



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4002

Introduced 2/28/2023, by Rep. Dave Vella

SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who employ a veteran with a service connected disability for a period of at least 12 continuous months immediately before the end of the taxable year. Provides that the credit is in an amount equal to the percentage of disability suffered by the veteran multiplied by the employee's wage base. Provides that the veteran's wage base is the first \$5,000 dollars in wages or compensation actually paid to the employee by the employer during the taxable year.

LRB103 27284 HLH 53655 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. Employment of veterans with disabilities.

8 (1) For taxable years beginning on or after January 1,
9 2024, a taxpayer is entitled to a credit against the taxes
10 imposed by subsections (a) and (b) of Section 201 if the
11 taxpayer employs a veteran with a service connected disability
12 and the veteran has been employed continuously by the taxpayer
13 for a period of at least 12 months immediately before the end
14 of the taxable year. The amount of the credit shall be equal to
15 the percentage of disability suffered by the veteran, as
16 certified by the United States Department of Veterans Affairs,
17 multiplied by the employee's wage base. As used in this
18 Section, the employee's wage base is the first \$5,000 dollars
19 in wages or compensation actually paid to the employee by the
20 employer during the taxable year.

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

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

7 (c) For partners of partnerships and shareholders of
8 Subchapter S corporations, there shall be allowed a credit
9 under this Section to be determined in accordance with the
10 determination of income and distributive share of income under
11 Sections 702 and 704 and Subchapter S of the Internal Revenue
12 Code.

13 (d) This Section is exempt from the provisions of Section
14 250.