

# SB0341



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB0341

Introduced 2/2/2023, by Sen. Paul Faraci

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates a credit for financial institutions with less than \$50,000,000,000 in assets in an amount equal to the aggregate amount of all fees, penalties, and any other income derived during the taxable year from each commercial loan transaction that is (i) less than \$5,000,000, (ii) originated by the financial institution, (iii) made to a person residing or located in this State, and (iv) made primarily for a business or agricultural project in this State. Effective immediately.

LRB103 25195 HLH 51536 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 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Financial institutions.

8 (a) For tax years ending after July 1, 2023, a financial  
9 institution with less than \$50,000,000,000 in assets at the  
10 close of the preceding tax year shall be allowed a credit  
11 against the tax imposed by subsections (a) and (b) of Section  
12 201 in an amount equal to the aggregate amount of all fees,  
13 penalties, and any other income derived during the taxable  
14 year from each commercial loan transaction that is (i) less  
15 than \$5,000,000, (ii) originated by the financial institution,  
16 (iii) made to a person residing or located in this State, and  
17 (iv) made primarily for a business or agricultural project in  
18 this State.

19 (b) For partners, shareholders of subchapter S  
20 corporations, and owners of limited liability companies, if  
21 the liability company is treated as a partnership for purposes  
22 of federal and State income taxation, there shall be allowed a  
23 credit under this subsection to be determined in accordance

1 with the determination of income and distributive share of  
2 income under Sections 702 and 704 and subchapter S of the  
3 Internal Revenue Code.

4 (c) As used in this Section, "financial institution" means  
5 a partnership, association, limited liability company, or  
6 corporation doing business under and as permitted by any law  
7 of this State or of the United States relating to banks,  
8 savings and loan associations, or savings banks.

9 (d) This Section is exempt from the provisions of Section  
10 250.

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