

1 AN ACT concerning taxes.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 213 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Paid family leave tax credit.

8 (a) Beginning with taxable years ending on or after
9 December 31, 2003, each taxpayer that is an employer is
10 entitled to a credit against the tax imposed by subsections
11 (a) and (b) of Section 201 in the amount of 50% of the salary
12 or wage costs incurred during the taxable year in granting
13 paid family leave to any employee. The amount of the credit
14 shall not exceed \$2,000 per employee per year. The tax credit
15 may not reduce the taxpayer's liability to less than zero.
16 This Section is exempt from the provisions of Section 250 of
17 this Act.

18 (b) If the amount of the credit exceeds the tax
19 liability for the year, the excess may be carried forward and
20 applied to the tax liability of the 5 taxable years following
21 the excess credit year. The credit shall be applied to the
22 earliest year for which there is a tax liability. If there
23 are credits from more than one tax year that are available to
24 offset a liability, the earlier credit shall be applied
25 first.

26 (c) As used in this Section:

27 "Employee" means a person who performs services for hire
28 for not fewer than 6 consecutive months for the taxpayer for
29 whom a tax credit is sought under this Section.

30 "Family leave" means a total not to exceed 4 weeks of
31 paid leave during any calendar year for:

1 (1) the birth of a child of the employee or the
2 adoption of a child;

3 (2) the care of the employee's child, spouse, or
4 parent with a serious health condition; and

5 (3) up to 2 parent-teacher conferences per year,
6 not to exceed 4 hours total.

7 "Salary or wage costs" means all amounts paid by the
8 employer to or on behalf of the employee, including salary or
9 wages, payroll taxes, and benefits, such as life insurance,
10 health insurance, and pension contributions.

11 "Serious health condition" means a physical or mental
12 condition that warrants the participation of the employee to
13 provide care during the period of treatment or supervision by
14 a health care provider and:

15 (1) involves inpatient care in a hospital, hospice,
16 or residential health care facility; or

17 (2) requires continuing treatment or continuing
18 supervision by a health care provider.