



Sen. Toi W. Hutchinson

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1 AMENDMENT TO SENATE BILL 687

2 AMENDMENT NO. _____. Amend Senate Bill 687 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 changing Sections 201, 208, 502, and 901 and by adding Sections
6 201.1 and 229 as follows:

7 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

8 Sec. 201. Tax imposed.

9 (a) In general. A tax measured by net income is hereby
10 imposed on every individual, corporation, trust and estate for
11 each taxable year ending after July 31, 1969 on the privilege
12 of earning or receiving income in or as a resident of this
13 State. Such tax shall be in addition to all other occupation or
14 privilege taxes imposed by this State or by any municipal
15 corporation or political subdivision thereof.

16 (b) Rates. The tax imposed by subsection (a) of this

1 Section shall be determined as follows, except as adjusted by
2 subsection (d-1):

3 (1) In the case of an individual, trust or estate, for
4 taxable years ending prior to July 1, 1989, an amount equal
5 to 2 1/2% of the taxpayer's net income for the taxable
6 year.

7 (2) In the case of an individual, trust or estate, for
8 taxable years beginning prior to July 1, 1989 and ending
9 after June 30, 1989, an amount equal to the sum of (i) 2
10 1/2% of the taxpayer's net income for the period prior to
11 July 1, 1989, as calculated under Section 202.3, and (ii)
12 3% of the taxpayer's net income for the period after June
13 30, 1989, as calculated under Section 202.3.

14 (3) In the case of an individual, trust or estate, for
15 taxable years beginning after June 30, 1989, and ending
16 prior to January 1, 2011, an amount equal to 3% of the
17 taxpayer's net income for the taxable year.

18 (4) In the case of an individual, trust, or estate, for
19 taxable years beginning prior to January 1, 2011, and
20 ending after December 31, 2010, an amount equal to the sum
21 of (i) 3% of the taxpayer's net income for the period prior
22 to January 1, 2011, as calculated under Section 202.5, and
23 (ii) 5% of the taxpayer's net income for the period after
24 December 31, 2010, as calculated under Section 202.5.

25 (5) In the case of an individual, trust, or estate, for
26 taxable years beginning on or after January 1, 2011, and

1 ending prior to January 1, 2015, an amount equal to 5% of
2 the taxpayer's net income for the taxable year.

3 (5.1) In the case of an individual, trust, or estate,
4 for taxable years beginning prior to January 1, 2015, and
5 ending after December 31, 2014, an amount equal to the sum
6 of (i) 5% of the taxpayer's net income for the period prior
7 to January 1, 2015, as calculated under Section 202.5, and
8 (ii) 3.75% of the taxpayer's net income for the period
9 after December 31, 2014, as calculated under Section 202.5.

10 (5.2) In the case of an individual, trust, or estate,
11 for taxable years beginning on or after January 1, 2015,
12 and ending prior to July 1, 2017, an amount equal to 3.75%
13 of the taxpayer's net income for the taxable year.

14 (5.3) In the case of an individual, trust, or estate,
15 for taxable years beginning prior to July 1, 2017, and
16 ending after June 30, 2017, an amount equal to the sum of
17 (i) 3.75% of the taxpayer's net income for the period prior
18 to July 1, 2017, as calculated under Section 202.5, and
19 (ii) 4.95% of the taxpayer's net income for the period
20 after June 30, 2017, as calculated under Section 202.5.

21 (5.4) In the case of an individual, trust, or estate,
22 for taxable years beginning on or after July 1, 2017 and
23 beginning prior to January 1, 2021, an amount equal to
24 4.95% of the taxpayer's net income for the taxable year.

25 (5.5) In the case of an individual, trust, or estate,
26 for taxable years beginning on or after January 1, 2021, an

1 amount calculated under the rate structure set forth in
2 Section 201.1.

3 (6) In the case of a corporation, for taxable years
4 ending prior to July 1, 1989, an amount equal to 4% of the
5 taxpayer's net income for the taxable year.

6 (7) In the case of a corporation, for taxable years
7 beginning prior to July 1, 1989 and ending after June 30,
8 1989, an amount equal to the sum of (i) 4% of the
9 taxpayer's net income for the period prior to July 1, 1989,
10 as calculated under Section 202.3, and (ii) 4.8% of the
11 taxpayer's net income for the period after June 30, 1989,
12 as calculated under Section 202.3.

13 (8) In the case of a corporation, for taxable years
14 beginning after June 30, 1989, and ending prior to January
15 1, 2011, an amount equal to 4.8% of the taxpayer's net
16 income for the taxable year.

17 (9) In the case of a corporation, for taxable years
18 beginning prior to January 1, 2011, and ending after
19 December 31, 2010, an amount equal to the sum of (i) 4.8%
20 of the taxpayer's net income for the period prior to
21 January 1, 2011, as calculated under Section 202.5, and
22 (ii) 7% of the taxpayer's net income for the period after
23 December 31, 2010, as calculated under Section 202.5.

24 (10) In the case of a corporation, for taxable years
25 beginning on or after January 1, 2011, and ending prior to
26 January 1, 2015, an amount equal to 7% of the taxpayer's

1 net income for the taxable year.

2 (11) In the case of a corporation, for taxable years
3 beginning prior to January 1, 2015, and ending after
4 December 31, 2014, an amount equal to the sum of (i) 7% of
5 the taxpayer's net income for the period prior to January
6 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
7 of the taxpayer's net income for the period after December
8 31, 2014, as calculated under Section 202.5.

9 (12) In the case of a corporation, for taxable years
10 beginning on or after January 1, 2015, and ending prior to
11 July 1, 2017, an amount equal to 5.25% of the taxpayer's
12 net income for the taxable year.

13 (13) In the case of a corporation, for taxable years
14 beginning prior to July 1, 2017, and ending after June 30,
15 2017, an amount equal to the sum of (i) 5.25% of the
16 taxpayer's net income for the period prior to July 1, 2017,
17 as calculated under Section 202.5, and (ii) 7% of the
18 taxpayer's net income for the period after June 30, 2017,
19 as calculated under Section 202.5.

20 (14) In the case of a corporation, for taxable years
21 beginning on or after July 1, 2017 and beginning prior to
22 January 1, 2021, an amount equal to 7% of the taxpayer's
23 net income for the taxable year.

24 (15) In the case of a corporation, for taxable years
25 beginning on or after January 1, 2021, an amount equal to
26 7.99% of the taxpayer's net income for the taxable year.

1 The rates under this subsection (b) are subject to the
2 provisions of Section 201.5.

3 (c) Personal Property Tax Replacement Income Tax.
4 Beginning on July 1, 1979 and thereafter, in addition to such
5 income tax, there is also hereby imposed the Personal Property
6 Tax Replacement Income Tax measured by net income on every
7 corporation (including Subchapter S corporations), partnership
8 and trust, for each taxable year ending after June 30, 1979.
9 Such taxes are imposed on the privilege of earning or receiving
10 income in or as a resident of this State. The Personal Property
11 Tax Replacement Income Tax shall be in addition to the income
12 tax imposed by subsections (a) and (b) of this Section and in
13 addition to all other occupation or privilege taxes imposed by
14 this State or by any municipal corporation or political
15 subdivision thereof.

16 (d) Additional Personal Property Tax Replacement Income
17 Tax Rates. The personal property tax replacement income tax
18 imposed by this subsection and subsection (c) of this Section
19 in the case of a corporation, other than a Subchapter S
20 corporation and except as adjusted by subsection (d-1), shall
21 be an additional amount equal to 2.85% of such taxpayer's net
22 income for the taxable year, except that beginning on January
23 1, 1981, and thereafter, the rate of 2.85% specified in this
24 subsection shall be reduced to 2.5%, and in the case of a
25 partnership, trust or a Subchapter S corporation shall be an
26 additional amount equal to 1.5% of such taxpayer's net income

1 for the taxable year.

2 (d-1) Rate reduction for certain foreign insurers. In the
3 case of a foreign insurer, as defined by Section 35A-5 of the
4 Illinois Insurance Code, whose state or country of domicile
5 imposes on insurers domiciled in Illinois a retaliatory tax
6 (excluding any insurer whose premiums from reinsurance assumed
7 are 50% or more of its total insurance premiums as determined
8 under paragraph (2) of subsection (b) of Section 304, except
9 that for purposes of this determination premiums from
10 reinsurance do not include premiums from inter-affiliate
11 reinsurance arrangements), beginning with taxable years ending
12 on or after December 31, 1999, the sum of the rates of tax
13 imposed by subsections (b) and (d) shall be reduced (but not
14 increased) to the rate at which the total amount of tax imposed
15 under this Act, net of all credits allowed under this Act,
16 shall equal (i) the total amount of tax that would be imposed
17 on the foreign insurer's net income allocable to Illinois for
18 the taxable year by such foreign insurer's state or country of
19 domicile if that net income were subject to all income taxes
20 and taxes measured by net income imposed by such foreign
21 insurer's state or country of domicile, net of all credits
22 allowed or (ii) a rate of zero if no such tax is imposed on such
23 income by the foreign insurer's state of domicile. For the
24 purposes of this subsection (d-1), an inter-affiliate includes
25 a mutual insurer under common management.

26 (1) For the purposes of subsection (d-1), in no event

1 shall the sum of the rates of tax imposed by subsections
2 (b) and (d) be reduced below the rate at which the sum of:

3 (A) the total amount of tax imposed on such foreign
4 insurer under this Act for a taxable year, net of all
5 credits allowed under this Act, plus

6 (B) the privilege tax imposed by Section 409 of the
7 Illinois Insurance Code, the fire insurance company
8 tax imposed by Section 12 of the Fire Investigation
9 Act, and the fire department taxes imposed under
10 Section 11-10-1 of the Illinois Municipal Code,
11 equals 1.25% for taxable years ending prior to December 31,
12 2003, or 1.75% for taxable years ending on or after
13 December 31, 2003, of the net taxable premiums written for
14 the taxable year, as described by subsection (1) of Section
15 409 of the Illinois Insurance Code. This paragraph will in
16 no event increase the rates imposed under subsections (b)
17 and (d).

