

**SB0062**



**104TH GENERAL ASSEMBLY**

**State of Illinois**

**2025 and 2026**

**SB0062**

Introduced 1/13/2025, by Sen. Robert Peters

**SYNOPSIS AS INTRODUCED:**

New Act

35 ILCS 5/246 new

215 ILCS 5/409

215 ILCS 5/444

from Ch. 73, par. 1021

from Ch. 73, par. 1056

Creates the Build Illinois Homes Tax Credit Act. Provides that owners of qualified low-income housing developments are eligible for credits against the taxes imposed by the Illinois Income Tax Act or taxes, penalties, fees, charges, and payments imposed by the Illinois Insurance Code. Amends the Illinois Income Tax Act and the Illinois Insurance Code to make conforming changes. Effective immediately.

LRB104 03041 HLH 13059 b

**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 1. Short title. This Act may be cited as the Build  
5 Illinois Homes Tax Credit Act.

6 Section 5. Definitions. As used in this Act, unless the  
7 context clearly requires otherwise:

8 "Allocation schedule certification" means a certification  
9 issued by the owner of a qualified development, or by the  
10 owner's designee, under subsection (d) of Section 15 of this  
11 Act. The certification shall include the following:

12 (1) the building identification number for each  
13 building included in the qualified development;

14 (2) the calendar year in which the last building of  
15 the qualified development was placed in service;

16 (3) the amount of the credit allowed for each year of  
17 the credit period;

18 (4) the amount of credit allocated to each qualified  
19 taxpayer for the qualified development for the applicable  
20 tax year; and

21 (5) confirmation of whether each qualified taxpayer  
22 elects to apply the credit to income tax or insurance  
23 premium tax.

1 "Authority" means:

2 (1) the Illinois Housing Development Authority; or

3 (2) the City of Chicago Department of Housing.

4 "Building identification number" means the number assigned  
5 to a building within the qualified development by an Authority  
6 when allocating the federal tax credit.

7 "Credit" means the credit allowed under this Act.

8 "Credit period" means a period of 6 taxable years  
9 beginning with the taxable year in which a qualified  
10 development is placed in service. No credit period may include  
11 a taxable year beginning prior to January 1, 2026. If a  
12 qualified development consists of more than one building, then  
13 the qualified development is deemed to be placed in service in  
14 the taxable year in which the last building of the qualified  
15 development is placed in service.

16 "Department" means the Department of Revenue.

17 "Federal tax credit" means the federal low-income housing  
18 tax credit provided by Section 42 of the federal Internal  
19 Revenue Code, including federal low-income housing tax credits  
20 issued under 26 U.S.C. 42(h) (3) and 26 U.S.C. 42(h) (4).

21 "Qualified basis" means the qualified basis of the  
22 qualified development as determined under Section 42 of the  
23 federal Internal Revenue Code of 1986.

24 "Qualified development" means a qualified low-income  
25 housing project, as that term is defined in Section 42 of the  
26 federal Internal Revenue Code of 1986, that is located in the

1 State and is determined to be eligible for the federal tax  
2 credit set forth in Section 42 of the Internal Revenue Code.

3 "Qualified taxpayer" means an individual, person, firm,  
4 corporation, or other entity that owns a direct or indirect  
5 interest in a qualified development and that is subject to the  
6 taxes imposed by subsections (a) and (b) of Section 201 of the  
7 Illinois Income Tax Act or any privilege tax or retaliatory  
8 tax, penalty, fee, charge, or payment imposed by the Illinois  
9 Insurance Code.

10 "Reservation letter" means a reservation letter issued by  
11 the Illinois Housing Development Authority or a reservation  
12 agreement issued by the City of Chicago Department of Housing.

13 "State credit eligibility statement" means a statement  
14 issued by an Authority under Section 10 or documents submitted  
15 in satisfaction of a statement as allowed under Section 10.

