

# HB2221



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2221

Introduced 2/8/2023, by Rep. Mary E. Flowers

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who have an approved NFPA 13D residential fire sprinkler system installed in a new or existing residential dwelling in the State during the taxable year. Provides that the credit shall be in an amount equal to 50% of the total cost of the installation but not to exceed \$10,000 per taxpayer in any taxable year. Provides that the credit is exempt from the Act's automatic sunset provisions. Effective immediately.

LRB103 05899 HLH 56383 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 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Residential fire sprinkler installation credit.

8 (a) For taxable years ending on or after December 31,  
9 2023, each taxpayer who has an approved NFPA 13D residential  
10 fire sprinkler system installed by a licensed fire sprinkler  
11 contractor in a new or existing residential dwelling in the  
12 State during the taxable year is entitled to a credit against  
13 the taxes imposed by subsections (a) and (b) of Section 201 in  
14 an amount equal to 50% of the total cost of the installation  
15 but not to exceed \$10,000 per taxpayer in any taxable year.

16 (b) The taxpayer shall provide to the Department a copy of  
17 the final invoice showing the total cost of the installation  
18 of the fire sprinkler system. The invoice shall include the  
19 following:

20 (1) the water main tap fee, if required;

21 (2) fees and costs for combined sprinkler and domestic  
22 water service;

23 (3) costs associated with installing, modifying, or

1 upgrading piping and valves; and

2 (4) all other installation and testing fees.

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

12 (d) As used in this Section, "approved NFPA 13D  
13 residential fire sprinkler system" means a residential fire  
14 sprinkler system that meets the requirements of NFPA 13D  
15 standards established by the National Fire Protection  
16 Association for one-family and 2-family residential dwellings.

17 (e) This Section is exempt from the provisions of Section  
18 250.

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