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LRB102 11490 HLH 23839 a

1 AMENDMENT TO HOUSE BILL 3123

2 AMENDMENT NO. _____. Amend House Bill 3123 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Build
5 Illinois Homes Tax Credit Act.

6 Section 5. Definitions. As used in this Act, unless the
7 context clearly requires otherwise:

8 "Allocation" means an award of tax credits to the owner of
9 a qualified development in any allocation round, to be claimed
10 ratably annually over the credit period.

11 "Allocation round" means all allocations by the Authority
12 of credits under this Act to qualified developments in any
13 calendar year.

14 "Allocation schedule certification" means the
15 certification issued by the owner of a qualified development
16 or its designee pursuant to subsection (d) of Section 10 of

1 this Act.

2 "Authority" means:

3 (1) the Illinois Housing Development Authority; or

4 (2) the City of Chicago Department of Housing.

5 "Credit" means the credit allowed pursuant to this Act.

6 "Credit period" means the period of 10 taxable years
7 beginning with the taxable year in which a qualified
8 development is placed in service. No credit period may include
9 a taxable year beginning prior to January 1, 2022. If a
10 qualified development consists of more than one building, the
11 qualified development is deemed to be placed in service in the
12 taxable year during which the last building of the qualified
13 development is placed in service.

14 "Department" means the Department of Revenue.

15 "Federal tax credit" means the federal low-income housing
16 tax credit provided by Section 42 of the federal Internal
17 Revenue Code, including federal low-income housing tax credits
18 issued pursuant to 26 U.S.C. 42(h)(3) and 26 U.S.C. 42(h)(4).

19 "Qualified allocation plan" means the qualified allocation
20 plan adopted by the Authority pursuant to Section 42(m) of the
21 federal Internal Revenue Code of 1986.

22 "Qualified basis" means the qualified basis of the
23 qualified development as determined pursuant to Section 42 of
24 the federal Internal Revenue Code of 1986.

25 "Qualified development" means a qualified low-income
26 housing project, as that term is defined in Section 42 of the

1 federal Internal Revenue Code of 1986, that is located in the
2 State and is determined to be eligible for the federal tax
3 credit set forth in Section 42 of the Internal Revenue Code.

4 "Qualified taxpayer" means an individual, person, firm,
5 corporation, or other entity that owns an interest, direct or
6 indirect, in a qualified development and is subject to any or
7 all of the following: (i) the taxes imposed by the Illinois
8 Income Tax Act; or (ii) any privilege tax or retaliatory tax,
9 penalty, fee, charge or payment imposed by the Illinois
10 Insurance Code.

11 "State credit eligibility statement" means a statement
12 issued by the Authority under Section 7.

13 "State tax return" means the income tax return filed with
14 the Department or the privilege and retaliatory tax return
15 filed with the Department of Insurance, as applicable.

16 Section 7. State credit eligibility statements. A State
17 credit eligibility statement shall be issued by the Authority
18 with respect to each building within the qualified development
19 following construction or rehabilitation of the qualified
20 development certifying that each such building within that
21 qualified development qualifies for the credit and specifying:

22 (1) the calendar year in which the last building of
23 the qualified development was placed in service;

24 (2) the amount of the credit allowed for each year of
25 the credit period;

1 (3) the maximum qualified basis of the qualified
2 development taken into account in determining such annual
3 credit amount; and

4 (4) a unique identification number for each State
5 credit eligibility statement issued.

6 The State credit eligibility statement shall be issued by
7 the Authority simultaneously with IRS Form 8609 if the
8 qualified development was also allocated federal tax credits.

9 The State credit eligibility statement shall include a
10 Section to be completed by the owner of the qualified
11 development annually for each year of the credit period
12 certifying that the qualified development was in conformance
13 with all compliance requirements. That certification shall be
14 filed with the project owner's State tax return annually of
15 each year of the credit period.

16 Section 10. Credit for low-income housing developments.

17 (a) The Authority shall include the credit in its annual
18 qualified allocation plan each year until expiration of this
19 Act. Each allocation round shall be simultaneous with
20 allocations of federal tax credits.