16 "State tax return" means the income tax return filed with  
17 the Department or the privilege and retaliatory tax return  
18 filed with the Department of Insurance, as applicable.

19 Section 10. State credit eligibility statements. Following  
20 construction or rehabilitation of the qualified development,  
21 the applicable Authority shall issue a State credit  
22 eligibility statement with respect to each building located in  
23 the qualified development certifying that the building  
24 qualifies for the credit under this Act and specifying:

25 (1) the calendar year in which the last building of

- 1 the qualified development was placed in service;
- 2 (2) the amount of the credit allowed for each year of
- 3 the credit period;
- 4 (3) the maximum qualified basis of the qualified
- 5 development taken into account in determining such annual
- 6 credit amount;
- 7 (4) a building identification number; and
- 8 (5) that the qualified development is eligible for and
- 9 has applied to receive a federal tax credit.

10 The State credit eligibility statement shall be issued by

11 an Authority simultaneously with IRS Form 8609. For taxable

12 years beginning on or after January 1, 2026 and beginning

13 before January 1, 2027, an Authority may issue, and the

14 Department and Department of Insurance may accept, an IRS Form

15 8609, including any additional statements attached to the IRS

16 Form 8609, and the reservation letter issued by the Authority

17 for the qualified development as the State credit eligibility

18 statement in satisfaction of both federal requirements and the

19 requirements set forth in this Section.

20 The State credit eligibility statement shall include a

21 section to be completed by the owner of the qualified

22 development annually for each year of the credit period

23 certifying that the qualified development conforms with all

24 compliance requirements, including all federal compliance

25 requirements for the federal tax credit. The State credit

26 eligibility statement shall be filed with the project owner's

1 State tax return annually for each year of the credit period.

2 Section 15. Credit for low-income housing developments.

3 (a) An Authority shall administer the credit in accordance  
4 with the federal tax credit and shall award the credit  
5 simultaneously with the award of the federal tax credit.

6 (a-5) For taxable years beginning on or after January 1,  
7 2026 and beginning before January 1, 2031, an Authority may  
8 award a credit to the owner of a qualified development  
9 simultaneous with the federal tax credit in an amount  
10 determined by an Authority, subject to the following  
11 guidelines:

12 (1) an Authority must find that the credit is  
13 necessary for the financial feasibility of the qualified  
14 development;

15 (2) the aggregate amount of credits awarded to  
16 qualified developments for each calendar year shall not  
17 exceed \$20,000,000, plus the amount of unallocated  
18 credits, if any, from the preceding calendar year, plus  
19 the amount of any credit recaptured or otherwise returned  
20 to an Authority since the preceding calendar year;

21 (3) of the \$20,000,000 annual allocation:

22 (A) 75.5% of the available credits for each  
23 calendar year shall be awarded by the Illinois Housing  
24 Development Authority, plus any credits the Illinois  
25 Housing Development Authority did not award from prior

1 calendar years, plus the amount of any credits  
2 recaptured or otherwise returned to the Illinois  
3 Housing Development Authority from prior calendar  
4 years; and

5 (B) 24.5% of the available credits in each  
6 calendar year shall be awarded by the City of Chicago  
7 Department of Housing, plus any credits the City of  
8 Chicago Department of Housing did not award from prior  
9 calendar years, plus the amount of any credits  
10 recaptured or otherwise returned to the City of  
11 Chicago Department of Housing since the prior calendar  
12 year; and

13 (4) unless otherwise provided in this Act, or unless  
14 the context clearly requires otherwise, an Authority must  
15 determine eligibility for credits and award credits in  
16 accordance with the standards and requirements set forth  
17 in Section 42 of the federal Internal Revenue Code of 1986  
18 and, to the extent possible, use the same forms that are  
19 used in administering the credit under Section 42 of the  
20 federal Internal Revenue Code of 1986.