18 (2) Any reduction in the rates of tax imposed by this
19 subsection shall be applied first against the rates imposed
20 by subsection (b) and only after the tax imposed by
21 subsection (a) net of all credits allowed under this
22 Section other than the credit allowed under subsection (i)
23 has been reduced to zero, against the rates imposed by
24 subsection (d).

25 This subsection (d-1) is exempt from the provisions of
26 Section 250.

1 (e) Investment credit. A taxpayer shall be allowed a credit
2 against the Personal Property Tax Replacement Income Tax for
3 investment in qualified property.

4 (1) A taxpayer shall be allowed a credit equal to .5%
5 of the basis of qualified property placed in service during
6 the taxable year, provided such property is placed in
7 service on or after July 1, 1984. There shall be allowed an
8 additional credit equal to .5% of the basis of qualified
9 property placed in service during the taxable year,
10 provided such property is placed in service on or after
11 July 1, 1986, and the taxpayer's base employment within
12 Illinois has increased by 1% or more over the preceding
13 year as determined by the taxpayer's employment records
14 filed with the Illinois Department of Employment Security.
15 Taxpayers who are new to Illinois shall be deemed to have
16 met the 1% growth in base employment for the first year in
17 which they file employment records with the Illinois
18 Department of Employment Security. The provisions added to
19 this Section by Public Act 85-1200 (and restored by Public
20 Act 87-895) shall be construed as declaratory of existing
21 law and not as a new enactment. If, in any year, the
22 increase in base employment within Illinois over the
23 preceding year is less than 1%, the additional credit shall
24 be limited to that percentage times a fraction, the
25 numerator of which is .5% and the denominator of which is
26 1%, but shall not exceed .5%. The investment credit shall

1 not be allowed to the extent that it would reduce a
2 taxpayer's liability in any tax year below zero, nor may
3 any credit for qualified property be allowed for any year
4 other than the year in which the property was placed in
5 service in Illinois. For tax years ending on or after
6 December 31, 1987, and on or before December 31, 1988, the
7 credit shall be allowed for the tax year in which the
8 property is placed in service, or, if the amount of the
9 credit exceeds the tax liability for that year, whether it
10 exceeds the original liability or the liability as later
11 amended, such excess may be carried forward and applied to
12 the tax liability of the 5 taxable years following the
13 excess credit years if the taxpayer (i) makes investments
14 which cause the creation of a minimum of 2,000 full-time
15 equivalent jobs in Illinois, (ii) is located in an
16 enterprise zone established pursuant to the Illinois
17 Enterprise Zone Act and (iii) is certified by the
18 Department of Commerce and Community Affairs (now
19 Department of Commerce and Economic Opportunity) as
20 complying with the requirements specified in clause (i) and
21 (ii) by July 1, 1986. The Department of Commerce and
22 Community Affairs (now Department of Commerce and Economic
23 Opportunity) shall notify the Department of Revenue of all
24 such certifications immediately. For tax years ending
25 after December 31, 1988, the credit shall be allowed for
26 the tax year in which the property is placed in service,

1 or, if the amount of the credit exceeds the tax liability
2 for that year, whether it exceeds the original liability or
3 the liability as later amended, such excess may be carried
4 forward and applied to the tax liability of the 5 taxable
5 years following the excess credit years. The credit shall
6 be applied to the earliest year for which there is a
7 liability. If there is credit from more than one tax year
8 that is available to offset a liability, earlier credit
9 shall be applied first.

10 (2) The term "qualified property" means property
11 which:

12 (A) is tangible, whether new or used, including
13 buildings and structural components of buildings and
14 signs that are real property, but not including land or
15 improvements to real property that are not a structural
16 component of a building such as landscaping, sewer
17 lines, local access roads, fencing, parking lots, and
18 other appurtenances;

19 (B) is depreciable pursuant to Section 167 of the
20 Internal Revenue Code, except that "3-year property"
21 as defined in Section 168(c)(2)(A) of that Code is not
22 eligible for the credit provided by this subsection
23 (e);

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code;

26 (D) is used in Illinois by a taxpayer who is

1 primarily engaged in manufacturing, or in mining coal
2 or fluorite, or in retailing, or was placed in service
3 on or after July 1, 2006 in a River Edge Redevelopment
4 Zone established pursuant to the River Edge
5 Redevelopment Zone Act; and

6 (E) has not previously been used in Illinois in
7 such a manner and by such a person as would qualify for
8 the credit provided by this subsection (e) or
9 subsection (f).

10 (3) For purposes of this subsection (e),
11 "manufacturing" means the material staging and production
12 of tangible personal property by procedures commonly
13 regarded as manufacturing, processing, fabrication, or
14 assembling which changes some existing material into new
15 shapes, new qualities, or new combinations. For purposes of
16 this subsection (e) the term "mining" shall have the same
17 meaning as the term "mining" in Section 613(c) of the
18 Internal Revenue Code. For purposes of this subsection (e),
19 the term "retailing" means the sale of tangible personal
20 property for use or consumption and not for resale, or
21 services rendered in conjunction with the sale of tangible
22 personal property for use or consumption and not for
23 resale. For purposes of this subsection (e), "tangible
24 personal property" has the same meaning as when that term
25 is used in the Retailers' Occupation Tax Act, and, for
26 taxable years ending after December 31, 2008, does not

1 include the generation, transmission, or distribution of
2 electricity.

3 (4) The basis of qualified property shall be the basis
4 used to compute the depreciation deduction for federal
5 income tax purposes.

6 (5) If the basis of the property for federal income tax
7 depreciation purposes is increased after it has been placed
8 in service in Illinois by the taxpayer, the amount of such
9 increase shall be deemed property placed in service on the
10 date of such increase in basis.

11 (6) The term "placed in service" shall have the same
12 meaning as under Section 46 of the Internal Revenue Code.

13 (7) If during any taxable year, any property ceases to
14 be qualified property in the hands of the taxpayer within
15 48 months after being placed in service, or the situs of
16 any qualified property is moved outside Illinois within 48
17 months after being placed in service, the Personal Property
18 Tax Replacement Income Tax for such taxable year shall be
19 increased. Such increase shall be determined by (i)
20 recomputing the investment credit which would have been
21 allowed for the year in which credit for such property was
22 originally allowed by eliminating such property from such
23 computation and, (ii) subtracting such recomputed credit
24 from the amount of credit previously allowed. For the
25 purposes of this paragraph (7), a reduction of the basis of
26 qualified property resulting from a redetermination of the

1 purchase price shall be deemed a disposition of qualified
2 property to the extent of such reduction.

3 (8) Unless the investment credit is extended by law,
4 the basis of qualified property shall not include costs
5 incurred after December 31, 2018, except for costs incurred
6 pursuant to a binding contract entered into on or before
7 December 31, 2018.

8 (9) Each taxable year ending before December 31, 2000,
9 a partnership may elect to pass through to its partners the
10 credits to which the partnership is entitled under this
11 subsection (e) for the taxable year. A partner may use the
12 credit allocated to him or her under this paragraph only
13 against the tax imposed in subsections (c) and (d) of this
14 Section. If the partnership makes that election, those
15 credits shall be allocated among the partners in the
16 partnership in accordance with the rules set forth in
17 Section 704(b) of the Internal Revenue Code, and the rules
18 promulgated under that Section, and the allocated amount of
19 the credits shall be allowed to the partners for that
20 taxable year. The partnership shall make this election on
21 its Personal Property Tax Replacement Income Tax return for
22 that taxable year. The election to pass through the credits
23 shall be irrevocable.

24 For taxable years ending on or after December 31, 2000,
25 a partner that qualifies its partnership for a subtraction
26 under subparagraph (I) of paragraph (2) of subsection (d)

1 of Section 203 or a shareholder that qualifies a Subchapter
2 S corporation for a subtraction under subparagraph (S) of
3 paragraph (2) of subsection (b) of Section 203 shall be
4 allowed a credit under this subsection (e) equal to its
5 share of the credit earned under this subsection (e) during
6 the taxable year by the partnership or Subchapter S
7 corporation, determined in accordance with the
8 determination of income and distributive share of income
9 under Sections 702 and 704 and Subchapter S of the Internal
10 Revenue Code. This paragraph is exempt from the provisions
11 of Section 250.

12 (f) Investment credit; Enterprise Zone; River Edge
13 Redevelopment Zone.

14 (1) A taxpayer shall be allowed a credit against the
15 tax imposed by subsections (a) and (b) of this Section for
16 investment in qualified property which is placed in service
17 in an Enterprise Zone created pursuant to the Illinois
18 Enterprise Zone Act or, for property placed in service on
19 or after July 1, 2006, a River Edge Redevelopment Zone
20 established pursuant to the River Edge Redevelopment Zone
21 Act. For partners, shareholders of Subchapter S
22 corporations, and owners of limited liability companies,
23 if the liability company is treated as a partnership for
24 purposes of federal and State income taxation, there shall
25 be allowed a credit under this subsection (f) to be
26 determined in accordance with the determination of income

1 and distributive share of income under Sections 702 and 704
2 and Subchapter S of the Internal Revenue Code. The credit
3 shall be .5% of the basis for such property. The credit
4 shall be available only in the taxable year in which the
5 property is placed in service in the Enterprise Zone or
6 River Edge Redevelopment Zone and shall not be allowed to
7 the extent that it would reduce a taxpayer's liability for
8 the tax imposed by subsections (a) and (b) of this Section
9 to below zero. For tax years ending on or after December
10 31, 1985, the credit shall be allowed for the tax year in
11 which the property is placed in service, or, if the amount
12 of the credit exceeds the tax liability for that year,
13 whether it exceeds the original liability or the liability
14 as later amended, such excess may be carried forward and
15 applied to the tax liability of the 5 taxable years
16 following the excess credit year. The credit shall be
17 applied to the earliest year for which there is a
18 liability. If there is credit from more than one tax year
19 that is available to offset a liability, the credit
20 accruing first in time shall be applied first.

