



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB3502

Introduced 2/17/2023, by Rep. Dagmara Avelar

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for employers that provide reimbursement to employees for costs associated with commuting to and from a worksite in the State. Provides that the credit shall be equal to 50% of those costs, but not to exceed \$100 per employee per month. Effective immediately.

LRB103 27507 HLH 53882 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 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Commuter reimbursement expenses.

8 (a) For taxable years beginning on or after January 1,  
9 2023, each employer that provides reimbursement to its  
10 employees for costs associated with commuting to and from a  
11 worksite in the State is entitled to a credit against the taxes  
12 imposed under subsections (a) and (b) of Section 201 in an  
13 amount equal to 50% of those costs. The amount of the credit  
14 may not exceed \$100 per employee per month. In no event may the  
15 credit under this Section reduce the taxpayer's liability to  
16 less than zero. The credit may not be carried forward or back.

17 (b) Costs that are eligible for reimbursement include  
18 passes, tickets, fare cards, vouchers, or any other item  
19 required to ride a public or private transit system, not  
20 including taxi services.

21 (c) For partners, shareholders of subchapter S  
22 corporations, and owners of limited liability companies, if  
23 the liability company is treated as a partnership for purposes

1 of federal and State income taxation, there shall be allowed a  
2 credit under this Section to be determined in accordance with  
3 the determination of income and distributive share of income  
4 under Sections 702 and 704 and subchapter S of the Internal  
5 Revenue Code.

6 (d) This Section is exempt from the provisions of Section  
7 250.

8 Section 99. Effective date. This Act takes effect upon  
9 becoming law.