



Sen. Celina Villanueva

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1 AMENDMENT TO SENATE BILL 3273

2 AMENDMENT NO. _____. Amend Senate Bill 3273 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Workforce Development through Charitable Loan Repayment Act.

6 Section 5. Purpose. The purpose of this Act is to create a
7 private sector incentive for qualified workers to work and
8 live in eligible areas while also reducing the student debt
9 burden of those workers.

10 Section 10. Definitions. As used in this Act:

11 "Commission" means the Illinois Student Assistance
12 Commission.

13 "Full-time employee" means an individual who is employed
14 for consideration for at least 35 hours each week.

15 "Program" means the Workforce Development Through

1 Charitable Loan Repayment Program established under this Act.

2 "Qualified community foundation" means a community
3 foundation or similar publicly supported organization
4 described in Section 170(b)(1)(A)(vi) of the Internal Revenue
5 Code of 1986 that is organized or operating in this State and
6 that substantially complies, as determined by the Commission,
7 with the national standards for United States community
8 foundations established by the National Council on
9 Foundations.

10 "Qualified worker" means an individual who meets all of
11 the following:

12 (1) the individual is a full-time employee of a
13 business that meets one or more of the following:

14 (A) the business is a qualified new business
15 venture that is registered with the Department of
16 Commerce and Economic Opportunity under Section 220 of
17 the Illinois Income Tax Act;

18 (B) the business is primarily engaged in a
19 targeted growth industry;

20 (C) the business is a minority-owned business, a
21 women-owned business, or a business owned by a person
22 with a disability, as those terms are defined in the
23 Business Enterprise for Minorities, Women, and Persons
24 with Disabilities Act; or

25 (D) the business is a not-for-profit corporation,
26 as defined in the General Not For Profit Corporation

1 Act of 1986;

2 (2) the individual is employed by the business
3 described in paragraph (1) at a job site that is located in
4 an Enterprise Zone, an Opportunity Zone, an underserved
5 area, or an area that has a bachelor's degree attainment
6 rate for the population that is below the State or
7 national average for the population, as determined by the
8 United States Census Bureau; and

9 (3) the individual (i) received an associate degree or
10 higher and has an outstanding balance due on a qualified
11 education loan, as defined in Section 221 of the Internal
12 Revenue Code, or (ii) accrued educational debt while
13 pursuing skilled trades and related schooling.

14 "Student loan repayment assistance" means grants or
15 post-graduation scholarships made by a community foundation
16 directly to a student loan servicer on behalf of a qualified
17 worker.

18 "Targeted growth industry" means one or more of the
19 following:

- 20 (1) advanced manufacturing;
- 21 (2) agribusiness and food processing;
- 22 (3) transportation distribution and logistics;
- 23 (4) life sciences and biotechnology;
- 24 (5) business and professional services; or
- 25 (6) energy.

26 "Underserved area" has the meaning given to that term in

1 Section 5-5 of the Economic Development for a Growing Economy
2 Tax Credit Act.

3 Section 15. Establishment of the Program; advertisement.
4 The Workforce Development through Charitable Loan Repayment
5 Program is hereby created for the purpose of facilitating
6 student loan repayment assistance for qualified workers. The
7 Program shall be administered by qualified community
8 foundations with the assistance of the Commission. The
9 Commission shall advertise the program on its website.

10 Section 20. Applications. Each qualified community
11 foundation shall establish an application process for
12 qualified workers to receive student loan repayment assistance
13 from the qualified community foundation in accordance with
14 this Act and rules adopted for the implementation of this Act
15 by the Commission. If necessary due to limited funds, the
16 qualified community foundation shall give priority to
17 applicants with a higher student debt-to-income ratio when
18 awarding student loan repayment assistance under the Program.

19 Section 25. Eligibility; work requirement. Each individual
20 qualified community foundation shall certify the eligibility
21 of qualified workers to receive student loan repayment
22 assistance and establish work requirements in accordance with
23 this Act, rules adopted by the Commission, and the

1 requirements of the individual qualified community foundation.

2 Section 30. Administration; rules. Qualified community
3 foundations shall administer the Program under this Act and
4 shall issue to qualified workers any forms required by the
5 Commission or the Department of Revenue. The Commission shall
6 adopt rules for the Program's effective implementation, except
7 that rules regarding the documentation necessary to deduct
8 student loan repayment assistance from the worker's income
9 under subparagraph (LL) of subsection (a) of Section 203 of
10 the Illinois Income Tax Act shall be adopted by the Department
11 of Revenue in consultation with the Commission. Individual
12 qualified community foundations may impose requirements for
13 participation in the Program, which shall not be inconsistent
14 with this Act or the rules adopted by the Commission or the
15 Department of Revenue in connection with this Act.

16 Section 35. Reporting. Each qualified community foundation
17 shall submit an annual report to the Commission summarizing
18 its loan repayment activity under the Program. Reports under
19 this Section shall be submitted in the form and manner
20 prescribed by the Commission.

21 Section 900. The Illinois Income Tax Act is amended by
22 changing Section 203 as follows:

1 (35 ILCS 5/203)

2 Sec. 203. Base income defined.

3 (a) Individuals.

4 (1) In general. In the case of an individual, base
5 income means an amount equal to the taxpayer's adjusted
6 gross income for the taxable year as modified by paragraph
7 (2).

8 (2) Modifications. The adjusted gross income referred
9 to in paragraph (1) shall be modified by adding thereto
10 the sum of the following amounts:

11 (A) An amount equal to all amounts paid or accrued
12 to the taxpayer as interest or dividends during the
13 taxable year to the extent excluded from gross income
14 in the computation of adjusted gross income, except
15 stock dividends of qualified public utilities
16 described in Section 305(e) of the Internal Revenue
17 Code;

18 (B) 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 adjusted gross income for the
21 taxable year;

22 (C) An amount equal to the amount received during
23 the taxable year as a recovery or refund of real
24 property taxes paid with respect to the taxpayer's
25 principal residence under the Revenue Act of 1939 and
26 for which a deduction was previously taken under

1 subparagraph (L) of this paragraph (2) prior to July
2 1, 1991, the retrospective application date of Article
3 4 of Public Act 87-17. In the case of multi-unit or
4 multi-use structures and farm dwellings, the taxes on
5 the taxpayer's principal residence shall be that
6 portion of the total taxes for the entire property
7 which is attributable to such principal residence;

8 (D) An amount equal to the amount of the capital
9 gain deduction allowable under the Internal Revenue
10 Code, to the extent deducted from gross income in the
11 computation of adjusted gross income;

12 (D-5) An amount, to the extent not included in
13 adjusted gross income, equal to the amount of money
14 withdrawn by the taxpayer in the taxable year from a
15 medical care savings account and the interest earned
16 on the account in the taxable year of a withdrawal
17 pursuant to subsection (b) of Section 20 of the
18 Medical Care Savings Account Act or subsection (b) of
19 Section 20 of the Medical Care Savings Account Act of
20 2000;

21 (D-10) For taxable years ending after December 31,
22 1997, an amount equal to any eligible remediation
23 costs that the individual deducted in computing
24 adjusted gross income and for which the individual
25 claims a credit under subsection (1) of Section 201;

26 (D-15) For taxable years 2001 and thereafter, an

1 amount equal to the bonus depreciation deduction taken
2 on the taxpayer's federal income tax return for the
3 taxable year under subsection (k) of Section 168 of
4 the Internal Revenue Code;

5 (D-16) If the taxpayer sells, transfers, abandons,
6 or otherwise disposes of property for which the
7 taxpayer was required in any taxable year to make an
8 addition modification under subparagraph (D-15), then
9 an amount equal to the aggregate amount of the
10 deductions taken in all taxable years under
11 subparagraph (Z) with respect to that property.

12 If the taxpayer continues to own property through
13 the last day of the last tax year for which a
14 subtraction is allowed with respect to that property
15 under subparagraph (Z) and for which the taxpayer was
16 allowed in any taxable year to make a subtraction
17 modification under subparagraph (Z), then an amount
18 equal to that subtraction modification.

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

22 (D-17) An amount equal to the amount otherwise
23 allowed as a deduction in computing base income for
24 interest paid, accrued, or incurred, directly or
25 indirectly, (i) for taxable years ending on or after
26 December 31, 2004, to a foreign person who would be a

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

23 This paragraph shall not apply to the following:

24 (i) an item of interest paid, accrued, or
25 incurred, directly or indirectly, to a person who
26 is subject in a foreign country or state, other

1 than a state which requires mandatory unitary
2 reporting, to a tax on or measured by net income
3 with respect to such interest; or

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

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

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

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

26 (iv) an item of interest paid, accrued, or

1 incurred, directly or indirectly, to a person if
2 the taxpayer establishes by clear and convincing
3 evidence that the adjustments are unreasonable; or
4 if the taxpayer and the Director agree in writing
5 to the application or use of an alternative method
6 of apportionment under Section 304(f).

