

HB5778



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5778

by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

35 ILCS 5/217

Amends the Illinois Income Tax Act. Provides that the credit for wages paid to qualified veterans also extends to wages paid to a qualified veteran's spouse. Effective immediately.

LRB100 17769 HLH 32947 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 5. The Illinois Income Tax Act is amended by
5 changing Section 217 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans and
8 spouses of qualified veterans.

9 (a) For each taxable year beginning on or after January 1,
10 2007 and ending on or before December 30, 2010, each taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 of this Act in an amount equal to 5%,
13 but in no event to exceed \$600, of the gross wages paid by the
14 taxpayer to a qualified veteran in the course of that veteran's
15 sustained employment during the taxable year. For each taxable
16 year beginning on or after January 1, 2010, each taxpayer is
17 entitled to a credit against the tax imposed by subsections (a)
18 and (b) of Section 201 of this Act in an amount equal to 10%,
19 but in no event to exceed \$1,200, of the gross wages paid by
20 the taxpayer to a qualified veteran or the spouse of a
21 qualified veteran in the course of that veteran's or spouse's
22 sustained employment during the taxable year. For partners,
23 shareholders of Subchapter S corporations, and owners of

1 limited liability companies, if the liability company is
2 treated as a partnership for purposes of federal and State
3 income taxation, there shall be allowed a credit under this
4 Section to be determined in accordance with the determination
5 of income and distributive share of income under Sections 702
6 and 704 and Subchapter S of the Internal Revenue Code.

7 (b) For purposes of this Section:

8 "Qualified veteran" means an Illinois resident who: (i) was
9 a member of the Armed Forces of the United States, a member of
10 the Illinois National Guard, or a member of any reserve
11 component of the Armed Forces of the United States; (ii) served
12 on active duty in connection with Operation Desert Storm,
13 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)
14 has provided, to the taxpayer, documentation showing that he or
15 she was honorably discharged; and (iv) was initially hired by
16 the taxpayer on or after January 1, 2007.

17 "Sustained employment" means a period of employment that is
18 not less than 185 days during the taxable year.

19 (c) In no event shall a credit under this Section reduce
20 the taxpayer's liability to less than zero. If the amount of
21 the credit exceeds the tax liability for the year, the excess
22 may be carried forward and applied to the tax liability of the
23 5 taxable years following the excess credit year. The tax
24 credit shall be applied to the earliest year for which there is
25 a tax liability. If there are credits for more than one year
26 that are available to offset a liability, the earlier credit

1 shall be applied first.

2 (d) A taxpayer who claims a credit under this Section for a
3 taxable year with respect to a veteran shall not be allowed a
4 credit under Section 217.1 of this Act with respect to the same
5 veteran for that taxable year.

6 (Source: P.A. 96-101, eff. 1-1-10; 97-767, eff. 7-9-12.)

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