



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB4163

Introduced 10/27/2005, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. For tax years ending on or after December 31, 2007 through tax years ending on or before December 30, 2008, creates a \$500 income tax credit for each taxpayer who purchases, at retail during the tax year, a hybrid vehicle or a flexible fuel vehicle. Provides that the credit does not apply to any motor vehicle that was modified to be a hybrid vehicle or alternate fuel vehicle at any time after the vehicle was originally manufactured. Provides that the credit may not be carried forward or back, and may not reduce the taxpayer's liability to less than zero.

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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. Credit for the purchase of fuel-efficient motor
8 vehicles.

9 (a) For tax years ending on or after December 31, 2007
10 through tax years ending on or before December 30, 2008, each
11 taxpayer who purchases, at retail during the tax year, a hybrid
12 vehicle or a flexible fuel vehicle is entitled to a credit in
13 the amount of \$500 against the tax imposed by subsections (a)
14 and (b) of Section 201.

15 (b) For the purposes of this Section:

16 "Hybrid vehicle" means a motor vehicle that is propelled by
17 a combination of an electric motor and an internal combustion
18 engine or other power source.

19 "Alternate fuel vehicle" means a motor vehicle that is
20 capable of running on liquid petroleum gas, natural gas, E85
21 blend fuel, fuel composed of a minimum 80% ethanol, 80%
22 bio-based methanol, fuels that are at least 80% derived from
23 biomass, or hydrogen fuel.

24 This Section does not apply to any motor vehicle that was
25 modified to be a hybrid vehicle or alternate fuel vehicle at
26 any time after the vehicle was originally manufactured.

27 (c) If the taxpayer is a partnership or Subchapter S
28 corporation, the credit is allowed to the partners or
29 shareholders in accordance with the determination of income and
30 distributive share of income under Sections 702 and 704 and
31 Subchapter S of the Internal Revenue Code. The credit may not
32 be carried forward or back. In no event shall a credit under

1 this Section reduce the taxpayer's liability to less than zero.