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

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

1 the same unitary business group but for the fact that
2 the person is prohibited under Section 1501(a)(27)
3 from being included in the unitary business group
4 because he or she is ordinarily required to apportion
5 business income under different subsections of Section
6 304. The addition modification required by this
7 subparagraph shall be reduced to the extent that
8 dividends were included in base income of the unitary
9 group for the same taxable year and received by the
10 taxpayer or by a member of the taxpayer's unitary
11 business group (including amounts included in gross
12 income under Sections 951 through 964 of the Internal
13 Revenue Code and amounts included in gross income
14 under Section 78 of the Internal Revenue Code) with
15 respect to the stock of the same person to whom the
16 intangible expenses and costs were directly or
17 indirectly paid, incurred, or accrued. The preceding
18 sentence does not apply to the extent that the same
19 dividends caused a reduction to the addition
20 modification required under Section 203(a)(2)(D-17) of
21 this Act. As used in this subparagraph, the term
22 "intangible expenses and costs" includes (1) expenses,
23 losses, and costs for, or related to, the direct or
24 indirect acquisition, use, maintenance or management,
25 ownership, sale, exchange, or any other disposition of
26 intangible property; (2) losses incurred, directly or

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

9 This paragraph shall not apply to the following:

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

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

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

26 (b) the transaction giving rise to the

1 intangible expense or cost between the
2 taxpayer and the person did not have as a
3 principal purpose the avoidance of Illinois
4 income tax, and is paid pursuant to a contract
5 or agreement that reflects arm's-length terms;
6 or

7 (iii) any item of intangible expense or cost
8 paid, accrued, or incurred, directly or
9 indirectly, from a transaction with a person if
10 the taxpayer establishes by clear and convincing
11 evidence, that the adjustments are unreasonable;
12 or if the taxpayer and the Director agree in
13 writing to the application or use of an
14 alternative method of apportionment under Section
15 304(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 (D-19) For taxable years ending on or after
26 December 31, 2008, an amount equal to the amount of

1 insurance premium expenses and costs otherwise allowed
2 as a deduction in computing base income, and that were
3 paid, accrued, or incurred, directly or indirectly, to
4 a person who would be a member of the same unitary
5 business group but for the fact that the person is
6 prohibited under Section 1501(a)(27) from being
7 included in the unitary business group because he or
8 she is ordinarily required to apportion business
9 income under different subsections of Section 304. The
10 addition modification required by this subparagraph
11 shall be reduced to the extent that dividends were
12 included in base income of the unitary group for the
13 same taxable year and received by the taxpayer or by a
14 member of the taxpayer's unitary business group
15 (including amounts included in gross income under
16 Sections 951 through 964 of the Internal Revenue Code
17 and amounts included in gross income under Section 78
18 of the Internal Revenue Code) with respect to the
19 stock of the same person to whom the premiums and costs
20 were directly or indirectly paid, incurred, or
21 accrued. The preceding sentence does not apply to the
22 extent that the same dividends caused a reduction to
23 the addition modification required under Section
24 203(a)(2)(D-17) or Section 203(a)(2)(D-18) of this
25 Act;

26 (D-20) For taxable years beginning on or after

1 January 1, 2002 and ending on or before December 31,
2 2006, in the case of a distribution from a qualified
3 tuition program under Section 529 of the Internal
4 Revenue Code, other than (i) a distribution from a
5 College Savings Pool created under Section 16.5 of the
6 State Treasurer Act or (ii) a distribution from the
7 Illinois Prepaid Tuition Trust Fund, an amount equal
8 to the amount excluded from gross income under Section
9 529(c)(3)(B). For taxable years beginning on or after
10 January 1, 2007, in the case of a distribution from a
11 qualified tuition program under Section 529 of the
12 Internal Revenue Code, other than (i) a distribution
13 from a College Savings Pool created under Section 16.5
14 of the State Treasurer Act, (ii) a distribution from
15 the Illinois Prepaid Tuition Trust Fund, or (iii) a
16 distribution from a qualified tuition program under
17 Section 529 of the Internal Revenue Code that (I)
18 adopts and determines that its offering materials
19 comply with the College Savings Plans Network's
20 disclosure principles and (II) has made reasonable
21 efforts to inform in-state residents of the existence
22 of in-state qualified tuition programs by informing
23 Illinois residents directly and, where applicable, to
24 inform financial intermediaries distributing the
25 program to inform in-state residents of the existence
26 of in-state qualified tuition programs at least

1 annually, an amount equal to the amount excluded from
2 gross income under Section 529(c)(3)(B).

3 For the purposes of this subparagraph (D-20), a
4 qualified tuition program has made reasonable efforts
5 if it makes disclosures (which may use the term
6 "in-state program" or "in-state plan" and need not
7 specifically refer to Illinois or its qualified
8 programs by name) (i) directly to prospective
9 participants in its offering materials or makes a
10 public disclosure, such as a website posting; and (ii)
11 where applicable, to intermediaries selling the
12 out-of-state program in the same manner that the
13 out-of-state program distributes its offering
14 materials;

15 (D-20.5) For taxable years beginning on or after
16 January 1, 2018, in the case of a distribution from a
17 qualified ABLE program under Section 529A of the
18 Internal Revenue Code, other than a distribution from
19 a qualified ABLE program created under Section 16.6 of
20 the State Treasurer Act, an amount equal to the amount
21 excluded from gross income under Section 529A(c)(1)(B)
22 of the Internal Revenue Code;

23 (D-21) For taxable years beginning on or after
24 January 1, 2007, in the case of transfer of moneys from
25 a qualified tuition program under Section 529 of the
26 Internal Revenue Code that is administered by the

1 State to an out-of-state program, an amount equal to
2 the amount of moneys previously deducted from base
3 income under subsection (a)(2)(Y) of this Section;

4 (D-21.5) For taxable years beginning on or after
5 January 1, 2018, in the case of the transfer of moneys
6 from a qualified tuition program under Section 529 or
7 a qualified ABLE program under Section 529A of the
8 Internal Revenue Code that is administered by this
9 State to an ABLE account established under an
10 out-of-state ABLE account program, an amount equal to
11 the contribution component of the transferred amount
12 that was previously deducted from base income under
13 subsection (a)(2)(Y) or subsection (a)(2)(HH) of this
14 Section;

15 (D-22) For taxable years beginning on or after
16 January 1, 2009, and prior to January 1, 2018, in the
17 case of a nonqualified withdrawal or refund of moneys
18 from a qualified tuition program under Section 529 of
19 the Internal Revenue Code administered by the State
20 that is not used for qualified expenses at an eligible
21 education institution, 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,
25 provided that the withdrawal or refund did not result
26 from the beneficiary's death or disability. For

1 taxable years beginning on or after January 1, 2018:
2 (1) in the case of a nonqualified withdrawal or
3 refund, as defined under Section 16.5 of the State
4 Treasurer Act, of moneys from a qualified tuition
5 program under Section 529 of the Internal Revenue Code
6 administered by the State, an amount equal to the
7 contribution component of the nonqualified withdrawal
8 or refund that was previously deducted from base
9 income under subsection (a) (2) (Y) of this Section, and
10 (2) in the case of a nonqualified withdrawal or refund
11 from a qualified ABLE program under Section 529A of
12 the Internal Revenue Code administered by the State
13 that is not used for qualified disability expenses, an
14 amount equal to the contribution component of the
15 nonqualified withdrawal or refund that was previously
16 deducted from base income under subsection (a) (2) (HH)
17 of this Section;

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

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

26 (D-25) In the case of a resident, an amount equal

1 to the amount of tax for which a credit is allowed
2 pursuant to Section 201(p) (7) of this Act;
3 and by deducting from the total so obtained the sum of the
4 following amounts:

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

1 States and in respect of any compensation paid or
2 accrued to a resident who as a governmental employee
3 was a prisoner of war or missing in action, and in
4 respect of any compensation paid to a resident in 2001
5 or thereafter by reason of being a member of the
6 Illinois National Guard or, beginning with taxable
7 years ending on or after December 31, 2007, the
8 National Guard of any other state. The provisions of
9 this subparagraph (E) are exempt from the provisions
10 of Section 250;

11 (F) An amount equal to all amounts included in
12 such total pursuant to the provisions of Sections
13 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and
14 408 of the Internal Revenue Code, or included in such
15 total as distributions under the provisions of any
16 retirement or disability plan for employees of any
17 governmental agency or unit, or retirement payments to
18 retired partners, which payments are excluded in
19 computing net earnings from self employment by Section
20 1402 of the Internal Revenue Code and regulations
21 adopted pursuant thereto;

22 (G) The valuation limitation amount;

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

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

1 such total pursuant to the provisions of Section 111
2 of the Internal Revenue Code as a recovery of items
3 previously deducted from adjusted gross income in the
4 computation of taxable income;

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

13 (K) 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 (J) of paragraph (2) of this subsection
20 shall not be eligible for the deduction provided under
21 this subparagraph (K);

22 (L) For taxable years ending after December 31,
23 1983, an amount equal to all social security benefits
24 and railroad retirement benefits included in such
25 total pursuant to Sections 72(r) and 86 of the
26 Internal Revenue Code;

