



Rep. Michael J. Zalewski

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LRB101 09340 HLH 61141 a

1 AMENDMENT TO SENATE BILL 1257

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1257 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by  
5 changing Section 205 as follows:

6 (35 ILCS 5/205) (from Ch. 120, par. 2-205)

7 Sec. 205. Exempt organizations.

8 (a) Charitable, etc. organizations. For tax years  
9 beginning before January 1, 2019, the ~~The~~ base income of an  
10 organization which is exempt from the federal income tax by  
11 reason of the Internal Revenue Code shall not be determined  
12 under section 203 of this Act, but shall be its unrelated  
13 business taxable income as determined under section 512 of the  
14 Internal Revenue Code, without any deduction for the tax  
15 imposed by this Act. The standard exemption provided by section  
16 204 of this Act shall not be allowed in determining the net

1 income of an organization to which this subsection applies.

2 For tax years beginning on or after January 1, 2019, the  
3 base income of an organization which is exempt from the federal  
4 income tax by reason of the Internal Revenue Code shall not be  
5 determined under Section 203 of this Act, but shall be its  
6 unrelated business taxable income as determined under Section  
7 512 of the Internal Revenue Code, without regard to Section  
8 512(a)(7) of the Internal Revenue Code and without any  
9 deduction for the tax imposed by this Act. The standard  
10 exemption provided by Section 204 of this Act shall not be  
11 allowed in determining the net income of an organization to  
12 which this subsection applies. This exclusion is exempt from  
13 the provisions of Section 250.

14 (b) Partnerships. A partnership as such shall not be  
15 subject to the tax imposed by subsection 201 (a) and (b) of  
16 this Act, but shall be subject to the replacement tax imposed  
17 by subsection 201 (c) and (d) of this Act and shall compute its  
18 base income as described in subsection (d) of Section 203 of  
19 this Act. For taxable years ending on or after December 31,  
20 2004, an investment partnership, as defined in Section  
21 1501(a)(11.5) of this Act, shall not be subject to the tax  
22 imposed by subsections (c) and (d) of Section 201 of this Act.  
23 A partnership shall file such returns and other information at  
24 such time and in such manner as may be required under Article 5  
25 of this Act. The partners in a partnership shall be liable for  
26 the replacement tax imposed by subsection 201 (c) and (d) of

1 this Act on such partnership, to the extent such tax is not  
2 paid by the partnership, as provided under the laws of Illinois  
3 governing the liability of partners for the obligations of a  
4 partnership. Persons carrying on business as partners shall be  
5 liable for the tax imposed by subsection 201 (a) and (b) of  
6 this Act only in their separate or individual capacities.

7 (c) Subchapter S corporations. A Subchapter S corporation  
8 shall not be subject to the tax imposed by subsection 201 (a)  
9 and (b) of this Act but shall be subject to the replacement tax  
10 imposed by subsection 201 (c) and (d) of this Act and shall  
11 file such returns and other information at such time and in  
12 such manner as may be required under Article 5 of this Act.

13 (d) Combat zone, terrorist attack, and certain other  
14 deaths. An individual relieved from the federal income tax for  
15 any taxable year by reason of section 692 of the Internal  
16 Revenue Code shall not be subject to the tax imposed by this  
17 Act for such taxable year.

18 (e) Certain trusts. A common trust fund described in  
19 Section 584 of the Internal Revenue Code, and any other trust  
20 to the extent that the grantor is treated as the owner thereof  
21 under sections 671 through 678 of the Internal Revenue Code  
22 shall not be subject to the tax imposed by this Act.

23 (f) Certain business activities. A person not otherwise  
24 subject to the tax imposed by this Act shall not become subject  
25 to the tax imposed by this Act by reason of:

26 (1) that person's ownership of tangible personal

1 property located at the premises of a printer in this State  
2 with which the person has contracted for printing, or

3 (2) activities of the person's employees or agents  
4 located solely at the premises of a printer and related to  
5 quality control, distribution, or printing services  
6 performed by a printer in the State with which the person  
7 has contracted for printing.

8 (g) A nonprofit risk organization that holds a certificate  
9 of authority under Article VIID of the Illinois Insurance Code  
10 is exempt from the tax imposed under this Act with respect to  
11 its activities or operations in furtherance of the powers  
12 conferred upon it under that Article VIID of the Illinois  
13 Insurance Code.

14 (Source: P.A. 97-507, eff. 8-23-11.)

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