21 (2) The term qualified property means property which:

22 (A) is tangible, whether new or used, including
23 buildings and structural components of buildings;

24 (B) is depreciable pursuant to Section 167 of the
25 Internal Revenue Code, except that "3-year property"
26 as defined in Section 168(c) (2) (A) of that Code is not

1 eligible for the credit provided by this subsection
2 (f);

3 (C) is acquired by purchase as defined in Section
4 179(d) of the Internal Revenue Code;

5 (D) is used in the Enterprise Zone or River Edge
6 Redevelopment Zone by the taxpayer; and

7 (E) has not been previously used in Illinois in
8 such a manner and by such a person as would qualify for
9 the credit provided by this subsection (f) or
10 subsection (e).

11 (3) The basis of qualified property shall be the basis
12 used to compute the depreciation deduction for federal
13 income tax purposes.

14 (4) If the basis of the property for federal income tax
15 depreciation purposes is increased after it has been placed
16 in service in the Enterprise Zone or River Edge
17 Redevelopment Zone by the taxpayer, the amount of such
18 increase shall be deemed property placed in service on the
19 date of such increase in basis.

20 (5) The term "placed in service" shall have the same
21 meaning as under Section 46 of the Internal Revenue Code.

22 (6) If during any taxable year, any property ceases to
23 be qualified property in the hands of the taxpayer within
24 48 months after being placed in service, or the situs of
25 any qualified property is moved outside the Enterprise Zone
26 or River Edge Redevelopment Zone within 48 months after

1 being placed in service, the tax imposed under subsections
2 (a) and (b) of this Section for such taxable year shall be
3 increased. Such increase shall be determined by (i)
4 recomputing the investment credit which would have been
5 allowed for the year in which credit for such property was
6 originally allowed by eliminating such property from such
7 computation, and (ii) subtracting such recomputed credit
8 from the amount of credit previously allowed. For the
9 purposes of this paragraph (6), a reduction of the basis of
10 qualified property resulting from a redetermination of the
11 purchase price shall be deemed a disposition of qualified
12 property to the extent of such reduction.

13 (7) There shall be allowed an additional credit equal
14 to 0.5% of the basis of qualified property placed in
15 service during the taxable year in a River Edge
16 Redevelopment Zone, provided such property is placed in
17 service on or after July 1, 2006, and the taxpayer's base
18 employment within Illinois has increased by 1% or more over
19 the preceding year as determined by the taxpayer's
20 employment records filed with the Illinois Department of
21 Employment Security. Taxpayers who are new to Illinois
22 shall be deemed to have met the 1% growth in base
23 employment for the first year in which they file employment
24 records with the Illinois Department of Employment
25 Security. If, in any year, the increase in base employment
26 within Illinois over the preceding year is less than 1%,

1 the additional credit shall be limited to that percentage
2 times a fraction, the numerator of which is 0.5% and the
3 denominator of which is 1%, but shall not exceed 0.5%.

4 (g) (Blank).

5 (h) Investment credit; High Impact Business.

6 (1) Subject to subsections (b) and (b-5) of Section 5.5
7 of the Illinois Enterprise Zone Act, a taxpayer shall be
8 allowed a credit against the tax imposed by subsections (a)
9 and (b) of this Section for investment in qualified
10 property which is placed in service by a Department of
11 Commerce and Economic Opportunity designated High Impact
12 Business. The credit shall be .5% of the basis for such
13 property. The credit shall not be available (i) until the
14 minimum investments in qualified property set forth in
15 subdivision (a)(3)(A) of Section 5.5 of the Illinois
16 Enterprise Zone Act have been satisfied or (ii) until the
17 time authorized in subsection (b-5) of the Illinois
18 Enterprise Zone Act for entities designated as High Impact
19 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
20 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
21 Act, and shall not be allowed to the extent that it would
22 reduce a taxpayer's liability for the tax imposed by
23 subsections (a) and (b) of this Section to below zero. The
24 credit applicable to such investments shall be taken in the
25 taxable year in which such investments have been completed.
26 The credit for additional investments beyond the minimum

1 investment by a designated high impact business authorized
2 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
3 Enterprise Zone Act shall be available only in the taxable
4 year in which the property is placed in service and shall
5 not be allowed to the extent that it would reduce a
6 taxpayer's liability for the tax imposed by subsections (a)
7 and (b) of this Section to below zero. For tax years ending
8 on or after December 31, 1987, the credit shall be allowed
9 for the tax year in which the property is placed in
10 service, or, if the amount of the credit exceeds the tax
11 liability for that year, whether it exceeds the original
12 liability or the liability as later amended, such excess
13 may be carried forward and applied to the tax liability of
14 the 5 taxable years following the excess credit year. The
15 credit shall be applied to the earliest year for which
16 there is a liability. If there is credit from more than one
17 tax year that is available to offset a liability, the
18 credit accruing first in time shall be applied first.

19 Changes made in this subdivision (h) (1) by Public Act
20 88-670 restore changes made by Public Act 85-1182 and
21 reflect existing law.

22 (2) The term qualified property means property which:

23 (A) is tangible, whether new or used, including
24 buildings and structural components of buildings;

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (h);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code; and

6 (D) is not eligible for the Enterprise Zone
7 Investment Credit provided by subsection (f) of this
8 Section.

9 (3) The basis of qualified property shall be the basis
10 used to compute the depreciation deduction for federal
11 income tax purposes.

12 (4) If the basis of the property for federal income tax
13 depreciation purposes is increased after it has been placed
14 in service in a federally designated Foreign Trade Zone or
15 Sub-Zone located in Illinois by the taxpayer, the amount of
16 such increase shall be deemed property placed in service on
17 the date of such increase in basis.

18 (5) The term "placed in service" shall have the same
19 meaning as under Section 46 of the Internal Revenue Code.

20 (6) If during any taxable year ending on or before
21 December 31, 1996, any property ceases to be qualified
22 property in the hands of the taxpayer within 48 months
23 after being placed in service, or the situs of any
24 qualified property is moved outside Illinois within 48
25 months after being placed in service, the tax imposed under
26 subsections (a) and (b) of this Section for such taxable

1 year shall be increased. Such increase shall be determined
2 by (i) recomputing the investment credit which would have
3 been allowed for the year in which credit for such property
4 was originally allowed by eliminating such property from
5 such computation, and (ii) subtracting such recomputed
6 credit from the amount of credit previously allowed. For
7 the purposes of this paragraph (6), a reduction of the
8 basis of qualified property resulting from a
9 redetermination of the purchase price shall be deemed a
10 disposition of qualified property to the extent of such
11 reduction.

12 (7) Beginning with tax years ending after December 31,
13 1996, if a taxpayer qualifies for the credit under this
14 subsection (h) and thereby is granted a tax abatement and
15 the taxpayer relocates its entire facility in violation of
16 the explicit terms and length of the contract under Section
17 18-183 of the Property Tax Code, the tax imposed under
18 subsections (a) and (b) of this Section shall be increased
19 for the taxable year in which the taxpayer relocated its
20 facility by an amount equal to the amount of credit
21 received by the taxpayer under this subsection (h).

22 (i) Credit for Personal Property Tax Replacement Income
23 Tax. For tax years ending prior to December 31, 2003, a credit
24 shall be allowed against the tax imposed by subsections (a) and
25 (b) of this Section for the tax imposed by subsections (c) and
26 (d) of this Section. This credit shall be computed by

1 multiplying the tax imposed by subsections (c) and (d) of this
2 Section by a fraction, the numerator of which is base income
3 allocable to Illinois and the denominator of which is Illinois
4 base income, and further multiplying the product by the tax
5 rate imposed by subsections (a) and (b) of this Section.

6 Any credit earned on or after December 31, 1986 under this
7 subsection which is unused in the year the credit is computed
8 because it exceeds the tax liability imposed by subsections (a)
9 and (b) for that year (whether it exceeds the original
10 liability or the liability as later amended) may be carried
11 forward and applied to the tax liability imposed by subsections
12 (a) and (b) of the 5 taxable years following the excess credit
13 year, provided that no credit may be carried forward to any
14 year ending on or after December 31, 2003. This credit shall be
15 applied first to the earliest year for which there is a
16 liability. If there is a credit under this subsection from more
17 than one tax year that is available to offset a liability the
18 earliest credit arising under this subsection shall be applied
19 first.

20 If, during any taxable year ending on or after December 31,
21 1986, the tax imposed by subsections (c) and (d) of this
22 Section for which a taxpayer has claimed a credit under this
23 subsection (i) is reduced, the amount of credit for such tax
24 shall also be reduced. Such reduction shall be determined by
25 recomputing the credit to take into account the reduced tax
26 imposed by subsections (c) and (d). If any portion of the

1 reduced amount of credit has been carried to a different
2 taxable year, an amended return shall be filed for such taxable
3 year to reduce the amount of credit claimed.

4 (j) Training expense credit. Beginning with tax years
5 ending on or after December 31, 1986 and prior to December 31,
6 2003, a taxpayer shall be allowed a credit against the tax
7 imposed by subsections (a) and (b) under this Section for all
8 amounts paid or accrued, on behalf of all persons employed by
9 the taxpayer in Illinois or Illinois residents employed outside
10 of Illinois by a taxpayer, for educational or vocational
11 training in semi-technical or technical fields or semi-skilled
12 or skilled fields, which were deducted from gross income in the
13 computation of taxable income. The credit against the tax
14 imposed by subsections (a) and (b) shall be 1.6% of such
15 training expenses. For partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies, if the
17 liability company is treated as a partnership for purposes of
18 federal and State income taxation, there shall be allowed a
19 credit under this subsection (j) to be determined in accordance
20 with the determination of income and distributive share of
21 income under Sections 702 and 704 and subchapter S of the
22 Internal Revenue Code.

23 Any credit allowed under this subsection which is unused in
24 the year the credit is earned may be carried forward to each of
25 the 5 taxable years following the year for which the credit is
26 first computed until it is used. This credit shall be applied

1 first to the earliest year for which there is a liability. If
2 there is a credit under this subsection from more than one tax
3 year that is available to offset a liability the earliest
4 credit arising under this subsection shall be applied first. No
5 carryforward credit may be claimed in any tax year ending on or
6 after December 31, 2003.

