HB2128

LRB101 07386 HLH 52426 b

101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2128

by Rep. John C. D'Amico

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who replace a lead water service pipe with a copper water service pipe at a qualified residence. Provides that the credit shall be equal to the lesser of (i) 25% of the cost of replacing the lead water service pipes in each taxable year for which the credit is taken or (ii) $2,500 in each such taxable year. Provides that the credit may be taken for the taxable year in which the pipes are replaced and in each of the next 3 consecutive years. Provides that the term "qualified residence" means a single family residence that is owned and occupied by the taxpayer as his or her primary residence. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning revenue.

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

Section 5. The Illinois Income Tax Act is amended by adding Section 229 as follows:

(35 ILCS 5/229 new)

Sec. 229. Credit for lead pipe removal.

(a) For taxable years beginning on or after January 1, 2019, each taxpayer who replaces a lead water service pipe with a copper water service pipe at a qualified residence is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to the lesser of (i) 25% of the cost of replacing the lead water service pipes in each taxable year for which the credit is taken or (ii) $2,500 in each such taxable year. The credit may be taken in the taxable year in which the pipes are replaced and in each of the next 3 consecutive years. The credit may not be taken if the pipe is replaced prior to January 1, 2019.

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

(c) As used in this Section, "qualified residence" means a single family residence that is owned and occupied by the taxpayer as his or her primary residence.

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