



Sen. Elgie R. Sims, Jr.

**Filed: 3/3/2023**

10300SB2196sam001

LRB103 25662 HLH 58150 a

1 AMENDMENT TO SENATE BILL 2196

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2196 by replacing  
3 everything after the enacting clause with the following:

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

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 adjusted gross income, except  
4 stock dividends of qualified public utilities  
5 described in Section 305(e) of the Internal Revenue  
6 Code;

7 (B) An amount equal to the amount of tax imposed by  
8 this Act to the extent deducted from gross income in  
9 the computation of adjusted gross income for the  
10 taxable year;

11 (C) An amount equal to the amount received during  
12 the taxable year as a recovery or refund of real  
13 property taxes paid with respect to the taxpayer's  
14 principal residence under the Revenue Act of 1939 and  
15 for which a deduction was previously taken under  
16 subparagraph (L) of this paragraph (2) prior to July  
17 1, 1991, the retrospective application date of Article  
18 4 of Public Act 87-17. In the case of multi-unit or  
19 multi-use structures and farm dwellings, the taxes on  
20 the taxpayer's principal residence shall be that  
21 portion of the total taxes for the entire property  
22 which is attributable to such principal residence;

23 (D) An amount equal to the amount of the capital  
24 gain deduction allowable under the Internal Revenue  
25 Code, to the extent deducted from gross income in the  
26 computation of adjusted gross income;

1 (D-5) An amount, to the extent not included in  
2 adjusted gross income, equal to the amount of money  
3 withdrawn by the taxpayer in the taxable year from a  
4 medical care savings account and the interest earned  
5 on the account in the taxable year of a withdrawal  
6 pursuant to subsection (b) of Section 20 of the  
7 Medical Care Savings Account Act or subsection (b) of  
8 Section 20 of the Medical Care Savings Account Act of  
9 2000;

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

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

20 (D-16) If the taxpayer sells, transfers, abandons,  
21 or otherwise disposes of property for which the  
22 taxpayer was required in any taxable year to make an  
23 addition modification under subparagraph (D-15), then  
24 an amount equal to the aggregate amount of the  
25 deductions taken in all taxable years under  
26 subparagraph (Z) with respect to that property.

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 (Z) and for which the taxpayer was  
5           allowed in any taxable year to make a subtraction  
6           modification under subparagraph (Z), then an amount  
7           equal to that subtraction modification.

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

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

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

12 This paragraph shall not apply to the following:

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

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

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

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

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

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

22 Nothing in this subsection shall preclude the  
23 Director from making any other adjustment  
24 otherwise allowed under Section 404 of this Act  
25 for any tax year beginning after the effective  
26 date of this amendment provided such adjustment is

1           made pursuant to regulation adopted by the  
2           Department and such regulations provide methods  
3           and standards by which the Department will utilize  
4           its authority under Section 404 of this Act;

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

1 income under Sections 951 through 964 of the Internal  
2 Revenue Code and amounts included in gross income  
3 under Section 78 of the Internal Revenue Code) with  
4 respect to the stock of the same person to whom the  
5 intangible expenses and costs were directly or  
6 indirectly paid, incurred, or accrued. The preceding  
7 sentence does not apply to the extent that the same  
8 dividends caused a reduction to the addition  
9 modification required under Section 203(a)(2)(D-17) of  
10 this Act. As used in this subparagraph, the term  
11 "intangible expenses and costs" includes (1) expenses,  
12 losses, and costs for, or related to, the direct or  
13 indirect acquisition, use, maintenance or management,  
14 ownership, sale, exchange, or any other disposition of  
15 intangible property; (2) losses incurred, directly or  
16 indirectly, from factoring transactions or discounting  
17 transactions; (3) royalty, patent, technical, and  
18 copyright fees; (4) licensing fees; and (5) other  
19 similar expenses and costs. For purposes of this  
20 subparagraph, "intangible property" includes patents,  
21 patent applications, trade names, trademarks, service  
22 marks, copyrights, mask works, trade secrets, and  
23 similar types of intangible assets.

24 This paragraph shall not apply to the following:

25 (i) any item of intangible expenses or costs  
26 paid, accrued, or incurred, directly or



1 indirectly, from a transaction with a person who  
2 is subject in a foreign country or state, other  
3 than a state which requires mandatory unitary  
4 reporting, to a tax on or measured by net income  
5 with respect to such item; or

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

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

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

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

1           or if the taxpayer and the Director agree in  
2           writing to the application or use of an  
3           alternative method of apportionment under Section  
4           304(f);

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

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

1 included in base income of the unitary group for the  
2 same taxable year and received by the taxpayer or by a  
3 member of the taxpayer's unitary business group  
4 (including amounts included in gross income under  
5 Sections 951 through 964 of the Internal Revenue Code  
6 and amounts included in gross income under Section 78  
7 of the Internal Revenue Code) with respect to the  
8 stock of the same person to whom the premiums and costs  
9 were directly or indirectly paid, incurred, or  
10 accrued. The preceding sentence does not apply to the  
11 extent that the same dividends caused a reduction to  
12 the addition modification required under Section  
13 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this  
14 Act;

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

1 Internal Revenue Code, other than (i) a distribution  
2 from a College Savings Pool created under Section 16.5  
3 of the State Treasurer Act, (ii) a distribution from  
4 the Illinois Prepaid Tuition Trust Fund, or (iii) a  
5 distribution from a qualified tuition program under  
6 Section 529 of the Internal Revenue Code that (I)  
7 adopts and determines that its offering materials  
8 comply with the College Savings Plans Network's  
9 disclosure principles and (II) has made reasonable  
10 efforts to inform in-state residents of the existence  
11 of in-state qualified tuition programs by informing  
12 Illinois residents directly and, where applicable, to  
13 inform financial intermediaries distributing the  
14 program to inform in-state residents of the existence  
15 of in-state qualified tuition programs at least  
16 annually, an amount equal to the amount excluded from  
17 gross income under Section 529(c)(3)(B).

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

1 out-of-state program in the same manner that the  
2 out-of-state program distributes its offering  
3 materials;

4 (D-20.5) For taxable years beginning on or after  
5 January 1, 2018, in the case of a distribution from a  
6 qualified ABLE program under Section 529A of the  
7 Internal Revenue Code, other than a distribution from  
8 a qualified ABLE program created under Section 16.6 of  
9 the State Treasurer Act, an amount equal to the amount  
10 excluded from gross income under Section 529A(c)(1)(B)  
11 of the Internal Revenue Code;

12 (D-21) For taxable years beginning on or after  
13 January 1, 2007, in the case of transfer of moneys from  
14 a qualified tuition program under Section 529 of the  
15 Internal Revenue Code that is administered by the  
16 State to an out-of-state program, an amount equal to  
17 the amount of moneys previously deducted from base  
18 income under subsection (a)(2)(Y) of this Section;

19 (D-21.5) For taxable years beginning on or after  
20 January 1, 2018, in the case of the transfer of moneys  
21 from a qualified tuition program under Section 529 or  
22 a qualified ABLE program under Section 529A of the  
23 Internal Revenue Code that is administered by this  
24 State to an ABLE account established under an  
25 out-of-state ABLE account program, an amount equal to  
26 the contribution component of the transferred amount

1           that was previously deducted from base income under  
2           subsection (a)(2)(Y) or subsection (a)(2)(HH) of this  
3           Section;

4           (D-22) For taxable years beginning on or after  
5           January 1, 2009, and prior to January 1, 2018, in the  
6           case of a nonqualified withdrawal or refund of moneys  
7           from a qualified tuition program under Section 529 of  
8           the Internal Revenue Code administered by the State  
9           that is not used for qualified expenses at an eligible  
10          education institution, an amount equal to the  
11          contribution component of the nonqualified withdrawal  
12          or refund that was previously deducted from base  
13          income under subsection (a)(2)(y) of this Section,  
14          provided that the withdrawal or refund did not result  
15          from the beneficiary's death or disability. For  
16          taxable years beginning on or after January 1, 2018:  
17          (1) in the case of a nonqualified withdrawal or  
18          refund, as defined under Section 16.5 of the State  
19          Treasurer Act, of moneys from a qualified tuition  
20          program under Section 529 of the Internal Revenue Code  
21          administered by the State, an amount equal to the  
22          contribution component of the nonqualified withdrawal  
23          or refund that was previously deducted from base  
24          income under subsection (a)(2)(Y) of this Section, and  
25          (2) in the case of a nonqualified withdrawal or refund  
26          from a qualified ABLE program under Section 529A of

