



Sen. Richard J. Winkel Jr.

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1 AMENDMENT TO SENATE BILL 2

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The State Finance Act is amended by changing  
5 Section 8h and by adding Sections 5.640, 5.645, 6z-68, and  
6 6z-69 as follows:

7 (30 ILCS 105/5.640 new)

8 Sec. 5.640. The Higher Education Operating Assistance  
9 Fund.

10 (30 ILCS 105/5.645 new)

11 Sec. 5.645. The School District Property Tax Relief Fund.

12 (30 ILCS 105/6z-68 new)

13 Sec. 6z-68. School District Property Tax Relief Fund.

14 (a) The School District Property Tax Relief Fund is created  
15 as a special Fund in the State treasury. All interest earned on  
16 moneys in the Fund shall be deposited into the Fund.

17 (b) As used in this Section:

18 "Department" means the Department of Revenue.

19 "School district" means elementary, high school, and unit  
20 districts that levy property taxes.

21 "Property tax relief grant" means the amount of property  
22 tax relief that will be distributed to counties from the School

1 District Property Tax Relief Fund in each fiscal year for  
2 grants to each school district.

3 (c) Beginning in fiscal year 2006, the General Assembly  
4 shall appropriate \$3.5 billion, or an amount sufficient to fund  
5 the required monthly transfers under Section 18-19(4) of the  
6 School Code, from the Education Assistance Fund to the School  
7 District Property Tax Relief Fund. In each fiscal year  
8 thereafter, the General Assembly shall appropriate an amount  
9 from the Education Assistance Fund to the School District  
10 Property Tax Relief Fund equal to the amount appropriated to  
11 the School District Property Tax Relief Fund in the immediately  
12 preceding fiscal year, increased by the lesser of 3.5% or the  
13 percentage increase in the Consumer Price Index for All Urban  
14 Consumers published by the U.S. Bureau of Labor Statistics for  
15 the immediately preceding fiscal year.

16 (d) Beginning in 2005 and for every year thereafter, the  
17 Department must certify, no earlier than November 15 and no  
18 later than November 17, the total amount of property tax relief  
19 each school district will receive from the School District  
20 Property Tax Relief Fund. The relief shall be determined as  
21 follows:

22 In each fiscal year commencing with fiscal year 2006,  
23 the General Assembly shall appropriate the total amount  
24 appropriated to the School District Property Tax Relief  
25 Fund for that fiscal year to fund the aggregate amount of  
26 property tax relief grants that will be distributed through  
27 the counties to all school districts. The Department then  
28 shall calculate the amount of property tax relief grant to  
29 be distributed to each school district in each fiscal year  
30 as follows:

31 (A) for fiscal year 2006, each school district  
32 shall receive a property tax relief grant in an amount  
33 equal to one-third of the total property taxes levied  
34 for that school district in tax year 2001 (payable in

1           2002); and

2           (B) for each fiscal year thereafter, the property  
3           tax relief grant for each school district must be  
4           increased by the lesser of 3.5% or the percentage  
5           increase, if any, in the Consumer Price Index For All  
6           Urban Consumers published for the prior fiscal year.

7           Property tax relief grants in each fiscal year shall be  
8           distributed to the county collectors in the appropriate  
9           counties. The county collectors must then distribute the moneys  
10           to the school districts as if the grant were property tax  
11           receipts.

12           (e) This amendatory Act of the 94th General Assembly  
13           constitutes an irrevocable and continuing appropriation (i)  
14           from the Education Assistance Fund to the School District  
15           Property Tax Relief Fund and (ii) from the School District  
16           Property Tax Relief Fund to the school districts for property  
17           tax relief grants in accordance with the provisions of this  
18           Section.

19           (30 ILCS 105/6z-69 new)

20           Sec. 6z-69. Higher Education Operating Assistance Fund.

21           (a) The Higher Education Operating Assistance Fund is  
22           created as a special fund in the State treasury. Moneys in the  
23           Fund may be used only for the purposes set forth in this  
24           Section. All interest earned on moneys in the Fund must be  
25           deposited into the Fund.

26           (b) Beginning in fiscal year 2007, the General Assembly  
27           must appropriate \$370,000,000, or an amount sufficient to fund  
28           the required monthly transfers under Section 18-19(1) of the  
29           School Code, from the Education Assistance Fund to the Higher  
30           Education Operating Assistance Fund.

31           (c) In each fiscal year thereafter, the amount appropriated  
32           from the Education Assistance Fund to the Higher Education  
33           Operating Assistance Fund must be increased by the percentage

1 of increase, in the previous calendar year, of the Consumer  
2 Price Index for all Urban Consumers published by the federal  
3 Bureau of Labor Statistics.

4 (c-1) Distributions from the Higher Education Operating  
5 Assistance Fund are to be made only if the level of the  
6 appropriations from general funds is equal to or greater than  
7 the "base appropriation level for higher education purposes",  
8 as adjusted for each intervening year by the percentage  
9 increase, if any, in the Consumer Price Index For All Urban  
10 Consumers ("CPI") published by the federal Bureau of Labor  
11 Statistics for the prior fiscal year. For purposes of this  
12 amendatory Act of the 94th General Assembly, the "base  
13 appropriation level for higher education purposes" is the FY05  
14 General Revenue Fund level specified in Public Act 93-0842,  
15 effective July 7, 2004, as amended by Public Act 93-1070,  
16 Article 11, effective January 15, 2005 and referenced in Item  
17 #12 of the Illinois Board of Higher Education August 10, 2004  
18 Board Report.

19 If the amount appropriated in any year for higher education  
20 purposes is less than the "base appropriation level for higher  
21 education purposes" from the prior fiscal year as adjusted by  
22 the percentage increase in CPI, then no moneys may be  
23 appropriated from the Higher Education Operating Assistance  
24 Fund for that fiscal year for any purpose and all moneys shall  
25 remain in the Higher Education Operating Assistance Fund until  
26 the following fiscal year.

27 For purposes of this subsection (c-1), the term "amount  
28 appropriated for higher education purposes" does not include  
29 any amount appropriated from the Higher Education Operating  
30 Assistance Fund.

31 (c-2) Distributions from the Higher Education Operating  
32 Assistance Fund shall be as follows, subject to the conditions  
33 in subsection (c-1):

34 (1) The General Assembly must appropriate 75% of all

1 moneys in the Higher Education Operating Assistance Fund,  
2 including any balance from the prior year, to the Board of  
3 Higher Education for grants to State universities for their  
4 ordinary and contingent expenses. The grants under this  
5 item (1) must be distributed to each State university based  
6 upon each university's full time equivalent head count; and

7 (2) The General Assembly must appropriate 25% of all  
8 moneys in the Higher Education Operating Assistance Fund,  
9 including any balance from the prior year, to the Illinois  
10 Community College Board for grants to community colleges  
11 for their ordinary and contingent expenses. The grants  
12 under this item (2) must be distributed to each community  
13 college based upon each community college's full time  
14 equivalent head count.

15 For the purposes of this subsection (c-2), "full time  
16 equivalent head count" means the total number of undergraduate  
17 students enrolled in 12 or more semester hours or quarter hours  
18 of credit courses in any given semester or quarter.

19 (d) Distributions from the Higher Education Operating  
20 Assistance Fund shall not be used for the following:

21 Executive management: executive level activities  
22 concerned with the overall management of, and long-range  
23 planning for, the entire university. This includes  
24 activities such as policy formation and executive  
25 direction, including the activities of the governing  
26 board, the chief executive officer, and the senior  
27 executive officers. Legal activities conducted on behalf  
28 of the university are included.

29 Financial management and operations: activities  
30 related to the day-to-day financial management and fiscal  
31 operations of the university and long-range financial  
32 planning and policy formulations.

33 General administrative and logistical services:  
34 general administrative operations and services of the

1 university (with exception of financial operations and  
2 student records activities). This includes administration  
3 of personnel programs, purchasing and maintenance of  
4 supplies and materials, management of facilities, and  
5 administrative computing support.

6 Faculty and staff auxiliary services: support services  
7 established primarily to service the faculty and staff,  
8 such as faculty lounges, cafeterias, or centers providing a  
9 variety of services.

10 Public relations and development: activities  
11 established to maintain relations with the local  
12 community, the university's alumni, governmental entities,  
13 and the public in general, as well as activities carried  
14 out to support institution-side fund raising and  
15 development efforts.

16 Academic administration: administrative support and  
17 management activities carried out specifically for the  
18 support of a university's primary programs of instruction,  
19 organized research, and public service.

20 Superintendence: activities necessary to carry out the  
21 duties of management and administration for all areas under  
22 the jurisdiction of the physical plant division of the  
23 university.

24 Custodial: activities related to custodial service in  
25 building interiors.

26 Grounds maintenance: operation and maintenance of  
27 campus landscape and grounds. This includes maintenance of  
28 roads and walkways; snow removal; maintenance of fences,  
29 retaining walls, and drainage ditches; and care of shrubs,  
30 trees, and grass.

31 Transportation: all charges related to the purchase,  
32 maintenance, and operation of motor vehicles specifically  
33 for the use of the physical plant department. Operational  
34 costs for a central motor pool are not included in this

1 category and should be charged to the departments and  
2 programs that use the vehicles.

3 (e) This amendatory Act of the 94th General Assembly  
4 constitutes an irrevocable and continuing appropriation (i)  
5 from the Education Assistance Fund to the Higher Education  
6 Operating Assistance Fund and (ii) from the Higher Education  
7 Operating Assistance Fund to the Board of Higher Education and  
8 to the Illinois Community College Board in accordance with the  
9 provisions of this Section.

10 (30 ILCS 105/8h)

11 Sec. 8h. Transfers to General Revenue Fund.

12 (a) Except as provided in subsection (b), notwithstanding  
13 any other State law to the contrary, the Governor may, through  
14 June 30, 2007, from time to time direct the State Treasurer and  
15 Comptroller to transfer a specified sum from any fund held by  
16 the State Treasurer to the General Revenue Fund in order to  
17 help defray the State's operating costs for the fiscal year.  
18 The total transfer under this Section from any fund in any  
19 fiscal year shall not exceed the lesser of (i) 8% of the  
20 revenues to be deposited into the fund during that fiscal year  
21 or (ii) an amount that leaves a remaining fund balance of 25%  
22 of the July 1 fund balance of that fiscal year. In fiscal year  
23 2005 only, prior to calculating the July 1, 2004 final  
24 balances, the Governor may calculate and direct the State  
25 Treasurer with the Comptroller to transfer additional amounts  
26 determined by applying the formula authorized in Public Act  
27 93-839 to the funds balances on July 1, 2003. No transfer may  
28 be made from a fund under this Section that would have the  
29 effect of reducing the available balance in the fund to an  
30 amount less than the amount remaining unexpended and unreserved  
31 from the total appropriation from that fund estimated to be  
32 expended for that fiscal year. This Section does not apply to  
33 any funds that are restricted by federal law to a specific use,

1 to any funds in the Motor Fuel Tax Fund, the Hospital Provider  
2 Fund, the Medicaid Provider Relief Fund, the Education  
3 Assistance Fund, the School District Property Tax Relief Fund,  
4 the Higher Education Operating Assistance Fund, the Income Tax  
5 Refund Fund, or the Reviewing Court Alternative Dispute  
6 Resolution Fund, or to any funds to which subsection (f) of  
7 Section 20-40 of the Nursing and Advanced Practice Nursing Act  
8 applies. Notwithstanding any other provision of this Section,  
9 for fiscal year 2004, the total transfer under this Section  
10 from the Road Fund or the State Construction Account Fund shall  
11 not exceed the lesser of (i) 5% of the revenues to be deposited  
12 into the fund during that fiscal year or (ii) 25% of the  
13 beginning balance in the fund. For fiscal year 2005 through  
14 fiscal year 2007, no amounts may be transferred under this  
15 Section from the Road Fund, the State Construction Account  
16 Fund, the Criminal Justice Information Systems Trust Fund, the  
17 Wireless Service Emergency Fund, or the Mandatory Arbitration  
18 Fund.

19 In determining the available balance in a fund, the  
20 Governor may include receipts, transfers into the fund, and  
21 other resources anticipated to be available in the fund in that  
22 fiscal year.

23 The State Treasurer and Comptroller shall transfer the  
24 amounts designated under this Section as soon as may be  
25 practicable after receiving the direction to transfer from the  
26 Governor.

27 (b) This Section does not apply to any fund established  
28 under the Community Senior Services and Resources Act.

29 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,  
30 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;  
31 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.  
32 1-15-05.)

33 Section 10. The Illinois Income Tax Act is amended by



1 changing Sections 201, 208, 212, and 901 and by adding Section  
2 202.5 as follows:

3 (35 ILCS 5/201) (from Ch. 120, par. 2-201)  
4 Sec. 201. Tax Imposed.

5 (a) In general. A tax measured by net income is hereby  
6 imposed on every individual, corporation, trust and estate for  
7 each taxable year ending after July 31, 1969 on the privilege  
8 of earning or receiving income in or as a resident of this  
9 State. Such tax shall be in addition to all other occupation or  
10 privilege taxes imposed by this State or by any municipal  
11 corporation or political subdivision thereof.

12 (b) Rates. The tax imposed by subsection (a) of this  
13 Section shall be determined as follows, except as adjusted by  
14 subsection (d-1):

15 (1) In the case of an individual, trust or estate, for  
16 taxable years ending prior to July 1, 1989, an amount equal  
17 to 2 1/2% of the taxpayer's net income for the taxable  
18 year.

19 (2) In the case of an individual, trust or estate, for  
20 taxable years beginning prior to July 1, 1989 and ending  
21 after June 30, 1989, an amount equal to the sum of (i) 2  
22 1/2% of the taxpayer's net income for the period prior to  
23 July 1, 1989, as calculated under Section 202.3, and (ii)  
24 3% of the taxpayer's net income for the period after June  
25 30, 1989, as calculated under Section 202.3.

26 (3) In the case of an individual, trust or estate, for  
27 taxable years beginning after June 30, 1989 and ending on  
28 or before December 31, 2005 , an amount equal to 3% of the  
29 taxpayer's net income for the taxable year.

30 (4) In the case of an individual, trust, or estate, for  
31 taxable years beginning prior to January 1, 2006 and ending  
32 after December 31, 2005, an amount equal to the sum of (i)  
33 3% of the taxpayer's net income for the period prior to

1 January 1, 2006, as calculated under Section 202.5, and  
2 (ii) 5% of the taxpayer's net income for the period after  
3 December 31, 2005, as calculated under Section 202.5.

4 ~~(Blank).~~

5 (5) In the case of an individual, trust or estate, for  
6 taxable years beginning after December 31, 2005, an amount  
7 equal to 5% of the taxpayer's net income for the taxable  
8 year. ~~(Blank).~~

9 (6) In the case of a corporation, for taxable years  
10 ending prior to July 1, 1989, an amount equal to 4% of the  
11 taxpayer's net income for the taxable year.

12 (7) In the case of a corporation, for taxable years  
13 beginning prior to July 1, 1989 and ending after June 30,  
14 1989, an amount equal to the sum of (i) 4% of the  
15 taxpayer's net income for the period prior to July 1, 1989,  
16 as calculated under Section 202.3, and (ii) 4.8% of the  
17 taxpayer's net income for the period after June 30, 1989,  
18 as calculated under Section 202.3.

