



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4128

by Rep. Kevin Schmidt

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 5/241 new

Creates the Veterans Day Paid Leave Act. On and after January 1, 2025, requires each employer to provide each employee who is a veteran with a paid day off on Veterans Day if the employee would otherwise be required to work on that day. Provides that the employee must provide notice to the employer that he or she intends to take time off on Veterans Day and must provide the employer with documentation verifying that he or she is a veteran. Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to 100% of the wages paid by the taxpayer to a veteran as a result of the paid day off required under the Veterans Day Paid Leave Act. Effective immediately.

LRB103 33844 HLH 63659 b

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 ARTICLE 1. VETERANS DAY PAID LEAVE ACT

5 Section 1-1. Short title. This Act may be cited as the
6 Veterans Day Paid Leave Act.

7 Section 1-5. Definitions. As used in this Act:

8 "Employer" means any public or private employer with a
9 place of business in this State.

10 "Veteran" means an Illinois resident who: (i) is employed
11 at a place of business in this State; (ii) has served as a
12 member of the United States Armed Forces on active duty or
13 State active duty, as a member of the Illinois National Guard,
14 or as a member of the United States Reserve Forces; and (iii)
15 was discharged or separated under honorable conditions.

16 "Veterans Day" means the eleventh day of November of each
17 year.

18 Section 1-10. Paid leave for Veterans Day.

19 (a) Notwithstanding any other provision of law, on and
20 after January 1, 2025, each employer shall provide each
21 employee who is a veteran with one paid day off each year on

1 Veterans Day if the employee would otherwise be required to
2 work on that day. The employee must provide the employer with
3 at least 30 calendar days' notice that the employee intends to
4 take time off on Veterans Day. The employee must also provide
5 the employer with documentation verifying that the employee is
6 a veteran.

7 (b) If the employer is unable to provide time off to each
8 veteran, as provided in subsection (a), without experiencing
9 significant economic or operational disruption, then the
10 employer may deny such a time off request, but only to the
11 extent necessary to avoid the significant economic or
12 operational disruption. If the employer denies a time off
13 request under this subsection, the employer must notify the
14 employee at least 14 calendar days prior to Veterans Day that
15 his or her request has been denied and must make a good faith
16 effort to provide the employee with a substitute day on which
17 the employee may receive paid time off.

18 ARTICLE 5. INCOME TAX PROVISIONS

19 Section 5-5. The Illinois Income Tax Act is amended by
20 adding Section 241 as follows:

21 (35 ILCS 5/241 new)

22 Sec. 241. Wages paid to veterans under the Veterans Day
23 Paid Leave Act.

1 (a) For each taxable year beginning on or after January 1,
2 2025, each taxpayer is entitled to a credit against the tax
3 imposed by subsections (a) and (b) of Section 201 of this Act
4 in an amount equal to 100% of the wages paid by the taxpayer
5 during the taxable year to veterans as a result of the paid day
6 off required under the Veterans Day Paid Leave Act. For
7 partners of partnerships and shareholders of Subchapter S
8 corporations, there shall be allowed a credit under this
9 Section to be determined in accordance with the determination
10 of income and distributive share of income under Sections 702
11 and 704 and Subchapter S of the Internal Revenue Code.

12 (b) A taxpayer claiming the credit provided by this
13 Section shall maintain and record such information as the
14 Department may require by rule regarding the credit claimed
15 under this Section.

16 (c) In no event shall a credit under this Section reduce
17 the taxpayer's liability to less than zero. If the amount of
18 the credit exceeds the tax liability for the year, the excess
19 may be carried forward and applied to the tax liability of the
20 5 taxable years following the excess credit year. The tax
21 credit shall be applied to the earliest year for which there is
22 a tax liability. If there are credits for more than one year
23 that are available to offset a liability, the earlier credit
24 shall be applied first.

25 (d) This Section is exempt from the provisions of Section
26 250.