7 (k) Research and development credit. For tax years ending
8 after July 1, 1990 and prior to December 31, 2003, and
9 beginning again for tax years ending on or after December 31,
10 2004, and ending prior to January 1, 2022, a taxpayer shall be
11 allowed a credit against the tax imposed by subsections (a) and
12 (b) of this Section for increasing research activities in this
13 State. The credit allowed against the tax imposed by
14 subsections (a) and (b) shall be equal to 6 1/2% of the
15 qualifying expenditures for increasing research activities in
16 this State. For partners, shareholders of subchapter S
17 corporations, and owners of limited liability companies, if the
18 liability company is treated as a partnership for purposes of
19 federal and State income taxation, there shall be allowed a
20 credit under this subsection to be determined in accordance
21 with the determination of income and distributive share of
22 income under Sections 702 and 704 and subchapter S of the
23 Internal Revenue Code.

24 For purposes of this subsection, "qualifying expenditures"
25 means the qualifying expenditures as defined for the federal
26 credit for increasing research activities which would be

1 allowable under Section 41 of the Internal Revenue Code and
2 which are conducted in this State, "qualifying expenditures for
3 increasing research activities in this State" means the excess
4 of qualifying expenditures for the taxable year in which
5 incurred over qualifying expenditures for the base period,
6 "qualifying expenditures for the base period" means the average
7 of the qualifying expenditures for each year in the base
8 period, and "base period" means the 3 taxable years immediately
9 preceding the taxable year for which the determination is being
10 made.

11 Any credit in excess of the tax liability for the taxable
12 year may be carried forward. A taxpayer may elect to have the
13 unused credit shown on its final completed return carried over
14 as a credit against the tax liability for the following 5
15 taxable years or until it has been fully used, whichever occurs
16 first; provided that no credit earned in a tax year ending
17 prior to December 31, 2003 may be carried forward to any year
18 ending on or after December 31, 2003.

19 If an unused credit is carried forward to a given year from
20 2 or more earlier years, that credit arising in the earliest
21 year will be applied first against the tax liability for the
22 given year. If a tax liability for the given year still
23 remains, the credit from the next earliest year will then be
24 applied, and so on, until all credits have been used or no tax
25 liability for the given year remains. Any remaining unused
26 credit or credits then will be carried forward to the next

1 following year in which a tax liability is incurred, except
2 that no credit can be carried forward to a year which is more
3 than 5 years after the year in which the expense for which the
4 credit is given was incurred.

5 No inference shall be drawn from this amendatory Act of the
6 91st General Assembly in construing this Section for taxable
7 years beginning before January 1, 1999.

8 It is the intent of the General Assembly that the research
9 and development credit under this subsection (k) shall apply
10 continuously for all tax years ending on or after December 31,
11 2004 and ending prior to January 1, 2022, including, but not
12 limited to, the period beginning on January 1, 2016 and ending
13 on the effective date of this amendatory Act of the 100th
14 General Assembly. All actions taken in reliance on the
15 continuation of the credit under this subsection (k) by any
16 taxpayer are hereby validated.

17 (l) Environmental Remediation Tax Credit.

18 (i) For tax years ending after December 31, 1997 and on
19 or before December 31, 2001, a taxpayer shall be allowed a
20 credit against the tax imposed by subsections (a) and (b)
21 of this Section for certain amounts paid for unreimbursed
22 eligible remediation costs, as specified in this
23 subsection. For purposes of this Section, "unreimbursed
24 eligible remediation costs" means costs approved by the
25 Illinois Environmental Protection Agency ("Agency") under
26 Section 58.14 of the Environmental Protection Act that were

1 paid in performing environmental remediation at a site for
2 which a No Further Remediation Letter was issued by the
3 Agency and recorded under Section 58.10 of the
4 Environmental Protection Act. The credit must be claimed
5 for the taxable year in which Agency approval of the
6 eligible remediation costs is granted. The credit is not
7 available to any taxpayer if the taxpayer or any related
8 party caused or contributed to, in any material respect, a
9 release of regulated substances on, in, or under the site
10 that was identified and addressed by the remedial action
11 pursuant to the Site Remediation Program of the
12 Environmental Protection Act. After the Pollution Control
13 Board rules are adopted pursuant to the Illinois
14 Administrative Procedure Act for the administration and
15 enforcement of Section 58.9 of the Environmental
16 Protection Act, determinations as to credit availability
17 for purposes of this Section shall be made consistent with
18 those rules. For purposes of this Section, "taxpayer"
19 includes a person whose tax attributes the taxpayer has
20 succeeded to under Section 381 of the Internal Revenue Code
21 and "related party" includes the persons disallowed a
22 deduction for losses by paragraphs (b), (c), and (f)(1) of
23 Section 267 of the Internal Revenue Code by virtue of being
24 a related taxpayer, as well as any of its partners. The
25 credit allowed against the tax imposed by subsections (a)
26 and (b) shall be equal to 25% of the unreimbursed eligible

1 remediation costs in excess of \$100,000 per site, except
2 that the \$100,000 threshold shall not apply to any site
3 contained in an enterprise zone as determined by the
4 Department of Commerce and Community Affairs (now
5 Department of Commerce and Economic Opportunity). The
6 total credit allowed shall not exceed \$40,000 per year with
7 a maximum total of \$150,000 per site. For partners and
8 shareholders of subchapter S corporations, there shall be
9 allowed a credit under this subsection to be determined in
10 accordance with the determination of income and
11 distributive share of income under Sections 702 and 704 and
12 subchapter S of the Internal Revenue Code.

13 (ii) A credit allowed under this subsection that is
14 unused in the year the credit is earned may be carried
15 forward to each of the 5 taxable years following the year
16 for which the credit is first earned until it is used. The
17 term "unused credit" does not include any amounts of
18 unreimbursed eligible remediation costs in excess of the
19 maximum credit per site authorized under paragraph (i).
20 This credit shall be applied first to the earliest year for
21 which there is a liability. If there is a credit under this
22 subsection from more than one tax year that is available to
23 offset a liability, the earliest credit arising under this
24 subsection shall be applied first. A credit allowed under
25 this subsection may be sold to a buyer as part of a sale of
26 all or part of the remediation site for which the credit

1 was granted. The purchaser of a remediation site and the
2 tax credit shall succeed to the unused credit and remaining
3 carry-forward period of the seller. To perfect the
4 transfer, the assignor shall record the transfer in the
5 chain of title for the site and provide written notice to
6 the Director of the Illinois Department of Revenue of the
7 assignor's intent to sell the remediation site and the
8 amount of the tax credit to be transferred as a portion of
9 the sale. In no event may a credit be transferred to any
10 taxpayer if the taxpayer or a related party would not be
11 eligible under the provisions of subsection (i).

12 (iii) For purposes of this Section, the term "site"
13 shall have the same meaning as under Section 58.2 of the
14 Environmental Protection Act.

15 (m) Education expense credit. Beginning with tax years
16 ending after December 31, 1999, a taxpayer who is the custodian
17 of one or more qualifying pupils shall be allowed a credit
18 against the tax imposed by subsections (a) and (b) of this
19 Section for qualified education expenses incurred on behalf of
20 the qualifying pupils. The credit shall be equal to 25% of
21 qualified education expenses, but in no event may the total
22 credit under this subsection claimed by a family that is the
23 custodian of qualifying pupils exceed (i) \$500 for tax years
24 ending prior to December 31, 2017, and (ii) \$750 for tax years
25 ending on or after December 31, 2017. In no event shall a
26 credit under this subsection reduce the taxpayer's liability

1 under this Act to less than zero. Notwithstanding any other
2 provision of law, for taxable years beginning on or after
3 January 1, 2017, no taxpayer may claim a credit under this
4 subsection (m) if the taxpayer's adjusted gross income for the
5 taxable year exceeds (i) \$500,000, in the case of spouses
6 filing a joint federal tax return or (ii) \$250,000, in the case
7 of all other taxpayers. This subsection is exempt from the
8 provisions of Section 250 of this Act.

9 For purposes of this subsection:

10 "Qualifying pupils" means individuals who (i) are
11 residents of the State of Illinois, (ii) are under the age of
12 21 at the close of the school year for which a credit is
13 sought, and (iii) during the school year for which a credit is
14 sought were full-time pupils enrolled in a kindergarten through
15 twelfth grade education program at any school, as defined in
16 this subsection.

17 "Qualified education expense" means the amount incurred on
18 behalf of a qualifying pupil in excess of \$250 for tuition,
19 book fees, and lab fees at the school in which the pupil is
20 enrolled during the regular school year.

21 "School" means any public or nonpublic elementary or
22 secondary school in Illinois that is in compliance with Title
23 VI of the Civil Rights Act of 1964 and attendance at which
24 satisfies the requirements of Section 26-1 of the School Code,
25 except that nothing shall be construed to require a child to
26 attend any particular public or nonpublic school to qualify for

1 the credit under this Section.

2 "Custodian" means, with respect to qualifying pupils, an
3 Illinois resident who is a parent, the parents, a legal
4 guardian, or the legal guardians of the qualifying pupils.

5 (n) River Edge Redevelopment Zone site remediation tax
6 credit.

7 (i) For tax years ending on or after December 31, 2006,
8 a taxpayer shall be allowed a credit against the tax
9 imposed by subsections (a) and (b) of this Section for
10 certain amounts paid for unreimbursed eligible remediation
11 costs, as specified in this subsection. For purposes of
12 this Section, "unreimbursed eligible remediation costs"
13 means costs approved by the Illinois Environmental
14 Protection Agency ("Agency") under Section 58.14a of the
15 Environmental Protection Act that were paid in performing
16 environmental remediation at a site within a River Edge
17 Redevelopment Zone for which a No Further Remediation
18 Letter was issued by the Agency and recorded under Section
19 58.10 of the Environmental Protection Act. The credit must
20 be claimed for the taxable year in which Agency approval of
21 the eligible remediation costs is granted. The credit is
22 not available to any taxpayer if the taxpayer or any
23 related party caused or contributed to, in any material
24 respect, a release of regulated substances on, in, or under
25 the site that was identified and addressed by the remedial
26 action pursuant to the Site Remediation Program of the

1 Environmental Protection Act. Determinations as to credit
2 availability for purposes of this Section shall be made
3 consistent with rules adopted by the Pollution Control
4 Board pursuant to the Illinois Administrative Procedure
5 Act for the administration and enforcement of Section 58.9
6 of the Environmental Protection Act. For purposes of this
7 Section, "taxpayer" includes a person whose tax attributes
8 the taxpayer has succeeded to under Section 381 of the
9 Internal Revenue Code and "related party" includes the
10 persons disallowed a deduction for losses by paragraphs
11 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
12 Code by virtue of being a related taxpayer, as well as any
13 of its partners. The credit allowed against the tax imposed
14 by subsections (a) and (b) shall be equal to 25% of the
15 unreimbursed eligible remediation costs in excess of
16 \$100,000 per site.