19 (8) In the case of a corporation, for taxable years  
20 beginning after June 30, 1989 and ending on or before  
21 December 31, 2005, an amount equal to 4.8% of the  
22 taxpayer's net income for the taxable year.

23 (9) In the case of a corporation, for taxable years  
24 beginning prior to January 1, 2006 and ending after  
25 December 31, 2005, an amount equal to the sum of (i) 4.8%  
26 of the taxpayer's net income for the period prior to  
27 January 1, 2006, as calculated under Section 202.5, and  
28 (ii) 8% of the taxpayer's net income for the period after  
29 December 31, 2005, as calculated under Section 202.5.

30 (10) In the case of a corporation, for taxable years  
31 beginning after December 31, 2005, an amount equal to 8% of  
32 the taxpayer's net income for the taxable year.

33 (c) Personal Property Tax Replacement Income Tax.  
34 Beginning on July 1, 1979 and thereafter, in addition to such

1 income tax, there is also hereby imposed the Personal Property  
2 Tax Replacement Income Tax measured by net income on every  
3 corporation (including Subchapter S corporations), partnership  
4 and trust, for each taxable year ending after June 30, 1979.  
5 Such taxes are imposed on the privilege of earning or receiving  
6 income in or as a resident of this State. The Personal Property  
7 Tax Replacement Income Tax shall be in addition to the income  
8 tax imposed by subsections (a) and (b) of this Section and in  
9 addition to all other occupation or privilege taxes imposed by  
10 this State or by any municipal corporation or political  
11 subdivision thereof.

12 (d) Additional Personal Property Tax Replacement Income  
13 Tax Rates. The personal property tax replacement income tax  
14 imposed by this subsection and subsection (c) of this Section  
15 in the case of a corporation, other than a Subchapter S  
16 corporation and except as adjusted by subsection (d-1), shall  
17 be an additional amount equal to 2.85% of such taxpayer's net  
18 income for the taxable year, except that beginning on January  
19 1, 1981, and thereafter, the rate of 2.85% specified in this  
20 subsection shall be reduced to 2.5%, and in the case of a  
21 partnership, trust or a Subchapter S corporation shall be an  
22 additional amount equal to 1.5% of such taxpayer's net income  
23 for the taxable year.

24 (d-1) Rate reduction for certain foreign insurers. In the  
25 case of a foreign insurer, as defined by Section 35A-5 of the  
26 Illinois Insurance Code, whose state or country of domicile  
27 imposes on insurers domiciled in Illinois a retaliatory tax  
28 (excluding any insurer whose premiums from reinsurance assumed  
29 are 50% or more of its total insurance premiums as determined  
30 under paragraph (2) of subsection (b) of Section 304, except  
31 that for purposes of this determination premiums from  
32 reinsurance do not include premiums from inter-affiliate  
33 reinsurance arrangements), beginning with taxable years ending  
34 on or after December 31, 1999, the sum of the rates of tax

1 imposed by subsections (b) and (d) shall be reduced (but not  
2 increased) to the rate at which the total amount of tax imposed  
3 under this Act, net of all credits allowed under this Act,  
4 shall equal (i) the total amount of tax that would be imposed  
5 on the foreign insurer's net income allocable to Illinois for  
6 the taxable year by such foreign insurer's state or country of  
7 domicile if that net income were subject to all income taxes  
8 and taxes measured by net income imposed by such foreign  
9 insurer's state or country of domicile, net of all credits  
10 allowed or (ii) a rate of zero if no such tax is imposed on such  
11 income by the foreign insurer's state of domicile. For the  
12 purposes of this subsection (d-1), an inter-affiliate includes  
13 a mutual insurer under common management.

14 (1) For the purposes of subsection (d-1), in no event  
15 shall the sum of the rates of tax imposed by subsections  
16 (b) and (d) be reduced below the rate at which the sum of:

17 (A) the total amount of tax imposed on such foreign  
18 insurer under this Act for a taxable year, net of all  
19 credits allowed under this Act, plus

20 (B) the privilege tax imposed by Section 409 of the  
21 Illinois Insurance Code, the fire insurance company  
22 tax imposed by Section 12 of the Fire Investigation  
23 Act, and the fire department taxes imposed under  
24 Section 11-10-1 of the Illinois Municipal Code,  
25 equals 1.25% for taxable years ending prior to December 31,  
26 2003, or 1.75% for taxable years ending on or after  
27 December 31, 2003, of the net taxable premiums written for  
28 the taxable year, as described by subsection (1) of Section  
29 409 of the Illinois Insurance Code. This paragraph will in  
30 no event increase the rates imposed under subsections (b)  
31 and (d).

32 (2) Any reduction in the rates of tax imposed by this  
33 subsection shall be applied first against the rates imposed  
34 by subsection (b) and only after the tax imposed by

1 subsection (a) net of all credits allowed under this  
2 Section other than the credit allowed under subsection (i)  
3 has been reduced to zero, against the rates imposed by  
4 subsection (d).

5 This subsection (d-1) is exempt from the provisions of  
6 Section 250.

7 (e) Investment credit. A taxpayer shall be allowed a credit  
8 against the Personal Property Tax Replacement Income Tax for  
9 investment in qualified property.

10 (1) A taxpayer shall be allowed a credit equal to .5%  
11 of the basis of qualified property placed in service during  
12 the taxable year, provided such property is placed in  
13 service on or after July 1, 1984. There shall be allowed an  
14 additional credit equal to .5% of the basis of qualified  
15 property placed in service during the taxable year,  
16 provided such property is placed in service on or after  
17 July 1, 1986, and the taxpayer's base employment within  
18 Illinois has increased by 1% or more over the preceding  
19 year as determined by the taxpayer's employment records  
20 filed with the Illinois Department of Employment Security.  
21 Taxpayers who are new to Illinois shall be deemed to have  
22 met the 1% growth in base employment for the first year in  
23 which they file employment records with the Illinois  
24 Department of Employment Security. The provisions added to  
25 this Section by Public Act 85-1200 (and restored by Public  
26 Act 87-895) shall be construed as declaratory of existing  
27 law and not as a new enactment. If, in any year, the  
28 increase in base employment within Illinois over the  
29 preceding year is less than 1%, the additional credit shall  
30 be limited to that percentage times a fraction, the  
31 numerator of which is .5% and the denominator of which is  
32 1%, but shall not exceed .5%. The investment credit shall  
33 not be allowed to the extent that it would reduce a  
34 taxpayer's liability in any tax year below zero, nor may

1 any credit for qualified property be allowed for any year  
2 other than the year in which the property was placed in  
3 service in Illinois. For tax years ending on or after  
4 December 31, 1987, and on or before December 31, 1988, the  
5 credit shall be allowed for the tax year in which the  
6 property is placed in service, or, if the amount of the  
7 credit exceeds the tax liability for that year, whether it  
8 exceeds the original liability or the liability as later  
9 amended, such excess may be carried forward and applied to  
10 the tax liability of the 5 taxable years following the  
11 excess credit years if the taxpayer (i) makes investments  
12 which cause the creation of a minimum of 2,000 full-time  
13 equivalent jobs in Illinois, (ii) is located in an  
14 enterprise zone established pursuant to the Illinois  
15 Enterprise Zone Act and (iii) is certified by the  
16 Department of Commerce and Community Affairs (now  
17 Department of Commerce and Economic Opportunity) as  
18 complying with the requirements specified in clause (i) and  
19 (ii) by July 1, 1986. The Department of Commerce and  
20 Community Affairs (now Department of Commerce and Economic  
21 Opportunity) shall notify the Department of Revenue of all  
22 such certifications immediately. For tax years ending  
23 after December 31, 1988, the credit shall be allowed for  
24 the tax year in which the property is placed in service,  
25 or, if the amount of the credit exceeds the tax liability  
26 for that year, whether it exceeds the original liability or  
27 the liability as later amended, such excess may be carried  
28 forward and applied to the tax liability of the 5 taxable  
29 years following the excess credit years. The credit shall  
30 be applied to the earliest year for which there is a  
31 liability. If there is credit from more than one tax year  
32 that is available to offset a liability, earlier credit  
33 shall be applied first.

34 (2) The term "qualified property" means property

1           which:

2                   (A) is tangible, whether new or used, including  
3           buildings and structural components of buildings and  
4           signs that are real property, but not including land or  
5           improvements to real property that are not a structural  
6           component of a building such as landscaping, sewer  
7           lines, local access roads, fencing, parking lots, and  
8           other appurtenances;

9                   (B) is depreciable pursuant to Section 167 of the  
10          Internal Revenue Code, except that "3-year property"  
11          as defined in Section 168(c)(2)(A) of that Code is not  
12          eligible for the credit provided by this subsection  
13          (e);

14                   (C) is acquired by purchase as defined in Section  
15          179(d) of the Internal Revenue Code;

16                   (D) is used in Illinois by a taxpayer who is  
17          primarily engaged in manufacturing, or in mining coal  
18          or fluorite, or in retailing; and

19                   (E) has not previously been used in Illinois in  
20          such a manner and by such a person as would qualify for  
21          the credit provided by this subsection (e) or  
22          subsection (f).

23                   (3) For purposes of this subsection (e),  
24          "manufacturing" means the material staging and production  
25          of tangible personal property by procedures commonly  
26          regarded as manufacturing, processing, fabrication, or  
27          assembling which changes some existing material into new  
28          shapes, new qualities, or new combinations. For purposes of  
29          this subsection (e) the term "mining" shall have the same  
30          meaning as the term "mining" in Section 613(c) of the  
31          Internal Revenue Code. For purposes of this subsection (e),  
32          the term "retailing" means the sale of tangible personal  
33          property or services rendered in conjunction with the sale  
34          of tangible consumer goods or commodities.

1           (4) The basis of qualified property shall be the basis  
2 used to compute the depreciation deduction for federal  
3 income tax purposes.

4           (5) If the basis of the property for federal income tax  
5 depreciation purposes is increased after it has been placed  
6 in service in Illinois by the taxpayer, the amount of such  
7 increase shall be deemed property placed in service on the  
8 date of such increase in basis.

9           (6) The term "placed in service" shall have the same  
10 meaning as under Section 46 of the Internal Revenue Code.

11           (7) If during any taxable year, any property ceases to  
12 be qualified property in the hands of the taxpayer within  
13 48 months after being placed in service, or the situs of  
14 any qualified property is moved outside Illinois within 48  
15 months after being placed in service, the Personal Property  
16 Tax Replacement Income Tax for such taxable year shall be  
17 increased. Such increase shall be determined by (i)  
18 recomputing the investment credit which would have been  
19 allowed for the year in which credit for such property was  
20 originally allowed by eliminating such property from such  
21 computation and, (ii) subtracting such recomputed credit  
22 from the amount of credit previously allowed. For the  
23 purposes of this paragraph (7), a reduction of the basis of  
24 qualified property resulting from a redetermination of the  
25 purchase price shall be deemed a disposition of qualified  
26 property to the extent of such reduction.

27           (8) Unless the investment credit is extended by law,  
28 the basis of qualified property shall not include costs  
29 incurred after December 31, 2008, except for costs incurred  
30 pursuant to a binding contract entered into on or before  
31 December 31, 2008.

32           (9) Each taxable year ending before December 31, 2000,  
33 a partnership may elect to pass through to its partners the  
34 credits to which the partnership is entitled under this



1 subsection (e) for the taxable year. A partner may use the  
2 credit allocated to him or her under this paragraph only  
3 against the tax imposed in subsections (c) and (d) of this  
4 Section. If the partnership makes that election, those  
5 credits shall be allocated among the partners in the  
6 partnership in accordance with the rules set forth in  
7 Section 704(b) of the Internal Revenue Code, and the rules  
8 promulgated under that Section, and the allocated amount of  
9 the credits shall be allowed to the partners for that  
10 taxable year. The partnership shall make this election on  
11 its Personal Property Tax Replacement Income Tax return for  
12 that taxable year. The election to pass through the credits  
13 shall be irrevocable.

14 For taxable years ending on or after December 31, 2000,  
15 a partner that qualifies its partnership for a subtraction  
16 under subparagraph (I) of paragraph (2) of subsection (d)  
17 of Section 203 or a shareholder that qualifies a Subchapter  
18 S corporation for a subtraction under subparagraph (S) of  
19 paragraph (2) of subsection (b) of Section 203 shall be  
20 allowed a credit under this subsection (e) equal to its  
21 share of the credit earned under this subsection (e) during  
22 the taxable year by the partnership or Subchapter S  
23 corporation, determined in accordance with the  
24 determination of income and distributive share of income  
25 under Sections 702 and 704 and Subchapter S of the Internal  
26 Revenue Code. This paragraph is exempt from the provisions  
27 of Section 250.

28 (f) Investment credit; Enterprise Zone.

29 (1) A taxpayer shall be allowed a credit against the  
30 tax imposed by subsections (a) and (b) of this Section for  
31 investment in qualified property which is placed in service  
32 in an Enterprise Zone created pursuant to the Illinois  
33 Enterprise Zone Act. For partners, shareholders of  
34 Subchapter S corporations, and owners of limited liability

1 companies, if the liability company is treated as a  
2 partnership for purposes of federal and State income  
3 taxation, there shall be allowed a credit under this  
4 subsection (f) to be determined in accordance with the  
5 determination of income and distributive share of income  
6 under Sections 702 and 704 and Subchapter S of the Internal  
7 Revenue Code. The credit shall be .5% of the basis for such  
8 property. The credit shall be available only in the taxable  
9 year in which the property is placed in service in the  
10 Enterprise Zone and shall not be allowed to the extent that  
11 it would reduce a taxpayer's liability for the tax imposed  
12 by subsections (a) and (b) of this Section to below zero.  
13 For tax years ending on or after December 31, 1985, the  
14 credit shall be allowed for the tax year in which the  
15 property is placed in service, or, if the amount of the  
16 credit exceeds the tax liability for that year, whether it  
17 exceeds the original liability or the liability as later  
18 amended, such excess may be carried forward and applied to  
19 the tax liability of the 5 taxable years following the  
20 excess credit year. The credit shall be applied to the  
21 earliest year for which there is a liability. If there is  
22 credit from more than one tax year that is available to  
23 offset a liability, the credit accruing first in time shall  
24 be applied first.

25 (2) The term qualified property means property which:

26 (A) is tangible, whether new or used, including  
27 buildings and structural components of buildings;

28 (B) is depreciable pursuant to Section 167 of the  
29 Internal Revenue Code, except that "3-year property"  
30 as defined in Section 168(c)(2)(A) of that Code is not  
31 eligible for the credit provided by this subsection  
32 (f);

33 (C) is acquired by purchase as defined in Section  
34 179(d) of the Internal Revenue Code;

1 (D) is used in the Enterprise Zone by the taxpayer;  
2 and

3 (E) has not been previously used in Illinois in  
4 such a manner and by such a person as would qualify for  
5 the credit provided by this subsection (f) or  
6 subsection (e).

7 (3) The basis of qualified property shall be the basis  
8 used to compute the depreciation deduction for federal  
9 income tax purposes.

10 (4) If the basis of the property for federal income tax  
11 depreciation purposes is increased after it has been placed  
12 in service in the Enterprise Zone by the taxpayer, the  
13 amount of such increase shall be deemed property placed in  
14 service on the date of such increase in basis.

15 (5) The term "placed in service" shall have the same  
16 meaning as under Section 46 of the Internal Revenue Code.

