

HB1858



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB1858

Introduced 2/17/2021, by Rep. Dagmara Avelar

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for employers that provide reimbursement to employees for costs associated with commuting to and from a worksite in the State. Provides that the credit shall be equal to 50% of those costs, but not to exceed \$100 per employee per month. Effective immediately.

LRB102 10674 HLH 16003 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Commuter reimbursement expenses.

8 (a) For taxable years beginning on or after January 1,
9 2022, each employer that provides reimbursement to its
10 employees for costs associated with commuting to and from a
11 worksite in the State is entitled to a credit against the taxes
12 imposed under subsections (a) and (b) of Section 201 in an
13 amount equal to 50% of those costs. The amount of the credit
14 may not exceed \$100 per employee per month. In no event may the
15 credit under this Section reduce the taxpayer's liability to
16 less than zero. The credit may not be carried forward or back.

17 (b) Costs that are eligible for reimbursement include
18 passes, tickets, fare cards, vouchers, or any other item
19 required to ride a public or private transit system, not
20 including taxi services.

21 (c) For partners, shareholders of subchapter S
22 corporations, and owners of limited liability companies, if
23 the liability company is treated as a partnership for purposes

1 of federal and State income taxation, there shall be allowed a
2 credit under this Section to be determined in accordance with
3 the determination of income and distributive share of income
4 under Sections 702 and 704 and subchapter S of the Internal
5 Revenue Code.

6 (d) This Section is exempt from the provisions of Section
7 250.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.