



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2523

Introduced 2/18/2005, by Rep. Jim Sacia

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

35 ILCS 5/217 new

Amends the Illinois Income Tax Act. Creates a \$500 tax credit for each taxpayer who purchases 1,000 gallons or more of motor fuel that contains more than 10% but not more than 30% ethanol and creates a \$500 tax credit for each taxpayer who purchases 1,000 gallons or more of biodiesel blend that contains more than 5% biodiesel. Creates a \$20,000 tax credit for each motor fuel retailer who installs one or more new fuel tanks and dispensing pumps that are used solely to dispense motor fuel that contains more than 10% but not more than 30% ethanol at his or her motor fuel retail store in Illinois during the taxable year. Creates a \$20,000 tax credit for each motor fuel retailer who installs one or more new fuel tanks and dispensing pumps that are used solely to dispense biodiesel blend that contains more than 5% biodiesel at his or her motor fuel retail store in Illinois during the taxable year. Provides that each of the credits applies to taxable years ending on or after December 31, 2005 and on or before December 30, 2010. Limits each of the credits to one year. Provides that the credits may not be carried forward or back and may not reduce the taxpayer's liability to less than zero. Effective January 1, 2006.

LRB094 09847 BDD 40103 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Sections 216, 217, and 218 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Single-year tax credits for alternative fuel
8 purchases.

9 (a) For taxable years ending on or after December 31, 2005
10 and on or before December 30, 2010, each taxpayer who purchases
11 1,000 gallons or more of motor fuel that contains more than 10%
12 but not more than 30% ethanol is entitled to a credit against
13 the tax imposed by subsections (a) and (b) of Section 201 in
14 the amount of \$500. The same taxpayer may take this credit in
15 only one taxable year.

16 (b) For taxable years ending on or after December 31, 2005
17 and on or before December 30, 2010, each taxpayer who purchases
18 1,000 gallons or more of biodiesel blend that contains more
19 than 5% biodiesel is entitled to a credit against the tax
20 imposed by subsections (a) and (b) of Section 201 in the amount
21 of \$500. The same taxpayer may take this credit in only one
22 taxable year.

23 (c) If the taxpayer is a partnership or Subchapter S
24 corporation, the credits are allowed to the partners or
25 shareholders in accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and
27 Subchapter S of the Internal Revenue Code.

28 (d) The credits may not be carried forward or back. In no
29 event shall a credits under this Section reduce the taxpayer's
30 liability to less than zero.

31 (e) The Department must adopt rules to administer this
32 Section, including rules concerning the verification on

1 alternative fuel purchases.

2 (35 ILCS 5/217 new)

3 Sec. 217. Single-year tax credits for installing
4 alternative fuel pumps.

5 (a) For taxable years ending on or after December 31, 2005
6 and on or before December 30, 2010, each motor fuel retailer
7 who installs, at his or her motor fuel retail store in Illinois
8 during the taxable year, one or more new fuel tanks and
9 dispensing pumps that are used solely to dispense motor fuel
10 that contains more than 10% but not more than 30% ethanol is
11 entitled to a credit against the tax imposed by subsections (a)
12 and (b) of Section 201 in the amount of \$20,000. The same
13 taxpayer may take this credit in only one taxable year.

14 (b) For taxable years ending on or after December 31, 2005
15 and on or before December 30, 2010, each motor fuel retailer
16 who installs, at his or her motor fuel retail store in Illinois
17 during the taxable year, one or more new fuel tanks and
18 dispensing pumps that are used solely to dispense biodiesel
19 blend that contains more than 5% biodiesel is entitled to a
20 credit against the tax imposed by subsections (a) and (b) of
21 Section 201 in the amount of \$20,000. The same taxpayer may
22 take this credit in only one taxable year.

23 (c) If the taxpayer is a partnership or Subchapter S
24 corporation, the credits are allowed to the partners or
25 shareholders in accordance with the determination of income and
26 distributive share of income under Sections 702 and 704 and
27 Subchapter S of the Internal Revenue Code.

28 (d) The credits may not be carried forward or back. In no
29 event shall a credits under this Section reduce the taxpayer's
30 liability to less than zero.

31 (e) The Department must adopt rules to administer this
32 Section.

33 Section 99. Effective date. This Act takes effect January
34 1, 2006.