

# HB1078



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1078

Introduced 1/12/2023, by Rep. Mark L. Walker

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/240 new

Amends the Illinois Income Tax Act. Provides for a credit for taxpayers who hire full-time employees to fill positions at a location in a county with fewer than 250,000 inhabitants. Effective immediately.

LRB103 05221 SPS 50237 b

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 240 as follows:

6 (35 ILCS 5/240 new)

7 Sec. 240. Credit for full-time employees in a county with  
8 fewer than 250,000 inhabitants.

9 (a) For taxable years beginning on or after January 1,  
10 2023, each taxpayer that hires a full-time employee to fill a  
11 position at a location in a county in the State with fewer than  
12 250,000 inhabitants is entitled to a credit against the taxes  
13 imposed by subsections (a) and (b) of Section 201 of this Act  
14 in an amount not to exceed \$5,000 per eligible employee. The  
15 credit may be taken for the taxable year in which the employee  
16 is hired by the taxpayer and for the next taxable year if the  
17 employee remains employed with that taxpayer in the next  
18 taxable year. The amount of the credit shall be \$5,000 in each  
19 taxable year, multiplied by a fraction the numerator of which  
20 is the number of days the employee is employed by the taxpayer  
21 during the taxable year and the denominator of which is 365.

22 (b) For partners, shareholders of Subchapter S  
23 corporations, and owners of limited liability companies, if

1 the liability company is treated as a partnership for purposes  
2 of federal and State income taxation, there shall be allowed a  
3 credit under this Section to be determined in accordance with  
4 the determination of income and distributive share of income  
5 under Sections 702 and 704 and Subchapter S of the Internal  
6 Revenue Code.

7 (c) In no event shall a credit under this Section reduce  
8 the taxpayer's liability to less than zero. If the amount of  
9 the credit exceeds the tax liability for the year, the excess  
10 may be carried forward and applied to the tax liability of the  
11 5 taxable years following the excess credit year. The tax  
12 credit shall be applied to the earliest year for which there is  
13 a tax liability. If there are credits for more than one year  
14 that are available to offset a liability, the earlier credit  
15 shall be applied first.

16 (d) As used in this Section, "full-time employee" means an  
17 individual who is employed for consideration for at least 35  
18 hours each week or who renders any other standard of service  
19 generally accepted by industry custom or practice as full-time  
20 employment. An individual for whom a W-2 is issued by a  
21 Professional Employer Organization (PEO) is a full-time  
22 employee if employed in the service of the taxpayer for  
23 consideration for at least 35 hours each week or renders to the  
24 taxpayer any other standard of service generally accepted by  
25 industry custom or practice as full-time employment.

26 (e) This Section is exempt from the provisions of Section

1     250.

2             Section 99. Effective date. This Act takes effect upon  
3     becoming law.