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

18 (N) An amount equal to all amounts included in
19 such total which are exempt from taxation by this
20 State either by reason of its statutes or Constitution
21 or by reason of the Constitution, treaties or statutes
22 of the United States; provided that, in the case of any
23 statute of this State that exempts income derived from
24 bonds or other obligations from the tax imposed under
25 this Act, the amount exempted shall be the interest
26 net of bond premium amortization;

1 (O) An amount equal to any contribution made to a
2 job training project established pursuant to the Tax
3 Increment Allocation Redevelopment Act;

4 (P) An amount equal to the amount of the deduction
5 used to compute the federal income tax credit for
6 restoration of substantial amounts held under claim of
7 right for the taxable year pursuant to Section 1341 of
8 the Internal Revenue Code or of any itemized deduction
9 taken from adjusted gross income in the computation of
10 taxable income for restoration of substantial amounts
11 held under claim of right for the taxable year;

12 (Q) An amount equal to any amounts included in
13 such total, received by the taxpayer as an
14 acceleration in the payment of life, endowment or
15 annuity benefits in advance of the time they would
16 otherwise be payable as an indemnity for a terminal
17 illness;

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

20 (S) An amount, to the extent included in adjusted
21 gross income, equal to the amount of a contribution
22 made in the taxable year on behalf of the taxpayer to a
23 medical care savings account established under the
24 Medical Care Savings Account Act or the Medical Care
25 Savings Account Act of 2000 to the extent the
26 contribution is accepted by the account administrator

1 as provided in that Act;

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

9 (U) For one taxable year beginning on or after
10 January 1, 1994, an amount equal to the total amount of
11 tax imposed and paid under subsections (a) and (b) of
12 Section 201 of this Act on grant amounts received by
13 the taxpayer under the Nursing Home Grant Assistance
14 Act during the taxpayer's taxable years 1992 and 1993;

15 (V) Beginning with tax years ending on or after
16 December 31, 1995 and ending with tax years ending on
17 or before December 31, 2004, an amount equal to the
18 amount paid by a taxpayer who is a self-employed
19 taxpayer, a partner of a partnership, or a shareholder
20 in a Subchapter S corporation for health insurance or
21 long-term care insurance for that taxpayer or that
22 taxpayer's spouse or dependents, to the extent that
23 the amount paid for that health insurance or long-term
24 care insurance may be deducted under Section 213 of
25 the Internal Revenue Code, has not been deducted on
26 the federal income tax return of the taxpayer, and

1 does not exceed the taxable income attributable to
2 that taxpayer's income, self-employment income, or
3 Subchapter S corporation income; except that no
4 deduction shall be allowed under this item (V) if the
5 taxpayer is eligible to participate in any health
6 insurance or long-term care insurance plan of an
7 employer of the taxpayer or the taxpayer's spouse. The
8 amount of the health insurance and long-term care
9 insurance subtracted under this item (V) shall be
10 determined by multiplying total health insurance and
11 long-term care insurance premiums paid by the taxpayer
12 times a number that represents the fractional
13 percentage of eligible medical expenses under Section
14 213 of the Internal Revenue Code of 1986 not actually
15 deducted on the taxpayer's federal income tax return;

16 (W) For taxable years beginning on or after
17 January 1, 1998, all amounts included in the
18 taxpayer's federal gross income in the taxable year
19 from amounts converted from a regular IRA to a Roth
20 IRA. This paragraph is exempt from the provisions of
21 Section 250;

22 (X) For taxable year 1999 and thereafter, an
23 amount equal to the amount of any (i) distributions,
24 to the extent includible in gross income for federal
25 income tax purposes, made to the taxpayer because of
26 his or her status as a victim of persecution for racial

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

1 for federal income tax purposes. This paragraph is
2 exempt from the provisions of Section 250;

3 (Y) For taxable years beginning on or after
4 January 1, 2002 and ending on or before December 31,
5 2004, moneys contributed in the taxable year to a
6 College Savings Pool account under Section 16.5 of the
7 State Treasurer Act, except that amounts excluded from
8 gross income under Section 529(c)(3)(C)(i) of the
9 Internal Revenue Code shall not be considered moneys
10 contributed under this subparagraph (Y). For taxable
11 years beginning on or after January 1, 2005, a maximum
12 of \$10,000 contributed in the taxable year to (i) a
13 College Savings Pool account under Section 16.5 of the
14 State Treasurer Act or (ii) the Illinois Prepaid
15 Tuition Trust Fund, except that amounts excluded from
16 gross income under Section 529(c)(3)(C)(i) of the
17 Internal Revenue Code shall not be considered moneys
18 contributed under this subparagraph (Y). For purposes
19 of this subparagraph, contributions made by an
20 employer on behalf of an employee, or matching
21 contributions made by an employee, shall be treated as
22 made by the employee. This subparagraph (Y) is exempt
23 from the provisions of Section 250;

24 (Z) 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 (Z) is exempt from the provisions of
26 Section 250;

1 (AA) If the taxpayer sells, transfers, abandons,
2 or otherwise disposes of property for which the
3 taxpayer was required in any taxable year to make an
4 addition modification under subparagraph (D-15), then
5 an amount 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 (Z) and for which the taxpayer was
10 required in any taxable year to make an addition
11 modification under subparagraph (D-15), 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 (AA) is exempt from the
17 provisions of Section 250;

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

21 (CC) 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 that 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 that
10 addition modification. This subparagraph (CC) is
11 exempt from the provisions of Section 250;

12 (DD) 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(a)(2)(D-17) for interest paid, accrued, or
4 incurred, directly or indirectly, to the same person.
5 This subparagraph (DD) is exempt from the provisions
6 of Section 250;

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

1 exempt from the provisions of Section 250;

2 (FF) An amount equal to any amount awarded to the
3 taxpayer during the taxable year by the Court of
4 Claims under subsection (c) of Section 8 of the Court
5 of Claims Act for time unjustly served in a State
6 prison. This subparagraph (FF) is exempt from the
7 provisions of Section 250;

8 (GG) For taxable years ending on or after December
9 31, 2011, in the case of a taxpayer who was required to
10 add back any insurance premiums under Section
11 203(a)(2)(D-19), such taxpayer may elect to subtract
12 that part of a reimbursement received from the
13 insurance company equal to the amount of the expense
14 or loss (including expenses incurred by the insurance
15 company) that would have been taken into account as a
16 deduction for federal income tax purposes if the
17 expense or loss had been uninsured. If a taxpayer
18 makes the election provided for by this subparagraph
19 (GG), the insurer to which the premiums were paid must
20 add back to income the amount subtracted by the
21 taxpayer pursuant to this subparagraph (GG). This
22 subparagraph (GG) is exempt from the provisions of
23 Section 250;

24 (HH) For taxable years beginning on or after
25 January 1, 2018 and prior to January 1, 2028, a maximum
26 of \$10,000 contributed in the taxable year to a

1 qualified ABLE account under Section 16.6 of the State
2 Treasurer Act, except that amounts excluded from gross
3 income under Section 529(c)(3)(C)(i) or Section
4 529A(c)(1)(C) of the Internal Revenue Code shall not
5 be considered moneys contributed under this
6 subparagraph (HH). For purposes of this subparagraph
7 (HH), contributions made by an employer on behalf of
8 an employee, or matching contributions made by an
9 employee, shall be treated as made by the employee;

10 (II) For taxable years that begin on or after
11 January 1, 2021 and begin before January 1, 2026, the
12 amount that is included in the taxpayer's federal
13 adjusted gross income pursuant to Section 61 of the
14 Internal Revenue Code as discharge of indebtedness
15 attributable to student loan forgiveness and that is
16 not excluded from the taxpayer's federal adjusted
17 gross income pursuant to paragraph (5) of subsection
18 (f) of Section 108 of the Internal Revenue Code; ~~and~~

19 (JJ) For taxable years beginning on or after
20 January 1, 2023, for any cannabis establishment
21 operating in this State and licensed under the
22 Cannabis Regulation and Tax Act or any cannabis
23 cultivation center or medical cannabis dispensing
24 organization operating in this State and licensed
25 under the Compassionate Use of Medical Cannabis
26 Program Act, an amount equal to the deductions that

1 were disallowed under Section 280E of the Internal
2 Revenue Code for the taxable year and that would not be
3 added back under this subsection. The provisions of
4 this subparagraph (JJ) are exempt from the provisions
5 of Section 250;~~;~~

6 (KK) ~~(JJ)~~ To the extent includible in gross income
7 for federal income tax purposes, any amount awarded or
8 paid to the taxpayer as a result of a judgment or
9 settlement for fertility fraud as provided in Section
10 15 of the Illinois Fertility Fraud Act, donor
11 fertility fraud as provided in Section 20 of the
12 Illinois Fertility Fraud Act, or similar action in
13 another state; and ~~;~~

14 (LL) For taxable years beginning on or after
15 January 1, 2025, if the taxpayer is a qualified
16 worker, as defined in the Workforce Development
17 through Charitable Loan Repayment Act, an amount equal
18 to the amount included in the taxpayer's federal
19 adjusted gross income that is attributable to student
20 loan repayment assistance received by the taxpayer
21 during the taxable year from a qualified community
22 foundation under the provisions of the Workforce
23 Development Through Charitable Loan Repayment Act.

