

# HB4088



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4088

Introduced 5/11/2023, by Rep. Harry Benton

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/203

from Ch. 120, par. 2-203

Amends the Illinois Income Tax Act. Creates a deduction for the full amount of union dues paid by the taxpayer during the taxable year if the taxpayer was not allowed a federal deduction under the Internal Revenue Code. Provides that, if any amount of union dues representing federal miscellaneous itemized deductions was allowed as a federal deduction, then the amount allowed as an Illinois deduction shall be a specified percentage of the union dues disallowed under the Internal Revenue Code. Provides that the deduction is exempt from the Act's automatic sunset provision. Effective immediately.

LRB103 32323 HLH 61650 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 changing Section 203 as follows:

6 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

7 Sec. 203. Base income defined.

8 (a) Individuals.

9 (1) In general. In the case of an individual, base  
10 income means an amount equal to the taxpayer's adjusted  
11 gross income for the taxable year as modified by paragraph  
12 (2).

13 (2) Modifications. The adjusted gross income referred  
14 to in paragraph (1) shall be modified by adding thereto  
15 the sum of the following amounts:

16 (A) An amount equal to all amounts paid or accrued  
17 to the taxpayer as interest or dividends during the  
18 taxable year to the extent excluded from gross income  
19 in the computation of adjusted gross income, except  
20 stock dividends of qualified public utilities  
21 described in Section 305(e) of the Internal Revenue  
22 Code;

23 (B) An amount equal to the amount of tax imposed by

1           this Act to the extent deducted from gross income in  
2           the computation of adjusted gross income for the  
3           taxable year;

4           (C) An amount equal to the amount received during  
5           the taxable year as a recovery or refund of real  
6           property taxes paid with respect to the taxpayer's  
7           principal residence under the Revenue Act of 1939 and  
8           for which a deduction was previously taken under  
9           subparagraph (L) of this paragraph (2) prior to July  
10          1, 1991, the retrospective application date of Article  
11          4 of Public Act 87-17. In the case of multi-unit or  
12          multi-use structures and farm dwellings, the taxes on  
13          the taxpayer's principal residence shall be that  
14          portion of the total taxes for the entire property  
15          which is attributable to such principal residence;

16          (D) An amount equal to the amount of the capital  
17          gain deduction allowable under the Internal Revenue  
18          Code, to the extent deducted from gross income in the  
19          computation of adjusted gross income;

20          (D-5) An amount, to the extent not included in  
21          adjusted gross income, equal to the amount of money  
22          withdrawn by the taxpayer in the taxable year from a  
23          medical care savings account and the interest earned  
24          on the account in the taxable year of a withdrawal  
25          pursuant to subsection (b) of Section 20 of the  
26          Medical Care Savings Account Act or subsection (b) of

1 Section 20 of the Medical Care Savings Account Act of  
2 2000;

3 (D-10) For taxable years ending after December 31,  
4 1997, an amount equal to any eligible remediation  
5 costs that the individual deducted in computing  
6 adjusted gross income and for which the individual  
7 claims a credit under subsection (l) of Section 201;

8 (D-15) For taxable years 2001 and thereafter, an  
9 amount equal to the bonus depreciation deduction taken  
10 on the taxpayer's federal income tax return for the  
11 taxable year under subsection (k) of Section 168 of  
12 the Internal Revenue Code;

13 (D-16) If the taxpayer sells, transfers, abandons,  
14 or otherwise disposes of property for which the  
15 taxpayer was required in any taxable year to make an  
16 addition modification under subparagraph (D-15), then  
17 an amount equal to the aggregate amount of the  
18 deductions taken in all taxable years under  
19 subparagraph (Z) with respect to that property.

20 If the taxpayer continues to own property through  
21 the last day of the last tax year for which a  
22 subtraction is allowed with respect to that property  
23 under subparagraph (Z) and for which the taxpayer was  
24 allowed in any taxable year to make a subtraction  
25 modification under subparagraph (Z), then an amount  
26 equal to that subtraction modification.

1           The taxpayer is required to make the addition  
2           modification under this subparagraph only once with  
3           respect to any one piece of property;

4           (D-17) An amount equal to the amount otherwise  
5           allowed as a deduction in computing base income for  
6           interest paid, accrued, or incurred, directly or  
7           indirectly, (i) for taxable years ending on or after  
8           December 31, 2004, to a foreign person who would be a  
9           member of the same unitary business group but for the  
10          fact that foreign person's business activity outside  
11          the United States is 80% or more of the foreign  
12          person's total business activity and (ii) for taxable  
13          years ending on or after December 31, 2008, to a person  
14          who would be a member of the same unitary business  
15          group but for the fact that the person is prohibited  
16          under Section 1501(a)(27) from being included in the  
17          unitary business group because he or she is ordinarily  
18          required to apportion business income under different  
19          subsections of Section 304. The addition modification  
20          required by this subparagraph shall be reduced to the  
21          extent that dividends were included in base income of  
22          the unitary group for the same taxable year and  
23          received by the taxpayer or by a member of the  
24          taxpayer's unitary business group (including amounts  
25          included in gross income under Sections 951 through  
26          964 of the Internal Revenue Code and amounts included

1 in gross income under Section 78 of the Internal  
2 Revenue Code) with respect to the stock of the same  
3 person to whom the interest was paid, accrued, or  
4 incurred.

5 This paragraph shall not apply to the following:

6 (i) an item of interest paid, accrued, or  
7 incurred, directly or indirectly, to a person who  
8 is subject in a foreign country or state, other  
9 than a state which requires mandatory unitary  
10 reporting, to a tax on or measured by net income  
11 with respect to such interest; or

12 (ii) an item of interest paid, accrued, or  
13 incurred, directly or indirectly, to a person if  
14 the taxpayer can establish, based on a  
15 preponderance of the evidence, both of the  
16 following:

17 (a) the person, during the same taxable  
18 year, paid, accrued, or incurred, the interest  
19 to a person that is not a related member, and

20 (b) the transaction giving rise to the  
21 interest expense between the taxpayer and the  
22 person did not have as a principal purpose the  
23 avoidance of Illinois income tax, and is paid  
24 pursuant to a contract or agreement that  
25 reflects an arm's-length interest rate and  
26 terms; or

1           (iii) the taxpayer can establish, based on  
2 clear and convincing evidence, that the interest  
3 paid, accrued, or incurred relates to a contract  
4 or agreement entered into at arm's-length rates  
5 and terms and the principal purpose for the  
6 payment is not federal or Illinois tax avoidance;  
7 or

8           (iv) an item of interest paid, accrued, or  
9 incurred, directly or indirectly, to a person if  
10 the taxpayer establishes by clear and convincing  
11 evidence that the adjustments are unreasonable; or  
12 if the taxpayer and the Director agree in writing  
13 to the application or use of an alternative method  
14 of apportionment under Section 304(f).

15           Nothing in this subsection shall preclude the  
16 Director from making any other adjustment  
17 otherwise allowed under Section 404 of this Act  
18 for any tax year beginning after the effective  
19 date of this amendment provided such adjustment is  
20 made pursuant to regulation adopted by the  
21 Department and such regulations provide methods  
22 and standards by which the Department will utilize  
23 its authority under Section 404 of this Act;

24           (D-18) An amount equal to the amount of intangible  
25 expenses and costs otherwise allowed as a deduction in  
26 computing base income, and that were paid, accrued, or

1 incurred, directly or indirectly, (i) for taxable  
2 years ending on or after December 31, 2004, to a  
3 foreign person who would be a member of the same  
4 unitary business group but for the fact that the  
5 foreign person's business activity outside the United  
6 States is 80% or more of that person's total business  
7 activity and (ii) for taxable years ending on or after  
8 December 31, 2008, to a person who would be a member of  
9 the same unitary business group but for the fact that  
10 the person is prohibited under Section 1501(a)(27)  
11 from being included in the unitary business group  
12 because he or she is ordinarily required to apportion  
13 business income under different subsections of Section  
14 304. The addition modification required by this  
15 subparagraph shall be reduced to the extent that  
16 dividends were included in base income of the unitary  
17 group for the same taxable year and received by the  
18 taxpayer or by a member of the taxpayer's unitary  
19 business group (including amounts included in gross  
20 income under Sections 951 through 964 of the Internal  
21 Revenue Code and amounts included in gross income  
22 under Section 78 of the Internal Revenue Code) with  
23 respect to the stock of the same person to whom the  
24 intangible expenses and costs were directly or  
25 indirectly paid, incurred, or accrued. The preceding  
26 sentence does not apply to the extent that the same



1 dividends caused a reduction to the addition  
2 modification required under Section 203(a)(2)(D-17) of  
3 this Act. As used in this subparagraph, the term  
4 "intangible expenses and costs" includes (1) expenses,  
5 losses, and costs for, or related to, the direct or  
6 indirect acquisition, use, maintenance or management,  
7 ownership, sale, exchange, or any other disposition of  
8 intangible property; (2) losses incurred, directly or  
9 indirectly, from factoring transactions or discounting  
10 transactions; (3) royalty, patent, technical, and  
11 copyright fees; (4) licensing fees; and (5) other  
12 similar expenses and costs. For purposes of this  
13 subparagraph, "intangible property" includes patents,  
14 patent applications, trade names, trademarks, service  
15 marks, copyrights, mask works, trade secrets, and  
16 similar types of intangible assets.

17 This paragraph shall not apply to the following:

18 (i) any item of intangible expenses or costs  
19 paid, accrued, or incurred, directly or  
20 indirectly, from a transaction with a person who  
21 is subject in a foreign country or state, other  
22 than a state which requires mandatory unitary  
23 reporting, to a tax on or measured by net income  
24 with respect to such item; or

25 (ii) any item of intangible expense or cost  
26 paid, accrued, or incurred, directly or

1 indirectly, if the taxpayer can establish, based  
2 on a preponderance of the evidence, both of the  
3 following:

4 (a) the person during the same taxable  
5 year paid, accrued, or incurred, the  
6 intangible expense or cost to a person that is  
7 not a related member, and

8 (b) the transaction giving rise to the  
9 intangible expense or cost between the  
10 taxpayer and the person did not have as a  
11 principal purpose the avoidance of Illinois  
12 income tax, and is paid pursuant to a contract  
13 or agreement that reflects arm's-length terms;  
14 or

15 (iii) any item of intangible expense or cost  
16 paid, accrued, or incurred, directly or  
17 indirectly, from a transaction with a person if  
18 the taxpayer establishes by clear and convincing  
19 evidence, that the adjustments are unreasonable;  
20 or if the taxpayer and the Director agree in  
21 writing to the application or use of an  
22 alternative method of apportionment under Section  
23 304(f);

24 Nothing in this subsection shall preclude the  
25 Director from making any other adjustment  
26 otherwise allowed under Section 404 of this Act

1           for any tax year beginning after the effective  
2           date of this amendment provided such adjustment is  
3           made pursuant to regulation adopted by the  
4           Department and such regulations provide methods  
5           and standards by which the Department will utilize  
6           its authority under Section 404 of this Act;

7           (D-19) For taxable years ending on or after  
8           December 31, 2008, an amount equal to the amount of  
9           insurance premium expenses and costs otherwise allowed  
10          as a deduction in computing base income, and that were  
11          paid, accrued, or incurred, directly or indirectly, to  
12          a person who would be a member of the same unitary  
13          business group but for the fact that the person is  
14          prohibited under Section 1501(a)(27) from being  
15          included in the unitary business group because he or  
16          she is ordinarily required to apportion business  
17          income under different subsections of Section 304. The  
18          addition modification required by this subparagraph  
19          shall be reduced to the extent that dividends were  
20          included in base income of the unitary group for the  
21          same taxable year and received by the taxpayer or by a  
22          member of the taxpayer's unitary business group  
23          (including amounts included in gross income under  
24          Sections 951 through 964 of the Internal Revenue Code  
25          and amounts included in gross income under Section 78  
26          of the Internal Revenue Code) with respect to the

1 stock of the same person to whom the premiums and costs  
2 were directly or indirectly paid, incurred, or  
3 accrued. The preceding sentence does not apply to the  
4 extent that the same dividends caused a reduction to  
5 the addition modification required under Section  
6 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
7 Act;

8 (D-20) For taxable years beginning on or after  
9 January 1, 2002 and ending on or before December 31,  
10 2006, in the case of a distribution from a qualified  
11 tuition program under Section 529 of the Internal  
12 Revenue Code, other than (i) a distribution from a  
13 College Savings Pool created under Section 16.5 of the  
14 State Treasurer Act or (ii) a distribution from the  
15 Illinois Prepaid Tuition Trust Fund, an amount equal  
16 to the amount excluded from gross income under Section  
17 529(c)(3)(B). For taxable years beginning on or after  
18 January 1, 2007, in the case of a distribution from a  
19 qualified tuition program under Section 529 of the  
20 Internal Revenue Code, other than (i) a distribution  
21 from a College Savings Pool created under Section 16.5  
22 of the State Treasurer Act, (ii) a distribution from  
23 the Illinois Prepaid Tuition Trust Fund, or (iii) a  
24 distribution from a qualified tuition program under  
25 Section 529 of the Internal Revenue Code that (I)  
26 adopts and determines that its offering materials

1           comply with the College Savings Plans Network's  
2           disclosure principles and (II) has made reasonable  
3           efforts to inform in-state residents of the existence  
4           of in-state qualified tuition programs by informing  
5           Illinois residents directly and, where applicable, to  
6           inform financial intermediaries distributing the  
7           program to inform in-state residents of the existence  
8           of in-state qualified tuition programs at least  
9           annually, an amount equal to the amount excluded from  
10          gross income under Section 529(c)(3)(B).

