

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 221 as follows:

6 (35 ILCS 5/221)

7 Sec. 221. Rehabilitation costs; qualified historic
8 properties; River Edge Redevelopment Zone.

9 (a) For taxable years beginning on or after January 1, 2012
10 and ending prior to January 1, 2022 ~~January 1, 2018~~, there
11 shall be allowed a tax credit against the tax imposed by
12 subsections (a) and (b) of Section 201 in an amount equal to
13 25% of qualified expenditures incurred by a qualified taxpayer
14 during the taxable year in the restoration and preservation of
15 a qualified historic structure located in a River Edge
16 Redevelopment Zone pursuant to a qualified rehabilitation
17 plan, provided that the total amount of such expenditures (i)
18 must equal \$5,000 or more and (ii) must exceed 50% of the
19 purchase price of the property.

20 (b) To obtain a tax credit pursuant to this Section, the
21 taxpayer must apply with the Department of Commerce and
22 Economic Opportunity. The Department of Commerce and Economic
23 Opportunity, in consultation with the Historic Preservation

1 Agency, shall determine the amount of eligible rehabilitation
2 costs and expenses. The Historic Preservation Agency shall
3 determine whether the rehabilitation is consistent with the
4 standards of the Secretary of the United States Department of
5 the Interior for rehabilitation. Upon completion and review of
6 the project, the Department of Commerce and Economic
7 Opportunity shall issue a certificate in the amount of the
8 eligible credits. At the time the certificate is issued, an
9 issuance fee up to the maximum amount of 2% of the amount of
10 the credits issued by the certificate may be collected from the
11 applicant to administer the provisions of this Section. If
12 collected, this issuance fee shall be deposited into the
13 Historic Property Administrative Fund, a special fund created
14 in the State treasury. Subject to appropriation, moneys in the
15 Historic Property Administrative Fund shall be evenly divided
16 between the Department of Commerce and Economic Opportunity and
17 the Historic Preservation Agency to reimburse the Department of
18 Commerce and Economic Opportunity and the Historic
19 Preservation Agency for the costs associated with
20 administering this Section. The taxpayer must attach the
21 certificate to the tax return on which the credits are to be
22 claimed. The Department of Commerce and Economic Opportunity
23 may adopt rules to implement this Section.

24 (c) The tax credit under this Section may not reduce the
25 taxpayer's liability to less than zero.

26 (d) As used in this Section, the following terms have the

1 following meanings.

2 "Qualified expenditure" means all the costs and expenses
3 defined as qualified rehabilitation expenditures under Section
4 47 of the federal Internal Revenue Code that were incurred in
5 connection with a qualified historic structure.

6 "Qualified historic structure" means a certified historic
7 structure as defined under Section 47 (c)(3) of the federal
8 Internal Revenue Code.

9 "Qualified rehabilitation plan" means a project that is
10 approved by the Historic Preservation Agency as being
11 consistent with the standards in effect on the effective date
12 of this amendatory Act of the 97th General Assembly for
13 rehabilitation as adopted by the federal Secretary of the
14 Interior.

15 "Qualified taxpayer" means the owner of the qualified
16 historic structure or any other person who qualifies for the
17 federal rehabilitation credit allowed by Section 47 of the
18 federal Internal Revenue Code with respect to that qualified
19 historic structure. Partners, shareholders of subchapter S
20 corporations, and owners of limited liability companies (if the
21 limited liability company is treated as a partnership for
22 purposes of federal and State income taxation) are entitled to
23 a credit under this Section to be determined in accordance with
24 the determination of income and distributive share of income
25 under Sections 702 and 703 and subchapter S of the Internal
26 Revenue Code, provided that credits granted to a partnership, a

1 limited liability company taxed as a partnership, or other
2 multiple owners of property shall be passed through to the
3 partners, members, or owners respectively on a pro rata basis
4 or pursuant to an executed agreement among the partners,
5 members, or owners documenting any alternate distribution
6 method.

7 (Source: P.A. 99-914, eff. 12-20-16.)

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