17 (6) If during any taxable year, any property ceases to  
18 be qualified property in the hands of the taxpayer within  
19 48 months after being placed in service, or the situs of  
20 any qualified property is moved outside the Enterprise Zone  
21 within 48 months after being placed in service, the tax  
22 imposed under subsections (a) and (b) of this Section for  
23 such taxable year shall be increased. Such increase shall  
24 be determined by (i) recomputing the investment credit  
25 which would have been allowed for the year in which credit  
26 for such property was originally allowed by eliminating  
27 such property from such computation, and (ii) subtracting  
28 such recomputed credit from the amount of credit previously  
29 allowed. For the purposes of this paragraph (6), a  
30 reduction of the basis of qualified property resulting from  
31 a redetermination of the purchase price shall be deemed a  
32 disposition of qualified property to the extent of such  
33 reduction.

34 (g) Jobs Tax Credit; Enterprise Zone and Foreign Trade

1 Zone or Sub-Zone.

2 (1) A taxpayer conducting a trade or business in an  
3 enterprise zone or a High Impact Business designated by the  
4 Department of Commerce and Economic Opportunity conducting  
5 a trade or business in a federally designated Foreign Trade  
6 Zone or Sub-Zone shall be allowed a credit against the tax  
7 imposed by subsections (a) and (b) of this Section in the  
8 amount of \$500 per eligible employee hired to work in the  
9 zone during the taxable year.

10 (2) To qualify for the credit:

11 (A) the taxpayer must hire 5 or more eligible  
12 employees to work in an enterprise zone or federally  
13 designated Foreign Trade Zone or Sub-Zone during the  
14 taxable year;

15 (B) the taxpayer's total employment within the  
16 enterprise zone or federally designated Foreign Trade  
17 Zone or Sub-Zone must increase by 5 or more full-time  
18 employees beyond the total employed in that zone at the  
19 end of the previous tax year for which a jobs tax  
20 credit under this Section was taken, or beyond the  
21 total employed by the taxpayer as of December 31, 1985,  
22 whichever is later; and

23 (C) the eligible employees must be employed 180  
24 consecutive days in order to be deemed hired for  
25 purposes of this subsection.

26 (3) An "eligible employee" means an employee who is:

27 (A) Certified by the Department of Commerce and  
28 Economic Opportunity as "eligible for services"  
29 pursuant to regulations promulgated in accordance with  
30 Title II of the Job Training Partnership Act, Training  
31 Services for the Disadvantaged or Title III of the Job  
32 Training Partnership Act, Employment and Training  
33 Assistance for Dislocated Workers Program.

34 (B) Hired after the enterprise zone or federally

1 designated Foreign Trade Zone or Sub-Zone was  
2 designated or the trade or business was located in that  
3 zone, whichever is later.

4 (C) Employed in the enterprise zone or Foreign  
5 Trade Zone or Sub-Zone. An employee is employed in an  
6 enterprise zone or federally designated Foreign Trade  
7 Zone or Sub-Zone if his services are rendered there or  
8 it is the base of operations for the services  
9 performed.

10 (D) A full-time employee working 30 or more hours  
11 per week.

12 (4) For tax years ending on or after December 31, 1985  
13 and prior to December 31, 1988, the credit shall be allowed  
14 for the tax year in which the eligible employees are hired.  
15 For tax years ending on or after December 31, 1988, the  
16 credit shall be allowed for the tax year immediately  
17 following the tax year in which the eligible employees are  
18 hired. If the amount of the credit exceeds the tax  
19 liability for that year, whether it exceeds the original  
20 liability or the liability as later amended, such excess  
21 may be carried forward and applied to the tax liability of  
22 the 5 taxable years following the excess credit year. The  
23 credit shall be applied to the earliest year for which  
24 there is a liability. If there is credit from more than one  
25 tax year that is available to offset a liability, earlier  
26 credit shall be applied first.

27 (5) The Department of Revenue shall promulgate such  
28 rules and regulations as may be deemed necessary to carry  
29 out the purposes of this subsection (g).

30 (6) The credit shall be available for eligible  
31 employees hired on or after January 1, 1986.

32 (h) Investment credit; High Impact Business.

33 (1) Subject to subsections (b) and (b-5) of Section 5.5  
34 of the Illinois Enterprise Zone Act, a taxpayer shall be

1 allowed a credit against the tax imposed by subsections (a)  
2 and (b) of this Section for investment in qualified  
3 property which is placed in service by a Department of  
4 Commerce and Economic Opportunity designated High Impact  
5 Business. The credit shall be .5% of the basis for such  
6 property. The credit shall not be available (i) until the  
7 minimum investments in qualified property set forth in  
8 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
9 Enterprise Zone Act have been satisfied or (ii) until the  
10 time authorized in subsection (b-5) of the Illinois  
11 Enterprise Zone Act for entities designated as High Impact  
12 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
13 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
14 Act, and shall not be allowed to the extent that it would  
15 reduce a taxpayer's liability for the tax imposed by  
16 subsections (a) and (b) of this Section to below zero. The  
17 credit applicable to such investments shall be taken in the  
18 taxable year in which such investments have been completed.  
19 The credit for additional investments beyond the minimum  
20 investment by a designated high impact business authorized  
21 under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
22 Enterprise Zone Act shall be available only in the taxable  
23 year in which the property is placed in service and shall  
24 not be allowed to the extent that it would reduce a  
25 taxpayer's liability for the tax imposed by subsections (a)  
26 and (b) of this Section to below zero. For tax years ending  
27 on or after December 31, 1987, the credit shall be allowed  
28 for the tax year in which the property is placed in  
29 service, or, if the amount of the credit exceeds the tax  
30 liability for that year, whether it exceeds the original  
31 liability or the liability as later amended, such excess  
32 may be carried forward and applied to the tax liability of  
33 the 5 taxable years following the excess credit year. The  
34 credit shall be applied to the earliest year for which

1           there is a liability. If there is credit from more than one  
2           tax year that is available to offset a liability, the  
3           credit accruing first in time shall be applied first.

4           Changes made in this subdivision (h) (1) by Public Act  
5           88-670 restore changes made by Public Act 85-1182 and  
6           reflect existing law.

7           (2) The term qualified property means property which:

8                 (A) is tangible, whether new or used, including  
9                 buildings and structural components of buildings;

10                (B) is depreciable pursuant to Section 167 of the  
11                Internal Revenue Code, except that "3-year property"  
12                as defined in Section 168(c) (2) (A) of that Code is not  
13                eligible for the credit provided by this subsection  
14                (h);

15                (C) is acquired by purchase as defined in Section  
16                179(d) of the Internal Revenue Code; and

17                (D) is not eligible for the Enterprise Zone  
18                Investment Credit provided by subsection (f) of this  
19                Section.

20           (3) The basis of qualified property shall be the basis  
21           used to compute the depreciation deduction for federal  
22           income tax purposes.

23           (4) If the basis of the property for federal income tax  
24           depreciation purposes is increased after it has been placed  
25           in service in a federally designated Foreign Trade Zone or  
26           Sub-Zone located in Illinois by the taxpayer, the amount of  
27           such increase shall be deemed property placed in service on  
28           the date of such increase in basis.

29           (5) The term "placed in service" shall have the same  
30           meaning as under Section 46 of the Internal Revenue Code.

31           (6) If during any taxable year ending on or before  
32           December 31, 1996, any property ceases to be qualified  
33           property in the hands of the taxpayer within 48 months  
34           after being placed in service, or the situs of any

1 qualified property is moved outside Illinois within 48  
2 months after being placed in service, the tax imposed under  
3 subsections (a) and (b) of this Section for such taxable  
4 year shall be increased. Such increase shall be determined  
5 by (i) recomputing the investment credit which would have  
6 been allowed for the year in which credit for such property  
7 was originally allowed by eliminating such property from  
8 such computation, and (ii) subtracting such recomputed  
9 credit from the amount of credit previously allowed. For  
10 the purposes of this paragraph (6), a reduction of the  
11 basis of qualified property resulting from a  
12 redetermination of the purchase price shall be deemed a  
13 disposition of qualified property to the extent of such  
14 reduction.

15 (7) Beginning with tax years ending after December 31,  
16 1996, if a taxpayer qualifies for the credit under this  
17 subsection (h) and thereby is granted a tax abatement and  
18 the taxpayer relocates its entire facility in violation of  
19 the explicit terms and length of the contract under Section  
20 18-183 of the Property Tax Code, the tax imposed under  
21 subsections (a) and (b) of this Section shall be increased  
22 for the taxable year in which the taxpayer relocated its  
23 facility by an amount equal to the amount of credit  
24 received by the taxpayer under this subsection (h).

25 (i) Credit for Personal Property Tax Replacement Income  
26 Tax. For tax years ending prior to December 31, 2003, a credit  
27 shall be allowed against the tax imposed by subsections (a) and  
28 (b) of this Section for the tax imposed by subsections (c) and  
29 (d) of this Section. This credit shall be computed by  
30 multiplying the tax imposed by subsections (c) and (d) of this  
31 Section by a fraction, the numerator of which is base income  
32 allocable to Illinois and the denominator of which is Illinois  
33 base income, and further multiplying the product by the tax  
34 rate imposed by subsections (a) and (b) of this Section.



1 Any credit earned on or after December 31, 1986 under this  
2 subsection which is unused in the year the credit is computed  
3 because it exceeds the tax liability imposed by subsections (a)  
4 and (b) for that year (whether it exceeds the original  
5 liability or the liability as later amended) may be carried  
6 forward and applied to the tax liability imposed by subsections  
7 (a) and (b) of the 5 taxable years following the excess credit  
8 year, provided that no credit may be carried forward to any  
9 year ending on or after December 31, 2003. This credit shall be  
10 applied first to the earliest year for which there is a  
11 liability. If there is a credit under this subsection from more  
12 than one tax year that is available to offset a liability the  
13 earliest credit arising under this subsection shall be applied  
14 first.

15 If, during any taxable year ending on or after December 31,  
16 1986, the tax imposed by subsections (c) and (d) of this  
17 Section for which a taxpayer has claimed a credit under this  
18 subsection (i) is reduced, the amount of credit for such tax  
19 shall also be reduced. Such reduction shall be determined by  
20 recomputing the credit to take into account the reduced tax  
21 imposed by subsections (c) and (d). If any portion of the  
22 reduced amount of credit has been carried to a different  
23 taxable year, an amended return shall be filed for such taxable  
24 year to reduce the amount of credit claimed.

25 (j) Training expense credit. Beginning with tax years  
26 ending on or after December 31, 1986 and prior to December 31,  
27 2003, a taxpayer shall be allowed a credit against the tax  
28 imposed by subsections (a) and (b) under this Section for all  
29 amounts paid or accrued, on behalf of all persons employed by  
30 the taxpayer in Illinois or Illinois residents employed outside  
31 of Illinois by a taxpayer, for educational or vocational  
32 training in semi-technical or technical fields or semi-skilled  
33 or skilled fields, which were deducted from gross income in the  
34 computation of taxable income. The credit against the tax

1 imposed by subsections (a) and (b) shall be 1.6% of such  
2 training expenses. For partners, shareholders of subchapter S  
3 corporations, and owners of limited liability companies, if the  
4 liability company is treated as a partnership for purposes of  
5 federal and State income taxation, there shall be allowed a  
6 credit under this subsection (j) to be determined in accordance  
7 with the determination of income and distributive share of  
8 income under Sections 702 and 704 and subchapter S of the  
9 Internal Revenue Code.

10 Any credit allowed under this subsection which is unused in  
11 the year the credit is earned may be carried forward to each of  
12 the 5 taxable years following the year for which the credit is  
13 first computed until it is used. This credit shall be applied  
14 first to the earliest year for which there is a liability. If  
15 there is a credit under this subsection from more than one tax  
16 year that is available to offset a liability the earliest  
17 credit arising under this subsection shall be applied first. No  
18 carryforward credit may be claimed in any tax year ending on or  
19 after December 31, 2003.

20 (k) Research and development credit.

21 For tax years ending after July 1, 1990 and prior to  
22 December 31, 2003, and beginning again for tax years ending on  
23 or after December 31, 2004, a taxpayer shall be allowed a  
24 credit against the tax imposed by subsections (a) and (b) of  
25 this Section for increasing research activities in this State.  
26 The credit allowed against the tax imposed by subsections (a)  
27 and (b) shall be equal to 6 1/2% of the qualifying expenditures  
28 for increasing research activities in this State. For partners,  
29 shareholders of subchapter S corporations, and owners of  
30 limited liability companies, if the liability company is  
31 treated as a partnership for purposes of federal and State  
32 income taxation, there shall be allowed a credit under this  
33 subsection to be determined in accordance with the  
34 determination of income and distributive share of income under

1 Sections 702 and 704 and subchapter S of the Internal Revenue  
2 Code.

3 For purposes of this subsection, "qualifying expenditures"  
4 means the qualifying expenditures as defined for the federal  
5 credit for increasing research activities which would be  
6 allowable under Section 41 of the Internal Revenue Code and  
7 which are conducted in this State, "qualifying expenditures for  
8 increasing research activities in this State" means the excess  
9 of qualifying expenditures for the taxable year in which  
10 incurred over qualifying expenditures for the base period,  
11 "qualifying expenditures for the base period" means the average  
12 of the qualifying expenditures for each year in the base  
13 period, and "base period" means the 3 taxable years immediately  
14 preceding the taxable year for which the determination is being  
15 made.

16 Any credit in excess of the tax liability for the taxable  
17 year may be carried forward. A taxpayer may elect to have the  
18 unused credit shown on its final completed return carried over  
19 as a credit against the tax liability for the following 5  
20 taxable years or until it has been fully used, whichever occurs  
21 first; provided that no credit earned in a tax year ending  
22 prior to December 31, 2003 may be carried forward to any year  
23 ending on or after December 31, 2003.

24 If an unused credit is carried forward to a given year from  
25 2 or more earlier years, that credit arising in the earliest  
26 year will be applied first against the tax liability for the  
27 given year. If a tax liability for the given year still  
28 remains, the credit from the next earliest year will then be  
29 applied, and so on, until all credits have been used or no tax  
30 liability for the given year remains. Any remaining unused  
31 credit or credits then will be carried forward to the next  
32 following year in which a tax liability is incurred, except  
33 that no credit can be carried forward to a year which is more  
34 than 5 years after the year in which the expense for which the

1 credit is given was incurred.

2 No inference shall be drawn from this amendatory Act of the  
3 91st General Assembly in construing this Section for taxable  
4 years beginning before January 1, 1999.

5 (1) Environmental Remediation Tax Credit.

