable years ending on or before December 31, 2014 and $1,000 for taxable years ending on or after January 1, 2015. In no event shall a credit under this subsection reduce the taxpayer's liability under this Act to less than zero. This subsection is exempt from the provisions of Section 250 of this Act.

For purposes of this subsection:

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

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

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

"Custodian" means, with respect to qualifying pupils, an
Illinois resident who is a parent, the parents, a legal
guardian, or the legal guardians of the qualifying pupils.

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

(i) For tax years ending on or after December 31, 2006,
a taxpayer shall be allowed a credit against the tax
imposed by subsections (a) and (b) of this Section for
certain amounts paid for unreimbursed eligible remediation
costs, as specified in this subsection. For purposes of
this Section, "unreimbursed eligible remediation costs"
means costs approved by the Illinois Environmental
Protection Agency ("Agency") under Section 58.14a of the
Environmental Protection Act that were paid in performing
environmental remediation at a site within a River Edge
Redevelopment Zone for which a No Further Remediation
Letter was issued by the Agency and recorded under Section
58.10 of the Environmental Protection Act. The credit must
be claimed for the taxable year in which Agency approval of
the eligible remediation costs is granted. The credit is
not available to any taxpayer if the taxpayer or any
related party caused or contributed to, in any material
respect, a release of regulated substances on, in, or under
the site that was identified and addressed by the remedial
action pursuant to the Site Remediation Program of the
Environmental Protection Act. Determinations as to credit
availability for purposes of this Section shall be made
consistent with rules adopted by the Pollution Control
Board pursuant to the Illinois Administrative Procedure
Act for the administration and enforcement of Section 58.9
of the Environmental Protection Act. For purposes of this
Section, "taxpayer" includes a person whose tax attributes
the taxpayer has succeeded to under Section 381 of the
Internal Revenue Code and "related party" includes the
persons disallowed a deduction for losses by paragraphs
(b), (c), and (f)(1) of Section 267 of the Internal Revenue
Code by virtue of being a related taxpayer, as well as any
of its partners. The credit allowed against the tax imposed
by subsections (a) and (b) shall be equal to 25% of the
unreimbursed eligible remediation costs in excess of
$100,000 per site.

(ii) A credit allowed under this subsection that is
unused in the year the credit is earned may be carried
forward to each of the 5 taxable years following the year
for which the credit is first earned until it is used. This
credit shall be applied first to the earliest year for
which there is a liability. If there is a credit under this
subsection from more than one tax year that is available to
offset a liability, the earliest credit arising under this
subsection shall be applied first. A credit allowed under this subsection may be sold to a buyer as part of a sale of all or part of the remediation site for which the credit was granted. The purchaser of a remediation site and the tax credit shall succeed to the unused credit and remaining carry-forward period of the seller. To perfect the transfer, the assignor shall record the transfer in the chain of title for the site and provide written notice to the Director of the Illinois Department of Revenue of the assignor's intent to sell the remediation site and the amount of the tax credit to be transferred as a portion of the sale. In no event may a credit be transferred to any taxpayer if the taxpayer or a related party would not be eligible under the provisions of subsection (i).

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

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

(1) the medical cannabis cultivation center registration, medical cannabis dispensary registration, or the property of a registration is transferred as a result of any of the following:

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

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

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

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

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

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

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

(2) the cannabis cultivation center registration, medical cannabis dispensary registration, or the controlling interest in a registrant's property is transferred in a transaction to lineal descendants in which no gain or loss is recognized or as a result of a transaction in accordance with Section 351 of the Internal Revenue Code in which no gain or loss is recognized.

(Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756, eff. 7-16-14.)

(35 ILCS 5/202.5)

Sec. 202.5. Net income attributable to the period beginning prior to January 1 of any year and ending after December 31 of the preceding year.

(a) In general. With respect to the taxable year of a taxpayer beginning prior to January 1 of any year and ending after December 31 of the preceding year, net income for the period after December 31 of the preceding year, is that amount that bears the same ratio to the taxpayer's net income for the entire taxable year as the number of days in that taxable year after December 31 bears to the total number of days in that taxable year, and the net income for the period prior to January 1 is that amount that bears the same ratio to the
taxpayer's net income for the entire taxable year as the number
of days in that taxable year prior to January 1 bears to the
total number of days in that taxable year.

(b) Election to attribute income and deduction items
specifically to the respective portions of a taxable year prior
to January 1 of any year and after December 31 of the preceding
year. In the case of a taxpayer with a taxable year beginning
prior to January 1 of any year and ending after December 31 of
the preceding year, the taxpayer may elect, instead of the
procedure established in subsection (a) of this Section, to
determine net income on a specific accounting basis for the 2
portions of the taxable year:

(1) from the beginning of the taxable year through
December 31; and

(2) from January 1 through the end of the taxable year.

The election provided by this subsection must be made in
form and manner that the Department requires by rule, and must
be made no later than the due date (including any extensions
thereof) for the filing of the return for the taxable year, and
is irrevocable.

(c) If the taxpayer elects specific accounting under
subsection (b):

(1) there shall be taken into account in computing base
income for each of the 2 portions of the taxable year only
those items earned, received, paid, incurred or accrued in
each such period;
(2) for purposes of apportioning business income of the taxpayer, the provisions in Article 3 shall be applied on the basis of the taxpayer's full taxable year, without regard to this Section;

(3) the net loss carryforward deduction for the taxable year under Section 207 may not exceed combined net income of both portions of the taxable year, and shall be used against the net income of the portion of the taxable year from the beginning of the taxable year through December 31 before any remaining amount is used against the net income of the latter portion of the taxable year.

(d) Under subsection (a) or (b):

(1) the exemptions and credits allowed under Sections 204, 208, and 212, respectively, for the period prior to July 1, 2015, shall be equal to the total exemptions or credits, as applicable, that would be allowed for the taxable year under Sections 204, 208, and 212, respectively, as in effect before the effective date of this amendatory Act of the 99th General Assembly, multiplied by the number of months in the portion of the taxable year ending on or before June 30, 2015 and divided by 12; and

(2) the exemptions and credits allowed under Sections 204, 208, and 212, respectively, for the period after June 30, 2015, through the end of the taxable year shall equal to the total exemptions or credits, as applicable, allowed
under Sections 204, 208, or 212, as applicable, for the taxable year, multiplied by the number of months in the taxable year for the period beginning on July 1, 2015 and divided by 12.

(Source: P.A. 96-1496, eff. 1-13-11.)

(35 ILCS 5/204) (from Ch. 120, par. 2-204)

Sec. 204. Standard Exemption.

(a) Allowance of exemption. In computing net income under this Act, there shall be allowed as an exemption the sum of the amounts determined under subsections (b), (c) and (d), multiplied by a fraction the numerator of which is the amount of the taxpayer's base income allocable to this State for the taxable year and the denominator of which is the taxpayer's total base income for the taxable year.

(b) Basic amount. For the purpose of subsection (a) of this Section, except as provided by subsection (a) of Section 205 and in this subsection, each taxpayer shall be allowed a basic amount of $1000, except that for corporations the basic amount shall be zero for tax years ending on or after December 31, 2003, and for individuals the basic amount shall be:

1. for taxable years ending on or after December 31, 1998 and prior to December 31, 1999, $1,300;
2. for taxable years ending on or after December 31, 1999 and prior to December 31, 2000, $1,650;
3. for taxable years ending on or after December 31,
2000 and prior to December 31, 2012, $2,000;
(4) for taxable years ending on or after December 31,
2012 and prior to December 31, 2013, $2,050;
(5) for taxable years ending on or after December 31,
2013 and prior to July 1, 2015, $2,050 plus the
cost-of-living adjustment under subsection (d-5); and
(6) for taxable years ending after June 30, 2015 and
prior to December 31, 2016, $3,000, except that, for
taxable years beginning before July 1, 2015, and ending
after June 30, 2016, the exemption for the taxable year
shall be determined under subsection (d) of Section 202.5;
and
(7) for taxable years ending on or after December 31,
2016, $3,000.

For taxable years ending on or after December 31, 1992, a
taxpayer whose Illinois base income exceeds the basic amount
and who is claimed as a dependent on another person's tax
return under the Internal Revenue Code shall not be allowed any
basic amount under this subsection.

(c) Additional amount for individuals. In the case of an
individual taxpayer, there shall be allowed for the purpose of
subsection (a), in addition to the basic amount provided by
subsection (b), an additional exemption equal to the basic
amount for each exemption in excess of one allowable to such
individual taxpayer for the taxable year under Section 151 of
the Internal Revenue Code.
(d) Additional exemptions for an individual taxpayer and his or her spouse. In the case of an individual taxpayer and his or her spouse, he or she shall each be allowed additional exemptions as follows:

1. Additional exemption for taxpayer or spouse 65 years of age or older.
   (A) For taxpayer. An additional exemption of $1,000 for the taxpayer if he or she has attained the age of 65 before the end of the taxable year.
   (B) For spouse when a joint return is not filed. An additional exemption of $1,000 for the spouse of the taxpayer if a joint return is not made by the taxpayer and his spouse, and if the spouse has attained the age of 65 before the end of such taxable year, and, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

2. Additional exemption for blindness of taxpayer or spouse.
   (A) For taxpayer. An additional exemption of $1,000 for the taxpayer if he or she is blind at the end of the taxable year.
   (B) For spouse when a joint return is not filed. An additional exemption of $1,000 for the spouse of the taxpayer if a separate return is made by the taxpayer, and if the spouse is blind and, for the calendar year
in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer. For purposes of this paragraph, the determination of whether the spouse is blind shall be made as of the end of the taxable year of the taxpayer; except that if the spouse dies during such taxable year such determination shall be made as of the time of such death.

(C) Blindness defined. For purposes of this subsection, an individual is blind only if his or her central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his or her visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual fields subtends an angle no greater than 20 degrees.

(d-5) Cost-of-living adjustment. For purposes of item (5) of subsection (b), the cost-of-living adjustment for any calendar year and for taxable years ending prior to the end of the subsequent calendar year is equal to $2,050 times the percentage (if any) by which:

(1) the Consumer Price Index for the preceding calendar year, exceeds

(2) the Consumer Price Index for the calendar year 2011.

The Consumer Price Index for any calendar year is the
average of the Consumer Price Index as of the close of the
12-month period ending on August 31 of that calendar year.

The term "Consumer Price Index" means the last Consumer
Price Index for All Urban Consumers published by the United
States Department of Labor or any successor agency.

If any cost-of-living adjustment is not a multiple of $25,
that adjustment shall be rounded to the next lowest multiple of
$25.

(e) Cross reference. See Article 3 for the manner of
determining base income allocable to this State.

(f) Application of Section 250. Section 250 does not apply
to the amendments to this Section made by Public Act 90-613.
(Source: P.A. 97-507, eff. 8-23-11; 97-652, eff. 6-1-12.)

(35 ILCS 5/208) (from Ch. 120, par. 2-208)

Sec. 208. Tax credit for residential real property taxes.
Beginning with tax years ending on or after December 31, 1991
and ending prior to July 1, 2015, every individual taxpayer
shall be entitled to a tax credit equal to 5% of real property
taxes paid by such taxpayer during the taxable year on the
principal residence of the taxpayer. In the case of multi-unit
or multi-use structures and farm dwellings, the taxes on the
taxpayer's principal residence shall be that portion of the
total taxes which is attributable to such principal residence.

For tax years ending after June 30, 2015 and prior to
December 31, 2016, every individual taxpayer shall be entitled
to a tax credit equal to 10% of real property taxes paid by the taxpayer during the taxable year on the principal residence of the taxpayer; except that, for taxable years beginning before July 1, 2015, and ending after June 30, 2015, the credit for the taxable year shall be determined under subsection (d) of Section 202.5. In the case of multi-unit or multi-use structures, the taxes on the taxpayer's principal residence shall be that portion of the total taxes that is attributable to the principal residence.

For tax years ending on or after December 31, 2016, every individual taxpayer shall be entitled to a tax credit equal to 10% of real property taxes paid by the taxpayer during the taxable year on the principal residence of the taxpayer. In the case of multi-unit or multi-use structures, the taxes on the taxpayer's principal residence shall be that portion of the total taxes that is attributable to the principal residence.

For tax years ending after June 30, 2015, the credit under this Section shall not exceed $1,500. For tax years thereafter, the $1,500 cap shall be increased by a percentage increase equal to the percentage increase, if any, in the Consumer Price Index for all Urban Consumers for the then most recently compiled calendar year.

For each taxable year ending on or after December 31, 2015, if the amount of the credit exceeds the income tax liability for the applicable tax year, then the excess credit shall be refunded to the taxpayer. The amount of a refund shall not be
included in the taxpayer's income or resources for the purposes of determining eligibility or benefit level in any means-tested benefit program administered by a governmental entity unless required by federal law.
(Source: P.A. 87-17.)

(35 ILCS 5/212)
Sec. 212. Earned income tax credit.

(a) With respect to the federal earned income tax credit allowed for the taxable year under Section 32 of the federal Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to (i) 5% of the federal tax credit for each taxable year beginning on or after January 1, 2000 and ending prior to December 31, 2012, (ii) 7.5% of the federal tax credit for each taxable year beginning on or after January 1, 2012 and ending prior to December 31, 2013, and (iii) 10% of the federal tax credit for each taxable year beginning on or after January 1, 2013 and beginning prior to January 1, 2015, and (iv) 15% of the federal tax credit for each taxable year beginning on or after January 1, 2015.

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

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

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

(Source: P.A. 97-652, eff. 6-1-12.)

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

(a) In general.

The Department shall collect the taxes imposed by this Act. The Department shall collect certified past due child support amounts under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650). Except as provided in subsections (c), (e), (f), (g), and (h) of this Section, money collected pursuant to subsections (a) and (b) of Section 201 of this Act shall be paid into the General Revenue Fund in the State treasury; money collected pursuant to subsections (c) and (d) of Section 201 of this Act shall be paid into the Personal Property Tax Replacement Fund, a special fund in the State
Treasury; and money collected under Section 2505-650 of the Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid into the Child Support Enforcement Trust Fund, a special fund outside the State Treasury, or to the State Disbursement Unit established under Section 10-26 of the Illinois Public Aid Code, as directed by the Department of Healthcare and Family Services.

(b) Local Government Distributive Fund.

Beginning August 1, 1969, and continuing through June 30, 1994, the Treasurer shall transfer each month from the General Revenue Fund to a special fund in the State treasury, to be known as the "Local Government Distributive Fund", an amount equal to 1/12 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1994, and continuing through June 30, 1995, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to 1/11 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act during the preceding month. Beginning July 1, 1995 and continuing through January 31, 2011, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the net of (i) 1/10 of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act during the preceding month (ii) minus,
beginning July 1, 2003 and ending June 30, 2004, $6,666,666, and beginning July 1, 2004, zero. Beginning February 1, 2011, and continuing through the first day of the first month to occur after the effective date of this amendatory Act of the 99th General Assembly January 31, 2015, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 6.86% (10% of the ratio of the 4.8% corporate income tax rate prior to 2011 to the 7% corporate income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon corporations during the preceding month. Beginning on the first day of the first month to occur after the effective date of this amendatory Act of the 99th General Assembly, the Treasurer shall transfer each month from the General Revenue Fund to the Local Government Distributive Fund an amount equal to the sum of (i) 6% (10% of the ratio of the 3% individual income tax rate prior to 2011 to the 5% individual income tax rate after 2010) of the net revenue realized from the tax imposed by subsections (a) and (b) of Section 201 of this Act upon individuals, trusts, and estates during the preceding month and (ii) 9.6% (10% of the
ratio of the 4.8% corporate income tax rate prior to 2011 to
the 5% corporate income tax rate after 2014) of the net revenue
realized from the tax imposed by subsections (a) and (b) of
Section 201 of this Act upon corporations during the preceding
month. Notwithstanding any other provision of law, beginning on
August 1, 2015 and ending on August 1, 2016, each monthly
transfer to the Local Government Distributive Fund shall be
reduced by $20,800,000; that amount shall instead by
transferred to the Common School Fund. Beginning February 1,
2015 and continuing through January 31, 2025, the Treasurer
shall transfer each month from the General Revenue Fund to the
Local Government Distributive Fund an amount equal to the sum
of (i) 8% (10% of the ratio of the 3% individual income tax
rate prior to 2011 to the 3.75% individual income tax rate
after 2014) of the net revenue realized from the tax imposed by
subsections (a) and (b) of Section 201 of this Act upon
individuals, trusts, and estates during the preceding month and
(ii) 9.14% (10% of the ratio of the 4.8% corporate income tax
rate prior to 2011 to the 5.25% corporate income tax rate after
2014) of the net revenue realized from the tax imposed by
subsections (a) and (b) of Section 201 of this Act upon
corporations during the preceding month. Beginning February 1,
2025, the Treasurer shall transfer each month from the General
Revenue Fund to the Local Government Distributive Fund an
amount equal to the sum of (i) 9.23% (10% of the ratio of the 3%
individual income tax rate prior to 2011 to the 3.25%
individual income tax rate after 2024) of the net revenue
realized from the tax imposed by subsections (a) and (b) of
Section 201 of this Act upon individuals, trusts, and estates
during the preceding month and (ii) 10% of the net revenue
realized from the tax imposed by subsections (a) and (b) of
Section 201 of this Act upon corporations during the preceding
month. Net revenue realized for a month shall be defined as the
revenue from the tax imposed by subsections (a) and (b) of
Section 201 of this Act which is deposited in the General
Revenue Fund, the Education Assistance Fund, the Income Tax
Surcharge Local Government Distributive Fund, the Fund for the
Advancement of Education, and the Commitment to Human Services
Fund during the month minus the amount paid out of the General
Revenue Fund in State warrants during that same month as
refunds to taxpayers for overpayment of liability under the tax
imposed by subsections (a) and (b) of Section 201 of this Act.
Beginning on August 26, 2014 (the effective date of Public
Act 98-1052) this amendatory Act of the 98th General Assembly,
the Comptroller shall perform the transfers required by this
subsection (b) no later than 60 days after he or she receives
the certification from the Treasurer as provided in Section 1
of the State Revenue Sharing Act.

(c) Deposits Into Income Tax Refund Fund.