17 (ii) A credit allowed under this subsection that is
18 unused in the year the credit is earned may be carried
19 forward to each of the 5 taxable years following the year
20 for which the credit is first earned until it is used. This
21 credit shall be applied first to the earliest year for
22 which there is a liability. If there is a credit under this
23 subsection from more than one tax year that is available to
24 offset a liability, the earliest credit arising under this
25 subsection shall be applied first. A credit allowed under
26 this subsection may be sold to a buyer as part of a sale of

1 all or part of the remediation site for which the credit
2 was granted. The purchaser of a remediation site and the
3 tax credit shall succeed to the unused credit and remaining
4 carry-forward period of the seller. To perfect the
5 transfer, the assignor shall record the transfer in the
6 chain of title for the site and provide written notice to
7 the Director of the Illinois Department of Revenue of the
8 assignor's intent to sell the remediation site and the
9 amount of the tax credit to be transferred as a portion of
10 the sale. In no event may a credit be transferred to any
11 taxpayer if the taxpayer or a related party would not be
12 eligible under the provisions of subsection (i).

13 (iii) For purposes of this Section, the term "site"
14 shall have the same meaning as under Section 58.2 of the
15 Environmental Protection Act.

16 (o) For each of taxable years during the Compassionate Use
17 of Medical Cannabis Pilot Program, a surcharge is imposed on
18 all taxpayers on income arising from the sale or exchange of
19 capital assets, depreciable business property, real property
20 used in the trade or business, and Section 197 intangibles of
21 an organization registrant under the Compassionate Use of
22 Medical Cannabis Pilot Program Act. The amount of the surcharge
23 is equal to the amount of federal income tax liability for the
24 taxable year attributable to those sales and exchanges. The
25 surcharge imposed does not apply if:

26 (1) the medical cannabis cultivation center

1 registration, medical cannabis dispensary registration, or
2 the property of a registration is transferred as a result
3 of any of the following:

4 (A) bankruptcy, a receivership, or a debt
5 adjustment initiated by or against the initial
6 registration or the substantial owners of the initial
7 registration;

8 (B) cancellation, revocation, or termination of
9 any registration by the Illinois Department of Public
10 Health;

11 (C) a determination by the Illinois Department of
12 Public Health that transfer of the registration is in
13 the best interests of Illinois qualifying patients as
14 defined by the Compassionate Use of Medical Cannabis
15 Pilot Program Act;

16 (D) the death of an owner of the equity interest in
17 a registrant;

18 (E) the acquisition of a controlling interest in
19 the stock or substantially all of the assets of a
20 publicly traded company;

21 (F) a transfer by a parent company to a wholly
22 owned subsidiary; or

23 (G) the transfer or sale to or by one person to
24 another person where both persons were initial owners
25 of the registration when the registration was issued;
26 or

1 (2) the cannabis cultivation center registration,
2 medical cannabis dispensary registration, or the
3 controlling interest in a registrant's property is
4 transferred in a transaction to lineal descendants in which
5 no gain or loss is recognized or as a result of a
6 transaction in accordance with Section 351 of the Internal
7 Revenue Code in which no gain or loss is recognized.

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

9 (35 ILCS 5/201.1 new)

10 Sec. 201.1. Tax rates. In the case of an individual, trust,
11 or estate, for taxable years beginning on or after January 1,
12 2021, the amount of the tax imposed by subsection (a) of
13 Section 201 of this Act shall be determined according to the
14 following tax rate structure:

15 (1) for taxpayers who do not file a joint return and
16 have a net income of \$750,000 or less:

17 (A) 4.75% of the portion of the taxpayer's net
18 income that does not exceed \$10,000;

19 (B) 4.9% of the portion of the taxpayer's net
20 income that exceeds \$10,000 but does not exceed
21 \$100,000;

22 (C) 4.95% of the portion of the taxpayer's net
23 income that exceeds \$100,000 but does not exceed
24 \$250,000;

25 (D) 7.75% of the portion of the taxpayer's net

1 income that exceeds \$250,000 but does not exceed
2 \$350,000; and

3 (E) 7.85% of the portion of the taxpayer's net
4 income that exceeds \$350,000 but does not exceed
5 \$750,000; and

6 (2) for taxpayers who do not file a joint return and
7 have a net income that exceeds \$750,000, 7.99% of the
8 taxpayer's net income;

9 (3) for taxpayers who file a joint return and have a
10 net income of \$1,000,000 or less:

11 (A) 4.75% of the portion of the taxpayer's net
12 income that does not exceed \$10,000;

13 (B) 4.9% of the portion of the taxpayer's net
14 income that exceeds \$10,000 but does not exceed
15 \$100,000;

16 (C) 4.95% of the portion of the taxpayer's net
17 income that exceeds \$100,000 but does not exceed
18 \$250,000;

19 (D) 7.75% of the portion of the taxpayer's net
20 income that exceeds \$250,000 but does not exceed
21 \$500,000; and

22 (E) 7.85% of the portion of the taxpayer's net
23 income that exceeds \$500,000 but does not exceed
24 \$1,000,000; and

25 (4) for taxpayers who file a joint return and have a
26 net income of more than \$1,000,000, 7.99% of the taxpayer's

1 net income.

2 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

3 Sec. 208. Tax credit for residential real property taxes.

4 ~~For Beginning with~~ tax years ending on or after December 31,
5 1991 and ending prior to December 31, 2021, every individual
6 taxpayer shall be entitled to a tax credit equal to 5% of real
7 property taxes paid by such taxpayer during the taxable year on
8 the principal residence of the taxpayer. For tax years ending
9 on or after December 31, 2021, every individual taxpayer shall
10 be entitled to a tax credit equal to 6% of real property taxes
11 paid by such taxpayer during the taxable year on the principal
12 residence of the taxpayer. In the case of multi-unit or
13 multi-use structures and farm dwellings, the taxes on the
14 taxpayer's principal residence shall be that portion of the
15 total taxes which is attributable to such principal residence.
16 Notwithstanding any other provision of law, for taxable years
17 beginning on or after January 1, 2017, no taxpayer may claim a
18 credit under this Section if the taxpayer's adjusted gross
19 income for the taxable year exceeds (i) \$500,000, in the case
20 of spouses filing a joint federal tax return, or (ii) \$250,000,
21 in the case of all other taxpayers. This Section is exempt from
22 the provisions of Section 250.

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

24 (35 ILCS 5/229 new)

1 Sec. 229. Child tax credit.

2 (a) For taxable years beginning on or after January 1,
3 2021, there shall be allowed as a credit against the tax
4 imposed by Section 201 for the taxable year with respect to
5 each child of the taxpayer who is under the age of 17 and for
6 whom the taxpayer is allowed an additional exemption under
7 Section 204 an amount equal to \$100.

8 (b) The amount of the credit allowed under subsection (a)
9 shall be reduced by \$5 for each \$2,000 by which the taxpayer's
10 net income exceeds \$60,000 in the case of a joint return or
11 exceeds \$40,000 in the case of any other form of return.

12 (c) In no event shall a credit under this Section reduce
13 the taxpayer's liability to less than zero.

14 (d) This Section is exempt from the provisions of Section
15 250.

16 (35 ILCS 5/502) (from Ch. 120, par. 5-502)

17 Sec. 502. Returns and notices.

18 (a) In general. A return with respect to the taxes imposed
19 by this Act shall be made by every person for any taxable year:

20 (1) for which such person is liable for a tax imposed
21 by this Act, or

22 (2) in the case of a resident or in the case of a
23 corporation which is qualified to do business in this
24 State, for which such person is required to make a federal
25 income tax return, regardless of whether such person is

1 liable for a tax imposed by this Act. However, this
2 paragraph shall not require a resident to make a return if
3 such person has an Illinois base income of the basic amount
4 in Section 204(b) or less and is either claimed as a
5 dependent on another person's tax return under the Internal
6 Revenue Code, or is claimed as a dependent on another
7 person's tax return under this Act.

8 Notwithstanding the provisions of paragraph (1), a
9 nonresident (other than, for taxable years ending on or after
10 December 31, 2011, a nonresident required to withhold tax under
11 Section 709.5) whose Illinois income tax liability under
12 subsections (a), (b), (c), and (d) of Section 201 of this Act
13 is paid in full after taking into account the credits allowed
14 under subsection (f) of this Section or allowed under Section
15 709.5 of this Act shall not be required to file a return under
16 this subsection (a).

17 (b) Fiduciaries and receivers.

18 (1) Decedents. If an individual is deceased, any return
19 or notice required of such individual under this Act shall
20 be made by his executor, administrator, or other person
21 charged with the property of such decedent.

22 (2) Individuals under a disability. If an individual is
23 unable to make a return or notice required under this Act,
24 the return or notice required of such individual shall be
25 made by his duly authorized agent, guardian, fiduciary or
26 other person charged with the care of the person or

1 property of such individual.

2 (3) Estates and trusts. Returns or notices required of
3 an estate or a trust shall be made by the fiduciary
4 thereof.

5 (4) Receivers, trustees and assignees for
6 corporations. In a case where a receiver, trustee in
7 bankruptcy, or assignee, by order of a court of competent
8 jurisdiction, by operation of law, or otherwise, has
9 possession of or holds title to all or substantially all
10 the property or business of a corporation, whether or not
11 such property or business is being operated, such receiver,
12 trustee, or assignee shall make the returns and notices
13 required of such corporation in the same manner and form as
14 corporations are required to make such returns and notices.

15 (c) Joint returns by spouses ~~husband and wife~~.