11           For the purposes of this subparagraph (D-20), a  
12          qualified tuition program has made reasonable efforts  
13          if it makes disclosures (which may use the term  
14          "in-state program" or "in-state plan" and need not  
15          specifically refer to Illinois or its qualified  
16          programs by name) (i) directly to prospective  
17          participants in its offering materials or makes a  
18          public disclosure, such as a website posting; and (ii)  
19          where applicable, to intermediaries selling the  
20          out-of-state program in the same manner that the  
21          out-of-state program distributes its offering  
22          materials;

23           (D-20.5) For taxable years beginning on or after  
24          January 1, 2018, in the case of a distribution from a  
25          qualified ABLE program under Section 529A of the  
26          Internal Revenue Code, other than a distribution from

1 a qualified ABLE program created under Section 16.6 of  
2 the State Treasurer Act, an amount equal to the amount  
3 excluded from gross income under Section 529A(c) (1) (B)  
4 of the Internal Revenue Code;

5 (D-21) For taxable years beginning on or after  
6 January 1, 2007, in the case of transfer of moneys from  
7 a qualified tuition program under Section 529 of the  
8 Internal Revenue Code that is administered by the  
9 State to an out-of-state program, an amount equal to  
10 the amount of moneys previously deducted from base  
11 income under subsection (a) (2) (Y) of this Section;

12 (D-21.5) For taxable years beginning on or after  
13 January 1, 2018, in the case of the transfer of moneys  
14 from a qualified tuition program under Section 529 or  
15 a qualified ABLE program under Section 529A of the  
16 Internal Revenue Code that is administered by this  
17 State to an ABLE account established under an  
18 out-of-state ABLE account program, an amount equal to  
19 the contribution component of the transferred amount  
20 that was previously deducted from base income under  
21 subsection (a) (2) (Y) or subsection (a) (2) (HH) of this  
22 Section;

23 (D-22) For taxable years beginning on or after  
24 January 1, 2009, and prior to January 1, 2018, in the  
25 case of a nonqualified withdrawal or refund of moneys  
26 from a qualified tuition program under Section 529 of

1 the Internal Revenue Code administered by the State  
2 that is not used for qualified expenses at an eligible  
3 education institution, an amount equal to the  
4 contribution component of the nonqualified withdrawal  
5 or refund that was previously deducted from base  
6 income under subsection (a)(2)(y) of this Section,  
7 provided that the withdrawal or refund did not result  
8 from the beneficiary's death or disability. For  
9 taxable years beginning on or after January 1, 2018:  
10 (1) in the case of a nonqualified withdrawal or  
11 refund, as defined under Section 16.5 of the State  
12 Treasurer Act, of moneys from a qualified tuition  
13 program under Section 529 of the Internal Revenue Code  
14 administered by the State, an amount equal to the  
15 contribution component of the nonqualified withdrawal  
16 or refund that was previously deducted from base  
17 income under subsection (a)(2)(Y) of this Section, and  
18 (2) in the case of a nonqualified withdrawal or refund  
19 from a qualified ABLE program under Section 529A of  
20 the Internal Revenue Code administered by the State  
21 that is not used for qualified disability expenses, an  
22 amount equal to the contribution component of the  
23 nonqualified withdrawal or refund that was previously  
24 deducted from base income under subsection (a)(2)(HH)  
25 of this Section;

26 (D-23) An amount equal to the credit allowable to

1 the taxpayer under Section 218(a) of this Act,  
2 determined without regard to Section 218(c) of this  
3 Act;

4 (D-24) For taxable years ending on or after  
5 December 31, 2017, an amount equal to the deduction  
6 allowed under Section 199 of the Internal Revenue Code  
7 for the taxable year;

8 (D-25) In the case of a resident, an amount equal  
9 to the amount of tax for which a credit is allowed  
10 pursuant to Section 201(p)(7) of this Act;

11 and by deducting from the total so obtained the sum of the  
12 following amounts:

13 (E) For taxable years ending before December 31,  
14 2001, any amount included in such total in respect of  
15 any compensation (including but not limited to any  
16 compensation paid or accrued to a serviceman while a  
17 prisoner of war or missing in action) paid to a  
18 resident by reason of being on active duty in the Armed  
19 Forces of the United States and in respect of any  
20 compensation paid or accrued to a resident who as a  
21 governmental employee was a prisoner of war or missing  
22 in action, and in respect of any compensation paid to a  
23 resident in 1971 or thereafter for annual training  
24 performed pursuant to Sections 502 and 503, Title 32,  
25 United States Code as a member of the Illinois  
26 National Guard or, beginning with taxable years ending



1 on or after December 31, 2007, the National Guard of  
2 any other state. For taxable years ending on or after  
3 December 31, 2001, any amount included in such total  
4 in respect of any compensation (including but not  
5 limited to any compensation paid or accrued to a  
6 serviceman while a prisoner of war or missing in  
7 action) paid to a resident by reason of being a member  
8 of any component of the Armed Forces of the United  
9 States and in respect of any compensation paid or  
10 accrued to a resident who as a governmental employee  
11 was a prisoner of war or missing in action, and in  
12 respect of any compensation paid to a resident in 2001  
13 or thereafter by reason of being a member of the  
14 Illinois National Guard or, beginning with taxable  
15 years ending on or after December 31, 2007, the  
16 National Guard of any other state. The provisions of  
17 this subparagraph (E) are exempt from the provisions  
18 of Section 250;

19 (F) An amount equal to all amounts included in  
20 such total pursuant to the provisions of Sections  
21 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
22 408 of the Internal Revenue Code, or included in such  
23 total as distributions under the provisions of any  
24 retirement or disability plan for employees of any  
25 governmental agency or unit, or retirement payments to  
26 retired partners, which payments are excluded in

1 computing net earnings from self employment by Section  
2 1402 of the Internal Revenue Code and regulations  
3 adopted pursuant thereto;

4 (G) The valuation limitation amount;

5 (H) An amount equal to the amount of any tax  
6 imposed by this Act which was refunded to the taxpayer  
7 and included in such total for the taxable year;

8 (I) An amount equal to all amounts included in  
9 such total pursuant to the provisions of Section 111  
10 of the Internal Revenue Code as a recovery of items  
11 previously deducted from adjusted gross income in the  
12 computation of taxable income;

13 (J) An amount equal to those dividends included in  
14 such total which were paid by a corporation which  
15 conducts business operations in a River Edge  
16 Redevelopment Zone or zones created under the River  
17 Edge Redevelopment Zone Act, and conducts  
18 substantially all of its operations in a River Edge  
19 Redevelopment Zone or zones. This subparagraph (J) is  
20 exempt from the provisions of Section 250;

21 (K) An amount equal to those dividends included in  
22 such total that were paid by a corporation that  
23 conducts business operations in a federally designated  
24 Foreign Trade Zone or Sub-Zone and that is designated  
25 a High Impact Business located in Illinois; provided  
26 that dividends eligible for the deduction provided in

1           subparagraph (J) of paragraph (2) of this subsection  
2           shall not be eligible for the deduction provided under  
3           this subparagraph (K);

4           (L) For taxable years ending after December 31,  
5           1983, an amount equal to all social security benefits  
6           and railroad retirement benefits included in such  
7           total pursuant to Sections 72(r) and 86 of the  
8           Internal Revenue Code;

9           (M) With the exception of any amounts subtracted  
10          under subparagraph (N), an amount equal to the sum of  
11          all amounts disallowed as deductions by (i) Sections  
12          171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
13          and all amounts of expenses allocable to interest and  
14          disallowed as deductions by Section 265(a)(1) of the  
15          Internal Revenue Code; and (ii) for taxable years  
16          ending on or after August 13, 1999, Sections  
17          171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
18          Internal Revenue Code, plus, for taxable years ending  
19          on or after December 31, 2011, Section 45G(e)(3) of  
20          the Internal Revenue Code and, for taxable years  
21          ending on or after December 31, 2008, any amount  
22          included in gross income under Section 87 of the  
23          Internal Revenue Code; the provisions of this  
24          subparagraph are exempt from the provisions of Section  
25          250;

26          (N) An amount equal to all amounts included in

1 such total which are exempt from taxation by this  
2 State either by reason of its statutes or Constitution  
3 or by reason of the Constitution, treaties or statutes  
4 of the United States; provided that, in the case of any  
5 statute of this State that exempts income derived from  
6 bonds or other obligations from the tax imposed under  
7 this Act, the amount exempted shall be the interest  
8 net of bond premium amortization;

9 (O) An amount equal to any contribution made to a  
10 job training project established pursuant to the Tax  
11 Increment Allocation Redevelopment Act;

12 (P) An amount equal to the amount of the deduction  
13 used to compute the federal income tax credit for  
14 restoration of substantial amounts held under claim of  
15 right for the taxable year pursuant to Section 1341 of  
16 the Internal Revenue Code or of any itemized deduction  
17 taken from adjusted gross income in the computation of  
18 taxable income for restoration of substantial amounts  
19 held under claim of right for the taxable year;

20 (Q) An amount equal to any amounts included in  
21 such total, received by the taxpayer as an  
22 acceleration in the payment of life, endowment or  
23 annuity benefits in advance of the time they would  
24 otherwise be payable as an indemnity for a terminal  
25 illness;

26 (R) An amount equal to the amount of any federal or

1 State bonus paid to veterans of the Persian Gulf War;

2 (S) An amount, to the extent included in adjusted  
3 gross income, equal to the amount of a contribution  
4 made in the taxable year on behalf of the taxpayer to a  
5 medical care savings account established under the  
6 Medical Care Savings Account Act or the Medical Care  
7 Savings Account Act of 2000 to the extent the  
8 contribution is accepted by the account administrator  
9 as provided in that Act;

10 (T) An amount, to the extent included in adjusted  
11 gross income, equal to the amount of interest earned  
12 in the taxable year on a medical care savings account  
13 established under the Medical Care Savings Account Act  
14 or the Medical Care Savings Account Act of 2000 on  
15 behalf of the taxpayer, other than interest added  
16 pursuant to item (D-5) of this paragraph (2);

17 (U) For one taxable year beginning on or after  
18 January 1, 1994, an amount equal to the total amount of  
19 tax imposed and paid under subsections (a) and (b) of  
20 Section 201 of this Act on grant amounts received by  
21 the taxpayer under the Nursing Home Grant Assistance  
22 Act during the taxpayer's taxable years 1992 and 1993;

23 (V) Beginning with tax years ending on or after  
24 December 31, 1995 and ending with tax years ending on  
25 or before December 31, 2004, an amount equal to the  
26 amount paid by a taxpayer who is a self-employed

1 taxpayer, a partner of a partnership, or a shareholder  
2 in a Subchapter S corporation for health insurance or  
3 long-term care insurance for that taxpayer or that  
4 taxpayer's spouse or dependents, to the extent that  
5 the amount paid for that health insurance or long-term  
6 care insurance may be deducted under Section 213 of  
7 the Internal Revenue Code, has not been deducted on  
8 the federal income tax return of the taxpayer, and  
9 does not exceed the taxable income attributable to  
10 that taxpayer's income, self-employment income, or  
11 Subchapter S corporation income; except that no  
12 deduction shall be allowed under this item (V) if the  
13 taxpayer is eligible to participate in any health  
14 insurance or long-term care insurance plan of an  
15 employer of the taxpayer or the taxpayer's spouse. The  
16 amount of the health insurance and long-term care  
17 insurance subtracted under this item (V) shall be  
18 determined by multiplying total health insurance and  
19 long-term care insurance premiums paid by the taxpayer  
20 times a number that represents the fractional  
21 percentage of eligible medical expenses under Section  
22 213 of the Internal Revenue Code of 1986 not actually  
23 deducted on the taxpayer's federal income tax return;

24 (W) For taxable years beginning on or after  
25 January 1, 1998, all amounts included in the  
26 taxpayer's federal gross income in the taxable year

1 from amounts converted from a regular IRA to a Roth  
2 IRA. This paragraph is exempt from the provisions of  
3 Section 250;

4 (X) For taxable year 1999 and thereafter, an  
5 amount equal to the amount of any (i) distributions,  
6 to the extent includible in gross income for federal  
7 income tax purposes, made to the taxpayer because of  
8 his or her status as a victim of persecution for racial  
9 or religious reasons by Nazi Germany or any other Axis  
10 regime or as an heir of the victim and (ii) items of  
11 income, to the extent includible in gross income for  
12 federal income tax purposes, attributable to, derived  
13 from or in any way related to assets stolen from,  
14 hidden from, or otherwise lost to a victim of  
15 persecution for racial or religious reasons by Nazi  
16 Germany or any other Axis regime immediately prior to,  
17 during, and immediately after World War II, including,  
18 but not limited to, interest on the proceeds  
19 receivable as insurance under policies issued to a  
20 victim of persecution for racial or religious reasons  
21 by Nazi Germany or any other Axis regime by European  
22 insurance companies immediately prior to and during  
23 World War II; provided, however, this subtraction from  
24 federal adjusted gross income does not apply to assets  
25 acquired with such assets or with the proceeds from  
26 the sale of such assets; provided, further, this

1 paragraph shall only apply to a taxpayer who was the  
2 first recipient of such assets after their recovery  
3 and who is a victim of persecution for racial or  
4 religious reasons by Nazi Germany or any other Axis  
5 regime or as an heir of the victim. The amount of and  
6 the eligibility for any public assistance, benefit, or  
7 similar entitlement is not affected by the inclusion  
8 of items (i) and (ii) of this paragraph in gross income  
9 for federal income tax purposes. This paragraph is  
10 exempt from the provisions of Section 250;

11 (Y) For taxable years beginning on or after  
12 January 1, 2002 and ending on or before December 31,  
13 2004, moneys contributed in the taxable year to a  
14 College Savings Pool account under Section 16.5 of the  
15 State Treasurer Act, except that amounts excluded from  
16 gross income under Section 529(c)(3)(C)(i) of the  
17 Internal Revenue Code shall not be considered moneys  
18 contributed under this subparagraph (Y). For taxable  
19 years beginning on or after January 1, 2005, a maximum  
20 of \$10,000 contributed in the taxable year to (i) a  
21 College Savings Pool account under Section 16.5 of the  
22 State Treasurer Act or (ii) the Illinois Prepaid  
23 Tuition Trust Fund, except that amounts excluded from  
24 gross income under Section 529(c)(3)(C)(i) of the  
25 Internal Revenue Code shall not be considered moneys  
26 contributed under this subparagraph (Y). For purposes



1 of this subparagraph, contributions made by an  
2 employer on behalf of an employee, or matching  
3 contributions made by an employee, shall be treated as  
4 made by the employee. This subparagraph (Y) is exempt  
5 from the provisions of Section 250;

6 (Z) For taxable years 2001 and thereafter, for the  
7 taxable year in which the bonus depreciation deduction  
8 is taken on the taxpayer's federal income tax return  
9 under subsection (k) of Section 168 of the Internal  
10 Revenue Code and for each applicable taxable year  
11 thereafter, an amount equal to "x", where:

12 (1) "y" equals the amount of the depreciation  
13 deduction taken for the taxable year on the  
14 taxpayer's federal income tax return on property  
15 for which the bonus depreciation deduction was  
16 taken in any year under subsection (k) of Section  
17 168 of the Internal Revenue Code, but not  
18 including the bonus depreciation deduction;

19 (2) for taxable years ending on or before  
20 December 31, 2005, "x" equals "y" multiplied by 30  
21 and then divided by 70 (or "y" multiplied by  
22 0.429); and

23 (3) for taxable years ending after December  
24 31, 2005:

25 (i) for property on which a bonus  
26 depreciation deduction of 30% of the adjusted

1 basis was taken, "x" equals "y" multiplied by  
2 30 and then divided by 70 (or "y" multiplied  
3 by 0.429);

4 (ii) for property on which a bonus  
5 depreciation deduction of 50% of the adjusted  
6 basis was taken, "x" equals "y" multiplied by  
7 1.0;

8 (iii) for property on which a bonus  
9 depreciation deduction of 100% of the adjusted  
10 basis was taken in a taxable year ending on or  
11 after December 31, 2021, "x" equals the  
12 depreciation deduction that would be allowed  
13 on that property if the taxpayer had made the  
14 election under Section 168(k)(7) of the  
15 Internal Revenue Code to not claim bonus  
16 depreciation on that property; and

17 (iv) for property on which a bonus  
18 depreciation deduction of a percentage other  
19 than 30%, 50% or 100% of the adjusted basis  
20 was taken in a taxable year ending on or after  
21 December 31, 2021, "x" equals "y" multiplied  
22 by 100 times the percentage bonus depreciation  
23 on the property (that is,  $100(\text{bonus}\%)$ ) and  
24 then divided by 100 times 1 minus the  
25 percentage bonus depreciation on the property  
26 (that is,  $100(1-\text{bonus}\%)$ ).

1           The aggregate amount deducted under this  
2           subparagraph in all taxable years for any one piece of  
3           property may not exceed the amount of the bonus  
4           depreciation deduction taken on that property on the  
5           taxpayer's federal income tax return under subsection  
6           (k) of Section 168 of the Internal Revenue Code. This  
7           subparagraph (Z) is exempt from the provisions of  
8           Section 250;

9           (AA) If the taxpayer sells, transfers, abandons,  
10          or otherwise disposes of property for which the  
11          taxpayer was required in any taxable year to make an  
12          addition modification under subparagraph (D-15), then  
13          an amount equal to that addition modification.