21 (b) For taxable years beginning on or after January 1,
22 2021, the Authority may allocate a credit to the owner of a
23 qualified development in any allocation round in an amount
24 determined by the Authority, subject to the following
25 guidelines:

1 (1) the Authority must find that the credit is
2 necessary for the financial feasibility of the qualified
3 development;

4 (2) the aggregate sum of credits allocated to
5 qualified developments in any allocation round shall not
6 exceed \$35,000,000, plus the amount of unallocated
7 credits, if any, from the preceding allocation round, plus
8 the amount of any credit recaptured or otherwise returned
9 to the Authority since the previous allocation round;

10 (3) of the \$35,000,000 annual allocation: (i) 75.5% of
11 the available credits in each allocation round shall be
12 allocated by the Illinois Housing Development Authority,
13 plus any credits the Illinois Housing Development
14 Authority did not allocate from the previous allocation
15 round, plus the amount of any credits recaptured or
16 otherwise returned to the Illinois Housing Development
17 Authority since the previous allocation round; and (ii)
18 24.5% of the available credits in each allocation round
19 shall be allocated by the City of Chicago Department of
20 Housing, plus any credits the City of Chicago Department
21 of Housing did not allocate from the previous allocation
22 round, plus the amount of any credits recaptured or
23 otherwise returned to the City of Chicago Department of
24 Housing since the previous allocation round; and

25 (4) unless otherwise provided in this Act, or unless
26 the context clearly requires otherwise, the Authority must

1 determine eligibility for credits and allocate credits in
2 accordance with the standards and requirements set forth
3 in Section 42 of the federal Internal Revenue Code of
4 1986.

5 (c) For tax years during the credit period, any qualified
6 taxpayer is allowed a credit as provided in this Act against
7 any or all of the following: (i) the taxes imposed by
8 subsections (a) and (b) of Section 201 of the Illinois Income
9 Tax Act; or (ii) any privilege tax or retaliatory tax,
10 penalty, fee, charge, or payment imposed under the Illinois
11 Insurance Code.

12 (d) If a taxpayer receiving an allocation of a credit is
13 (i) a corporation that has an election in effect under
14 Subchapter S of the federal Internal Revenue Code, (ii) a
15 partnership, or (iii) a limited liability company, that is
16 taxed as a partnership, the credit provided under this Act may
17 be claimed by the shareholders of the corporation, the
18 partners of the partnership, or the members of the limited
19 liability company (as those terms are defined under applicable
20 State law) in the same manner as those shareholders, partners,
21 or members account for their proportionate shares of the
22 income or losses of the corporation, partnership, or limited
23 liability company, or as provided in the bylaws or other
24 executed agreement of the corporation, partnership, or limited
25 liability company. Credits granted to a partnership, a limited
26 liability company taxed as a partnership, or other multiple

1 owners of property shall be passed through to the partners,
2 members, or owners respectively on a pro rata basis or
3 pursuant to an executed agreement among the partners, members,
4 or owners documenting any alternative distribution method. A
5 qualified taxpayer may claim a credit so long as its direct or
6 indirect interest in the qualified development is acquired
7 prior to the filing of its tax return claiming the credit. On
8 or before February 28th following each year of the credit
9 period, the owner must submit an allocation schedule
10 certification in an electronic format prescribed by the
11 Department and the Department of Insurance to the Department
12 and the Department of Insurance detailing the amount of credit
13 allocated to each qualified taxpayer for the applicable year
14 and whether each qualified taxpayer intends to apply the
15 credit to income tax or insurance premium tax, or the owner
16 must notify the Department and the Department of Insurance
17 that it has assigned the duty of the allocation schedule
18 certification to its designee who must provide such allocation
19 schedule certification to the Department and the Department of
20 Insurance by the deadline. Such allocation schedule
21 certification may be amended in the event the State credit
22 eligibility statement for a project is received after the
23 deadline for filing the allocation schedule certification. Any
24 such amendment shall be filed prior to any taxpayer attempting
25 to claim tax credits associated with the applicable State
26 credit eligibility statement. Each qualified taxpayer is

1 allowed to claim its allocated amount of credit subject to any
2 restrictions set forth in this Section.