6 (i) For tax years ending after December 31, 1997 and on  
7 or before December 31, 2001, a taxpayer shall be allowed a  
8 credit against the tax imposed by subsections (a) and (b)  
9 of this Section for certain amounts paid for unreimbursed  
10 eligible remediation costs, as specified in this  
11 subsection. For purposes of this Section, "unreimbursed  
12 eligible remediation costs" means costs approved by the  
13 Illinois Environmental Protection Agency ("Agency") under  
14 Section 58.14 of the Environmental Protection Act that were  
15 paid in performing environmental remediation at a site for  
16 which a No Further Remediation Letter was issued by the  
17 Agency and recorded under Section 58.10 of the  
18 Environmental Protection Act. The credit must be claimed  
19 for the taxable year in which Agency approval of the  
20 eligible remediation costs is granted. The credit is not  
21 available to any taxpayer if the taxpayer or any related  
22 party caused or contributed to, in any material respect, a  
23 release of regulated substances on, in, or under the site  
24 that was identified and addressed by the remedial action  
25 pursuant to the Site Remediation Program of the  
26 Environmental Protection Act. After the Pollution Control  
27 Board rules are adopted pursuant to the Illinois  
28 Administrative Procedure Act for the administration and  
29 enforcement of Section 58.9 of the Environmental  
30 Protection Act, determinations as to credit availability  
31 for purposes of this Section shall be made consistent with  
32 those rules. For purposes of this Section, "taxpayer"  
33 includes a person whose tax attributes the taxpayer has  
34 succeeded to under Section 381 of the Internal Revenue Code

1 and "related party" includes the persons disallowed a  
2 deduction for losses by paragraphs (b), (c), and (f)(1) of  
3 Section 267 of the Internal Revenue Code by virtue of being  
4 a related taxpayer, as well as any of its partners. The  
5 credit allowed against the tax imposed by subsections (a)  
6 and (b) shall be equal to 25% of the unreimbursed eligible  
7 remediation costs in excess of \$100,000 per site, except  
8 that the \$100,000 threshold shall not apply to any site  
9 contained in an enterprise zone as determined by the  
10 Department of Commerce and Community Affairs (now  
11 Department of Commerce and Economic Opportunity). The  
12 total credit allowed shall not exceed \$40,000 per year with  
13 a maximum total of \$150,000 per site. For partners and  
14 shareholders of subchapter S corporations, there shall be  
15 allowed a credit under this subsection to be determined in  
16 accordance with the determination of income and  
17 distributive share of income under Sections 702 and 704 and  
18 subchapter S of the Internal Revenue Code.

19 (ii) A credit allowed under this subsection that is  
20 unused in the year the credit is earned may be carried  
21 forward to each of the 5 taxable years following the year  
22 for which the credit is first earned until it is used. The  
23 term "unused credit" does not include any amounts of  
24 unreimbursed eligible remediation costs in excess of the  
25 maximum credit per site authorized under paragraph (i).  
26 This credit shall be applied first to the earliest year for  
27 which there is a liability. If there is a credit under this  
28 subsection from more than one tax year that is available to  
29 offset a liability, the earliest credit arising under this  
30 subsection shall be applied first. A credit allowed under  
31 this subsection may be sold to a buyer as part of a sale of  
32 all or part of the remediation site for which the credit  
33 was granted. The purchaser of a remediation site and the  
34 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the  
2 transfer, the assignor shall record the transfer in the  
3 chain of title for the site and provide written notice to  
4 the Director of the Illinois Department of Revenue of the  
5 assignor's intent to sell the remediation site and the  
6 amount of the tax credit to be transferred as a portion of  
7 the sale. In no event may a credit be transferred to any  
8 taxpayer if the taxpayer or a related party would not be  
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"  
11 shall have the same meaning as under Section 58.2 of the  
12 Environmental Protection Act.

13 (m) Education expense credit. Beginning with tax years  
14 ending after December 31, 1999, a taxpayer who is the custodian  
15 of one or more qualifying pupils shall be allowed a credit  
16 against the tax imposed by subsections (a) and (b) of this  
17 Section for qualified education expenses incurred on behalf of  
18 the qualifying pupils. For taxable years ending on or before  
19 December 30, 2006, the ~~The~~ credit shall be equal to 25% of  
20 qualified education expenses, but in no event may the total  
21 credit under this subsection claimed by a family that is the  
22 custodian of qualifying pupils exceed \$500. For taxable years  
23 ending on or after December 31, 2006, the credit is equal to  
24 50% of the qualified education expense, but in no event may the  
25 total credit under this subsection claimed by a family that is  
26 the custodian of qualifying pupils exceed \$1,000. In no event  
27 shall a credit under this subsection reduce the taxpayer's  
28 liability under this Act to less than zero. This subsection is  
29 exempt from the provisions of Section 250 of this Act.

30 For purposes of this subsection:

31 "Qualifying pupils" means individuals who (i) are  
32 residents of the State of Illinois, (ii) are under the age of  
33 21 at the close of the school year for which a credit is  
34 sought, and (iii) during the school year for which a credit is

1 sought were full-time pupils enrolled in a kindergarten through  
2 twelfth grade education program at any school, as defined in  
3 this subsection.

4 "Qualified education expense" means the amount incurred on  
5 behalf of a qualifying pupil in excess of \$250 for tuition,  
6 book fees, and lab fees at the school in which the pupil is  
7 enrolled during the regular school year.

8 "School" means any public or nonpublic elementary or  
9 secondary school in Illinois that is in compliance with Title  
10 VI of the Civil Rights Act of 1964 and attendance at which  
11 satisfies the requirements of Section 26-1 of the School Code,  
12 except that nothing shall be construed to require a child to  
13 attend any particular public or nonpublic school to qualify for  
14 the credit under this Section.

15 "Custodian" means, with respect to qualifying pupils, an  
16 Illinois resident who is a parent, the parents, a legal  
17 guardian, or the legal guardians of the qualifying pupils.

18 (Source: P.A. 92-12, eff. 7-1-01; 92-16, eff. 6-28-01; 92-651,  
19 eff. 7-11-02; 93-840, eff. 7-30-04; 92-846, eff. 8-23-02;  
20 93-29, eff. 6-20-03; 93-840, eff. 7-30-04; 93-871, eff. 8-6-04;  
21 revised 10-25-04.)

22 (35 ILCS 5/202.5 new)

23 Sec. 202.5. Net income attributable to the period prior to  
24 January 1, 2006 and net income attributable to the period after  
25 December 31, 2005.

26 (a) In general. With respect to the taxable year of a  
27 taxpayer beginning prior to January 1, 2006 and ending after  
28 December 31, 2005, net income for the period after December 31,  
29 2005 shall be that amount that bears the same ratio to the  
30 taxpayer's net income for the entire taxable year as the number  
31 of days in that year after December 31, 2005 bears to the total  
32 number of days in that year, and the net income for the period  
33 prior to January 1, 2006 shall be that amount that bears the

1 same ratio to the taxpayer's net income for the entire taxable  
2 year as the number of days in that year prior to January 1,  
3 2006 bears to the total number of days in that year.

4 (b) Election to attribute income and deduction items  
5 specifically to the respective portions of a taxable year prior  
6 to January 1, 2006 and after December 31, 2005. In the case of  
7 a taxpayer with a taxable year beginning prior to January 1,  
8 2006 and ending after December 31, 2005, the taxpayer may  
9 elect, instead of the procedure established in subsection (a)  
10 of this Section, to determine net income on a specific  
11 accounting basis for the 2 portions of his or her taxable year:

12 (i) from the beginning of the taxable year through  
13 December 31, 2005; and

14 (ii) from January 1, 2006 through the end of the  
15 taxable year.

16 If the taxpayer elects specific accounting under this  
17 subsection, there shall be taken into account in computing base  
18 income for each of the 2 portions of the taxable year only  
19 those items earned, received, paid, incurred or accrued in each  
20 such period. The standard exemption provided by Section 204  
21 shall be divided between the respective periods in amounts that  
22 bear the same ratio to the total exemption allowable under  
23 Section 204 (determined without regard to this Section) as the  
24 total number of days in each such period bears to the total  
25 number of days in the taxable year. The election provided by  
26 this subsection must be made in such manner and at such time  
27 that the Department by forms or regulations prescribes, but  
28 must be made no later than the due date (including any  
29 extensions thereof) for the filing of the return for the  
30 taxable year, and shall be irrevocable.

31 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

32 Sec. 208. Tax credit for residential real property taxes.

33 (a) Beginning with tax years ending on or after December



1 31, 1991 and through tax years ending on or before December 30,  
2 2006, every individual taxpayer shall be entitled to a tax  
3 credit equal to 5% of real property taxes paid by such taxpayer  
4 during the taxable year on the principal residence of the  
5 taxpayer.

6 (b) Beginning with taxable years ending on or after  
7 December 31, 2006, every individual taxpayer who is not claimed  
8 as a dependent on the tax return of any other taxpayer is  
9 entitled to a tax credit equal to the lesser of:

10 (1) \$30; or

11 (2) 5% of real property taxes paid by the taxpayer  
12 during the taxable year on the principal residence of the  
13 taxpayer.

14 (c) In the case of multi-unit or multi-use structures and  
15 farm dwellings, the taxes on the taxpayer's principal residence  
16 shall be that portion of the total taxes which is attributable  
17 to such principal residence.

18 (Source: P.A. 87-17.)

19 (35 ILCS 5/212)

20 Sec. 212. Earned income tax credit.

21 (a) With respect to the federal earned income tax credit  
22 allowed for the taxable year under Section 32 of the federal  
23 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
24 is entitled to a credit against the tax imposed by subsections  
25 (a) and (b) of Section 201 in an amount equal to 5% of the  
26 federal tax credit for each taxable year beginning on or after  
27 January 1, 2000 and ending on or before December 30, 2006 and  
28 in an amount equal to 20% of the federal tax credit for each  
29 taxable year ending on or after December 31, 2006.

30 For a non-resident or part-year resident, the amount of the  
31 credit under this Section shall be in proportion to the amount  
32 of income attributable to this State.

33 (b) For taxable years beginning before January 1, 2003, in

1 no event shall a credit under this Section reduce the  
2 taxpayer's liability to less than zero. For each taxable year  
3 beginning on or after January 1, 2003, if the amount of the  
4 credit exceeds the income tax liability for the applicable tax  
5 year, then the excess credit shall be refunded to the taxpayer.  
6 The amount of a refund shall not be included in the taxpayer's  
7 income or resources for the purposes of determining eligibility  
8 or benefit level in any means-tested benefit program  
9 administered by a governmental entity unless required by  
10 federal law.

11 (b-5) Refunds authorized by subsection (b) are subject to  
12 the availability of funds from the federal Temporary Assistance  
13 for Needy Families Block Grant and the State's ability to meet  
14 its required Maintenance of Effort.

15 (c) This Section is exempt from the provisions of Section  
16 250.

17 (Source: P.A. 93-534, eff. 8-18-03; 93-653, eff. 1-8-04.)

18 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

19 Sec. 901. Collection Authority.

20 (a) In general.

21 The Department shall collect the taxes imposed by this Act.  
22 The Department shall collect certified past due child support  
23 amounts under Section 2505-650 of the Department of Revenue Law  
24 (20 ILCS 2505/2505-650). Except as provided in subsections (c)  
25 and (e) of this Section, money collected pursuant to  
26 subsections (a) and (b) of Section 201 of this Act shall be  
27 paid into the General Revenue Fund in the State treasury; money  
28 collected pursuant to subsections (c) and (d) of Section 201 of  
29 this Act shall be paid into the Personal Property Tax  
30 Replacement Fund, a special fund in the State Treasury; and  
31 money collected under Section 2505-650 of the Department of  
32 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the  
33 Child Support Enforcement Trust Fund, a special fund outside

1 the State Treasury, or to the State Disbursement Unit  
2 established under Section 10-26 of the Illinois Public Aid  
3 Code, as directed by the Department of Public Aid.

4 (b) Local Governmental Distributive Fund.

5 Beginning August 1, 1969, and continuing through June 30,  
6 1994, the Treasurer shall transfer each month from the General  
7 Revenue Fund to a special fund in the State treasury, to be  
8 known as the "Local Government Distributive Fund", an amount  
9 equal to 1/12 of the net revenue realized from the tax imposed  
10 by subsections (a) and (b) of Section 201 of this Act during  
11 the preceding month. Beginning July 1, 1994, and continuing  
12 through June 30, 1995, the Treasurer shall transfer each month  
13 from the General Revenue Fund to the Local Government  
14 Distributive Fund an amount equal to 1/11 of the net revenue  
15 realized from the tax imposed by subsections (a) and (b) of  
16 Section 201 of this Act during the preceding month. Beginning  
17 July 1, 1995, the Treasurer shall transfer each month from the  
18 General Revenue Fund to the Local Government Distributive Fund  
19 an amount equal to the net of (i) 1/10 of the net revenue  
20 realized from the tax imposed by subsections (a) and (b) of  
21 Section 201 of the Illinois Income Tax Act during the preceding  
22 month, except that the net revenue attributable to the increase  
23 in the income tax imposed by subsections (a) and (b) of Section  
24 201 of this Act in accordance with this amendatory Act of the  
25 94th General Assembly shall not be used to calculate the amount  
26 transferred to the Local Governmental Distributive Fund (ii)  
27 minus, beginning July 1, 2003 and ending June 30, 2004,  
28 \$6,666,666, and beginning July 1, 2004, zero. Net revenue  
29 realized for a month shall be defined as the revenue from the  
30 tax imposed by subsections (a) and (b) of Section 201 of this  
31 Act which is deposited in the General Revenue Fund, the  
32 Educational Assistance Fund and the Income Tax Surcharge Local  
33 Government Distributive Fund during the month minus the amount  
34 paid out of the General Revenue Fund in State warrants during

1 that same month as refunds to taxpayers for overpayment of  
2 liability under the tax imposed by subsections (a) and (b) of  
3 Section 201 of this Act.

4 (c) Deposits Into Income Tax Refund Fund.

5 (1) Beginning on January 1, 1989 and thereafter, the  
6 Department shall deposit a percentage of the amounts  
7 collected pursuant to subsections (a) and (b)(1), (2), and  
8 (3), of Section 201 of this Act into a fund in the State  
9 treasury known as the Income Tax Refund Fund. The  
10 Department shall deposit 6% of such amounts during the  
11 period beginning January 1, 1989 and ending on June 30,  
12 1989. Beginning with State fiscal year 1990 and for each  
13 fiscal year thereafter, the percentage deposited into the  
14 Income Tax Refund Fund during a fiscal year shall be the  
15 Annual Percentage. For fiscal years 1999 through 2001, the  
16 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
17 Annual Percentage shall be 8%. For fiscal year 2004, the  
18 Annual Percentage shall be 11.7%. Upon the effective date  
19 of this amendatory Act of the 93rd General Assembly, the  
20 Annual Percentage shall be 10% for fiscal year 2005. For  
21 all other fiscal years, the Annual Percentage shall be  
22 calculated as a fraction, the numerator of which shall be  
23 the amount of refunds approved for payment by the  
24 Department during the preceding fiscal year as a result of  
25 overpayment of tax liability under subsections (a) and  
26 (b)(1), (2), and (3) of Section 201 of this Act plus the  
27 amount of such refunds remaining approved but unpaid at the  
28 end of the preceding fiscal year, minus the amounts  
29 transferred into the Income Tax Refund Fund from the  
30 Tobacco Settlement Recovery Fund, and the denominator of  
31 which shall be the amounts which will be collected pursuant  
32 to subsections (a) and (b)(1), (2), and (3) of Section 201  
33 of this Act during the preceding fiscal year; except that  
34 in State fiscal year 2002, the Annual Percentage shall in

1 no event exceed 7.6%. The Director of Revenue shall certify  
2 the Annual Percentage to the Comptroller on the last  
3 business day of the fiscal year immediately preceding the  
4 fiscal year for which it is to be effective.