24 This subparagraph (LL) is exempt from the
25 provisions of Section 250.

1 (b) Corporations.

2 (1) In general. In the case of a corporation, 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 and all distributions
10 received from regulated investment companies during
11 the taxable year to the extent excluded from gross
12 income in the computation of taxable income;

13 (B) An amount equal to the amount of tax imposed by
14 this Act to the extent deducted from gross income in
15 the computation of taxable income for the taxable
16 year;

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

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

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

15 (i) the addition modification relating to the
16 net operating loss carried back or forward to the
17 taxable year from any taxable year ending prior to
18 December 31, 1986 shall be reduced by the amount
19 of addition modification under this subparagraph
20 (E) which related to that net operating loss and
21 which was taken into account in calculating the
22 base income of an earlier taxable year, and

23 (ii) the addition modification relating to the
24 net operating loss carried back or forward to the
25 taxable year from any taxable year ending prior to
26 December 31, 1986 shall not exceed the amount of

1 such carryback or carryforward;

2 For taxable years in which there is a net
3 operating loss carryback or carryforward from more
4 than one other taxable year ending prior to December
5 31, 1986, the addition modification provided in this
6 subparagraph (E) shall be the sum of the amounts
7 computed independently under the preceding provisions
8 of this subparagraph (E) for each such taxable year;

9 (E-5) For taxable years ending after December 31,
10 1997, an amount equal to any eligible remediation
11 costs that the corporation deducted in computing
12 adjusted gross income and for which the corporation
13 claims a credit under subsection (l) of Section 201;

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

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

26 If the taxpayer continues to own property through

1 the last day of the last tax year for which a
2 subtraction is allowed with respect to that property
3 under subparagraph (T) and for which the taxpayer was
4 allowed in any taxable year to make a subtraction
5 modification under subparagraph (T), then an amount
6 equal to that subtraction modification.

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

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

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

11 This paragraph shall not apply to the following:

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

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

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

26 (b) the transaction giving rise to the

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

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

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

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

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

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

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

23 This paragraph shall not apply to the following:

24 (i) any item of intangible expenses or costs
25 paid, accrued, or incurred, directly or
26 indirectly, from a transaction with a person who

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

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

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

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

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

1 writing to the application or use of an
2 alternative method of apportionment under Section
3 304(f);

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

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

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

14 (E-15) For taxable years beginning after December
15 31, 2008, any deduction for dividends paid by a
16 captive real estate investment trust that is allowed
17 to a real estate investment trust under Section
18 857(b)(2)(B) of the Internal Revenue Code for
19 dividends paid;

20 (E-16) 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 (E-17) 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 (E-18) for taxable years beginning after December
3 31, 2018, an amount equal to the deduction allowed
4 under Section 250(a)(1)(A) of the Internal Revenue
5 Code for the taxable year;

6 (E-19) for taxable years ending on or after June
7 30, 2021, an amount equal to the deduction allowed
8 under Section 250(a)(1)(B)(i) of the Internal Revenue
9 Code for the taxable year;

10 (E-20) for taxable years ending on or after June
11 30, 2021, an amount equal to the deduction allowed
12 under Sections 243(e) and 245A(a) of the Internal
13 Revenue Code for the taxable year.

14 and by deducting from the total so obtained the sum of the
15 following amounts:

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

21 (H) In the case of a regulated investment company,
22 an amount equal to the amount of exempt interest
23 dividends as defined in subsection (b)(5) of Section
24 852 of the Internal Revenue Code, paid to shareholders
25 for the taxable year;

26 (I) With the exception of any amounts subtracted

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

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

1 such total which are exempt from taxation by this
2 State either by reason of its statutes or Constitution
3 or by reason of the Constitution, treaties or statutes
4 of the United States; provided that, in the case of any
5 statute of this State that exempts income derived from
6 bonds or other obligations from the tax imposed under
7 this Act, the amount exempted shall be the interest
8 net of bond premium amortization;

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

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

26 (M) For any taxpayer that is a financial

1 organization within the meaning of Section 304(c) of
2 this Act, an amount included in such total as interest
3 income from a loan or loans made by such taxpayer to a
4 borrower, to the extent that such a loan is secured by
5 property which is eligible for the River Edge
6 Redevelopment Zone Investment Credit. To determine the
7 portion of a loan or loans that is secured by property
8 eligible for a Section 201(f) investment credit to the
9 borrower, the entire principal amount of the loan or
10 loans between the taxpayer and the borrower should be
11 divided into the basis of the Section 201(f)
12 investment credit property which secures the loan or
13 loans, using for this purpose the original basis of
14 such property on the date that it was placed in service
15 in the River Edge Redevelopment Zone. The subtraction
16 modification available to the taxpayer in any year
17 under this subsection shall be that portion of the
18 total interest paid by the borrower with respect to
19 such loan attributable to the eligible property as
20 calculated under the previous sentence. This
21 subparagraph (M) is exempt from the provisions of
22 Section 250;

23 (M-1) For any taxpayer that is a financial
24 organization within the meaning of Section 304(c) of
25 this Act, an amount included in such total as interest
26 income from a loan or loans made by such taxpayer to a

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

23 (N) Two times any contribution made during the
24 taxable year to a designated zone organization to the
25 extent that the contribution (i) qualifies as a
26 charitable contribution under subsection (c) of

1 Section 170 of the Internal Revenue Code and (ii)
2 must, by its terms, be used for a project approved by
3 the Department of Commerce and Economic Opportunity
4 under Section 11 of the Illinois Enterprise Zone Act
5 or under Section 10-10 of the River Edge Redevelopment
6 Zone Act. This subparagraph (N) is exempt from the
7 provisions of Section 250;

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

1 included in taxable income and received, including,
2 for taxable years ending on or after December 31,
3 1988, dividends received or deemed received or paid or
4 deemed paid under Sections 951 through 964 of the
5 Internal Revenue Code and including, for taxable years
6 ending on or after December 31, 2008, dividends
7 received from a captive real estate investment trust,
8 from any such corporation specified in clause (i) that
9 would but for the provisions of Section 1504(b)(3) of
10 the Internal Revenue Code be treated as a member of the
11 affiliated group which includes the dividend
12 recipient, exceed the amount of the modification
13 provided under subparagraph (G) of paragraph (2) of
14 this subsection (b) which is related to such
15 dividends. For taxable years ending on or after June
16 30, 2021, (i) for purposes of this subparagraph, the
17 term "dividend" does not include any amount treated as
18 a dividend under Section 1248 of the Internal Revenue
19 Code, and (ii) this subparagraph shall not apply to
20 dividends for which a deduction is allowed under
21 Section 245(a) of the Internal Revenue Code. This
22 subparagraph (O) is exempt from the provisions of
23 Section 250 of this Act;

24 (P) An amount equal to any contribution made to a
25 job training project established pursuant to the Tax
26 Increment Allocation Redevelopment Act;

1 (Q) An amount equal to the amount of the deduction
2 used to compute the federal income tax credit for
3 restoration of substantial amounts held under claim of
4 right for the taxable year pursuant to Section 1341 of
5 the Internal Revenue Code;

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

19 (S) For taxable years ending on or after December
20 31, 1997, in the case of a Subchapter S corporation, an
21 amount equal to all amounts of income allocable to a
22 shareholder subject to the Personal Property Tax
23 Replacement Income Tax imposed by subsections (c) and
24 (d) of Section 201 of this Act, including amounts
25 allocable to organizations exempt from federal income
26 tax by reason of Section 501(a) of the Internal

1 Revenue Code. This subparagraph (S) is exempt from the
2 provisions of Section 250;

3 (T) For taxable years 2001 and thereafter, for the
4 taxable year in which the bonus depreciation deduction
5 is taken on the taxpayer's federal income tax return
6 under subsection (k) of Section 168 of the Internal
7 Revenue Code and for each applicable taxable year
8 thereafter, an amount equal to "x", where:

9 (1) "y" equals the amount of the depreciation
10 deduction taken for the taxable year on the
11 taxpayer's federal income tax return on property
12 for which the bonus depreciation deduction was
13 taken in any year under subsection (k) of Section
14 168 of the Internal Revenue Code, but not
15 including the bonus depreciation deduction;

16 (2) for taxable years ending on or before
17 December 31, 2005, "x" equals "y" multiplied by 30
18 and then divided by 70 (or "y" multiplied by
19 0.429); and

20 (3) for taxable years ending after December
21 31, 2005:

22 (i) for property on which a bonus
23 depreciation deduction of 30% of the adjusted
24 basis was taken, "x" equals "y" multiplied by
25 30 and then divided by 70 (or "y" multiplied
26 by 0.429);

1 (ii) for property on which a bonus
2 depreciation deduction of 50% of the adjusted
3 basis was taken, "x" equals "y" multiplied by
4 1.0;

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

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

24 The aggregate amount deducted under this
25 subparagraph in all taxable years for any one piece of
26 property may not exceed the amount of the bonus