3 (e) No credit may be allocated pursuant to this Act unless
4 the qualified development is the subject of a recorded
5 restrictive covenant requiring the development to be
6 maintained and operated as a qualified development; this
7 requirement for a recorded restrictive covenant may be
8 satisfied by the agreement for an extended low-income housing
9 commitment required for the federal tax credits as defined in
10 Section 42(h)(6)(B) of the federal Internal Revenue Code of
11 1986.

12 (f) If, during a taxable year, there is a determination
13 that no recorded restrictive covenant meeting the requirements
14 of subsection (e) was in effect as of the beginning of that
15 year, such determination shall not apply to any period before
16 that year and subsection (e) shall be applied without regard
17 to that determination if the failure is corrected within one
18 year from the date of the determination.

19 (g) The credit amount may be taken against the taxes
20 imposed by the Illinois Income Tax Act for each taxable year of
21 the credit period. The credit amount may be taken against the
22 taxes, penalties, fees, charges, and payments imposed by the
23 Illinois Insurance Code for each reporting period in the
24 credit period. Any credit amount that exceeds the tax due for a
25 taxable year may be carried forward as a tax credit against
26 payments due for up to 5 taxable years following the tax year

1 to which the credit relates and must be applied first to the
2 earliest reporting periods possible. Credits that are not
3 claimed may not be refunded to the qualified taxpayer.

4 (h) By January 15, 2022 and by January 15 of each year
5 thereafter, the Authority shall provide to the Department and
6 the Department of Insurance an electronic file containing all
7 data related to all State credit eligibility statements issued
8 during the preceding year in the manner and form as provided by
9 the Department.

10 Section 15. Recapture. If, under Section 42 of the
11 Internal Revenue Code of 1986, a portion of any federal tax
12 credit claimed with respect to a qualified development is
13 required to be recaptured during the first 10 years after a
14 project is placed in service, then the Authority shall provide
15 written notice, upon a form created by the Authority, to the
16 owner of the qualified development, the Department and the
17 Department of Insurance of the amount to be recaptured and the
18 event triggering recapture. The Authority shall provide such
19 notice to the Department and Department of Insurance no
20 earlier than 6 months after the event triggering recapture to
21 allow the owner of the qualified development an opportunity to
22 correct this event. The amount of credit subject to recapture
23 shall be proportionately equal to the amount of the qualified
24 development's federal tax credits which are subject to
25 recapture. The Department or the Department of Insurance, as

1 applicable, shall notify the qualified taxpayer that claimed
2 the credit of the amount recaptured, and the qualified
3 taxpayer subject to recapture shall increase the qualified
4 taxpayer's tax by the amount of any credit wrongfully claimed
5 in the tax year the qualified taxpayer is notified of the
6 recapture. If multiple taxpayers claimed credit with respect
7 to the building for which credit is to be recaptured, each of
8 those taxpayers shall be liable for a portion of the recapture
9 equal to the percentages of credit with respect to the
10 building originally claimed by the taxpayer.

11 Section 20. Filing requirements. An owner of a qualified
12 development that has received an allocation and each qualified
13 taxpayer claiming any portion of the credit must file with
14 their State tax returns a copy of the State credit eligibility
15 statement issued by the Authority for that qualified
16 development. A qualified taxpayer receiving an allocation of
17 credit through a pass-through entity shall attach to its State
18 tax return a copy of the Schedule K-1-P or other written
19 statement from the pass-through entity stating the portion of
20 the annual credit shown on the State credit eligibility
21 statement that is allocated to that partner, member or
22 shareholder for that taxable year. In addition, the owner of a
23 qualified development or its designee shall file a copy of the
24 allocation schedule certification prior to any tax return
25 being filed claiming a State credit for such qualified

1 development.