(1) Beginning on January 1, 1989 and thereafter, the
Department shall deposit a percentage of the amounts
collected pursuant to subsections (a) and (b)(1), (2), and
(3), of Section 201 of this Act into a fund in the State
treasury known as the Income Tax Refund Fund. The
Department shall deposit 6% of such amounts during the
period beginning January 1, 1989 and ending on June 30,
1989. Beginning with State fiscal year 1990 and for each
fiscal year thereafter, the percentage deposited into the
Income Tax Refund Fund during a fiscal year shall be the
Annual Percentage. For fiscal years 1999 through 2001, the
Annual Percentage shall be 7.1%. For fiscal year 2003, the
Annual Percentage shall be 8%. For fiscal year 2004, the
Annual Percentage shall be 11.7%. Upon the effective date
of this amendatory Act of the 93rd General Assembly, the
Annual Percentage shall be 10% for fiscal year 2005. For
fiscal year 2006, the Annual Percentage shall be 9.75%. For
fiscal year 2007, the Annual Percentage shall be 9.75%. For
fiscal year 2008, the Annual Percentage shall be 7.75%. For
fiscal year 2009, the Annual Percentage shall be 9.75%. For
fiscal year 2010, the Annual Percentage shall be 9.75%. For
fiscal year 2011, the Annual Percentage shall be 8.75%. For
fiscal year 2012, the Annual Percentage shall be 8.75%. For
fiscal year 2013, the Annual Percentage shall be 9.75%. For
fiscal year 2014, the Annual Percentage shall be 9.5%. For
fiscal year 2015, the Annual Percentage shall be 10%. For
all other fiscal years, the Annual Percentage shall be
calculated as a fraction, the numerator of which shall be
the amount of refunds approved for payment by the
Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, minus the amounts transferred into the Income Tax Refund Fund from the Tobacco Settlement Recovery Fund, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(1), (2), and (3) of Section 201 of this Act during the preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 7.6%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.

(2) Beginning on January 1, 1989 and thereafter, the Department shall deposit a percentage of the amounts collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act into a fund in the State treasury known as the Income Tax Refund Fund. The Department shall deposit 18% of such amounts during the period beginning January 1, 1989 and ending on June 30, 1989. Beginning with State fiscal year 1990 and for each fiscal year thereafter, the percentage deposited into the Income Tax Refund Fund during a fiscal year shall be the Annual Percentage. For fiscal years 1999, 2000, and 2001,
the Annual Percentage shall be 19%. For fiscal year 2003, the Annual Percentage shall be 27%. For fiscal year 2004, the Annual Percentage shall be 32%. Upon the effective date of this amendatory Act of the 93rd General Assembly, the Annual Percentage shall be 24% for fiscal year 2005. For fiscal year 2006, the Annual Percentage shall be 20%. For fiscal year 2007, the Annual Percentage shall be 17.5%. For fiscal year 2008, the Annual Percentage shall be 15.5%. For fiscal year 2009, the Annual Percentage shall be 17.5%. For fiscal year 2010, the Annual Percentage shall be 17.5%. For fiscal year 2011, the Annual Percentage shall be 17.5%. For fiscal year 2012, the Annual Percentage shall be 17.5%. For fiscal year 2013, the Annual Percentage shall be 14%. For fiscal year 2014, the Annual Percentage shall be 13.4%. For fiscal year 2015, the Annual Percentage shall be 14%. For all other fiscal years, the Annual Percentage shall be calculated as a fraction, the numerator of which shall be the amount of refunds approved for payment by the Department during the preceding fiscal year as a result of overpayment of tax liability under subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act plus the amount of such refunds remaining approved but unpaid at the end of the preceding fiscal year, and the denominator of which shall be the amounts which will be collected pursuant to subsections (a) and (b)(6), (7), and (8), (c) and (d) of Section 201 of this Act during the
preceding fiscal year; except that in State fiscal year 2002, the Annual Percentage shall in no event exceed 23%. The Director of Revenue shall certify the Annual Percentage to the Comptroller on the last business day of the fiscal year immediately preceding the fiscal year for which it is to be effective.


(d) Expenditures from Income Tax Refund Fund.

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

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

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

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

(4.5) As soon as possible after the end of fiscal year
1999 and of each fiscal year thereafter, the Director shall order transferred and the State Treasurer and State Comptroller shall transfer from the Income Tax Refund Fund to the General Revenue Fund any surplus remaining in the Income Tax Refund Fund as of the end of such fiscal year; excluding for fiscal years 2000, 2001, and 2002 amounts attributable to transfers under item (3) of subsection (c) less refunds resulting from the earned income tax credit.

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

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

On July 1, 1991, and thereafter, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 7.3% into the Education Assistance Fund in the State Treasury. Beginning July 1, 1991, and continuing through January 31, 1993, of the amounts collected pursuant to subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 3.0% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning February 1, 1993 and continuing through June 30, 1993, of the amounts collected pursuant to subsections (a) and
(b) of Section 201 of the Illinois Income Tax Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 4.4% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury. Beginning July 1, 1993, and continuing through June 30, 1994, of the amounts collected under subsections (a) and (b) of Section 201 of this Act, minus deposits into the Income Tax Refund Fund, the Department shall deposit 1.475% into the Income Tax Surcharge Local Government Distributive Fund in the State Treasury.

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

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

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

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

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

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

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

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

(h) Deposits into the Tax Compliance and Administration Fund. Beginning on the first day of the first calendar month to occur on or after August 26, 2014 (the effective date of Public Act 98-1098), this amendatory Act of the 98th General Assembly, each month the Department shall pay into the Tax Compliance and Administration Fund, to be used, subject to appropriation, to fund additional auditors and compliance personnel at the Department, an amount equal to 1/12 of 5% of the cash receipts collected during the preceding fiscal year by the Audit Bureau of the Department from the tax imposed by subsections (a), (b), (c), and (d) of Section 201 of this Act, net of deposits into the Income Tax Refund Fund made from those cash receipts.

(Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24, eff. 6-19-13; 98-674, eff. 6-30-14; 98-1052, eff. 8-26-14; 98-1098, eff. 8-26-14; revised 9-26-14.)
Section 20. The Retailers' Occupation Tax Act is amended by changing Sections 1 and 2 as follows:

(35 ILCS 120/1) (from Ch. 120, par. 440)

Sec. 1. Definitions. "Sale at retail" means any transfer of the ownership of or title to tangible personal property to a purchaser, for the purpose of use or consumption, and not for the purpose of resale in any form as tangible personal property to the extent not first subjected to a use for which it was purchased, for a valuable consideration: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or byproduct of manufacturing. For this purpose, slag produced as an incident to manufacturing pig iron or steel and sold is considered to be an intentionally produced byproduct of manufacturing. Transactions whereby the possession of the property is transferred but the seller retains the title as security for payment of the selling price shall be deemed to be sales.

"Sale at retail" shall be construed to include any transfer of the ownership of or title to tangible personal property to a purchaser, for use or consumption by any other person to whom such purchaser may transfer the tangible personal property without a valuable consideration, and to include any transfer,
whether made for or without a valuable consideration, for 
resale in any form as tangible personal property unless made in 
compliance with Section 2c of this Act.

Sales of tangible personal property, which property, to the 
extent not first subjected to a use for which it was purchased, 
as an ingredient or constituent, goes into and forms a part of 
tangible personal property subsequently the subject of a "Sale 
at retail", are not sales at retail as defined in this Act:
Provided that the property purchased is deemed to be purchased 
for the purpose of resale, despite first being used, to the 
extent to which it is resold as an ingredient of an 
tentionally produced product or byproduct of manufacturing.

"Sale at retail" includes all of the following services, as 
enumerated in the North American Industry Classification 
System Manual (NAICS), 2012, prepared by the United States 
Office of Management and Budget:

(1) Other warehousing and storage (household and 
specialty goods) (493190).

(2) Travel agent services (561510).

(3) Carpet and upholstery cleaning services (561740).

(4) Dating services (812990).

(5) Dry cleaning and laundry, except coin-operated 
(81232).

(6) Consumer goods rental (5322).

(7) Health clubs, tanning parlors, reducing salons 
(812191).
(8) Linen supply (812331).

(9) Interior design services (541410).

(10) Other business services, including copy shops (561439).

(11) Bowling Centers (713950).

(12) Coin operated video games and pinball machines (713120).

(13) Membership fees in private clubs (713910).

(14) Admission to spectator sports (excluding horse tracks) (711211).

(15) Admission to cultural events (711110).

(16) Billiard Parlors (71399).

(17) Scenic and sightseeing transportation (487110).

(18) Taxi and Limousine services (485320).

(19) Unscheduled chartered passenger air transportation (481211).

(20) Motion picture theaters, except drive-in theaters (512131).

(21) Pet grooming (812910).

(22) Landscaping services (including lawn care) (561730).

(23) Income from intrastate transportation of persons (485).

(24) Mini-storage (531130).

(25) Household goods storage (493110).

(26) Cold storage (493120).
(27) Marina Service (docking, storage, cleaning, repair) (713930).

(28) Marine towing service (including tugboats) (488330).

(29) Gift and package wrapping service (561916).

(30) Laundry and dry cleaning services, coin-operated (812310).

(31) Other services to buildings and dwellings (561790).

(32) Water softening and conditioning (561990).

(33) Internet Service Providers (517).

(34) Short term auto rental (532111).

(35) Information Services (519190).

(36) Amusement park admission and rides (713110).

(37) Circuses and fairs -- admission and games (7113).

(38) Cable and other program distribution (515210).

(39) Rental of video tapes for home viewing (532230).

"Sale at retail" shall be construed to include any Illinois florist's sales transaction in which the purchase order is received in Illinois by a florist and the sale is for use or consumption, but the Illinois florist has a florist in another state deliver the property to the purchaser or the purchaser's donee in such other state.

Nonreusable tangible personal property that is used by persons engaged in the business of operating a restaurant, cafeteria, or drive-in is a sale for resale when it is
transferred to customers in the ordinary course of business as part of the sale of food or beverages and is used to deliver, package, or consume food or beverages, regardless of where consumption of the food or beverages occurs. Examples of those items include, but are not limited to nonreusable, paper and plastic cups, plates, baskets, boxes, sleeves, buckets or other containers, utensils, straws, placemats, napkins, doggie bags, and wrapping or packaging materials that are transferred to customers as part of the sale of food or beverages in the ordinary course of business.

The purchase, employment and transfer of such tangible personal property as newsprint and ink for the primary purpose of conveying news (with or without other information) is not a purchase, use or sale of tangible personal property.

A person whose activities are organized and conducted primarily as a not-for-profit service enterprise, and who engages in selling tangible personal property at retail (whether to the public or merely to members and their guests) is engaged in the business of selling tangible personal property at retail with respect to such transactions, excepting only a person organized and operated exclusively for charitable, religious or educational purposes either (1), to the extent of sales by such person to its members, students, patients or inmates of tangible personal property to be used primarily for the purposes of such person, or (2), to the extent of sales by such person of tangible personal property
which is not sold or offered for sale by persons organized for
profit. The selling of school books and school supplies by
schools at retail to students is not "primarily for the
purposes of" the school which does such selling. The provisions
of this paragraph shall not apply to nor subject to taxation
occasional dinners, socials or similar activities of a person
organized and operated exclusively for charitable, religious
or educational purposes, whether or not such activities are
open to the public.

A person who is the recipient of a grant or contract under
Title VII of the Older Americans Act of 1965 (P.L. 92-258) and
serves meals to participants in the federal Nutrition Program
for the Elderly in return for contributions established in
amount by the individual participant pursuant to a schedule of
suggested fees as provided for in the federal Act is not
engaged in the business of selling tangible personal property
at retail with respect to such transactions.

"Purchaser" means anyone who, through a sale at retail,
acquires the ownership of or title to tangible personal
property for a valuable consideration.

"Reseller of motor fuel" means any person engaged in the
business of selling or delivering or transferring title of
motor fuel to another person other than for use or consumption.
No person shall act as a reseller of motor fuel within this
State without first being registered as a reseller pursuant to
Section 2c or a retailer pursuant to Section 2a.
"Selling price" or the "amount of sale" means the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property, other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, and shall be determined without any deduction on account of the cost of the property sold, the cost of materials used, labor or service cost or any other expense whatsoever, but does not include charges that are added to prices by sellers on account of the seller's tax liability under this Act, or on account of the seller's duty to collect, from the purchaser, the tax that is imposed by the Use Tax Act, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit, on account of the seller's tax liability under any local occupation tax administered by the Department, or, except as otherwise provided with respect to any cigarette tax imposed by a home rule unit on account of the seller's duty to collect, from the purchasers, the tax that is imposed under any local use tax administered by the Department. Effective December 1, 1985, "selling price" shall include charges that are added to prices by sellers on account of the seller's tax liability under the Cigarette Tax Act, on account of the sellers' duty to collect, from the purchaser, the tax imposed under the Cigarette Use Tax Act, and on account of the seller's duty to collect, from the
purchaser, any cigarette tax imposed by a home rule unit.

Notwithstanding any law to the contrary, for any motor vehicle, as defined in Section 1-146 of the Vehicle Code, that is sold on or after January 1, 2015 for the purpose of leasing the vehicle for a defined period that is longer than one year and (1) is a motor vehicle of the second division that: (A) is a self-contained motor vehicle designed or permanently converted to provide living quarters for recreational, camping, or travel use, with direct walk through access to the living quarters from the driver's seat; (B) is of the van configuration designed for the transportation of not less than 7 nor more than 16 passengers; or (C) has a gross vehicle weight rating of 8,000 pounds or less or (2) is a motor vehicle of the first division, "selling price" or "amount of sale" means the consideration received by the lessor pursuant to the lease contract, including amounts due at lease signing and all monthly or other regular payments charged over the term of the lease. Also included in the selling price is any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, including, but not limited to, excess mileage charges and charges for excess wear and tear. For sales that occur in Illinois, with respect to any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed, the lessor who purchased the motor vehicle does not incur the tax imposed by the Use Tax Act
on those amounts, and the retailer who makes the retail sale of the motor vehicle to the lessor is not required to collect the tax imposed by the Use Tax Act or to pay the tax imposed by this Act on those amounts. However, the lessor who purchased the motor vehicle assumes the liability for reporting and paying the tax on those amounts directly to the Department in the same form (Illinois Retailers' Occupation Tax, and local retailers' occupation taxes, if applicable) in which the retailer would have reported and paid such tax if the retailer had accounted for the tax to the Department. For amounts received by the lessor from the lessee that are not calculated at the time the lease is executed, the lessor must file the return and pay the tax to the Department by the due date otherwise required by this Act for returns other than transaction returns. If the retailer is entitled under this Act to a discount for collecting and remitting the tax imposed under this Act to the Department with respect to the sale of the motor vehicle to the lessor, then the right to the discount provided in this Act shall be transferred to the lessor with respect to the tax paid by the lessor for any amount received by the lessor from the lessee for the leased vehicle that is not calculated at the time the lease is executed; provided that the discount is only allowed if the return is timely filed and for amounts timely paid. The "selling price" of a motor vehicle that is sold on or after January 1, 2015 for the purpose of leasing for a defined period of longer than one year shall not be reduced by the
value of or credit given for traded-in tangible personal property owned by the lessor, nor shall it be reduced by the value of or credit given for traded-in tangible personal property owned by the lessee, regardless of whether the trade-in value thereof is assigned by the lessee to the lessor. In the case of a motor vehicle that is sold for the purpose of leasing for a defined period of longer than one year, the sale occurs at the time of the delivery of the vehicle, regardless of the due date of any lease payments. A lessor who incurs a Retailers' Occupation Tax liability on the sale of a motor vehicle coming off lease may not take a credit against that liability for the Use Tax the lessor paid upon the purchase of the motor vehicle (or for any tax the lessor paid with respect to any amount received by the lessor from the lessee for the leased vehicle that was not calculated at the time the lease was executed) if the selling price of the motor vehicle at the time of purchase was calculated using the definition of "selling price" as defined in this paragraph. Notwithstanding any other provision of this Act to the contrary, lessors shall file all returns and make all payments required under this paragraph to the Department by electronic means in the manner and form as required by the Department. This paragraph does not apply to leases of motor vehicles for which, at the time the lease is entered into, the term of the lease is not a defined period, including leases with a defined initial period with the option to continue the lease on a month-to-month or other basis
beyond the initial defined period.

The phrase "like kind and character" shall be liberally construed (including but not limited to any form of motor vehicle for any form of motor vehicle, or any kind of farm or agricultural implement for any other kind of farm or agricultural implement), while not including a kind of item which, if sold at retail by that retailer, would be exempt from retailers' occupation tax and use tax as an isolated or occasional sale.

"Gross receipts" from the sales of tangible personal property at retail means the total selling price or the amount of such sales, as hereinbefore defined. In the case of charge and time sales, the amount thereof shall be included only as and when payments are received by the seller. Receipts or other consideration derived by a seller from the sale, transfer or assignment of accounts receivable to a wholly owned subsidiary will not be deemed payments prior to the time the purchaser makes payment on such accounts.

"Department" means the Department of Revenue.

"Person" means any natural individual, firm, partnership, association, joint stock company, joint adventure, public or private corporation, limited liability company, or a receiver, executor, trustee, guardian or other representative appointed by order of any court.

The isolated or occasional sale of tangible personal property at retail by a person who does not hold himself out as
being engaged (or who does not habitually engage) in selling such tangible personal property at retail, or a sale through a bulk vending machine, does not constitute engaging in a business of selling such tangible personal property at retail within the meaning of this Act; provided that any person who is engaged in a business which is not subject to the tax imposed by this Act because of involving the sale of or a contract to sell real estate or a construction contract to improve real estate or a construction contract to engineer, install, and maintain an integrated system of products, but who, in the course of conducting such business, transfers tangible personal property to users or consumers in the finished form in which it was purchased, and which does not become real estate or was not engineered and installed, under any provision of a construction contract or real estate sale or real estate sales agreement entered into with some other person arising out of or because of such nontaxable business, is engaged in the business of selling tangible personal property at retail to the extent of the value of the tangible personal property so transferred. If, in such a transaction, a separate charge is made for the tangible personal property so transferred, the value of such property, for the purpose of this Act, shall be the amount so separately charged, but not less than the cost of such property to the transferor; if no separate charge is made, the value of such property, for the purposes of this Act, is the cost to the transferor of such tangible personal property. Construction
contracts for the improvement of real estate consisting of engineering, installation, and maintenance of voice, data, video, security, and all telecommunication systems do not constitute engaging in a business of selling tangible personal property at retail within the meaning of this Act if they are sold at one specified contract price.

