

HB3613



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3613

by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to 10% of the salary or stipend paid to a qualified intern during the taxable year. Provides that, if the qualified intern is hired by the taxpayer on a full-time basis upon graduation, the employer is entitled to the credit for each of the first 2 years of the intern's full-time employment with the taxpayer. Effective immediately.

LRB101 10386 HLH 55492 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. Credit for hiring a qualified intern.

8 (a) For taxable years beginning on or after January 1,
9 2019, each employer that hires a qualified intern during the
10 taxable year is entitled to a credit against the tax imposed by
11 subsections (a) and (b) of Section 201 in an amount equal to
12 10% of the salary or stipend paid to the intern during the
13 taxable year. If the qualified intern is hired by the taxpayer
14 on a full-time basis upon graduation, the employer is entitled
15 to a credit under this Section for each of the first 2 years of
16 the intern's full-time employment with the taxpayer.

17 (b) If the taxpayer is a partnership, limited liability
18 partnership, limited liability company, or Subchapter S
19 corporation, the tax credit award is allowed to the partners,
20 unit holders, or shareholders in accordance with the
21 determination of income and distributive share of income under
22 Sections 702 and 704 and Subchapter S of the Internal Revenue
23 Code.

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

10 (d) As used in this Section, "qualified intern" means a
11 resident of Illinois who is a full-time student at an Illinois
12 institution of higher education and whose employment with the
13 taxpayer during the internship is designed to provide the
14 student with professional or practical experience.

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