1 the Internal Revenue Code administered by the State  
2 that is not used for qualified disability expenses, an  
3 amount equal to the contribution component of the  
4 nonqualified withdrawal or refund that was previously  
5 deducted from base income under subsection (a)(2)(HH)  
6 of this Section;

7 (D-23) An amount equal to the credit allowable to  
8 the taxpayer under Section 218(a) of this Act,  
9 determined without regard to Section 218(c) of this  
10 Act;

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

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

18 and by deducting from the total so obtained the sum of the  
19 following amounts:

20 (E) For taxable years ending before December 31,  
21 2001, any amount included in such total in respect of  
22 any compensation (including but not limited to any  
23 compensation paid or accrued to a serviceman while a  
24 prisoner of war or missing in action) paid to a  
25 resident by reason of being on active duty in the Armed  
26 Forces of the United States and in respect of any

1 compensation paid or accrued to a resident who as a  
2 governmental employee was a prisoner of war or missing  
3 in action, and in respect of any compensation paid to a  
4 resident in 1971 or thereafter for annual training  
5 performed pursuant to Sections 502 and 503, Title 32,  
6 United States Code as a member of the Illinois  
7 National Guard or, beginning with taxable years ending  
8 on or after December 31, 2007, the National Guard of  
9 any other state. For taxable years ending on or after  
10 December 31, 2001, any amount included in such total  
11 in respect of any compensation (including but not  
12 limited to any compensation paid or accrued to a  
13 serviceman while a prisoner of war or missing in  
14 action) paid to a resident by reason of being a member  
15 of any component of the Armed Forces of the United  
16 States and in respect of any compensation paid or  
17 accrued to a resident who as a governmental employee  
18 was a prisoner of war or missing in action, and in  
19 respect of any compensation paid to a resident in 2001  
20 or thereafter by reason of being a member of the  
21 Illinois National Guard or, beginning with taxable  
22 years ending on or after December 31, 2007, the  
23 National Guard of any other state. The provisions of  
24 this subparagraph (E) are exempt from the provisions  
25 of Section 250;

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



1 such total pursuant to the provisions of Sections  
2 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and  
3 408 of the Internal Revenue Code, or included in such  
4 total as distributions under the provisions of any  
5 retirement or disability plan for employees of any  
6 governmental agency or unit, or retirement payments to  
7 retired partners, which payments are excluded in  
8 computing net earnings from self employment by Section  
9 1402 of the Internal Revenue Code and regulations  
10 adopted pursuant thereto;

11 (G) The valuation limitation amount;

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

15 (I) An amount equal to all amounts included in  
16 such total pursuant to the provisions of Section 111  
17 of the Internal Revenue Code as a recovery of items  
18 previously deducted from adjusted gross income in the  
19 computation of taxable income;

20 (J) An amount equal to those dividends included in  
21 such total which were paid by a corporation which  
22 conducts business operations in a River Edge  
23 Redevelopment Zone or zones created under the River  
24 Edge Redevelopment Zone Act, and conducts  
25 substantially all of its operations in a River Edge  
26 Redevelopment Zone or zones. This subparagraph (J) is

1 exempt from the provisions of Section 250;

2 (K) An amount equal to those dividends included in  
3 such total that were paid by a corporation that  
4 conducts business operations in a federally designated  
5 Foreign Trade Zone or Sub-Zone and that is designated  
6 a High Impact Business located in Illinois; provided  
7 that dividends eligible for the deduction provided in  
8 subparagraph (J) of paragraph (2) of this subsection  
9 shall not be eligible for the deduction provided under  
10 this subparagraph (K);

11 (L) For taxable years ending after December 31,  
12 1983, an amount equal to all social security benefits  
13 and railroad retirement benefits included in such  
14 total pursuant to Sections 72(r) and 86 of the  
15 Internal Revenue Code;

16 (M) With the exception of any amounts subtracted  
17 under subparagraph (N), an amount equal to the sum of  
18 all amounts disallowed as deductions by (i) Sections  
19 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
20 and all amounts of expenses allocable to interest and  
21 disallowed as deductions by Section 265(a)(1) of the  
22 Internal Revenue Code; and (ii) for taxable years  
23 ending on or after August 13, 1999, Sections  
24 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
25 Internal Revenue Code, plus, for taxable years ending  
26 on or after December 31, 2011, Section 45G(e)(3) of

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

7 (N) An amount equal to all amounts included in  
8 such total which are exempt from taxation by this  
9 State either by reason of its statutes or Constitution  
10 or by reason of the Constitution, treaties or statutes  
11 of the United States; provided that, in the case of any  
12 statute of this State that exempts income derived from  
13 bonds or other obligations from the tax imposed under  
14 this Act, the amount exempted shall be the interest  
15 net of bond premium amortization;

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

19 (P) An amount equal to the amount of the deduction  
20 used to compute the federal income tax credit for  
21 restoration of substantial amounts held under claim of  
22 right for the taxable year pursuant to Section 1341 of  
23 the Internal Revenue Code or of any itemized deduction  
24 taken from adjusted gross income in the computation of  
25 taxable income for restoration of substantial amounts  
26 held under claim of right for the taxable year;

1           (Q) An amount equal to any amounts included in  
2 such total, received by the taxpayer as an  
3 acceleration in the payment of life, endowment or  
4 annuity benefits in advance of the time they would  
5 otherwise be payable as an indemnity for a terminal  
6 illness;

7           (R) An amount equal to the amount of any federal or  
8 State bonus paid to veterans of the Persian Gulf War;

9           (S) An amount, to the extent included in adjusted  
10 gross income, equal to the amount of a contribution  
11 made in the taxable year on behalf of the taxpayer to a  
12 medical care savings account established under the  
13 Medical Care Savings Account Act or the Medical Care  
14 Savings Account Act of 2000 to the extent the  
15 contribution is accepted by the account administrator  
16 as provided in that Act;

17           (T) An amount, to the extent included in adjusted  
18 gross income, equal to the amount of interest earned  
19 in the taxable year on a medical care savings account  
20 established under the Medical Care Savings Account Act  
21 or the Medical Care Savings Account Act of 2000 on  
22 behalf of the taxpayer, other than interest added  
23 pursuant to item (D-5) of this paragraph (2);

24           (U) For one taxable year beginning on or after  
25 January 1, 1994, an amount equal to the total amount of  
26 tax imposed and paid under subsections (a) and (b) of

1 Section 201 of this Act on grant amounts received by  
2 the taxpayer under the Nursing Home Grant Assistance  
3 Act during the taxpayer's taxable years 1992 and 1993;

4 (V) Beginning with tax years ending on or after  
5 December 31, 1995 and ending with tax years ending on  
6 or before December 31, 2004, an amount equal to the  
7 amount paid by a taxpayer who is a self-employed  
8 taxpayer, a partner of a partnership, or a shareholder  
9 in a Subchapter S corporation for health insurance or  
10 long-term care insurance for that taxpayer or that  
11 taxpayer's spouse or dependents, to the extent that  
12 the amount paid for that health insurance or long-term  
13 care insurance may be deducted under Section 213 of  
14 the Internal Revenue Code, has not been deducted on  
15 the federal income tax return of the taxpayer, and  
16 does not exceed the taxable income attributable to  
17 that taxpayer's income, self-employment income, or  
18 Subchapter S corporation income; except that no  
19 deduction shall be allowed under this item (V) if the  
20 taxpayer is eligible to participate in any health  
21 insurance or long-term care insurance plan of an  
22 employer of the taxpayer or the taxpayer's spouse. The  
23 amount of the health insurance and long-term care  
24 insurance subtracted under this item (V) shall be  
25 determined by multiplying total health insurance and  
26 long-term care insurance premiums paid by the taxpayer

1 times a number that represents the fractional  
2 percentage of eligible medical expenses under Section  
3 213 of the Internal Revenue Code of 1986 not actually  
4 deducted on the taxpayer's federal income tax return;

5 (W) For taxable years beginning on or after  
6 January 1, 1998, all amounts included in the  
7 taxpayer's federal gross income in the taxable year  
8 from amounts converted from a regular IRA to a Roth  
9 IRA. This paragraph is exempt from the provisions of  
10 Section 250;

