

1 AN ACT in relation to taxation.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Sections 215 and 216 as follows:

6 (35 ILCS 5/215 new)

7 Sec. 215. Tax credit for purchasing E85 ethanol-powered
8 motor vehicle and using E85 blend fuel. Beginning with
9 taxable years ending on or after December 31, 2002 and on or
10 before December 30, 2007, each taxpayer who purchases a new
11 E85 ethanol-powered motor vehicle is entitled to a credit
12 against the tax imposed by subsections (a) and (b) of Section
13 201 in the following amounts:

14 (1) For the taxable year of the purchase, \$500 for
15 each vehicle purchased during the taxable year.

16 (2) For the year following the taxable year of the
17 purchase, \$500 for each vehicle for which a credit was
18 allowed under item (1), if the taxpayer verifies that the
19 taxpayer purchased at least 1,000 gallons of E85 blend
20 fuel during the taxable year for each E85 ethanol-powered
21 motor vehicle for which a credit was allowed under item
22 (1).

23 (3) For the second year following the taxable year
24 of the purchase, \$500 for each vehicle for which a credit
25 was allowed under item (1), if the taxpayer verifies that
26 the taxpayer purchased at least 1,000 gallons of E85
27 blend fuel during the taxable year for each E85
28 ethanol-powered motor vehicle for which a credit was
29 allowed under item (1).

30 (4) For the third year following the taxable year
31 of the purchase, \$500 for each vehicle for which a credit

1 was allowed under item (1), if the taxpayer verifies that
2 the taxpayer purchased at least 1,000 gallons of E85
3 blend fuel during the taxable year for each E85
4 ethanol-powered motor vehicle for which a credit was
5 allowed under item (1).

6 For purposes of this Section, "E85 ethanol-powered motor
7 vehicle" means a motor vehicle that is powered by E85 blend
8 fuel that consists of at least 85% ethanol and no more than
9 15% gasoline. The tax credits under this Section may not
10 reduce the taxpayer's liability in any taxable year to less
11 than zero.

12 (35 ILCS 5/216 new)

13 Sec. 216. Tax credit for installing E85 ethanol fuel
14 dispensing pumps. For taxable years ending on or after
15 December 31, 2002 and on or before December 30, 2007, each
16 motor fuel retailer who installs one or more new E85 ethanol
17 fuel dispensing pumps at his or her motor fuel retail store
18 in Illinois during the taxable year is entitled to a credit
19 against the tax imposed by subsections (a) and (b) of Section
20 201 in the amount of \$10,000. For purposes of this Section
21 "E85 ethanol fuel dispensing pump" means a fuel dispensing
22 pump that dispenses E85 blend fuel which consists of at least
23 85% ethanol and no more than 15% gasoline. The tax credit
24 may not reduce the taxpayer's liability to less than zero.

25 Section 99. Effective date. This Act takes effect on
26 January 1, 2003.