

# HB5853



## 100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5853

by Rep. Thomas M. Bennett

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/226

Amends the Illinois Income Tax Act. Expands the applicability of the natural disaster credit from taxable years that begin prior to January 1, 2018 to taxable years that begin prior to January 1, 2019. Makes a conforming change.

LRB100 21380 AXK 37794 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  
5 changing Section 226 as follows:

6 (35 ILCS 5/226)

7 Sec. 226. Natural disaster credit.

8 (a) For taxable years that begin on or after January 1,  
9 2017 and begin prior to January 1, 2019 ~~2018~~, each taxpayer who  
10 owns qualified real property located in a county in Illinois  
11 that was declared a State disaster area by the Governor due to  
12 flooding in 2017 or 2018 is entitled to a credit against the  
13 taxes imposed by subsections (a) and (b) of Section 201 of this  
14 Act in an amount equal to the lesser of \$750 or the deduction  
15 allowed (whether or not the taxpayer determines taxable income  
16 under subsection (b) of Section 63 of the Internal Revenue  
17 Code) with respect to the qualified property under Section 165  
18 of the Internal Revenue Code, determined without regard to the  
19 limitations imposed under subsection (h) of that Section. The  
20 township assessor or, if the township assessor is unable, the  
21 chief county assessment officer of the county in which the  
22 property is located, shall issue a certificate to the taxpayer  
23 identifying the taxpayer's property as damaged as a result of

1 the natural disaster. The certificate shall include the name  
2 and address of the property owner, as well as the property  
3 index number or permanent index number (PIN) of the damaged  
4 property. The taxpayer shall attach a copy of such certificate  
5 to the taxpayer's return for the taxable year for which the  
6 credit is allowed.

7 (b) In no event shall a credit under this Section reduce a  
8 taxpayer's liability to less than zero. If the amount of credit  
9 exceeds the tax liability for the year, the excess may be  
10 carried forward and applied to the tax liability for the 5  
11 taxable years following the excess credit year. The tax credit  
12 shall be applied to the earliest year for which there is a tax  
13 liability. If there are credits for more than one year that are  
14 available to offset liability, the earlier credit shall be  
15 applied first.

16 (c) If the taxpayer is a partnership or Subchapter S  
17 corporation, the credit shall be allowed to the partners or  
18 shareholders in accordance with the determination of income and  
19 distributive share of income under Sections 702 and 704 and  
20 Subchapter S of the Internal Revenue Code.

21 (d) A taxpayer is not entitled to the credit under this  
22 Section if the taxpayer receives a Natural Disaster Homestead  
23 Exemption under Section 15-173 of the Property Tax Code with  
24 respect to the qualified real property as a result of the  
25 natural disaster.

26 (e) The township assessor or, if the township assessor is

1 unable to certify, the chief county assessment officer of the  
2 county in which the property is located, shall certify to the  
3 Department a listing of the properties located within the  
4 county that have been damaged as a result of the natural  
5 disaster (including the name and address of the property owner  
6 and the property index number or permanent index number (PIN)  
7 of each damage property).

8 (f) As used in this Section:

9 (1) "Qualified real property" means real property that  
10 is: (i) the taxpayer's principal residence or owned by a  
11 small business; (ii) damaged during the taxable year as a  
12 result of a disaster; and (iii) not used in a rental or  
13 leasing business.

14 (2) "Small business" has the meaning given to that term  
15 in Section 1-75 of the Illinois Administrative Procedure  
16 Act.

17 (Source: P.A. 100-555, eff. 11-16-17.)