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

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

18 (Y) For taxable years beginning on or after  
19 January 1, 2002 and ending on or before December 31,  
20 2004, moneys contributed in the taxable year to a  
21 College Savings Pool account under Section 16.5 of the  
22 State Treasurer Act, except that amounts excluded from  
23 gross income under Section 529(c)(3)(C)(i) of the  
24 Internal Revenue Code shall not be considered moneys  
25 contributed under this subparagraph (Y). For taxable  
26 years beginning on or after January 1, 2005, a maximum

1 of \$10,000 contributed in the taxable year to (i) a  
2 College Savings Pool account under Section 16.5 of the  
3 State Treasurer Act or (ii) the Illinois Prepaid  
4 Tuition Trust Fund, except that amounts excluded from  
5 gross income under Section 529(c)(3)(C)(i) of the  
6 Internal Revenue Code shall not be considered moneys  
7 contributed under this subparagraph (Y). For purposes  
8 of this subparagraph, contributions made by an  
9 employer on behalf of an employee, or matching  
10 contributions made by an employee, shall be treated as  
11 made by the employee. This subparagraph (Y) is exempt  
12 from the provisions of Section 250;

13 (Z) For taxable years 2001 and thereafter, for the  
14 taxable year in which the bonus depreciation deduction  
15 is taken on the taxpayer's federal income tax return  
16 under subsection (k) of Section 168 of the Internal  
17 Revenue Code and for each applicable taxable year  
18 thereafter, an amount equal to "x", where:

19 (1) "y" equals the amount of the depreciation  
20 deduction taken for the taxable year on the  
21 taxpayer's federal income tax return on property  
22 for which the bonus depreciation deduction was  
23 taken in any year under subsection (k) of Section  
24 168 of the Internal Revenue Code, but not  
25 including the bonus depreciation deduction;

26 (2) for taxable years ending on or before



1 December 31, 2005, "x" equals "y" multiplied by 30  
2 and then divided by 70 (or "y" multiplied by  
3 0.429); and

4 (3) for taxable years ending after December  
5 31, 2005:

6 (i) for property on which a bonus  
7 depreciation deduction of 30% of the adjusted  
8 basis was taken, "x" equals "y" multiplied by  
9 30 and then divided by 70 (or "y" multiplied  
10 by 0.429);

11 (ii) for property on which a bonus  
12 depreciation deduction of 50% of the adjusted  
13 basis was taken, "x" equals "y" multiplied by  
14 1.0;

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

24 (iv) for property on which a bonus  
25 depreciation deduction of a percentage other  
26 than 30%, 50% or 100% of the adjusted basis

1           was taken in a taxable year ending on or after  
2           December 31, 2021, "x" equals "y" multiplied  
3           by 100 times the percentage bonus depreciation  
4           on the property (that is,  $100(\text{bonus}\%)$ ) and  
5           then divided by 100 times 1 minus the  
6           percentage bonus depreciation on the property  
7           (that is,  $100(1-\text{bonus}\%)$ ).

8           The aggregate amount deducted under this  
9           subparagraph in all taxable years for any one piece of  
10          property may not exceed the amount of the bonus  
11          depreciation deduction taken on that property on the  
12          taxpayer's federal income tax return under subsection  
13          (k) of Section 168 of the Internal Revenue Code. This  
14          subparagraph (Z) is exempt from the provisions of  
15          Section 250;

16          (AA) If the taxpayer sells, transfers, abandons,  
17          or otherwise disposes of property for which the  
18          taxpayer was required in any taxable year to make an  
19          addition modification under subparagraph (D-15), then  
20          an amount equal to that addition modification.

21          If the taxpayer continues to own property through  
22          the last day of the last tax year for which a  
23          subtraction is allowed with respect to that property  
24          under subparagraph (Z) and for which the taxpayer was  
25          required in any taxable year to make an addition  
26          modification under subparagraph (D-15), then an amount

1 equal to that addition modification.

2 The taxpayer is allowed to take the deduction  
3 under this subparagraph only once with respect to any  
4 one piece of property.

5 This subparagraph (AA) is exempt from the  
6 provisions of Section 250;

7 (BB) Any amount included in adjusted gross income,  
8 other than salary, received by a driver in a  
9 ridesharing arrangement using a motor vehicle;

10 (CC) The amount of (i) any interest income (net of  
11 the deductions allocable thereto) taken into account  
12 for the taxable year with respect to a transaction  
13 with a taxpayer that is required to make an addition  
14 modification with respect to such transaction under  
15 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
16 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
17 the amount of that addition modification, and (ii) any  
18 income from intangible property (net of the deductions  
19 allocable thereto) taken into account for the taxable  
20 year with respect to a transaction with a taxpayer  
21 that is required to make an addition modification with  
22 respect to such transaction under Section  
23 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
24 203(d)(2)(D-8), but not to exceed the amount of that  
25 addition modification. This subparagraph (CC) is  
26 exempt from the provisions of Section 250;

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

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

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

17                 (FF) An amount equal to any amount awarded to the  
18                 taxpayer during the taxable year by the Court of  
19                 Claims under subsection (c) of Section 8 of the Court  
20                 of Claims Act for time unjustly served in a State  
21                 prison. This subparagraph (FF) is exempt from the  
22                 provisions of Section 250;

23                 (GG) For taxable years ending on or after December  
24                 31, 2011, in the case of a taxpayer who was required to  
25                 add back any insurance premiums under Section  
26                 203(a)(2)(D-19), such taxpayer may elect to subtract

1           that part of a reimbursement received from the  
2           insurance company equal to the amount of the expense  
3           or loss (including expenses incurred by the insurance  
4           company) that would have been taken into account as a  
5           deduction for federal income tax purposes if the  
6           expense or loss had been uninsured. If a taxpayer  
7           makes the election provided for by this subparagraph  
8           (GG), the insurer to which the premiums were paid must  
9           add back to income the amount subtracted by the  
10          taxpayer pursuant to this subparagraph (GG). This  
11          subparagraph (GG) is exempt from the provisions of  
12          Section 250;

13           (HH) For taxable years beginning on or after  
14          January 1, 2018 and prior to January 1, 2028, a maximum  
15          of \$10,000 contributed in the taxable year to a  
16          qualified ABLE account under Section 16.6 of the State  
17          Treasurer Act, except that amounts excluded from gross  
18          income under Section 529(c)(3)(C)(i) or Section  
19          529A(c)(1)(C) of the Internal Revenue Code shall not  
20          be considered moneys contributed under this  
21          subparagraph (HH). For purposes of this subparagraph  
22          (HH), contributions made by an employer on behalf of  
23          an employee, or matching contributions made by an  
24          employee, shall be treated as made by the employee;  
25          and

26           (II) For taxable years that begin on or after

1 January 1, 2021 and begin before January 1, 2026, the  
2 amount that is included in the taxpayer's federal  
3 adjusted gross income pursuant to Section 61 of the  
4 Internal Revenue Code as discharge of indebtedness  
5 attributable to student loan forgiveness and that is  
6 not excluded from the taxpayer's federal adjusted  
7 gross income pursuant to paragraph (5) of subsection  
8 (f) of Section 108 of the Internal Revenue Code; and -

9 (JJ) For taxable years beginning on or after  
10 January 1, 2023, for any cannabis establishment  
11 operating in this State and licensed under the  
12 Cannabis Regulation and Tax Act or any cannabis  
13 cultivation center or medical cannabis dispensing  
14 organization operating in this State and licensed  
15 under the Compassionate Use of Cannabis Program Act,  
16 an amount equal to the deductions that were disallowed  
17 under Section 280E of the Internal Revenue Code for  
18 the taxable year and that would not be added back under  
19 this subsection. The provisions of this subparagraph  
20 (JJ) are exempt from the provisions of Section 250.

21 (b) Corporations.

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

25 (2) Modifications. The taxable income referred to in

1 paragraph (1) shall be modified by adding thereto the sum  
2 of the following amounts:

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

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

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

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

26 (E) For taxable years in which a net operating



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

10 (i) 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 be reduced by the amount  
14 of addition modification under this subparagraph  
15 (E) which related to that net operating loss and  
16 which was taken into account in calculating the  
17 base income of an earlier taxable year, and

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

23 For taxable years in which there is a net  
24 operating loss carryback or carryforward from more  
25 than one other taxable year ending prior to December  
26 31, 1986, the addition modification provided in this

1           subparagraph (E) shall be the sum of the amounts  
2           computed independently under the preceding provisions  
3           of this subparagraph (E) for each such taxable year;

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

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

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

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

1 equal to that subtraction modification.