1 depreciation deduction taken on that property on the
2 taxpayer's federal income tax return under subsection
3 (k) of Section 168 of the Internal Revenue Code. This
4 subparagraph (T) is exempt from the provisions of
5 Section 250;

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

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

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

21 This subparagraph (U) is exempt from the
22 provisions of Section 250;

23 (V) The amount of: (i) any interest income (net of
24 the deductions allocable thereto) taken into account
25 for the taxable year with respect to a transaction
26 with a taxpayer that is required to make an addition

1 modification with respect to such transaction under
2 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
3 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
4 the amount of such addition modification, (ii) any
5 income from intangible property (net of the deductions
6 allocable thereto) taken into account for the taxable
7 year with respect to a transaction with a taxpayer
8 that is required to make an addition modification with
9 respect to such transaction under Section
10 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
11 203(d)(2)(D-8), but not to exceed the amount of such
12 addition modification, and (iii) any insurance premium
13 income (net of deductions allocable thereto) taken
14 into account for the taxable year with respect to a
15 transaction with a taxpayer that is required to make
16 an addition modification with respect to such
17 transaction under Section 203(a)(2)(D-19), Section
18 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
19 203(d)(2)(D-9), but not to exceed the amount of that
20 addition modification. This subparagraph (V) is exempt
21 from the provisions of Section 250;

22 (W) An amount equal to the interest income taken
23 into account for the taxable year (net of the
24 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(b)(2)(E-12) for interest paid, accrued, or
14 incurred, directly or indirectly, to the same person.
15 This subparagraph (W) is exempt from the provisions of
16 Section 250;

17 (X) An amount equal to the income from intangible
18 property taken into account for the taxable year (net
19 of the 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-13) for intangible expenses and costs
9 paid, accrued, or incurred, directly or indirectly, to
10 the same foreign person. This subparagraph (X) is
11 exempt from the provisions of Section 250;

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

1 Section 250;

2 (Z) The difference between the nondeductible
3 controlled foreign corporation dividends under Section
4 965(e)(3) of the Internal Revenue Code over the
5 taxable income of the taxpayer, computed without
6 regard to Section 965(e)(2)(A) of the Internal Revenue
7 Code, and without regard to any net operating loss
8 deduction. This subparagraph (Z) is exempt from the
9 provisions of Section 250; and

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

23 (3) Special rule. For purposes of paragraph (2)(A),
24 "gross income" in the case of a life insurance company,
25 for tax years ending on and after December 31, 1994, and
26 prior to December 31, 2011, shall mean the gross

1 investment income for the taxable year and, for tax years
2 ending on or after December 31, 2011, shall mean all
3 amounts included in life insurance gross income under
4 Section 803(a)(3) of the Internal Revenue Code.

5 (c) Trusts and estates.

6 (1) In general. In the case of a trust or estate, base
7 income means an amount equal to the taxpayer's taxable
8 income for the taxable year as modified by paragraph (2).

9 (2) Modifications. Subject to the provisions of
10 paragraph (3), the taxable income referred to in paragraph
11 (1) shall be modified by adding thereto the sum of the
12 following amounts:

13 (A) An amount equal to all amounts paid or accrued
14 to the taxpayer as interest or dividends during the
15 taxable year to the extent excluded from gross income
16 in the computation of taxable income;

17 (B) In the case of (i) an estate, \$600; (ii) a
18 trust which, under its governing instrument, is
19 required to distribute all of its income currently,
20 \$300; and (iii) any other trust, \$100, but in each such
21 case, only to the extent such amount was deducted in
22 the computation of taxable income;

23 (C) An amount equal to the amount of tax imposed by
24 this Act to the extent deducted from gross income in
25 the computation of taxable income for the taxable

1 year;

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

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

16 (i) the addition modification relating to the
17 net operating loss carried back or forward to the
18 taxable year from any taxable year ending prior to
19 December 31, 1986 shall be reduced by the amount
20 of addition modification under this subparagraph
21 (E) which related to that net operating loss and
22 which was taken into account in calculating the
23 base income of an earlier taxable year, and

24 (ii) the addition modification relating to the
25 net operating loss carried back or forward to the
26 taxable year from any taxable year ending prior to

1 December 31, 1986 shall not exceed the amount of
2 such carryback or carryforward;

3 For taxable years in which there is a net
4 operating loss carryback or carryforward from more
5 than one other taxable year ending prior to December
6 31, 1986, the addition modification provided in this
7 subparagraph (E) shall be the sum of the amounts
8 computed independently under the preceding provisions
9 of this subparagraph (E) for each such taxable year;

10 (F) For taxable years ending on or after January
11 1, 1989, an amount equal to the tax deducted pursuant
12 to Section 164 of the Internal Revenue Code if the
13 trust or estate is claiming the same tax for purposes
14 of the Illinois foreign tax credit under Section 601
15 of this Act;

16 (G) An amount equal to the amount of the capital
17 gain deduction allowable under the Internal Revenue
18 Code, to the extent deducted from gross income in the
19 computation of taxable income;

20 (G-5) For taxable years ending after December 31,
21 1997, an amount equal to any eligible remediation
22 costs that the trust or estate deducted in computing
23 adjusted gross income and for which the trust or
24 estate claims a credit under subsection (1) of Section
25 201;

26 (G-10) For taxable years 2001 and thereafter, an

1 amount equal to the bonus depreciation deduction taken
2 on the taxpayer's federal income tax return for the
3 taxable year under subsection (k) of Section 168 of
4 the Internal Revenue Code; and

5 (G-11) If the taxpayer sells, transfers, abandons,
6 or otherwise disposes of property for which the
7 taxpayer was required in any taxable year to make an
8 addition modification under subparagraph (G-10), then
9 an amount equal to the aggregate amount of the
10 deductions taken in all taxable years under
11 subparagraph (R) with respect to that property.

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

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

22 (G-12) An amount equal to the amount otherwise
23 allowed as a deduction in computing base income for
24 interest paid, accrued, or incurred, directly or
25 indirectly, (i) for taxable years ending on or after
26 December 31, 2004, to a foreign person who would be a

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

23 This paragraph shall not apply to the following:

24 (i) an item of interest paid, accrued, or
25 incurred, directly or indirectly, to a person who
26 is subject in a foreign country or state, other

1 than a state which requires mandatory unitary
2 reporting, to a tax on or measured by net income
3 with respect to such interest; or

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

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

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

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

26 (iv) an item of interest paid, accrued, or

1 incurred, directly or indirectly, to a person if
2 the taxpayer establishes by clear and convincing
3 evidence that the adjustments are unreasonable; or
4 if the taxpayer and the Director agree in writing
5 to the application or use of an alternative method
6 of apportionment under Section 304(f).

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

16 (G-13) An amount equal to the amount of intangible
17 expenses and costs otherwise allowed as a deduction in
18 computing base income, and that were paid, accrued, or
19 incurred, directly or indirectly, (i) for taxable
20 years ending on or after December 31, 2004, to a
21 foreign person who would be a member of the same
22 unitary business group but for the fact that the
23 foreign person's business activity outside the United
24 States is 80% or more of that person's total business
25 activity and (ii) for taxable years ending on or after
26 December 31, 2008, to a person who would be a member of

1 the same unitary business group but for the fact that
2 the person is prohibited under Section 1501(a)(27)
3 from being included in the unitary business group
4 because he or she is ordinarily required to apportion
5 business income under different subsections of Section
6 304. The addition modification required by this
7 subparagraph shall be reduced to the extent that
8 dividends were included in base income of the unitary
9 group for the same taxable year and received by the
10 taxpayer or by a member of the taxpayer's unitary
11 business group (including amounts included in gross
12 income pursuant to Sections 951 through 964 of the
13 Internal Revenue Code and amounts included in gross
14 income under Section 78 of the Internal Revenue Code)
15 with respect to the stock of the same person to whom
16 the intangible expenses and costs were directly or
17 indirectly paid, incurred, or accrued. The preceding
18 sentence shall not apply to the extent that the same
19 dividends caused a reduction to the addition
20 modification required under Section 203(c)(2)(G-12) of
21 this Act. As used in this subparagraph, the term
22 "intangible expenses and costs" includes: (1)
23 expenses, losses, and costs for or related to the
24 direct or indirect acquisition, use, maintenance or
25 management, ownership, sale, exchange, or any other
26 disposition of intangible property; (2) losses

1 incurred, directly or indirectly, from factoring
2 transactions or discounting transactions; (3) royalty,
3 patent, technical, and copyright fees; (4) licensing
4 fees; and (5) other similar expenses and costs. For
5 purposes of this subparagraph, "intangible property"
6 includes patents, patent applications, trade names,
7 trademarks, service marks, copyrights, mask works,
8 trade secrets, and similar types of intangible assets.