5 (2) Beginning on January 1, 1989 and thereafter, the  
6 Department shall deposit a percentage of the amounts  
7 collected pursuant to subsections (a) and (b) (6), (7), and  
8 (8), (c) and (d) of Section 201 of this Act into a fund in  
9 the State treasury known as the Income Tax Refund Fund. The  
10 Department shall deposit 18% of such amounts during the  
11 period beginning January 1, 1989 and ending on June 30,  
12 1989. Beginning with State fiscal year 1990 and for each  
13 fiscal year thereafter, the percentage deposited into the  
14 Income Tax Refund Fund during a fiscal year shall be the  
15 Annual Percentage. For fiscal years 1999, 2000, and 2001,  
16 the Annual Percentage shall be 19%. For fiscal year 2003,  
17 the Annual Percentage shall be 27%. For fiscal year 2004,  
18 the Annual Percentage shall be 32%. Upon the effective date  
19 of this amendatory Act of the 93rd General Assembly, the  
20 Annual Percentage shall be 24% for fiscal year 2005. For  
21 all other fiscal years, the Annual Percentage shall be  
22 calculated as a fraction, the numerator of which shall be  
23 the amount of refunds approved for payment by the  
24 Department during the preceding fiscal year as a result of  
25 overpayment of tax liability under subsections (a) and  
26 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
27 Act plus the amount of such refunds remaining approved but  
28 unpaid at the end of the preceding fiscal year, and the  
29 denominator of which shall be the amounts which will be  
30 collected pursuant to subsections (a) and (b) (6), (7), and  
31 (8), (c) and (d) of Section 201 of this Act during the  
32 preceding fiscal year; except that in State fiscal year  
33 2002, the Annual Percentage shall in no event exceed 23%.  
34 The Director of Revenue shall certify the Annual Percentage

1 to the Comptroller on the last business day of the fiscal  
2 year immediately preceding the fiscal year for which it is  
3 to be effective.

4 (3) The Comptroller shall order transferred and the  
5 Treasurer shall transfer from the Tobacco Settlement  
6 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000  
7 in January, 2001, (ii) \$35,000,000 in January, 2002, and  
8 (iii) \$35,000,000 in January, 2003.

9 (d) Expenditures from Income Tax Refund Fund.

10 (1) Beginning January 1, 1989, money in the Income Tax  
11 Refund Fund shall be expended exclusively for the purpose  
12 of paying refunds resulting from overpayment of tax  
13 liability under Section 201 of this Act, for paying rebates  
14 under Section 208.1 in the event that the amounts in the  
15 Homeowners' Tax Relief Fund are insufficient for that  
16 purpose, and for making transfers pursuant to this  
17 subsection (d).

18 (2) The Director shall order payment of refunds  
19 resulting from overpayment of tax liability under Section  
20 201 of this Act from the Income Tax Refund Fund only to the  
21 extent that amounts collected pursuant to Section 201 of  
22 this Act and transfers pursuant to this subsection (d) and  
23 item (3) of subsection (c) have been deposited and retained  
24 in the Fund.

25 (3) As soon as possible after the end of each fiscal  
26 year, the Director shall order transferred and the State  
27 Treasurer and State Comptroller shall transfer from the  
28 Income Tax Refund Fund to the Personal Property Tax  
29 Replacement Fund an amount, certified by the Director to  
30 the Comptroller, equal to the excess of the amount  
31 collected pursuant to subsections (c) and (d) of Section  
32 201 of this Act deposited into the Income Tax Refund Fund  
33 during the fiscal year over the amount of refunds resulting  
34 from overpayment of tax liability under subsections (c) and

1 (d) of Section 201 of this Act paid from the Income Tax  
2 Refund Fund during the fiscal year.

3 (4) As soon as possible after the end of each fiscal  
4 year, the Director shall order transferred and the State  
5 Treasurer and State Comptroller shall transfer from the  
6 Personal Property Tax Replacement Fund to the Income Tax  
7 Refund Fund an amount, certified by the Director to the  
8 Comptroller, equal to the excess of the amount of refunds  
9 resulting from overpayment of tax liability under  
10 subsections (c) and (d) of Section 201 of this Act paid  
11 from the Income Tax Refund Fund during the fiscal year over  
12 the amount collected pursuant to subsections (c) and (d) of  
13 Section 201 of this Act deposited into the Income Tax  
14 Refund Fund during the fiscal year.

15 (4.5) As soon as possible after the end of fiscal year  
16 1999 and of each fiscal year thereafter, the Director shall  
17 order transferred and the State Treasurer and State  
18 Comptroller shall transfer from the Income Tax Refund Fund  
19 to the General Revenue Fund any surplus remaining in the  
20 Income Tax Refund Fund as of the end of such fiscal year;  
21 excluding for fiscal years 2000, 2001, and 2002 amounts  
22 attributable to transfers under item (3) of subsection (c)  
23 less refunds resulting from the earned income tax credit.

24 (5) This Act shall constitute an irrevocable and  
25 continuing appropriation from the Income Tax Refund Fund  
26 for the purpose of paying refunds upon the order of the  
27 Director in accordance with the provisions of this Section.

28 (e) Deposits into the Education Assistance Fund and the  
29 Income Tax Surcharge Local Government Distributive Fund.

30 On January 1, 2006 and thereafter, of the amounts collected  
31 pursuant to subsections (a) and (b) of Section 201 of this Act,  
32 minus deposits into the Income Tax Refund Fund, the Department  
33 shall deposit into the Education Assistance Fund in the State  
34 treasury: (i) an amount equal to 7.3% of the amount

1 attributable to the rates in effect prior to the effective date  
2 of this amendatory Act of the 94th General Assembly, plus (ii)  
3 100% of the amount attributable to the increase in the amounts  
4 collected pursuant to subsections (a) and (b) of Section 201 of  
5 this Act under this amendatory Act of the 94th General  
6 Assembly. On July 1, 1991, and through June 30, 2005  
7 ~~thereafter~~, of the amounts collected pursuant to subsections  
8 (a) and (b) of Section 201 of this Act, minus deposits into the  
9 Income Tax Refund Fund, the Department shall deposit 7.3% into  
10 the Education Assistance Fund in the State Treasury. Beginning  
11 July 1, 1991, and continuing through January 31, 1993, of the  
12 amounts collected pursuant to subsections (a) and (b) of  
13 Section 201 of the Illinois Income Tax Act, minus deposits into  
14 the Income Tax Refund Fund, the Department shall deposit 3.0%  
15 into the Income Tax Surcharge Local Government Distributive  
16 Fund in the State Treasury. Beginning February 1, 1993 and  
17 continuing through June 30, 1993, of the amounts collected  
18 pursuant to subsections (a) and (b) of Section 201 of the  
19 Illinois Income Tax Act, minus deposits into the Income Tax  
20 Refund Fund, the Department shall deposit 4.4% into the Income  
21 Tax Surcharge Local Government Distributive Fund in the State  
22 Treasury. Beginning July 1, 1993, and continuing through June  
23 30, 1994, of the amounts collected under subsections (a) and  
24 (b) of Section 201 of this Act, minus deposits into the Income  
25 Tax Refund Fund, the Department shall deposit 1.475% into the  
26 Income Tax Surcharge Local Government Distributive Fund in the  
27 State Treasury.

28 (Source: P.A. 92-11, eff. 6-11-01; 92-16, eff. 6-28-01; 92-600,  
29 eff. 6-28-02; 93-32, eff. 6-20-03; 93-839, eff. 7-30-04.)

30 Section 15. The Property Tax Code is amended by changing  
31 Sections 18-255, 20-15, and 21-30 and by adding Section 18-178  
32 as follows:



1 (35 ILCS 200/18-178 new)

2 Sec. 18-178. Education tax abatement. Beginning with taxes  
3 levied for 2005 (payable in 2006), the county clerk must  
4 determine the final extension for educational purposes for all  
5 taxable property in a school district located in the county or  
6 for the taxable property of that part of a school district  
7 located in the county, taking into account the maximum rate,  
8 levy, and extension authorized under the Property Tax Extension  
9 Limitation Law, the Truth in Taxation Law, and any other  
10 statute. The county clerk must then abate the extension for  
11 educational purposes for each school district or part of a  
12 school district in the county by the amount of the property tax  
13 relief grant certified to the county clerk for that school  
14 district or part of a school district by the Department of  
15 Revenue under Section 6z-68 of the State Finance Act. When the  
16 final extension for educational purposes has been determined  
17 and abated, the county clerk must notify the Department of  
18 Revenue. The county clerk must determine the prorated portion  
19 of the certified property tax relief grants allocable to each  
20 taxpayer in a given school district based on the tax rate for  
21 educational purposes for that school district and the aggregate  
22 relief granted to that school district. The extension amount  
23 for educational purposes, as originally calculated before  
24 abatement, is the official, final extension for educational  
25 purposes and must be used for all other purposes, including  
26 determining the maximum rate, levy, and extension authorized  
27 under the Property Tax Extension Limitation Law, the Truth in  
28 Taxation Law, any calculations for tax increment allocation  
29 financing under Section 11-74.4-8 of the Tax Increment  
30 Allocation Redevelopment Act in the Illinois Municipal Code,  
31 and any other statute and the maximum amount of tax  
32 anticipation warrants under Sections 17-16 and 34-23 of the  
33 School Code. Nothing in this Section shall reduce any tax  
34 increment arising from levies upon taxable real property in

1 redevelopment project areas created under the Tax Increment  
2 Allocation Redevelopment Act in the Illinois Municipal Code.

3 (35 ILCS 200/18-255)

4 Sec. 18-255. Abstract of assessments and extensions. When  
5 the collector's books are completed, the county clerk shall  
6 make a complete statement of the assessment and extensions, in  
7 conformity to the instructions of the Department. The clerk  
8 shall certify the statement to the Department. Beginning with  
9 the 2005 levy year, the Department shall require the statement  
10 to include a separate listing of the amount of any extension  
11 that is abated under Section 18-178 of this Act.

12 (Source: Laws 1943, vol. 1, p. 1136; P.A. 88-455.)

13 (35 ILCS 200/20-15)

14 Sec. 20-15. Information on bill or separate statement. The  
15 amount of tax due and rates shown on the tax bill pursuant to  
16 this Section shall be net of any abatement under Section  
17 18-178. There shall be printed on each bill, or on a separate  
18 slip which shall be mailed with the bill:

19 (a) a statement itemizing the rate at which taxes have  
20 been extended for each of the taxing districts in the  
21 county in whose district the property is located, and in  
22 those counties utilizing electronic data processing  
23 equipment the dollar amount of tax due from the person  
24 assessed allocable to each of those taxing districts,  
25 including a separate statement of the dollar amount of tax  
26 due which is allocable to a tax levied under the Illinois  
27 Local Library Act or to any other tax levied by a  
28 municipality or township for public library purposes,

29 (b) a separate statement for each of the taxing  
30 districts of the dollar amount of tax due which is  
31 allocable to a tax levied under the Illinois Pension Code  
32 or to any other tax levied by a municipality or township

1 for public pension or retirement purposes,

2 (c) the total tax rate,

3 (d) the total amount of tax due, ~~and~~

4 (e) the amount by which the total tax and the tax  
5 allocable to each taxing district differs from the  
6 taxpayer's last prior tax bill, and

7 (f) the amount of tax abated under Section 18-178  
8 labeled "Portion of your Education Related Property Taxes  
9 paid by the State of Illinois".

10 The county treasurer shall ensure that only those taxing  
11 districts in which a parcel of property is located shall be  
12 listed on the bill for that property.

13 In all counties the statement shall also provide:

14 (1) the property index number or other suitable  
15 description,

16 (2) the assessment of the property,

17 (3) the equalization factors imposed by the county and  
18 by the Department, and

19 (4) the equalized assessment resulting from the  
20 application of the equalization factors to the basic  
21 assessment.

22 In all counties which do not classify property for purposes  
23 of taxation, for property on which a single family residence is  
24 situated the statement shall also include a statement to  
25 reflect the fair cash value determined for the property. In all  
26 counties which classify property for purposes of taxation in  
27 accordance with Section 4 of Article IX of the Illinois  
28 Constitution, for parcels of residential property in the lowest  
29 assessment classification the statement shall also include a  
30 statement to reflect the fair cash value determined for the  
31 property.

32 In all counties, the statement shall include information  
33 that certain taxpayers may be eligible for the Senior Citizens  
34 and Disabled Persons Property Tax Relief and Pharmaceutical

1 Assistance Act and that applications are available from the  
2 Illinois Department of Revenue.

3 In counties which use the estimated or accelerated billing  
4 methods, these statements shall only be provided with the final  
5 installment of taxes due, except that the statement under item  
6 (f) shall be included with both installments in those counties  
7 under estimated or accelerated billing methods, the first  
8 billing showing the amount deducted from the first installment,  
9 and the final billing showing the total tax abated for the levy  
10 year under Section 18-178. The provisions of this Section  
11 create a mandatory statutory duty. They are not merely  
12 directory or discretionary. The failure or neglect of the  
13 collector to mail the bill, or the failure of the taxpayer to  
14 receive the bill, shall not affect the validity of any tax, or  
15 the liability for the payment of any tax.

16 (Source: P.A. 91-699, eff. 1-1-01.)

17 (35 ILCS 200/21-30)

18 Sec. 21-30. Accelerated billing. Except as provided in this  
19 Section, Section 9-260, and Section 21-40, in counties with  
20 3,000,000 or more inhabitants, by January 31 annually,  
21 estimated tax bills setting out the first installment of  
22 property taxes for the preceding year, payable in that year,  
23 shall be prepared and mailed. The first installment of taxes on  
24 the estimated tax bills shall be computed at 50% of the total  
25 of each tax bill before the abatement of taxes under Section  
26 18-178 for the preceding year, less an estimate of one-half of  
27 the school district property tax relief grant for the current  
28 year determined based on information available. If, prior to  
29 the preparation of the estimated tax bills, a certificate of  
30 error has been either approved by a court on or before November  
31 30 of the preceding year or certified pursuant to Section 14-15  
32 on or before November 30 of the preceding year, then the first  
33 installment of taxes on the estimated tax bills shall be

1 computed at 50% of the total taxes before the abatement of  
2 taxes under Section 18-178 for the preceding year as corrected  
3 by the certificate of error, less an estimate of one-half of  
4 the school district property tax relief grant for the current  
5 year determined based on information available. By June 30  
6 annually, actual tax bills shall be prepared and mailed. These  
7 bills shall set out total taxes due and the amount of estimated  
8 taxes billed in the first installment, and shall state the  
9 balance of taxes due for that year as represented by the sum  
10 derived from subtracting the amount of the first installment  
11 from the total taxes due for that year.

12 The county board may provide by ordinance, in counties with  
13 3,000,000 or more inhabitants, for taxes to be paid in 4  
14 installments. For the levy year for which the ordinance is  
15 first effective and each subsequent year, estimated tax bills  
16 setting out the first, second, and third installment of taxes  
17 for the preceding year, payable in that year, shall be prepared  
18 and mailed not later than the date specified by ordinance. Each  
19 installment on estimated tax bills shall be computed at 25% of  
20 the total of each tax bill for the preceding year. By the date  
21 specified in the ordinance, actual tax bills shall be prepared  
22 and mailed. These bills shall set out total taxes due and the  
23 amount of estimated taxes billed in the first, second, and  
24 third installments and shall state the balance of taxes due for  
25 that year as represented by the sum derived from subtracting  
26 the amount of the estimated installments from the total taxes  
27 due for that year.

28 The county board of any county with less than 3,000,000  
29 inhabitants may, by ordinance or resolution, adopt an  
30 accelerated method of tax billing. The county board may  
31 subsequently rescind the ordinance or resolution and revert to  
32 the method otherwise provided for in this Code.