A person who holds himself or herself out as being engaged (or who habitually engages) in selling tangible personal property at retail is a person engaged in the business of selling tangible personal property at retail hereunder with respect to such sales (and not primarily in a service occupation) notwithstanding the fact that such person designs and produces such tangible personal property on special order for the purchaser and in such a way as to render the property of value only to such purchaser, if such tangible personal property so produced on special order serves substantially the same function as stock or standard items of tangible personal property that are sold at retail.

Persons who engage in the business of transferring tangible personal property upon the redemption of trading stamps are engaged in the business of selling such property at retail and shall be liable for and shall pay the tax imposed by this Act on the basis of the retail value of the property transferred upon redemption of such stamps.

"Bulk vending machine" means a vending machine, containing unsorted confections, nuts, toys, or other items designed
primarily to be used or played with by children which, when a
coin or coins of a denomination not larger than $0.50 are
inserted, are dispensed in equal portions, at random and
without selection by the customer.
(Source: P.A. 98-628, eff. 1-1-15; 98-1080, eff. 8-26-14.)

(35 ILCS 120/2) (from Ch. 120, par. 441)
Sec. 2. Tax imposed. A tax is imposed upon persons engaged
in the business of selling at retail tangible personal
property, including computer software, and including
photographs, negatives, and positives that are the product of
photoprocessing, but not including products of photoprocessing
produced for use in motion pictures for public commercial
exhibition, or engaged in the business of providing services as
set forth in in Section 1 of this Act. Beginning January 1,
2001, prepaid telephone calling arrangements shall be
considered tangible personal property subject to the tax
imposed under this Act regardless of the form in which those
arrangements may be embodied, transmitted, or fixed by any
method now known or hereafter developed. Sales of (1)
electricity delivered to customers by wire; (2) natural or
artificial gas that is delivered to customers through pipes,
pipelines, or mains; and (3) water that is delivered to
customers through pipes, pipelines, or mains are not subject to
tax under this Act. The provisions of this amendatory Act of
the 98th General Assembly are declaratory of existing law as to
the meaning and scope of this Act.
(Source: P.A. 98-583, eff. 1-1-14.)


(105 ILCS 5/1C-2)
Sec. 1C-2. Block grants.
(a) For fiscal year 1999, and each fiscal year thereafter, the State Board of Education shall award to school districts block grants as described in subsection (c). The State Board of Education may adopt rules and regulations necessary to implement this Section. In accordance with Section 2-3.32, all state block grants are subject to an audit. Therefore, block grant receipts and block grant expenditures shall be recorded to the appropriate fund code.
(b) (Blank).
(c) An Early Childhood Education Block Grant shall be created by combining the following programs: Preschool Education, Parental Training and Prevention Initiative. These funds shall be distributed to school districts and other entities on a competitive basis. Not less than 14% of this
grant shall be used to fund programs for children ages 0-3, which percentage shall increase to at least 20% by Fiscal Year 2016. However, if, in a given fiscal year, the amount appropriated for the Early Childhood Education Block Grant is insufficient to increase the percentage of the grant to fund programs for children ages 0-3 without reducing the amount of the grant for existing providers of preschool education programs, then the percentage of the grant to fund programs for children ages 0-3 may be held steady instead of increased.

(d) For fiscal year 2016, the General Assembly shall appropriate no less than $380,261,400 to the Early Childhood Education Block Grant for the programs specified in subsection (c) of this Section.

(Source: P.A. 98-645, eff. 7-1-14.)

(105 ILCS 5/2-3.25c) (from Ch. 122, par. 2-3.25c)

Sec. 2-3.25c. Financial and other awards

Rewards and acknowledgements.

(a) The State Board of Education shall implement a system of rewards for school districts, and the schools themselves, whose students and schools consistently meet adequate yearly progress criteria for 2 or more consecutive years and a system to acknowledge schools and districts that meet adequate yearly progress criteria in a given year as specified in Section 2-3.25d of this Code.

(b) Financial awards shall be provided to the schools that
the State Superintendent of Education determines have demonstrated the greatest improvement in achieving the education goals of improved student achievement and improved school completion, subject to appropriation by the General Assembly and any limitation set by the State Superintendent on the total amount that may be awarded to a school or school district; provided that such financial awards must not be used to enhance the compensation of staff in school districts having a population not exceeding 500,000.

(c) The State Superintendent of Education may present proclamations or certificates to schools and school systems determined to have met or exceeded the State's education goals under Section 2-3.64 of this Code.

(d) The Education Financial Award System Fund is created as a special fund in the State treasury. All money in the Fund shall be used, subject to appropriation, by the State Board of Education for the purpose of funding financial awards under this Section. The Fund shall consist of all moneys appropriated to the fund by the General Assembly and any gifts, grants, donations, and other moneys received by the State Board of Education for implementation of the awards system.

Any unexpended or unencumbered moneys remaining in the Education Financial Award System Fund at the end of a fiscal year shall remain in the Fund and shall not revert or be credited or transferred to the General Revenue Fund nor be transferred to any other fund. Any interest derived from the
deposit and investment of moneys in the Education Financial Award System Fund shall remain in the Fund and shall not be credited to the General Revenue Fund. The Education Financial Award System Fund must be appropriated and expended only for the awards system. The awards are subject to audit requirements established by the State Board of Education.

(e) If a school or school district meets adequate yearly progress criteria for 2 consecutive school years, that school or district shall be exempt from review and approval of its improvement plan for the next 2 succeeding school years.

(Source: P.A. 93-470, eff. 8-8-03.)

(105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

Sec. 2-3.25d. Academic early warning and watch status.

(a) Beginning with the 2005-2006 school year, unless the federal government formally disapproves of such policy through the submission and review process for the Illinois Accountability Workbook, those schools that do not meet adequate yearly progress criteria for 2 consecutive annual calculations in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on academic early warning status for the next school year. Schools on academic early warning status that do not meet adequate yearly progress criteria for a third annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic early warning
status. Schools on academic early warning status that do not meet adequate yearly progress criteria for a fourth annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall be placed on initial academic watch status. Schools on academic watch status that do not meet adequate yearly progress criteria for a fifth or subsequent annual calculation in the same subject or in their participation rate, attendance rate, or graduation rate shall remain on academic watch status. Schools on academic early warning or academic watch status that meet adequate yearly progress criteria for 2 consecutive calculations shall be considered as having met expectations and shall be removed from any status designation.

The school district of a school placed on either academic early warning status or academic watch status may appeal the status to the State Board of Education in accordance with Section 2-3.25m of this Code.

A school district that has one or more schools on academic early warning or academic watch status shall prepare a revised School Improvement Plan or amendments thereto setting forth the district's expectations for removing each school from academic early warning or academic watch status and for improving student performance in the affected school or schools. Districts operating under Article 34 of this Code may prepare the School Improvement Plan required under Section 34-2.4 of this Code.
The revised School Improvement Plan for a school that is initially placed on academic early warning status or that remains on academic early warning status after a third annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code).

The revised School Improvement Plan for a school that is initially placed on academic watch status after a fourth annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code).

The revised School Improvement Plan for a school that remains on academic watch status after a fifth annual calculation must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code, unless the school is on probation pursuant to subsection (c) of Section 34-8.3 of this Code). In addition, the district must develop a school restructuring plan for the school that must be approved by the school board (and by the school's local school council in a district operating under Article 34 of this Code).

A school on academic watch status that does not meet adequate yearly progress criteria for a sixth annual calculation shall implement its approved school restructuring
plan beginning with the next school year, subject to the State
interventions specified in Section 2-3.25f of this Code.

(b) Beginning with the 2005-2006 school year, unless the
federal government formally disapproves of such policy through
the submission and review process for the Illinois
Accountability Workbook, those school districts that do not
meet adequate yearly progress criteria for 2 consecutive annual
calculations in the same subject or in their participation
rate, attendance rate, or graduation rate shall be placed on
academic early warning status for the next school year.
Districts on academic early warning status that do not meet
adequate yearly progress criteria for a third annual
calculation in the same subject or in their participation rate,
attendance rate, or graduation rate shall remain on academic
early warning status. Districts on academic early warning
status that do not meet adequate yearly progress criteria for a
fourth annual calculation in the same subject or in their
participation rate, attendance rate, or graduation rate shall
be placed on initial academic watch status. Districts on
academic watch status that do not meet adequate yearly progress
criteria for a fifth or subsequent annual calculation in the
same subject or in their participation rate, attendance rate,
or graduation rate shall remain on academic watch status.
Districts on academic early warning or academic watch status
that meet adequate yearly progress criteria for one annual
calculation shall be considered as having met expectations and
shall be removed from any status designation.

A district placed on either academic early warning status or academic watch status may appeal the status to the State Board of Education in accordance with Section 2-3.25m of this Code.

Districts on academic early warning or academic watch status shall prepare a District Improvement Plan or amendments thereto setting forth the district's expectations for removing the district from academic early warning or academic watch status and for improving student performance in the district.

All District Improvement Plans must be approved by the school board.

(c) All new and revised School and District Improvement Plans shall be developed in collaboration with parents, staff in the affected school or school district, and outside experts. All revised School and District Improvement Plans shall be developed, submitted, and monitored pursuant to rules adopted by the State Board of Education. The revised Improvement Plan shall address measurable outcomes for improving student performance so that such performance meets adequate yearly progress criteria as specified by the State Board of Education and shall include a staff professional development plan developed in cooperation with staff. All school districts required to revise a School Improvement Plan in accordance with this Section shall establish a peer review process for the evaluation of School Improvement Plans.
(d) All federal requirements apply to schools and school districts utilizing federal funds under Title I, Part A of the federal Elementary and Secondary Education Act of 1965.

(e) The State Board of Education, from any moneys it may have available for this purpose, must implement and administer a grant program that provides 2-year grants to school districts on the academic watch list and other school districts that have the lowest achieving students, as determined by the State Board of Education, to be used to improve student achievement. In order to receive a grant under this program, a school district must establish an accountability program. The accountability program must involve the use of statewide testing standards and local evaluation measures. A grant shall be automatically renewed when achievement goals are met. The Board may adopt any rules necessary to implement and administer this grant program.

(f) In addition to any moneys available under subsection (e) of this Section, a school district required to maintain School and District Improvement Plans under this Section, including a school district organized under Article 34 of this Code, shall annually receive from the State, subject to appropriation, an amount equal to $150 times the number of full-time certified teachers and administrators it employs for developing and implementing its mandatory School and District Improvement Plans, including its staff professional development plan.

(Source: P.A. 96-734, eff. 8-25-09.)
Sec. 2-3.25d-5. Educational improvement plan. Except for school districts required to develop School and District Improvement Plans under Section 2-3.25d of this Code, each school district shall develop, in compliance with rules promulgated by the State Board of Education, an educational improvement plan that must include (i) measures for improving school district, school building, and individual student performance and (ii) a staff professional development plan developed at least in cooperation with staff or, if applicable, the exclusive bargaining representatives of the staff. The district shall develop the educational improvement plan in collaboration with parents, staff, and the staff's exclusive bargaining representatives, if any.

Sec. 2-3.163. The Digital Learning Technology Grant Program.

(a) As used in this Section, unless the context otherwise requires, "information technology education" means education in the development, design, use, maintenance, repair, and application of information technology systems or equipment, including, but not limited to, computers, the Internet, telecommunications devices and networks, and multi-media techniques.
(b) There is created the Digital Learning Technology Grant Program to provide money to school districts and charter schools to use in integrating information technology and scientific equipment as tools to measurably improve teaching and learning in grades 9 through 12 in this State's public schools. The State Board of Education shall administer the grant program through the acceptance, review, and recommendation of applications submitted pursuant to this Section.

(c) Grants awarded through the grant program created under this Section shall continue for 4 fiscal years and may be renewed as provided by rule of the State Board of Education. Grants awarded through the program shall be paid out of any money appropriated or credited to the Digital Learning Technology Grant Fund. A school district or charter school shall use any moneys obtained through the grant program to integrate information technology education into the 9th grade through 12th grade curriculum. In the case of a school district, such integration shall be accomplished in one or more public schools in the district. The school district or charter school may contract with one or more private entities for assistance in integrating information technology education into the curriculum. In addition, school districts and charter schools are encouraged to partner with businesses for assistance in integrating information technology education into the curriculum.
(d) The State Board of Education shall adopt rules for the administration and implementation of the grant program created under this Section. Subject to appropriation, the grants shall be awarded through the program for the 2016-2017 school year and annually thereafter.

(e) Any school district or charter school that seeks to participate in the grant program created under this Section shall submit an application to the State Board of Education in the form and according to the deadlines established by rule of the State Board of Education. The application shall include the following information:

(1) if the applicant is a school district, the names of the schools that will receive the benefits of the grant;

(2) the current level of information technology education integration at the recipient schools;

(3) the school district's or charter school's plan for integrating information technology education into the 9th grade through 12th grade curriculum, including any specific method or program to be used, and any entities with whom the school district or charter school plans to contract or cooperate in achieving the integration;

(4) the specific, measurable goals to be achieved and the actual deliverables to be produced through the integration of information technology education into the curriculum, a deadline for achieving those goals, and a proposed method of measuring whether the goals were
achieved;

(5) any businesses with which the school district or charter school has partnered to improve the availability and integration of information technology education within the curriculum; and

(6) any other information that may be specified by rule of the State Board of Education.

(f) In recommending and awarding grants through the program, the State Board of Education shall consider the following criteria:

(1) the degree to which information technology education is already integrated into the curriculum of the applying school district or charter school to ensure that those school districts and charter schools with the least degree of integration receive the grants first;

(2) the degree to which the applicant's proposed plan for using the grant moneys will result in integration of information technology tools and scientific equipment in a manner that measurably improves teaching and learning;

(3) the validity, clarity, and measurability of the goals established by the applicant and the validity of the proposed methods for measuring achievement of the goals;

(4) the accountability system of specific measures and deliverables to determine a baseline and annually assess improvements in teaching and learning;

(5) any other financial resources available to the
applicant for integrating information technology education
into the curriculum;

(6) the degree to which the applicant is cooperating or
partnering with businesses to improve the availability and
integration of information technology education in the
curriculum; the State Board of Education shall apply this
criteria with the goal of encouraging such partnerships;

(7) the strength and capacity of the applicant to
collaborate with the science, technology, engineering and
mathematics education center network under Section 4.5 of
the Illinois Mathematics and Science Academy Law and to
provide open source networking with other public schools in
this State; and

(8) any other criteria established by rule of the State
Board of Education to ensure that grants are awarded to
school districts and charter schools that demonstrate the
greatest need and the most valid, effective plan for
integrating information technology education into the
curriculum.

(g) In awarding grants through the grant program, the State
Board of Education shall ensure, to the extent possible, that
the grants are awarded to school districts and charter schools
in all areas of this State.

(h) Nothing in this Section shall be construed to limit or
otherwise affect any school district's ability to enter into an
agreement with or receive funds from any private entity.
(i) Each school district and charter school that receives a grant through the grant program created under this Section shall, by August 1 of the school year for which the grant was awarded, submit to the State Board of Education a report specifying the following information:

(1) the manner in which the grant moneys were used;
(2) the progress made toward achieving the goals specified in the grant recipient's application;
(3) any additional entities and businesses with whom the grant recipient has contracted or partnered with the goal of achieving greater integration of information technology education in the 9th grade through 12th grade curriculum;
(4) the recipient school district's and charter school's plan for continuing the integration of information technology education into the curriculum, regardless of whether the grant is renewed; and
(5) any other information specified by rule of the State Board of Education.

(j) Notwithstanding subsection (i) of this Section, a recipient school need not submit a report for any academic year in which no grants are made through the grant program.

(k) The Digital Learning Technology Grant Fund is created as a special fund in the State treasury. All money in the Fund shall be used, subject to appropriation, by the State Board of Education for the purpose of funding grants under this Section.
(l) The State Board of Education may solicit and accept money in the form of gifts, contributions, and grants to be deposited into the Digital Learning Technology Grant Fund. The acceptance of federal grants for purposes of this Section does not commit State funds nor place an obligation upon the General Assembly to continue the purposes for which the federal funds are made available.

(105 ILCS 5/2-3.164 new)

Sec. 2-3.164. Best practices clearinghouse.

(a) Beginning July 1, 2016 and subject to appropriation, the State Board of Education shall establish an online clearinghouse of information relating to best practices of campuses and school districts regarding instruction, public school finance, resource allocation, and business practices. To the extent practicable, the State Board of Education shall ensure that information provided through the online clearinghouse is specific, actionable information relating to the best practices of high-performing and highly efficient school districts rather than general guidelines relating to school district operation. The information must be accessible by school districts and interested members of the public.

(b) The State Board of Education shall solicit and collect from exemplary or recognized school districts, charter schools, and other institutions determined by the State Board of Education examples of best practices relating to
instruction, public school finance, resource allocation, and business practices, including best practices relating to curriculum, scope and sequence, compensation and incentive systems, bilingual education and special language programs, compensatory education programs, and the effective use of instructional technology, including online courses.

(c) The State Board of Education may contract for the services of one or more third-party contractors to develop, implement, and maintain a system of collecting and evaluating the best practices of campuses and school districts as provided by this Section. In addition to any other considerations required by law, the State Board of Education must consider an applicant's demonstrated competence and qualifications in analyzing school district practices in awarding a contract under this subsection (c).

(d) The State Board of Education may purchase from available funds curriculum and other instructional tools identified under this Section to provide for use by school districts.

(105 ILCS 5/2-3.165 new)

Sec. 2-3.165. The Science, Technology, Engineering, and Mathematics Education Center Grant Program.

(a) As used in this Section, unless the context otherwise requires:

"Grant program" means the science, technology,
engineering, and mathematics education center grant program created in this Section.

"Science, technology, engineering, and mathematics education" or "STEM" means learning experiences that integrate innovative curricular, instructional, and assessment strategies and materials, laboratory and mentorship experiences, and authentic inquiry-based and problem centered instruction to stimulate learning in the areas of science, technology, engineering, and mathematics.

"Science, technology, engineering, and mathematics education innovation center" means a center operated by a school district, a charter school, the Illinois Mathematics and Science Academy, or a joint collaborative partnership that provides STEM teaching and learning experiences, materials, laboratory and mentorship experiences, and educational seminars, institutes or workshops for students and teachers.

