

SB1388



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1388

Introduced 2/13/2019, by Sen. Chuck Weaver

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to the investment made by the taxpayer during the taxable year in a Qualified Opportunity Fund. Provides that no such credit may be taken for any taxable year that begins prior to January 1, 2020. Provides that excess credits may be carried forward or back. Provides that the aggregate amount of the Qualified Opportunity Fund tax credit shall be limited to \$100,000,000 per calendar year. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB101 05231 HLH 50244 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. Qualified Opportunity Fund credit.

8 (a) As used in this Section:

9 "Applicant" means a corporation, partnership, limited
10 liability company, or a natural person that makes an investment
11 in a Qualified Opportunity Fund established under Section
12 1400Z-2 of the Internal Revenue Code.

13 "Claimant" means an applicant that is awarded a credit
14 under this Section by the Department.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 (b) A claimant may claim a credit against the tax imposed
18 under subsections (a) and (b) of Section 201 of this Act in an
19 amount equal to the claimant's investment during the taxable
20 year in a Qualified Opportunity Fund established under Section
21 1400Z-2 of the Internal Revenue Code.

22 (c) Credits may be awarded for investments made on or after
23 the date on which the Qualified Opportunity Fund is created;

1 however, no credit may be taken for any taxable year that
2 begins prior to January 1, 2020. The credit under this Section
3 may not exceed the taxpayer's Illinois income tax liability for
4 the taxable year. If the amount of the credit exceeds the tax
5 liability for the year, then the excess may be carried forward
6 and applied to the tax liability of the 5 taxable years
7 following the excess credit year or carried back and applied to
8 the tax liability of the 3 taxable years immediately preceding
9 the excess credit year. The credit shall be applied to the
10 earliest year for which there is a tax liability. If there are
11 credits from more than one tax year that are available to
12 offset a liability, the earlier credit shall be applied first.
13 In the case of a partnership or Subchapter S Corporation, the
14 credit is allowed to the partners or shareholders in accordance
15 with the determination of income and distributive share of
16 income under Sections 702 and 704 and Subchapter S of the
17 Internal Revenue Code.

18 (d) A transfer of the credit may be made by the taxpayer,
19 in accordance with rules adopted by the Department, within one
20 year after the credit is awarded.

21 (e) The aggregate amount of the tax credits that may be
22 claimed under this Section shall be limited to \$100,000,000 per
23 calendar year. That amount shall be allocated to qualified
24 applicants each year on a pro rata basis. The Department shall
25 implement a program to certify applicants for credits under
26 this Section. Upon satisfactory review, the Department shall

1 issue a tax credit certificate stating the amount of the tax
2 credit to which the applicant is entitled. The Department, in
3 consultation with the Department of Revenue, shall adopt rules
4 to administer this Section.

5 (f) This Section is exempt from the provisions of Section
6 250.

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