2 Section 25. Rules. The Illinois Housing Development
3 Authority, the Department, and the Department of Insurance, in
4 consultation with each other, shall adopt such rules as are
5 necessary to carry out their respective responsibilities under
6 this Act.

7 Section 30. Compliance monitoring. The Authority, in
8 consultation with the Department, shall monitor and oversee
9 compliance with the provisions of this Act and shall report
10 specific occurrences of noncompliance to the Department and
11 the Department of Insurance.

12 Section 35. Report to the General Assembly.

13 (a) The Illinois Housing Development Authority and the
14 Chicago Department of Housing must, by February 28 of each
15 year following the annual allocation, provide a written report
16 to the General Assembly and must publish that report on their
17 websites.

18 (b) The report shall:

19 (1) set forth the number of qualified developments
20 that have been allocated tax credits under this Act during
21 the allocation year and the total number of units
22 supported by each qualified development;

23 (2) describe each qualified development that has been

1 allocated tax credits under this Act including, without
2 limitation, the geographic location of the qualified
3 development, the household type and any specific
4 demographic information available about residents intended
5 to be served by the qualified development, the income
6 levels intended to be served by the qualified development,
7 and the rents or set-asides authorized for each qualified
8 development;

9 (3) provide housing market and demographic information
10 that demonstrates how the qualified developments supported
11 by the tax credits are addressing the need for affordable
12 housing within the communities they are intended to serve
13 as well as information about any remaining disparities in
14 the affordability of housing within those communities; and

15 (4) provide information on the percentage of qualified
16 developments allocated credits that received incentive
17 scoring points in the qualified allocation plan as a
18 result of the general contractor, property manager,
19 architect, or sponsor being certified under the Business
20 Enterprise Program for Minorities, Females, and Persons
21 with a Disability.

22 Section 40. Exempt from automatic sunset. The credit under
23 this Act is exempt from the provisions of Section 250 of the
24 Illinois Income Tax Act.

1 Section 60. The Illinois Income Tax Act is amended by
2 adding Section 232 as follows:

3 (35 ILCS 5/232 new)

4 Sec. 232. Build Illinois Homes Tax Credit Act.

5 (a) For taxable years beginning on or after January 1,
6 2022, any eligible taxpayer with respect to a credit awarded
7 in accordance with the Build Illinois Homes Tax Credit Act
8 that is named, on or after January 1, 2021, on the allocation
9 schedule certification for a particular tax year is entitled
10 to a credit against the taxes imposed by subsections (a) and
11 (b) of Section 201 as provided in the Build Illinois Homes Tax
12 Credit Act.

13 (b) The taxpayer shall attach a copy of the allocation
14 schedule certification and the State credit eligibility
15 certificate issued under the Build Illinois Homes Tax Credit
16 Act to the tax return on which the credits are to be claimed.

17 (c) If, during any taxable year, a taxpayer is notified of
18 a recapture of a credit previously claimed on a State income
19 tax return in accordance with the Build Illinois Homes Tax
20 Credit Act, the tax imposed under subsections (a) and (b) of
21 Section 201 for that taxpayer for that taxable year shall be
22 increased. The amount of the increase shall be determined by
23 (i) recomputing the Build Illinois Homes Tax Credit that would
24 have been allowed for the year in which the credit was
25 originally allowed by eliminating the recaptured amount from

1 such computation, and (ii) subtracting that recomputed credit
2 from the amount of credit previously allowed. No Build
3 Illinois Homes tax Credit shall be allowed with respect to any
4 credit subject to a recapture notice for any taxable year
5 ending after the issuance of a recapture notice.