(b) Subject to appropriation, the Illinois Mathematics and Science Academy, in consultation and partnership with the State Board of Education, the Board of Higher Education, the business community, the entrepreneurial technology community, and professionals, including teachers, in the field of science, technology, engineering, and mathematics shall create a strategic plan for developing a whole systems approach to redesigning prekindergarten through grade 12 STEM education in this State, including, but not limited to, designing and creating integrative teaching and learning networks among
science, technology, engineering, and mathematics innovation
education centers, university and corporate research
facilities, and established STEM laboratories, businesses, and
the Illinois Mathematics and Science Academy.

(c) At a minimum, the plan shall provide direction for
program design and development, including the following:

(1) continuous generation and sharing of curricular,
instructional, assessment, and program development
materials and information about STEM teaching and learning
throughout the network;

(2) identification of curricular, instructional, and
assessment goals that reflect the research in cognition and
the development of creativity in STEM fields and the
systemic changes in STEM education, so as to be consistent
with inquiry-based and problem-centered instruction in
science, technology, engineering, and mathematics. Such
goals shall also reflect current frameworks, standards,
and guidelines, such as those defined by the National
Research Council (National Academy of Science), the
American Association for the Advancement of Science, the
National Council of Teachers of Mathematics, the National
Science Teachers Association, and professional
associations in STEM fields;

(3) identification of essential teacher competencies
and a comprehensive plan for recruiting, mentoring, and
retaining STEM teachers, especially those in
under-resourced schools and school districts; creation of a community of practice among STEM center educators and other teachers of science, technology, engineering, and mathematics as part of a network of promising practices in teaching; and the establishment of recruitment, mentoring, and retention plans for Golden Apple teachers in STEM fields and Illinois STEM teachers who have received national board certification and are also part of the STEM innovation network;

(4) a statement of desired competencies for STEM learning by students;

(5) a description of recommended courses of action to improve educational experiences, programs, practices, and service;

(6) the improvement of access and availability of STEM courses, especially for rural school districts and particularly to those groups which are traditionally underrepresented through the Illinois Virtual High School; the plan shall include goals for using telecommunications facilities as recommended by a telecommunications advisory commission;

(7) expectations and guidelines for designing and developing a dynamic, creative, and engaged teaching network;

(8) a description of the laboratory and incubator model for the STEM centers;
(9) support for innovation and entrepreneurship in curriculum, instruction, assessment, and professional development; and
(10) cost estimates.
(d) The plan shall provide a framework that enables the teachers, school districts, and institutions of higher education to operate as an integrated system. The plan shall provide innovative mechanisms and incentives to the following:

(1) educational providers, as well as professional associations, business and university partners, and educational receivers (students and teachers) at the prekindergarten through grade 12 and postsecondary levels to design and implement innovative curricula, including experiences, mentorships, institutes, and seminars and to develop new materials and activities for these;

(2) course providers and receivers for leveraging distance learning technologies through the Illinois Virtual High School and applying distance learning instructional design techniques, taking into consideration the work of a telecommunications advisory commission;

(3) prekindergarten through grade 12 teachers to encourage them to take graduate STEM courses and degree programs; such incentives may include a tuition matching program;

(4) appropriate State agencies, federal agencies, professional organizations, public television stations,
and businesses and industries to involve them in the
development of the strategic plan; and

(5) businesses, industries, and individuals for
volunteering their time and community resources.

(e) The plan shall provide a mechanism for incorporating
the cost for accomplishing these goals into the ongoing
operating budget beginning in 2016.

(f) There is created the Science and Technology Education
Center Grant Program to provide development and operating
moneys in the form of matching funds for existing or proposed
nonprofit STEM education centers. At a minimum, each STEM
center that receives a grant shall not only provide STEM
education activities to students enrolled in the school
district or charter school and materials and educational
workshops to teachers employed by the school district or
charter school, but also, as part of generative and innovative
teaching and learning network, shall share information with all
STEM centers, the Illinois Mathematics and Science Academy, and
partner associations or businesses.

(g) School districts, charter schools, the Illinois
Mathematics and Science Academy, and joint collaborative
partnerships may establish science and technology education
centers or may contract with regional offices of education,
intermediate service centers, public community colleges,
4-year institutions of higher education, non-profit or
for-profit education providers, youth service agencies,
community-based organizations, or other appropriate entities
to establish science and technology education centers within
the public school system. Districts and charter schools may
individually operate alternative learning opportunities
programs or may collaborate with 2 or more districts or charter
schools or do both to create and operate science and technology
education centers.

(h) Beginning with the 2016-2017 school year, the State
Board of Education shall, subject to available appropriations,
annually award one or more science, technology, engineering,
and mathematics education center grants for the development and
operation of STEM centers.

A school district, a charter school, the Illinois
Mathematics and Science Academy, or a joint collaborative
partnership may apply for a STEM center grant pursuant to
procedures and time lines specified by rule of the State Board
of Education.

(i) The State Board of Education, in selecting one or more
school districts, charter schools, or joint collaborative
partnerships or the Illinois Mathematics and Science Academy
for receipt of a grant, shall give priority to applicants that
are geographically located farthest from other STEM centers or
applicants that have less opportunity for science, technology,
engineering, and mathematics resource support. The State Board
shall also consider the following factors:

(1) the facility, equipment, and technology that are or
will be provided and the activities and range of programs
that are or will be offered by the STEM education center;

(2) the strength and capacity of the school district or
charter school to work as a network cooperatively with the
Illinois Mathematics and Science Academy, other STEM
centers, universities and STEM laboratories, businesses,
and industries; and

(3) recommendations of the Illinois P-20 Council and
the Illinois Mathematics and Science Academy.

(j) A STEM center grant shall be payable from moneys
appropriated to the STEM Education Center Grant Fund.
The State Board of Education shall specify the amount to be
awarded to each school district, charter school, or joint
collaborative partnership that is selected to receive a grant
and to the Illinois Mathematics and Science Academy, if
selected to receive a grant. The amount awarded to a new STEM
center for start-up costs shall not exceed $1,000,000 for the
first fiscal year and may not be renewed. The amount awarded to
an operating STEM center for operating costs shall not exceed
$500,000 for one fiscal year and shall be renewed annually for
5 consecutive years if the STEM center is meeting its
accountability goals and its role as an active partner in a
generative teaching and learning network.

(k) Each school district, charter school, or joint
collaborative partnership that receives a grant pursuant to the
grant program and the Illinois Mathematics and Science Academy,
if selected to receive a grant, shall demonstrate, prior to receiving any actual moneys, that the center has received or has a written commitment for matching funds from other public or private sources in the amount of a dollar-for-dollar match with the amount of the grant. This requirement may be waived upon application to and approval by the State Board of Education based on a showing of continued need or financial hardship.

(l) The State Board of Education shall promulgate such rules as are required in this Section and such additional rules as may be required for implementation of the grant program.

(m) Each school district or charter school that receives a grant through the grant program shall, by the close of each school year for which the grant was awarded, submit to the Illinois Mathematics and Science Academy and the State Board of Education a report specifying the following information:

(1) the manner in which the grant money was used;

(2) the progress made toward achieving the goals and producing the deliverables specified in the grant recipient's application;

(3) any additional entities and businesses with whom the grant recipient has contracted or partnered with the goal of achieving greater integration of information technology education in prekindergarten through grade 12 curriculum;

(4) the recipient school district's or charter
school's plan for continuing the integration of information technology education into the curriculum, regardless of whether the grant is renewed;

(5) the documentation demonstrating effective digital collaboration and networking, technological cooperation and sharing, and personal networking via innovative, entrepreneurial networks;

(6) a description of innovative instructional methods;

(7) evidence of staff training and outreach to teachers beyond those working in the STEM education center; and

(8) any other information specified by rule of the State Board of Education.

(n) Notwithstanding the other provisions of this Section, a recipient school need not submit a report for any academic year in which no grants are made through the grant program.

(o) The STEM Education Center Grant Fund is created as a special fund in the State treasury. All money in the Fund shall be used, subject to appropriation, by the State Board of Education for the purpose of funding science, technology, engineering, and mathematics education center grants awarded under this Section.

(p) The State Board of Education may solicit and accept money in the form of gifts, contributions, and grants to be deposited in the STEM Education Center Grant Fund. The acceptance of federal grants for purposes of this Section does not commit State funds nor place an obligation upon the General
Assembly to continue the purposes for which the federal funds are made available.

(105 ILCS 5/2-3.166 new)

Sec. 2-3.166. School Improvement Partnership Pool Fund.

(a) The School Improvement Partnership Pool Fund is created as a special fund in the State treasury. All interest earned on moneys in the Fund shall be deposited into the Fund. The School Improvement Partnership Pool Fund shall not be subject to sweeps, administrative charges, or charge-backs, such as, but not limited to, those authorized under Section 8h of the State Finance Act, nor any other fiscal or budgetary maneuver that would in any way transfer any funds from the School Improvement Partnership Pool Fund into any other fund of the State.

(b) Beginning in Fiscal Year 2017, moneys in the School Improvement Partnership Pool Fund shall be used, subject to appropriation, by the State Board of Education for a competitive grant program to provide school districts with demonstrated academic and financial need quality, integrated support systems, such as training for staff, tutoring programs for students, small school initiatives, literacy coaching, proven programs such as reduced class size, extended learning time, and after school and summer school programs, programs to engage parents, and other systems as determined by the State Board of Education.

(c) School districts eligible to apply to the State Board
of Education for a grant under subsection (b) of this Section
shall be limited to those (i) with any school that has not met
adequate yearly progress under the federal No Child Left Behind
Act of 2001 for at least 2 consecutive years or (ii) that have
been designated through the State Board of Education's School
District Financial Profile System as on financial warning or
financial watch status. The State Board may, by rule, establish
any additional procedures with respect to this grant program.

(105 ILCS 5/2-3.167 new)

Sec. 2-3.167. Resource management service.

(a) Subject to appropriation, the State Board of Education
shall establish and maintain an Internet web-based resource
management service for all school districts on or before July
1, 2018. If no State funds are provided to school districts
specifically for implementation of this Section, school
districts are relieved from implementing all requirements
under this Section.

(b) The resource management service shall identify
resource configurations that contribute to improving internal
resources for instructional programs, provide action-oriented
analysis and solutions, and give school districts the ability
to explore different scenarios of resource allocation.

(c) Annually, by the first day of October, an Internet
web-based preliminary resource allocation report must be
generated for each school district and delivered via the
Internet to each district superintendent for use by the management team and the exclusive bargaining agents of the school district's employees. This report shall identify potential cost savings or resource reallocation opportunities for the district in 5 core areas of school district spending. These core areas are instruction, operation and maintenance, transportation, food service, and central services. This analysis shall show district spending in detailed subcategories compared to demographically or operationally similar peer school districts. The web-based resource allocation reports generated under this Section constitute preliminary drafts, notes, recommendations, memoranda, and other records in which opinions are expressed or policies or actions are formulated and therefore exempt from disclosure under subdivision (f) of subsection (1) of Section 7 of the Freedom of Information Act.

(d) Each school district shall have the ability through the on-line resource allocation report to test various resource allocation scenarios relative to pre-defined peers as well as geographic peers and the most efficient peers statewide. Each district shall have the ability to choose specific combinations of districts for comparison.

(e) The resource management service shall contain, based on the spending and demographic profile of the school district, action-oriented information, such as effective best practices in schools districts, diagnostic questions, and other
management or community considerations that may be implemented
to capture savings identified in the resource allocation report.

(f) The resource management service may be initiated and
maintained through a contract between the State Board of
Education and an independent third party specializing in school
market research within this State and the United States. Any
contract with a third party must be awarded through the State
Board of Education's standard request for proposal procedure.
Up to 25% of the annual appropriation may be allocated by the
State Board of Education to hire personnel and facilitate data
collection. No less than 25% of the annual appropriation shall
be utilized by the State Board of Education to deliver training
to school district personnel in the use of the management
service. Such training shall be delivered by certificated
school business officials or State Board of Education trained
personnel and may be provided through administrator academies
and mentoring programs. The State Board of Education may
establish contracts with other organizations to provide such
training and mentoring.

In the event that a district does not employ a certificated
school business official, if State funds are provided
specifically for this purpose, at least one employee must be
trained and certified in the use of the resource management
service. In addition, a representative of the exclusive
bargaining agents of the school district's employees shall be
invited to be trained and certified.

(g) The State Board of Education shall identify the data required to implement the resource management service and develop annual data reporting instruments designed to collect the information from each school district.

The State Board of Education may provide grants to school districts to permit those school districts to develop and implement a plan for a shared services agreement in the following areas: operation and maintenance and central services.

(h) Annually, the certificated school business official or resource management service trained employee in each school district shall review and certify that the resource allocation report has been received and reviewed by the management team and the exclusive bargaining agent of the district. Subsequently, a report must be filed with the State Board of Education identifying the considerations that will be studied as a result of such analysis. In addition, any implementation of strategies or reallocation of resources associated with the resource management service must be annually reported to the Board of Education, the exclusive bargaining agents of the school district's employees, and, subsequently, the State Board of Education. The State Board shall annually prepare a cumulative report to be posted electronically containing those initiatives studied and implemented on a statewide basis.
Sec. 3-7. Failure to prepare and forward information. If the trustees of schools of any township in Class II county school units, or any school district which forms a part of a Class II county school unit but which is not subject to the jurisdiction of the trustees of schools of any township in which such district is located, or any school district in any Class I county school units fail to prepare and forward or cause to be prepared and forwarded to the regional superintendent of schools, reports required by this Act, the regional superintendent of schools shall furnish such information or he shall employ a person or persons to furnish such information, as far as practicable. Such person shall have access to the books, records and papers of the school district to enable him or them to prepare such reports, and the school district shall permit such person or persons to examine such books, records and papers at such time and such place as such person or persons may desire for the purpose aforesaid. For such services the regional superintendent of schools shall bill the district an amount to cover the cost of preparation of such reports if he employs a person to prepare such reports.

Each school district shall, as of June 30 of each year, cause an audit of its accounts to be made by a person lawfully qualified to practice public accounting as regulated by the Illinois Public Accounting Act. Such audit shall include (i) development of a risk assessment of district internal controls,
(ii) an annual review and update of the risk assessment, and
(iii) an annual management letter that analyzes significant
risk assessment findings, recommends changes for strengthening
controls and reducing identified risks, and specifies
timeframes for implementation of these recommendations, as
well as financial statements of the district applicable to the
type of records required by other sections of this Act and in
addition shall set forth the scope of audit and shall include
the professional opinion signed by the auditor, or if such an
opinion is denied by the auditor, shall set forth the reasons
for such denial. Each school district shall on or before
October 15 of each year, submit an original and one copy of the
such audit to the regional superintendent of schools in the
educational service region having jurisdiction in which case
the regional superintendent of schools shall be relieved of
responsibility in regard to the accounts of the school
district. If any school district fails to supply the regional
superintendent of schools with a copy of such audit report on
or before October 15, or within such time extended by the
regional superintendent of schools from that date, not to
exceed 60 days, then it shall be the responsibility of the
regional superintendent of schools having jurisdiction to
cause such audit to be made by employing an accountant licensed
to practice in the State of Illinois to conduct such audit and
shall bill the district for such services, or shall with the
personnel of his office make such audit to his satisfaction and
bill the district for such service. In the latter case, if the audit is made by personnel employed in the office of the regional superintendent of schools having jurisdiction, then the regional superintendent of schools shall not be relieved of the responsibility as to the accountability of the school district. The copy of the audit shall be forwarded by the regional superintendent to the State Board of Education on or before November 15 of each year and shall be filed by the State Board of Education. Beginning on July 1, 2016, all school districts shall utilize a competitive request for proposals process at least once every 5 years when contracting for such an annual audit, provided that school districts with existing contracts of less than 5 years in length that are in effect on July 1, 2016 shall utilize a competitive request for proposals process when contracting for an annual audit after the expiration date of the existing contract.

Each school district that is the administrative district for several school districts operating under a joint agreement as authorized by this Act shall, as of June 30 each year, cause an audit of the accounts of the joint agreement to be made by a person lawfully qualified to practice public accounting as regulated by the Illinois Public Accounting Act. Such audit shall include (i) development of a risk assessment of district internal controls, (ii) an annual review and update of the risk assessment, and (iii) an annual management letter that analyzes significant risk assessment findings, recommends changes for
strengthening controls and reducing identified risks, and
specifies timeframes for implementation of these
recommendations, as well as financial statements of the
operation of the joint agreement applicable to the type of
records required by this Act and, in addition, shall set forth
the scope of the audit and shall include the professional
opinion signed by the auditor, or if such an opinion is denied,
the auditor shall set forth the reason for such denial. Each
administrative district of a joint agreement shall on or before
October 15 each year, submit an original and one copy of such
audit to the regional superintendent of schools in the
educational service region having jurisdiction in which case
the regional superintendent of schools shall be relieved of
responsibility in regard to the accounts of the joint
agreement. The copy of the audit shall be forwarded by the
regional superintendent to the State Board of Education on or
before November 15 of each year and shall be filed by the State
Board of Education. The cost of such an audit shall be
apportioned among and paid by the several districts who are
parties to the joint agreement, in the same manner as other
costs and expenses accruing to the districts jointly. Beginning
on July 1, 2015, all school districts operating under a joint
agreement shall utilize a competitive request for proposals
process at least once every 5 years when contracting for such
an annual audit, provided that all school districts operating
under a joint agreement with existing contracts of less than 5
years in length that are in effect on July 1, 2015 shall utilize a competitive request for proposals process when contracting for an annual audit after the expiration date of the existing contract.

The State Board of Education shall determine the adequacy of the audits. All audits shall be kept on file in the office of the State Board of Education.

(Source: P.A. 86-1441; 87-473.)

(105 ILCS 5/10-16.10 new)

Sec. 10-16.10. Board member leadership training.

(a) This Section shall apply to all school board members serving pursuant to Section 10-10 of this Code who have been elected on or after the effective date of this amendatory Act of the 99th General Assembly or appointed to fill a vacancy of at least one year's duration on or after the effective date of this amendatory Act of the 99th General Assembly.

(b) It is the policy of this State to encourage every voting member of a board of education of a school district elected or appointed for a term beginning on or after the effective date of this amendatory Act of the 99th General Assembly, within a year after the effective date of this amendatory Act of the 99th General Assembly or the first year of his or her term, to complete a minimum of 4 hours of professional development leadership training covering topics in education and labor law, financial oversight and
accountability, and fiduciary responsibilities of a school board member.

(c) The training on financial oversight, accountability, and fiduciary responsibilities may be provided by an association established under this Code for the purpose of training school board members or by other qualified providers approved by the State Board of Education, in conjunction with an association so established.