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

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

1 through 964 of the Internal Revenue Code and amounts  
2 included in gross income under Section 78 of the  
3 Internal Revenue Code) with respect to the stock of  
4 the same person to whom the interest was paid,  
5 accrued, or incurred.

6 This paragraph shall not apply to the following:

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

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

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

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

1 terms; or

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

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

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

25 (E-13) An amount equal to the amount of intangible  
26 expenses and costs otherwise allowed as a deduction in

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

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

18 This paragraph shall not apply to the following:

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

26 (ii) any item of intangible expense or cost

1           paid, accrued, or incurred, directly or  
2           indirectly, if the taxpayer can establish, based  
3           on a preponderance of the evidence, both of the  
4           following:

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

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

16                  (iii) any item of intangible expense or cost  
17                  paid, accrued, or incurred, directly or  
18                  indirectly, from a transaction with a person if  
19                  the taxpayer establishes by clear and convincing  
20                  evidence, that the adjustments are unreasonable;  
21                  or if the taxpayer and the Director agree in  
22                  writing to the application or use of an  
23                  alternative method of apportionment under Section  
24                  304(f);

25                  Nothing in this subsection shall preclude the  
26                  Director from making any other adjustment



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

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

1 of the Internal Revenue Code) with respect to the  
2 stock of the same person to whom the premiums and costs  
3 were directly or indirectly paid, incurred, or  
4 accrued. The preceding sentence does not apply to the  
5 extent that the same dividends caused a reduction to  
6 the addition modification required under Section  
7 203(b)(2)(E-12) or Section 203(b)(2)(E-13) of this  
8 Act;

9 (E-15) For taxable years beginning after December  
10 31, 2008, any deduction for dividends paid by a  
11 captive real estate investment trust that is allowed  
12 to a real estate investment trust under Section  
13 857(b)(2)(B) of the Internal Revenue Code for  
14 dividends paid;

15 (E-16) An amount equal to the credit allowable to  
16 the taxpayer under Section 218(a) of this Act,  
17 determined without regard to Section 218(c) of this  
18 Act;

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

23 (E-18) for taxable years beginning after December  
24 31, 2018, an amount equal to the deduction allowed  
25 under Section 250(a)(1)(A) of the Internal Revenue  
26 Code for the taxable year;

1 (E-19) for taxable years ending on or after June  
2 30, 2021, an amount equal to the deduction allowed  
3 under Section 250(a)(1)(B)(i) of the Internal Revenue  
4 Code for the taxable year;

5 (E-20) for taxable years ending on or after June  
6 30, 2021, an amount equal to the deduction allowed  
7 under Sections 243(e) and 245A(a) of the Internal  
8 Revenue Code for the taxable year.

9 and by deducting from the total so obtained the sum of the  
10 following amounts:

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

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

16 (H) In the case of a regulated investment company,  
17 an amount equal to the amount of exempt interest  
18 dividends as defined in subsection (b)(5) of Section  
19 852 of the Internal Revenue Code, paid to shareholders  
20 for the taxable year;

21 (I) With the exception of any amounts subtracted  
22 under subparagraph (J), an amount equal to the sum of  
23 all amounts disallowed as deductions by (i) Sections  
24 171(a)(2) and 265(a)(2) and amounts disallowed as  
25 interest expense by Section 291(a)(3) of the Internal  
26 Revenue Code, and all amounts of expenses allocable to

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

21 (J) An amount equal to all amounts included in  
22 such total which are exempt from taxation by this  
23 State either by reason of its statutes or Constitution  
24 or by reason of the Constitution, treaties or statutes  
25 of the United States; provided that, in the case of any  
26 statute of this State that exempts income derived from

1 bonds or other obligations from the tax imposed under  
2 this Act, the amount exempted shall be the interest  
3 net of bond premium amortization;

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

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

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

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

18                 (M-1) For any taxpayer that is a financial  
19                 organization within the meaning of Section 304(c) of  
20                 this Act, an amount included in such total as interest  
21                 income from a loan or loans made by such taxpayer to a  
22                 borrower, to the extent that such a loan is secured by  
23                 property which is eligible for the High Impact  
24                 Business Investment Credit. To determine the portion  
25                 of a loan or loans that is secured by property eligible  
26                 for a Section 201(h) investment credit to the

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

18 (N) Two times any contribution made during the  
19 taxable year to a designated zone organization to the  
20 extent that the contribution (i) qualifies as a  
21 charitable contribution under subsection (c) of  
22 Section 170 of the Internal Revenue Code and (ii)  
23 must, by its terms, be used for a project approved by  
24 the Department of Commerce and Economic Opportunity  
25 under Section 11 of the Illinois Enterprise Zone Act  
26 or under Section 10-10 of the River Edge Redevelopment

1           Zone Act. This subparagraph (N) is exempt from the  
2           provisions of Section 250;

3           (O) An amount equal to: (i) 85% for taxable years  
4           ending on or before December 31, 1992, or, a  
5           percentage equal to the percentage allowable under  
6           Section 243(a)(1) of the Internal Revenue Code of 1986  
7           for taxable years ending after December 31, 1992, of  
8           the amount by which dividends included in taxable  
9           income and received from a corporation that is not  
10          created or organized under the laws of the United  
11          States or any state or political subdivision thereof,  
12          including, for taxable years ending on or after  
13          December 31, 1988, dividends received or deemed  
14          received or paid or deemed paid under Sections 951  
15          through 965 of the Internal Revenue Code, exceed the  
16          amount of the modification provided under subparagraph  
17          (G) of paragraph (2) of this subsection (b) which is  
18          related to such dividends, and including, for taxable  
19          years ending on or after December 31, 2008, dividends  
20          received from a captive real estate investment trust;  
21          plus (ii) 100% of the amount by which dividends,  
22          included in taxable income and received, including,  
23          for taxable years ending on or after December 31,  
24          1988, dividends received or deemed received or paid or  
25          deemed paid under Sections 951 through 964 of the  
26          Internal Revenue Code and including, for taxable years



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

19 (P) An amount equal to any contribution made to a  
20 job training project established pursuant to the Tax  
21 Increment Allocation Redevelopment Act;

22 (Q) An amount equal to the amount of the deduction  
23 used to compute the federal income tax credit for  
24 restoration of substantial amounts held under claim of  
25 right for the taxable year pursuant to Section 1341 of  
26 the Internal Revenue Code;

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

14           (S) For taxable years ending on or after December  
15 31, 1997, in the case of a Subchapter S corporation, an  
16 amount equal to all amounts of income allocable to a  
17 shareholder subject to the Personal Property Tax  
18 Replacement Income Tax imposed by subsections (c) and  
19 (d) of Section 201 of this Act, including amounts  
20 allocable to organizations exempt from federal income  
21 tax by reason of Section 501(a) of the Internal  
22 Revenue Code. This subparagraph (S) is exempt from the  
23 provisions of Section 250;

24           (T) For taxable years 2001 and thereafter, for the  
25 taxable year in which the bonus depreciation deduction  
26 is taken on the taxpayer's federal income tax return

1 under subsection (k) of Section 168 of the Internal  
2 Revenue Code and for each applicable taxable year  
3 thereafter, an amount equal to "x", where:

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

11 (2) for taxable years ending on or before  
12 December 31, 2005, "x" equals "y" multiplied by 30  
13 and then divided by 70 (or "y" multiplied by  
14 0.429); and

15 (3) for taxable years ending after December  
16 31, 2005:

17 (i) for property on which a bonus  
18 depreciation deduction of 30% of the adjusted  
19 basis was taken, "x" equals "y" multiplied by  
20 30 and then divided by 70 (or "y" multiplied  
21 by 0.429);

22 (ii) for property on which a bonus  
23 depreciation deduction of 50% of the adjusted  
24 basis was taken, "x" equals "y" multiplied by  
25 1.0;

26 (iii) for property on which a bonus

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

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

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

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

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

13           The taxpayer is allowed to take the deduction  
14 under this subparagraph only once with respect to any  
15 one piece of property.