21 (b) For tax years during the credit period, any qualified  
22 taxpayer is allowed a credit, as provided in this Act, against  
23 either of the following: (i) the taxes imposed by subsections  
24 (a) and (b) of Section 201 of the Illinois Income Tax Act; or  
25 (ii) any privilege tax or retaliatory tax, penalty, fee,  
26 charge, or payment imposed under the Illinois Insurance Code

1 as provided in subsection (e-5).

2 (b-5) The amount of credit awarded pursuant to a  
3 reservation letter shall be claimable in each year of the  
4 credit period.

5 (c) A qualified taxpayer may claim a credit under this Act  
6 so long as the taxpayer's direct or indirect interest in the  
7 qualified development is acquired prior to the filing of its  
8 tax return claiming the credit. On or before March 31  
9 following each year of the credit period, the owner must  
10 submit to the Department, the Department of Insurance, and the  
11 applicable Authority an allocation schedule certification, in  
12 an electronic format prescribed by the Department, the  
13 Department of Insurance, and the Authority, respectively,  
14 detailing the amount of the credit allocated to the qualified  
15 taxpayer for the applicable year and stating whether the  
16 qualified taxpayer has elected to claim the credit against the  
17 taxpayer's State income tax or insurance privilege tax or  
18 retaliatory tax liability. The taxpayer may assign to a  
19 designee the duty of preparing and submitting the allocation  
20 schedule certification. In that case, the designee must  
21 provide the allocation schedule certification to the  
22 Department, the Department of Insurance, and the applicable  
23 Authority on or before the deadline for submission. The  
24 qualified taxpayer must notify the Department, the Department  
25 of Insurance, and the applicable Authority if it assigns that  
26 duty to its designee.

1           The allocation schedule certification submitted under this  
2 Section may be amended if the State credit eligibility  
3 statement for a project is received after the deadline for  
4 filing the allocation schedule certification or if all credits  
5 have not been awarded by the deadline for filing the  
6 allocation schedule certification. Any amendment to an  
7 allocation schedule certification shall be filed before the  
8 taxpayer attempts to claim tax credits associated with the  
9 applicable State credit eligibility statement. Each qualified  
10 taxpayer is allowed to claim its awarded amount of credit  
11 subject to any restrictions set forth in this Section. If the  
12 credit is to be taken against the income tax and the qualified  
13 taxpayer is a pass-through entity, then the provisions of  
14 Section 251 of the Illinois Income Tax Act apply.

15           (d) No credit may be awarded under this Act unless the  
16 qualified development is the subject of a recorded restrictive  
17 covenant requiring the development to be maintained and  
18 operated as a qualified development; this requirement for a  
19 recorded restrictive covenant may be satisfied by the  
20 agreement for an extended low-income housing commitment  
21 required for the federal tax credits as defined in Section  
22 42(h)(6)(B) of the federal Internal Revenue Code of 1986.

23           (e) If, during a taxable year, there is a determination  
24 that no recorded restrictive covenant meeting the requirements  
25 of subsection (d) was in effect as of the beginning of that  
26 year, the determination shall not apply to any period before

1 that year and subsection (e) shall be applied without regard  
2 to that determination if the failure is corrected within one  
3 year after the date of the determination.

4 (e-5) For tax years ending during the credit period, any  
5 qualified taxpayer is allowed a credit as provided in this Act  
6 against the taxes imposed by subsections (a) and (b) of  
7 Section 201 of the Illinois Income Tax Act, unless the  
8 qualified taxpayer elects to claim the credit against any  
9 privilege tax or retaliatory tax, penalty, fee, charge, or  
10 payment imposed under the Illinois Insurance Code. Those  
11 elections shall be submitted by the owner of the qualified  
12 development in the annual allocation schedule certification as  
13 provided in subsection (c) of this Section.