(105 ILCS 5/10-17a) (from Ch. 122, par. 10-17a)

Sec. 10-17a. State, school district, and school report cards.

(1) By October 31, 2013 and October 31 of each subsequent school year, the State Board of Education, through the State Superintendent of Education, shall prepare a State report card, school district report cards, and school report cards, and shall by the most economic means provide to each school district in this State, including special charter districts and districts subject to the provisions of Article 34, the report cards for the school district and each of its schools.

(2) In addition to any information required by federal law, the State Superintendent shall determine the indicators and presentation of the school report card, which must include, at a minimum, the most current data possessed by the State Board of Education related to the following:

(A) school characteristics and student demographics,
including average class size, average teaching experience, student racial/ethnic breakdown, and the percentage of students classified as low-income; the percentage of students classified as limited English proficiency; the percentage of students who have individualized education plans or 504 plans that provide for special education services; the percentage of students who annually transferred in or out of the school district; the per-pupil operating expenditure of the school district; and the per-pupil State average operating expenditure for the district type (elementary, high school, or unit);

(B) curriculum information, including, where applicable, Advanced Placement, International Baccalaureate or equivalent courses, dual enrollment courses, foreign language classes, school personnel resources (including Career Technical Education teachers), before and after school programs, extracurricular activities, subjects in which elective classes are offered, health and wellness initiatives (including the average number of days of Physical Education per week per student), approved programs of study, awards received, community partnerships, and special programs such as programming for the gifted and talented, students with disabilities, and work-study students;

(C) student outcomes, including, where applicable, the percentage of students meeting as well as exceeding State
standards on assessments, the percentage of students in the
eighth grade who pass Algebra, the percentage of students
enrolled in post-secondary institutions (including
colleges, universities, community colleges, trade/vocational schools, and training programs leading to
career certification within 2 semesters of high school
graduation), the percentage of students graduating from
high school who are college ready, the percentage of
students graduating from high school who are career ready,
and the percentage of graduates enrolled in community
colleges, colleges, and universities who are in one or more
courses that the community college, college, or university
identifies as a remedial course;

(D) student progress, including, where applicable, the
percentage of students in the ninth grade who have earned 5
credits or more without failing more than one core class, a
measure of students entering kindergarten ready to learn, a
measure of growth, and the percentage of students who enter
high school on track for college and career readiness; and

(E) the school environment, including, where
applicable, the percentage of students with less than 10
absences in a school year, the percentage of teachers with
less than 10 absences in a school year for reasons other
than professional development, leaves taken pursuant to
the federal Family Medical Leave Act of 1993, long-term
disability, or parental leaves, the 3-year average of the
percentage of teachers returning to the school from the previous year, the number of different principals at the school in the last 6 years, 2 or more indicators from any school climate survey selected or approved by the State and administered pursuant to Section 2-3.153 of this Code, with the same or similar indicators included on school report cards for all surveys selected or approved by the State pursuant to Section 2-3.153 of this Code, and the combined percentage of teachers rated as proficient or excellent in their most recent evaluation.

The school report card shall also provide information that allows for comparing the current outcome, progress, and environment data to the State average, to the school data from the past 5 years, and to the outcomes, progress, and environment of similar schools based on the type of school and enrollment of low-income, special education, and limited English proficiency students.

(3) At the discretion of the State Superintendent, the school district report card shall include a subset of the information identified in paragraphs (A) through (E) of subsection (2) of this Section, as well as information relating to the operating expense per pupil and other finances of the school district, and the State report card shall include a subset of the information identified in paragraphs (A) through (E) of subsection (2) of this Section.

(4) Notwithstanding anything to the contrary in this
Section, in consultation with key education stakeholders, the State Superintendent shall at any time have the discretion to amend or update any and all metrics on the school, district, or State report card.

(5) Annually, no more than 30 calendar days after receipt of the school district and school report cards from the State Superintendent of Education, each school district, including special charter districts and districts subject to the provisions of Article 34, shall present such report cards at a regular school board meeting subject to applicable notice requirements, post the report cards on the school district's Internet web site, if the district maintains an Internet web site, make the report cards available to a newspaper of general circulation serving the district, and, upon request, send the report cards home to a parent (unless the district does not maintain an Internet web site, in which case the report card shall be sent home to parents without request). If the district posts the report card on its Internet web site, the district shall send a written notice home to parents stating (i) that the report card is available on the web site, (ii) the address of the web site, (iii) that a printed copy of the report card will be sent to parents upon request, and (iv) the telephone number that parents may call to request a printed copy of the report card.

(6) Nothing contained in this amendatory Act of the 98th General Assembly repeals, supersedes, invalidates, or
nullifies final decisions in lawsuits pending on the effective
date of this amendatory Act of the 98th General Assembly in
Illinois courts involving the interpretation of Public Act
97-8.

(7) The report card shall include an indicator describing
whether the school district has improved, declined, or remained
stable in the aggregate percentage of students making at least
one-year's academic growth each year, subject to a statewide
longitudinal data system being established and data being
available.
(Source: P.A. 97-671, eff. 1-24-12; 98-463, eff. 8-16-13;
98-648, eff. 7-1-14.)

(105 ILCS 5/10-17b new)
Sec. 10-17b. Financial policies. Beginning with the second
fiscal year after the effective date of this amendatory Act of
the 99th General Assembly, each school board shall adopt a
formal, written financial policy. The policy may include
information in the following areas:

(1) debt capacity, issuance, and management.

(2) capital asset management;

(3) reserve or stabilization fund goals;

(4) periodic budget to actual comparison reports;

(5) fees and charges;

(6) the use of one-time revenue;

(7) risk management related to internal controls;
(8) purchasing; and

(9) vehicle acquisition and maintenance.

The school board shall make the policy publicly available.

(105 ILCS 5/10-17c new)

Sec. 10-17c. Long-term financial plan. Beginning with the second fiscal year after the effective date of this amendatory Act of the 99th General Assembly, each school board shall develop a long-term financial plan that extends over at least a 3-year period and that is updated and approved annually. The plan must include multi-year forecasts of revenues, expenditures, and debt. The school board may make the plan available to the public by publishing it as a separate document and submitting it with the annual budget or by posting the plan as a document on the school district's Internet website, if any. The forecasts that are the foundation of the plan must be available to participants in the budget process before budgetary decisions are made. The public must be provided opportunities for providing dialogue with respect to the long-term financial planning process. Public access and review shall take place as part of the official budget hearing process in accordance with Section 17-1 of this Code, which requires the posting of notice and making documents available to the general public at least 30 days in advance of the budget hearing.
Sec. 10-17d. Capital improvement plan. Beginning with the second fiscal year after the effective date of this amendatory Act of the 99th General Assembly, each school board shall develop a 5-year capital improvement plan that is updated and approved annually. The plan must include a summary list of the description of the capital projects to be completed over the next 5 years, along with projected expenditures, and revenue sources. The school board shall make the plan available to the public. The school board shall hold a public hearing on the capital improvement plan, which hearing may be held at a regularly scheduled meeting of the board. This hearing shall be held in the same manner and subject to the same notice and other requirements as the public hearing required prior to adoption of the budget in conformity with Section 17-1 of this Code, which requires the posting of notice and making documents available to the general public at least 30 days in advance of the budget hearing.

Sec. 10-20.56. School district financial accountability.
(a) A school board shall annually include a user-friendly executive summary as part of the district's budget. The executive summary shall include all of the following:
(1) The district's major goals and objectives.
(2) A discussion of the major financial factors and
trends affecting the budget, such as changes in revenues, enrollment, and debt.

(3) A description of the budget process.

(4) An overview of revenues and expenditures for all funds, including at least 3 to 5 years of prior and future trends, based on data from the annual financial report.

(5) An explanation of significant financial and demographic trends.

(6) An explanation of the reasons for a budget deficit and an explanation of how the deficit is being addressed in accordance with Section 17-1 of this Code.

(7) A budget forecast for at least 3 to 5 years in the future.

(8) Student enrollment trends, including a future forecast.

(9) The number of personnel by type.

(10) Changes in both the long term and short term debt burden.

(b) Beginning with the second fiscal year after the effective date of this amendatory Act of the 99th General Assembly, a school board shall annually include in the full budget document the following items; any or all of the following items may be published as separate documents provided that they are explicitly referenced in the annual budget and attached thereto and provided that they are made publicly available at the same time as the tentative budget document:
(1) An organizational chart.

(2) Formal financial policies pursuant to Section 10-17b of this Code.

(3) The district's long-term financial plan pursuant to Section 10-17c of this Code or a summary of the long-term financial plan.

(4) The district's capital improvement plan pursuant to Section 10-17d of this Code or a summary of the capital improvement plan.

(105 ILCS 5/10-22.45) (from Ch. 122, par. 10-22.45)

Sec. 10-22.45. A school board shall establish an audit committee, which may include and to appoint members of the board, or other appropriate officers, or persons who do not serve on the board to the committee, to review audit reports and any other financial reports and documents, including management letters prepared by or on behalf of the board. Nothing in this Section prohibits a school district from maintaining its own internal audit function.

(Source: P.A. 82-644.)

(105 ILCS 5/17-2.11d new)

Sec. 17-2.11d. Non-referendum bonds. Upon the certification of an architect and subsequent approval by the regional superintendent of schools and the State Board of Education, a board of education governing a school district
having not more than 500,000 inhabitants may issue non-referendum bonds for the purposes described in Section 19-3 of this Code. Such bonds may be issued in excess of any statutory limitation as to debt prescribed in Article 19 of this Code.

(105 ILCS 5/18-8.05)

Sec. 18-8.05. Basis for apportionment of general State financial aid and supplemental general State aid to the common schools for the 1998-1999 and subsequent school years.

(A) General Provisions.

(1) The provisions of this Section apply to the 1998-1999 and subsequent school years. The system of general State financial aid provided for in this Section is designed to assure that, through a combination of State financial aid and required local resources, the financial support provided each pupil in Average Daily Attendance equals or exceeds a prescribed per pupil Foundation Level. This formula approach imputes a level of per pupil Available Local Resources and provides for the basis to calculate a per pupil level of general State financial aid that, when added to Available Local Resources, equals or exceeds the Foundation Level. The amount of per pupil general State financial aid for school districts, in general, varies in inverse relation to Available Local Resources. Per pupil amounts are based upon each school
district's Average Daily Attendance as that term is defined in this Section.

(2) In addition to general State financial aid, school districts with specified levels or concentrations of pupils from low income households are eligible to receive supplemental general State financial aid grants as provided pursuant to subsection (H). The supplemental State aid grants provided for school districts under subsection (H) shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(3) To receive financial assistance under this Section, school districts are required to file claims with the State Board of Education, subject to the following requirements:

   (a) Any school district which fails for any given school year to maintain school as required by law, or to maintain a recognized school is not eligible to file for such school year any claim upon the Common School Fund. In case of nonrecognition of one or more attendance centers in a school district otherwise operating recognized schools, the claim of the district shall be reduced in the proportion which the Average Daily Attendance in the attendance center or centers bear to the Average Daily Attendance in the school district. A "recognized school" means any public school which meets the standards as established for recognition by the State Board of
Education. A school district or attendance center not having recognition status at the end of a school term is entitled to receive State aid payments due upon a legal claim which was filed while it was recognized.

(b) School district claims filed under this Section are subject to Sections 18-9 and 18-12, except as otherwise provided in this Section.

(c) If a school district operates a full year school under Section 10-19.1, the general State aid to the school district shall be determined by the State Board of Education in accordance with this Section as near as may be applicable.

(d) (Blank).

(4) Except as provided in subsections (H) and (L), the board of any district receiving any of the grants provided for in this Section may apply those funds to any fund so received for which that board is authorized to make expenditures by law. School districts are not required to exert a minimum Operating Tax Rate in order to qualify for assistance under this Section.

(5) As used in this Section the following terms, when capitalized, shall have the meaning ascribed herein:

(a) "Average Daily Attendance": A count of pupil attendance in school, averaged as provided for in subsection (C) and utilized in deriving per pupil financial support levels.
(b) "Available Local Resources": A computation of local financial support, calculated on the basis of Average Daily Attendance and derived as provided pursuant to subsection (D).

(c) "Corporate Personal Property Replacement Taxes": Funds paid to local school districts pursuant to "An Act in relation to the abolition of ad valorem personal property tax and the replacement of revenues lost thereby, and amending and repealing certain Acts and parts of Acts in connection therewith", certified August 14, 1979, as amended (Public Act 81-1st S.S.-1).

(d) "Foundation Level": A prescribed level of per pupil financial support as provided for in subsection (B).

(e) "Operating Tax Rate": All school district property taxes extended for all purposes, except Bond and Interest, Summer School, Rent, Capital Improvement, and Vocational Education Building purposes.

(B) Foundation Level.

(1) The Foundation Level is a figure established by the State representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil in Average Daily Attendance. As set forth in this Section, each school district is assumed to exert a sufficient local taxing effort such that, in combination with the aggregate of general State financial aid provided the
district, an aggregate of State and local resources are available to meet the basic education needs of pupils in the district.

(2) For the 1998-1999 school year, the Foundation Level of support is $4,225. For the 1999-2000 school year, the Foundation Level of support is $4,325. For the 2000-2001 school year, the Foundation Level of support is $4,425. For the 2001-2002 school year and 2002-2003 school year, the Foundation Level of support is $4,560. For the 2003-2004 school year, the Foundation Level of support is $4,810. For the 2004-2005 school year, the Foundation Level of support is $4,964. For the 2005-2006 school year, the Foundation Level of support is $5,164. For the 2006-2007 school year, the Foundation Level of support is $5,334. For the 2007-2008 school year, the Foundation Level of support is $5,734. For the 2008-2009 school year, the Foundation Level of support is $5,959.

(3) For the 2009-2010 school year through the 2015-2016 and each school year thereafter, the Foundation Level of support is $6,119 or such greater amount as may be established by law by the General Assembly.

(4) For the 2016-2017 school year, the Foundation Level of support is $6,190. For each school year thereafter, the Foundation Level of support shall be no less than $6,190.

(C) Average Daily Attendance.

(1) For purposes of calculating general State aid pursuant
to subsection (E), an Average Daily Attendance figure shall be utilized. The Average Daily Attendance figure for formula calculation purposes shall be the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best 3 months of pupil attendance for each school district. In compiling the figures for the number of pupils in attendance, school districts and the State Board of Education shall, for purposes of general State aid funding, conform attendance figures to the requirements of subsection (F).

(2) The Average Daily Attendance figures utilized in subsection (E) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated or the average of the attendance data for the 3 preceding school years, whichever is greater. The Average Daily Attendance figures utilized in subsection (H) shall be the requisite attendance data for the school year immediately preceding the school year for which general State aid is being calculated.

(D) Available Local Resources.

(1) For purposes of calculating general State aid pursuant to subsection (E), a representation of Available Local Resources per pupil, as that term is defined and determined in this subsection, shall be utilized. Available Local Resources per pupil shall include a calculated dollar amount representing
local school district revenues from local property taxes and
from Corporate Personal Property Replacement Taxes, expressed
on the basis of pupils in Average Daily Attendance. Calculation
of Available Local Resources shall exclude any tax amnesty
funds received as a result of Public Act 93-26.

(2) In determining a school district's revenue from local
property taxes, the State Board of Education shall utilize the
equalized assessed valuation of all taxable property of each
school district as of September 30 of the previous year. The
equalized assessed valuation utilized shall be obtained and
determined as provided in subsection (G).

(3) For school districts maintaining grades kindergarten
through 12, local property tax revenues per pupil shall be
calculated as the product of the applicable equalized assessed
valuation for the district multiplied by 3.00%, and divided by
the district's Average Daily Attendance figure. For school
districts maintaining grades kindergarten through 8, local
property tax revenues per pupil shall be calculated as the
product of the applicable equalized assessed valuation for the
district multiplied by 2.30%, and divided by the district's
Average Daily Attendance figure. For school districts
maintaining grades 9 through 12, local property tax revenues
per pupil shall be the applicable equalized assessed valuation
of the district multiplied by 1.05%, and divided by the
district's Average Daily Attendance figure.

For partial elementary unit districts created pursuant to
Article 11E of this Code, local property tax revenues per pupil shall be calculated as the product of the equalized assessed valuation for property within the partial elementary unit district for elementary purposes, as defined in Article 11E of this Code, multiplied by 2.06% and divided by the district's Average Daily Attendance figure, plus the product of the equalized assessed valuation for property within the partial elementary unit district for high school purposes, as defined in Article 11E of this Code, multiplied by 0.94% and divided by the district's Average Daily Attendance figure.

(4) The Corporate Personal Property Replacement Taxes paid to each school district during the calendar year one year before the calendar year in which a school year begins, divided by the Average Daily Attendance figure for that district, shall be added to the local property tax revenues per pupil as derived by the application of the immediately preceding paragraph (3). The sum of these per pupil figures for each school district shall constitute Available Local Resources as that term is utilized in subsection (E) in the calculation of general State aid.

(E) Computation of General State Aid.

(1) For each school year, the amount of general State aid allotted to a school district shall be computed by the State Board of Education as provided in this subsection.

(2) For any school district for which Available Local
Resources per pupil is less than the product of 0.93 times the Foundation Level, general State aid for that district shall be calculated as an amount equal to the Foundation Level minus Available Local Resources, multiplied by the Average Daily Attendance of the school district.

(3) For any school district for which Available Local Resources per pupil is equal to or greater than the product of 0.93 times the Foundation Level and less than the product of 1.75 times the Foundation Level, the general State aid per pupil shall be a decimal proportion of the Foundation Level derived using a linear algorithm. Under this linear algorithm, the calculated general State aid per pupil shall decline in direct linear fashion from 0.07 times the Foundation Level for a school district with Available Local Resources equal to the product of 0.93 times the Foundation Level, to 0.05 times the Foundation Level for a school district with Available Local Resources equal to the product of 1.75 times the Foundation Level. The allocation of general State aid for school districts subject to this paragraph 3 shall be the calculated general State aid per pupil figure multiplied by the Average Daily Attendance of the school district.