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

8 Section 65. The Illinois Insurance Code is amended by
9 changing Sections 409 and 444 as follows:

10 (215 ILCS 5/409) (from Ch. 73, par. 1021)

11 Sec. 409. Annual privilege tax payable by companies.

12 (1) As of January 1, 1999 for all health maintenance
13 organization premiums written; as of July 1, 1998 for all
14 premiums written as accident and health business, voluntary
15 health service plan business, dental service plan business, or
16 limited health service organization business; and as of
17 January 1, 1998 for all other types of insurance premiums
18 written, every company doing any form of insurance business in
19 this State, including, but not limited to, every risk
20 retention group, and excluding all fraternal benefit
21 societies, all farm mutual companies, all religious charitable
22 risk pooling trusts, and excluding all statutory residual
23 market and special purpose entities in which companies are
24 statutorily required to participate, whether incorporated or

1 otherwise, shall pay, for the privilege of doing business in
2 this State, to the Director for the State treasury a State tax
3 equal to 0.5% of the net taxable premium written, together
4 with any amounts due under Section 444 of this Code, except
5 that the tax to be paid on any premium derived from any
6 accident and health insurance or on any insurance business
7 written by any company operating as a health maintenance
8 organization, voluntary health service plan, dental service
9 plan, or limited health service organization shall be equal to
10 0.4% of such net taxable premium written, together with any
11 amounts due under Section 444. Upon the failure of any company
12 to pay any such tax due, the Director may, by order, revoke or
13 suspend the company's certificate of authority after giving 20
14 days written notice to the company, or commence proceedings
15 for the suspension of business in this State under the
16 procedures set forth by Section 401.1 of this Code. The gross
17 taxable premium written shall be the gross amount of premiums
18 received on direct business during the calendar year on
19 contracts covering risks in this State, except premiums on
20 annuities, premiums on which State premium taxes are
21 prohibited by federal law, premiums paid by the State for
22 health care coverage for Medicaid eligible insureds as
23 described in Section 5-2 of the Illinois Public Aid Code,
24 premiums paid for health care services included as an element
25 of tuition charges at any university or college owned and
26 operated by the State of Illinois, premiums on group insurance

1 contracts under the State Employees Group Insurance Act of
2 1971, and except premiums for deferred compensation plans for
3 employees of the State, units of local government, or school
4 districts. The net taxable premium shall be the gross taxable
5 premium written reduced only by the following:

6 (a) the amount of premiums returned thereon which
7 shall be limited to premiums returned during the same
8 preceding calendar year and shall not include the return
9 of cash surrender values or death benefits on life
10 policies including annuities;

11 (b) dividends on such direct business that have been
12 paid in cash, applied in reduction of premiums or left to
13 accumulate to the credit of policyholders or annuitants.
14 In the case of life insurance, no deduction shall be made
15 for the payment of deferred dividends paid in cash to
16 policyholders on maturing policies; dividends left to
17 accumulate to the credit of policyholders or annuitants
18 shall be included as gross taxable premium written when
19 such dividend accumulations are applied to purchase
20 paid-up insurance or to shorten the endowment or premium
21 paying period.

22 (2) The annual privilege tax payment due from a company
23 under subsection (4) of this Section may be reduced by: (a) the
24 excess amount, if any, by which the aggregate income taxes
25 paid by the company, on a cash basis, for the preceding
26 calendar year under Sections 601 and 803 of the Illinois

1 Income Tax Act exceed 1.5% of the company's net taxable
2 premium written for that prior calendar year, as determined
3 under subsection (1) of this Section; and (b) the amount of any
4 fire department taxes paid by the company during the preceding
5 calendar year under Section 11-10-1 of the Illinois Municipal
6 Code. Any deductible amount or offset allowed under items (a)
7 and (b) of this subsection for any calendar year will not be
8 allowed as a deduction or offset against the company's
9 privilege tax liability for any other taxing period or
10 calendar year.

11 (3) If a company survives or was formed by a merger,
12 consolidation, reorganization, or reincorporation, the
13 premiums received and amounts returned or paid by all
14 companies party to the merger, consolidation, reorganization,
15 or reincorporation shall, for purposes of determining the
16 amount of the tax imposed by this Section, be regarded as
17 received, returned, or paid by the surviving or new company.

