

SB2259



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2259

Introduced 2/26/2021, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for a taxpayer who makes an investment in depreciable property used primarily to collect or process reclaimable material or to manufacture products from reclaimed material. Sets forth the amount of the credit. Effective immediately.

LRB102 10408 HLH 15735 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. Reclaimable material.

8 (a) For taxable years beginning on or after January 1,
9 2022, a taxpayer who makes an investment in depreciable
10 property used primarily to collect or process reclaimable
11 material or to manufacture products from reclaimed material is
12 entitled to a credit against the taxes imposed by subsections
13 (a) and (b) of Section 201 as provided in this Section. The
14 amount of the credit shall be as follows:

15 (1) 25% of the cost of the property on the first
16 \$250,000 invested;

17 (2) 15% of the cost of the property on the next
18 \$250,000 invested; and

19 (3) 5% of the cost of the property on the next \$500,000
20 invested.

21 A credit may not be claimed for investments in depreciable
22 property in excess of \$1,000,000.

23 (b) In no event shall a credit under this Section reduce

1 the taxpayer's liability to less than zero. If the amount of
2 the credit exceeds the tax liability for the year, the excess
3 may be carried forward and applied to the tax liability of the
4 5 taxable years following the excess credit year. The tax
5 credit shall be applied to the earliest year for which there is
6 a tax liability. If there are credits for more than one year
7 that are available to offset a liability, the earlier credit
8 shall be applied first.

9 (c) If the taxpayer is a partnership, a Subchapter S
10 corporation, or a limited liability company that has elected
11 partnership tax treatment, the credit shall be allowed to the
12 partners, shareholders, or members in accordance with the
13 determination of income and distributive share of income under
14 Sections 702 and 704 and subchapter S of the Internal Revenue
15 Code, as applicable.

16 (d) This Section is exempt from the provisions of Section
17 250.

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