(4) For any school district for which Available Local Resources per pupil equals or exceeds the product of 1.75 times the Foundation Level, the general State aid for the school district shall be calculated as the product of $218 multiplied by the Average Daily Attendance of the school district.
(5) The amount of general State aid allocated to a school district for the 1999-2000 school year meeting the requirements set forth in paragraph (4) of subsection (G) shall be increased by an amount equal to the general State aid that would have been received by the district for the 1998-1999 school year by utilizing the Extension Limitation Equalized Assessed Valuation as calculated in paragraph (4) of subsection (G) less the general State aid allotted for the 1998-1999 school year. This amount shall be deemed a one time increase, and shall not affect any future general State aid allocations.

(F) Compilation of Average Daily Attendance.

(1) Each school district shall, by July 1 of each year, submit to the State Board of Education, on forms prescribed by the State Board of Education, attendance figures for the school year that began in the preceding calendar year. The attendance information so transmitted shall identify the average daily attendance figures for each month of the school year. Beginning with the general State aid claim form for the 2002-2003 school year, districts shall calculate Average Daily Attendance as provided in subdivisions (a), (b), and (c) of this paragraph (1).

(a) In districts that do not hold year-round classes, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May.
(b) In districts in which all buildings hold year-round classes, days of attendance in July and August shall be added to the month of September and any days of attendance in June shall be added to the month of May.

(c) In districts in which some buildings, but not all, hold year-round classes, for the non-year-round buildings, days of attendance in August shall be added to the month of September and any days of attendance in June shall be added to the month of May. The average daily attendance for the year-round buildings shall be computed as provided in subdivision (b) of this paragraph (1). To calculate the Average Daily Attendance for the district, the average daily attendance for the year-round buildings shall be multiplied by the days in session for the non-year-round buildings for each month and added to the monthly attendance of the non-year-round buildings.

Except as otherwise provided in this Section, days of attendance by pupils shall be counted only for sessions of not less than 5 clock hours of school work per day under direct supervision of: (i) teachers, or (ii) non-teaching personnel or volunteer personnel when engaging in non-teaching duties and supervising in those instances specified in subsection (a) of Section 10-22.34 and paragraph 10 of Section 34-18, with pupils of legal school age and in kindergarten and grades 1 through 12.

Days of attendance by tuition pupils shall be accredited
only to the districts that pay the tuition to a recognized school.

(2) Days of attendance by pupils of less than 5 clock hours of school shall be subject to the following provisions in the compilation of Average Daily Attendance.

(a) Pupils regularly enrolled in a public school for only a part of the school day may be counted on the basis of 1/6 day for every class hour of instruction of 40 minutes or more attended pursuant to such enrollment, unless a pupil is enrolled in a block-schedule format of 80 minutes or more of instruction, in which case the pupil may be counted on the basis of the proportion of minutes of school work completed each day to the minimum number of minutes that school work is required to be held that day.

(b) (Blank).

(c) A session of 4 or more clock hours may be counted as a day of attendance upon certification by the regional superintendent, and approved by the State Superintendent of Education to the extent that the district has been forced to use daily multiple sessions.

(d) A session of 3 or more clock hours may be counted as a day of attendance (1) when the remainder of the school day or at least 2 hours in the evening of that day is utilized for an in-service training program for teachers, up to a maximum of 5 days per school year, provided a district conducts an in-service training program for
teachers in accordance with Section 10-22.39 of this Code; or, in lieu of 4 such days, 2 full days may be used, in which event each such day may be counted as a day required for a legal school calendar pursuant to Section 10-19 of this Code; (1.5) when, of the 5 days allowed under item (1), a maximum of 4 days are used for parent-teacher conferences, or, in lieu of 4 such days, 2 full days are used, in which case each such day may be counted as a calendar day required under Section 10-19 of this Code, provided that the full-day, parent-teacher conference consists of (i) a minimum of 5 clock hours of parent-teacher conferences, (ii) both a minimum of 2 clock hours of parent-teacher conferences held in the evening following a full day of student attendance, as specified in subsection (F)(1)(c), and a minimum of 3 clock hours of parent-teacher conferences held on the day immediately following evening parent-teacher conferences, or (iii) multiple parent-teacher conferences held in the evenings following full days of student attendance, as specified in subsection (F)(1)(c), in which the time used for the parent-teacher conferences is equivalent to a minimum of 5 clock hours; and (2) when days in addition to those provided in items (1) and (1.5) are scheduled by a school pursuant to its school improvement plan adopted under Article 34 or its revised or amended school improvement plan adopted under Article 2, provided that (i) such
sessions of 3 or more clock hours are scheduled to occur at regular intervals, (ii) the remainder of the school days in which such sessions occur are utilized for in-service training programs or other staff development activities for teachers, and (iii) a sufficient number of minutes of school work under the direct supervision of teachers are added to the school days between such regularly scheduled sessions to accumulate not less than the number of minutes by which such sessions of 3 or more clock hours fall short of 5 clock hours. Any full days used for the purposes of this paragraph shall not be considered for computing average daily attendance. Days scheduled for in-service training programs, staff development activities, or parent-teacher conferences may be scheduled separately for different grade levels and different attendance centers of the district.

(e) A session of not less than one clock hour of teaching hospitalized or homebound pupils on-site or by telephone to the classroom may be counted as 1/2 day of attendance, however these pupils must receive 4 or more clock hours of instruction to be counted for a full day of attendance.

(f) A session of at least 4 clock hours may be counted as a day of attendance for first grade pupils, and pupils in full day kindergartens, and a session of 2 or more hours may be counted as 1/2 day of attendance by pupils in
kindergartens which provide only 1/2 day of attendance.

(g) For children with disabilities who are below the age of 6 years and who cannot attend 2 or more clock hours because of their disability or immaturity, a session of not less than one clock hour may be counted as 1/2 day of attendance; however for such children whose educational needs so require a session of 4 or more clock hours may be counted as a full day of attendance.

(h) A recognized kindergarten which provides for only 1/2 day of attendance by each pupil shall not have more than 1/2 day of attendance counted in any one day. However, kindergartens may count 2 1/2 days of attendance in any 5 consecutive school days. When a pupil attends such a kindergarten for 2 half days on any one school day, the pupil shall have the following day as a day absent from school, unless the school district obtains permission in writing from the State Superintendent of Education.

Attendance at kindergartens which provide for a full day of attendance by each pupil shall be counted the same as attendance by first grade pupils. Only the first year of attendance in one kindergarten shall be counted, except in case of children who entered the kindergarten in their fifth year whose educational development requires a second year of kindergarten as determined under the rules and regulations of the State Board of Education.

(i) On the days when the assessment that includes a
college and career ready determination is administered under subsection (c) of Section 2-3.64a-5 of this Code, the day of attendance for a pupil whose school day must be shortened to accommodate required testing procedures may be less than 5 clock hours and shall be counted towards the 176 days of actual pupil attendance required under Section 10-19 of this Code, provided that a sufficient number of minutes of school work in excess of 5 clock hours are first completed on other school days to compensate for the loss of school work on the examination days.

(j) Pupils enrolled in a remote educational program established under Section 10-29 of this Code may be counted on the basis of one-fifth day of attendance for every clock hour of instruction attended in the remote educational program, provided that, in any month, the school district may not claim for a student enrolled in a remote educational program more days of attendance than the maximum number of days of attendance the district can claim (i) for students enrolled in a building holding year-round classes if the student is classified as participating in the remote educational program on a year-round schedule or (ii) for students enrolled in a building not holding year-round classes if the student is not classified as participating in the remote educational program on a year-round schedule.
(G) Equalized Assessed Valuation Data.

(1) For purposes of the calculation of Available Local Resources required pursuant to subsection (D), the State Board of Education shall secure from the Department of Revenue the value as equalized or assessed by the Department of Revenue of all taxable property of every school district, together with (i) the applicable tax rate used in extending taxes for the funds of the district as of September 30 of the previous year and (ii) the limiting rate for all school districts subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law.

The Department of Revenue shall add to the equalized assessed value of all taxable property of each school district situated entirely or partially within a county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code (a) an amount equal to the total amount by which the homestead exemption allowed under Section 15-176 or 15-177 of the Property Tax Code for real property situated in that school district exceeds the total amount that would have been allowed in that school district if the maximum reduction under Section 15-176 was (i) $4,500 in Cook County or $3,500 in all other counties in tax year 2003 or (ii) $5,000 in all counties in tax year 2004 and thereafter and (b) an amount equal to the aggregate amount for the taxable year of all additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of $30,000 or less. The
county clerk of any county that is or was subject to the provisions of Section 15-176 or 15-177 of the Property Tax Code shall annually calculate and certify to the Department of Revenue for each school district all homestead exemption amounts under Section 15-176 or 15-177 of the Property Tax Code and all amounts of additional exemptions under Section 15-175 of the Property Tax Code for owners with a household income of $30,000 or less. It is the intent of this paragraph that if the general homestead exemption for a parcel of property is determined under Section 15-176 or 15-177 of the Property Tax Code rather than Section 15-175, then the calculation of Available Local Resources shall not be affected by the difference, if any, between the amount of the general homestead exemption allowed for that parcel of property under Section 15-176 or 15-177 of the Property Tax Code and the amount that would have been allowed had the general homestead exemption for that parcel of property been determined under Section 15-175 of the Property Tax Code. It is further the intent of this paragraph that if additional exemptions are allowed under Section 15-175 of the Property Tax Code for owners with a household income of less than $30,000, then the calculation of Available Local Resources shall not be affected by the difference, if any, because of those additional exemptions.

This equalized assessed valuation, as adjusted further by the requirements of this subsection, shall be utilized in the calculation of Available Local Resources.
(2) The equalized assessed valuation in paragraph (1) shall be adjusted, as applicable, in the following manner:

(a) For the purposes of calculating State aid under this Section, with respect to any part of a school district within a redevelopment project area in respect to which a municipality has adopted tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11 of the Illinois Municipal Code or the Industrial Jobs Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the Illinois Municipal Code, no part of the current equalized assessed valuation of real property located in any such project area which is attributable to an increase above the total initial equalized assessed valuation of such property shall be used as part of the equalized assessed valuation of the district, until such time as all redevelopment project costs have been paid, as provided in Section 11-74.4-8 of the Tax Increment Allocation Redevelopment Act or in Section 11-74.6-35 of the Industrial Jobs Recovery Law. For the purpose of the equalized assessed valuation of the district, the total initial equalized assessed valuation or the current equalized assessed valuation, whichever is lower, shall be used until such time as all redevelopment project costs have been paid.

(b) The real property equalized assessed valuation for
a school district shall be adjusted by subtracting from the real property value as equalized or assessed by the Department of Revenue for the district an amount computed by dividing the amount of any abatement of taxes under Section 18-170 of the Property Tax Code by 3.00% for a district maintaining grades kindergarten through 12, by 2.30% for a district maintaining grades kindergarten through 8, or by 1.05% for a district maintaining grades 9 through 12 and adjusted by an amount computed by dividing the amount of any abatement of taxes under subsection (a) of Section 18-165 of the Property Tax Code by the same percentage rates for district type as specified in this subparagraph (b).

(3) For the 1999-2000 school year and each school year thereafter, if a school district meets all of the criteria of this subsection (G)(3), the school district's Available Local Resources shall be calculated under subsection (D) using the district's Extension Limitation Equalized Assessed Valuation as calculated under this subsection (G)(3).

For purposes of this subsection (G)(3) the following terms shall have the following meanings:

"Budget Year": The school year for which general State aid is calculated and awarded under subsection (E).

"Base Tax Year": The property tax levy year used to calculate the Budget Year allocation of general State aid.

"Preceding Tax Year": The property tax levy year
immediately preceding the Base Tax Year.

"Base Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Base Tax Year multiplied by the limiting rate as calculated by the County Clerk and defined in the Property Tax Extension Limitation Law.

"Preceding Tax Year's Tax Extension": The product of the equalized assessed valuation utilized by the County Clerk in the Preceding Tax Year multiplied by the Operating Tax Rate as defined in subsection (A).

"Extension Limitation Ratio": A numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension.

"Operating Tax Rate": The operating tax rate as defined in subsection (A).

If a school district is subject to property tax extension limitations as imposed under the Property Tax Extension Limitation Law, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation of that district. For the 1999-2000 school year, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the district's 1996 Equalized Assessed Valuation and the district's Extension Limitation Ratio. Except as otherwise provided in this paragraph for a school district that
has approved or does approve an increase in its limiting rate, for the 2000-2001 school year and each school year thereafter, the Extension Limitation Equalized Assessed Valuation of a school district as calculated by the State Board of Education shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid and the district's Extension Limitation Ratio. If the Extension Limitation Equalized Assessed Valuation of a school district as calculated under this subsection (G)(3) is less than the district's equalized assessed valuation as calculated pursuant to subsections (G)(1) and (G)(2), then for purposes of calculating the district's general State aid for the Budget Year pursuant to subsection (E), that Extension Limitation Equalized Assessed Valuation shall be utilized to calculate the district's Available Local Resources under subsection (D). For the 2009-2010 school year and each school year thereafter, if a school district has approved or does approve an increase in its limiting rate, pursuant to Section 18-190 of the Property Tax Code, affecting the Base Tax Year, the Extension Limitation Equalized Assessed Valuation of the school district, as calculated by the State Board of Education, shall be equal to the product of the Equalized Assessed Valuation last used in the calculation of general State aid times an amount equal to one plus the percentage increase, if any, in the Consumer Price Index for all Urban Consumers for all items published by the United States Department of Labor for the 12-month calendar
year preceding the Base Tax Year, plus the Equalized Assessed Valuation of new property, annexed property, and recovered tax increment value and minus the Equalized Assessed Valuation of disconnected property. New property and recovered tax increment value shall have the meanings set forth in the Property Tax Extension Limitation Law.

Partial elementary unit districts created in accordance with Article 11E of this Code shall not be eligible for the adjustment in this subsection (G)(3) until the fifth year following the effective date of the reorganization.

(3.5) For the 2010-2011 school year and each school year thereafter, if a school district's boundaries span multiple counties, then the Department of Revenue shall send to the State Board of Education, for the purpose of calculating general State aid, the limiting rate and individual rates by purpose for the county that contains the majority of the school district's Equalized Assessed Valuation.

(4) For the purposes of calculating general State aid for the 1999-2000 school year only, if a school district experienced a triennial reassessment on the equalized assessed valuation used in calculating its general State financial aid apportionment for the 1998-1999 school year, the State Board of Education shall calculate the Extension Limitation Equalized Assessed Valuation that would have been used to calculate the district's 1998-1999 general State aid. This amount shall equal the product of the equalized assessed valuation used to
calculate general State aid for the 1997-1998 school year and
the district's Extension Limitation Ratio. If the Extension
Limitation Equalized Assessed Valuation of the school district
as calculated under this paragraph (4) is less than the
district's equalized assessed valuation utilized in
calculating the district's 1998-1999 general State aid
allocation, then for purposes of calculating the district's
general State aid pursuant to paragraph (5) of subsection (E),
that Extension Limitation Equalized Assessed Valuation shall
be utilized to calculate the district's Available Local
Resources.

(5) For school districts having a majority of their
equalized assessed valuation in any county except Cook, DuPage,
Kane, Lake, McHenry, or Will, if the amount of general State
aid allocated to the school district for the 1999-2000 school
year under the provisions of subsection (E), (H), and (J) of
this Section is less than the amount of general State aid
allocated to the district for the 1998-1999 school year under
these subsections, then the general State aid of the district
for the 1999-2000 school year only shall be increased by the
difference between these amounts. The total payments made under
this paragraph (5) shall not exceed $14,000,000. Claims shall
be prorated if they exceed $14,000,000.

(H) Supplemental General State Aid.

(1) In addition to the general State aid a school district
is allotted pursuant to subsection (E), qualifying school districts shall receive a grant, paid in conjunction with a district's payments of general State aid, for supplemental general State aid based upon the concentration level of children from low-income households within the school district. Supplemental State aid grants provided for school districts under this subsection shall be appropriated for distribution to school districts as part of the same line item in which the general State financial aid of school districts is appropriated under this Section.

(1.5) This paragraph (1.5) applies only to those school years preceding the 2003-2004 school year. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall be the low-income eligible pupil count from the most recently available federal census divided by the Average Daily Attendance of the school district. If, however, (i) the percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count of a high school district with fewer than 400 students exceeds by 75% or more the percentage change in the total low-income eligible pupil count of contiguous elementary school districts, whose boundaries are coterminous with the high school district, or (ii) a high school district within 2 counties and serving 5 elementary school districts, whose boundaries are coterminous with the high school district, has a percentage decrease from the 2 most recent federal censuses in the low-income eligible pupil count
and there is a percentage increase in the total low-income eligible pupil count of a majority of the elementary school districts in excess of 50% from the 2 most recent federal censuses, then the high school district's low-income eligible pupil count from the earlier federal census shall be the number used as the low-income eligible pupil count for the high school district, for purposes of this subsection (H). The changes made to this paragraph (1) by Public Act 92-28 shall apply to supplemental general State aid grants for school years preceding the 2003-2004 school year that are paid in fiscal year 1999 or thereafter and to any State aid payments made in fiscal year 1994 through fiscal year 1998 pursuant to subsection 1(n) of Section 18-8 of this Code (which was repealed on July 1, 1998), and any high school district that is affected by Public Act 92-28 is entitled to a recomputation of its supplemental general State aid grant or State aid paid in any of those fiscal years. This recomputation shall not be affected by any other funding.

(1.10) This paragraph (1.10) applies to the 2003-2004 school year and each school year thereafter. For purposes of this subsection (H), the term "Low-Income Concentration Level" shall, for each fiscal year, be the low-income eligible pupil count as of July 1 of the immediately preceding fiscal year (as determined by the Department of Human Services based on the number of pupils who are eligible for at least one of the following low income programs: Medicaid, the Children's Health
Insurance Program, TANF, or Food Stamps, excluding pupils who are eligible for services provided by the Department of Children and Family Services, averaged over the 2 immediately preceding fiscal years for fiscal year 2004 and over the 3 immediately preceding fiscal years for each fiscal year thereafter) divided by the Average Daily Attendance of the school district.

(2) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 1998-1999, 1999-2000, and 2000-2001 school years only:

(a) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for any school year shall be $800 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for the 1998-1999 school year shall be $1,100 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for the 1998-99 school year shall be $1,500 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of 60% or more, the grant for the 1998-99 school year shall be $1,900 multiplied by the low income eligible pupil count.
(e) For the 1999-2000 school year, the per pupil amount specified in subparagraphs (b), (c), and (d) immediately above shall be increased to $1,243, $1,600, and $2,000, respectively.