33 Taxes levied on homestead property in which a member of the  
34 National Guard or reserves of the armed forces of the United

1 States who was called to active duty on or after August 1,  
2 1990, and who has an ownership interest shall not be deemed  
3 delinquent and no interest shall accrue or be charged as a  
4 penalty on such taxes due and payable in 1991 or 1992 until one  
5 year after that member returns to civilian status.

6 (Source: P.A. 92-475, eff. 8-23-01; 93-560, eff. 8-20-03.)

7 Section 20. The School Code is amended by changing Sections  
8 17-2.2a, 17-3, 17-4, 17-5, 18-8.05, 18-19, 20-3, 20-7, 34-31,  
9 and 34-53 and by adding Section 18-25 as follows:

10 (105 ILCS 5/17-2.2a) (from Ch. 122, par. 17-2.2a)

11 Sec. 17-2.2a. (a) Tax for special education programs. The  
12 school board of any district having a population of less than  
13 500,000 inhabitants may, by proper resolution, levy an annual  
14 tax upon the value as equalized or assessed by the Department  
15 of Revenue, for special education purposes, including the  
16 purposes authorized by Section 10-22.31b as follows:

17 (1) districts maintaining only grades kindergarten  
18 through 8, and prior to July 1, 1970, districts maintaining  
19 only grades 1 through 8, .02%;

20 (2) districts maintaining only grades 9 through 12,  
21 .02%;

22 (3) districts maintaining only grades kindergarten  
23 through 12, and prior to July 1, 1970, districts  
24 maintaining only grades 1 through 12, .04%.

25 The revenue raised by such tax shall be used only for  
26 special education purposes, including the construction and  
27 maintenance of special education facilities.

28 Upon proper resolution of the school board, the school  
29 district may accumulate such funds for special education  
30 building purposes for a period of 8 years.

31 Buildings constructed under the provisions of this Section  
32 shall comply with the building code authorized under Section

1 2-3.12.

2 If it is no longer feasible or economical to utilize  
3 classroom facilities constructed with revenues raised and  
4 accumulated by the tax for special education building purposes,  
5 the district, or cooperative district by unanimous consent, may  
6 with the approval of the regional superintendent of schools and  
7 the State Superintendent of Education use such facilities for  
8 regular school purposes. The district or cooperative of  
9 districts shall make comparable facilities available for  
10 special education purposes at another attendance center which  
11 is in a more practical location due to the proximity of the  
12 students served.

13 (b) If the school board of any district that has levied the  
14 tax authorized by this Section determines that the accumulated  
15 funds from such tax and from the \$1,000 State reimbursement per  
16 professional worker received under Section 14-13.02 are no  
17 longer required for special education building purposes, the  
18 board may by proper resolution transfer such funds to any other  
19 fund to be used for any special education purposes authorized  
20 by Article 14. Such transfer shall not be made until after the  
21 regional superintendent has certified to the State  
22 Superintendent of Education that adequate housing provisions  
23 have been made for all children with disabilities residing in  
24 the school district.

25 (c) The tax rate limits specified in this Section may be  
26 increased to .40% by districts maintaining only grades  
27 kindergarten through 8 or only grades 9 through 12, and to .80%  
28 by districts maintaining grades kindergarten through 12, upon  
29 the approval of a proposition to effect such increase by at  
30 least 60% ~~a majority~~ of the electors voting on such proposition  
31 at a regular scheduled election. The proposition may be  
32 initiated by resolution of the school board and shall be  
33 certified by the secretary to the proper election authorities  
34 for submission in accordance with the general election law. If

1 at such election at least 60% ~~a majority~~ of the votes cast on  
2 the proposition are ~~is~~ in favor thereof, the school board may  
3 thereafter until such authority is revoked in like manner levy  
4 annually the tax so authorized.

5 (Source: P.A. 89-397, eff. 8-20-95; 90-757, eff. 8-14-98.)

6 (105 ILCS 5/17-3) (from Ch. 122, par. 17-3)

7 Sec. 17-3. Additional levies-Submission to voters. The  
8 school board in any district having a population of less than  
9 500,000 inhabitants may, by proper resolution, cause a  
10 proposition to increase, for a limited period of not less than  
11 3 nor more than 10 years or for an unlimited period, the annual  
12 tax rate for educational purposes to be submitted to the voters  
13 of such district at a regular scheduled election as follows:

14 (1) in districts maintaining grades 1 through 8, or  
15 grades 9 through 12, the maximum rate for educational  
16 purposes shall not exceed 3.5% of the value as equalized or  
17 assessed by the Department of Revenue;

18 (2) in districts maintaining grades 1 through 12 the  
19 maximum rate for educational purposes shall not exceed  
20 4.00%, except that if a single elementary district and a  
21 secondary district having boundaries that are coterminous  
22 on the effective date of this amendatory Act form a  
23 community unit district under Section 11-6, then the  
24 maximum rate for education purposes for such district shall  
25 not exceed 6.00% of the value as equalized or assessed by  
26 the Department of Revenue.

27 If the resolution of the school board seeks to increase the  
28 annual tax rate for educational purposes for a limited period  
29 of not less than 3 nor more than 10 years, the proposition  
30 shall so state and shall identify the years for which the tax  
31 increase is sought.

32 If at least 60% ~~a majority~~ of the votes cast on the  
33 proposition are ~~is~~ in favor thereof at an election for which



1 the election authorities have given notice either (i) in  
2 accordance with Section 12-5 of the Election Code or (ii) by  
3 publication of a true and legible copy of the specimen ballot  
4 label containing the proposition in the form in which it  
5 appeared or will appear on the official ballot label on the day  
6 of the election at least 5 days before the day of the election  
7 in at least one newspaper published in and having a general  
8 circulation in the district, the school board may thereafter,  
9 until such authority is revoked in like manner, levy annually  
10 the tax so authorized; provided that if the proposition as  
11 approved limits the increase in the annual tax rate of the  
12 district for educational purposes to a period of not less than  
13 3 nor more than 10 years, the district may, unless such  
14 authority is sooner revoked in like manner, levy annually the  
15 tax so authorized for the limited number of years approved by a  
16 majority of the votes cast on the proposition. Upon expiration  
17 of that limited period, the rate at which the district may  
18 annually levy its tax for educational purposes shall be the  
19 rate provided under Section 17-2, or the rate at which the  
20 district last levied its tax for educational purposes prior to  
21 approval of the proposition authorizing the levy of that tax at  
22 an increased rate, whichever is greater.

23 The school board shall certify the proposition to the  
24 proper election authorities in accordance with the general  
25 election law.

26 The provisions of this Section concerning notice of the tax  
27 rate increase referendum apply only to consolidated primary  
28 elections held prior to January 1, 2002 at which not less than  
29 55% of the voters voting on the tax rate increase proposition  
30 voted in favor of the tax rate increase proposition.

31 (Source: P.A. 92-6, eff. 6-7-01.)

32 (105 ILCS 5/17-4) (from Ch. 122, par. 17-4)

33 Sec. 17-4. Increase tax rate for transportation. The school

1 board of any district having a population of less than 500,000  
2 inhabitants may, by proper resolution, cause a proposition to  
3 increase the annual tax rate for transportation purposes to be  
4 submitted to the voters of such district at a regular scheduled  
5 election. The board shall certify the proposition to the proper  
6 election authority for submission in accordance with the  
7 general election law. If at such election at least 60% ~~a~~  
8 ~~majority~~ of the votes cast on the proposition are ~~is~~ in favor  
9 thereof the school board may thereafter until such authority is  
10 revoked in like manner levy annually the tax so authorized.

11 (Source: P.A. 82-461.)

12 (105 ILCS 5/17-5) (from Ch. 122, par. 17-5)

13 Sec. 17-5. Increase tax rates for operations and  
14 maintenance purposes- Maximum. The school board in any district  
15 having a population of less than 500,000 inhabitants may, by  
16 proper resolution, cause a proposition to increase the annual  
17 tax rate for operations and maintenance purposes to be  
18 submitted to the voters of the district at a regular scheduled  
19 election. The board shall certify the proposition to the proper  
20 election authority for submission to the elector in accordance  
21 with the general election law. In districts maintaining grades  
22 1 through 8, or grades 9 through 12, the maximum rate for  
23 operations and maintenance purposes shall not exceed .55%; and  
24 in districts maintaining grades 1 through 12, the maximum rates  
25 for operations and maintenance purposes shall not exceed .75%,  
26 except that if a single elementary district and a secondary  
27 district having boundaries that are coterminous on the  
28 effective date of this amendatory Act form a community unit  
29 district as authorized under Section 11-6, the maximum rate for  
30 operation and maintenance purposes for such district shall not  
31 exceed 1.10% of the value as equalized or assessed by the  
32 Department of Revenue; and in such district maintaining grades  
33 1 through 12, funds may, subject to the provisions of Section

1 17-5.1 accumulate to not more than 5% of the equalized assessed  
2 valuation of the district. No such accumulation shall ever be  
3 transferred or used for any other purpose. If at least 60% ~~a~~  
4 ~~majority~~ of the votes cast on the proposition are ~~is~~ in favor  
5 thereof, the school board may thereafter, until such authority  
6 is revoked in like manner, levy annually a tax as authorized.

7 (Source: P.A. 86-1334.)

8 (105 ILCS 5/18-8.05)

9 Sec. 18-8.05. Basis for apportionment of general State  
10 financial aid and supplemental general State aid to the common  
11 schools for the 1998-1999 and subsequent school years.

12 (A) General Provisions.

13 (1) The provisions of this Section apply to the 1998-1999  
14 and subsequent school years. The system of general State  
15 financial aid provided for in this Section is designed to  
16 assure that, through a combination of State financial aid and  
17 required local resources, the financial support provided each  
18 pupil in Average Daily Attendance equals or exceeds a  
19 prescribed per pupil Foundation Level. This formula approach  
20 imputes a level of per pupil Available Local Resources and  
21 provides for the basis to calculate a per pupil level of  
22 general State financial aid that, when added to Available Local  
23 Resources, equals or exceeds the Foundation Level. The amount  
24 of per pupil general State financial aid for school districts,  
25 in general, varies in inverse relation to Available Local  
26 Resources. Per pupil amounts are based upon each school  
27 district's Average Daily Attendance as that term is defined in  
28 this Section.

29 (2) In addition to general State financial aid, school  
30 districts with specified levels or concentrations of pupils  
31 from low income households are eligible to receive supplemental  
32 general State financial aid grants as provided pursuant to

1 subsection (H). The supplemental State aid grants provided for  
2 school districts under subsection (H) shall be appropriated for  
3 distribution to school districts as part of the same line item  
4 in which the general State financial aid of school districts is  
5 appropriated under this Section.

6 (3) To receive financial assistance under this Section,  
7 school districts are required to file claims with the State  
8 Board of Education, subject to the following requirements:

9 (a) Any school district which fails for any given  
10 school year to maintain school as required by law, or to  
11 maintain a recognized school is not eligible to file for  
12 such school year any claim upon the Common School Fund. In  
13 case of nonrecognition of one or more attendance centers in  
14 a school district otherwise operating recognized schools,  
15 the claim of the district shall be reduced in the  
16 proportion which the Average Daily Attendance in the  
17 attendance center or centers bear to the Average Daily  
18 Attendance in the school district. A "recognized school"  
19 means any public school which meets the standards as  
20 established for recognition by the State Board of  
21 Education. A school district or attendance center not  
22 having recognition status at the end of a school term is  
23 entitled to receive State aid payments due upon a legal  
24 claim which was filed while it was recognized.

25 (b) School district claims filed under this Section are  
26 subject to Sections 18-9, 18-10, and 18-12, except as  
27 otherwise provided in this Section.

28 (c) If a school district operates a full year school  
29 under Section 10-19.1, the general State aid to the school  
30 district shall be determined by the State Board of  
31 Education in accordance with this Section as near as may be  
32 applicable.

33 (d) (Blank).

34 (4) Except as provided in subsections (H) and (L), the

1 board of any district receiving any of the grants provided for  
2 in this Section may apply those funds to any fund so received  
3 for which that board is authorized to make expenditures by law.

4 School districts are not required to exert a minimum  
5 Operating Tax Rate in order to qualify for assistance under  
6 this Section.

7 (5) As used in this Section the following terms, when  
8 capitalized, shall have the meaning ascribed herein:

9 (a) "Average Daily Attendance": A count of pupil  
10 attendance in school, averaged as provided for in  
11 subsection (C) and utilized in deriving per pupil financial  
12 support levels.

13 (b) "Available Local Resources": A computation of  
14 local financial support, calculated on the basis of Average  
15 Daily Attendance and derived as provided pursuant to  
16 subsection (D).

17 (c) "Corporate Personal Property Replacement Taxes":  
18 Funds paid to local school districts pursuant to "An Act in  
19 relation to the abolition of ad valorem personal property  
20 tax and the replacement of revenues lost thereby, and  
21 amending and repealing certain Acts and parts of Acts in  
22 connection therewith", certified August 14, 1979, as  
23 amended (Public Act 81-1st S.S.-1).

24 (d) "Foundation Level": A prescribed level of per pupil  
25 financial support as provided for in subsection (B).

26 (e) "Operating Tax Rate": All school district property  
27 taxes extended for all purposes, except Bond and Interest,  
28 Summer School, Rent, Capital Improvement, and Vocational  
29 Education Building purposes.

30 (B) Foundation Level.

31 (1) The Foundation Level is a figure established by the  
32 State representing the minimum level of per pupil financial  
33 support that should be available to provide for the basic

1 education of each pupil in Average Daily Attendance. As set  
2 forth in this Section, each school district is assumed to exert  
3 a sufficient local taxing effort such that, in combination with  
4 the aggregate of general State financial aid provided the  
5 district, an aggregate of State and local resources are  
6 available to meet the basic education needs of pupils in the  
7 district.

8 (2) For the 1998-1999 school year, the Foundation Level of  
9 support is \$4,225. For the 1999-2000 school year, the  
10 Foundation Level of support is \$4,325. For the 2000-2001 school  
11 year, the Foundation Level of support is \$4,425. For the  
12 2001-2002 school year and 2002-2003 school year, the Foundation  
13 Level of support is \$4,560. For the 2003-2004 school year, the  
14 Foundation Level of support is \$4,810. For the 2004-2005 school  
15 year, the Foundation Level of support is \$4,964.

16 (3) For the 2005-2006 ~~2004-2005~~ school year and each school  
17 year thereafter, the Foundation Level of support is \$6,100  
18 ~~\$4,964~~ ~~\$5,060~~ or such greater amount as may be established by  
19 law by the General Assembly. For each school year thereafter,  
20 the foundation level shall be increased by the lesser of 3.5%  
21 or the percentage increase in the Consumer Price Index for All  
22 Urban Consumers published by the U.S. Bureau of Labor  
23 Statistics for the immediately preceding fiscal year.

24 (C) Average Daily Attendance.

25 (1) For purposes of calculating general State aid pursuant  
26 to subsection (E), an Average Daily Attendance figure shall be  
27 utilized. The Average Daily Attendance figure for formula  
28 calculation purposes shall be the monthly average of the actual  
29 number of pupils in attendance of each school district, as  
30 further averaged for the best 3 months of pupil attendance for  
31 each school district. In compiling the figures for the number  
32 of pupils in attendance, school districts and the State Board  
33 of Education shall, for purposes of general State aid funding,

1 conform attendance figures to the requirements of subsection  
2 (F).