14 (f) The tax credit under this Act may not reduce the  
15 taxpayer's liability to less than zero. If the amount of the  
16 tax credit exceeds the tax liability for the year, the excess  
17 may be carried forward and applied to the tax liability of the  
18 5 taxable years following the excess credit year. The credit  
19 must be applied to the earliest year for which there is a tax  
20 liability. If there are credits from more than one tax year  
21 that are available to offset a liability, then the earlier  
22 credit must be applied first. Credits that are initially  
23 claimed against taxes imposed by the Illinois Income Tax Act  
24 may be carried forward only against the taxpayer's future  
25 Illinois Income Tax liability. Credits that are initially  
26 claimed against taxes, penalties, fees, charges, and payments

1 imposed by the Illinois Insurance Code may be carried forward  
2 only against taxes, penalties, fees, charges, and payments  
3 imposed by the Illinois Insurance Code. Credits that are not  
4 claimed or carried forward may not be refunded to the  
5 taxpayer. The qualified taxpayer is solely responsible for  
6 correctly filing tax returns, and an Authority is not  
7 responsible for monitoring the calculation of taxes under this  
8 Section.

9 (g) By March 31, 2026 and by March 31 of each year  
10 thereafter, each Authority shall provide to the Department and  
11 the Department of Insurance an electronic file containing all  
12 data related to all State credit eligibility statements issued  
13 during the preceding year in the manner and form as provided by  
14 each respective Department.

15 (h) Each Authority is entitled to a reservation fee of 1%  
16 of the credit awarded under this Section for each year of the  
17 award to support the cost of compliance monitoring. An  
18 Authority may exercise the option to impose a compliance fee  
19 or a penalty in the exercise of its compliance monitoring  
20 function under this Act.

21 Section 20. Recapture. If, under Section 42 of the  
22 Internal Revenue Code, a portion of any federal tax credit  
23 claimed with respect to a qualified development for which a  
24 credit has been awarded under this Act is required by a final  
25 determination by the Internal Revenue Service or a court of

1 law with competent jurisdiction to be recaptured during the  
2 first 6 years after a project is placed in service, then,  
3 within 60 days after becoming aware of the federal tax credit  
4 recapture, unless the taxpayer successfully disputes the  
5 recapture, the project owner shall provide the Department, the  
6 Department of Insurance, and the applicable Authority with  
7 notice of the federal tax credit recapture. Notice shall be  
8 provided in the manner and form as provided by the Department,  
9 the Department of Insurance, and the Authority, respectively.  
10 If an Authority issues a federal Form 8823 to the owner of a  
11 qualified development that has been awarded a credit under  
12 this Act, and an Authority has not been notified within 6  
13 months of filing the Form 8823 that the noncompliance has been  
14 remedied, an Authority shall submit the Form 8823 to the  
15 Department or Department of Insurance, as applicable. The  
16 amount of credit subject to recapture shall be proportionately  
17 equal to the amount of the qualified development's federal tax  
18 credits that are subject to recapture. If the project owner  
19 (or one of the project owner's direct or indirect members)  
20 fails to notify the Department or the Department of Insurance,  
21 as applicable, of any final determination of recapture of the  
22 federal tax credit, then the entire amount of the State tax  
23 credit awarded for the qualified development may be subject to  
24 recapture. The qualified taxpayer subject to recapture shall  
25 increase the qualified taxpayer's tax by the amount of any  
26 credit subject to recapture in the tax year the qualified

1 taxpayer is notified of the recapture. If multiple taxpayers  
2 claimed credit with respect to the building for which credit  
3 is to be recaptured, each of those taxpayers shall be liable  
4 for a portion of the recapture equal to the percentages of  
5 credit with respect to the building originally claimed by the  
6 taxpayer.

7 Section 25. Filing requirements. An owner of a qualified  
8 development that has been awarded a credit and each qualified  
9 taxpayer claiming any portion of the credit must file with  
10 their State tax returns a copy of the State credit eligibility  
11 statement issued by an Authority for that qualified  
12 development. In addition, the owner of a qualified development  
13 or its designee shall file a copy of the allocation schedule  
14 certification and reservation letter prior to any tax return  
15 being filed claiming a State credit for such qualified  
16 development. A qualified taxpayer receiving any allocated  
17 portion of a credit through a pass-through entity shall attach  
18 to its State tax return a copy of the Schedule K-1-P for that  
19 taxable year.

