

SB1702



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1702

Introduced 2/9/2017, by Sen. Terry Link

SYNOPSIS AS INTRODUCED:

35 ILCS 5/223

Amends the Illinois Income Tax Act. Provides that the hospital credit applies for tax years ending on or after December 31, 2012 and ending on or before December 31, 2022 (currently, the credit sunsets on December 31, 2017 by operation of the Act's automatic sunset provision). Effective immediately.

LRB100 09151 HLH 21589 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
5 changing Section 223 as follows:

6 (35 ILCS 5/223)

7 Sec. 223. Hospital credit.

8 (a) For tax years ending on or after December 31, 2012 and
9 ending on or before December 31, 2022, a taxpayer that is the
10 owner of a hospital licensed under the Hospital Licensing Act,
11 but not including an organization that is exempt from federal
12 income taxes under the Internal Revenue Code, is entitled to a
13 credit against the taxes imposed under subsections (a) and (b)
14 of Section 201 of this Act in an amount equal to the lesser of
15 the amount of real property taxes paid during the tax year on
16 real property used for hospital purposes during the prior tax
17 year or the cost of free or discounted services provided during
18 the tax year pursuant to the hospital's charitable financial
19 assistance policy, measured at cost.

20 (b) If the taxpayer is a partnership or Subchapter S
21 corporation, the credit is allowed to the partners or
22 shareholders in accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and

1 Subchapter S of the Internal Revenue Code. A transfer of this
2 credit may be made by the taxpayer earning the credit within
3 one year after the credit is earned in accordance with rules
4 adopted by the Department. The Department shall prescribe rules
5 to enforce and administer provisions of this Section. If the
6 amount of the credit exceeds the tax liability for the year,
7 then the excess credit may be carried forward and applied to
8 the tax liability of the 5 taxable years following the excess
9 credit year. The credit shall be applied to the earliest year
10 for which there is a tax liability. If there are credits from
11 more than one tax year that are available to offset a
12 liability, the earlier credit shall be applied first. In no
13 event shall a credit under this Section reduce the taxpayer's
14 liability to less than zero.

15 (Source: P.A. 97-688, eff. 6-14-12.)

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