



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1494

Introduced 2/17/2021, by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

35 ILCS 5/210.5

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning tax credits for providing child care for employees.

LRB102 03510 HLH 13523 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 210.5 as follows:

6 (35 ILCS 5/210.5)

7 Sec. 210.5. Tax credit for employee child care.

8 (a) Each corporate taxpayer is entitled to a credit
9 against the ~~the~~ tax imposed by subsections (a) and (b) of
10 Section 201 in an amount equal to (i) for taxable years ending
11 on or after December 31, 2000 and on or before December 31,
12 2004 and for taxable years ending on or after December 31,
13 2007, 30% of the start-up costs expended by the corporate
14 taxpayer to provide a child care facility for the children of
15 its employees and (ii) for taxable years ending on or after
16 December 31, 2000, 5% of the annual amount paid by the
17 corporate taxpayer in providing the child care facility for
18 the children of its employees. The provisions of Section 250
19 do not apply to the credits allowed under this Section. If the
20 5% credit authorized under item (ii) of this subsection is
21 claimed, the 5% credit authorized under Section 210 cannot
22 also be claimed.

23 To receive the tax credit under this Section a corporate

1 taxpayer may either independently provide and operate a child
2 care facility for the children of its employees or it may join
3 in a partnership with one or more other corporations to
4 jointly provide and operate a child care facility for the
5 children of employees of the corporations in the partnership.

6 (b) The tax credit may not reduce the taxpayer's liability
7 to less than zero. If the amount of the tax credit exceeds the
8 tax liability for the year, the excess may be carried forward
9 and applied to the tax liability of the 5 taxable years
10 following the excess credit year. The credit must be applied
11 to the earliest year for which there is a tax liability. If
12 there are credits from more than one tax year that are
13 available to offset a liability, then the earlier credit must
14 be applied first.

15 (c) As used in this Section, "start-up costs" means
16 planning, site-preparation, construction, renovation, or
17 acquisition of a child care facility. As used in this Section,
18 "child care facility" is limited to a child care facility
19 located in Illinois.

20 (d) A corporate taxpayer claiming the credit provided by
21 this Section shall maintain and record such information as the
22 Department may require by rule regarding the child care
23 facility for which the credit is claimed.

24 (Source: P.A. 95-648, eff. 10-11-07.)