9 This paragraph shall not apply to the following:

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

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

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

26 (b) the transaction giving rise to the

1 intangible expense or cost between the
2 taxpayer and the person did not have as a
3 principal purpose the avoidance of Illinois
4 income tax, and is paid pursuant to a contract
5 or agreement that reflects arm's-length terms;
6 or

7 (iii) any item of intangible expense or cost
8 paid, accrued, or incurred, directly or
9 indirectly, from a transaction with a person if
10 the taxpayer establishes by clear and convincing
11 evidence, that the adjustments are unreasonable;
12 or if the taxpayer and the Director agree in
13 writing to the application or use of an
14 alternative method of apportionment under Section
15 304(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 (G-14) For taxable years ending on or after
26 December 31, 2008, an amount equal to the amount of

1 insurance premium expenses and costs otherwise allowed
2 as a deduction in computing base income, and that were
3 paid, accrued, or incurred, directly or indirectly, to
4 a person who would be a member of the same unitary
5 business group but for the fact that the person is
6 prohibited under Section 1501(a)(27) from being
7 included in the unitary business group because he or
8 she is ordinarily required to apportion business
9 income under different subsections of Section 304. The
10 addition modification required by this subparagraph
11 shall be reduced to the extent that dividends were
12 included in base income of the unitary group for the
13 same taxable year and received by the taxpayer or by a
14 member of the taxpayer's unitary business group
15 (including amounts included in gross income under
16 Sections 951 through 964 of the Internal Revenue Code
17 and amounts included in gross income under Section 78
18 of the Internal Revenue Code) with respect to the
19 stock of the same person to whom the premiums and costs
20 were directly or indirectly paid, incurred, or
21 accrued. The preceding sentence does not apply to the
22 extent that the same dividends caused a reduction to
23 the addition modification required under Section
24 203(c)(2)(G-12) or Section 203(c)(2)(G-13) of this
25 Act;

26 (G-15) An amount equal to the credit allowable to

1 the taxpayer under Section 218(a) of this Act,
2 determined without regard to Section 218(c) of this
3 Act;

4 (G-16) For taxable years ending on or after
5 December 31, 2017, an amount equal to the deduction
6 allowed under Section 199 of the Internal Revenue Code
7 for the taxable year;

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

10 (H) An amount equal to all amounts included in
11 such total pursuant to the provisions of Sections
12 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and 408
13 of the Internal Revenue Code or included in such total
14 as distributions under the provisions of any
15 retirement or disability plan for employees of any
16 governmental agency or unit, or retirement payments to
17 retired partners, which payments are excluded in
18 computing net earnings from self employment by Section
19 1402 of the Internal Revenue Code and regulations
20 adopted pursuant thereto;

21 (I) The valuation limitation amount;

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

25 (K) An amount equal to all amounts included in
26 taxable income as modified by subparagraphs (A), (B),

1 (C), (D), (E), (F) and (G) which are exempt from
2 taxation by this State either by reason of its
3 statutes or Constitution or by reason of the
4 Constitution, treaties or statutes of the United
5 States; provided that, in the case of any statute of
6 this State that exempts income derived from bonds or
7 other obligations from the tax imposed under this Act,
8 the amount exempted shall be the interest net of bond
9 premium amortization;

10 (L) With the exception of any amounts subtracted
11 under subparagraph (K), an amount equal to the sum of
12 all amounts disallowed as deductions by (i) Sections
13 171(a)(2) and 265(a)(2) of the Internal Revenue Code,
14 and all amounts of expenses allocable to interest and
15 disallowed as deductions by Section 265(a)(1) of the
16 Internal Revenue Code; and (ii) for taxable years
17 ending on or after August 13, 1999, Sections
18 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
19 Internal Revenue Code, plus, (iii) for taxable years
20 ending on or after December 31, 2011, Section
21 45G(e)(3) of the Internal Revenue Code and, for
22 taxable years ending on or after December 31, 2008,
23 any amount included in gross income under Section 87
24 of the Internal Revenue Code; the provisions of this
25 subparagraph are exempt from the provisions of Section
26 250;

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

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

12 (O) 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 (M) of paragraph (2) of this subsection
19 shall not be eligible for the deduction provided under
20 this subparagraph (O);

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

26 (Q) For taxable year 1999 and thereafter, an

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

1 regime or as an heir of the victim. The amount of and
2 the eligibility for any public assistance, benefit, or
3 similar entitlement is not affected by the inclusion
4 of items (i) and (ii) of this paragraph in gross income
5 for federal income tax purposes. This paragraph is
6 exempt from the provisions of Section 250;

7 (R) For taxable years 2001 and thereafter, for the
8 taxable year in which the bonus depreciation deduction
9 is taken on the taxpayer's federal income tax return
10 under subsection (k) of Section 168 of the Internal
11 Revenue Code and for each applicable taxable year
12 thereafter, an amount equal to "x", where:

13 (1) "y" equals the amount of the depreciation
14 deduction taken for the taxable year on the
15 taxpayer's federal income tax return on property
16 for which the bonus depreciation deduction was
17 taken in any year under subsection (k) of Section
18 168 of the Internal Revenue Code, but not
19 including the bonus depreciation deduction;

20 (2) for taxable years ending on or before
21 December 31, 2005, "x" equals "y" multiplied by 30
22 and then divided by 70 (or "y" multiplied by
23 0.429); and

24 (3) for taxable years ending after December
25 31, 2005:

26 (i) for property on which a bonus

1 depreciation deduction of 30% of the adjusted
2 basis was taken, "x" equals "y" multiplied by
3 30 and then divided by 70 (or "y" multiplied
4 by 0.429);

5 (ii) for property on which a bonus
6 depreciation deduction of 50% of the adjusted
7 basis was taken, "x" equals "y" multiplied by
8 1.0;

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

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

1 (that is, $100(1-\text{bonus}\%)$).

2 The aggregate amount deducted under this
3 subparagraph in all taxable years for any one piece of
4 property may not exceed the amount of the bonus
5 depreciation deduction taken on that property on the
6 taxpayer's federal income tax return under subsection
7 (k) of Section 168 of the Internal Revenue Code. This
8 subparagraph (R) is exempt from the provisions of
9 Section 250;

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

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

22 The taxpayer is allowed to take the deduction
23 under this subparagraph only once with respect to any
24 one piece of property.

25 This subparagraph (S) is exempt from the
26 provisions of Section 250;

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

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

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

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

7 (W) in the case of an estate, an amount equal to
8 all amounts included in such total pursuant to the
9 provisions of Section 111 of the Internal Revenue Code
10 as a recovery of items previously deducted by the
11 decedent from adjusted gross income in the computation
12 of taxable income. This subparagraph (W) is exempt
13 from Section 250;

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

19 (Y) For taxable years ending on or after December
20 31, 2011, in the case of a taxpayer who was required to
21 add back any insurance premiums under Section
22 203(c)(2)(G-14), such taxpayer may elect to subtract
23 that part of a reimbursement received from the
24 insurance company equal to the amount of the expense
25 or loss (including expenses incurred by the insurance
26 company) that would have been taken into account as a

1 deduction for federal income tax purposes if the
2 expense or loss had been uninsured. If a taxpayer
3 makes the election provided for by this subparagraph
4 (Y), the insurer to which the premiums were paid must
5 add back to income the amount subtracted by the
6 taxpayer pursuant to this subparagraph (Y). This
7 subparagraph (Y) is exempt from the provisions of
8 Section 250;

9 (Z) For taxable years beginning after December 31,
10 2018 and before January 1, 2026, the amount of excess
11 business loss of the taxpayer disallowed as a
12 deduction by Section 461(1)(1)(B) of the Internal
13 Revenue Code; and

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

1 (3) Limitation. The amount of any modification
2 otherwise required under this subsection shall, under
3 regulations prescribed by the Department, be adjusted by
4 any amounts included therein which were properly paid,
5 credited, or required to be distributed, or permanently
6 set aside for charitable purposes pursuant to Internal
7 Revenue Code Section 642(c) during the taxable year.

8 (d) Partnerships.

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

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

15 (A) An amount equal to all amounts paid or accrued
16 to the taxpayer as interest or dividends during the
17 taxable year to the extent excluded from gross income
18 in the computation of taxable income;

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

22 (C) The amount of deductions allowed to the
23 partnership pursuant to Section 707 (c) of the
24 Internal Revenue Code in calculating its taxable
25 income;

1 (D) An amount equal to the amount of the capital
2 gain deduction allowable under the Internal Revenue
3 Code, to the extent deducted from gross income in the
4 computation of taxable income;

5 (D-5) For taxable years 2001 and thereafter, an
6 amount equal to the bonus depreciation deduction taken
7 on the taxpayer's federal income tax return for the
8 taxable year under subsection (k) of Section 168 of
9 the Internal Revenue Code;

10 (D-6) If the taxpayer sells, transfers, abandons,
11 or otherwise disposes of property for which the
12 taxpayer was required in any taxable year to make an
13 addition modification under subparagraph (D-5), then
14 an amount equal to the aggregate amount of the
15 deductions taken in all taxable years under
16 subparagraph (O) with respect to that property.

17 If the taxpayer continues to own property through
18 the last day of the last tax year for which a
19 subtraction is allowed with respect to that property
20 under subparagraph (O) and for which the taxpayer was
21 allowed in any taxable year to make a subtraction
22 modification under subparagraph (O), then an amount
23 equal to that subtraction modification.