18 (4) (a) All companies subject to the provisions of this
19 Section shall make an annual return for the preceding calendar
20 year on or before March 15 setting forth such information on
21 such forms as the Director may reasonably require. Payments of
22 quarterly installments of the taxpayer's total estimated tax
23 for the current calendar year shall be due on or before April
24 15, June 15, September 15, and December 15 of such year, except
25 that all companies transacting insurance in this State whose
26 annual tax for the immediately preceding calendar year was

1 less than \$5,000 shall make only an annual return. Failure of a
2 company to make the annual payment, or to make the quarterly
3 payments, if required, of at least 25% of either (i) the total
4 tax paid during the previous calendar year or (ii) 80% of the
5 actual tax for the current calendar year shall subject it to
6 the penalty provisions set forth in Section 412 of this Code.

7 (b) Notwithstanding the foregoing provisions, no annual
8 return shall be required or made on March 15, 1998, under this
9 subsection. For the calendar year 1998:

10 (i) each health maintenance organization shall have no
11 estimated tax installments;

12 (ii) all companies subject to the tax as of July 1,
13 1998 as set forth in subsection (1) shall have estimated
14 tax installments due on September 15 and December 15 of
15 1998 which installments shall each amount to no less than
16 one-half of 80% of the actual tax on its net taxable
17 premium written during the period July 1, 1998, through
18 December 31, 1998; and

19 (iii) all other companies shall have estimated tax
20 installments due on June 15, September 15, and December 15
21 of 1998 which installments shall each amount to no less
22 than one-third of 80% of the actual tax on its net taxable
23 premium written during the calendar year 1998.

24 In the year 1999 and thereafter all companies shall make
25 annual and quarterly installments of their estimated tax as
26 provided by paragraph (a) of this subsection.

1 (5) In addition to the authority specifically granted
2 under Article XXV of this Code, the Director shall have such
3 authority to adopt rules and establish forms as may be
4 reasonably necessary for purposes of determining the
5 allocation of Illinois corporate income taxes paid under
6 subsections (a) through (d) of Section 201 of the Illinois
7 Income Tax Act amongst members of a business group that files
8 an Illinois corporate income tax return on a unitary basis,
9 for purposes of regulating the amendment of tax returns, for
10 purposes of defining terms, and for purposes of enforcing the
11 provisions of Article XXV of this Code. The Director shall
12 also have authority to defer, waive, or abate the tax imposed
13 by this Section if in his opinion the company's solvency and
14 ability to meet its insured obligations would be immediately
15 threatened by payment of the tax due.

16 (6) This Section is subject to the provisions of Section
17 10 of the New Markets Development Program Act.

18 (7) This Section is subject to the provisions of the Build
19 Illinois Homes Tax Credit Act. For taxable years beginning on
20 or after January 1, 2022, qualified taxpayers are entitled to
21 claim credits awarded in accordance with the Build Illinois
22 Homes Tax Credit Act on or after January 1, 2021 against the
23 taxes imposed by this Section as provided in the Build
24 Illinois Homes Tax Credit Act. Companies claiming a credit
25 under the Build Illinois Homes Tax Credit Act are not required
26 to pay any additional tax as a result of claiming the credit.

1 The credit may fully offset any amounts imposed under this
2 Section.

3 (Source: P.A. 97-813, eff. 7-13-12; 98-1169, eff. 1-9-15.)

4 (215 ILCS 5/444) (from Ch. 73, par. 1056)

5 Sec. 444. Retaliation.

6 (1) Whenever the existing or future laws of any other
7 state or country shall require of companies incorporated or
8 organized under the laws of this State as a condition
9 precedent to their doing business in such other state or
10 country, compliance with laws, rules, regulations, and
11 prohibitions more onerous or burdensome than the rules and
12 regulations imposed by this State on foreign or alien
13 companies, or shall require any deposit of securities or other
14 obligations in such state or country, for the protection of
15 policyholders or otherwise or require of such companies or
16 agents thereof or brokers the payment of penalties, fees,
17 charges, or taxes greater than the penalties, fees, charges,
18 or taxes required in the aggregate for like purposes by this
19 Code or any other law of this State, of foreign or alien
20 companies, agents thereof or brokers, then such laws, rules,
21 regulations, and prohibitions of said other state or country
22 shall apply to companies incorporated or organized under the
23 laws of such state or country doing business in this State, and
24 all such companies, agents thereof, or brokers doing business
25 in this State, shall be required to make deposits, pay