16           This subparagraph (U) is exempt from the  
17 provisions of Section 250;

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

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

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

1 business group but for the fact that the person is  
2 prohibited under Section 1501(a)(27) from being  
3 included in the unitary business group because he or  
4 she is ordinarily required to apportion business  
5 income under different subsections of Section 304, but  
6 not to exceed the addition modification required to be  
7 made for the same taxable year under Section  
8 203(b)(2)(E-12) for interest paid, accrued, or  
9 incurred, directly or indirectly, to the same person.  
10 This subparagraph (W) is exempt from the provisions of  
11 Section 250;

12 (X) 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(b)(2)(E-13) for intangible expenses and costs  
4 paid, accrued, or incurred, directly or indirectly, to  
5 the same foreign person. This subparagraph (X) is  
6 exempt from the provisions of Section 250;

7 (Y) 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(b)(2)(E-14), 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 (Y), 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 (Y). This  
21 subparagraph (Y) is exempt from the provisions of  
22 Section 250; ~~and~~

23 (Z) The difference between the nondeductible  
24 controlled foreign corporation dividends under Section  
25 965(e)(3) of the Internal Revenue Code over the  
26 taxable income of the taxpayer, computed without



1 regard to Section 965(e)(2)(A) of the Internal Revenue  
2 Code, and without regard to any net operating loss  
3 deduction. This subparagraph (Z) is exempt from the  
4 provisions of Section 250; and ~~and~~.

5 (AA) For taxable years beginning on or after  
6 January 1, 2023, for any cannabis establishment  
7 operating in this State and licensed under the  
8 Cannabis Regulation and Tax Act or any cannabis  
9 cultivation center or medical cannabis dispensing  
10 organization operating in this State and licensed  
11 under the Compassionate Use of Cannabis Program Act,  
12 an amount equal to the deductions that were disallowed  
13 under Section 280E of the Internal Revenue Code for  
14 the taxable year and that would not be added back under  
15 this subsection. The provisions of this subparagraph  
16 (AA) are exempt from the provisions of Section 250.

17 (3) Special rule. For purposes of paragraph (2)(A),  
18 "gross income" in the case of a life insurance company,  
19 for tax years ending on and after December 31, 1994, and  
20 prior to December 31, 2011, shall mean the gross  
21 investment income for the taxable year and, for tax years  
22 ending on or after December 31, 2011, shall mean all  
23 amounts included in life insurance gross income under  
24 Section 803(a)(3) of the Internal Revenue Code.

25 (c) Trusts and estates.

1           (1) In general. In the case of a trust or estate, 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. Subject to the provisions of  
5 paragraph (3), the taxable income referred to in paragraph  
6 (1) shall be modified by adding thereto the sum of the  
7 following amounts:

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

12           (B) In the case of (i) an estate, \$600; (ii) a  
13 trust which, under its governing instrument, is  
14 required to distribute all of its income currently,  
15 \$300; and (iii) any other trust, \$100, but in each such  
16 case, only to the extent such amount was deducted in  
17 the computation of taxable income;

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

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

26           (E) For taxable years in which a net operating

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

10                   (i) 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 be reduced by the amount  
14                   of addition modification under this subparagraph  
15                   (E) which related to that net operating loss and  
16                   which was taken into account in calculating the  
17                   base income of an earlier taxable year, and

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

23           For taxable years in which there is a net  
24           operating loss carryback or carryforward from more  
25           than one other taxable year ending prior to December  
26           31, 1986, the addition modification provided in this

1           subparagraph (E) shall be the sum of the amounts  
2           computed independently under the preceding provisions  
3           of this subparagraph (E) for each such taxable year;

4           (F) For taxable years ending on or after January  
5           1, 1989, an amount equal to the tax deducted pursuant  
6           to Section 164 of the Internal Revenue Code if the  
7           trust or estate is claiming the same tax for purposes  
8           of the Illinois foreign tax credit under Section 601  
9           of this Act;

10          (G) An amount equal to the amount of the capital  
11          gain deduction allowable under the Internal Revenue  
12          Code, to the extent deducted from gross income in the  
13          computation of taxable income;

14          (G-5) For taxable years ending after December 31,  
15          1997, an amount equal to any eligible remediation  
16          costs that the trust or estate deducted in computing  
17          adjusted gross income and for which the trust or  
18          estate claims a credit under subsection (l) of Section  
19          201;

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

25          (G-11) If the taxpayer sells, transfers, abandons,  
26          or otherwise disposes of property for which the

1 taxpayer was required in any taxable year to make an  
2 addition modification under subparagraph (G-10), then  
3 an amount equal to the aggregate amount of the  
4 deductions taken in all taxable years under  
5 subparagraph (R) with respect to that property.

6 If the taxpayer continues to own property through  
7 the last day of the last tax year for which a  
8 subtraction is allowed with respect to that property  
9 under subparagraph (R) and for which the taxpayer was  
10 allowed in any taxable year to make a subtraction  
11 modification under subparagraph (R), then an amount  
12 equal to that subtraction modification.

13 The taxpayer is required to make the addition  
14 modification under this subparagraph only once with  
15 respect to any one piece of property;

16 (G-12) An amount equal to the amount otherwise  
17 allowed as a deduction in computing base income for  
18 interest paid, accrued, or incurred, directly or  
19 indirectly, (i) for taxable years ending on or after  
20 December 31, 2004, to a foreign person who would be a  
21 member of the same unitary business group but for the  
22 fact that the foreign person's business activity  
23 outside the United States is 80% or more of the foreign  
24 person's total business activity and (ii) for taxable  
25 years ending on or after December 31, 2008, to a person  
26 who would be a member of the same unitary business

1 group but for the fact that the person is prohibited  
2 under Section 1501(a)(27) from being included in the  
3 unitary business group because he or she is ordinarily  
4 required to apportion business income under different  
5 subsections of Section 304. The addition modification  
6 required by this subparagraph shall be reduced to the  
7 extent that dividends were included in base income of  
8 the unitary group for the same taxable year and  
9 received by the taxpayer or by a member of the  
10 taxpayer's unitary business group (including amounts  
11 included in gross income pursuant to Sections 951  
12 through 964 of the Internal Revenue Code and amounts  
13 included in gross income under Section 78 of the  
14 Internal Revenue Code) with respect to the stock of  
15 the same person to whom the interest was paid,  
16 accrued, or incurred.

17 This paragraph shall not apply to the following:

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

24 (ii) an item of interest paid, accrued, or  
25 incurred, directly or indirectly, to a person if  
26 the taxpayer can establish, based on a

1           preponderance of the evidence, both of the  
2           following:

3                   (a) the person, during the same taxable  
4                   year, paid, accrued, or incurred, the interest  
5                   to a person that is not a related member, and

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

13                  (iii) the taxpayer can establish, based on  
14                  clear and convincing evidence, that the interest  
15                  paid, accrued, or incurred relates to a contract  
16                  or agreement entered into at arm's-length rates  
17                  and terms and the principal purpose for the  
18                  payment is not federal or Illinois tax avoidance;  
19                  or

20                  (iv) an item of interest paid, accrued, or  
21                  incurred, directly or indirectly, to a person if  
22                  the taxpayer establishes by clear and convincing  
23                  evidence that the adjustments are unreasonable; or  
24                  if the taxpayer and the Director agree in writing  
25                  to the application or use of an alternative method  
26                  of apportionment under Section 304(f).

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

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



1           subparagraph shall be reduced to the extent that  
2           dividends were included in base income of the unitary  
3           group for the same taxable year and received by the  
4           taxpayer or by a member of the taxpayer's unitary  
5           business group (including amounts included in gross  
6           income pursuant to Sections 951 through 964 of the  
7           Internal Revenue Code and amounts included in gross  
8           income under Section 78 of the Internal Revenue Code)  
9           with respect to the stock of the same person to whom  
10          the intangible expenses and costs were directly or  
11          indirectly paid, incurred, or accrued. The preceding  
12          sentence shall not apply to the extent that the same  
13          dividends caused a reduction to the addition  
14          modification required under Section 203(c)(2)(G-12) of  
15          this Act. As used in this subparagraph, the term  
16          "intangible expenses and costs" includes: (1)  
17          expenses, losses, and costs for or related to the  
18          direct or indirect acquisition, use, maintenance or  
19          management, ownership, sale, exchange, or any other  
20          disposition of intangible property; (2) losses  
21          incurred, directly or indirectly, from factoring  
22          transactions or discounting transactions; (3) royalty,  
23          patent, technical, and copyright fees; (4) licensing  
24          fees; and (5) other similar expenses and costs. For  
25          purposes of this subparagraph, "intangible property"  
26          includes patents, patent applications, trade names,

1 trademarks, service marks, copyrights, mask works,  
2 trade secrets, and similar types of intangible assets.