14          If the taxpayer continues to own property through  
15          the last day of the last tax year for which a  
16          subtraction is allowed with respect to that property  
17          under subparagraph (Z) and for which the taxpayer was  
18          required in any taxable year to make an addition  
19          modification under subparagraph (D-15), then an amount  
20          equal to that addition modification.

21          The taxpayer is allowed to take the deduction  
22          under this subparagraph only once with respect to any  
23          one piece of property.

24          This subparagraph (AA) is exempt from the  
25          provisions of Section 250;

26          (BB) Any amount included in adjusted gross income,

1 other than salary, received by a driver in a  
2 ridesharing arrangement using a motor vehicle;

3 (CC) The amount of (i) any interest income (net of  
4 the deductions allocable thereto) taken into account  
5 for the taxable year with respect to a transaction  
6 with a taxpayer that is required to make an addition  
7 modification with respect to such transaction under  
8 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
9 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
10 the amount of that addition modification, and (ii) any  
11 income from intangible property (net of the deductions  
12 allocable thereto) taken into account for the taxable  
13 year with respect to a transaction with a taxpayer  
14 that is required to make an addition modification with  
15 respect to such transaction under Section  
16 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
17 203(d)(2)(D-8), but not to exceed the amount of that  
18 addition modification. This subparagraph (CC) is  
19 exempt from the provisions of Section 250;

20 (DD) An amount equal to the interest income taken  
21 into account for the taxable year (net of the  
22 deductions allocable thereto) with respect to  
23 transactions with (i) a foreign person who would be a  
24 member of the taxpayer's unitary business group but  
25 for the fact that the foreign person's business  
26 activity outside the United States is 80% or more of

1 that person's total business activity and (ii) for  
2 taxable years ending on or after December 31, 2008, to  
3 a person who would be a member of the same unitary  
4 business group but for the fact that the person is  
5 prohibited under Section 1501(a)(27) from being  
6 included in the unitary business group because he or  
7 she is ordinarily required to apportion business  
8 income under different subsections of Section 304, but  
9 not to exceed the addition modification required to be  
10 made for the same taxable year under Section  
11 203(a)(2)(D-17) for interest paid, accrued, or  
12 incurred, directly or indirectly, to the same person.  
13 This subparagraph (DD) is exempt from the provisions  
14 of Section 250;

15 (EE) An amount equal to the income from intangible  
16 property taken into account for the taxable year (net  
17 of the deductions allocable thereto) with respect to  
18 transactions with (i) a foreign person who would be a  
19 member of the taxpayer's unitary business group but  
20 for the fact that the foreign person's business  
21 activity outside the United States is 80% or more of  
22 that person's total business activity and (ii) for  
23 taxable years ending on or after December 31, 2008, to  
24 a person who would be a member of the same unitary  
25 business group but for the fact that the person is  
26 prohibited under Section 1501(a)(27) from being

1 included in the unitary business group because he or  
2 she is ordinarily required to apportion business  
3 income under different subsections of Section 304, but  
4 not to exceed the addition modification required to be  
5 made for the same taxable year under Section  
6 203(a)(2)(D-18) for intangible expenses and costs  
7 paid, accrued, or incurred, directly or indirectly, to  
8 the same foreign person. This subparagraph (EE) is  
9 exempt from the provisions of Section 250;

10 (FF) An amount equal to any amount awarded to the  
11 taxpayer during the taxable year by the Court of  
12 Claims under subsection (c) of Section 8 of the Court  
13 of Claims Act for time unjustly served in a State  
14 prison. This subparagraph (FF) is exempt from the  
15 provisions of Section 250;

16 (GG) For taxable years ending on or after December  
17 31, 2011, in the case of a taxpayer who was required to  
18 add back any insurance premiums under Section  
19 203(a)(2)(D-19), such taxpayer may elect to subtract  
20 that part of a reimbursement received from the  
21 insurance company equal to the amount of the expense  
22 or loss (including expenses incurred by the insurance  
23 company) that would have been taken into account as a  
24 deduction for federal income tax purposes if the  
25 expense or loss had been uninsured. If a taxpayer  
26 makes the election provided for by this subparagraph

1 (GG), the insurer to which the premiums were paid must  
2 add back to income the amount subtracted by the  
3 taxpayer pursuant to this subparagraph (GG). This  
4 subparagraph (GG) is exempt from the provisions of  
5 Section 250;

6 (HH) For taxable years beginning on or after  
7 January 1, 2018 and prior to January 1, 2028, a maximum  
8 of \$10,000 contributed in the taxable year to a  
9 qualified ABLE account under Section 16.6 of the State  
10 Treasurer Act, except that amounts excluded from gross  
11 income under Section 529(c)(3)(C)(i) or Section  
12 529A(c)(1)(C) of the Internal Revenue Code shall not  
13 be considered moneys contributed under this  
14 subparagraph (HH). For purposes of this subparagraph  
15 (HH), contributions made by an employer on behalf of  
16 an employee, or matching contributions made by an  
17 employee, shall be treated as made by the employee;  
18 ~~and~~

19 (II) For taxable years that begin on or after  
20 January 1, 2021 and begin before January 1, 2026, the  
21 amount that is included in the taxpayer's federal  
22 adjusted gross income pursuant to Section 61 of the  
23 Internal Revenue Code as discharge of indebtedness  
24 attributable to student loan forgiveness and that is  
25 not excluded from the taxpayer's federal adjusted  
26 gross income pursuant to paragraph (5) of subsection

1 (f) of Section 108 of the Internal Revenue Code; ~~and-~~  
2 (JJ) For taxable years beginning on or after  
3 January 1, 2024, the full amount of union dues paid by  
4 the taxpayer during the taxable year if the taxpayer  
5 was not allowed a federal deduction by operation of  
6 Section 67 of the Internal Revenue Code. If any amount  
7 of union dues representing federal miscellaneous  
8 itemized deductions was allowed, then the amount  
9 allowed as a deduction under this subparagraph (JJ)  
10 shall be a percentage of the union dues disallowed by  
11 the operation of Section 67 of the Internal Revenue  
12 Code computed by multiplying the total union dues paid  
13 by the taxpayer during the taxable year by a  
14 percentage determined by subtracting from one a  
15 fraction where the numerator is the amount of federal  
16 miscellaneous deductions allowed and the denominator  
17 is the aggregate federal miscellaneous itemized  
18 deductions before application of the 2% floor under  
19 Section 67 of the Internal Revenue Code. As used in  
20 this subparagraph (JJ), union dues are those amounts  
21 that are deductible as union dues and agency shop fees  
22 under Section 162 of the Internal Revenue Code. This  
23 subparagraph (JJ) is exempt from the provisions of  
24 Section 250.

25 (b) Corporations.



1           (1) In general. In the case of a corporation, base  
2 income means an amount equal to the taxpayer's taxable  
3 income for the taxable year as modified by paragraph (2).

4           (2) Modifications. The taxable income referred to in  
5 paragraph (1) shall be modified by adding thereto the sum  
6 of the following amounts:

7                   (A) An amount equal to all amounts paid or accrued  
8 to the taxpayer as interest and all distributions  
9 received from regulated investment companies during  
10 the taxable year to the extent excluded from gross  
11 income in the computation of taxable income;

12                   (B) An amount equal to the amount of tax imposed by  
13 this Act to the extent deducted from gross income in  
14 the computation of taxable income for the taxable  
15 year;

16                   (C) In the case of a regulated investment company,  
17 an amount equal to the excess of (i) the net long-term  
18 capital gain for the taxable year, over (ii) the  
19 amount of the capital gain dividends designated as  
20 such in accordance with Section 852(b)(3)(C) of the  
21 Internal Revenue Code and any amount designated under  
22 Section 852(b)(3)(D) of the Internal Revenue Code,  
23 attributable to the taxable year (this amendatory Act  
24 of 1995 (Public Act 89-89) is declarative of existing  
25 law and is not a new enactment);

26                   (D) The amount of any net operating loss deduction

1 taken in arriving at taxable income, other than a net  
2 operating loss carried forward from a taxable year  
3 ending prior to December 31, 1986;

4 (E) For taxable years in which a net operating  
5 loss carryback or carryforward from a taxable year  
6 ending prior to December 31, 1986 is an element of  
7 taxable income under paragraph (1) of subsection (e)  
8 or subparagraph (E) of paragraph (2) of subsection  
9 (e), the amount by which addition modifications other  
10 than those provided by this subparagraph (E) exceeded  
11 subtraction modifications in such earlier taxable  
12 year, with the following limitations applied in the  
13 order that they are listed:

14 (i) the addition modification relating to the  
15 net operating loss carried back or forward to the  
16 taxable year from any taxable year ending prior to  
17 December 31, 1986 shall be reduced by the amount  
18 of addition modification under this subparagraph  
19 (E) which related to that net operating loss and  
20 which was taken into account in calculating the  
21 base income of an earlier taxable year, and

22 (ii) the addition modification relating to the  
23 net operating loss carried back or forward to the  
24 taxable year from any taxable year ending prior to  
25 December 31, 1986 shall not exceed the amount of  
26 such carryback or carryforward;

1           For taxable years in which there is a net  
2           operating loss carryback or carryforward from more  
3           than one other taxable year ending prior to December  
4           31, 1986, the addition modification provided in this  
5           subparagraph (E) shall be the sum of the amounts  
6           computed independently under the preceding provisions  
7           of this subparagraph (E) for each such taxable year;

8           (E-5) For taxable years ending after December 31,  
9           1997, an amount equal to any eligible remediation  
10          costs that the corporation deducted in computing  
11          adjusted gross income and for which the corporation  
12          claims a credit under subsection (l) of Section 201;

13          (E-10) For taxable years 2001 and thereafter, an  
14          amount equal to the bonus depreciation deduction taken  
15          on the taxpayer's federal income tax return for the  
16          taxable year under subsection (k) of Section 168 of  
17          the Internal Revenue Code;

18          (E-11) If the taxpayer sells, transfers, abandons,  
19          or otherwise disposes of property for which the  
20          taxpayer was required in any taxable year to make an  
21          addition modification under subparagraph (E-10), then  
22          an amount equal to the aggregate amount of the  
23          deductions taken in all taxable years under  
24          subparagraph (T) with respect to that property.

25          If the taxpayer continues to own property through  
26          the last day of the last tax year for which a

1 subtraction is allowed with respect to that property  
2 under subparagraph (T) and for which the taxpayer was  
3 allowed in any taxable year to make a subtraction  
4 modification under subparagraph (T), then an amount  
5 equal to that subtraction modification.

6 The taxpayer is required to make the addition  
7 modification under this subparagraph only once with  
8 respect to any one piece of property;

9 (E-12) An amount equal to the amount otherwise  
10 allowed as a deduction in computing base income for  
11 interest paid, accrued, or incurred, directly or  
12 indirectly, (i) for taxable years ending on or after  
13 December 31, 2004, to a foreign person who would be a  
14 member of the same unitary business group but for the  
15 fact the foreign person's business activity outside  
16 the United States is 80% or more of the foreign  
17 person's total business activity and (ii) for taxable  
18 years ending on or after December 31, 2008, to a person  
19 who would be a member of the same unitary business  
20 group but for the fact that the person is prohibited  
21 under Section 1501(a)(27) from being included in the  
22 unitary business group because he or she is ordinarily  
23 required to apportion business income under different  
24 subsections of Section 304. The addition modification  
25 required by this subparagraph shall be reduced to the  
26 extent that dividends were included in base income of

1 the unitary group for the same taxable year and  
2 received by the taxpayer or by a member of the  
3 taxpayer's unitary business group (including amounts  
4 included in gross income pursuant to Sections 951  
5 through 964 of the Internal Revenue Code and amounts  
6 included in gross income under Section 78 of the  
7 Internal Revenue Code) with respect to the stock of  
8 the same person to whom the interest was paid,  
9 accrued, or incurred.

10 This paragraph shall not apply to the following:

11 (i) an item of interest paid, accrued, or  
12 incurred, directly or indirectly, to a person who  
13 is subject in a foreign country or state, other  
14 than a state which requires mandatory unitary  
15 reporting, to a tax on or measured by net income  
16 with respect to such interest; or

17 (ii) an item of interest paid, accrued, or  
18 incurred, directly or indirectly, to a person if  
19 the taxpayer can establish, based on a  
20 preponderance of the evidence, both of the  
21 following:

22 (a) the person, during the same taxable  
23 year, paid, accrued, or incurred, the interest  
24 to a person that is not a related member, and

25 (b) the transaction giving rise to the  
26 interest expense between the taxpayer and the

1 person did not have as a principal purpose the  
2 avoidance of Illinois income tax, and is paid  
3 pursuant to a contract or agreement that  
4 reflects an arm's-length interest rate and  
5 terms; or

6 (iii) the taxpayer can establish, based on  
7 clear and convincing evidence, that the interest  
8 paid, accrued, or incurred relates to a contract  
9 or agreement entered into at arm's-length rates  
10 and terms and the principal purpose for the  
11 payment is not federal or Illinois tax avoidance;  
12 or

13 (iv) an item of interest paid, accrued, or  
14 incurred, directly or indirectly, to a person if  
15 the taxpayer establishes by clear and convincing  
16 evidence that the adjustments are unreasonable; or  
17 if the taxpayer and the Director agree in writing  
18 to the application or use of an alternative method  
19 of apportionment under Section 304(f).

20 Nothing in this subsection shall preclude the  
21 Director from making any other adjustment  
22 otherwise allowed under Section 404 of this Act  
23 for any tax year beginning after the effective  
24 date of this amendment provided such adjustment is  
25 made pursuant to regulation adopted by the  
26 Department and such regulations provide methods

1           and standards by which the Department will utilize  
2           its authority under Section 404 of this Act;

3           (E-13) An amount equal to the amount of intangible  
4           expenses and costs otherwise allowed as a deduction in  
5           computing base income, and that were paid, accrued, or  
6           incurred, directly or indirectly, (i) for taxable  
7           years ending on or after December 31, 2004, to a  
8           foreign person who would be a member of the same  
9           unitary business group but for the fact that the  
10          foreign person's business activity outside the United  
11          States is 80% or more of that person's total business  
12          activity and (ii) for taxable years ending on or after  
13          December 31, 2008, to a person who would be a member of  
14          the same unitary business group but for the fact that  
15          the person is prohibited under Section 1501(a)(27)  
16          from being included in the unitary business group  
17          because he or she is ordinarily required to apportion  
18          business income under different subsections of Section  
19          304. The addition modification required by this  
20          subparagraph shall be reduced to the extent that  
21          dividends were included in base income of the unitary  
22          group for the same taxable year and received by the  
23          taxpayer or by a member of the taxpayer's unitary  
24          business group (including amounts included in gross  
25          income pursuant to Sections 951 through 964 of the  
26          Internal Revenue Code and amounts included in gross

1 income under Section 78 of the Internal Revenue Code)  
2 with respect to the stock of the same person to whom  
3 the intangible expenses and costs were directly or  
4 indirectly paid, incurred, or accrued. The preceding  
5 sentence shall not apply to the extent that the same  
6 dividends caused a reduction to the addition  
7 modification required under Section 203(b)(2)(E-12) of  
8 this Act. As used in this subparagraph, the term  
9 "intangible expenses and costs" includes (1) expenses,  
10 losses, and costs for, or related to, the direct or  
11 indirect acquisition, use, maintenance or management,  
12 ownership, sale, exchange, or any other disposition of  
13 intangible property; (2) losses incurred, directly or  
14 indirectly, from factoring transactions or discounting  
15 transactions; (3) royalty, patent, technical, and  
16 copyright fees; (4) licensing fees; and (5) other  
17 similar expenses and costs. For purposes of this  
18 subparagraph, "intangible property" includes patents,  
19 patent applications, trade names, trademarks, service  
20 marks, copyrights, mask works, trade secrets, and  
21 similar types of intangible assets.