(f) For the 2000-2001 school year, the per pupil amounts specified in subparagraphs (b), (c), and (d) immediately above shall be $1,273, $1,640, and $2,050, respectively.

(2.5) Supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2002-2003 school year:

(a) For any school district with a Low Income Concentration Level of less than 10%, the grant for each school year shall be $355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level of at least 10% and less than 20%, the grant for each school year shall be $675 multiplied by the low income eligible pupil count.

(c) For any school district with a Low Income Concentration Level of at least 20% and less than 35%, the grant for each school year shall be $1,330 multiplied by the low income eligible pupil count.

(d) For any school district with a Low Income Concentration Level of at least 35% and less than 50%, the grant for each school year shall be $1,362 multiplied by
the low income eligible pupil count.

(e) For any school district with a Low Income Concentration Level of at least 50% and less than 60%, the grant for each school year shall be $1,680 multiplied by the low income eligible pupil count.

(f) For any school district with a Low Income Concentration Level of 60% or more, the grant for each school year shall be $2,080 multiplied by the low income eligible pupil count.

(2.10) Except as otherwise provided, supplemental general State aid pursuant to this subsection (H) shall be provided as follows for the 2003-2004 school year and each school year thereafter:

(a) For any school district with a Low Income Concentration Level of 15% or less, the grant for each school year shall be $355 multiplied by the low income eligible pupil count.

(b) For any school district with a Low Income Concentration Level greater than 15%, the grant for each school year shall be $294.25 added to the product of $2,700 and the square of the Low Income Concentration Level, all multiplied by the low income eligible pupil count.

For the 2003-2004 school year and each school year thereafter through the 2008-2009 school year only, the grant shall be no less than the grant for the 2002-2003 school year. For the 2009-2010 school year only, the grant shall be no less
than the grant for the 2002-2003 school year multiplied by 0.66. For the 2010-2011 school year only, the grant shall be no less than the grant for the 2002-2003 school year multiplied by 0.33. Notwithstanding the provisions of this paragraph to the contrary, if for any school year supplemental general State aid grants are prorated as provided in paragraph (1) of this subsection (H), then the grants under this paragraph shall be prorated.

For the 2003-2004 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.25 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2004-2005 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.50 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year. For the 2005-2006 school year only, the grant shall be no greater than the grant received during the 2002-2003 school year added to the product of 0.75 multiplied by the difference between the grant amount calculated under subsection (a) or (b) of this paragraph (2.10), whichever is applicable, and the grant received during the 2002-2003 school year.
(3) School districts with an Average Daily Attendance of more than 1,000 and less than 50,000 that qualify for supplemental general State aid pursuant to this subsection shall submit a plan to the State Board of Education prior to October 30 of each year for the use of the funds resulting from this grant of supplemental general State aid for the improvement of instruction in which priority is given to meeting the education needs of disadvantaged children. Such plan shall be submitted in accordance with rules and regulations promulgated by the State Board of Education.

(4) School districts with an Average Daily Attendance of 50,000 or more that qualify for supplemental general State aid pursuant to this subsection shall be required to distribute from funds available pursuant to this Section, no less than $261,000,000 in accordance with the following requirements:

(a) The required amounts shall be distributed to the attendance centers within the district in proportion to the number of pupils enrolled at each attendance center who are eligible to receive free or reduced-price lunches or breakfasts under the federal Child Nutrition Act of 1966 and under the National School Lunch Act during the immediately preceding school year.

(b) The distribution of these portions of supplemental and general State aid among attendance centers according to these requirements shall not be compensated for or contravened by adjustments of the total of other funds
appropriated to any attendance centers, and the Board of Education shall utilize funding from one or several sources in order to fully implement this provision annually prior to the opening of school.

(c) Each attendance center shall be provided by the school district a distribution of noncategorical funds and other categorical funds to which an attendance center is entitled under law in order that the general State aid and supplemental general State aid provided by application of this subsection supplements rather than supplants the noncategorical funds and other categorical funds provided by the school district to the attendance centers.

(d) Any funds made available under this subsection that by reason of the provisions of this subsection are not required to be allocated and provided to attendance centers may be used and appropriated by the board of the district for any lawful school purpose.

(e) Funds received by an attendance center pursuant to this subsection shall be used by the attendance center at the discretion of the principal and local school council for programs to improve educational opportunities at qualifying schools through the following programs and services: early childhood education, reduced class size or improved adult to student classroom ratio, enrichment programs, remedial assistance, attendance improvement, and other educationally beneficial expenditures which
supplement the regular and basic programs as determined by
the State Board of Education. Funds provided shall not be
expended for any political or lobbying purposes as defined
by board rule.

(f) Each district subject to the provisions of this
subdivision (H)(4) shall submit an acceptable plan to meet
the educational needs of disadvantaged children, in
compliance with the requirements of this paragraph, to the
State Board of Education prior to July 15 of each year.
This plan shall be consistent with the decisions of local
school councils concerning the school expenditure plans
developed in accordance with part 4 of Section 34-2.3. The
State Board shall approve or reject the plan within 60 days
after its submission. If the plan is rejected, the district
shall give written notice of intent to modify the plan
within 15 days of the notification of rejection and then
submit a modified plan within 30 days after the date of the
written notice of intent to modify. Districts may amend
approved plans pursuant to rules promulgated by the State
Board of Education.

Upon notification by the State Board of Education that
the district has not submitted a plan prior to July 15 or a
modified plan within the time period specified herein, the
State aid funds affected by that plan or modified plan
shall be withheld by the State Board of Education until a
plan or modified plan is submitted.
If the district fails to distribute State aid to attendance centers in accordance with an approved plan, the plan for the following year shall allocate funds, in addition to the funds otherwise required by this subsection, to those attendance centers which were underfunded during the previous year in amounts equal to such underfunding.

For purposes of determining compliance with this subsection in relation to the requirements of attendance center funding, each district subject to the provisions of this subsection shall submit as a separate document by December 1 of each year a report of expenditure data for the prior year in addition to any modification of its current plan. If it is determined that there has been a failure to comply with the expenditure provisions of this subsection regarding contravention or supplanting, the State Superintendent of Education shall, within 60 days of receipt of the report, notify the district and any affected local school council. The district shall within 45 days of receipt of that notification inform the State Superintendent of Education of the remedial or corrective action to be taken, whether by amendment of the current plan, if feasible, or by adjustment in the plan for the following year. Failure to provide the expenditure report or the notification of remedial or corrective action in a timely manner shall result in a withholding of the affected
funds.
The State Board of Education shall promulgate rules and
regulations to implement the provisions of this
subsection. No funds shall be released under this
subdivision (H)(4) to any district that has not submitted a
plan that has been approved by the State Board of
Education.

(I) (Blank).

(J) (Blank).

(K) Grants to Laboratory and Alternative Schools.

In calculating the amount to be paid to the governing board
of a public university that operates a laboratory school under
this Section or to any alternative school that is operated by a
regional superintendent of schools, the State Board of
Education shall require by rule such reporting requirements as
it deems necessary.

As used in this Section, "laboratory school" means a public
school which is created and operated by a public university and
approved by the State Board of Education. The governing board
of a public university which receives funds from the State
Board under this subsection (K) may not increase the number of
students enrolled in its laboratory school from a single
district, if that district is already sending 50 or more
students, except under a mutual agreement between the school board of a student's district of residence and the university which operates the laboratory school. A laboratory school may not have more than 1,000 students, excluding students with disabilities in a special education program.

As used in this Section, "alternative school" means a public school which is created and operated by a Regional Superintendent of Schools and approved by the State Board of Education. Such alternative schools may offer courses of instruction for which credit is given in regular school programs, courses to prepare students for the high school equivalency testing program or vocational and occupational training. A regional superintendent of schools may contract with a school district or a public community college district to operate an alternative school. An alternative school serving more than one educational service region may be established by the regional superintendents of schools of the affected educational service regions. An alternative school serving more than one educational service region may be operated under such terms as the regional superintendents of schools of those educational service regions may agree.

Each laboratory and alternative school shall file, on forms provided by the State Superintendent of Education, an annual State aid claim which states the Average Daily Attendance of the school's students by month. The best 3 months' Average Daily Attendance shall be computed for each school. The general
State aid entitlement shall be computed by multiplying the applicable Average Daily Attendance by the Foundation Level as determined under this Section.

(L) Payments, Additional Grants in Aid and Other Requirements.

(1) For a school district operating under the financial supervision of an Authority created under Article 34A, the general State aid otherwise payable to that district under this Section, but not the supplemental general State aid, shall be reduced by an amount equal to the budget for the operations of the Authority as certified by the Authority to the State Board of Education, and an amount equal to such reduction shall be paid to the Authority created for such district for its operating expenses in the manner provided in Section 18-11. The remainder of general State school aid for any such district shall be paid in accordance with Article 34A when that Article provides for a disposition other than that provided by this Article.

(2) (Blank).

(3) Summer school. Summer school payments shall be made as provided in Section 18-4.3.

(M) Education Funding Advisory Board.

The Education Funding Advisory Board, hereinafter in this subsection (M) referred to as the "Board", is hereby created. The Board shall consist of 5 members who are appointed by the
Governor, by and with the advice and consent of the Senate. The members appointed shall include representatives of education, business, and the general public. One of the members so appointed shall be designated by the Governor at the time the appointment is made as the chairperson of the Board. The initial members of the Board may be appointed any time after the effective date of this amendatory Act of 1997. The regular term of each member of the Board shall be for 4 years from the third Monday of January of the year in which the term of the member's appointment is to commence, except that of the 5 initial members appointed to serve on the Board, the member who is appointed as the chairperson shall serve for a term that commences on the date of his or her appointment and expires on the third Monday of January, 2002, and the remaining 4 members, by lots drawn at the first meeting of the Board that is held after all 5 members are appointed, shall determine 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2001, and 2 of their number to serve for terms that commence on the date of their respective appointments and expire on the third Monday of January, 2000. All members appointed to serve on the Board shall serve until their respective successors are appointed and confirmed. Vacancies shall be filled in the same manner as original appointments. If a vacancy in membership occurs at a time when the Senate is not in session, the Governor shall make a temporary appointment.
until the next meeting of the Senate, when he or she shall appoint, by and with the advice and consent of the Senate, a person to fill that membership for the unexpired term. If the Senate is not in session when the initial appointments are made, those appointments shall be made as in the case of vacancies.

The Education Funding Advisory Board shall be deemed established, and the initial members appointed by the Governor to serve as members of the Board shall take office, on the date that the Governor makes his or her appointment of the fifth initial member of the Board, whether those initial members are then serving pursuant to appointment and confirmation or pursuant to temporary appointments that are made by the Governor as in the case of vacancies.

The State Board of Education shall provide such staff assistance to the Education Funding Advisory Board as is reasonably required for the proper performance by the Board of its responsibilities.

For school years after the 2000-2001 school year, the Education Funding Advisory Board, in consultation with the State Board of Education, shall make recommendations as provided in this subsection (M) to the General Assembly for the foundation level under subdivision (B)(3) of this Section and for the supplemental general State aid grant level under subsection (H) of this Section for districts with high concentrations of children from poverty. The recommended
foundation level shall be determined based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance. The Education Funding Advisory Board shall make such recommendations to the General Assembly on January 1 of odd numbered years, beginning January 1, 2001.

(N) (Blank).

(O) References.

(1) References in other laws to the various subdivisions of Section 18-8 as that Section existed before its repeal and replacement by this Section 18-8.05 shall be deemed to refer to the corresponding provisions of this Section 18-8.05, to the extent that those references remain applicable.

(2) References in other laws to State Chapter 1 funds shall be deemed to refer to the supplemental general State aid provided under subsection (H) of this Section.

(P) Public Act 93-838 and Public Act 93-808 make inconsistent changes to this Section. Under Section 6 of the Statute on Statutes there is an irreconcilable conflict between Public Act 93-808 and Public Act 93-838. Public Act 93-838, being the last acted upon, is controlling. The text of Public Act 93-838 is the law regardless of the text of Public Act 93-808.

(Source: P.A. 97-339, eff. 8-12-11; 97-351, eff. 8-12-11;
Sec. 19-3. Boards of education. Any school district governed by a board of education and having a population of not more than 500,000 inhabitants, and not governed by a special Act may borrow money for the purpose of building, equipping, altering or repairing school buildings or purchasing or improving school sites, or acquiring and equipping playgrounds, recreation grounds, athletic fields, and other buildings or land used or useful for school purposes or for the purpose of purchasing a site, with or without a building or buildings thereon, or for the building of a house or houses on such site, or for the building of a house or houses on the school site of the school district, for residential purposes of the superintendent, principal, or teachers of the school district, and issue its negotiable coupon bonds therefor signed by the president and secretary of the board, in denominations of not less than $100 nor more than $5,000, payable at such place and at such time or times, not exceeding 20 years, with the exception of Lockport High School not exceeding 25 years, from date of issuance, as the board of education may prescribe, and bearing interest at a rate not to exceed the maximum rate authorized by the Bond Authorization Act, as amended at the time of the making of the contract, payable annually,
semiannually or quarterly, but, with the exception of those bonds described in Section 17-2.11d of this Code, no such bonds shall be issued unless the proposition to issue them is submitted to the voters of the district at a referendum held at a regularly scheduled election after the board has certified the proposition to the proper election authorities in accordance with the general election law, a majority of all the votes cast on the proposition is in favor of the proposition, and notice of such bond referendum has been given either (i) in accordance with the second paragraph of Section 12-1 of the Election Code irrespective of whether such notice included any reference to the public question as it appeared on the ballot, or (ii) for an election held on or after November 1, 1998, in accordance with Section 12-5 of the Election Code, or (iii) by publication of a true and legible copy of the specimen ballot label containing the proposition in the form in which it appeared or will appear on the official ballot label on the day of the election at least 5 days before the day of the election in at least one newspaper published in and having a general circulation in the district, irrespective of any other requirements of Article 12 or Section 24A-18 of the Election Code, nor shall any residential site be acquired unless such proposition to acquire a site is submitted to the voters of the district at a referendum held at a regularly scheduled election after the board has certified the proposition to the proper election authorities in accordance with the general election
law and a majority of all the votes cast on the proposition is
in favor of the proposition. Nothing in this Act or in any
other law shall be construed to require the notice of the bond
referendum to be published over the name or title of the
election authority or the listing of maturity dates of any
bonds either in the notice of bond election or ballot used in
the bond election. The provisions of this Section concerning
notice of the bond referendum apply only to (i) consolidated
primary elections held prior to January 1, 2002 and the
consolidated election held on April 17, 2007 at which not less
than 60% of the voters voting on the bond proposition voted in
favor of the bond proposition, and (ii) other elections held
before July 1, 1999; otherwise, notices required in connection
with the submission of public questions shall be as set forth
in Section 12-5 of the Election Code. Such proposition may be
initiated by resolution of the school board.

With respect to instruments for the payment of money issued
under this Section either before, on, or after the effective
date of this amendatory Act of 1989, it is and always has been
the intention of the General Assembly (i) that the Omnibus Bond
Acts are and always have been supplementary grants of power to
issue instruments in accordance with the Omnibus Bond Acts,
regardless of any provision of this Act that may appear to be
or to have been more restrictive than those Acts, (ii) that the
provisions of this Section are not a limitation on the
supplementary authority granted by the Omnibus Bond Acts, and
(iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of this Act that may appear to be or to have been more restrictive than those Acts.

The proceeds of any bonds issued under authority of this Section shall be deposited and accounted for separately within the Site and Construction/Capital Improvements Fund.

(Source: P.A. 95-30, eff. 8-7-07; 96-787, eff. 8-28-09.)

(105 ILCS 5/21A-3 new)

Sec. 21A-3. Goals. The New Teacher Induction and Mentoring Program under this Article shall accomplish the following goals:

(1) provide an effective transition into the teaching career for first year and second-year teachers in Illinois;

(2) improve the educational performance of pupils through improved training, information, and assistance for new teachers;

(3) ensure professional success and retention of new teachers;

(4) ensure that mentors provide intensive individualized support and assistance to each participating beginning teacher;

(5) ensure that an individual induction plan is in place for each beginning teacher and is based on an ongoing assessment of the development of the beginning teacher; and
ensure continuous program improvement through ongoing research, development and evaluation.

(105 ILCS 5/21A-5)

Sec. 21A-5. Definitions. In this Article:

"New teacher" or "beginning teacher" means the holder of an Initial Teaching Certificate, as set forth in Section 21-2 of this Code, an Alternative Teaching Certificate, or a Transitional Bilingual Teaching Certificate, who is employed by a public school and who has not previously participated in a new teacher induction and mentoring program required by this Article, except as provided in Section 21A-25 of this Code.

"Public school" means any school operating pursuant to the authority of this Code, including without limitation a school district, a charter school, a cooperative or joint agreement with a governing body or board of control, and a school operated by a regional office of education or State agency.

(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/21A-10)

Sec. 21A-10. Development of program required. Prior to the 2016-2017 school year, during the 2003-2004 school year, each public school or 2 or more public schools acting jointly shall develop, in conjunction with its exclusive representative or their exclusive representatives, if any, a new teacher induction and mentoring program that meets the requirements set forth in
Section 21A-20 of this Code to assist new teachers in developing the skills and strategies necessary for instructional excellence, provided that funding is made available by the State Board of Education from an appropriation made for this purpose. A public school that has an existing induction and mentoring program that does not meet the requirements set forth in Section 21A-20 of this Code may have school years 2003-2004 and 2004-2005 to develop a program that does meet those requirements and may receive funding as described in Section 21A-25 of this Code, provided that the funding is made available by the State Board of Education from an appropriation made for this purpose. A public school with such an existing induction and mentoring program may receive funding for the 2005-2006 school year for each new teacher in the second year of a 2-year program that does not meet the requirements set forth in Section 21A-20, as long as the public school has established the required new program by the beginning of that school year as described in Section 21A-15 and provided that funding is made available by the State Board of Education from an appropriation made for this purpose as described in Section 21A-25.

(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/21A-15)

Sec. 21A-15. When program is to be established and implemented. Notwithstanding any other provisions of this
Code, by the beginning of the 2016-2017 school year (or by the beginning of the 2005-2006 school year for a public school that has been given an extension of time to develop a program under Section 21A-10 of this Code), each public school or 2 or more public schools acting jointly shall establish and implement, in conjunction with its exclusive representative or their exclusive representatives, if any, the new teacher induction and mentoring program required to be developed under Section 21A-10 of this Code, provided that funding is made available by the State Board of Education, from an appropriation made for this purpose, as described in Section 21A-25 of this Code. A public school may contract with an institution of higher education or other independent party to assist in implementing the program.