1 penalties, fees, charges, and taxes, in amounts equal to those
2 required in the aggregate for like purposes of Illinois
3 companies doing business in such state or country, agents
4 thereof or brokers. Whenever any other state or country shall
5 refuse to permit any insurance company incorporated or
6 organized under the laws of this State to transact business
7 according to its usual plan in such other state or country, the
8 director may, if satisfied that such company of this State is
9 solvent, properly managed, and can operate legally under the
10 laws of such other state or country, forthwith suspend or
11 cancel the license of every insurance company doing business
12 in this State which is incorporated or organized under the
13 laws of such other state or country to the extent that it
14 insures in this State against any of the risks or hazards which
15 are sought to be insured against by the company of this State
16 in such other state or country.

17 (2) The provisions of this Section shall not apply to
18 residual market or special purpose assessments or guaranty
19 fund or guaranty association assessments, both under the laws
20 of this State and under the laws of any other state or country,
21 and any tax offset or credit for any such assessment shall, for
22 purposes of this Section, be treated as a tax paid both under
23 the laws of this State and under the laws of any other state or
24 country.

25 (3) The terms "penalties", "fees", "charges", and "taxes"
26 in subsection (1) of this Section shall include: the

1 penalties, fees, charges, and taxes collected on a cash basis
2 under State law and referenced within Article XXV exclusive of
3 any items referenced by subsection (2) of this Section, but
4 including any tax offset allowed under Section 531.13 of this
5 Code; the aggregate Illinois corporate income taxes paid under
6 Sections 601 and 803 of the Illinois Income Tax Act during the
7 calendar year for which the retaliatory tax calculation is
8 being made, less the recapture of any Illinois corporate
9 income tax cash refunds to the extent that the amount of tax
10 refunded was reported as part of the Illinois basis in the
11 calculation of the retaliatory tax for a prior tax year,
12 provided that such recaptured refund shall not exceed the
13 amount necessary for equivalence of the Illinois basis with
14 the state of incorporation basis in such tax year, and after
15 any tax offset allowed under Section 531.13 of this Code;
16 income or personal property taxes imposed by other states or
17 countries; penalties, fees, charges, and taxes of other states
18 or countries imposed for purposes like those of the penalties,
19 fees, charges, and taxes specified in Article XXV of this Code
20 exclusive of any item referenced in subsection (2) of this
21 Section; and any penalties, fees, charges, and taxes required
22 as a franchise, privilege, or licensing tax for conducting the
23 business of insurance whether calculated as a percentage of
24 income, gross receipts, premium, or otherwise.

25 (4) Nothing contained in this Section or Section 409 or
26 Section 444.1 is intended to authorize or expand any power of

1 local governmental units or municipalities to impose taxes,
2 fees, or charges.

3 (5) This Section is subject to the provisions of Section
4 10 of the New Markets Development Program Act.

5 (6) This Section is subject to the provisions of the Build
6 Illinois Homes Tax Credit Act. For taxable years beginning on
7 or after January 1, 2022, qualified taxpayers are entitled to
8 claim credits awarded in accordance with the Build Illinois
9 Homes Tax Credit Act on or after January 1, 2021 against the
10 taxes imposed by this Section as provided in the Build
11 Illinois Homes Tax Credit Act. Companies claiming a credit
12 under the Build Illinois Homes Tax Credit Act are not required
13 to pay any additional tax as a result of claiming the credit.
14 The credit may fully offset any amounts imposed under this
15 Section.

16 (Source: P.A. 98-1169, eff. 1-9-15.)

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