20 Section 30. Compliance monitoring. An Authority, in  
21 consultation with the Department and Department of Insurance,  
22 shall monitor and oversee compliance with the provisions of  
23 this Act and shall report specific occurrences of  
24 noncompliance to the Department and the Department of

1 Insurance in the manner and form as provided by the Department  
2 and the Department of Insurance. An Authority shall make every  
3 effort to monitor and report noncompliance using the same  
4 procedures used for compliance monitoring of the federal tax  
5 credits.

6 Section 35. Report to the General Assembly.

7 (a) Each Authority must, by March 31, 2027 and by March 31  
8 of each year thereafter, provide a written report to the  
9 General Assembly and must publish that report on its website.

10 (b) The report shall:

11 (1) set forth the number of qualified developments  
12 that have been awarded tax credits under this Act during  
13 the calendar year and the total number of units supported  
14 by each qualified development;

15 (2) describe each qualified development that has been  
16 awarded tax credits under this Act, including, without  
17 limitation, the geographic location of the qualified  
18 development, the household type, the income levels  
19 intended to be served by the qualified development, and  
20 the rents or set-asides authorized for each qualified  
21 development;

22 (3) provide housing market information that  
23 demonstrates how the qualified developments supported by  
24 the tax credits are addressing the need for affordable  
25 housing within the communities they are intended to serve

1 as well as information about any remaining disparities in  
2 the affordability of housing within those communities; and

3 (4) provide information about the percentage of  
4 qualified developments that were awarded credits and that  
5 received incentive scoring points as a result of the  
6 general contractor, property manager, architect, or  
7 sponsor being certified under the Business Enterprise  
8 Program for Minorities, Females, and Persons with a  
9 Disability.

10 Section 900. The Illinois Income Tax Act is amended by  
11 adding Section 246 as follows:

12 (35 ILCS 5/246 new)

13 Sec. 246. Build Illinois Homes Tax Credit Act.

14 (a) For taxable years beginning on or after January 1,  
15 2026 and until the expiration of the program under the Build  
16 Illinois Homes Tax Credit Act, any eligible taxpayer with  
17 respect to a credit awarded in accordance with the Build  
18 Illinois Homes Tax Credit Act that is named on an allocation  
19 schedule certification for a particular tax year is entitled  
20 to a credit against the taxes imposed by subsections (a) and  
21 (b) of Section 201 as provided in the Build Illinois Homes Tax  
22 Credit Act.

23 (b) The taxpayer shall attach a copy of the allocation  
24 schedule certification and the State credit eligibility

1 certificate issued under the Build Illinois Homes Tax Credit  
2 Act to the tax return on which the credits are to be claimed.

3 (c) If, during any taxable year, a taxpayer is notified of  
4 a final determination that a credit previously claimed on a  
5 State income tax return in accordance with 26 U.S.C. 42 has  
6 been recaptured, the tax imposed under subsections (a) and (b)  
7 of Section 201 for that taxpayer for that taxable year shall be  
8 increased. The amount of the increase shall be determined by  
9 (i) recomputing the Build Illinois Homes Tax Credit that would  
10 have been allowed for the year in which the credit was  
11 originally allowed by eliminating the recaptured amount from  
12 such computation and (ii) subtracting that recomputed credit  
13 from the amount of credit previously allowed. No Build  
14 Illinois Homes Tax Credit shall be allowed with respect to any  
15 credit subject to a final determination of recapture for any  
16 taxable year ending after the issuance of a recapture notice.