3 (2) The Average Daily Attendance figures utilized in  
4 subsection (E) shall be the requisite attendance data for the  
5 school year immediately preceding the school year for which  
6 general State aid is being calculated or the average of the  
7 attendance data for the 3 preceding school years, whichever is  
8 greater. The Average Daily Attendance figures utilized in  
9 subsection (H) shall be the requisite attendance data for the  
10 school year immediately preceding the school year for which  
11 general State aid is being calculated.

12 (D) Available Local Resources.

13 (1) For purposes of calculating general State aid pursuant  
14 to subsection (E), a representation of Available Local  
15 Resources per pupil, as that term is defined and determined in  
16 this subsection, shall be utilized. Available Local Resources  
17 per pupil shall include a calculated dollar amount representing  
18 local school district revenues from local property taxes and  
19 from Corporate Personal Property Replacement Taxes, expressed  
20 on the basis of pupils in Average Daily Attendance. Calculation  
21 of Available Local Resources shall exclude any tax amnesty  
22 funds received as a result of Public Act 93-26.

23 (2) In determining a school district's revenue from local  
24 property taxes, the State Board of Education shall utilize the  
25 equalized assessed valuation of all taxable property of each  
26 school district as of September 30 of the previous year. The  
27 equalized assessed valuation utilized shall be obtained and  
28 determined as provided in subsection (G).

29 (3) For school districts maintaining grades kindergarten  
30 through 12, local property tax revenues per pupil shall be  
31 calculated as the product of the applicable equalized assessed  
32 valuation for the district multiplied by 3.00%, and divided by  
33 the district's Average Daily Attendance figure. For school

1 districts maintaining grades kindergarten through 8, local  
2 property tax revenues per pupil shall be calculated as the  
3 product of the applicable equalized assessed valuation for the  
4 district multiplied by 2.30%, and divided by the district's  
5 Average Daily Attendance figure. For school districts  
6 maintaining grades 9 through 12, local property tax revenues  
7 per pupil shall be the applicable equalized assessed valuation  
8 of the district multiplied by 1.05%, and divided by the  
9 district's Average Daily Attendance figure.

10 (4) The Corporate Personal Property Replacement Taxes paid  
11 to each school district during the calendar year 2 years before  
12 the calendar year in which a school year begins, divided by the  
13 Average Daily Attendance figure for that district, shall be  
14 added to the local property tax revenues per pupil as derived  
15 by the application of the immediately preceding paragraph (3).  
16 The sum of these per pupil figures for each school district  
17 shall constitute Available Local Resources as that term is  
18 utilized in subsection (E) in the calculation of general State  
19 aid.

20 (E) Computation of General State Aid.

21 (1) For each school year, the amount of general State aid  
22 allotted to a school district shall be computed by the State  
23 Board of Education as provided in this subsection.

24 (2) For any school district for which Available Local  
25 Resources per pupil is less than the product of 0.93 times the  
26 Foundation Level, general State aid for that district shall be  
27 calculated as an amount equal to the Foundation Level minus  
28 Available Local Resources, multiplied by the Average Daily  
29 Attendance of the school district.

30 (3) For any school district for which Available Local  
31 Resources per pupil is equal to or greater than the product of  
32 0.93 times the Foundation Level and less than the product of  
33 1.75 times the Foundation Level, the general State aid per



1 pupil shall be a decimal proportion of the Foundation Level  
2 derived using a linear algorithm. Under this linear algorithm,  
3 the calculated general State aid per pupil shall decline in  
4 direct linear fashion from 0.07 times the Foundation Level for  
5 a school district with Available Local Resources equal to the  
6 product of 0.93 times the Foundation Level, to 0.05 times the  
7 Foundation Level for a school district with Available Local  
8 Resources equal to the product of 1.75 times the Foundation  
9 Level. The allocation of general State aid for school districts  
10 subject to this paragraph 3 shall be the calculated general  
11 State aid per pupil figure multiplied by the Average Daily  
12 Attendance of the school district.

13 (4) For any school district for which Available Local  
14 Resources per pupil equals or exceeds the product of 1.75 times  
15 the Foundation Level, the general State aid for the school  
16 district shall be calculated as the product of \$218 multiplied  
17 by the Average Daily Attendance of the school district.

18 (5) The amount of general State aid allocated to a school  
19 district for the 1999-2000 school year meeting the requirements  
20 set forth in paragraph (4) of subsection (G) shall be increased  
21 by an amount equal to the general State aid that would have  
22 been received by the district for the 1998-1999 school year by  
23 utilizing the Extension Limitation Equalized Assessed  
24 Valuation as calculated in paragraph (4) of subsection (G) less  
25 the general State aid allotted for the 1998-1999 school year.  
26 This amount shall be deemed a one time increase, and shall not  
27 affect any future general State aid allocations.

28 (F) Compilation of Average Daily Attendance.

29 (1) Each school district shall, by July 1 of each year,  
30 submit to the State Board of Education, on forms prescribed by  
31 the State Board of Education, attendance figures for the school  
32 year that began in the preceding calendar year. The attendance  
33 information so transmitted shall identify the average daily

1 attendance figures for each month of the school year. Beginning  
2 with the general State aid claim form for the 2002-2003 school  
3 year, districts shall calculate Average Daily Attendance as  
4 provided in subdivisions (a), (b), and (c) of this paragraph  
5 (1).

6 (a) In districts that do not hold year-round classes,  
7 days of attendance in August shall be added to the month of  
8 September and any days of attendance in June shall be added  
9 to the month of May.

10 (b) In districts in which all buildings hold year-round  
11 classes, days of attendance in July and August shall be  
12 added to the month of September and any days of attendance  
13 in June shall be added to the month of May.

14 (c) In districts in which some buildings, but not all,  
15 hold year-round classes, for the non-year-round buildings,  
16 days of attendance in August shall be added to the month of  
17 September and any days of attendance in June shall be added  
18 to the month of May. The average daily attendance for the  
19 year-round buildings shall be computed as provided in  
20 subdivision (b) of this paragraph (1). To calculate the  
21 Average Daily Attendance for the district, the average  
22 daily attendance for the year-round buildings shall be  
23 multiplied by the days in session for the non-year-round  
24 buildings for each month and added to the monthly  
25 attendance of the non-year-round buildings.

26 Except as otherwise provided in this Section, days of  
27 attendance by pupils shall be counted only for sessions of not  
28 less than 5 clock hours of school work per day under direct  
29 supervision of: (i) teachers, or (ii) non-teaching personnel or  
30 volunteer personnel when engaging in non-teaching duties and  
31 supervising in those instances specified in subsection (a) of  
32 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
33 of legal school age and in kindergarten and grades 1 through  
34 12.

1 Days of attendance by tuition pupils shall be accredited  
2 only to the districts that pay the tuition to a recognized  
3 school.

4 (2) Days of attendance by pupils of less than 5 clock hours  
5 of school shall be subject to the following provisions in the  
6 compilation of Average Daily Attendance.

7 (a) Pupils regularly enrolled in a public school for  
8 only a part of the school day may be counted on the basis  
9 of 1/6 day for every class hour of instruction of 40  
10 minutes or more attended pursuant to such enrollment,  
11 unless a pupil is enrolled in a block-schedule format of 80  
12 minutes or more of instruction, in which case the pupil may  
13 be counted on the basis of the proportion of minutes of  
14 school work completed each day to the minimum number of  
15 minutes that school work is required to be held that day.

16 (b) Days of attendance may be less than 5 clock hours  
17 on the opening and closing of the school term, and upon the  
18 first day of pupil attendance, if preceded by a day or days  
19 utilized as an institute or teachers' workshop.

20 (c) A session of 4 or more clock hours may be counted  
21 as a day of attendance upon certification by the regional  
22 superintendent, and approved by the State Superintendent  
23 of Education to the extent that the district has been  
24 forced to use daily multiple sessions.

25 (d) A session of 3 or more clock hours may be counted  
26 as a day of attendance (1) when the remainder of the school  
27 day or at least 2 hours in the evening of that day is  
28 utilized for an in-service training program for teachers,  
29 up to a maximum of 5 days per school year of which a  
30 maximum of 4 days of such 5 days may be used for  
31 parent-teacher conferences, provided a district conducts  
32 an in-service training program for teachers which has been  
33 approved by the State Superintendent of Education; or, in  
34 lieu of 4 such days, 2 full days may be used, in which

1 event each such day may be counted as a day of attendance;  
2 and (2) when days in addition to those provided in item (1)  
3 are scheduled by a school pursuant to its school  
4 improvement plan adopted under Article 34 or its revised or  
5 amended school improvement plan adopted under Article 2,  
6 provided that (i) such sessions of 3 or more clock hours  
7 are scheduled to occur at regular intervals, (ii) the  
8 remainder of the school days in which such sessions occur  
9 are utilized for in-service training programs or other  
10 staff development activities for teachers, and (iii) a  
11 sufficient number of minutes of school work under the  
12 direct supervision of teachers are added to the school days  
13 between such regularly scheduled sessions to accumulate  
14 not less than the number of minutes by which such sessions  
15 of 3 or more clock hours fall short of 5 clock hours. Any  
16 full days used for the purposes of this paragraph shall not  
17 be considered for computing average daily attendance. Days  
18 scheduled for in-service training programs, staff  
19 development activities, or parent-teacher conferences may  
20 be scheduled separately for different grade levels and  
21 different attendance centers of the district.

22 (e) A session of not less than one clock hour of  
23 teaching hospitalized or homebound pupils on-site or by  
24 telephone to the classroom may be counted as 1/2 day of  
25 attendance, however these pupils must receive 4 or more  
26 clock hours of instruction to be counted for a full day of  
27 attendance.

28 (f) A session of at least 4 clock hours may be counted  
29 as a day of attendance for first grade pupils, and pupils  
30 in full day kindergartens, and a session of 2 or more hours  
31 may be counted as 1/2 day of attendance by pupils in  
32 kindergartens which provide only 1/2 day of attendance.

33 (g) For children with disabilities who are below the  
34 age of 6 years and who cannot attend 2 or more clock hours

1 because of their disability or immaturity, a session of not  
2 less than one clock hour may be counted as 1/2 day of  
3 attendance; however for such children whose educational  
4 needs so require a session of 4 or more clock hours may be  
5 counted as a full day of attendance.

6 (h) A recognized kindergarten which provides for only  
7 1/2 day of attendance by each pupil shall not have more  
8 than 1/2 day of attendance counted in any one day. However,  
9 kindergartens may count 2 1/2 days of attendance in any 5  
10 consecutive school days. When a pupil attends such a  
11 kindergarten for 2 half days on any one school day, the  
12 pupil shall have the following day as a day absent from  
13 school, unless the school district obtains permission in  
14 writing from the State Superintendent of Education.  
15 Attendance at kindergartens which provide for a full day of  
16 attendance by each pupil shall be counted the same as  
17 attendance by first grade pupils. Only the first year of  
18 attendance in one kindergarten shall be counted, except in  
19 case of children who entered the kindergarten in their  
20 fifth year whose educational development requires a second  
21 year of kindergarten as determined under the rules and  
22 regulations of the State Board of Education.

23 (G) Equalized Assessed Valuation Data.

24 (1) For purposes of the calculation of Available Local  
25 Resources required pursuant to subsection (D), the State Board  
26 of Education shall secure from the Department of Revenue the  
27 value as equalized or assessed by the Department of Revenue of  
28 all taxable property of every school district, together with  
29 (i) the applicable tax rate used in extending taxes for the  
30 funds of the district as of September 30 of the previous year  
31 and (ii) the limiting rate for all school districts subject to  
32 property tax extension limitations as imposed under the  
33 Property Tax Extension Limitation Law.

1           The Department of Revenue shall add to the equalized  
2 assessed value of all taxable property of each school district  
3 situated entirely or partially within a county that is or was  
4 subject to the alternative general homestead exemption  
5 provisions of Section 15-176 of the Property Tax Code (a) ~~(i)~~  
6 an amount equal to the total amount by which the homestead  
7 exemption allowed under Section 15-176 of the Property Tax Code  
8 for real property situated in that school district exceeds the  
9 total amount that would have been allowed in that school  
10 district if the maximum reduction under Section 15-176 was (i)  
11 \$4,500 in Cook County or \$3,500 in all other counties in tax  
12 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and  
13 thereafter and (b) ~~(ii)~~ an amount equal to the aggregate amount  
14 for the taxable year of all additional exemptions under Section  
15 15-175 of the Property Tax Code for owners with a household  
16 income of \$30,000 or less. The county clerk of any county that  
17 is or was subject to the alternative general homestead  
18 exemption provisions of Section 15-176 of the Property Tax Code  
19 shall annually calculate and certify to the Department of  
20 Revenue for each school district all homestead exemption  
21 amounts under Section 15-176 of the Property Tax Code and all  
22 amounts of additional exemptions under Section 15-175 of the  
23 Property Tax Code for owners with a household income of \$30,000  
24 or less. It is the intent of this paragraph that if the general  
25 homestead exemption for a parcel of property is determined  
26 under Section 15-176 of the Property Tax Code rather than  
27 Section 15-175, then the calculation of Available Local  
28 Resources shall not be affected by the difference, if any,  
29 between the amount of the general homestead exemption allowed  
30 for that parcel of property under Section 15-176 of the  
31 Property Tax Code and the amount that would have been allowed  
32 had the general homestead exemption for that parcel of property  
33 been determined under Section 15-175 of the Property Tax Code.  
34 It is further the intent of this paragraph that if additional

1 exemptions are allowed under Section 15-175 of the Property Tax  
2 Code for owners with a household income of less than \$30,000,  
3 then the calculation of Available Local Resources shall not be  
4 affected by the difference, if any, because of those additional  
5 exemptions.

6 This equalized assessed valuation, as adjusted further by  
7 the requirements of this subsection, shall be utilized in the  
8 calculation of Available Local Resources.

9 (2) The equalized assessed valuation in paragraph (1) shall  
10 be adjusted, as applicable, in the following manner:

11 (a) For the purposes of calculating State aid under  
12 this Section, with respect to any part of a school district  
13 within a redevelopment project area in respect to which a  
14 municipality has adopted tax increment allocation  
15 financing pursuant to the Tax Increment Allocation  
16 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11  
17 of the Illinois Municipal Code or the Industrial Jobs  
18 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the  
19 Illinois Municipal Code, no part of the current equalized  
20 assessed valuation of real property located in any such  
21 project area which is attributable to an increase above the  
22 total initial equalized assessed valuation of such  
23 property shall be used as part of the equalized assessed  
24 valuation of the district, until such time as all  
25 redevelopment project costs have been paid, as provided in  
26 Section 11-74.4-8 of the Tax Increment Allocation  
27 Redevelopment Act or in Section 11-74.6-35 of the  
28 Industrial Jobs Recovery Law. For the purpose of the  
29 equalized assessed valuation of the district, the total  
30 initial equalized assessed valuation or the current  
31 equalized assessed valuation, whichever is lower, shall be  
32 used until such time as all redevelopment project costs  
33 have been paid.

