



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4998

Introduced 2/8/2024, by Rep. Amy Elik

SYNOPSIS AS INTRODUCED:

35 ILCS 5/204

from Ch. 120, par. 2-204

5 ILCS 100/5-45.55 new

Amends the Illinois Income Tax Act. Removes a provision that sets forth the basic amount of the standard exemption for taxable years ending on or after December 31, 2023 and prior to December 31, 2024, and restores the cost-of-living adjustment for the basic amount that had been operative before the effective date of Public Act 103-9. Amends the Illinois Administrative Procedure Act to provide for emergency rulemaking. Effective immediately.

LRB103 37272 HLH 67393 b

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 204 as follows:

6 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

7 Sec. 204. Standard exemption.

8 (a) Allowance of exemption. In computing net income under
9 this Act, there shall be allowed as an exemption the sum of the
10 amounts determined under subsections (b), (c) and (d),
11 multiplied by a fraction the numerator of which is the amount
12 of the taxpayer's base income allocable to this State for the
13 taxable year and the denominator of which is the taxpayer's
14 total base income for the taxable year.

15 (b) Basic amount. For the purpose of subsection (a) of
16 this Section, except as provided by subsection (a) of Section
17 205 and in this subsection, each taxpayer shall be allowed a
18 basic amount of \$1000, except that for corporations the basic
19 amount shall be zero for tax years ending on or after December
20 31, 2003, and for individuals the basic amount shall be:

21 (1) for taxable years ending on or after December 31,
22 1998 and prior to December 31, 1999, \$1,300;

23 (2) for taxable years ending on or after December 31,

1 1999 and prior to December 31, 2000, \$1,650;

2 (3) for taxable years ending on or after December 31,
3 2000 and prior to December 31, 2012, \$2,000;

4 (4) for taxable years ending on or after December 31,
5 2012 and prior to December 31, 2013, \$2,050;

6 (5) for taxable years ending on or after December 31,
7 2013 and on or before December 31, 2028 ~~December 31, 2022,~~
8 \$2,050 plus the cost-of-living adjustment under subsection
9 (d-5);

10 (6) (blank); ~~for taxable years ending on or after~~
11 ~~December 31, 2023 and prior to December 31, 2024, \$2,425;~~

12 (7) (blank). ~~for taxable years ending on or after~~
13 ~~December 31, 2024 and on or before December 31, 2028,~~
14 ~~\$2,050 plus the cost-of-living adjustment under subsection~~
15 ~~(d-5).~~

16 For taxable years ending on or after December 31, 1992, a
17 taxpayer whose Illinois base income exceeds the basic amount
18 and who is claimed as a dependent on another person's tax
19 return under the Internal Revenue Code shall not be allowed
20 any basic amount under this subsection.

21 (c) Additional amount for individuals. In the case of an
22 individual taxpayer, there shall be allowed for the purpose of
23 subsection (a), in addition to the basic amount provided by
24 subsection (b), an additional exemption equal to the basic
25 amount for each exemption in excess of one allowable to such
26 individual taxpayer for the taxable year under Section 151 of

1 the Internal Revenue Code.

2 (d) Additional exemptions for an individual taxpayer and
3 his or her spouse. In the case of an individual taxpayer and
4 his or her spouse, he or she shall each be allowed additional
5 exemptions as follows:

6 (1) Additional exemption for taxpayer or spouse 65
7 years of age or older.

8 (A) For taxpayer. An additional exemption of
9 \$1,000 for the taxpayer if he or she has attained the
10 age of 65 before the end of the taxable year.

11 (B) For spouse when a joint return is not filed. An
12 additional exemption of \$1,000 for the spouse of the
13 taxpayer if a joint return is not made by the taxpayer
14 and his spouse, and if the spouse has attained the age
15 of 65 before the end of such taxable year, and, for the
16 calendar year in which the taxable year of the
17 taxpayer begins, has no gross income and is not the
18 dependent of another taxpayer.

19 (2) Additional exemption for blindness of taxpayer or
20 spouse.

21 (A) For taxpayer. An additional exemption of
22 \$1,000 for the taxpayer if he or she is blind at the
23 end of the taxable year.

24 (B) For spouse when a joint return is not filed. An
25 additional exemption of \$1,000 for the spouse of the
26 taxpayer if a separate return is made by the taxpayer,

1 and if the spouse is blind and, for the calendar year
2 in which the taxable year of the taxpayer begins, has
3 no gross income and is not the dependent of another
4 taxpayer. For purposes of this paragraph, the
5 determination of whether the spouse is blind shall be
6 made as of the end of the taxable year of the taxpayer;
7 except that if the spouse dies during such taxable
8 year such determination shall be made as of the time of
9 such death.

10 (C) Blindness defined. For purposes of this
11 subsection, an individual is blind only if his or her
12 central visual acuity does not exceed 20/200 in the
13 better eye with correcting lenses, or if his or her
14 visual acuity is greater than 20/200 but is
15 accompanied by a limitation in the fields of vision
16 such that the widest diameter of the visual fields
17 subtends an angle no greater than 20 degrees.

18 (d-5) Cost-of-living adjustment. For purposes of item (5)
19 of subsection (b), the cost-of-living adjustment for any
20 calendar year and for taxable years ending prior to the end of
21 the subsequent calendar year is equal to \$2,050 times the
22 percentage (if any) by which:

23 (1) the Consumer Price Index for the preceding
24 calendar year, exceeds

25 (2) the Consumer Price Index for the calendar year
26 2011.

1 The Consumer Price Index for any calendar year is the
2 average of the Consumer Price Index as of the close of the
3 12-month period ending on August 31 of that calendar year.

4 The term "Consumer Price Index" means the last Consumer
5 Price Index for All Urban Consumers published by the United
6 States Department of Labor or any successor agency.

7 If any cost-of-living adjustment is not a multiple of \$25,
8 that adjustment shall be rounded to the next lowest multiple
9 of \$25.

10 (e) Cross reference. See Article 3 for the manner of
11 determining base income allocable to this State.

12 (f) Application of Section 250. Section 250 does not apply
13 to the amendments to this Section made by Public Act 90-613.

14 (g) Notwithstanding any other provision of law, for
15 taxable years beginning on or after January 1, 2017, no
16 taxpayer may claim an exemption under this Section if the
17 taxpayer's adjusted gross income for the taxable year exceeds
18 (i) \$500,000, in the case of spouses filing a joint federal tax
19 return or (ii) \$250,000, in the case of all other taxpayers.

20 (Source: P.A. 103-9, eff. 6-7-23.)

21 Section 10. The Illinois Administrative Procedure Act is
22 amended by adding Section 5-45.55 as follows:

23 (5 ILCS 100/5-45.55 new)

24 Sec. 5-45.55. Emergency rulemaking; income tax. To provide

1 for the expeditious and timely implementation of this
2 amendatory Act of the 103rd General Assembly, emergency rules
3 implementing this amendatory Act of the 103rd General Assembly
4 may be adopted in accordance with Section 5-45 by the
5 Department of Revenue. The adoption of emergency rules
6 authorized by Section 5-45 and this Section is deemed to be
7 necessary for the public interest, safety, and welfare.

8 This Section is repealed one year after the effective date
9 of this amendatory Act of the 103rd General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.