3 This paragraph shall not apply to the following:

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

11 (ii) any item of intangible expense or cost  
12 paid, accrued, or incurred, directly or  
13 indirectly, if the taxpayer can establish, based  
14 on a preponderance of the evidence, both of the  
15 following:

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

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

1           (iii) any item of intangible expense or cost  
2           paid, accrued, or incurred, directly or  
3           indirectly, from a transaction with a person if  
4           the taxpayer establishes by clear and convincing  
5           evidence, that the adjustments are unreasonable;  
6           or if the taxpayer and the Director agree in  
7           writing to the application or use of an  
8           alternative method of apportionment under Section  
9           304(f);

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

19           (G-14) For taxable years ending on or after  
20           December 31, 2008, an amount equal to the amount of  
21           insurance premium expenses and costs otherwise allowed  
22           as a deduction in computing base income, and that were  
23           paid, accrued, or incurred, directly or indirectly, 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. The  
4 addition modification required by this subparagraph  
5 shall be reduced to the extent that dividends were  
6 included in base income of the unitary group for the  
7 same taxable year and received by the taxpayer or by a  
8 member of the taxpayer's unitary business group  
9 (including amounts included in gross income under  
10 Sections 951 through 964 of the Internal Revenue Code  
11 and amounts included in gross income under Section 78  
12 of the Internal Revenue Code) with respect to the  
13 stock of the same person to whom the premiums and costs  
14 were directly or indirectly paid, incurred, or  
15 accrued. The preceding sentence does not apply to the  
16 extent that the same dividends caused a reduction to  
17 the addition modification required under Section  
18 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this  
19 Act;

20 (G-15) An amount equal to the credit allowable to  
21 the taxpayer under Section 218(a) of this Act,  
22 determined without regard to Section 218(c) of this  
23 Act;

24 (G-16) For taxable years ending on or after  
25 December 31, 2017, an amount equal to the deduction  
26 allowed under Section 199 of the Internal Revenue Code

1           for the taxable year;

2           and by deducting from the total so obtained the sum of the  
3           following amounts:

4                   (H) An amount equal to all amounts included in  
5                   such total pursuant to the provisions of Sections  
6                   402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408  
7                   of the Internal Revenue Code or included in such total  
8                   as distributions under the provisions of any  
9                   retirement or disability plan for employees of any  
10                  governmental agency or unit, or retirement payments to  
11                  retired partners, which payments are excluded in  
12                  computing net earnings from self employment by Section  
13                  1402 of the Internal Revenue Code and regulations  
14                  adopted pursuant thereto;

15                   (I) The valuation limitation amount;

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

19                   (K) An amount equal to all amounts included in  
20                   taxable income as modified by subparagraphs (A), (B),  
21                   (C), (D), (E), (F) and (G) which are exempt from  
22                   taxation by this State either by reason of its  
23                   statutes or Constitution or by reason of the  
24                   Constitution, treaties or statutes of the United  
25                   States; provided that, in the case of any statute of  
26                   this State that exempts income derived from bonds or

1 other obligations from the tax imposed under this Act,  
2 the amount exempted shall be the interest net of bond  
3 premium amortization;

4 (L) With the exception of any amounts subtracted  
5 under subparagraph (K), an amount equal to the sum of  
6 all amounts disallowed as deductions by (i) Sections  
7 171(a)(2) and 265(a)(2) of the Internal Revenue Code,  
8 and all amounts of expenses allocable to interest and  
9 disallowed as deductions by Section 265(a)(1) of the  
10 Internal Revenue Code; and (ii) for taxable years  
11 ending on or after August 13, 1999, Sections  
12 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the  
13 Internal Revenue Code, plus, (iii) for taxable years  
14 ending on or after December 31, 2011, Section  
15 45G(e)(3) of the Internal Revenue Code and, for  
16 taxable years ending on or after December 31, 2008,  
17 any amount included in gross income under Section 87  
18 of the Internal Revenue Code; the provisions of this  
19 subparagraph are exempt from the provisions of Section  
20 250;

21 (M) An amount equal to those dividends included in  
22 such total which were paid by a corporation which  
23 conducts business operations in a River Edge  
24 Redevelopment Zone or zones created under the River  
25 Edge Redevelopment Zone Act and conducts substantially  
26 all of its operations in a River Edge Redevelopment

1           Zone or zones. This subparagraph (M) is exempt from  
2           the provisions of Section 250;

3           (N) An amount equal to any contribution made to a  
4           job training project established pursuant to the Tax  
5           Increment Allocation Redevelopment Act;

6           (O) An amount equal to those dividends included in  
7           such total that were paid by a corporation that  
8           conducts business operations in a federally designated  
9           Foreign Trade Zone or Sub-Zone and that is designated  
10          a High Impact Business located in Illinois; provided  
11          that dividends eligible for the deduction provided in  
12          subparagraph (M) of paragraph (2) of this subsection  
13          shall not be eligible for the deduction provided under  
14          this subparagraph (O);

15          (P) An amount equal to the amount of the deduction  
16          used to compute the federal income tax credit for  
17          restoration of substantial amounts held under claim of  
18          right for the taxable year pursuant to Section 1341 of  
19          the Internal Revenue Code;

20          (Q) For taxable year 1999 and thereafter, an  
21          amount equal to the amount of any (i) distributions,  
22          to the extent includible in gross income for federal  
23          income tax purposes, made to the taxpayer because of  
24          his or her status as a victim of persecution for racial  
25          or religious reasons by Nazi Germany or any other Axis  
26          regime or as an heir of the victim and (ii) items of

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



1           (R) For taxable years 2001 and thereafter, for the  
2 taxable year in which the bonus depreciation deduction  
3 is taken on the taxpayer's federal income tax return  
4 under subsection (k) of Section 168 of the Internal  
5 Revenue Code and for each applicable taxable year  
6 thereafter, an amount equal to "x", where:

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

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

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

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

25           (ii) for property on which a bonus  
26 depreciation deduction of 50% of the adjusted

1 basis was taken, "x" equals "y" multiplied by  
2 1.0;

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

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

22 The aggregate amount deducted under this  
23 subparagraph in all taxable years for any one piece of  
24 property may not exceed the amount of the bonus  
25 depreciation deduction taken on that property on the  
26 taxpayer's federal income tax return under subsection

1 (k) of Section 168 of the Internal Revenue Code. This  
2 subparagraph (R) is exempt from the provisions of  
3 Section 250;

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

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

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

19 This subparagraph (S) is exempt from the  
20 provisions of Section 250;

21 (T) The amount of (i) any interest income (net of  
22 the deductions allocable thereto) taken into account  
23 for the taxable year with respect to a transaction  
24 with a taxpayer that is required to make an addition  
25 modification with respect to such transaction under  
26 Section 203(a)(2)(D-17), 203(b)(2)(E-12),

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

12           (U) An amount equal to the interest income taken  
13          into account for the taxable year (net of the  
14          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 the foreign person's business activity  
18          outside the United States is 80% or more of that  
19          person's total business activity and (ii) for taxable  
20          years ending on or after December 31, 2008, to a person  
21          who would be a member of the same unitary business  
22          group but for the fact that the person is prohibited  
23          under Section 1501(a)(27) from being included in the  
24          unitary business group because he or she is ordinarily  
25          required to apportion business income under different  
26          subsections of Section 304, but not to exceed the

1 addition modification required to be made for the same  
2 taxable year under Section 203(c)(2)(G-12) for  
3 interest paid, accrued, or incurred, directly or  
4 indirectly, to the same person. This subparagraph (U)  
5 is exempt from the provisions of Section 250;

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

1           (W) in the case of an estate, an amount equal to  
2 all amounts included in such total pursuant to the  
3 provisions of Section 111 of the Internal Revenue Code  
4 as a recovery of items previously deducted by the  
5 decedent from adjusted gross income in the computation  
6 of taxable income. This subparagraph (W) is exempt  
7 from Section 250;

8           (X) an amount equal to the refund included in such  
9 total of any tax deducted for federal income tax  
10 purposes, to the extent that deduction was added back  
11 under subparagraph (F). This subparagraph (X) is  
12 exempt from the provisions of Section 250;

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

1           subparagraph (Y) is exempt from the provisions of  
2           Section 250; ~~and~~

3           (Z) For taxable years beginning after December 31,  
4           2018 and before January 1, 2026, the amount of excess  
5           business loss of the taxpayer disallowed as a  
6           deduction by Section 461(1)(1)(B) of the Internal  
7           Revenue Code; and ~~and~~

8           (AA) For taxable years beginning on or after  
9           January 1, 2023, for any cannabis establishment  
10           operating in this State and licensed under the  
11           Cannabis Regulation and Tax Act or any cannabis  
12           cultivation center or medical cannabis dispensing  
13           organization operating in this State and licensed  
14           under the Compassionate Use of Cannabis Program Act,  
15           an amount equal to the deductions that were disallowed  
16           under Section 280E of the Internal Revenue Code for  
17           the taxable year and that would not be added back under  
18           this subsection. The provisions of this subparagraph  
19           (AA) are exempt from the provisions of Section 250.

