

HB5668



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5668

Introduced 2/20/2024, by Rep. Kevin Schmidt

SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who open and operate a supermarket or grocery store in a food desert community designated by the Department of Commerce and Economic Opportunity. Provides that the credit shall be in an amount equal to the total amount the taxpayer is assessed in property taxes for the location at which the supermarket or grocery store is located during the full taxable year that the supermarket or grocery store is open for business to the public. Effective immediately.

LRB103 39542 HLH 69776 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 adding Section 241 as follows:

6 (35 ILCS 5/241 new)

7 Sec. 241. Food desert elimination credit.

8 (a) By July 1, 2024, the Department of Commerce and
9 Economic Opportunity shall designate not more than 75 separate
10 geographic areas throughout the State as food desert
11 communities. The Department of Commerce and Economic
12 Opportunity shall develop criteria for the designation of food
13 desert communities, but each separate food desert community
14 shall consist of a distinct geographic area with a single
15 defined border. The criteria shall, at a minimum, incorporate
16 analysis of the following:

17 (1) municipal or census tract population size and
18 population density;

19 (2) municipal or census tract poverty statistics;

20 (3) food desert information from the United States
21 Department of Agriculture's Economic Research Service; and

22 (4) healthier food retail tract information from the
23 federal Centers for Disease Control and Prevention.

1 (b) For taxable years beginning on and after January 1,
2 2025 and beginning prior to January 1, 2029, the first
3 taxpayer to open and operate a supermarket or grocery store in
4 a food desert community on or after the date the food desert
5 community is established under subsection (a) is entitled to a
6 credit against the taxes imposed by subsections (a) and (b) of
7 Section 201 in an amount equal to the total amount the taxpayer
8 is assessed in property taxes for the location at which the
9 supermarket or grocery store is located during the full
10 taxable year that the supermarket or grocery store is open for
11 business to the public.

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

21 (d) For partners and shareholders of Subchapter S
22 corporations, there shall be allowed a credit under this
23 Section to be determined in accordance with Section 251.

24 (e) As used in this Section:

25 "Food desert community" means a physically contiguous area
26 in the State in which residents have limited access to

1 nutritious foods, such as fresh fruits and vegetables, through
2 supermarkets and grocery stores.

3 "Supermarket or grocery store" means a retail facility of
4 at least 18,000 square feet, of which at least 90% is occupied
5 by a full-service supermarket or grocery store.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.