

# SB3131



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3131

Introduced 2/2/2024, by Sen. Patrick J. Joyce

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new

Amends the Illinois Income Tax Act. Provides that each taxpayer that manufactures renewable diesel in Illinois is eligible for an income tax credit equal to \$1 per whole gallon of renewable diesel manufactured by the taxpayer in Illinois and sold to a purchaser in Illinois. Effective immediately.

LRB103 39008 HLH 69291 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 5/241 new)

7 Sec. 241. Renewable Diesel Tax Credit.

8 (a) For taxable years beginning on or after January 1,  
9 2027, each taxpayer that manufactures and sells renewable  
10 diesel in Illinois is eligible for a credit against the tax  
11 imposed by subsections (a) and (b) of Section 201 as provided  
12 in this Section. The credit shall be in an amount equal to \$1  
13 per whole gallon of renewable diesel that is both manufactured  
14 in Illinois and sold to a purchaser in Illinois. The credit  
15 under this Section is not available for the manufacture of  
16 partial gallons of renewable diesel.

17 (b) To qualify for the credit, the taxpayer must retain in  
18 its books and records:

19 (1) records indicating the number of whole gallons of  
20 renewable diesel manufactured by the taxpayer in Illinois  
21 and sold to a purchaser in Illinois; and

22 (2) a verification that the renewable diesel  
23 manufactured by the taxpayer meets the definition of

1 renewable diesel as defined in this Act.

2 The documentation must include detail sufficient for the  
3 Department to determine the number of gallons of renewable  
4 diesel manufactured and purchased within Illinois, as well as  
5 any other information reasonably required by the Department.  
6 All documentation must be submitted to the Department by the  
7 date and manner in which the Department requires.

8 (c) If the amount of the credit exceeds the tax liability  
9 for the year, the excess may be carried forward and applied to  
10 the tax liability of the 10 taxable years following the excess  
11 credit year. The credit shall be applied to the earliest year  
12 for which there is a tax liability. If there are credits from  
13 more than one tax year that are available to offset a  
14 liability, the earlier credit shall be applied first. In no  
15 event shall a credit under this Section reduce the taxpayer's  
16 liability to less than zero.

17 (d) This Section is exempt from the provisions of Section  
18 250.

19 (e) As used in this Section:

20 "Department" means the Department of Revenue.

21 "Renewable diesel" means diesel fuel that is a hydrocarbon  
22 fuel derived from biomass meeting the requirements of the  
23 latest version of ASTM standards D975 or D396. Fuel that has  
24 been co-processed is not considered renewable diesel.

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.