20           (3) Limitation. The amount of any modification  
21           otherwise required under this subsection shall, under  
22           regulations prescribed by the Department, be adjusted by  
23           any amounts included therein which were properly paid,  
24           credited, or required to be distributed, or permanently  
25           set aside for charitable purposes pursuant to Internal  
26           Revenue Code Section 642(c) during the taxable year.

1 (d) Partnerships.

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

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

8 (A) An amount equal to all amounts paid or accrued  
9 to the taxpayer as interest or dividends during the  
10 taxable year to the extent excluded from gross income  
11 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 for  
14 the taxable year;

15 (C) The amount of deductions allowed to the  
16 partnership pursuant to Section 707 (c) of the  
17 Internal Revenue Code in calculating its taxable  
18 income;

19 (D) An amount equal to the amount of the capital  
20 gain deduction allowable under the Internal Revenue  
21 Code, to the extent deducted from gross income in the  
22 computation of taxable income;

23 (D-5) For taxable years 2001 and thereafter, an  
24 amount equal to the bonus depreciation deduction taken  
25 on the taxpayer's federal income tax return for the



1 taxable year under subsection (k) of Section 168 of  
2 the Internal Revenue Code;

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

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 (O) and for which the taxpayer was  
14 allowed in any taxable year to make a subtraction  
15 modification under subparagraph (O), then an amount  
16 equal to that subtraction modification.

17 The taxpayer is required to make the addition  
18 modification under this subparagraph only once with  
19 respect to any one piece of property;

20 (D-7) An amount equal to the amount otherwise  
21 allowed as a deduction in computing base income for  
22 interest paid, accrued, or incurred, directly or  
23 indirectly, (i) for taxable years ending on or after  
24 December 31, 2004, to a foreign person who would be a  
25 member of the same unitary business group but for the  
26 fact the foreign person's business activity outside

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

21 This paragraph shall not apply to the following:

22 (i) an item of interest paid, accrued, or  
23 incurred, directly or indirectly, to a person who  
24 is subject in a foreign country or state, other  
25 than a state which requires mandatory unitary  
26 reporting, to a tax on or measured by net income

1 with respect to such interest; or

2 (ii) an item of interest paid, accrued, or  
3 incurred, directly or indirectly, to a person if  
4 the taxpayer can establish, based on a  
5 preponderance of the evidence, both of the  
6 following:

7 (a) the person, during the same taxable  
8 year, paid, accrued, or incurred, the interest  
9 to a person that is not a related member, and

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

17 (iii) the taxpayer can establish, based on  
18 clear and convincing evidence, that the interest  
19 paid, accrued, or incurred relates to a contract  
20 or agreement entered into at arm's-length rates  
21 and terms and the principal purpose for the  
22 payment is not federal or Illinois tax avoidance;  
23 or

24 (iv) an item of interest paid, accrued, or  
25 incurred, directly or indirectly, to a person if  
26 the taxpayer establishes by clear and convincing

1 evidence that the adjustments are unreasonable; or  
2 if the taxpayer and the Director agree in writing  
3 to the application or use of an alternative method  
4 of apportionment under Section 304(f).

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

14 (D-8) An amount equal to the amount of intangible  
15 expenses and costs otherwise allowed as a deduction in  
16 computing base income, and that were paid, accrued, or  
17 incurred, directly or indirectly, (i) for taxable  
18 years ending on or after December 31, 2004, to a  
19 foreign person who would be a member of the same  
20 unitary business group but for the fact that the  
21 foreign person's business activity outside the United  
22 States is 80% or more of that person's total business  
23 activity and (ii) for taxable years ending on or after  
24 December 31, 2008, to a person who would be a member of  
25 the same unitary business group but for the fact that  
26 the person is prohibited under Section 1501(a)(27)

1 from being included in the unitary business group  
2 because he or she is ordinarily required to apportion  
3 business income under different subsections of Section  
4 304. The addition modification required by this  
5 subparagraph shall be reduced to the extent that  
6 dividends were included in base income of the unitary  
7 group for the same taxable year and received by the  
8 taxpayer or by a member of the taxpayer's unitary  
9 business group (including amounts included in gross  
10 income pursuant to Sections 951 through 964 of the  
11 Internal Revenue Code and amounts included in gross  
12 income under Section 78 of the Internal Revenue Code)  
13 with respect to the stock of the same person to whom  
14 the intangible expenses and costs were directly or  
15 indirectly paid, incurred or accrued. The preceding  
16 sentence shall not apply to the extent that the same  
17 dividends caused a reduction to the addition  
18 modification required under Section 203(d)(2)(D-7) of  
19 this Act. As used in this subparagraph, the term  
20 "intangible expenses and costs" includes (1) expenses,  
21 losses, and costs for, or related to, the direct or  
22 indirect acquisition, use, maintenance or management,  
23 ownership, sale, exchange, or any other disposition of  
24 intangible property; (2) losses incurred, directly or  
25 indirectly, from factoring transactions or discounting  
26 transactions; (3) royalty, patent, technical, and

1 copyright fees; (4) licensing fees; and (5) other  
2 similar expenses and costs. For purposes of this  
3 subparagraph, "intangible property" includes patents,  
4 patent applications, trade names, trademarks, service  
5 marks, copyrights, mask works, trade secrets, and  
6 similar types of intangible assets;

7 This paragraph shall not apply to the following:

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

15 (ii) any item of intangible expense or cost  
16 paid, accrued, or incurred, directly or  
17 indirectly, if the taxpayer can establish, based  
18 on a preponderance of the evidence, both of the  
19 following:

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

24 (b) the transaction giving rise to the  
25 intangible expense or cost between the  
26 taxpayer and the person did not have as a

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

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

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

23 (D-9) For taxable years ending on or after  
24 December 31, 2008, an amount equal to the amount of  
25 insurance premium expenses and costs otherwise allowed  
26 as a deduction in computing base income, and that were

1           paid, accrued, or incurred, directly or indirectly, to  
2           a person who would be a member of the same unitary  
3           business group but for the fact that the person is  
4           prohibited under Section 1501(a)(27) from being  
5           included in the unitary business group because he or  
6           she is ordinarily required to apportion business  
7           income under different subsections of Section 304. The  
8           addition modification required by this subparagraph  
9           shall be reduced to the extent that dividends were  
10          included in base income of the unitary group for the  
11          same taxable year and received by the taxpayer or by a  
12          member of the taxpayer's unitary business group  
13          (including amounts included in gross income under  
14          Sections 951 through 964 of the Internal Revenue Code  
15          and amounts included in gross income under Section 78  
16          of the Internal Revenue Code) with respect to the  
17          stock of the same person to whom the premiums and costs  
18          were directly or indirectly paid, incurred, or  
19          accrued. The preceding sentence does not apply to the  
20          extent that the same dividends caused a reduction to  
21          the addition modification required under Section  
22          203(d)(2)(D-7) or Section 203(d)(2)(D-8) of this Act;

23                 (D-10) An amount equal to the credit allowable to  
24          the taxpayer under Section 218(a) of this Act,  
25          determined without regard to Section 218(c) of this  
26          Act;



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

5           and by deducting from the total so obtained the following  
6           amounts:

7                   (E) The valuation limitation amount;

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

21                  (H) Any income of the partnership which  
22          constitutes personal service income as defined in  
23          Section 1348(b)(1) of the Internal Revenue Code (as in  
24          effect December 31, 1981) or a reasonable allowance  
25          for compensation paid or accrued for services rendered  
26          by partners to the partnership, whichever is greater;

1           this subparagraph (H) is exempt from the provisions of  
2           Section 250;

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

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

1           250;

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

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

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

22           (N) An amount equal to the amount of the deduction  
23 used to compute the federal income tax credit for  
24 restoration of substantial amounts held under claim of  
25 right for the taxable year pursuant to Section 1341 of  
26 the Internal Revenue Code;

1           (0) For taxable years 2001 and thereafter, for the  
2 taxable year in which the bonus depreciation deduction  
3 is taken on the taxpayer's federal income tax return  
4 under subsection (k) of Section 168 of the Internal  
5 Revenue Code and for each applicable taxable year  
6 thereafter, an amount equal to "x", where:

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

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

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

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

25           (ii) for property on which a bonus  
26 depreciation deduction of 50% of the adjusted

1 basis was taken, "x" equals "y" multiplied by  
2 1.0;

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

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

22 The aggregate amount deducted under this  
23 subparagraph in all taxable years for any one piece of  
24 property may not exceed the amount of the bonus  
25 depreciation deduction taken on that property on the  
26 taxpayer's federal income tax return under subsection

1 (k) of Section 168 of the Internal Revenue Code. This  
2 subparagraph (O) is exempt from the provisions of  
3 Section 250;

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

9 If the taxpayer continues to own property through  
10 the last day of the last tax year for which a  
11 subtraction is allowed with respect to that property  
12 under subparagraph (O) and for which the taxpayer was  
13 required in any taxable year to make an addition  
14 modification under subparagraph (D-5), then an amount  
15 equal to that addition modification.