22 This paragraph shall not apply to the following:

23 (i) any item of intangible expenses or costs  
24 paid, accrued, or incurred, directly or  
25 indirectly, from a transaction with a person who  
26 is subject in a foreign country or state, other



1 than a state which requires mandatory unitary  
2 reporting, to a tax on or measured by net income  
3 with respect to such item; or

4 (ii) any item of intangible expense or cost  
5 paid, accrued, or incurred, directly or  
6 indirectly, if the taxpayer can establish, based  
7 on a preponderance of the evidence, both of the  
8 following:

9 (a) the person during the same taxable  
10 year paid, accrued, or incurred, the  
11 intangible expense or cost to a person that is  
12 not a related member, and

13 (b) the transaction giving rise to the  
14 intangible expense or cost between the  
15 taxpayer and the person did not have as a  
16 principal purpose the avoidance of Illinois  
17 income tax, and is paid pursuant to a contract  
18 or agreement that reflects arm's-length terms;  
19 or

20 (iii) any item of intangible expense or cost  
21 paid, accrued, or incurred, directly or  
22 indirectly, from a transaction with a person if  
23 the taxpayer establishes by clear and convincing  
24 evidence, that the adjustments are unreasonable;  
25 or if the taxpayer and the Director agree in  
26 writing to the application or use of an

1 alternative method of apportionment under Section  
2 304(f);

3 Nothing in this subsection shall preclude the  
4 Director from making any other adjustment  
5 otherwise allowed under Section 404 of this Act  
6 for any tax year beginning after the effective  
7 date of this amendment provided such adjustment is  
8 made pursuant to regulation adopted by the  
9 Department and such regulations provide methods  
10 and standards by which the Department will utilize  
11 its authority under Section 404 of this Act;

12 (E-14) For taxable years ending on or after  
13 December 31, 2008, an amount equal to the amount of  
14 insurance premium expenses and costs otherwise allowed  
15 as a deduction in computing base income, and that were  
16 paid, accrued, or incurred, directly or indirectly, to  
17 a person who would be a member of the same unitary  
18 business group but for the fact that the person is  
19 prohibited under Section 1501(a)(27) from being  
20 included in the unitary business group because he or  
21 she is ordinarily required to apportion business  
22 income under different subsections of Section 304. The  
23 addition modification required by this subparagraph  
24 shall be reduced to the extent that dividends were  
25 included in base income of the unitary group for the  
26 same taxable year and received by the taxpayer or by a

1 member of the taxpayer's unitary business group  
2 (including amounts included in gross income under  
3 Sections 951 through 964 of the Internal Revenue Code  
4 and amounts included in gross income under Section 78  
5 of the Internal Revenue Code) with respect to the  
6 stock of the same person to whom the premiums and costs  
7 were directly or indirectly paid, incurred, or  
8 accrued. The preceding sentence does not apply to the  
9 extent that the same dividends caused a reduction to  
10 the addition modification required under Section  
11 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
12 Act;

13 (E-15) For taxable years beginning after December  
14 31, 2008, any deduction for dividends paid by a  
15 captive real estate investment trust that is allowed  
16 to a real estate investment trust under Section  
17 857(b)(2)(B) of the Internal Revenue Code for  
18 dividends paid;

19 (E-16) An amount equal to the credit allowable to  
20 the taxpayer under Section 218(a) of this Act,  
21 determined without regard to Section 218(c) of this  
22 Act;

23 (E-17) For taxable years ending on or after  
24 December 31, 2017, an amount equal to the deduction  
25 allowed under Section 199 of the Internal Revenue Code  
26 for the taxable year;

1 (E-18) for taxable years beginning after December  
2 31, 2018, an amount equal to the deduction allowed  
3 under Section 250(a)(1)(A) of the Internal Revenue  
4 Code for the taxable year;

5 (E-19) for taxable years ending on or after June  
6 30, 2021, an amount equal to the deduction allowed  
7 under Section 250(a)(1)(B)(i) of the Internal Revenue  
8 Code for the taxable year;

9 (E-20) for taxable years ending on or after June  
10 30, 2021, an amount equal to the deduction allowed  
11 under Sections 243(e) and 245A(a) of the Internal  
12 Revenue Code for the taxable year.

13 and by deducting from the total so obtained the sum of the  
14 following amounts:

15 (F) An amount equal to the amount of any tax  
16 imposed by this Act which was refunded to the taxpayer  
17 and included in such total for the taxable year;

18 (G) An amount equal to any amount included in such  
19 total under Section 78 of the Internal Revenue Code;

20 (H) In the case of a regulated investment company,  
21 an amount equal to the amount of exempt interest  
22 dividends as defined in subsection (b)(5) of Section  
23 852 of the Internal Revenue Code, paid to shareholders  
24 for the taxable year;

25 (I) With the exception of any amounts subtracted  
26 under subparagraph (J), an amount equal to the sum of

1 all amounts disallowed as deductions by (i) Sections  
2 171(a)(2) and 265(a)(2) and amounts disallowed as  
3 interest expense by Section 291(a)(3) of the Internal  
4 Revenue Code, and all amounts of expenses allocable to  
5 interest and disallowed as deductions by Section  
6 265(a)(1) of the Internal Revenue Code; and (ii) for  
7 taxable years ending on or after August 13, 1999,  
8 Sections 171(a)(2), 265, 280C, 291(a)(3), and  
9 832(b)(5)(B)(i) of the Internal Revenue Code, plus,  
10 for tax years ending on or after December 31, 2011,  
11 amounts disallowed as deductions by Section 45G(e)(3)  
12 of the Internal Revenue Code and, for taxable years  
13 ending on or after December 31, 2008, any amount  
14 included in gross income under Section 87 of the  
15 Internal Revenue Code and the policyholders' share of  
16 tax-exempt interest of a life insurance company under  
17 Section 807(a)(2)(B) of the Internal Revenue Code (in  
18 the case of a life insurance company with gross income  
19 from a decrease in reserves for the tax year) or  
20 Section 807(b)(1)(B) of the Internal Revenue Code (in  
21 the case of a life insurance company allowed a  
22 deduction for an increase in reserves for the tax  
23 year); the provisions of this subparagraph are exempt  
24 from the provisions of Section 250;

25 (J) An amount equal to all amounts included in  
26 such total which are exempt from taxation by this

1 State either by reason of its statutes or Constitution  
2 or by reason of the Constitution, treaties or statutes  
3 of the United States; provided that, in the case of any  
4 statute of this State that exempts income derived from  
5 bonds or other obligations from the tax imposed under  
6 this Act, the amount exempted shall be the interest  
7 net of bond premium amortization;

8 (K) An amount equal to those dividends included in  
9 such total which were paid by a corporation which  
10 conducts business operations in a River Edge  
11 Redevelopment Zone or zones created under the River  
12 Edge Redevelopment Zone Act and conducts substantially  
13 all of its operations in a River Edge Redevelopment  
14 Zone or zones. This subparagraph (K) is exempt from  
15 the provisions of Section 250;

16 (L) An amount equal to those dividends included in  
17 such total that were paid by a corporation that  
18 conducts business operations in a federally designated  
19 Foreign Trade Zone or Sub-Zone and that is designated  
20 a High Impact Business located in Illinois; provided  
21 that dividends eligible for the deduction provided in  
22 subparagraph (K) of paragraph 2 of this subsection  
23 shall not be eligible for the deduction provided under  
24 this subparagraph (L);

25 (M) For any taxpayer that is a financial  
26 organization within the meaning of Section 304(c) of

1           this Act, an amount included in such total as interest  
2           income from a loan or loans made by such taxpayer to a  
3           borrower, to the extent that such a loan is secured by  
4           property which is eligible for the River Edge  
5           Redevelopment Zone Investment Credit. To determine the  
6           portion of a loan or loans that is secured by property  
7           eligible for a Section 201(f) investment credit to the  
8           borrower, the entire principal amount of the loan or  
9           loans between the taxpayer and the borrower should be  
10          divided into the basis of the Section 201(f)  
11          investment credit property which secures the loan or  
12          loans, using for this purpose the original basis of  
13          such property on the date that it was placed in service  
14          in the River Edge Redevelopment Zone. The subtraction  
15          modification available to the taxpayer in any year  
16          under this subsection shall be that portion of the  
17          total interest paid by the borrower with respect to  
18          such loan attributable to the eligible property as  
19          calculated under the previous sentence. This  
20          subparagraph (M) is exempt from the provisions of  
21          Section 250;

22                 (M-1) For any taxpayer that is a financial  
23                 organization within the meaning of Section 304(c) of  
24                 this Act, an amount included in such total as interest  
25                 income from a loan or loans made by such taxpayer to a  
26                 borrower, to the extent that such a loan is secured by

1 property which is eligible for the High Impact  
2 Business Investment Credit. To determine the portion  
3 of a loan or loans that is secured by property eligible  
4 for a Section 201(h) investment credit to the  
5 borrower, the entire principal amount of the loan or  
6 loans between the taxpayer and the borrower should be  
7 divided into the basis of the Section 201(h)  
8 investment credit property which secures the loan or  
9 loans, using for this purpose the original basis of  
10 such property on the date that it was placed in service  
11 in a federally designated Foreign Trade Zone or  
12 Sub-Zone located in Illinois. No taxpayer that is  
13 eligible for the deduction provided in subparagraph  
14 (M) of paragraph (2) of this subsection shall be  
15 eligible for the deduction provided under this  
16 subparagraph (M-1). The subtraction modification  
17 available to taxpayers in any year under this  
18 subsection shall be that portion of the total interest  
19 paid by the borrower with respect to such loan  
20 attributable to the eligible property as calculated  
21 under the previous sentence;

22 (N) Two times any contribution made during the  
23 taxable year to a designated zone organization to the  
24 extent that the contribution (i) qualifies as a  
25 charitable contribution under subsection (c) of  
26 Section 170 of the Internal Revenue Code and (ii)



1 must, by its terms, be used for a project approved by  
2 the Department of Commerce and Economic Opportunity  
3 under Section 11 of the Illinois Enterprise Zone Act  
4 or under Section 10-10 of the River Edge Redevelopment  
5 Zone Act. This subparagraph (N) is exempt from the  
6 provisions of Section 250;

7 (O) An amount equal to: (i) 85% for taxable years  
8 ending on or before December 31, 1992, or, a  
9 percentage equal to the percentage allowable under  
10 Section 243(a)(1) of the Internal Revenue Code of 1986  
11 for taxable years ending after December 31, 1992, of  
12 the amount by which dividends included in taxable  
13 income and received from a corporation that is not  
14 created or organized under the laws of the United  
15 States or any state or political subdivision thereof,  
16 including, for taxable years ending on or after  
17 December 31, 1988, dividends received or deemed  
18 received or paid or deemed paid under Sections 951  
19 through 965 of the Internal Revenue Code, exceed the  
20 amount of the modification provided under subparagraph  
21 (G) of paragraph (2) of this subsection (b) which is  
22 related to such dividends, and including, for taxable  
23 years ending on or after December 31, 2008, dividends  
24 received from a captive real estate investment trust;  
25 plus (ii) 100% of the amount by which dividends,  
26 included in taxable income and received, including,

1 for taxable years ending on or after December 31,  
2 1988, dividends received or deemed received or paid or  
3 deemed paid under Sections 951 through 964 of the  
4 Internal Revenue Code and including, for taxable years  
5 ending on or after December 31, 2008, dividends  
6 received from a captive real estate investment trust,  
7 from any such corporation specified in clause (i) that  
8 would but for the provisions of Section 1504(b)(3) of  
9 the Internal Revenue Code be treated as a member of the  
10 affiliated group which includes the dividend  
11 recipient, exceed the amount of the modification  
12 provided under subparagraph (G) of paragraph (2) of  
13 this subsection (b) which is related to such  
14 dividends. For taxable years ending on or after June  
15 30, 2021, (i) for purposes of this subparagraph, the  
16 term "dividend" does not include any amount treated as  
17 a dividend under Section 1248 of the Internal Revenue  
18 Code, and (ii) this subparagraph shall not apply to  
19 dividends for which a deduction is allowed under  
20 Section 245(a) of the Internal Revenue Code. This  
21 subparagraph (O) is exempt from the provisions of  
22 Section 250 of this Act;

23 (P) An amount equal to any contribution made to a  
24 job training project established pursuant to the Tax  
25 Increment Allocation Redevelopment Act;

26 (Q) An amount equal to the amount of the deduction

1 used to compute the federal income tax credit for  
2 restoration of substantial amounts held under claim of  
3 right for the taxable year pursuant to Section 1341 of  
4 the Internal Revenue Code;

5 (R) On and after July 20, 1999, in the case of an  
6 attorney-in-fact with respect to whom an interinsurer  
7 or a reciprocal insurer has made the election under  
8 Section 835 of the Internal Revenue Code, 26 U.S.C.  
9 835, an amount equal to the excess, if any, of the  
10 amounts paid or incurred by that interinsurer or  
11 reciprocal insurer in the taxable year to the  
12 attorney-in-fact over the deduction allowed to that  
13 interinsurer or reciprocal insurer with respect to the  
14 attorney-in-fact under Section 835(b) of the Internal  
15 Revenue Code for the taxable year; the provisions of  
16 this subparagraph are exempt from the provisions of  
17 Section 250;

18 (S) For taxable years ending on or after December  
19 31, 1997, in the case of a Subchapter S corporation, an  
20 amount equal to all amounts of income allocable to a  
21 shareholder subject to the Personal Property Tax  
22 Replacement Income Tax imposed by subsections (c) and  
23 (d) of Section 201 of this Act, including amounts  
24 allocable to organizations exempt from federal income  
25 tax by reason of Section 501(a) of the Internal  
26 Revenue Code. This subparagraph (S) is exempt from the

1 provisions of Section 250;

2 (T) For taxable years 2001 and thereafter, for the  
3 taxable year in which the bonus depreciation deduction  
4 is taken on the taxpayer's federal income tax return  
5 under subsection (k) of Section 168 of the Internal  
6 Revenue Code and for each applicable taxable year  
7 thereafter, an amount equal to "x", where:

8 (1) "y" equals the amount of the depreciation  
9 deduction taken for the taxable year on the  
10 taxpayer's federal income tax return on property  
11 for which the bonus depreciation deduction was  
12 taken in any year under subsection (k) of Section  
13 168 of the Internal Revenue Code, but not  
14 including the bonus depreciation deduction;

15 (2) for taxable years ending on or before  
16 December 31, 2005, "x" equals "y" multiplied by 30  
17 and then divided by 70 (or "y" multiplied by  
18 0.429); and

19 (3) for taxable years ending after December  
20 31, 2005:

21 (i) for property on which a bonus  
22 depreciation deduction of 30% of the adjusted  
23 basis was taken, "x" equals "y" multiplied by  
24 30 and then divided by 70 (or "y" multiplied  
25 by 0.429);

26 (ii) for property on which a bonus

1 depreciation deduction of 50% of the adjusted  
2 basis was taken, "x" equals "y" multiplied by  
3 1.0;

4 (iii) for property on which a bonus  
5 depreciation deduction of 100% of the adjusted  
6 basis was taken in a taxable year ending on or  
7 after December 31, 2021, "x" equals the  
8 depreciation deduction that would be allowed  
9 on that property if the taxpayer had made the  
10 election under Section 168(k)(7) of the  
11 Internal Revenue Code to not claim bonus  
12 depreciation on that property; and

13 (iv) for property on which a bonus  
14 depreciation deduction of a percentage other  
15 than 30%, 50% or 100% of the adjusted basis  
16 was taken in a taxable year ending on or after  
17 December 31, 2021, "x" equals "y" multiplied  
18 by 100 times the percentage bonus depreciation  
19 on the property (that is,  $100(\text{bonus}\%)$ ) and  
20 then divided by 100 times 1 minus the  
21 percentage bonus depreciation on the property  
22 (that is,  $100(1-\text{bonus}\%)$ ).

