

# HB3307



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3307

Introduced 2/19/2021, by Rep. Justin Slaughter

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to the investment made by the taxpayer during the taxable year in a Qualified Opportunity Fund. Provides that no such credit may be taken for any taxable year that begins prior to January 1, 2022. Provides that excess credits may be carried forward or back. Provides that the aggregate amount of the Qualified Opportunity Fund tax credit shall be limited to \$10,000 per taxpayer per calendar year. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB102 14480 HLH 19833 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. Qualified Opportunity Fund credit.

8 (a) As used in this Section:

9 "Applicant" means a corporation, partnership, limited  
10 liability company, or a natural person that makes an  
11 investment in a Qualified Opportunity Fund established under  
12 Section 1400Z-2 of the Internal Revenue Code.

13 "Claimant" means an applicant that is awarded a credit  
14 under this Section by the Department.

15 "Department" means the Department of Commerce and Economic  
16 Opportunity.

17 (b) A claimant may claim a credit against the tax imposed  
18 under subsections (a) and (b) of Section 201 of this Act in an  
19 amount equal to the claimant's investment during the taxable  
20 year in a Qualified Opportunity Fund established under Section  
21 1400Z-2 of the Internal Revenue Code.

22 (c) Credits may be awarded for investments made on or  
23 after the date on which the Qualified Opportunity Fund is

1 created; however, no credit may be taken for any taxable year  
2 that begins prior to January 1, 2022. The credit under this  
3 Section may not exceed the taxpayer's Illinois income tax  
4 liability for the taxable year. If the amount of the credit  
5 exceeds the tax liability for the year, then the excess may be  
6 carried forward and applied to the tax liability of the 5  
7 taxable years following the excess credit year or carried back  
8 and applied to the tax liability of the 3 taxable years  
9 immediately preceding the excess credit year. The credit shall  
10 be applied to the earliest year for which there is a tax  
11 liability. If there are credits from more than one tax year  
12 that are available to offset a liability, the earlier credit  
13 shall be applied first. In the case of a partnership or  
14 Subchapter S Corporation, the credit is allowed to the  
15 partners or shareholders in accordance with the determination  
16 of income and distributive share of income under Sections 702  
17 and 704 and Subchapter S of the Internal Revenue Code.

18 (d) A transfer of the credit may be made by the taxpayer,  
19 in accordance with rules adopted by the Department, within one  
20 year after the credit is awarded.

21 (e) In no event shall a credit under this Section exceed  
22 \$10,000 for any taxpayer in any taxable year.

23 (f) This Section is exempt from the provisions of Section  
24 250.

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.