16 (1) Except as provided in paragraph (3):

17 (A) if spouses ~~a husband and wife~~ file a joint
18 federal income tax return for a taxable year ending
19 before December 31, 2009 or ending on or after December
20 31, 2021, they shall file a joint return under this Act
21 for such taxable year and their liabilities shall be
22 joint and several;

23 (B) if spouses ~~a husband and wife~~ file a joint
24 federal income tax return for a taxable year ending on
25 or after December 31, 2009 and ending prior to December
26 31, 2021, they may elect to file separate returns under

1 this Act for such taxable year. The election under this
2 paragraph must be made on or before the due date
3 (including extensions) of the return and, once made,
4 shall be irrevocable. If no election is timely made
5 under this paragraph for a taxable year:

6 (i) the couple must file a joint return under
7 this Act for such taxable year,

8 (ii) their liabilities shall be joint and
9 several, and

10 (iii) any overpayment for that taxable year
11 may be withheld under Section 909 of this Act or
12 under Section 2505-275 of the Civil Administrative
13 Code of Illinois and applied against a debt of
14 either spouse without regard to the amount of the
15 overpayment attributable to the other spouse; and

16 (C) if the federal income tax liability of either
17 spouse is determined on a separate federal income tax
18 return, they shall file separate returns under this
19 Act.

20 (2) If neither spouse is required to file a federal
21 income tax return and either or both are required to file a
22 return under this Act, they may elect to file separate or
23 joint returns and pursuant to such election their
24 liabilities shall be separate or joint and several.

25 (3) If either spouse ~~husband or wife~~ is a resident and
26 the other is a nonresident, they shall file separate

1 returns in this State on such forms as may be required by
2 the Department in which event their tax liabilities shall
3 be separate; but if, for taxable years ending prior to
4 December 31, 2021, they file a joint federal income tax
5 return for a taxable year, they may elect to determine
6 their joint net income and file a joint return for that
7 taxable year under the provisions of paragraph (1) of this
8 subsection as if both were residents and in such case,
9 their liabilities shall be joint and several. For taxable
10 years ending on or after December 31, 2021, if such spouses
11 file a joint federal income tax return for a taxable year,
12 they shall determine their joint net income and file a
13 joint return for that taxable year under the provisions of
14 paragraph (1) of this subsection as if both were residents,
15 and, in such case, their liabilities shall be joint and
16 several.

17 (4) Innocent spouses.

18 (A) However, for tax liabilities arising and paid
19 prior to August 13, 1999, an innocent spouse shall be
20 relieved of liability for tax (including interest and
21 penalties) for any taxable year for which a joint
22 return has been made, upon submission of proof that the
23 Internal Revenue Service has made a determination
24 under Section 6013(e) of the Internal Revenue Code, for
25 the same taxable year, which determination relieved
26 the spouse from liability for federal income taxes. If

1 there is no federal income tax liability at issue for
2 the same taxable year, the Department shall rely on the
3 provisions of Section 6013(e) to determine whether the
4 person requesting innocent spouse abatement of tax,
5 penalty, and interest is entitled to that relief.

6 (B) For tax liabilities arising on and after August
7 13, 1999 or which arose prior to that date, but remain
8 unpaid as of that date, if an individual who filed a
9 joint return for any taxable year has made an election
10 under this paragraph, the individual's liability for
11 any tax shown on the joint return shall not exceed the
12 individual's separate return amount and the
13 individual's liability for any deficiency assessed for
14 that taxable year shall not exceed the portion of the
15 deficiency properly allocable to the individual. For
16 purposes of this paragraph:

17 (i) An election properly made pursuant to
18 Section 6015 of the Internal Revenue Code shall
19 constitute an election under this paragraph,
20 provided that the election shall not be effective
21 until the individual has notified the Department
22 of the election in the form and manner prescribed
23 by the Department.

24 (ii) If no election has been made under Section
25 6015, the individual may make an election under
26 this paragraph in the form and manner prescribed by

1 the Department, provided that no election may be
2 made if the Department finds that assets were
3 transferred between individuals filing a joint
4 return as part of a scheme by such individuals to
5 avoid payment of Illinois income tax and the
6 election shall not eliminate the individual's
7 liability for any portion of a deficiency
8 attributable to an error on the return of which the
9 individual had actual knowledge as of the date of
10 filing.

11 (iii) In determining the separate return
12 amount or portion of any deficiency attributable
13 to an individual, the Department shall follow the
14 provisions in subsections (c) and (d) of Section
15 6015 of the Internal Revenue Code.

16 (iv) In determining the validity of an
17 individual's election under subparagraph (ii) and
18 in determining an electing individual's separate
19 return amount or portion of any deficiency under
20 subparagraph (iii), any determination made by the
21 Secretary of the Treasury, by the United States Tax
22 Court on petition for review of a determination by
23 the Secretary of the Treasury, or on appeal from
24 the United States Tax Court under Section 6015 of
25 the Internal Revenue Code regarding criteria for
26 eligibility or under subsection (d) of Section

1 6015 of the Internal Revenue Code regarding the
2 allocation of any item of income, deduction,
3 payment, or credit between an individual making
4 the federal election and that individual's spouse
5 shall be conclusively presumed to be correct. With
6 respect to any item that is not the subject of a
7 determination by the Secretary of the Treasury or
8 the federal courts, in any proceeding involving
9 this subsection, the individual making the
10 election shall have the burden of proof with
11 respect to any item except that the Department
12 shall have the burden of proof with respect to
13 items in subdivision (ii).

14 (v) Any election made by an individual under
15 this subsection shall apply to all years for which
16 that individual and the spouse named in the
17 election have filed a joint return.

18 (vi) After receiving a notice that the federal
19 election has been made or after receiving an
20 election under subdivision (ii), the Department
21 shall take no collection action against the
22 electing individual for any liability arising from
23 a joint return covered by the election until the
24 Department has notified the electing individual in
25 writing that the election is invalid or of the
26 portion of the liability the Department has

1 allocated to the electing individual. Within 60
2 days (150 days if the individual is outside the
3 United States) after the issuance of such
4 notification, the individual may file a written
5 protest of the denial of the election or of the
6 Department's determination of the liability
7 allocated to him or her and shall be granted a
8 hearing within the Department under the provisions
9 of Section 908. If a protest is filed, the
10 Department shall take no collection action against
11 the electing individual until the decision
12 regarding the protest has become final under
13 subsection (d) of Section 908 or, if
14 administrative review of the Department's decision
15 is requested under Section 1201, until the
16 decision of the court becomes final.

17 (d) Partnerships. Every partnership having any base income
18 allocable to this State in accordance with section 305(c) shall
19 retain information concerning all items of income, gain, loss
20 and deduction; the names and addresses of all of the partners,
21 or names and addresses of members of a limited liability
22 company, or other persons who would be entitled to share in the
23 base income of the partnership if distributed; the amount of
24 the distributive share of each; and such other pertinent
25 information as the Department may by forms or regulations
26 prescribe. The partnership shall make that information

1 available to the Department when requested by the Department.

2 (e) For taxable years ending on or after December 31, 1985,
3 and before December 31, 1993, taxpayers that are corporations
4 (other than Subchapter S corporations) having the same taxable
5 year and that are members of the same unitary business group
6 may elect to be treated as one taxpayer for purposes of any
7 original return, amended return which includes the same
8 taxpayers of the unitary group which joined in the election to
9 file the original return, extension, claim for refund,
10 assessment, collection and payment and determination of the
11 group's tax liability under this Act. This subsection (e) does
12 not permit the election to be made for some, but not all, of
13 the purposes enumerated above. For taxable years ending on or
14 after December 31, 1987, corporate members (other than
15 Subchapter S corporations) of the same unitary business group
16 making this subsection (e) election are not required to have
17 the same taxable year.

18 For taxable years ending on or after December 31, 1993,
19 taxpayers that are corporations (other than Subchapter S
20 corporations) and that are members of the same unitary business
21 group shall be treated as one taxpayer for purposes of any
22 original return, amended return which includes the same
23 taxpayers of the unitary group which joined in filing the
24 original return, extension, claim for refund, assessment,
25 collection and payment and determination of the group's tax
26 liability under this Act.

1 (f) For taxable years ending prior to December 31, 2014,
2 the Department may promulgate regulations to permit
3 nonresident individual partners of the same partnership,
4 nonresident Subchapter S corporation shareholders of the same
5 Subchapter S corporation, and nonresident individuals
6 transacting an insurance business in Illinois under a Lloyds
7 plan of operation, and nonresident individual members of the
8 same limited liability company that is treated as a partnership
9 under Section 1501 (a) (16) of this Act, to file composite
10 individual income tax returns reflecting the composite income
11 of such individuals allocable to Illinois and to make composite
12 individual income tax payments. For taxable years ending prior
13 to December 31, 2014, the Department may by regulation also
14 permit such composite returns to include the income tax owed by
15 Illinois residents attributable to their income from
16 partnerships, Subchapter S corporations, insurance businesses
17 organized under a Lloyds plan of operation, or limited
18 liability companies that are treated as partnership under
19 Section 1501(a) (16) of this Act, in which case such Illinois
20 residents will be permitted to claim credits on their
21 individual returns for their shares of the composite tax
22 payments. This paragraph of subsection (f) applies to taxable
23 years ending on or after December 31, 1987 and ending prior to
24 December 31, 2014.

25 For taxable years ending on or after December 31, 1999, the
26 Department may, by regulation, permit any persons transacting

1 an insurance business organized under a Lloyds plan of
2 operation to file composite returns reflecting the income of
3 such persons allocable to Illinois and the tax rates applicable
4 to such persons under Section 201 and to make composite tax
5 payments and shall, by regulation, also provide that the income
6 and apportionment factors attributable to the transaction of an
7 insurance business organized under a Lloyds plan of operation
8 by any person joining in the filing of a composite return
9 shall, for purposes of allocating and apportioning income under
10 Article 3 of this Act and computing net income under Section
11 202 of this Act, be excluded from any other income and
12 apportionment factors of that person or of any unitary business
13 group, as defined in subdivision (a)(27) of Section 1501, to
14 which that person may belong.

