



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2456

by Rep. Thaddeus Jones

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Provides that each taxpayer who (i) was a resident of another State, (ii) first became a resident of Illinois in a taxable year beginning on or after January 1, 2019, (iii) is employed as a police officer or firefighter in Illinois during the taxable year, (iv) agrees to reside in Illinois for a period of at least 10 consecutive years, and (v) applies to the Department of Revenue for a new resident income tax credit is entitled to an income tax credit in the amount of \$15,000 per year. Provides for recapture if the taxpayer fails to reside in the State for a period of at least 10 consecutive years after being approved for a credit by the Department. Provides that the credit is exempt from the Act's automatic sunset. Effective immediately.

LRB101 07115 HLH 52152 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 229 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. New resident credit.

8 (a) Each taxpayer who (i) was a resident of another State,
9 (ii) first became a resident of Illinois in a taxable year
10 beginning on or after January 1, 2019, (iii) is employed as a
11 police officer or firefighter in Illinois during the taxable
12 year, (iv) agrees to reside in Illinois for a period of at
13 least 10 consecutive years, and (v) applies to the Department
14 for a tax credit under this Section is entitled to a credit
15 against the tax imposed by subsections (a) and (b) of Section
16 201 in the amount of \$15,000 per year. The Department may
17 approve no more than than 50,000 applications under this
18 Section. In the case of spouses filing a joint return, each
19 spouse must separately qualify under this subsection (a), and
20 both spouses together shall be considered a single taxpayer for
21 the purpose of calculating the maximum number of applications
22 under this Section.

23 (b) The tax credit award may not be carried back. If the

1 amount of the credit exceeds the tax liability for the year,
2 the excess may be carried forward and applied to the tax
3 liability of the 5 tax years following the excess credit year.
4 The tax credit award shall be applied to the earliest year for
5 which there is a tax liability. If there are credits from more
6 than one tax year that are available to offset liability, the
7 earlier credit shall be applied first. In no event may a credit
8 under this Section reduce the taxpayer's liability to less than
9 zero.

10 (c) If the taxpayer fails to reside in the State for a
11 period of at least 10 consecutive years after being approved
12 for a credit by the Department under this Section, except in
13 the case of death or disability of the taxpayer, the Department
14 shall seek to recapture from the taxpayer the entire credit
15 amount awarded to the taxpayer prior to the date he or she
16 relocated.

17 (d) This Section is exempt from the provisions of Section
18 250.

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