23 The aggregate amount deducted under this  
24 subparagraph in all taxable years for any one piece of  
25 property may not exceed the amount of the bonus  
26 depreciation deduction taken on that property on the

1 taxpayer's federal income tax return under subsection  
2 (k) of Section 168 of the Internal Revenue Code. This  
3 subparagraph (T) is exempt from the provisions of  
4 Section 250;

5 (U) If the taxpayer sells, transfers, abandons, or  
6 otherwise disposes of property for which the taxpayer  
7 was required in any taxable year to make an addition  
8 modification under subparagraph (E-10), then an amount  
9 equal to that addition modification.

10 If the taxpayer continues to own property through  
11 the last day of the last tax year for which a  
12 subtraction is allowed with respect to that property  
13 under subparagraph (T) and for which the taxpayer was  
14 required in any taxable year to make an addition  
15 modification under subparagraph (E-10), then an amount  
16 equal to that addition modification.

17 The taxpayer is allowed to take the deduction  
18 under this subparagraph only once with respect to any  
19 one piece of property.

20 This subparagraph (U) is exempt from the  
21 provisions of Section 250;

22 (V) The amount of: (i) any interest income (net of  
23 the deductions allocable thereto) taken into account  
24 for the taxable year with respect to a transaction  
25 with a taxpayer that is required to make an addition  
26 modification with respect to such transaction under

1 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
2 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
3 the amount of such addition modification, (ii) any  
4 income from intangible property (net of the deductions  
5 allocable thereto) taken into account for the taxable  
6 year with respect to a transaction with a taxpayer  
7 that is required to make an addition modification with  
8 respect to such transaction under Section  
9 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
10 203(d)(2)(D-8), but not to exceed the amount of such  
11 addition modification, and (iii) any insurance premium  
12 income (net of deductions allocable thereto) taken  
13 into account for the taxable year with respect to a  
14 transaction with a taxpayer that is required to make  
15 an addition modification with respect to such  
16 transaction under Section 203(a)(2)(D-19), Section  
17 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section  
18 203(d)(2)(D-9), but not to exceed the amount of that  
19 addition modification. This subparagraph (V) is exempt  
20 from the provisions of Section 250;

21 (W) An amount equal to the interest income taken  
22 into account for the taxable year (net of the  
23 deductions allocable thereto) with respect to  
24 transactions with (i) a foreign person who would be a  
25 member of the taxpayer's unitary business group but  
26 for the fact that the foreign person's business

1 activity outside the United States is 80% or more of  
2 that person's total business activity and (ii) for  
3 taxable years ending on or after December 31, 2008, to  
4 a person who would be a member of the same unitary  
5 business group but for the fact that the person is  
6 prohibited under Section 1501(a)(27) from being  
7 included in the unitary business group because he or  
8 she is ordinarily required to apportion business  
9 income under different subsections of Section 304, but  
10 not to exceed the addition modification required to be  
11 made for the same taxable year under Section  
12 203(b)(2)(E-12) for interest paid, accrued, or  
13 incurred, directly or indirectly, to the same person.  
14 This subparagraph (W) is exempt from the provisions of  
15 Section 250;

16 (X) An amount equal to the income from intangible  
17 property taken into account for the taxable year (net  
18 of the deductions allocable thereto) with respect to  
19 transactions with (i) a foreign person who would be a  
20 member of the taxpayer's unitary business group but  
21 for the fact that the foreign person's business  
22 activity outside the United States is 80% or more of  
23 that person's total business activity and (ii) for  
24 taxable years ending on or after December 31, 2008, to  
25 a person who would be a member of the same unitary  
26 business group but for the fact that the person is



1 prohibited under Section 1501(a)(27) from being  
2 included in the unitary business group because he or  
3 she is ordinarily required to apportion business  
4 income under different subsections of Section 304, but  
5 not to exceed the addition modification required to be  
6 made for the same taxable year under Section  
7 203(b)(2)(E-13) for intangible expenses and costs  
8 paid, accrued, or incurred, directly or indirectly, to  
9 the same foreign person. This subparagraph (X) is  
10 exempt from the provisions of Section 250;

11 (Y) For taxable years ending on or after December  
12 31, 2011, in the case of a taxpayer who was required to  
13 add back any insurance premiums under Section  
14 203(b)(2)(E-14), such taxpayer may elect to subtract  
15 that part of a reimbursement received from the  
16 insurance company equal to the amount of the expense  
17 or loss (including expenses incurred by the insurance  
18 company) that would have been taken into account as a  
19 deduction for federal income tax purposes if the  
20 expense or loss had been uninsured. If a taxpayer  
21 makes the election provided for by this subparagraph  
22 (Y), the insurer to which the premiums were paid must  
23 add back to income the amount subtracted by the  
24 taxpayer pursuant to this subparagraph (Y). This  
25 subparagraph (Y) is exempt from the provisions of  
26 Section 250; and

1           (Z) The difference between the nondeductible  
2 controlled foreign corporation dividends under Section  
3 965(e)(3) of the Internal Revenue Code over the  
4 taxable income of the taxpayer, computed without  
5 regard to Section 965(e)(2)(A) of the Internal Revenue  
6 Code, and without regard to any net operating loss  
7 deduction. This subparagraph (Z) is exempt from the  
8 provisions of Section 250.

9           (3) Special rule. For purposes of paragraph (2)(A),  
10 "gross income" in the case of a life insurance company,  
11 for tax years ending on and after December 31, 1994, and  
12 prior to December 31, 2011, shall mean the gross  
13 investment income for the taxable year and, for tax years  
14 ending on or after December 31, 2011, shall mean all  
15 amounts included in life insurance gross income under  
16 Section 803(a)(3) of the Internal Revenue Code.

17           (c) Trusts and estates.

18           (1) In general. In the case of a trust or estate, base  
19 income means an amount equal to the taxpayer's taxable  
20 income for the taxable year as modified by paragraph (2).

21           (2) Modifications. Subject to the provisions of  
22 paragraph (3), the taxable income referred to in paragraph  
23 (1) shall be modified by adding thereto the sum of the  
24 following amounts:

25           (A) An amount equal to all amounts paid or accrued

1 to the taxpayer as interest or dividends during the  
2 taxable year to the extent excluded from gross income  
3 in the computation of taxable income;

4 (B) In the case of (i) an estate, \$600; (ii) a  
5 trust which, under its governing instrument, is  
6 required to distribute all of its income currently,  
7 \$300; and (iii) any other trust, \$100, but in each such  
8 case, only to the extent such amount was deducted in  
9 the computation of taxable income;

10 (C) An amount equal to the amount of tax imposed by  
11 this Act to the extent deducted from gross income in  
12 the computation of taxable income for the taxable  
13 year;

14 (D) The amount of any net operating loss deduction  
15 taken in arriving at taxable income, other than a net  
16 operating loss carried forward from a taxable year  
17 ending prior to December 31, 1986;

18 (E) For taxable years in which a net operating  
19 loss carryback or carryforward from a taxable year  
20 ending prior to December 31, 1986 is an element of  
21 taxable income under paragraph (1) of subsection (e)  
22 or subparagraph (E) of paragraph (2) of subsection  
23 (e), the amount by which addition modifications other  
24 than those provided by this subparagraph (E) exceeded  
25 subtraction modifications in such taxable year, with  
26 the following limitations applied in the order that

1           they are listed:

2                       (i) the addition modification relating to the  
3                       net operating loss carried back or forward to the  
4                       taxable year from any taxable year ending prior to  
5                       December 31, 1986 shall be reduced by the amount  
6                       of addition modification under this subparagraph  
7                       (E) which related to that net operating loss and  
8                       which was taken into account in calculating the  
9                       base income of an earlier taxable year, and

10                      (ii) the addition modification relating to the  
11                      net operating loss carried back or forward to the  
12                      taxable year from any taxable year ending prior to  
13                      December 31, 1986 shall not exceed the amount of  
14                      such carryback or carryforward;

15                      For taxable years in which there is a net  
16                      operating loss carryback or carryforward from more  
17                      than one other taxable year ending prior to December  
18                      31, 1986, the addition modification provided in this  
19                      subparagraph (E) shall be the sum of the amounts  
20                      computed independently under the preceding provisions  
21                      of this subparagraph (E) for each such taxable year;

22                      (F) For taxable years ending on or after January  
23                      1, 1989, an amount equal to the tax deducted pursuant  
24                      to Section 164 of the Internal Revenue Code if the  
25                      trust or estate is claiming the same tax for purposes  
26                      of the Illinois foreign tax credit under Section 601

1 of this Act;

2 (G) An amount equal to the amount of the capital  
3 gain deduction allowable under the Internal Revenue  
4 Code, to the extent deducted from gross income in the  
5 computation of taxable income;

6 (G-5) For taxable years ending after December 31,  
7 1997, an amount equal to any eligible remediation  
8 costs that the trust or estate deducted in computing  
9 adjusted gross income and for which the trust or  
10 estate claims a credit under subsection (l) of Section  
11 201;

12 (G-10) For taxable years 2001 and thereafter, an  
13 amount equal to the bonus depreciation deduction taken  
14 on the taxpayer's federal income tax return for the  
15 taxable year under subsection (k) of Section 168 of  
16 the Internal Revenue Code; and

17 (G-11) If the taxpayer sells, transfers, abandons,  
18 or otherwise disposes of property for which the  
19 taxpayer was required in any taxable year to make an  
20 addition modification under subparagraph (G-10), then  
21 an amount equal to the aggregate amount of the  
22 deductions taken in all taxable years under  
23 subparagraph (R) with respect to that property.

24 If the taxpayer continues to own property through  
25 the last day of the last tax year for which a  
26 subtraction is allowed with respect to that property

1 under subparagraph (R) and for which the taxpayer was  
2 allowed in any taxable year to make a subtraction  
3 modification under subparagraph (R), then an amount  
4 equal to that subtraction modification.

5 The taxpayer is required to make the addition  
6 modification under this subparagraph only once with  
7 respect to any one piece of property;

8 (G-12) An amount equal to the amount otherwise  
9 allowed as a deduction in computing base income for  
10 interest paid, accrued, or incurred, directly or  
11 indirectly, (i) for taxable years ending on or after  
12 December 31, 2004, to a foreign person who would be a  
13 member of the same unitary business group but for the  
14 fact that the foreign person's business activity  
15 outside the United States is 80% or more of the foreign  
16 person's total business activity and (ii) for taxable  
17 years ending on or after December 31, 2008, to a person  
18 who would be a member of the same unitary business  
19 group but for the fact that the person is prohibited  
20 under Section 1501(a)(27) from being included in the  
21 unitary business group because he or she is ordinarily  
22 required to apportion business income under different  
23 subsections of Section 304. The addition modification  
24 required by this subparagraph shall be reduced to the  
25 extent that dividends were included in base income of  
26 the unitary group for the same taxable year and

1 received by the taxpayer or by a member of the  
2 taxpayer's unitary business group (including amounts  
3 included in gross income pursuant to Sections 951  
4 through 964 of the Internal Revenue Code and amounts  
5 included in gross income under Section 78 of the  
6 Internal Revenue Code) with respect to the stock of  
7 the same person to whom the interest was paid,  
8 accrued, or incurred.

9 This paragraph shall not apply to the following:

10 (i) an item of interest paid, accrued, or  
11 incurred, directly or indirectly, to a person who  
12 is subject in a foreign country or state, other  
13 than a state which requires mandatory unitary  
14 reporting, to a tax on or measured by net income  
15 with respect to such interest; or

16 (ii) an item of interest paid, accrued, or  
17 incurred, directly or indirectly, to a person if  
18 the taxpayer can establish, based on a  
19 preponderance of the evidence, both of the  
20 following:

21 (a) the person, during the same taxable  
22 year, paid, accrued, or incurred, the interest  
23 to a person that is not a related member, and

24 (b) the transaction giving rise to the  
25 interest expense between the taxpayer and the  
26 person did not have as a principal purpose the

1 avoidance of Illinois income tax, and is paid  
2 pursuant to a contract or agreement that  
3 reflects an arm's-length interest rate and  
4 terms; or

5 (iii) the taxpayer can establish, based on  
6 clear and convincing evidence, that the interest  
7 paid, accrued, or incurred relates to a contract  
8 or agreement entered into at arm's-length rates  
9 and terms and the principal purpose for the  
10 payment is not federal or Illinois tax avoidance;  
11 or

12 (iv) an item of interest paid, accrued, or  
13 incurred, directly or indirectly, to a person if  
14 the taxpayer establishes by clear and convincing  
15 evidence that the adjustments are unreasonable; or  
16 if the taxpayer and the Director agree in writing  
17 to the application or use of an alternative method  
18 of apportionment under Section 304(f).

19 Nothing in this subsection shall preclude the  
20 Director from making any other adjustment  
21 otherwise allowed under Section 404 of this Act  
22 for any tax year beginning after the effective  
23 date of this amendment provided such adjustment is  
24 made pursuant to regulation adopted by the  
25 Department and such regulations provide methods  
26 and standards by which the Department will utilize



1           its authority under Section 404 of this Act;

2           (G-13) An amount equal to the amount of intangible  
3           expenses and costs otherwise allowed as a deduction in  
4           computing base income, and that were paid, accrued, or  
5           incurred, directly or indirectly, (i) for taxable  
6           years ending on or after December 31, 2004, to a  
7           foreign person who would be a member of the same  
8           unitary business group but for the fact that the  
9           foreign person's business activity outside the United  
10          States is 80% or more of that person's total business  
11          activity and (ii) for taxable years ending on or after  
12          December 31, 2008, to a person who would be a member of  
13          the same unitary business group but for the fact that  
14          the person is prohibited under Section 1501(a)(27)  
15          from being included in the unitary business group  
16          because he or she is ordinarily required to apportion  
17          business income under different subsections of Section  
18          304. The addition modification required by this  
19          subparagraph shall be reduced to the extent that  
20          dividends were included in base income of the unitary  
21          group for the same taxable year and received by the  
22          taxpayer or by a member of the taxpayer's unitary  
23          business group (including amounts included in gross  
24          income pursuant to Sections 951 through 964 of the  
25          Internal Revenue Code and amounts included in gross  
26          income under Section 78 of the Internal Revenue Code)

1 with respect to the stock of the same person to whom  
2 the intangible expenses and costs were directly or  
3 indirectly paid, incurred, or accrued. The preceding  
4 sentence shall not apply to the extent that the same  
5 dividends caused a reduction to the addition  
6 modification required under Section 203(c)(2)(G-12) of  
7 this Act. As used in this subparagraph, the term  
8 "intangible expenses and costs" includes: (1)  
9 expenses, losses, and costs for or related to the  
10 direct or indirect acquisition, use, maintenance or  
11 management, ownership, sale, exchange, or any other  
12 disposition of intangible property; (2) losses  
13 incurred, directly or indirectly, from factoring  
14 transactions or discounting transactions; (3) royalty,  
15 patent, technical, and copyright fees; (4) licensing  
16 fees; and (5) other similar expenses and costs. For  
17 purposes of this subparagraph, "intangible property"  
18 includes patents, patent applications, trade names,  
19 trademarks, service marks, copyrights, mask works,  
20 trade secrets, and similar types of intangible assets.