17 Section 905. The Illinois Insurance Code is amended by  
18 changing Sections 409 and 444 as follows:

19 (215 ILCS 5/409) (from Ch. 73, par. 1021)

20 Sec. 409. Annual privilege tax payable by companies.

21 (1) As of January 1, 1999 for all health maintenance  
22 organization premiums written; as of July 1, 1998 for all  
23 premiums written as accident and health business, voluntary  
24 health service plan business, dental service plan business, or

1 limited health service organization business; and as of  
2 January 1, 1998 for all other types of insurance premiums  
3 written, every company doing any form of insurance business in  
4 this State, including, but not limited to, every risk  
5 retention group, and excluding all fraternal benefit  
6 societies, all farm mutual companies, all religious charitable  
7 risk pooling trusts, and excluding all statutory residual  
8 market and special purpose entities in which companies are  
9 statutorily required to participate, whether incorporated or  
10 otherwise, shall pay, for the privilege of doing business in  
11 this State, to the Director for the State treasury a State tax  
12 equal to 0.5% of the net taxable premium written, together  
13 with any amounts due under Section 444 of this Code, except  
14 that the tax to be paid on any premium derived from any  
15 accident and health insurance or on any insurance business  
16 written by any company operating as a health maintenance  
17 organization, voluntary health service plan, dental service  
18 plan, or limited health service organization shall be equal to  
19 0.4% of such net taxable premium written, together with any  
20 amounts due under Section 444. Upon the failure of any company  
21 to pay any such tax due, the Director may, by order, revoke or  
22 suspend the company's certificate of authority after giving 20  
23 days written notice to the company, or commence proceedings  
24 for the suspension of business in this State under the  
25 procedures set forth by Section 401.1 of this Code. The gross  
26 taxable premium written shall be the gross amount of premiums

1 received on direct business during the calendar year on  
2 contracts covering risks in this State, except premiums on  
3 annuities, premiums on which State premium taxes are  
4 prohibited by federal law, premiums paid by the State for  
5 health care coverage for Medicaid eligible insureds as  
6 described in Section 5-2 of the Illinois Public Aid Code,  
7 premiums paid for health care services included as an element  
8 of tuition charges at any university or college owned and  
9 operated by the State of Illinois, premiums on group insurance  
10 contracts under the State Employees Group Insurance Act of  
11 1971, and except premiums for deferred compensation plans for  
12 employees of the State, units of local government, or school  
13 districts. The net taxable premium shall be the gross taxable  
14 premium written reduced only by the following:

15 (a) the amount of premiums returned thereon which  
16 shall be limited to premiums returned during the same  
17 preceding calendar year and shall not include the return  
18 of cash surrender values or death benefits on life  
19 policies including annuities;

20 (b) dividends on such direct business that have been  
21 paid in cash, applied in reduction of premiums or left to  
22 accumulate to the credit of policyholders or annuitants.  
23 In the case of life insurance, no deduction shall be made  
24 for the payment of deferred dividends paid in cash to  
25 policyholders on maturing policies; dividends left to  
26 accumulate to the credit of policyholders or annuitants

1           shall be included as gross taxable premium written when  
2           such dividend accumulations are applied to purchase  
3           paid-up insurance or to shorten the endowment or premium  
4           paying period.

5           (2) The annual privilege tax payment due from a company  
6           under subsection (4) of this Section may be reduced by: (a) the  
7           excess amount, if any, by which the aggregate income taxes  
8           paid by the company, on a cash basis, for the preceding  
9           calendar year under Sections 601 and 803 of the Illinois  
10          Income Tax Act exceed 1.5% of the company's net taxable  
11          premium written for that prior calendar year, as determined  
12          under subsection (1) of this Section; and (b) the amount of any  
13          fire department taxes paid by the company during the preceding  
14          calendar year under Section 11-10-1 of the Illinois Municipal  
15          Code. Any deductible amount or offset allowed under items (a)  
16          and (b) of this subsection for any calendar year will not be  
17          allowed as a deduction or offset against the company's  
18          privilege tax liability for any other taxing period or  
19          calendar year.

