

1 AN ACT concerning income tax.

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 changing Section 210.5 as follows:

6 (35 ILCS 5/210.5)

7 Sec. 210.5. Tax credit for employee child care.

8 (a) Each corporate taxpayer is entitled to a credit  
9 against the tax imposed by subsections (a) and (b) of Section  
10 201 in an amount equal to (i) for taxable years ending on or  
11 after December 31, 2000 ~~and on or before December 31, 2004,~~  
12 30% of the start-up costs expended by the corporate taxpayer  
13 to provide a child care facility for the children of its  
14 employees and (ii) for taxable years ending on or after  
15 December 31, 2000, 5% of the annual amount paid by the  
16 corporate taxpayer in providing the child care facility for  
17 the children of its employees. The provisions of Section 250  
18 do not apply to the credits allowed under this Section 5%  
19 ~~credit under item (ii) of this subsection.~~ If the 5% credit  
20 authorized under item (ii) of this subsection is claimed, the  
21 5% credit authorized under Section 210 cannot also be  
22 claimed.

23 To receive the tax credit under this Section a corporate  
24 taxpayer may either independently provide and operate a child  
25 care facility for the children of its employees or it may  
26 join in a partnership with one or more other corporations to  
27 jointly provide and operate a child care facility for the  
28 children of employees of the corporations in the partnership.

29 (b) The tax credit may not reduce the taxpayer's  
30 liability to less than zero. If the amount of the tax credit  
31 exceeds the tax liability for the year, the excess may be

1 carried forward and applied to the tax liability of the 5  
2 taxable years following the excess credit year. The credit  
3 must be applied to the earliest year for which there is a tax  
4 liability. If there are credits from more than one tax year  
5 that are available to offset a liability, then the earlier  
6 credit must be applied first.

7 (c) As used in this Section, "start-up costs" means  
8 planning, site-preparation, construction, renovation, or  
9 acquisition of a child care facility. As used in this  
10 Section, "child care facility" is limited to a child care  
11 facility located in Illinois.

12 (d) A corporate taxpayer claiming the credit provided by  
13 this Section shall maintain and record such information as  
14 the Department may require by rule regarding the child care  
15 facility for which the credit is claimed.

16 (Source: P.A. 91-930, eff. 12-15-00.)