



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

HB4146

Introduced 10/25/2005, by Rep. Patricia R. Bellock - Carolyn H. Krause - David R. Leitch - Elizabeth Coulson - Rosemary Mulligan

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. For taxable years ending on or after December 31, 2006, allows small businesses that provide health care insurance for their employees to claim a tax credit in an amount equal to \$100 for each employee covered, \$50 for each spouse covered, and \$40 for each dependent (up to 2 dependents) covered. Provides that the taxpayer may not carry the credit forward or back and that the credit may not reduce a taxpayer's liability to less than zero. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB094 14896 BDD 49925 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 Section 216 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Health care tax credit.

8 (a) For tax years ending on or after December 31, 2006,  
9 each taxpayer that is a small business that provides health  
10 care insurance for its employees is entitled to a credit  
11 against the tax imposed by subsections (a) and (b) of Section  
12 201 in an amount equal to:

13 (1) \$100 for each employee who is covered by the  
14 taxpayer;

15 (2) \$50 for each employee's spouse who is covered by  
16 the taxpayer; and

17 (3) \$40 for each dependent, other than the employee's  
18 spouse, who is covered by the taxpayer, not to exceed 2  
19 dependents of an employee in addition to the employee's  
20 spouse.

21 (b) For the purposes of this Section, "small business"  
22 means any business entity with 50 or fewer employees.

23 (c) If the taxpayer is a partnership or Subchapter S  
24 corporation, the credit is 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 credit may not be carried forward or back. In no  
29 event shall a credit under this Section reduce the taxpayer's  
30 liability to less than zero.

31 (e) The Section is exempt from the provisions of Section  
32 250.

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.