



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3089

Introduced 2/17/2023, by Rep. Abdelnasser Rashid

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/240 new

Amends the Illinois Income Tax Act. Provides that, for taxable years beginning on or after January 1, 2023, a taxpayer shall be allowed a credit in an amount equal to 50% of the cost of any qualified electric bicycle placed in service by the taxpayer during the taxable year. Provides that the total credit allowed to a taxpayer may not exceed \$1,000 for all taxable years. Provides that, to claim the credit, the taxpayer must apply to the Department of Revenue for a certificate of credit in the form and manner required by the Department by rule. Provides that no later than 3 years after the effective date of the amendatory Act, the Department shall report to the Governor and to the General Assembly the number of tax credit certificates awarded and the aggregate dollar amount of the tax credit certificates allowed. Effective immediately.

LRB103 30029 SPS 56450 b

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. Electric bicycle credit.

8 (a) For taxable years beginning on or after January 1,  
9 2023, a taxpayer shall be allowed a credit against the tax  
10 imposed by subsections (a) and (b) of Section 201 in an amount  
11 equal to 50% of the cost of any qualified electric bicycle  
12 placed in service by the taxpayer during the taxable year. The  
13 total credit allowed to a taxpayer may not exceed \$1,000 for  
14 all taxable years. To claim the credit, the taxpayer must  
15 apply to the Department of Revenue for a certificate of credit  
16 in the form and manner required by the Department of Revenue by  
17 rule. If granted, the taxpayer shall attach a copy of the  
18 certificate of credit to his or her Illinois income tax return  
19 for the taxable year.

20 (b) In no event shall a credit under this Section reduce  
21 the taxpayer's liability to less than zero. If the amount of  
22 the credit exceeds the tax liability for the year, the excess  
23 may be carried forward and applied to the tax liability of the

1 5 taxable years following the excess credit year. The tax  
2 credit shall be applied to the earliest year for which there is  
3 a tax liability. If there are credits for more than one year  
4 that are available to offset a liability, the earlier credit  
5 shall be applied first.

6 (c) As used in this Section, "qualified electric bicycle"  
7 means a 2-wheeled or 3-wheeled vehicle that:

8 (1) is a class 1 low-speed electric bicycle, a class 2  
9 low-speed electric bicycle, or a class 3 low-speed  
10 electric bicycle, as those terms are defined in Section  
11 1-140.10 of the Illinois Vehicle Code;

12 (2) the original use of which commences with the  
13 taxpayer;

14 (3) is acquired for use by the taxpayer in the United  
15 States and not for lease or resale; and

16 (4) is not property of a character subject to an  
17 allowance for depreciation or amortization in the hands of  
18 the taxpayer.

19 "Qualified electric bicycle" does not include any vehicle if  
20 the aggregate amount paid for the acquisition of the vehicle  
21 exceeds \$8,000.

22 (d) No later than 3 years after the effective date of this  
23 amendatory Act of the 103rd General Assembly, the Department  
24 of Revenue shall report to the Governor and to the General  
25 Assembly the number of tax credit certificates awarded under  
26 this Section and the aggregate dollar amount of the tax credit

1 certificates allowed.

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