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

19 This subparagraph (P) is exempt from the  
20 provisions of Section 250;

21 (Q) The amount of (i) any interest income (net of  
22 the deductions allocable thereto) taken into account  
23 for the taxable year with respect to a transaction  
24 with a taxpayer that is required to make an addition  
25 modification with respect to such transaction under  
26 Section 203(a)(2)(D-17), 203(b)(2)(E-12),

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

12           (R) An amount equal to the interest income taken  
13          into account for the taxable year (net of the  
14          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-7) for interest paid, accrued, or  
4 incurred, directly or indirectly, to the same person.  
5 This subparagraph (R) is exempt from Section 250;

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



1 (T) For taxable years ending on or after December  
2 31, 2011, in the case of a taxpayer who was required to  
3 add back any insurance premiums under Section  
4 203(d)(2)(D-9), such taxpayer may elect to subtract  
5 that part of a reimbursement received from the  
6 insurance company equal to the amount of the expense  
7 or loss (including expenses incurred by the insurance  
8 company) that would have been taken into account as a  
9 deduction for federal income tax purposes if the  
10 expense or loss had been uninsured. If a taxpayer  
11 makes the election provided for by this subparagraph  
12 (T), the insurer to which the premiums were paid must  
13 add back to income the amount subtracted by the  
14 taxpayer pursuant to this subparagraph (T). This  
15 subparagraph (T) is exempt from the provisions of  
16 Section 250; and -

17 (U) For taxable years beginning on or after  
18 January 1, 2023, for any cannabis establishment  
19 operating in this State and licensed under the  
20 Cannabis Regulation and Tax Act or any cannabis  
21 cultivation center or medical cannabis dispensing  
22 organization operating in this State and licensed  
23 under the Compassionate Use of Cannabis Program Act,  
24 an amount equal to the deductions that were disallowed  
25 under Section 280E of the Internal Revenue Code for  
26 the taxable year and that would not be added back under

1           this subsection. The provisions of this subparagraph  
2           (U) are exempt from the provisions of Section 250.

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

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

1 (E) of paragraph (2) of subsection (b) for corporations or  
2 subparagraph (E) of paragraph (2) of subsection (c) for  
3 trusts and estates, exceed subtraction modifications, an  
4 addition modification must be made under those  
5 subparagraphs for any other taxable year to which the  
6 taxable income less than zero (net operating loss) is  
7 applied under Section 172 of the Internal Revenue Code or  
8 under subparagraph (E) of paragraph (2) of this subsection  
9 (e) applied in conjunction with Section 172 of the  
10 Internal Revenue Code.

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

14 (A) Certain life insurance companies. In the case  
15 of a life insurance company subject to the tax imposed  
16 by Section 801 of the Internal Revenue Code, life  
17 insurance company taxable income, plus the amount of  
18 distribution from pre-1984 policyholder surplus  
19 accounts as calculated under Section 815a of the  
20 Internal Revenue Code;

21 (B) Certain other insurance companies. In the case  
22 of mutual insurance companies subject to the tax  
23 imposed by Section 831 of the Internal Revenue Code,  
24 insurance company taxable income;

25 (C) Regulated investment companies. In the case of  
26 a regulated investment company subject to the tax

1 imposed by Section 852 of the Internal Revenue Code,  
2 investment company taxable income;

3 (D) Real estate investment trusts. In the case of  
4 a real estate investment trust subject to the tax  
5 imposed by Section 857 of the Internal Revenue Code,  
6 real estate investment trust taxable income;

7 (E) Consolidated corporations. In the case of a  
8 corporation which is a member of an affiliated group  
9 of corporations filing a consolidated income tax  
10 return for the taxable year for federal income tax  
11 purposes, taxable income determined as if such  
12 corporation had filed a separate return for federal  
13 income tax purposes for the taxable year and each  
14 preceding taxable year for which it was a member of an  
15 affiliated group. For purposes of this subparagraph,  
16 the taxpayer's separate taxable income shall be  
17 determined as if the election provided by Section  
18 243(b)(2) of the Internal Revenue Code had been in  
19 effect for all such years;

20 (F) Cooperatives. In the case of a cooperative  
21 corporation or association, the taxable income of such  
22 organization determined in accordance with the  
23 provisions of Section 1381 through 1388 of the  
24 Internal Revenue Code, but without regard to the  
25 prohibition against offsetting losses from patronage  
26 activities against income from nonpatronage

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

25 (G) Subchapter S corporations. In the case of: (i)  
26 a Subchapter S corporation for which there is in

1 effect an election for the taxable year under Section  
2 1362 of the Internal Revenue Code, the taxable income  
3 of such corporation determined in accordance with  
4 Section 1363(b) of the Internal Revenue Code, except  
5 that taxable income shall take into account those  
6 items which are required by Section 1363(b)(1) of the  
7 Internal Revenue Code to be separately stated; and  
8 (ii) a Subchapter S corporation for which there is in  
9 effect a federal election to opt out of the provisions  
10 of the Subchapter S Revision Act of 1982 and have  
11 applied instead the prior federal Subchapter S rules  
12 as in effect on July 1, 1982, the taxable income of  
13 such corporation determined in accordance with the  
14 federal Subchapter S rules as in effect on July 1,  
15 1982; and

16 (H) Partnerships. In the case of a partnership,  
17 taxable income determined in accordance with Section  
18 703 of the Internal Revenue Code, except that taxable  
19 income shall take into account those items which are  
20 required by Section 703(a)(1) to be separately stated  
21 but which would be taken into account by an individual  
22 in calculating his taxable income.

23 (3) Recapture of business expenses on disposition of  
24 asset or business. Notwithstanding any other law to the  
25 contrary, if in prior years income from an asset or  
26 business has been classified as business income and in a

1 later year is demonstrated to be non-business income, then  
2 all expenses, without limitation, deducted in such later  
3 year and in the 2 immediately preceding taxable years  
4 related to that asset or business that generated the  
5 non-business income shall be added back and recaptured as  
6 business income in the year of the disposition of the  
7 asset or business. Such amount shall be apportioned to  
8 Illinois using the greater of the apportionment fraction  
9 computed for the business under Section 304 of this Act  
10 for the taxable year or the average of the apportionment  
11 fractions computed for the business under Section 304 of  
12 this Act for the taxable year and for the 2 immediately  
13 preceding taxable years.

14 (f) Valuation limitation amount.

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

18 (A) The sum of the pre-August 1, 1969 appreciation  
19 amounts (to the extent consisting of gain reportable  
20 under the provisions of Section 1245 or 1250 of the  
21 Internal Revenue Code) for all property in respect of  
22 which such gain was reported for the taxable year;  
23 plus

24 (B) The lesser of (i) the sum of the pre-August 1,  
25 1969 appreciation amounts (to the extent consisting of

1 capital gain) for all property in respect of which  
2 such gain was reported for federal income tax purposes  
3 for the taxable year, or (ii) the net capital gain for  
4 the taxable year, reduced in either case by any amount  
5 of such gain included in the amount determined under  
6 subsection (a) (2) (F) or (c) (2) (H).

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

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

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



1 property ending July 31, 1969 bears to the number of  
2 full calendar months in the taxpayer's entire holding  
3 period for the property.

4 (C) The Department shall prescribe such  
5 regulations as may be necessary to carry out the  
6 purposes of this paragraph.

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

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

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

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law."