(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/21A-20)

Sec. 21A-20. Program requirements. Each new teacher induction and mentoring program must be based on a plan that at least does all of the following:

(1) Assigns a mentor teacher to each new teacher to provide structured and intensive mentoring, as defined by the State Board of Education, for a period of at least 2 school years.

(1.5) Ensures mentors are:

(A) carefully selected from experienced, exemplary...
teachers using a clearly articulated, well-defined, explicit criteria and open processes that may involve key school partners;

(B) rigorously trained using best practices in the field to ensure they are well prepared to assume their responsibilities and are consistently supported in their efforts to assist beginning teachers;

(C) provided with sufficient release time from teaching to allow them to meet their responsibilities as mentors, including regular contacts with their beginning teachers and frequent observations of their teaching practice; and

(D) equipped and selected to provide classroom-focused and content-focused support whenever possible.

(2) Aligns with the Illinois Professional Teaching Standards, content area standards, and applicable local school improvement and professional development plans, if any.

(3) (Blank). Addresses all of the following elements and how they will be provided:

(A) Mentoring and support of the new teacher.

(B) Professional development specifically designed to ensure the growth of the new teacher's knowledge and skills.

(C) Formative assessment designed to ensure
feedback and reflection, which must not be used in any
evaluation of the new teacher.

(4) Describes the role of mentor teachers, the criteria
and process for their selection, and how they will be
trained, provided that each mentor teacher shall
demonstrate the best practices in teaching his or her
respective field of practice. A mentor teacher may not
directly or indirectly participate in the evaluation of a
new teacher pursuant to Article 24A of this Code or the
evaluation procedure of the public school, unless the
school district and exclusive bargaining representative of
its teachers negotiate and agree to it as part of an
alternative evaluation plan under Section 24A-5 or 24A-8 of
this Code.

(5) Provides ongoing professional development for both
beginning teachers and mentors.

(A) Beginning teachers shall participate in an
ongoing, formal network of novice colleagues for the
purpose of professional learning, problem-solving, and
mutual support. These regular learning opportunities
shall begin with an orientation to the induction and
mentoring program prior to the start of the school year
and continue throughout the academic year. The group
shall address issues of pedagogy, classroom management
and content knowledge, beginning teachers' assessed
needs, and local instructional needs or priorities.
(B) Mentors shall participate in an ongoing professional learning community that supports their practice and their use of mentoring tools, protocols, and formative assessment in order to tailor and deepen mentoring skills and advance induction practices, support program implementation, provide for mentor accountability in a supportive environment, and provide support to each mentor's emerging leadership.

(6) Provides for ongoing assessment of beginning teacher practice. Beginning teachers shall be subject to a system of formative assessment in which the novice and mentor collaboratively collect and analyze multiple sources of data and reflect upon classroom practice in an ongoing process. This assessment system shall be based on the Illinois Professional Teaching Standards (IPTS), the IPTS Continuum of Teacher Development, or a nationally recognized teaching framework, as well as evidence of teacher practice, including student work. The assessment information shall be used to determine the scope, focus, and content of professional development activities that are the basis of the beginning teacher's individual learning plan. The program shall provide time to ensure that the quality of the process (such as observations, data collection, and reflective conversations) is not compromised.

(7) Identifies clear roles and responsibilities for
both administrators and site mentor leaders who are to work
collectively to ensure induction practices are integrated
into existing professional development initiatives and to
secure assignments and establish working conditions for
beginning teachers that maximize their chances for
success. Administrators and site mentor leaders must have
sufficient knowledge and experience to understand the
needs of beginning teachers and the role of principals in
supporting each component of the program. Site
administrators must take time to meet and communicate
concerns with beginning teachers and their mentors.

(8) Provides for ongoing evaluation of the New Teacher
Induction and Mentoring Program pursuant to Section 21A-30
of this Code.

(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/21A-25)

Sec. 21A-25. Funding. From a separate appropriation made
for the purposes of this Article, for each new teacher
participating in a new teacher induction and mentoring program
that meets the requirements set forth in Section 21A-20 of this
Code or in an existing program that is in the process of
transition to a program that meets those requirements, the
State Board of Education shall pay the public school $6,000
$1,200 annually for each of 2 school years for the purpose of
providing one or more of the following:
(1) Mentor teacher compensation.
(2) Mentor teacher training and other resources, or new teacher training and other resources, or both.
(3) Release time, including costs associated with replacing a mentor teacher or new teacher in his or her regular classroom.
(4) Site-based program administration, not to exceed 10% of the total program cost.

However, if a new teacher, after participating in the new teacher induction and mentoring program for one school year, becomes employed by another public school, the State Board of Education shall pay the teacher's new school $6,000 $1,200 for the second school year and the teacher shall continue to be a new teacher as defined in this Article. Each public school shall determine, in conjunction with its exclusive representative, if any, how the $6,000 $1,200 per school year for each new teacher shall be used, provided that if a mentor teacher receives additional release time to support a new teacher, the total workload of other teachers regularly employed by the public school shall not increase in any substantial manner. If the appropriation is insufficient to cover the $6,000 $1,200 per school year for each new teacher, public schools are not required to develop or implement the program established by this Article. In the event of an insufficient appropriation, a public school or 2 or more schools acting jointly may submit an application for a grant
administered by the State Board of Education and awarded on a competitive basis to establish a new teacher induction and mentoring program that meets the criteria set forth in Section 21A-20 of this Code. The State Board of Education may retain up to $1,000,000 of the appropriation for new teacher induction and mentoring programs to train mentor teachers, administrators, and other personnel, to provide best practices information, and to conduct an evaluation of these programs’ impact and effectiveness.

(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/21A-30)

Sec. 21A-30. Evaluation of programs. The State Board of Education and the State Teacher Certification Board shall jointly contract with an independent party to conduct a comprehensive evaluation of new teacher induction and mentoring programs established pursuant to this Article. The first report of this evaluation shall be presented to the General Assembly on or before January 1, 2018. Subsequent evaluations shall be conducted and reports presented to the General Assembly on or before January 1 of every third year thereafter. Additionally, the State Board of Education shall prepare an annual program report for the General Assembly on or before December 31 each year. It shall summarize local program design, indicate the number of teachers served, and document rates of new teacher attrition and retention.
(Source: P.A. 93-355, eff. 1-1-04.)

(105 ILCS 5/23-3) (from Ch. 122, par. 23-3)

Sec. 23-3. Filing copy of constitution, by-laws and amendments. Within 30 days after the adoption by any such association of its constitution or by-laws or any amendment thereto, it shall file a copy thereof, certified by its president and executive director, with the Governor, the State Superintendent of Education, Public Instruction and the regional county superintendent of schools of each region county in which it has any membership.

(Source: Laws 1961, p. 31.)

(105 ILCS 5/23-5.5 new)

Sec. 23-5.5. Professional development and training. Any such association shall offer professional development and training to school board members on topics that include, but are not limited to, basics of school finance, financial oversight and accountability, labor law and collective bargaining, ethics, duties and responsibilities of a school board member, and board governance principles. Every school board member is expected to receive at least 4 hours of professional development and training per year.

(105 ILCS 5/23-6) (from Ch. 122, par. 23-6)

Sec. 23-6. Annual report. Each association shall make an
annual report within 60 days after the close of its fiscal year
to the Governor, the State Board of Education and the regional
superintendent of schools of each region in which it has
members, setting forth the activities of the association for
the preceding fiscal year, the institutes held, the subjects
discussed, and the attendance, and shall furnish the Governor,
the State Board of Education and such regional superintendents
with copies of all publications sent to its members. The
association shall include the board training topics offered and
the number of school board members that availed themselves of
professional development and training.
(Source: P.A. 81-1508.)

(105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

Sec. 29-5. Reimbursement by State for transportation. Any
school district, maintaining a school, transporting resident
pupils to another school district's vocational program,
offered through a joint agreement approved by the State Board
of Education, as provided in Section 10-22.22 or transporting
its resident pupils to a school which meets the standards for
recognition as established by the State Board of Education
which provides transportation meeting the standards of safety,
comfort, convenience, efficiency and operation prescribed by
the State Board of Education for resident pupils in
pre-kindergarten, kindergarten, or any of grades 1 through 12
who: (a) reside at least 1 1/2 miles as measured by the
customary route of travel, from the school attended; or (b) reside in areas where conditions are such that walking constitutes a hazard to the safety of the child when determined under Section 29-3; and (c) are transported to the school attended from pick-up points at the beginning of the school day and back again at the close of the school day or transported to and from their assigned attendance centers during the school day, shall be reimbursed by the State as hereinafter provided in this Section.

The State will pay the cost of transporting eligible pupils less the assessed valuation in a dual school district maintaining secondary grades 9 to 12 inclusive times a qualifying rate of .05%; in elementary school districts maintaining grades pre-K to 8 times a qualifying rate of .06%; and in unit districts maintaining any of grades pre-K to 12, including optional elementary unit districts and combined high school - unit districts, times a qualifying rate of .07%; provided that for optional elementary unit districts and combined high school - unit districts, assessed valuation for high school purposes, as defined in Article 11E of this Code, must be used. To be eligible to receive reimbursement in excess of 4/5 of the cost to transport eligible pupils, a school district shall have a Transportation Fund tax rate of at least .12%. If a school district does not have a .12% Transportation Fund tax rate, the amount of its claim in excess of 4/5 of the cost of transporting pupils shall be reduced by...
the sum arrived at by subtracting the Transportation Fund tax rate from .12% and multiplying that amount by the districts equalized or assessed valuation, provided, that in no case shall said reduction result in reimbursement of less than 4/5 of the cost to transport eligible pupils.

The minimum amount to be received by a district is $16 times the number of eligible pupils transported.

When calculating the reimbursement for transportation costs, the State Board of Education may not deduct the number of pupils enrolled in early education programs from the number of pupils eligible for reimbursement if the pupils enrolled in the early education programs are transported at the same time as other eligible pupils.

Any such district transporting resident pupils during the school day to an area vocational school or another school district's vocational program more than 1 1/2 miles from the school attended, as provided in Sections 10-22.20a and 10-22.22, shall be reimbursed by the State for 4/5 of the cost of transporting eligible pupils.

School day means that period of time which the pupil is required to be in attendance for instructional purposes.

If a pupil is at a location within the school district other than his residence for child care purposes at the time for transportation to school, that location may be considered for purposes of determining the 1 1/2 miles from the school attended.
Claims for reimbursement that include children who attend any school other than a public school shall show the number of such children transported.

Claims for reimbursement under this Section shall not be paid for the transportation of pupils for whom transportation costs are claimed for payment under other Sections of this Act.

The allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall be limited to the sum of the cost of physical examinations required for employment as a school bus driver; the salaries of full or part-time drivers and school bus maintenance personnel; employee benefits excluding Illinois municipal retirement payments, social security payments, unemployment insurance payments and workers' compensation insurance premiums; expenditures to independent carriers who operate school buses; payments to other school districts for pupil transportation services; pre-approved contractual expenditures for computerized bus scheduling; the cost of gasoline, oil, tires, and other supplies necessary for the operation of school buses; the cost of converting buses' gasoline engines to more fuel efficient engines or to engines which use alternative energy sources; the cost of travel to meetings and workshops conducted by the regional superintendent or the State Superintendent of Education pursuant to the standards established by the Secretary of State under Section 6-106 of the Illinois Vehicle Code to improve the
driving skills of school bus drivers; the cost of maintenance of school buses including parts and materials used; expenditures for leasing transportation vehicles, except interest and service charges; the cost of insurance and licenses for transportation vehicles; expenditures for the rental of transportation equipment; plus a depreciation allowance of 20% for 5 years for school buses and vehicles approved for transporting pupils to and from school and a depreciation allowance of 10% for 10 years for other transportation equipment so used. Each school year, if a school district has made expenditures to the Regional Transportation Authority or any of its service boards, a mass transit district, or an urban transportation district under an intergovernmental agreement with the district to provide for the transportation of pupils and if the public transit carrier received direct payment for services or passes from a school district within its service area during the 2000-2001 school year, then the allowable direct cost of transporting pupils for regular, vocational, and special education pupil transportation shall also include the expenditures that the district has made to the public transit carrier. In addition to the above allowable costs school districts shall also claim all transportation supervisory salary costs, including Illinois municipal retirement payments, and all transportation related building and building maintenance costs without limitation.

Special education allowable costs shall also include
expenditures for the salaries of attendants or aides for that
portion of the time they assist special education pupils while
in transit and expenditures for parents and public carriers for
transporting special education pupils when pre-approved by the
State Superintendent of Education.

Indirect costs shall be included in the reimbursement claim
for districts which own and operate their own school buses. Such indirect costs shall include administrative costs, or any
costs attributable to transporting pupils from their
attendance centers to another school building for
instructional purposes. No school district which owns and
operates its own school buses may claim reimbursement for
indirect costs which exceed 5% of the total allowable direct
costs for pupil transportation.

The State Board of Education shall prescribe uniform
regulations for determining the above standards and shall
 prescribe forms of cost accounting and standards of determining
reasonable depreciation. Such depreciation shall include the
cost of equipping school buses with the safety features
required by law or by the rules, regulations and standards
promulgated by the State Board of Education, and the Department
of Transportation for the safety and construction of school
buses provided, however, any equipment cost reimbursed by the
Department of Transportation for equipping school buses with
such safety equipment shall be deducted from the allowable cost
in the computation of reimbursement under this Section in the
same percentage as the cost of the equipment is depreciated.

On or before August 15, annually, the chief school administrator for the district shall certify to the State Superintendent of Education the district's claim for reimbursement for the school year ending on June 30 next preceding. The State Superintendent of Education shall check and approve the claims and prepare the vouchers showing the amounts due for district reimbursement claims. Each fiscal year, the State Superintendent of Education shall prepare and transmit the first 3 vouchers to the Comptroller on the 30th day of September, December and March, respectively, and the final voucher, no later than June 20.

If the amount appropriated for transportation reimbursement is insufficient to fund total claims for any fiscal year, the State Board of Education shall reduce each school district's allowable costs and flat grant amount proportionately to make total adjusted claims equal the total amount appropriated.

For purposes of calculating claims for reimbursement under this Section for any school year beginning July 1, 1998, or thereafter, the equalized assessed valuation for a school district used to compute reimbursement shall be computed in the same manner as it is computed under paragraph (2) of subsection (G) of Section 18-8.05.

All reimbursements received from the State shall be deposited into the district's transportation fund or into the
fund from which the allowable expenditures were made.

Notwithstanding any other provision of law, any school district receiving a payment under this Section or under Section 14-7.02, 14-7.02b, or 14-13.01 of this Code may classify all or a portion of the funds that it receives in a particular fiscal year or from general State aid pursuant to Section 18-8.05 of this Code as funds received in connection with any funding program for which it is entitled to receive funds from the State in that fiscal year (including, without limitation, any funding program referenced in this Section), regardless of the source or timing of the receipt. The district may not classify more funds as funds received in connection with the funding program than the district is entitled to receive in that fiscal year for that program. Any classification by a district must be made by a resolution of its board of education. The resolution must identify the amount of any payments or general State aid to be classified under this paragraph and must specify the funding program to which the funds are to be treated as received in connection therewith. This resolution is controlling as to the classification of funds referenced therein. A certified copy of the resolution must be sent to the State Superintendent of Education. The resolution shall still take effect even though a copy of the resolution has not been sent to the State Superintendent of Education in a timely manner. No classification under this paragraph by a district shall affect
the total amount or timing of money the district is entitled to receive under this Code. No classification under this paragraph by a district shall in any way relieve the district from or affect any requirements that otherwise would apply with respect to that funding program, including any accounting of funds by source, reporting expenditures by original source and purpose, reporting requirements, or requirements of providing services.

Any school district with a population of not more than 500,000 must deposit all funds received under this Article into the transportation fund and use those funds for the provision of transportation services.

(Source: P.A. 95-903, eff. 8-25-08; 96-1264, eff. 1-1-11.)

(105 ILCS 5/3-6 rep.)

(105 ILCS 5/3-6.1 rep.)

Section 90. The School Code is amended by repealing Sections 3-6 and 3-6.1.

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

Statutes amended in order of appearance

1. 15 ILCS 20/50-20 was 15 ILCS 20/38.3
2. 30 ILCS 105/5.866 new
3. 30 ILCS 105/5.867 new
4. 30 ILCS 105/5.868 new
5. 30 ILCS 105/5.869 new
6. 35 ILCS 5/201 from Ch. 120, par. 2-201
7. 35 ILCS 5/202.5
8. 35 ILCS 5/204 from Ch. 120, par. 2-204
9. 35 ILCS 5/208 from Ch. 120, par. 2-208
10. 35 ILCS 5/212
11. 35 ILCS 5/901 from Ch. 120, par. 9-901
12. 35 ILCS 120/1 from Ch. 120, par. 440
13. 35 ILCS 120/2 from Ch. 120, par. 441
14. 105 ILCS 5/1C-2
15. 105 ILCS 5/2-3.25c from Ch. 122, par. 2-3.25c
16. 105 ILCS 5/2-3.25d from Ch. 122, par. 2-3.25d
17. 105 ILCS 5/2-3.25d-5 new
18. 105 ILCS 5/2-3.163 new
19. 105 ILCS 5/2-3.164 new
20. 105 ILCS 5/2-3.165 new
21. 105 ILCS 5/2-3.166 new
22. 105 ILCS 5/2-3.167 new
23. 105 ILCS 5/3-7 from Ch. 122, par. 3-7
105 ILCS 5/10-16.10 new
105 ILCS 5/10-17a from Ch. 122, par. 10-17a
105 ILCS 5/10-17b new
105 ILCS 5/10-17c new
105 ILCS 5/10-17d new
105 ILCS 5/10-20.56 new
105 ILCS 5/10-22.45 from Ch. 122, par. 10-22.45
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105 ILCS 5/18-8.05
105 ILCS 5/19-3 from Ch. 122, par. 19-3
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105 ILCS 5/21A-25
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105 ILCS 5/23-3 from Ch. 122, par. 23-3
105 ILCS 5/23-5.5 new
105 ILCS 5/23-6 from Ch. 122, par. 23-6
105 ILCS 5/29-5 from Ch. 122, par. 29-5
105 ILCS 5/3-6 rep.
105 ILCS 5/3-6.1 rep.