20          (3) If a company survives or was formed by a merger,  
21          consolidation, reorganization, or reincorporation, the  
22          premiums received and amounts returned or paid by all  
23          companies party to the merger, consolidation, reorganization,  
24          or reincorporation shall, for purposes of determining the  
25          amount of the tax imposed by this Section, be regarded as  
26          received, returned, or paid by the surviving or new company.

1           (4) (a) All companies subject to the provisions of this  
2 Section shall make an annual return for the preceding calendar  
3 year on or before March 15 setting forth such information on  
4 such forms as the Director may reasonably require. Payments of  
5 quarterly installments of the taxpayer's total estimated tax  
6 for the current calendar year shall be due on or before April  
7 15, June 15, September 15, and December 15 of such year, except  
8 that all companies transacting insurance in this State whose  
9 annual tax for the immediately preceding calendar year was  
10 less than \$5,000 shall make only an annual return. Failure of a  
11 company to make the annual payment, or to make the quarterly  
12 payments, if required, of at least 25% of either (i) the total  
13 tax paid during the previous calendar year or (ii) 80% of the  
14 actual tax for the current calendar year shall subject it to  
15 the penalty provisions set forth in Section 412 of this Code.

16           (b) Notwithstanding the foregoing provisions, no annual  
17 return shall be required or made on March 15, 1998, under this  
18 subsection. For the calendar year 1998:

19                 (i) each health maintenance organization shall have no  
20 estimated tax installments;

21                 (ii) all companies subject to the tax as of July 1,  
22 1998 as set forth in subsection (1) shall have estimated  
23 tax installments due on September 15 and December 15 of  
24 1998 which installments shall each amount to no less than  
25 one-half of 80% of the actual tax on its net taxable  
26 premium written during the period July 1, 1998, through

1 December 31, 1998; and

2 (iii) all other companies shall have estimated tax  
3 installments due on June 15, September 15, and December 15  
4 of 1998 which installments shall each amount to no less  
5 than one-third of 80% of the actual tax on its net taxable  
6 premium written during the calendar year 1998.

7 In the year 1999 and thereafter all companies shall make  
8 annual and quarterly installments of their estimated tax as  
9 provided by paragraph (a) of this subsection.

10 (5) In addition to the authority specifically granted  
11 under Article XXV of this Code, the Director shall have such  
12 authority to adopt rules and establish forms as may be  
13 reasonably necessary for purposes of determining the  
14 allocation of Illinois corporate income taxes paid under  
15 subsections (a) through (d) of Section 201 of the Illinois  
16 Income Tax Act amongst members of a business group that files  
17 an Illinois corporate income tax return on a unitary basis,  
18 for purposes of regulating the amendment of tax returns, for  
19 purposes of defining terms, and for purposes of enforcing the  
20 provisions of Article XXV of this Code. The Director shall  
21 also have authority to defer, waive, or abate the tax imposed  
22 by this Section if in his opinion the company's solvency and  
23 ability to meet its insured obligations would be immediately  
24 threatened by payment of the tax due.

25 (6) This Section is subject to the provisions of Section  
26 10 of the New Markets Development Program Act.

1           (7) This Section is subject to the provisions of the Build  
2 Illinois Homes Tax Credit Act.

3           (Source: P.A. 97-813, eff. 7-13-12; 98-1169, eff. 1-9-15.)

