

HB3050



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB3050

by Rep. Aaron M. Ortiz

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Provides that each taxpayer who owns rental property in the State is entitled to an income tax credit if the taxpayer (i) rents the property to a low-income household during the taxable year and (ii) charges rent to that household that is not more than 50% of the fair market rental value for the property. Effective immediately.

LRB101 08641 HLH 53725 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT 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 adding
5 Section 229 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. Affordable housing credit.

8 (a) For taxable years beginning on or after January 1,
9 2019, each taxpayer who owns rental property in the State is
10 entitled to a credit against the tax imposed by subsections (a)
11 and (b) of Section 201 if the taxpayer (i) rents the property
12 to a low-income household during the taxable year and (ii)
13 charges rent to that household that is not more than 50% of the
14 fair market rental value for the property. The amount of the
15 credit shall be 100% of the difference between the average rent
16 charged to the low-income household during the taxable year and
17 the fair market rental value for the property.

18 (b) For partners, shareholders of subchapter S
19 corporations, and owners of limited liability companies, if the
20 entity is treated as a partnership for purposes of federal and
21 State income taxation, the credit under this Section shall be
22 determined 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.

2 (c) The credit may not be carried back and may not reduce
3 the taxpayer's liability to less than zero. If the amount of
4 the credit exceeds the tax liability for the year, the excess
5 may be carried forward and applied to the tax liability of the
6 5 taxable years following the excess credit year. The tax
7 credit shall be applied to the earliest year for which there is
8 a tax liability. If there are credits for more than one year
9 that are available to offset the liability, the earlier credit
10 shall be applied first.

11 (d) As used in this Section, "low-income household" means a
12 household whose adjusted gross income for the taxable year is
13 less than 135% of the federal poverty level, as determined by
14 the most recent United States census.

15 (e) This Section is exempt from the provisions of Section
16 250.

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