

HB5757



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5757

by Rep. Monica Bristow

SYNOPSIS AS INTRODUCED:

35 ILCS 5/227 new

Amends the Illinois Income Tax Act. Creates an income tax credit for an Illinois business that increases its average full-time employee head count in the State for the taxable year by more than 20% over its average full-time employee head count in the State for the immediately preceding taxable year. Provides that the amount of the credit is 20% of its tax liability under this Act (other than its withholding tax liability) for the taxable year. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB100 17534 HLH 32704 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 227 as follows:

6 (35 ILCS 5/227 new)

7 Sec. 227. Credit for increasing employee head count.

8 (a) For taxable years ending on or after December 31, 2018,
9 if an Illinois business increases its average full-time
10 employee head count in the State for the taxable year by more
11 than 20% over its average full-time employee head count in the
12 State for the immediately preceding taxable year, then that
13 business is entitled to a credit against the taxes imposed by
14 subsections (a) and (b) of Section 201 in an amount equal to
15 20% of its tax liability under this Act (other than its
16 liability under Article 7 of this Act) for the taxable year.

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

1 Code.

2 (c) As used in this Act, a person is considered a full-time
3 employee if the person is employed for consideration for at
4 least 35 hours each week or renders any other standard of
5 service generally accepted by industry custom or practice as
6 full-time employment.

7 (d) This Section is exempt from the provisions of Section
8 250.

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