4           (215 ILCS 5/444) (from Ch. 73, par. 1056)

5           Sec. 444. Retaliation.

6           (1) Whenever the existing or future laws of any other  
7 state or country shall require of companies incorporated or  
8 organized under the laws of this State as a condition  
9 precedent to their doing business in such other state or  
10 country, compliance with laws, rules, regulations, and  
11 prohibitions more onerous or burdensome than the rules and  
12 regulations imposed by this State on foreign or alien  
13 companies, or shall require any deposit of securities or other  
14 obligations in such state or country, for the protection of  
15 policyholders or otherwise or require of such companies or  
16 agents thereof or brokers the payment of penalties, fees,  
17 charges, or taxes greater than the penalties, fees, charges,  
18 or taxes required in the aggregate for like purposes by this  
19 Code or any other law of this State, of foreign or alien  
20 companies, agents thereof or brokers, then such laws, rules,  
21 regulations, and prohibitions of said other state or country  
22 shall apply to companies incorporated or organized under the  
23 laws of such state or country doing business in this State, and  
24 all such companies, agents thereof, or brokers doing business  
25 in this State, shall be required to make deposits, pay

1 penalties, fees, charges, and taxes, in amounts equal to those  
2 required in the aggregate for like purposes of Illinois  
3 companies doing business in such state or country, agents  
4 thereof or brokers. Whenever any other state or country shall  
5 refuse to permit any insurance company incorporated or  
6 organized under the laws of this State to transact business  
7 according to its usual plan in such other state or country, the  
8 director may, if satisfied that such company of this State is  
9 solvent, properly managed, and can operate legally under the  
10 laws of such other state or country, forthwith suspend or  
11 cancel the license of every insurance company doing business  
12 in this State which is incorporated or organized under the  
13 laws of such other state or country to the extent that it  
14 insures in this State against any of the risks or hazards which  
15 are sought to be insured against by the company of this State  
16 in such other state or country.

17 (2) The provisions of this Section shall not apply to  
18 residual market or special purpose assessments or guaranty  
19 fund or guaranty association assessments, both under the laws  
20 of this State and under the laws of any other state or country,  
21 and any tax offset or credit for any such assessment shall, for  
22 purposes of this Section, be treated as a tax paid both under  
23 the laws of this State and under the laws of any other state or  
24 country.

25 (3) The terms "penalties", "fees", "charges", and "taxes"  
26 in subsection (1) of this Section shall include: the

1 penalties, fees, charges, and taxes collected on a cash basis  
2 under State law and referenced within Article XXV exclusive of  
3 any items referenced by subsection (2) of this Section, but  
4 including any tax offset allowed under Section 531.13 of this  
5 Code; the aggregate Illinois corporate income taxes paid under  
6 Sections 601 and 803 of the Illinois Income Tax Act during the  
7 calendar year for which the retaliatory tax calculation is  
8 being made, less the recapture of any Illinois corporate  
9 income tax cash refunds to the extent that the amount of tax  
10 refunded was reported as part of the Illinois basis in the  
11 calculation of the retaliatory tax for a prior tax year,  
12 provided that such recaptured refund shall not exceed the  
13 amount necessary for equivalence of the Illinois basis with  
14 the state of incorporation basis in such tax year, and after  
15 any tax offset allowed under Section 531.13 of this Code;  
16 income or personal property taxes imposed by other states or  
17 countries; penalties, fees, charges, and taxes of other states  
18 or countries imposed for purposes like those of the penalties,  
19 fees, charges, and taxes specified in Article XXV of this Code  
20 exclusive of any item referenced in subsection (2) of this  
21 Section; and any penalties, fees, charges, and taxes required  
22 as a franchise, privilege, or licensing tax for conducting the  
23 business of insurance whether calculated as a percentage of  
24 income, gross receipts, premium, or otherwise.

25 (4) Nothing contained in this Section or Section 409 or  
26 Section 444.1 is intended to authorize or expand any power of

1 local governmental units or municipalities to impose taxes,  
2 fees, or charges.

3 (5) This Section is subject to the provisions of Section  
4 10 of the New Markets Development Program Act.

5 (6) This Section is subject to the provisions of the Build  
6 Illinois Homes Tax Credit Act.

7 (Source: P.A. 98-1169, eff. 1-9-15.)

8 Section 999. Effective date. This Act takes effect upon  
9 becoming law.