

HB2869



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2869

by Rep. Maurice A. West II

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

Amends the Illinois Income Tax Act. Provides that, for taxable years beginning on or after January 1, 2020, the earned income tax credit shall be 36% (currently, 18%) of the federal tax credit.

LRB101 07272 HLH 52311 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 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending prior to December 31, 2012, (ii)
15 7.5% of the federal tax credit for each taxable year beginning
16 on or after January 1, 2012 and ending prior to December 31,
17 2013, (iii) 10% of the federal tax credit for each taxable year
18 beginning on or after January 1, 2013 and beginning prior to
19 January 1, 2017, (iv) 14% of the federal tax credit for each
20 taxable year beginning on or after January 1, 2017 and
21 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal
22 tax credit for each taxable year beginning on or after January
23 1, 2018 and beginning prior to January 1, 2020, and (vi) 36% of

1 the federal tax credit for each taxable year beginning on or
2 after January 1, 2020.

3 For a non-resident or part-year resident, the amount of the
4 credit under this Section shall be in proportion to the amount
5 of income attributable to this State.

6 (b) For taxable years beginning before January 1, 2003, in
7 no event shall a credit under this Section reduce the
8 taxpayer's liability to less than zero. For each taxable year
9 beginning on or after January 1, 2003, if the amount of the
10 credit exceeds the income tax liability for the applicable tax
11 year, then the excess credit shall be refunded to the taxpayer.
12 The amount of a refund shall not be included in the taxpayer's
13 income or resources for the purposes of determining eligibility
14 or benefit level in any means-tested benefit program
15 administered by a governmental entity unless required by
16 federal law.

17 (c) This Section is exempt from the provisions of Section
18 250.

19 (Source: P.A. 100-22, eff. 7-6-17.)