15 For taxable years ending on or after December 31, 2008,
16 every nonresident shall be allowed a credit against his or her
17 liability under subsections (a) and (b) of Section 201 for any
18 amount of tax reported on a composite return and paid on his or
19 her behalf under this subsection (f). Residents (other than
20 persons transacting an insurance business organized under a
21 Lloyds plan of operation) may claim a credit for taxes reported
22 on a composite return and paid on their behalf under this
23 subsection (f) only as permitted by the Department by rule.

24 (f-5) For taxable years ending on or after December 31,
25 2008, the Department may adopt rules to provide that, when a
26 partnership or Subchapter S corporation has made an error in

1 determining the amount of any item of income, deduction,
2 addition, subtraction, or credit required to be reported on its
3 return that affects the liability imposed under this Act on a
4 partner or shareholder, the partnership or Subchapter S
5 corporation may report the changes in liabilities of its
6 partners or shareholders and claim a refund of the resulting
7 overpayments, or pay the resulting underpayments, on behalf of
8 its partners and shareholders.

9 (g) The Department may adopt rules to authorize the
10 electronic filing of any return required to be filed under this
11 Section.

12 (Source: P.A. 97-507, eff. 8-23-11; 98-478, eff. 1-1-14.)

13 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

14 Sec. 901. Collection authority.

15 (a) In general. The Department shall collect the taxes
16 imposed by this Act. The Department shall collect certified
17 past due child support amounts under Section 2505-650 of the
18 Department of Revenue Law of the Civil Administrative Code of
19 Illinois. Except as provided in subsections (b), (c), (e), (f),
20 (g), and (h) of this Section, money collected pursuant to
21 subsections (a) and (b) of Section 201 of this Act shall be
22 paid into the General Revenue Fund in the State treasury; money
23 collected pursuant to subsections (c) and (d) of Section 201 of
24 this Act shall be paid into the Personal Property Tax
25 Replacement Fund, a special fund in the State Treasury; and

1 money collected under Section 2505-650 of the Department of
2 Revenue Law of the Civil Administrative Code of Illinois shall
3 be paid into the Child Support Enforcement Trust Fund, a
4 special fund outside the State Treasury, or to the State
5 Disbursement Unit established under Section 10-26 of the
6 Illinois Public Aid Code, as directed by the Department of
7 Healthcare and Family Services.

8 (b) Local Government Distributive Fund. Beginning August
9 1, 1969, and continuing through June 30, 1994, the Treasurer
10 shall transfer each month from the General Revenue Fund to a
11 special fund in the State treasury, to be known as the "Local
12 Government Distributive Fund", an amount equal to 1/12 of the
13 net revenue realized from the tax imposed by subsections (a)
14 and (b) of Section 201 of this Act during the preceding month.
15 Beginning July 1, 1994, and continuing through June 30, 1995,
16 the Treasurer shall transfer each month from the General
17 Revenue Fund to the Local Government Distributive Fund an
18 amount equal to 1/11 of the net revenue realized from the tax
19 imposed by subsections (a) and (b) of Section 201 of this Act
20 during the preceding month. Beginning July 1, 1995 and
21 continuing through January 31, 2011, the Treasurer shall
22 transfer each month from the General Revenue Fund to the Local
23 Government Distributive Fund an amount equal to the net of (i)
24 1/10 of the net revenue realized from the tax imposed by
25 subsections (a) and (b) of Section 201 of the Illinois Income
26 Tax Act during the preceding month (ii) minus, beginning July

1 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning
2 July 1, 2004, zero. Beginning February 1, 2011, and continuing
3 through January 31, 2015, the Treasurer shall transfer each
4 month from the General Revenue Fund to the Local Government
5 Distributive Fund an amount equal to the sum of (i) 6% (10% of
6 the ratio of the 3% individual income tax rate prior to 2011 to
7 the 5% individual income tax rate after 2010) of the net
8 revenue realized from the tax imposed by subsections (a) and
9 (b) of Section 201 of this Act upon individuals, trusts, and
10 estates during the preceding month and (ii) 6.86% (10% of the
11 ratio of the 4.8% corporate income tax rate prior to 2011 to
12 the 7% corporate income tax rate after 2010) of the net revenue
13 realized from the tax imposed by subsections (a) and (b) of
14 Section 201 of this Act upon corporations during the preceding
15 month. Beginning February 1, 2015 and continuing through July
16 31, 2017, the Treasurer shall transfer each month from the
17 General Revenue Fund to the Local Government Distributive Fund
18 an amount equal to the sum of (i) 8% (10% of the ratio of the 3%
19 individual income tax rate prior to 2011 to the 3.75%
20 individual income tax rate after 2014) of the net revenue
21 realized from the tax imposed by subsections (a) and (b) of
22 Section 201 of this Act upon individuals, trusts, and estates
23 during the preceding month and (ii) 9.14% (10% of the ratio of
24 the 4.8% corporate income tax rate prior to 2011 to the 5.25%
25 corporate income tax rate after 2014) of the net revenue
26 realized from the tax imposed by subsections (a) and (b) of

1 Section 201 of this Act upon corporations during the preceding
2 month. Beginning August 1, 2017 and continuing through January
3 31, 2021, the Treasurer shall transfer each month from the
4 General Revenue Fund to the Local Government Distributive Fund
5 an amount equal to the sum of (i) 6.06% (10% of the ratio of the
6 3% individual income tax rate prior to 2011 to the 4.95%
7 individual income tax rate after July 1, 2017) of the net
8 revenue realized from the tax imposed by subsections (a) and
9 (b) of Section 201 of this Act upon individuals, trusts, and
10 estates during the preceding month and (ii) 6.85% (10% of the
11 ratio of the 4.8% corporate income tax rate prior to 2011 to
12 the 7% corporate income tax rate after July 1, 2017) of the net
13 revenue realized from the tax imposed by subsections (a) and
14 (b) of Section 201 of this Act upon corporations during the
15 preceding month. Beginning on February 1, 2021, the Treasurer
16 shall transfer each month from the General Revenue Fund to the
17 Local Government Distributive Fund an amount equal to 10.75% of
18 the amount that would have been generated under subsections (a)
19 and (b) of Section 201 if the taxes had been imposed at the
20 rate of 3% for individuals, trusts, and estates and at the rate
21 of 4.8% for corporations. Net revenue realized for a month
22 shall be defined as the revenue from the tax imposed by
23 subsections (a) and (b) of Section 201 of this Act which is
24 deposited in the General Revenue Fund, the Education Assistance
25 Fund, the Income Tax Surcharge Local Government Distributive
26 Fund, the Fund for the Advancement of Education, and the

1 Commitment to Human Services Fund during the month minus the
2 amount paid out of the General Revenue Fund in State warrants
3 during that same month as refunds to taxpayers for overpayment
4 of liability under the tax imposed by subsections (a) and (b)
5 of Section 201 of this Act.

6 Notwithstanding any provision of law to the contrary,
7 beginning on July 6, 2017 (the effective date of Public Act
8 100-23), those amounts required under this subsection (b) to be
9 transferred by the Treasurer into the Local Government
10 Distributive Fund from the General Revenue Fund shall be
11 directly deposited into the Local Government Distributive Fund
12 as the revenue is realized from the tax imposed by subsections
13 (a) and (b) of Section 201 of this Act.

14 For State fiscal year 2018 only, notwithstanding any
15 provision of law to the contrary, the total amount of revenue
16 and deposits under this Section attributable to revenues
17 realized during State fiscal year 2018 shall be reduced by 10%.

18 For State fiscal year 2019 only, notwithstanding any
19 provision of law to the contrary, the total amount of revenue
20 and deposits under this Section attributable to revenues
21 realized during State fiscal year 2019 shall be reduced by 5%.

22 (c) Deposits Into Income Tax Refund Fund.

23 (1) Beginning on January 1, 1989 and thereafter, the
24 Department shall deposit a percentage of the amounts
25 collected pursuant to subsections (a) and (b)(1), (2), and
26 (3) of Section 201 of this Act into a fund in the State

1 treasury known as the Income Tax Refund Fund. The
2 Department shall deposit 6% of such amounts during the
3 period beginning January 1, 1989 and ending on June 30,
4 1989. Beginning with State fiscal year 1990 and for each
5 fiscal year thereafter, the percentage deposited into the
6 Income Tax Refund Fund during a fiscal year shall be the
7 Annual Percentage. For fiscal years 1999 through 2001, the
8 Annual Percentage shall be 7.1%. For fiscal year 2003, the
9 Annual Percentage shall be 8%. For fiscal year 2004, the
10 Annual Percentage shall be 11.7%. Upon the effective date
11 of Public Act 93-839 (July 30, 2004), the Annual Percentage
12 shall be 10% for fiscal year 2005. For fiscal year 2006,
13 the Annual Percentage shall be 9.75%. For fiscal year 2007,
14 the Annual Percentage shall be 9.75%. For fiscal year 2008,
15 the Annual Percentage shall be 7.75%. For fiscal year 2009,
16 the Annual Percentage shall be 9.75%. For fiscal year 2010,
17 the Annual Percentage shall be 9.75%. For fiscal year 2011,
18 the Annual Percentage shall be 8.75%. For fiscal year 2012,
19 the Annual Percentage shall be 8.75%. For fiscal year 2013,
20 the Annual Percentage shall be 9.75%. For fiscal year 2014,
21 the Annual Percentage shall be 9.5%. For fiscal year 2015,
22 the Annual Percentage shall be 10%. For fiscal year 2018,
23 the Annual Percentage shall be 9.8%. For fiscal year 2019,
24 the Annual Percentage shall be 9.7%. For all other fiscal
25 years, the Annual Percentage shall be calculated as a
26 fraction, the numerator of which shall be the amount of

1 refunds approved for payment by the Department during the
2 preceding fiscal year as a result of overpayment of tax
3 liability under subsections (a) and (b) (1), (2), and (3) of
4 Section 201 of this Act plus the amount of such refunds
5 remaining approved but unpaid at the end of the preceding
6 fiscal year, minus the amounts transferred into the Income
7 Tax Refund Fund from the Tobacco Settlement Recovery Fund,
8 and the denominator of which shall be the amounts which
9 will be collected pursuant to subsections (a) and (b) (1),
10 (2), and (3) of Section 201 of this Act during the
11 preceding fiscal year; except that in State fiscal year
12 2002, the Annual Percentage shall in no event exceed 7.6%.
13 The Director of Revenue shall certify the Annual Percentage
14 to the Comptroller on the last business day of the fiscal
15 year immediately preceding the fiscal year for which it is
16 to be effective.