21 This paragraph shall not apply to the following:

22 (i) any item of intangible expenses or costs  
23 paid, accrued, or incurred, directly or  
24 indirectly, from a transaction with a person who  
25 is subject in a foreign country or state, other  
26 than a state which requires mandatory unitary

1 reporting, to a tax on or measured by net income  
2 with respect to such item; or

3 (ii) any item of intangible expense or cost  
4 paid, accrued, or incurred, directly or  
5 indirectly, if the taxpayer can establish, based  
6 on a preponderance of the evidence, both of the  
7 following:

8 (a) the person during the same taxable  
9 year paid, accrued, or incurred, the  
10 intangible expense or cost to a person that is  
11 not a related member, and

12 (b) the transaction giving rise to the  
13 intangible expense or cost between the  
14 taxpayer and the person did not have as a  
15 principal purpose the avoidance of Illinois  
16 income tax, and is paid pursuant to a contract  
17 or agreement that reflects arm's-length terms;  
18 or

19 (iii) any item of intangible expense or cost  
20 paid, accrued, or incurred, directly or  
21 indirectly, from a transaction with a person if  
22 the taxpayer establishes by clear and convincing  
23 evidence, that the adjustments are unreasonable;  
24 or if the taxpayer and the Director agree in  
25 writing to the application or use of an  
26 alternative method of apportionment under Section

1           304(f);

2           Nothing in this subsection shall preclude the  
3           Director from making any other adjustment  
4           otherwise allowed under Section 404 of this Act  
5           for any tax year beginning after the effective  
6           date of this amendment provided such adjustment is  
7           made pursuant to regulation adopted by the  
8           Department and such regulations provide methods  
9           and standards by which the Department will utilize  
10          its authority under Section 404 of this Act;

11          (G-14) For taxable years ending on or after  
12          December 31, 2008, an amount equal to the amount of  
13          insurance premium expenses and costs otherwise allowed  
14          as a deduction in computing base income, and that were  
15          paid, accrued, or incurred, directly or indirectly, to  
16          a person who would be a member of the same unitary  
17          business group but for the fact that the person is  
18          prohibited under Section 1501(a)(27) from being  
19          included in the unitary business group because he or  
20          she is ordinarily required to apportion business  
21          income under different subsections of Section 304. The  
22          addition modification required by this subparagraph  
23          shall be reduced to the extent that dividends were  
24          included in base income of the unitary group for the  
25          same taxable year and received by the taxpayer or by a  
26          member of the taxpayer's unitary business group

1 (including amounts included in gross income under  
2 Sections 951 through 964 of the Internal Revenue Code  
3 and amounts included in gross income under Section 78  
4 of the Internal Revenue Code) with respect to the  
5 stock of the same person to whom the premiums and costs  
6 were directly or indirectly paid, incurred, or  
7 accrued. The preceding sentence does not apply to the  
8 extent that the same dividends caused a reduction to  
9 the addition modification required under Section  
10 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
11 Act;

12 (G-15) An amount equal to the credit allowable to  
13 the taxpayer under Section 218(a) of this Act,  
14 determined without regard to Section 218(c) of this  
15 Act;

16 (G-16) For taxable years ending on or after  
17 December 31, 2017, an amount equal to the deduction  
18 allowed under Section 199 of the Internal Revenue Code  
19 for the taxable year;

20 and by deducting from the total so obtained the sum of the  
21 following amounts:

22 (H) An amount equal to all amounts included in  
23 such total pursuant to the provisions of Sections  
24 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
25 of the Internal Revenue Code or included in such total  
26 as distributions under the provisions of any

1 retirement or disability plan for employees of any  
2 governmental agency or unit, or retirement payments to  
3 retired partners, which payments are excluded in  
4 computing net earnings from self employment by Section  
5 1402 of the Internal Revenue Code and regulations  
6 adopted pursuant thereto;

7 (I) The valuation limitation amount;

8 (J) An amount equal to the amount of any tax  
9 imposed by this Act which was refunded to the taxpayer  
10 and included in such total for the taxable year;

11 (K) An amount equal to all amounts included in  
12 taxable income as modified by subparagraphs (A), (B),  
13 (C), (D), (E), (F) and (G) which are exempt from  
14 taxation by this State either by reason of its  
15 statutes or Constitution or by reason of the  
16 Constitution, treaties or statutes of the United  
17 States; provided that, in the case of any statute of  
18 this State that exempts income derived from bonds or  
19 other obligations from the tax imposed under this Act,  
20 the amount exempted shall be the interest net of bond  
21 premium amortization;

22 (L) With the exception of any amounts subtracted  
23 under subparagraph (K), an amount equal to the sum of  
24 all amounts disallowed as deductions by (i) Sections  
25 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
26 and all amounts of expenses allocable to interest and

1 disallowed as deductions by Section 265(a)(1) of the  
2 Internal Revenue Code; and (ii) for taxable years  
3 ending on or after August 13, 1999, Sections  
4 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
5 Internal Revenue Code, plus, (iii) for taxable years  
6 ending on or after December 31, 2011, Section  
7 45G(e)(3) of the Internal Revenue Code and, for  
8 taxable years ending on or after December 31, 2008,  
9 any amount included in gross income under Section 87  
10 of the Internal Revenue Code; the provisions of this  
11 subparagraph are exempt from the provisions of Section  
12 250;

13 (M) An amount equal to those dividends included in  
14 such total which were paid by a corporation which  
15 conducts business operations in a River Edge  
16 Redevelopment Zone or zones created under the River  
17 Edge Redevelopment Zone Act and conducts substantially  
18 all of its operations in a River Edge Redevelopment  
19 Zone or zones. This subparagraph (M) is exempt from  
20 the provisions of Section 250;

21 (N) An amount equal to any contribution made to a  
22 job training project established pursuant to the Tax  
23 Increment Allocation Redevelopment Act;

24 (O) An amount equal to those dividends included in  
25 such total that were paid by a corporation that  
26 conducts business operations in a federally designated

1 Foreign Trade Zone or Sub-Zone and that is designated  
2 a High Impact Business located in Illinois; provided  
3 that dividends eligible for the deduction provided in  
4 subparagraph (M) of paragraph (2) of this subsection  
5 shall not be eligible for the deduction provided under  
6 this subparagraph (O);

7 (P) An amount equal to the amount of the deduction  
8 used to compute the federal income tax credit for  
9 restoration of substantial amounts held under claim of  
10 right for the taxable year pursuant to Section 1341 of  
11 the Internal Revenue Code;

12 (Q) For taxable year 1999 and thereafter, an  
13 amount equal to the amount of any (i) distributions,  
14 to the extent includible in gross income for federal  
15 income tax purposes, made to the taxpayer because of  
16 his or her status as a victim of persecution for racial  
17 or religious reasons by Nazi Germany or any other Axis  
18 regime or as an heir of the victim and (ii) items of  
19 income, to the extent includible in gross income for  
20 federal income tax purposes, attributable to, derived  
21 from or in any way related to assets stolen from,  
22 hidden from, or otherwise lost to a victim of  
23 persecution for racial or religious reasons by Nazi  
24 Germany or any other Axis regime immediately prior to,  
25 during, and immediately after World War II, including,  
26 but not limited to, interest on the proceeds



1           receivable as insurance under policies issued to a  
2           victim of persecution for racial or religious reasons  
3           by Nazi Germany or any other Axis regime by European  
4           insurance companies immediately prior to and during  
5           World War II; provided, however, this subtraction from  
6           federal adjusted gross income does not apply to assets  
7           acquired with such assets or with the proceeds from  
8           the sale of such assets; provided, further, this  
9           paragraph shall only apply to a taxpayer who was the  
10          first recipient of such assets after their recovery  
11          and who is a victim of persecution for racial or  
12          religious reasons by Nazi Germany or any other Axis  
13          regime or as an heir of the victim. The amount of and  
14          the eligibility for any public assistance, benefit, or  
15          similar entitlement is not affected by the inclusion  
16          of items (i) and (ii) of this paragraph in gross income  
17          for federal income tax purposes. This paragraph is  
18          exempt from the provisions of Section 250;

19                 (R) For taxable years 2001 and thereafter, for the  
20                 taxable year in which the bonus depreciation deduction  
21                 is taken on the taxpayer's federal income tax return  
22                 under subsection (k) of Section 168 of the Internal  
23                 Revenue Code and for each applicable taxable year  
24                 thereafter, an amount equal to "x", where:

25                         (1) "y" equals the amount of the depreciation  
26                         deduction taken for the taxable year on the

1 taxpayer's federal income tax return on property  
2 for which the bonus depreciation deduction was  
3 taken in any year under subsection (k) of Section  
4 168 of the Internal Revenue Code, but not  
5 including the bonus depreciation deduction;

6 (2) for taxable years ending on or before  
7 December 31, 2005, "x" equals "y" multiplied by 30  
8 and then divided by 70 (or "y" multiplied by  
9 0.429); and

10 (3) for taxable years ending after December  
11 31, 2005:

12 (i) for property on which a bonus  
13 depreciation deduction of 30% of the adjusted  
14 basis was taken, "x" equals "y" multiplied by  
15 30 and then divided by 70 (or "y" multiplied  
16 by 0.429);

17 (ii) for property on which a bonus  
18 depreciation deduction of 50% of the adjusted  
19 basis was taken, "x" equals "y" multiplied by  
20 1.0;

21 (iii) for property on which a bonus  
22 depreciation deduction of 100% of the adjusted  
23 basis was taken in a taxable year ending on or  
24 after December 31, 2021, "x" equals the  
25 depreciation deduction that would be allowed  
26 on that property if the taxpayer had made the

1 election under Section 168(k)(7) of the  
2 Internal Revenue Code to not claim bonus  
3 depreciation on that property; and

4 (iv) for property on which a bonus  
5 depreciation deduction of a percentage other  
6 than 30%, 50% or 100% of the adjusted basis  
7 was taken in a taxable year ending on or after  
8 December 31, 2021, "x" equals "y" multiplied  
9 by 100 times the percentage bonus depreciation  
10 on the property (that is,  $100(\text{bonus}\%)$ ) and  
11 then divided by 100 times 1 minus the  
12 percentage bonus depreciation on the property  
13 (that is,  $100(1-\text{bonus}\%)$ ).

14 The aggregate amount deducted under this  
15 subparagraph in all taxable years for any one piece of  
16 property may not exceed the amount of the bonus  
17 depreciation deduction taken on that property on the  
18 taxpayer's federal income tax return under subsection  
19 (k) of Section 168 of the Internal Revenue Code. This  
20 subparagraph (R) is exempt from the provisions of  
21 Section 250;

22 (S) If the taxpayer sells, transfers, abandons, or  
23 otherwise disposes of property for which the taxpayer  
24 was required in any taxable year to make an addition  
25 modification under subparagraph (G-10), then an amount  
26 equal to that addition modification.

1           If the taxpayer continues to own property through  
2           the last day of the last tax year for which a  
3           subtraction is allowed with respect to that property  
4           under subparagraph (R) and for which the taxpayer was  
5           required in any taxable year to make an addition  
6           modification under subparagraph (G-10), then an amount  
7           equal to that addition modification.

8           The taxpayer is allowed to take the deduction  
9           under this subparagraph only once with respect to any  
10          one piece of property.

11          This subparagraph (S) is exempt from the  
12          provisions of Section 250;

13          (T) The amount of (i) any interest income (net of  
14          the deductions allocable thereto) taken into account  
15          for the taxable year with respect to a transaction  
16          with a taxpayer that is required to make an addition  
17          modification with respect to such transaction under  
18          Section        203(a)(2)(D-17),        203(b)(2)(E-12),  
19          203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
20          the amount of such addition modification and (ii) any  
21          income from intangible property (net of the deductions  
22          allocable thereto) taken into account for the taxable  
23          year with respect to a transaction with a taxpayer  
24          that is required to make an addition modification with  
25          respect to such transaction under Section  
26          203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or

1           203(d)(2)(D-8), but not to exceed the amount of such  
2           addition modification. This subparagraph (T) is exempt  
3           from the provisions of Section 250;

4           (U) An amount equal to the interest income taken  
5           into account for the taxable year (net of the  
6           deductions allocable thereto) with respect to  
7           transactions with (i) a foreign person who would be a  
8           member of the taxpayer's unitary business group but  
9           for the fact the foreign person's business activity  
10          outside the United States is 80% or more of that  
11          person's total business activity and (ii) for taxable  
12          years ending on or after December 31, 2008, to a person  
13          who would be a member of the same unitary business  
14          group but for the fact that the person is prohibited  
15          under Section 1501(a)(27) from being included in the  
16          unitary business group because he or she is ordinarily  
17          required to apportion business income under different  
18          subsections of Section 304, but not to exceed the  
19          addition modification required to be made for the same  
20          taxable year under Section 203(c)(2)(G-12) for  
21          interest paid, accrued, or incurred, directly or  
22          indirectly, to the same person. This subparagraph (U)  
23          is exempt from the provisions of Section 250;

24          (V) An amount equal to the income from intangible  
25          property taken into account for the taxable year (net  
26          of the deductions allocable thereto) with respect to

1 transactions with (i) a foreign person who would be a  
2 member of the taxpayer's unitary business group but  
3 for the fact that the foreign person's business  
4 activity outside the United States is 80% or more of  
5 that person's total business activity and (ii) for  
6 taxable years ending on or after December 31, 2008, to  
7 a person who would be a member of the same unitary  
8 business group but for the fact that the person is  
9 prohibited under Section 1501(a)(27) from being  
10 included in the unitary business group because he or  
11 she is ordinarily required to apportion business  
12 income under different subsections of Section 304, but  
13 not to exceed the addition modification required to be  
14 made for the same taxable year under Section  
15 203(c)(2)(G-13) for intangible expenses and costs  
16 paid, accrued, or incurred, directly or indirectly, to  
17 the same foreign person. This subparagraph (V) is  
18 exempt from the provisions of Section 250;

19 (W) in the case of an estate, an amount equal to  
20 all amounts included in such total pursuant to the  
21 provisions of Section 111 of the Internal Revenue Code  
22 as a recovery of items previously deducted by the  
23 decedent from adjusted gross income in the computation  
24 of taxable income. This subparagraph (W) is exempt  
25 from Section 250;

26 (X) an amount equal to the refund included in such

1 total of any tax deducted for federal income tax  
2 purposes, to the extent that deduction was added back  
3 under subparagraph (F). This subparagraph (X) is  
4 exempt from the provisions of Section 250;

5 (Y) For taxable years ending on or after December  
6 31, 2011, in the case of a taxpayer who was required to  
7 add back any insurance premiums under Section  
8 203(c)(2)(G-14), such taxpayer may elect to subtract  
9 that part of a reimbursement received from the  
10 insurance company equal to the amount of the expense  
11 or loss (including expenses incurred by the insurance  
12 company) that would have been taken into account as a  
13 deduction for federal income tax purposes if the  
14 expense or loss had been uninsured. If a taxpayer  
15 makes the election provided for by this subparagraph  
16 (Y), the insurer to which the premiums were paid must  
17 add back to income the amount subtracted by the  
18 taxpayer pursuant to this subparagraph (Y). This  
19 subparagraph (Y) is exempt from the provisions of  
20 Section 250; and

21 (Z) For taxable years beginning after December 31,  
22 2018 and before January 1, 2026, the amount of excess  
23 business loss of the taxpayer disallowed as a  
24 deduction by Section 461(1)(1)(B) of the Internal  
25 Revenue Code.