24 The taxpayer is required to make the addition
25 modification under this subparagraph only once with
26 respect to any one piece of property;

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

1 accrued, or incurred.

2 This paragraph shall not apply to the following:

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

9 (ii) an item of interest paid, accrued, or
10 incurred, directly or indirectly, to a person if
11 the taxpayer can establish, based on a
12 preponderance of the evidence, both of the
13 following:

14 (a) the person, during the same taxable
15 year, paid, accrued, or incurred, the interest
16 to a person that is not a related member, and

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

24 (iii) the taxpayer can establish, based on
25 clear and convincing evidence, that the interest
26 paid, accrued, or incurred relates to a contract

1 or agreement entered into at arm's-length rates
2 and terms and the principal purpose for the
3 payment is not federal or Illinois tax avoidance;
4 or

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

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

21 (D-8) An amount equal to the amount of intangible
22 expenses and costs otherwise allowed as a deduction in
23 computing base income, and that were paid, accrued, or
24 incurred, directly or indirectly, (i) for taxable
25 years ending on or after December 31, 2004, to a
26 foreign person who would be a member of the same

1 unitary business group but for the fact that the
2 foreign person's business activity outside the United
3 States is 80% or more of that person's total business
4 activity and (ii) for taxable years ending on or after
5 December 31, 2008, to a person who would be a member of
6 the same unitary business group but for the fact that
7 the person is prohibited under Section 1501(a)(27)
8 from being included in the unitary business group
9 because he or she is ordinarily required to apportion
10 business income under different subsections of Section
11 304. The addition modification required by this
12 subparagraph shall be reduced to the extent that
13 dividends were included in base income of the unitary
14 group for the same taxable year and received by the
15 taxpayer or by a member of the taxpayer's unitary
16 business group (including amounts included in gross
17 income pursuant to Sections 951 through 964 of the
18 Internal Revenue Code and amounts included in gross
19 income under Section 78 of the Internal Revenue Code)
20 with respect to the stock of the same person to whom
21 the intangible expenses and costs were directly or
22 indirectly paid, incurred or accrued. The preceding
23 sentence shall not apply to the extent that the same
24 dividends caused a reduction to the addition
25 modification required under Section 203(d)(2)(D-7) of
26 this Act. As used in this subparagraph, the term

1 "intangible expenses and costs" includes (1) expenses,
2 losses, and costs for, or related to, the direct or
3 indirect acquisition, use, maintenance or management,
4 ownership, sale, exchange, or any other disposition of
5 intangible property; (2) losses incurred, directly or
6 indirectly, from factoring transactions or discounting
7 transactions; (3) royalty, patent, technical, and
8 copyright fees; (4) licensing fees; and (5) other
9 similar expenses and costs. For purposes of this
10 subparagraph, "intangible property" includes patents,
11 patent applications, trade names, trademarks, service
12 marks, copyrights, mask works, trade secrets, and
13 similar types of intangible assets;

14 This paragraph shall not apply to the following:

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

22 (ii) any item of intangible expense or cost
23 paid, accrued, or incurred, directly or
24 indirectly, if the taxpayer can establish, based
25 on a preponderance of the evidence, both of the
26 following:

1 (a) the person during the same taxable
2 year paid, accrued, or incurred, the
3 intangible expense or cost to a person that is
4 not a related member, and

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

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

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

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

4 (D-9) For taxable years ending on or after
5 December 31, 2008, an amount equal to the amount of
6 insurance premium expenses and costs otherwise allowed
7 as a deduction in computing base income, and that were
8 paid, accrued, or incurred, directly or indirectly, to
9 a person who would be a member of the same unitary
10 business group but for the fact that the person is
11 prohibited under Section 1501(a)(27) from being
12 included in the unitary business group because he or
13 she is ordinarily required to apportion business
14 income under different subsections of Section 304. The
15 addition modification required by this subparagraph
16 shall be reduced to the extent that dividends were
17 included in base income of the unitary group for the
18 same taxable year and received by the taxpayer or by a
19 member of the taxpayer's unitary business group
20 (including amounts included in gross income under
21 Sections 951 through 964 of the Internal Revenue Code
22 and amounts included in gross income under Section 78
23 of the Internal Revenue Code) with respect to the
24 stock of the same person to whom the premiums and costs
25 were directly or indirectly paid, incurred, or
26 accrued. The preceding sentence does not apply to the

1 extent that the same dividends caused a reduction to
2 the addition modification required under Section
3 203(d) (2) (D-7) or Section 203(d) (2) (D-8) of this Act;

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

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

12 and by deducting from the total so obtained the following
13 amounts:

14 (E) The valuation limitation amount;

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

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

1 net of bond premium amortization;

2 (H) Any income of the partnership which
3 constitutes personal service income as defined in
4 Section 1348(b)(1) of the Internal Revenue Code (as in
5 effect December 31, 1981) or a reasonable allowance
6 for compensation paid or accrued for services rendered
7 by partners to the partnership, whichever is greater;
8 this subparagraph (H) is exempt from the provisions of
9 Section 250;

10 (I) An amount equal to all amounts of income
11 distributable to an entity subject to the Personal
12 Property Tax Replacement Income Tax imposed by
13 subsections (c) and (d) of Section 201 of this Act
14 including amounts distributable to organizations
15 exempt from federal income tax by reason of Section
16 501(a) of the Internal Revenue Code; this subparagraph
17 (I) is exempt from the provisions of Section 250;

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

1 Internal Revenue Code, plus, (iii) for taxable years
2 ending on or after December 31, 2011, Section
3 45G(e)(3) of the Internal Revenue Code and, for
4 taxable years ending on or after December 31, 2008,
5 any amount included in gross income under Section 87
6 of the Internal Revenue Code; the provisions of this
7 subparagraph are exempt from the provisions of Section
8 250;

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

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

20 (M) An amount equal to those dividends included in
21 such total that were paid by a corporation that
22 conducts business operations in a federally designated
23 Foreign Trade Zone or Sub-Zone and that is designated
24 a High Impact Business located in Illinois; provided
25 that dividends eligible for the deduction provided in
26 subparagraph (K) of paragraph (2) of this subsection

1 shall not be eligible for the deduction provided under
2 this subparagraph (M);

3 (N) An amount equal to the amount of the deduction
4 used to compute the federal income tax credit for
5 restoration of substantial amounts held under claim of
6 right for the taxable year pursuant to Section 1341 of
7 the Internal Revenue Code;

8 (O) For taxable years 2001 and thereafter, for the
9 taxable year in which the bonus depreciation deduction
10 is taken on the taxpayer's federal income tax return
11 under subsection (k) of Section 168 of the Internal
12 Revenue Code and for each applicable taxable year
13 thereafter, an amount equal to "x", where:

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

21 (2) for taxable years ending on or before
22 December 31, 2005, "x" equals "y" multiplied by 30
23 and then divided by 70 (or "y" multiplied by
24 0.429); and

25 (3) for taxable years ending after December
26 31, 2005:

1 (i) for property on which a bonus
2 depreciation deduction of 30% of the adjusted
3 basis was taken, "x" equals "y" multiplied by
4 30 and then divided by 70 (or "y" multiplied
5 by 0.429);

6 (ii) for property on which a bonus
7 depreciation deduction of 50% of the adjusted
8 basis was taken, "x" equals "y" multiplied by
9 1.0;

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

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

1 percentage bonus depreciation on the property
2 (that is, $100(1-\text{bonus}\%)$).

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

11 (P) If the taxpayer sells, transfers, abandons, or
12 otherwise disposes of property for which the taxpayer
13 was 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 If the taxpayer continues to own property through
17 the last day of the last tax year for which a
18 subtraction is allowed with respect to that property
19 under subparagraph (O) and for which the taxpayer was
20 required in any taxable year to make an addition
21 modification under subparagraph (D-5), then an amount
22 equal to that addition modification.

23 The taxpayer is allowed to take the deduction
24 under this subparagraph only once with respect to any
25 one piece of property.

26 This subparagraph (P) is exempt from the

1 provisions of Section 250;

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

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

1 taxable years ending on or after December 31, 2008, 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, but
8 not to exceed the addition modification required to be
9 made for the same taxable year under Section
10 203(d)(2)(D-7) for interest paid, accrued, or
11 incurred, directly or indirectly, to the same person.
12 This subparagraph (R) is exempt from Section 250;

13 (S) An amount equal to the income from intangible
14 property taken into account for the taxable year (net
15 of the deductions allocable thereto) with respect to
16 transactions with (i) a foreign person who would be a
17 member of the taxpayer's unitary business group but
18 for the fact that the foreign person's business
19 activity outside the United States is 80% or more of
20 that person's total business activity and (ii) for
21 taxable years ending on or after December 31, 2008, to
22 a person who would be a member of the same unitary
23 business group but for the fact that the person is
24 prohibited under Section 1501(a)(27) from being
25 included in the unitary business group because he or
26 she is ordinarily required to apportion business

1 income under different subsections of Section 304, but
2 not to exceed the addition modification required to be
3 made for the same taxable year under Section
4 203(d)(2)(D-8) for intangible expenses and costs paid,
5 accrued, or incurred, directly or indirectly, to the
6 same person. This subparagraph (S) is exempt from
7 Section 250;

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

24 (U) For taxable years beginning on or after
25 January 1, 2023, for any cannabis establishment
26 operating in this State and licensed under the

1 Cannabis Regulation and Tax Act or any cannabis
2 cultivation center or medical cannabis dispensing
3 organization operating in this State and licensed
4 under the Compassionate Use of Medical Cannabis
5 Program Act, an amount equal to the deductions that
6 were disallowed under Section 280E of the Internal
7 Revenue Code for the taxable year and that would not be
8 added back under this subsection. The provisions of
9 this subparagraph (U) are exempt from the provisions
10 of Section 250.