17 (2) Beginning on January 1, 1989 and thereafter, the
18 Department shall deposit a percentage of the amounts
19 collected pursuant to subsections (a) and (b) (6), (7), and
20 (8), (c) and (d) of Section 201 of this Act into a fund in
21 the State treasury known as the Income Tax Refund Fund. The
22 Department shall deposit 18% of such amounts during the
23 period beginning January 1, 1989 and ending on June 30,
24 1989. Beginning with State fiscal year 1990 and for each
25 fiscal year thereafter, the percentage deposited into the
26 Income Tax Refund Fund during a fiscal year shall be the

1 Annual Percentage. For fiscal years 1999, 2000, and 2001,
2 the Annual Percentage shall be 19%. For fiscal year 2003,
3 the Annual Percentage shall be 27%. For fiscal year 2004,
4 the Annual Percentage shall be 32%. Upon the effective date
5 of Public Act 93-839 (July 30, 2004), the Annual Percentage
6 shall be 24% for fiscal year 2005. For fiscal year 2006,
7 the Annual Percentage shall be 20%. For fiscal year 2007,
8 the Annual Percentage shall be 17.5%. For fiscal year 2008,
9 the Annual Percentage shall be 15.5%. For fiscal year 2009,
10 the Annual Percentage shall be 17.5%. For fiscal year 2010,
11 the Annual Percentage shall be 17.5%. For fiscal year 2011,
12 the Annual Percentage shall be 17.5%. For fiscal year 2012,
13 the Annual Percentage shall be 17.5%. For fiscal year 2013,
14 the Annual Percentage shall be 14%. For fiscal year 2014,
15 the Annual Percentage shall be 13.4%. For fiscal year 2015,
16 the Annual Percentage shall be 14%. For fiscal year 2018,
17 the Annual Percentage shall be 17.5%. For fiscal year 2019,
18 the Annual Percentage shall be 15.5%. For all other fiscal
19 years, the Annual Percentage shall be calculated as a
20 fraction, the numerator of which shall be the amount of
21 refunds approved for payment by the Department during the
22 preceding fiscal year as a result of overpayment of tax
23 liability under subsections (a) and (b) (6), (7), and (8),
24 (c) and (d) of Section 201 of this Act plus the amount of
25 such refunds remaining approved but unpaid at the end of
26 the preceding fiscal year, and the denominator of which

1 shall be the amounts which will be collected pursuant to
2 subsections (a) and (b) (6), (7), and (8), (c) and (d) of
3 Section 201 of this Act during the preceding fiscal year;
4 except that in State fiscal year 2002, the Annual
5 Percentage shall in no event exceed 23%. The Director of
6 Revenue shall certify the Annual Percentage to the
7 Comptroller on the last business day of the fiscal year
8 immediately preceding the fiscal year for which it is to be
9 effective.

10 (3) The Comptroller shall order transferred and the
11 Treasurer shall transfer from the Tobacco Settlement
12 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
13 in January, 2001, (ii) \$35,000,000 in January, 2002, and
14 (iii) \$35,000,000 in January, 2003.

15 (d) Expenditures from Income Tax Refund Fund.

16 (1) Beginning January 1, 1989, money in the Income Tax
17 Refund Fund shall be expended exclusively for the purpose
18 of paying refunds resulting from overpayment of tax
19 liability under Section 201 of this Act and for making
20 transfers pursuant to this subsection (d).

21 (2) The Director shall order payment of refunds
22 resulting from overpayment of tax liability under Section
23 201 of this Act from the Income Tax Refund Fund only to the
24 extent that amounts collected pursuant to Section 201 of
25 this Act and transfers pursuant to this subsection (d) and
26 item (3) of subsection (c) have been deposited and retained

1 in the Fund.

2 (3) As soon as possible after the end of each fiscal
3 year, the Director shall order transferred and the State
4 Treasurer and State Comptroller shall transfer from the
5 Income Tax Refund Fund to the Personal Property Tax
6 Replacement Fund an amount, certified by the Director to
7 the Comptroller, equal to the excess of the amount
8 collected pursuant to subsections (c) and (d) of Section
9 201 of this Act deposited into the Income Tax Refund Fund
10 during the fiscal year over the amount of refunds resulting
11 from overpayment of tax liability under subsections (c) and
12 (d) of Section 201 of this Act paid from the Income Tax
13 Refund Fund during the fiscal year.

14 (4) As soon as possible after the end of each fiscal
15 year, the Director shall order transferred and the State
16 Treasurer and State Comptroller shall transfer from the
17 Personal Property Tax Replacement Fund to the Income Tax
18 Refund Fund an amount, certified by the Director to the
19 Comptroller, equal to the excess of the amount of refunds
20 resulting from overpayment of tax liability under
21 subsections (c) and (d) of Section 201 of this Act paid
22 from the Income Tax Refund Fund during the fiscal year over
23 the amount collected pursuant to subsections (c) and (d) of
24 Section 201 of this Act deposited into the Income Tax
25 Refund Fund during the fiscal year.

26 (4.5) As soon as possible after the end of fiscal year

1 1999 and of each fiscal year thereafter, the Director shall
2 order transferred and the State Treasurer and State
3 Comptroller shall transfer from the Income Tax Refund Fund
4 to the General Revenue Fund any surplus remaining in the
5 Income Tax Refund Fund as of the end of such fiscal year;
6 excluding for fiscal years 2000, 2001, and 2002 amounts
7 attributable to transfers under item (3) of subsection (c)
8 less refunds resulting from the earned income tax credit.

9 (5) This Act shall constitute an irrevocable and
10 continuing appropriation from the Income Tax Refund Fund
11 for the purpose of paying refunds upon the order of the
12 Director in accordance with the provisions of this Section.

13 (e) Deposits into the Education Assistance Fund and the
14 Income Tax Surcharge Local Government Distributive Fund. On
15 July 1, 1991, and thereafter, of the amounts collected pursuant
16 to subsections (a) and (b) of Section 201 of this Act, minus
17 deposits into the Income Tax Refund Fund, the Department shall
18 deposit 7.3% into the Education Assistance Fund in the State
19 Treasury. Beginning July 1, 1991, and continuing through
20 January 31, 1993, of the amounts collected pursuant to
21 subsections (a) and (b) of Section 201 of the Illinois Income
22 Tax Act, minus deposits into the Income Tax Refund Fund, the
23 Department shall deposit 3.0% into the Income Tax Surcharge
24 Local Government Distributive Fund in the State Treasury.
25 Beginning February 1, 1993 and continuing through June 30,
26 1993, of the amounts collected pursuant to subsections (a) and

1 (b) of Section 201 of the Illinois Income Tax Act, minus
2 deposits into the Income Tax Refund Fund, the Department shall
3 deposit 4.4% into the Income Tax Surcharge Local Government
4 Distributive Fund in the State Treasury. Beginning July 1,
5 1993, and continuing through June 30, 1994, of the amounts
6 collected under subsections (a) and (b) of Section 201 of this
7 Act, minus deposits into the Income Tax Refund Fund, the
8 Department shall deposit 1.475% into the Income Tax Surcharge
9 Local Government Distributive Fund in the State Treasury.

10 (f) Deposits into the Fund for the Advancement of
11 Education. Beginning February 1, 2015, the Department shall
12 deposit the following portions of the revenue realized from the
13 tax imposed upon individuals, trusts, and estates by
14 subsections (a) and (b) of Section 201 of this Act, minus
15 deposits into the Income Tax Refund Fund, into the Fund for the
16 Advancement of Education:

17 (1) beginning February 1, 2015, and prior to February
18 1, 2025, 1/30; and

19 (2) beginning February 1, 2025, 1/26.

20 If the rate of tax imposed by subsection (a) and (b) of
21 Section 201 is reduced pursuant to Section 201.5 of this Act,
22 the Department shall not make the deposits required by this
23 subsection (f) on or after the effective date of the reduction.

24 (g) Deposits into the Commitment to Human Services Fund.
25 Beginning February 1, 2015, the Department shall deposit the
26 following portions of the revenue realized from the tax imposed

1 upon individuals, trusts, and estates by subsections (a) and
2 (b) of Section 201 of this Act, minus deposits into the Income
3 Tax Refund Fund, into the Commitment to Human Services Fund:

4 (1) beginning February 1, 2015, and prior to February
5 1, 2025, 1/30; and

6 (2) beginning February 1, 2025, 1/26.

7 If the rate of tax imposed by subsection (a) and (b) of
8 Section 201 is reduced pursuant to Section 201.5 of this Act,
9 the Department shall not make the deposits required by this
10 subsection (g) on or after the effective date of the reduction.

11 (h) Deposits into the Tax Compliance and Administration
12 Fund. Beginning on the first day of the first calendar month to
13 occur on or after August 26, 2014 (the effective date of Public
14 Act 98-1098), each month the Department shall pay into the Tax
15 Compliance and Administration Fund, to be used, subject to
16 appropriation, to fund additional auditors and compliance
17 personnel at the Department, an amount equal to 1/12 of 5% of
18 the cash receipts collected during the preceding fiscal year by
19 the Audit Bureau of the Department from the tax imposed by
20 subsections (a), (b), (c), and (d) of Section 201 of this Act,
21 net of deposits into the Income Tax Refund Fund made from those
22 cash receipts.

23 (Source: P.A. 99-78, eff. 7-20-15; 100-22, eff. 7-6-17; 100-23,
24 eff. 7-6-17; 100-587, eff. 6-4-18; 100-621, eff. 7-20-18;
25 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised 1-8-19.)

1 Section 99. Effective date. This Act takes effect on
2 January 1, 2021, but does not take effect at all unless Senate
3 Joint Resolution Constitutional Amendment No. 1 of the 101st
4 General Assembly is approved by the voters of the State prior
5 to that date."