26 (3) Limitation. The amount of any modification

1 otherwise required under this subsection shall, under  
2 regulations prescribed by the Department, be adjusted by  
3 any amounts included therein which were properly paid,  
4 credited, or required to be distributed, or permanently  
5 set aside for charitable purposes pursuant to Internal  
6 Revenue Code Section 642(c) during the taxable year.

7 (d) Partnerships.

8 (1) In general. In the case of a partnership, base  
9 income means an amount equal to the taxpayer's taxable  
10 income for the taxable year as modified by paragraph (2).

11 (2) Modifications. The taxable income referred to in  
12 paragraph (1) shall be modified by adding thereto the sum  
13 of the following amounts:

14 (A) An amount equal to all amounts paid or accrued  
15 to the taxpayer as interest or dividends during the  
16 taxable year to the extent excluded from gross income  
17 in the computation of taxable income;

18 (B) An amount equal to the amount of tax imposed by  
19 this Act to the extent deducted from gross income for  
20 the taxable year;

21 (C) The amount of deductions allowed to the  
22 partnership pursuant to Section 707 (c) of the  
23 Internal Revenue Code in calculating its taxable  
24 income;

25 (D) An amount equal to the amount of the capital



1 gain deduction allowable under the Internal Revenue  
2 Code, to the extent deducted from gross income in the  
3 computation of taxable income;

4 (D-5) For taxable years 2001 and thereafter, an  
5 amount equal to the bonus depreciation deduction taken  
6 on the taxpayer's federal income tax return for the  
7 taxable year under subsection (k) of Section 168 of  
8 the Internal Revenue Code;

9 (D-6) If the taxpayer sells, transfers, abandons,  
10 or otherwise disposes of property for which the  
11 taxpayer was required in any taxable year to make an  
12 addition modification under subparagraph (D-5), then  
13 an amount equal to the aggregate amount of the  
14 deductions taken in all taxable years under  
15 subparagraph (O) with respect to that property.

16 If the taxpayer continues to own property through  
17 the last day of the last tax year for which a  
18 subtraction is allowed with respect to that property  
19 under subparagraph (O) and for which the taxpayer was  
20 allowed in any taxable year to make a subtraction  
21 modification under subparagraph (O), then an amount  
22 equal to that subtraction modification.

23 The taxpayer is required to make the addition  
24 modification under this subparagraph only once with  
25 respect to any one piece of property;

26 (D-7) An amount equal to the amount otherwise

1 allowed as a deduction in computing base income for  
2 interest paid, accrued, or incurred, directly or  
3 indirectly, (i) for taxable years ending on or after  
4 December 31, 2004, to a foreign person who would be a  
5 member of the same unitary business group but for the  
6 fact the foreign person's business activity outside  
7 the United States is 80% or more of the foreign  
8 person's total business activity and (ii) for taxable  
9 years ending on or after December 31, 2008, to a person  
10 who would be a member of the same unitary business  
11 group but for the fact that the person is prohibited  
12 under Section 1501(a)(27) from being included in the  
13 unitary business group because he or she is ordinarily  
14 required to apportion business income under different  
15 subsections of Section 304. The addition modification  
16 required by this subparagraph shall be reduced to the  
17 extent that dividends were included in base income of  
18 the unitary group for the same taxable year and  
19 received by the taxpayer or by a member of the  
20 taxpayer's unitary business group (including amounts  
21 included in gross income pursuant to Sections 951  
22 through 964 of the Internal Revenue Code and amounts  
23 included in gross income under Section 78 of the  
24 Internal Revenue Code) with respect to the stock of  
25 the same person to whom the interest was paid,  
26 accrued, or incurred.

1 This paragraph shall not apply to the following:

2 (i) an item of interest paid, accrued, or  
3 incurred, directly or indirectly, to a person who  
4 is subject in a foreign country or state, other  
5 than a state which requires mandatory unitary  
6 reporting, to a tax on or measured by net income  
7 with respect to such interest; or

8 (ii) an item of interest paid, accrued, or  
9 incurred, directly or indirectly, to a person if  
10 the taxpayer can establish, based on a  
11 preponderance of the evidence, both of the  
12 following:

13 (a) the person, during the same taxable  
14 year, paid, accrued, or incurred, the interest  
15 to a person that is not a related member, and

16 (b) the transaction giving rise to the  
17 interest expense between the taxpayer and the  
18 person did not have as a principal purpose the  
19 avoidance of Illinois income tax, and is paid  
20 pursuant to a contract or agreement that  
21 reflects an arm's-length interest rate and  
22 terms; or

23 (iii) the taxpayer can establish, based on  
24 clear and convincing evidence, that the interest  
25 paid, accrued, or incurred relates to a contract  
26 or agreement entered into at arm's-length rates

1 and terms and the principal purpose for the  
2 payment is not federal or Illinois tax avoidance;  
3 or

4 (iv) an item of interest paid, accrued, or  
5 incurred, directly or indirectly, to a person if  
6 the taxpayer establishes by clear and convincing  
7 evidence that the adjustments are unreasonable; or  
8 if the taxpayer and the Director agree in writing  
9 to the application or use of an alternative method  
10 of apportionment under Section 304(f).

11 Nothing in this subsection shall preclude the  
12 Director from making any other adjustment  
13 otherwise allowed under Section 404 of this Act  
14 for any tax year beginning after the effective  
15 date of this amendment provided such adjustment is  
16 made pursuant to regulation adopted by the  
17 Department and such regulations provide methods  
18 and standards by which the Department will utilize  
19 its authority under Section 404 of this Act; and

20 (D-8) An amount equal to the amount of intangible  
21 expenses and costs otherwise allowed as a deduction in  
22 computing base income, and that were paid, accrued, or  
23 incurred, directly or indirectly, (i) for taxable  
24 years ending on or after December 31, 2004, to a  
25 foreign person who would be a member of the same  
26 unitary business group but for the fact that the

1 foreign person's business activity outside the United  
2 States is 80% or more of that person's total business  
3 activity and (ii) for taxable years ending on or after  
4 December 31, 2008, to a person who would be a member of  
5 the same unitary business group but for the fact that  
6 the person is prohibited under Section 1501(a)(27)  
7 from being included in the unitary business group  
8 because he or she is ordinarily required to apportion  
9 business income under different subsections of Section  
10 304. The addition modification required by this  
11 subparagraph shall be reduced to the extent that  
12 dividends were included in base income of the unitary  
13 group for the same taxable year and received by the  
14 taxpayer or by a member of the taxpayer's unitary  
15 business group (including amounts included in gross  
16 income pursuant to Sections 951 through 964 of the  
17 Internal Revenue Code and amounts included in gross  
18 income under Section 78 of the Internal Revenue Code)  
19 with respect to the stock of the same person to whom  
20 the intangible expenses and costs were directly or  
21 indirectly paid, incurred or accrued. The preceding  
22 sentence shall not apply to the extent that the same  
23 dividends caused a reduction to the addition  
24 modification required under Section 203(d)(2)(D-7) of  
25 this Act. As used in this subparagraph, the term  
26 "intangible expenses and costs" includes (1) expenses,

1 losses, and costs for, or related to, the direct or  
2 indirect acquisition, use, maintenance or management,  
3 ownership, sale, exchange, or any other disposition of  
4 intangible property; (2) losses incurred, directly or  
5 indirectly, from factoring transactions or discounting  
6 transactions; (3) royalty, patent, technical, and  
7 copyright fees; (4) licensing fees; and (5) other  
8 similar expenses and costs. For purposes of this  
9 subparagraph, "intangible property" includes patents,  
10 patent applications, trade names, trademarks, service  
11 marks, copyrights, mask works, trade secrets, and  
12 similar types of intangible assets;

13 This paragraph shall not apply to the following:

14 (i) any item of intangible expenses or costs  
15 paid, accrued, or incurred, directly or  
16 indirectly, from a transaction with a person who  
17 is subject in a foreign country or state, other  
18 than a state which requires mandatory unitary  
19 reporting, to a tax on or measured by net income  
20 with respect to such item; or

21 (ii) any item of intangible expense or cost  
22 paid, accrued, or incurred, directly or  
23 indirectly, if the taxpayer can establish, based  
24 on a preponderance of the evidence, both of the  
25 following:

26 (a) the person during the same taxable

1 year paid, accrued, or incurred, the  
2 intangible expense or cost to a person that is  
3 not a related member, and

4 (b) the transaction giving rise to the  
5 intangible expense or cost between the  
6 taxpayer and the person did not have as a  
7 principal purpose the avoidance of Illinois  
8 income tax, and is paid pursuant to a contract  
9 or agreement that reflects arm's-length terms;  
10 or

11 (iii) any item of intangible expense or cost  
12 paid, accrued, or incurred, directly or  
13 indirectly, from a transaction with a person if  
14 the taxpayer establishes by clear and convincing  
15 evidence, that the adjustments are unreasonable;  
16 or if the taxpayer and the Director agree in  
17 writing to the application or use of an  
18 alternative method of apportionment under Section  
19 304(f);

20 Nothing in this subsection shall preclude the  
21 Director from making any other adjustment  
22 otherwise allowed under Section 404 of this Act  
23 for any tax year beginning after the effective  
24 date of this amendment provided such adjustment is  
25 made pursuant to regulation adopted by the  
26 Department and such regulations provide methods

1           and standards by which the Department will utilize  
2           its authority under Section 404 of this Act;

3           (D-9) For taxable years ending on or after  
4           December 31, 2008, an amount equal to the amount of  
5           insurance premium expenses and costs otherwise allowed  
6           as a deduction in computing base income, and that were  
7           paid, accrued, or incurred, directly or indirectly, to  
8           a person who would be a member of the same unitary  
9           business group but for the fact that the person is  
10          prohibited under Section 1501(a)(27) from being  
11          included in the unitary business group because he or  
12          she is ordinarily required to apportion business  
13          income under different subsections of Section 304. The  
14          addition modification required by this subparagraph  
15          shall be reduced to the extent that dividends were  
16          included in base income of the unitary group for the  
17          same taxable year and received by the taxpayer or by a  
18          member of the taxpayer's unitary business group  
19          (including amounts included in gross income under  
20          Sections 951 through 964 of the Internal Revenue Code  
21          and amounts included in gross income under Section 78  
22          of the Internal Revenue Code) with respect to the  
23          stock of the same person to whom the premiums and costs  
24          were directly or indirectly paid, incurred, or  
25          accrued. The preceding sentence does not apply to the  
26          extent that the same dividends caused a reduction to



1 the addition modification required under Section  
2 203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

3 (D-10) An amount equal to the credit allowable to  
4 the taxpayer under Section 218(a) of this Act,  
5 determined without regard to Section 218(c) of this  
6 Act;

7 (D-11) For taxable years ending on or after  
8 December 31, 2017, an amount equal to the deduction  
9 allowed under Section 199 of the Internal Revenue Code  
10 for the taxable year;

11 and by deducting from the total so obtained the following  
12 amounts:

13 (E) The valuation limitation amount;

14 (F) An amount equal to the amount of any tax  
15 imposed by this Act which was refunded to the taxpayer  
16 and included in such total for the taxable year;

17 (G) An amount equal to all amounts included in  
18 taxable income as modified by subparagraphs (A), (B),  
19 (C) and (D) which are exempt from taxation by this  
20 State either by reason of its statutes or Constitution  
21 or by reason of the Constitution, treaties or statutes  
22 of the United States; provided that, in the case of any  
23 statute of this State that exempts income derived from  
24 bonds or other obligations from the tax imposed under  
25 this Act, the amount exempted shall be the interest  
26 net of bond premium amortization;

1           (H) Any income of the partnership which  
2 constitutes personal service income as defined in  
3 Section 1348(b)(1) of the Internal Revenue Code (as in  
4 effect December 31, 1981) or a reasonable allowance  
5 for compensation paid or accrued for services rendered  
6 by partners to the partnership, whichever is greater;  
7 this subparagraph (H) is exempt from the provisions of  
8 Section 250;

9           (I) An amount equal to all amounts of income  
10 distributable to an entity subject to the Personal  
11 Property Tax Replacement Income Tax imposed by  
12 subsections (c) and (d) of Section 201 of this Act  
13 including amounts distributable to organizations  
14 exempt from federal income tax by reason of Section  
15 501(a) of the Internal Revenue Code; this subparagraph  
16 (I) is exempt from the provisions of Section 250;

17           (J) With the exception of any amounts subtracted  
18 under subparagraph (G), an amount equal to the sum of  
19 all amounts disallowed as deductions by (i) Sections  
20 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
21 and all amounts of expenses allocable to interest and  
22 disallowed as deductions by Section 265(a)(1) of the  
23 Internal Revenue Code; and (ii) for taxable years  
24 ending on or after August 13, 1999, Sections  
25 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
26 Internal Revenue Code, plus, (iii) for taxable years

1 ending on or after December 31, 2011, Section  
2 45G(e)(3) of the Internal Revenue Code and, for  
3 taxable years ending on or after December 31, 2008,  
4 any amount included in gross income under Section 87  
5 of the Internal Revenue Code; the provisions of this  
6 subparagraph are exempt from the provisions of Section  
7 250;

8 (K) An amount equal to those dividends included in  
9 such total which were paid by a corporation which  
10 conducts business operations in a River Edge  
11 Redevelopment Zone or zones created under the River  
12 Edge Redevelopment Zone Act and conducts substantially  
13 all of its operations from a River Edge Redevelopment  
14 Zone or zones. This subparagraph (K) is exempt from  
15 the provisions of Section 250;

16 (L) An amount equal to any contribution made to a  
17 job training project established pursuant to the Real  
18 Property Tax Increment Allocation Redevelopment Act;

19 (M) An amount equal to those dividends included in  
20 such total that were paid by a corporation that  
21 conducts business operations in a federally designated  
22 Foreign Trade Zone or Sub-Zone and that is designated  
23 a High Impact Business located in Illinois; provided  
24 that dividends eligible for the deduction provided in  
25 subparagraph (K) of paragraph (2) of this subsection  
26 shall not be eligible for the deduction provided under

1           this subparagraph (M);

2           (N) An amount equal to the amount of the deduction  
3           used to compute the federal income tax credit for  
4           restoration of substantial amounts held under claim of  
5           right for the taxable year pursuant to Section 1341 of  
6           the Internal Revenue Code;

7           (O) For taxable years 2001 and thereafter, for the  
8           taxable year in which the bonus depreciation deduction  
9           is taken on the taxpayer's federal income tax return  
10          under subsection (k) of Section 168 of the Internal  
11          Revenue Code and for each applicable taxable year  
12          thereafter, an amount equal to "x", where:

13           (1) "y" equals the amount of the depreciation  
14           deduction taken for the taxable year on the  
15           taxpayer's federal income tax return on property  
16           for which the bonus depreciation deduction was  
17           taken in any year under subsection (k) of Section  
18           168 of the Internal Revenue Code, but not  
19           including the bonus depreciation deduction;

20           (2) for taxable years ending on or before  
21           December 31, 2005, "x" equals "y" multiplied by 30  
22           and then divided by 70 (or "y" multiplied by  
23           0.429); and

24           (3) for taxable years ending after December  
25           31, 2005:

26           (i) for property on which a bonus

1 depreciation deduction of 30% of the adjusted  
2 basis was taken, "x" equals "y" multiplied by  
3 30 and then divided by 70 (or "y" multiplied  
4 by 0.429);

5 (ii) for property on which a bonus  
6 depreciation deduction of 50% of the adjusted  
7 basis was taken, "x" equals "y" multiplied by  
8 1.0;

9 (iii) for property on which a bonus  
10 depreciation deduction of 100% of the adjusted  
11 basis was taken in a taxable year ending on or  
12 after December 31, 2021, "x" equals the  
13 depreciation deduction that would be allowed  
14 on that property if the taxpayer had made the  
15 election under Section 168(k)(7) of the  
16 Internal Revenue Code to not claim bonus  
17 depreciation on that property; and

18 (iv) for property on which a bonus  
19 depreciation deduction of a percentage other  
20 than 30%, 50% or 100% of the adjusted basis  
21 was taken in a taxable year ending on or after  
22 December 31, 2021, "x" equals "y" multiplied  
23 by 100 times the percentage bonus depreciation  
24 on the property (that is,  $100(\text{bonus}\%)$ ) and  
25 then divided by 100 times 1 minus the  
26 percentage bonus depreciation on the property

1 (that is,  $100(1-\text{bonus}\%)$ ).

