



## 93RD GENERAL ASSEMBLY

### State of Illinois

### 2003 and 2004

Introduced 2/6/2004, by Antonio Munoz

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/207

from Ch. 120, par. 2-207

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning net losses.

LRB093 17810 SJM 43491 b

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 changing Section 207 as follows:

6 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

7 Sec. 207. Net losses ~~losses~~.

8 (a) If after applying all of the modifications provided for  
9 in paragraph (2) of Section 203(b), paragraph (2) of Section  
10 203(c) and paragraph (2) of Section 203(d) and the allocation  
11 and apportionment provisions of Article 3 of this Act, the  
12 taxpayer's net income results in a loss;

13 (1) for any taxable year ending prior to December 31,  
14 1999, such loss shall be allowed as a carryover or  
15 carryback deduction in the manner allowed under Section 172  
16 of the Internal Revenue Code;

17 (2) for any taxable year ending on or after December  
18 31, 1999 and prior to December 31, 2003, such loss shall be  
19 allowed as a carryback to each of the 2 taxable years  
20 preceding the taxable year of such loss and shall be a net  
21 operating carryover to each of the 20 taxable years  
22 following the taxable year of such loss; and

23 (3) for any taxable year ending on or after December  
24 31, 2003, such loss shall be allowed as a net operating  
25 carryover to each of the 12 taxable years following the  
26 taxable year of such loss.

27 (a-5) Election to relinquish carryback and order of  
28 application of losses.

29 (A) For losses incurred in tax years ending prior  
30 to December 31, 2003, the taxpayer may elect to  
31 relinquish the entire carryback period with respect to  
32 such loss. Such election shall be made in the form and

1 manner prescribed by the Department and shall be made  
2 by the due date (including extensions of time) for  
3 filing the taxpayer's return for the taxable year in  
4 which such loss is incurred, and such election, once  
5 made, shall be irrevocable.

6 (B) The entire amount of such loss shall be carried  
7 to the earliest taxable year to which such loss may be  
8 carried. The amount of such loss which shall be carried  
9 to each of the other taxable years shall be the excess,  
10 if any, of the amount of such loss over the sum of the  
11 deductions for carryback or carryover of such loss  
12 allowable for each of the prior taxable years to which  
13 such loss may be carried.

14 (b) Any loss determined under subsection (a) of this  
15 Section must be carried back or carried forward in the same  
16 manner for purposes of subsections (a) and (b) of Section 201  
17 of this Act as for purposes of subsections (c) and (d) of  
18 Section 201 of this Act.

19 (Source: P.A. 93-29, eff. 6-20-03.)