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

12 (1) In general. Subject to the provisions of paragraph
13 (2) and subsection (b)(3), for purposes of this Section
14 and Section 803(e), a taxpayer's gross income, adjusted
15 gross income, or taxable income for the taxable year shall
16 mean the amount of gross income, adjusted gross income or
17 taxable income properly reportable for federal income tax
18 purposes for the taxable year under the provisions of the
19 Internal Revenue Code. Taxable income may be less than
20 zero. However, for taxable years ending on or after
21 December 31, 1986, net operating loss carryforwards from
22 taxable years ending prior to December 31, 1986, may not
23 exceed the sum of federal taxable income for the taxable
24 year before net operating loss deduction, plus the excess
25 of addition modifications over subtraction modifications

1 for the taxable year. For taxable years ending prior to
2 December 31, 1986, taxable income may never be an amount
3 in excess of the net operating loss for the taxable year as
4 defined in subsections (c) and (d) of Section 172 of the
5 Internal Revenue Code, provided that when taxable income
6 of a corporation (other than a Subchapter S corporation),
7 trust, or estate is less than zero and addition
8 modifications, other than those provided by subparagraph
9 (E) of paragraph (2) of subsection (b) for corporations or
10 subparagraph (E) of paragraph (2) of subsection (c) for
11 trusts and estates, exceed subtraction modifications, an
12 addition modification must be made under those
13 subparagraphs for any other taxable year to which the
14 taxable income less than zero (net operating loss) is
15 applied under Section 172 of the Internal Revenue Code or
16 under subparagraph (E) of paragraph (2) of this subsection
17 (e) applied in conjunction with Section 172 of the
18 Internal Revenue Code.

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

22 (A) Certain life insurance companies. In the case
23 of a life insurance company subject to the tax imposed
24 by Section 801 of the Internal Revenue Code, life
25 insurance company taxable income, plus the amount of
26 distribution from pre-1984 policyholder surplus

1 accounts as calculated under Section 815a of the
2 Internal Revenue Code;

3 (B) Certain other insurance companies. In the case
4 of mutual insurance companies subject to the tax
5 imposed by Section 831 of the Internal Revenue Code,
6 insurance company taxable income;

7 (C) Regulated investment companies. In the case of
8 a regulated investment company subject to the tax
9 imposed by Section 852 of the Internal Revenue Code,
10 investment company taxable income;

11 (D) Real estate investment trusts. In the case of
12 a real estate investment trust subject to the tax
13 imposed by Section 857 of the Internal Revenue Code,
14 real estate investment trust taxable income;

15 (E) Consolidated corporations. In the case of a
16 corporation which is a member of an affiliated group
17 of corporations filing a consolidated income tax
18 return for the taxable year for federal income tax
19 purposes, taxable income determined as if such
20 corporation had filed a separate return for federal
21 income tax purposes for the taxable year and each
22 preceding taxable year for which it was a member of an
23 affiliated group. For purposes of this subparagraph,
24 the taxpayer's separate taxable income shall be
25 determined as if the election provided by Section
26 243(b)(2) of the Internal Revenue Code had been in

1 effect for all such years;

2 (F) Cooperatives. In the case of a cooperative
3 corporation or association, the taxable income of such
4 organization determined in accordance with the
5 provisions of Section 1381 through 1388 of the
6 Internal Revenue Code, but without regard to the
7 prohibition against offsetting losses from patronage
8 activities against income from nonpatronage
9 activities; except that a cooperative corporation or
10 association may make an election to follow its federal
11 income tax treatment of patronage losses and
12 nonpatronage losses. In the event such election is
13 made, such losses shall be computed and carried over
14 in a manner consistent with subsection (a) of Section
15 207 of this Act and apportioned by the apportionment
16 factor reported by the cooperative on its Illinois
17 income tax return filed for the taxable year in which
18 the losses are incurred. The election shall be
19 effective for all taxable years with original returns
20 due on or after the date of the election. In addition,
21 the cooperative may file an amended return or returns,
22 as allowed under this Act, to provide that the
23 election shall be effective for losses incurred or
24 carried forward for taxable years occurring prior to
25 the date of the election. Once made, the election may
26 only be revoked upon approval of the Director. The

1 Department shall adopt rules setting forth
2 requirements for documenting the elections and any
3 resulting Illinois net loss and the standards to be
4 used by the Director in evaluating requests to revoke
5 elections. Public Act 96-932 is declaratory of
6 existing law;

7 (G) Subchapter S corporations. In the case of: (i)
8 a Subchapter S corporation for which there is in
9 effect an election for the taxable year under Section
10 1362 of the Internal Revenue Code, the taxable income
11 of such corporation determined in accordance with
12 Section 1363(b) of the Internal Revenue Code, except
13 that taxable income shall take into account those
14 items which are required by Section 1363(b)(1) of the
15 Internal Revenue Code to be separately stated; and
16 (ii) a Subchapter S corporation for which there is in
17 effect a federal election to opt out of the provisions
18 of the Subchapter S Revision Act of 1982 and have
19 applied instead the prior federal Subchapter S rules
20 as in effect on July 1, 1982, the taxable income of
21 such corporation determined in accordance with the
22 federal Subchapter S rules as in effect on July 1,
23 1982; and

24 (H) Partnerships. In the case of a partnership,
25 taxable income determined in accordance with Section
26 703 of the Internal Revenue Code, except that taxable

1 income shall take into account those items which are
2 required by Section 703(a)(1) to be separately stated
3 but which would be taken into account by an individual
4 in calculating his taxable income.

5 (3) Recapture of business expenses on disposition of
6 asset or business. Notwithstanding any other law to the
7 contrary, if in prior years income from an asset or
8 business has been classified as business income and in a
9 later year is demonstrated to be non-business income, then
10 all expenses, without limitation, deducted in such later
11 year and in the 2 immediately preceding taxable years
12 related to that asset or business that generated the
13 non-business income shall be added back and recaptured as
14 business income in the year of the disposition of the
15 asset or business. Such amount shall be apportioned to
16 Illinois using the greater of the apportionment fraction
17 computed for the business under Section 304 of this Act
18 for the taxable year or the average of the apportionment
19 fractions computed for the business under Section 304 of
20 this Act for the taxable year and for the 2 immediately
21 preceding taxable years.

22 (f) Valuation limitation amount.

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

1 (A) The sum of the pre-August 1, 1969 appreciation
2 amounts (to the extent consisting of gain reportable
3 under the provisions of Section 1245 or 1250 of the
4 Internal Revenue Code) for all property in respect of
5 which such gain was reported for the taxable year;
6 plus

7 (B) The lesser of (i) the sum of the pre-August 1,
8 1969 appreciation amounts (to the extent consisting of
9 capital gain) for all property in respect of which
10 such gain was reported for federal income tax purposes
11 for the taxable year, or (ii) the net capital gain for
12 the taxable year, reduced in either case by any amount
13 of such gain included in the amount determined under
14 subsection (a) (2) (F) or (c) (2) (H).

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

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

1 (B) If the fair market value of property referred
2 to in paragraph (1) was not readily ascertainable on
3 August 1, 1969, the pre-August 1, 1969 appreciation
4 amount for such property is that amount which bears
5 the same ratio to the total gain reported in respect of
6 the property for federal income tax purposes for the
7 taxable year, as the number of full calendar months in
8 that part of the taxpayer's holding period for the
9 property ending July 31, 1969 bears to the number of
10 full calendar months in the taxpayer's entire holding
11 period for the property.

12 (C) The Department shall prescribe such
13 regulations as may be necessary to carry out the
14 purposes of this paragraph.

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

18 (h) Legislative intention. Except as expressly provided by
19 this Section there shall be no modifications or limitations on
20 the amounts of income, gain, loss or deduction taken into
21 account in determining gross income, adjusted gross income or
22 taxable income for federal income tax purposes for the taxable
23 year, or in the amount of such items entering into the
24 computation of base income and net income under this Act for

1 such taxable year, whether in respect of property values as of
2 August 1, 1969 or otherwise.

3 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
4 102-658, eff. 8-27-21; 102-813, eff. 5-13-22; 102-1112, eff.
5 12-21-22; 103-8, eff. 6-7-23; 103-478, eff. 1-1-24; revised
6 9-26-23.)

7 Section 999. Effective date. This Act takes effect upon
8 becoming law.".