2 The aggregate amount deducted under this  
3 subparagraph in all taxable years for any one piece of  
4 property may not exceed the amount of the bonus  
5 depreciation deduction taken on that property on the  
6 taxpayer's federal income tax return under subsection  
7 (k) of Section 168 of the Internal Revenue Code. This  
8 subparagraph (O) is exempt from the provisions of  
9 Section 250;

10 (P) If the taxpayer sells, transfers, abandons, or  
11 otherwise disposes of property for which the taxpayer  
12 was required in any taxable year to make an addition  
13 modification under subparagraph (D-5), then an amount  
14 equal to that addition modification.

15 If the taxpayer continues to own property through  
16 the last day of the last tax year for which a  
17 subtraction is allowed with respect to that property  
18 under subparagraph (O) and for which the taxpayer was  
19 required in any taxable year to make an addition  
20 modification under subparagraph (D-5), then an amount  
21 equal to that addition modification.

22 The taxpayer is allowed to take the deduction  
23 under this subparagraph only once with respect to any  
24 one piece of property.

25 This subparagraph (P) is exempt from the  
26 provisions of Section 250;

1           (Q) The amount of (i) any interest income (net of  
2           the deductions allocable thereto) taken into account  
3           for the taxable year with respect to a transaction  
4           with a taxpayer that is required to make an addition  
5           modification with respect to such transaction under  
6           Section           203(a)(2)(D-17),           203(b)(2)(E-12),  
7           203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
8           the amount of such addition modification and (ii) any  
9           income from intangible property (net of the deductions  
10          allocable thereto) taken into account for the taxable  
11          year with respect to a transaction with a taxpayer  
12          that is required to make an addition modification with  
13          respect    to    such    transaction    under    Section  
14          203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
15          203(d)(2)(D-8), but not to exceed the amount of such  
16          addition modification. This subparagraph (Q) is exempt  
17          from Section 250;

18          (R) An amount equal to the interest income taken  
19          into account for the taxable year (net of the  
20          deductions allocable thereto) with respect to  
21          transactions with (i) a foreign person who would be a  
22          member of the taxpayer's unitary business group but  
23          for the fact that the foreign person's business  
24          activity outside the United States is 80% or more of  
25          that person's total business activity and (ii) for  
26          taxable years ending on or after December 31, 2008, to

1 a person who would be a member of the same unitary  
2 business group but for the fact that the person is  
3 prohibited under Section 1501(a)(27) from being  
4 included in the unitary business group because he or  
5 she is ordinarily required to apportion business  
6 income under different subsections of Section 304, but  
7 not to exceed the addition modification required to be  
8 made for the same taxable year under Section  
9 203(d)(2)(D-7) for interest paid, accrued, or  
10 incurred, directly or indirectly, to the same person.  
11 This subparagraph (R) is exempt from Section 250;

12 (S) An amount equal to the income from intangible  
13 property taken into account for the taxable year (net  
14 of the deductions allocable thereto) with respect to  
15 transactions with (i) a foreign person who would be a  
16 member of the taxpayer's unitary business group but  
17 for the fact that the foreign person's business  
18 activity outside the United States is 80% or more of  
19 that person's total business activity and (ii) for  
20 taxable years ending on or after December 31, 2008, to  
21 a person who would be a member of the same unitary  
22 business group but for the fact that the person is  
23 prohibited under Section 1501(a)(27) from being  
24 included in the unitary business group because he or  
25 she is ordinarily required to apportion business  
26 income under different subsections of Section 304, but



1 not to exceed the addition modification required to be  
2 made for the same taxable year under Section  
3 203(d)(2)(D-8) for intangible expenses and costs paid,  
4 accrued, or incurred, directly or indirectly, to the  
5 same person. This subparagraph (S) is exempt from  
6 Section 250; and

7 (T) For taxable years ending on or after December  
8 31, 2011, in the case of a taxpayer who was required to  
9 add back any insurance premiums under Section  
10 203(d)(2)(D-9), such taxpayer may elect to subtract  
11 that part of a reimbursement received from the  
12 insurance company equal to the amount of the expense  
13 or loss (including expenses incurred by the insurance  
14 company) that would have been taken into account as a  
15 deduction for federal income tax purposes if the  
16 expense or loss had been uninsured. If a taxpayer  
17 makes the election provided for by this subparagraph  
18 (T), the insurer to which the premiums were paid must  
19 add back to income the amount subtracted by the  
20 taxpayer pursuant to this subparagraph (T). This  
21 subparagraph (T) is exempt from the provisions of  
22 Section 250.

23 (e) Gross income; adjusted gross income; taxable income.

24 (1) In general. Subject to the provisions of paragraph  
25 (2) and subsection (b)(3), for purposes of this Section

1 and Section 803(e), a taxpayer's gross income, adjusted  
2 gross income, or taxable income for the taxable year shall  
3 mean the amount of gross income, adjusted gross income or  
4 taxable income properly reportable for federal income tax  
5 purposes for the taxable year under the provisions of the  
6 Internal Revenue Code. Taxable income may be less than  
7 zero. However, for taxable years ending on or after  
8 December 31, 1986, net operating loss carryforwards from  
9 taxable years ending prior to December 31, 1986, may not  
10 exceed the sum of federal taxable income for the taxable  
11 year before net operating loss deduction, plus the excess  
12 of addition modifications over subtraction modifications  
13 for the taxable year. For taxable years ending prior to  
14 December 31, 1986, taxable income may never be an amount  
15 in excess of the net operating loss for the taxable year as  
16 defined in subsections (c) and (d) of Section 172 of the  
17 Internal Revenue Code, provided that when taxable income  
18 of a corporation (other than a Subchapter S corporation),  
19 trust, or estate is less than zero and addition  
20 modifications, other than those provided by subparagraph  
21 (E) of paragraph (2) of subsection (b) for corporations or  
22 subparagraph (E) of paragraph (2) of subsection (c) for  
23 trusts and estates, exceed subtraction modifications, an  
24 addition modification must be made under those  
25 subparagraphs for any other taxable year to which the  
26 taxable income less than zero (net operating loss) is

1 applied under Section 172 of the Internal Revenue Code or  
2 under subparagraph (E) of paragraph (2) of this subsection  
3 (e) applied in conjunction with Section 172 of the  
4 Internal Revenue Code.

5 (2) Special rule. For purposes of paragraph (1) of  
6 this subsection, the taxable income properly reportable  
7 for federal income tax purposes shall mean:

8 (A) Certain life insurance companies. In the case  
9 of a life insurance company subject to the tax imposed  
10 by Section 801 of the Internal Revenue Code, life  
11 insurance company taxable income, plus the amount of  
12 distribution from pre-1984 policyholder surplus  
13 accounts as calculated under Section 815a of the  
14 Internal Revenue Code;

15 (B) Certain other insurance companies. In the case  
16 of mutual insurance companies subject to the tax  
17 imposed by Section 831 of the Internal Revenue Code,  
18 insurance company taxable income;

19 (C) Regulated investment companies. In the case of  
20 a regulated investment company subject to the tax  
21 imposed by Section 852 of the Internal Revenue Code,  
22 investment company taxable income;

23 (D) Real estate investment trusts. In the case of  
24 a real estate investment trust subject to the tax  
25 imposed by Section 857 of the Internal Revenue Code,  
26 real estate investment trust taxable income;

1           (E) Consolidated corporations. In the case of a  
2 corporation which is a member of an affiliated group  
3 of corporations filing a consolidated income tax  
4 return for the taxable year for federal income tax  
5 purposes, taxable income determined as if such  
6 corporation had filed a separate return for federal  
7 income tax purposes for the taxable year and each  
8 preceding taxable year for which it was a member of an  
9 affiliated group. For purposes of this subparagraph,  
10 the taxpayer's separate taxable income shall be  
11 determined as if the election provided by Section  
12 243(b)(2) of the Internal Revenue Code had been in  
13 effect for all such years;

14           (F) Cooperatives. In the case of a cooperative  
15 corporation or association, the taxable income of such  
16 organization determined in accordance with the  
17 provisions of Section 1381 through 1388 of the  
18 Internal Revenue Code, but without regard to the  
19 prohibition against offsetting losses from patronage  
20 activities against income from nonpatronage  
21 activities; except that a cooperative corporation or  
22 association may make an election to follow its federal  
23 income tax treatment of patronage losses and  
24 nonpatronage losses. In the event such election is  
25 made, such losses shall be computed and carried over  
26 in a manner consistent with subsection (a) of Section

1           207 of this Act and apportioned by the apportionment  
2           factor reported by the cooperative on its Illinois  
3           income tax return filed for the taxable year in which  
4           the losses are incurred. The election shall be  
5           effective for all taxable years with original returns  
6           due on or after the date of the election. In addition,  
7           the cooperative may file an amended return or returns,  
8           as allowed under this Act, to provide that the  
9           election shall be effective for losses incurred or  
10          carried forward for taxable years occurring prior to  
11          the date of the election. Once made, the election may  
12          only be revoked upon approval of the Director. The  
13          Department shall adopt rules setting forth  
14          requirements for documenting the elections and any  
15          resulting Illinois net loss and the standards to be  
16          used by the Director in evaluating requests to revoke  
17          elections. Public Act 96-932 is declaratory of  
18          existing law;

19                 (G) Subchapter S corporations. In the case of: (i)  
20                 a Subchapter S corporation for which there is in  
21                 effect an election for the taxable year under Section  
22                 1362 of the Internal Revenue Code, the taxable income  
23                 of such corporation determined in accordance with  
24                 Section 1363(b) of the Internal Revenue Code, except  
25                 that taxable income shall take into account those  
26                 items which are required by Section 1363(b)(1) of the

1 Internal Revenue Code to be separately stated; and  
2 (ii) a Subchapter S corporation for which there is in  
3 effect a federal election to opt out of the provisions  
4 of the Subchapter S Revision Act of 1982 and have  
5 applied instead the prior federal Subchapter S rules  
6 as in effect on July 1, 1982, the taxable income of  
7 such corporation determined in accordance with the  
8 federal Subchapter S rules as in effect on July 1,  
9 1982; and

10 (H) Partnerships. In the case of a partnership,  
11 taxable income determined in accordance with Section  
12 703 of the Internal Revenue Code, except that taxable  
13 income shall take into account those items which are  
14 required by Section 703(a)(1) to be separately stated  
15 but which would be taken into account by an individual  
16 in calculating his taxable income.

17 (3) Recapture of business expenses on disposition of  
18 asset or business. Notwithstanding any other law to the  
19 contrary, if in prior years income from an asset or  
20 business has been classified as business income and in a  
21 later year is demonstrated to be non-business income, then  
22 all expenses, without limitation, deducted in such later  
23 year and in the 2 immediately preceding taxable years  
24 related to that asset or business that generated the  
25 non-business income shall be added back and recaptured as  
26 business income in the year of the disposition of the

1       asset or business. Such amount shall be apportioned to  
2       Illinois using the greater of the apportionment fraction  
3       computed for the business under Section 304 of this Act  
4       for the taxable year or the average of the apportionment  
5       fractions computed for the business under Section 304 of  
6       this Act for the taxable year and for the 2 immediately  
7       preceding taxable years.

8       (f) Valuation limitation amount.

9           (1) In general. The valuation limitation amount  
10          referred to in subsections (a)(2)(G), (c)(2)(I) and  
11          (d)(2)(E) is an amount equal to:

12               (A) The sum of the pre-August 1, 1969 appreciation  
13               amounts (to the extent consisting of gain reportable  
14               under the provisions of Section 1245 or 1250 of the  
15               Internal Revenue Code) for all property in respect of  
16               which such gain was reported for the taxable year;  
17               plus

18               (B) The lesser of (i) the sum of the pre-August 1,  
19               1969 appreciation amounts (to the extent consisting of  
20               capital gain) for all property in respect of which  
21               such gain was reported for federal income tax purposes  
22               for the taxable year, or (ii) the net capital gain for  
23               the taxable year, reduced in either case by any amount  
24               of such gain included in the amount determined under  
25               subsection (a)(2)(F) or (c)(2)(H).

1 (2) Pre-August 1, 1969 appreciation amount.

2 (A) If the fair market value of property referred  
3 to in paragraph (1) was readily ascertainable on  
4 August 1, 1969, the pre-August 1, 1969 appreciation  
5 amount for such property is the lesser of (i) the  
6 excess of such fair market value over the taxpayer's  
7 basis (for determining gain) for such property on that  
8 date (determined under the Internal Revenue Code as in  
9 effect on that date), or (ii) the total gain realized  
10 and reportable for federal income tax purposes in  
11 respect of the sale, exchange or other disposition of  
12 such property.

13 (B) If the fair market value of property referred  
14 to in paragraph (1) was not readily ascertainable on  
15 August 1, 1969, the pre-August 1, 1969 appreciation  
16 amount for such property is that amount which bears  
17 the same ratio to the total gain reported in respect of  
18 the property for federal income tax purposes for the  
19 taxable year, as the number of full calendar months in  
20 that part of the taxpayer's holding period for the  
21 property ending July 31, 1969 bears to the number of  
22 full calendar months in the taxpayer's entire holding  
23 period for the property.

24 (C) The Department shall prescribe such  
25 regulations as may be necessary to carry out the  
26 purposes of this paragraph.



1           (g) Double deductions. Unless specifically provided  
2 otherwise, nothing in this Section shall permit the same item  
3 to be deducted more than once.

4           (h) Legislative intention. Except as expressly provided by  
5 this Section there shall be no modifications or limitations on  
6 the amounts of income, gain, loss or deduction taken into  
7 account in determining gross income, adjusted gross income or  
8 taxable income for federal income tax purposes for the taxable  
9 year, or in the amount of such items entering into the  
10 computation of base income and net income under this Act for  
11 such taxable year, whether in respect of property values as of  
12 August 1, 1969 or otherwise.

13           (Source: P.A. 101-9, eff. 6-5-19; 101-81, eff. 7-12-19;  
14 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658, eff.  
15 8-27-21; 102-813, eff. 5-13-22; 102-1112, eff. 12-21-22.)

16           Section 99. Effective date. This Act takes effect upon  
17 becoming law.