

1 AN ACT concerning taxes, which may be referred to as the
2 Retirement Community Economic Development Incentive Act.

3 WHEREAS, Over \$1,000,000,000 annually is transferred out
4 of Illinois by retirees to Southern-tier states; and

5 WHEREAS, Illinois is second only to New York in net loss
6 of people migrating to other states, averaging a net loss in
7 excess of 20,000 people per year; and

8 WHEREAS, It takes 3.7 factory jobs to equal the economic
9 impact of one active adult retirement household; and

10 WHEREAS, Retirees have money, spend it, and don't burden
11 municipal services; and

12 WHEREAS, Active adult retirement communities are a magnet
13 for new business development; and

14 WHEREAS, Retaining retirees in Illinois means more
15 business, and more business means more jobs and more tax
16 dollars; and

17 WHEREAS, A typical active adult retiree household will
18 spend in excess of \$2,000 per year in sales tax, income tax,
19 car registration fees, highway tolls, and, in some instances,
20 business license fees; property taxes are another major
21 expenditure; in addition to that, taxes will be paid by the
22 people newly employed; and

23 WHEREAS, Active adult planned unit development
24 communities' restrictions prohibit full-time residency by
25 anyone under age 19; and

26 WHEREAS, To level the playing field between Illinois and
27 the Southern-tier states, this legislation proposes a
28 refundable tax credit; the credit would apply only to those
29 living in active adult planned unit development communities
30 and would be equal to 50% of the amount the property owner in

1 an active adult community is paying to the schools through
2 property taxes;

3 WHEREAS, The tax credit proposed by this legislation
4 would have the following benefits:

5 (1) Schools will not be penalized because they will
6 get the amount of their levy anyway;

7 (2) The State is not mortgaging new income flows,
8 but is providing the credit out of funds it already has
9 and will continue to receive; and

10 (3) Illinois money stays in Illinois; therefore

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

13 Section 5. The Illinois Income Tax Act is amended by
14 adding Section 208.2 as follows:

15 (35 ILCS 5/208.2 new)

16 Sec. 208.2. Retirement Community Economic Development
17 Incentive Credit.

18 (a) Beginning with taxable years ending on or after
19 December 31, 2003, every individual taxpayer who owns
20 property in an active adult planned unit development
21 community is entitled to a credit against the tax imposed by
22 subsections (a) and (b) of Section 201 in an amount equal to
23 50% of the real property taxes extended on behalf of the
24 school district and paid by the taxpayer during the taxable
25 year on the principal residence of the taxpayer.

26 (b) If a credit allowed under this Section exceeds the
27 tax liability of the taxpayer, the taxpayer shall receive a
28 refund for the amount of the excess.

29 (c) The Department shall adopt rules defining "active
30 adult planned unit development community".

31 (d) This Section is exempt from the provisions of

1 Section 250.

2 Section 99. Effective date. This Act takes effect upon

3 becoming law.