34 (b) The real property equalized assessed valuation for

1 a school district shall be adjusted by subtracting from the  
2 real property value as equalized or assessed by the  
3 Department of Revenue for the district an amount computed  
4 by dividing the amount of any abatement of taxes under  
5 Section 18-170 of the Property Tax Code by 3.00% for a  
6 district maintaining grades kindergarten through 12, by  
7 2.30% for a district maintaining grades kindergarten  
8 through 8, or by 1.05% for a district maintaining grades 9  
9 through 12 and adjusted by an amount computed by dividing  
10 the amount of any abatement of taxes under subsection (a)  
11 of Section 18-165 of the Property Tax Code by the same  
12 percentage rates for district type as specified in this  
13 subparagraph (b).

14 (3) For the 1999-2000 school year and each school year  
15 thereafter, if a school district meets all of the criteria of  
16 this subsection (G) (3), the school district's Available Local  
17 Resources shall be calculated under subsection (D) using the  
18 district's Extension Limitation Equalized Assessed Valuation  
19 as calculated under this subsection (G) (3).

20 For purposes of this subsection (G) (3) the following terms  
21 shall have the following meanings:

22 "Budget Year": The school year for which general State  
23 aid is calculated and awarded under subsection (E).

24 "Base Tax Year": The property tax levy year used to  
25 calculate the Budget Year allocation of general State aid.

26 "Preceding Tax Year": The property tax levy year  
27 immediately preceding the Base Tax Year.

28 "Base Tax Year's Tax Extension": The product of the  
29 equalized assessed valuation utilized by the County Clerk  
30 in the Base Tax Year multiplied by the limiting rate as  
31 calculated by the County Clerk and defined in the Property  
32 Tax Extension Limitation Law.

33 "Preceding Tax Year's Tax Extension": The product of  
34 the equalized assessed valuation utilized by the County



1 Clerk in the Preceding Tax Year multiplied by the Operating  
2 Tax Rate as defined in subsection (A).

3 "Extension Limitation Ratio": A numerical ratio,  
4 certified by the County Clerk, in which the numerator is  
5 the Base Tax Year's Tax Extension and the denominator is  
6 the Preceding Tax Year's Tax Extension.

7 "Operating Tax Rate": The operating tax rate as defined  
8 in subsection (A).

9 If a school district is subject to property tax extension  
10 limitations as imposed under the Property Tax Extension  
11 Limitation Law, the State Board of Education shall calculate  
12 the Extension Limitation Equalized Assessed Valuation of that  
13 district. For the 1999-2000 school year, the Extension  
14 Limitation Equalized Assessed Valuation of a school district as  
15 calculated by the State Board of Education shall be equal to  
16 the product of the district's 1996 Equalized Assessed Valuation  
17 and the district's Extension Limitation Ratio. For the  
18 2000-2001 school year and each school year thereafter, the  
19 Extension Limitation Equalized Assessed Valuation of a school  
20 district as calculated by the State Board of Education shall be  
21 equal to the product of the Equalized Assessed Valuation last  
22 used in the calculation of general State aid and the district's  
23 Extension Limitation Ratio. If the Extension Limitation  
24 Equalized Assessed Valuation of a school district as calculated  
25 under this subsection (G) (3) is less than the district's  
26 equalized assessed valuation as calculated pursuant to  
27 subsections (G) (1) and (G) (2), then for purposes of calculating  
28 the district's general State aid for the Budget Year pursuant  
29 to subsection (E), that Extension Limitation Equalized  
30 Assessed Valuation shall be utilized to calculate the  
31 district's Available Local Resources under subsection (D).

32 (4) For the purposes of calculating general State aid for  
33 the 1999-2000 school year only, if a school district  
34 experienced a triennial reassessment on the equalized assessed

1 valuation used in calculating its general State financial aid  
2 apportionment for the 1998-1999 school year, the State Board of  
3 Education shall calculate the Extension Limitation Equalized  
4 Assessed Valuation that would have been used to calculate the  
5 district's 1998-1999 general State aid. This amount shall equal  
6 the product of the equalized assessed valuation used to  
7 calculate general State aid for the 1997-1998 school year and  
8 the district's Extension Limitation Ratio. If the Extension  
9 Limitation Equalized Assessed Valuation of the school district  
10 as calculated under this paragraph (4) is less than the  
11 district's equalized assessed valuation utilized in  
12 calculating the district's 1998-1999 general State aid  
13 allocation, then for purposes of calculating the district's  
14 general State aid pursuant to paragraph (5) of subsection (E),  
15 that Extension Limitation Equalized Assessed Valuation shall  
16 be utilized to calculate the district's Available Local  
17 Resources.

18 (5) For school districts having a majority of their  
19 equalized assessed valuation in any county except Cook, DuPage,  
20 Kane, Lake, McHenry, or Will, if the amount of general State  
21 aid allocated to the school district for the 1999-2000 school  
22 year under the provisions of subsection (E), (H), and (J) of  
23 this Section is less than the amount of general State aid  
24 allocated to the district for the 1998-1999 school year under  
25 these subsections, then the general State aid of the district  
26 for the 1999-2000 school year only shall be increased by the  
27 difference between these amounts. The total payments made under  
28 this paragraph (5) shall not exceed \$14,000,000. Claims shall  
29 be prorated if they exceed \$14,000,000.

30 (H) Supplemental General State Aid.

31 (1) In addition to the general State aid a school district  
32 is allotted pursuant to subsection (E), qualifying school  
33 districts shall receive a grant, paid in conjunction with a

1 district's payments of general State aid, for supplemental  
2 general State aid based upon the concentration level of  
3 children from low-income households within the school  
4 district. Supplemental State aid grants provided for school  
5 districts under this subsection shall be appropriated for  
6 distribution to school districts as part of the same line item  
7 in which the general State financial aid of school districts is  
8 appropriated under this Section. If the appropriation in any  
9 fiscal year for general State aid and supplemental general  
10 State aid is insufficient to pay the amounts required under the  
11 general State aid and supplemental general State aid  
12 calculations, then the State Board of Education shall ensure  
13 that each school district receives the full amount due for  
14 general State aid and the remainder of the appropriation shall  
15 be used for supplemental general State aid, which the State  
16 Board of Education shall calculate and pay to eligible  
17 districts on a prorated basis.

18 (1.5) This paragraph (1.5) applies only to those school  
19 years preceding the 2003-2004 school year. For purposes of this  
20 subsection (H), the term "Low-Income Concentration Level"  
21 shall be the low-income eligible pupil count from the most  
22 recently available federal census divided by the Average Daily  
23 Attendance of the school district. If, however, (i) the  
24 percentage decrease from the 2 most recent federal censuses in  
25 the low-income eligible pupil count of a high school district  
26 with fewer than 400 students exceeds by 75% or more the  
27 percentage change in the total low-income eligible pupil count  
28 of contiguous elementary school districts, whose boundaries  
29 are coterminous with the high school district, or (ii) a high  
30 school district within 2 counties and serving 5 elementary  
31 school districts, whose boundaries are coterminous with the  
32 high school district, has a percentage decrease from the 2 most  
33 recent federal censuses in the low-income eligible pupil count  
34 and there is a percentage increase in the total low-income

1 eligible pupil count of a majority of the elementary school  
2 districts in excess of 50% from the 2 most recent federal  
3 censuses, then the high school district's low-income eligible  
4 pupil count from the earlier federal census shall be the number  
5 used as the low-income eligible pupil count for the high school  
6 district, for purposes of this subsection (H). The changes made  
7 to this paragraph (1) by Public Act 92-28 shall apply to  
8 supplemental general State aid grants for school years  
9 preceding the 2003-2004 school year that are paid in fiscal  
10 year 1999 or thereafter and to any State aid payments made in  
11 fiscal year 1994 through fiscal year 1998 pursuant to  
12 subsection 1(n) of Section 18-8 of this Code (which was  
13 repealed on July 1, 1998), and any high school district that is  
14 affected by Public Act 92-28 is entitled to a recomputation of  
15 its supplemental general State aid grant or State aid paid in  
16 any of those fiscal years. This recomputation shall not be  
17 affected by any other funding.

18 (1.10) This paragraph (1.10) applies to the 2003-2004  
19 school year and each school year thereafter. For purposes of  
20 this subsection (H), the term "Low-Income Concentration Level"  
21 shall, for each fiscal year, be the low-income eligible pupil  
22 count as of July 1 of the immediately preceding fiscal year (as  
23 determined by the Department of Human Services based on the  
24 number of pupils who are eligible for at least one of the  
25 following low income programs: Medicaid, KidCare, TANF, or Food  
26 Stamps, excluding pupils who are eligible for services provided  
27 by the Department of Children and Family Services, averaged  
28 over the 2 immediately preceding fiscal years for fiscal year  
29 2004 and over the 3 immediately preceding fiscal years for each  
30 fiscal year thereafter) divided by the Average Daily Attendance  
31 of the school district.

32 (2) Supplemental general State aid pursuant to this  
33 subsection (H) shall be provided as follows for the 1998-1999,  
34 1999-2000, and 2000-2001 school years only:

1           (a) For any school district with a Low Income  
2 Concentration Level of at least 20% and less than 35%, the  
3 grant for any school year shall be \$800 multiplied by the  
4 low income eligible pupil count.

5           (b) For any school district with a Low Income  
6 Concentration Level of at least 35% and less than 50%, the  
7 grant for the 1998-1999 school year shall be \$1,100  
8 multiplied by the low income eligible pupil count.

9           (c) For any school district with a Low Income  
10 Concentration Level of at least 50% and less than 60%, the  
11 grant for the 1998-99 school year shall be \$1,500  
12 multiplied by the low income eligible pupil count.

13           (d) For any school district with a Low Income  
14 Concentration Level of 60% or more, the grant for the  
15 1998-99 school year shall be \$1,900 multiplied by the low  
16 income eligible pupil count.

17           (e) For the 1999-2000 school year, the per pupil amount  
18 specified in subparagraphs (b), (c), and (d) immediately  
19 above shall be increased to \$1,243, \$1,600, and \$2,000,  
20 respectively.

21           (f) For the 2000-2001 school year, the per pupil  
22 amounts specified in subparagraphs (b), (c), and (d)  
23 immediately above shall be \$1,273, \$1,640, and \$2,050,  
24 respectively.

25           (2.5) Supplemental general State aid pursuant to this  
26 subsection (H) shall be provided as follows for the 2002-2003  
27 school year:

28           (a) For any school district with a Low Income  
29 Concentration Level of less than 10%, the grant for each  
30 school year shall be \$355 multiplied by the low income  
31 eligible pupil count.

32           (b) For any school district with a Low Income  
33 Concentration Level of at least 10% and less than 20%, the  
34 grant for each school year shall be \$675 multiplied by the

1 low income eligible pupil count.

2 (c) For any school district with a Low Income  
3 Concentration Level of at least 20% and less than 35%, the  
4 grant for each school year shall be \$1,330 multiplied by  
5 the low income eligible pupil count.

6 (d) For any school district with a Low Income  
7 Concentration Level of at least 35% and less than 50%, the  
8 grant for each school year shall be \$1,362 multiplied by  
9 the low income eligible pupil count.

10 (e) For any school district with a Low Income  
11 Concentration Level of at least 50% and less than 60%, the  
12 grant for each school year shall be \$1,680 multiplied by  
13 the low income eligible pupil count.

14 (f) For any school district with a Low Income  
15 Concentration Level of 60% or more, the grant for each  
16 school year shall be \$2,080 multiplied by the low income  
17 eligible pupil count.

18 (2.10) Except as otherwise provided, supplemental general  
19 State aid pursuant to this subsection (H) shall be provided as  
20 follows for the 2003-2004 school year and each school year  
21 thereafter:

22 (a) For any school district with a Low Income  
23 Concentration Level of 15% or less, the grant for each  
24 school year shall be \$355 multiplied by the low income  
25 eligible pupil count.

26 (b) For any school district with a Low Income  
27 Concentration Level greater than 15%, the grant for each  
28 school year shall be \$294.25 added to the product of \$2,700  
29 and the square of the Low Income Concentration Level, all  
30 multiplied by the low income eligible pupil count.

31 For the 2003-2004 and 2004-2005 school year only, the grant  
32 shall be no less than the grant for the 2002-2003 school year.  
33 For the 2005-2006 school year only, the grant shall be no less  
34 than the grant for the 2002-2003 school year multiplied by

1 0.66. For the 2006-2007 school year only, the grant shall be no  
2 less than the grant for the 2002-2003 school year multiplied by  
3 0.33.

4 For the 2003-2004 school year only, the grant shall be no  
5 greater than the grant received during the 2002-2003 school  
6 year added to the product of 0.25 multiplied by the difference  
7 between the grant amount calculated under subsection (a) or (b)  
8 of this paragraph (2.10), whichever is applicable, and the  
9 grant received during the 2002-2003 school year. For the  
10 2004-2005 school year only, the grant shall be no greater than  
11 the grant received during the 2002-2003 school year added to  
12 the product of 0.50 multiplied by the difference between the  
13 grant amount calculated under subsection (a) or (b) of this  
14 paragraph (2.10), whichever is applicable, and the grant  
15 received during the 2002-2003 school year. For the 2005-2006  
16 school year only, the grant shall be no greater than the grant  
17 received during the 2002-2003 school year added to the product  
18 of 0.75 multiplied by the difference between the grant amount  
19 calculated under subsection (a) or (b) of this paragraph  
20 (2.10), whichever is applicable, and the grant received during  
21 the 2002-2003 school year.

22 (3) School districts with an Average Daily Attendance of  
23 more than 1,000 and less than 50,000 that qualify for  
24 supplemental general State aid pursuant to this subsection  
25 shall submit a plan to the State Board of Education prior to  
26 October 30 of each year for the use of the funds resulting from  
27 this grant of supplemental general State aid for the  
28 improvement of instruction in which priority is given to  
29 meeting the education needs of disadvantaged children. Such  
30 plan shall be submitted in accordance with rules and  
31 regulations promulgated by the State Board of Education.

32 (4) School districts with an Average Daily Attendance of  
33 50,000 or more that qualify for supplemental general State aid  
34 pursuant to this subsection shall be required to distribute

1 from funds available pursuant to this Section, no less than  
2 \$261,000,000 in accordance with the following requirements:

3 (a) The required amounts shall be distributed to the  
4 attendance centers within the district in proportion to the  
5 number of pupils enrolled at each attendance center who are  
6 eligible to receive free or reduced-price lunches or  
7 breakfasts under the federal Child Nutrition Act of 1966  
8 and under the National School Lunch Act during the  
9 immediately preceding school year.

10 (b) The distribution of these portions of supplemental  
11 and general State aid among attendance centers according to  
12 these requirements shall not be compensated for or  
13 contravened by adjustments of the total of other funds  
14 appropriated to any attendance centers, and the Board of  
15 Education shall utilize funding from one or several sources  
16 in order to fully implement this provision annually prior  
17 to the opening of school.

18 (c) Each attendance center shall be provided by the  
19 school district a distribution of noncategorical funds and  
20 other categorical funds to which an attendance center is  
21 entitled under law in order that the general State aid and  
22 supplemental general State aid provided by application of  
23 this subsection supplements rather than supplants the  
24 noncategorical funds and other categorical funds provided  
25 by the school district to the attendance centers.

26 (d) Any funds made available under this subsection that  
27 by reason of the provisions of this subsection are not  
28 required to be allocated and provided to attendance centers  
29 may be used and appropriated by the board of the district  
30 for any lawful school purpose.

31 (e) Funds received by an attendance center pursuant to  
32 this subsection shall be used by the attendance center at  
33 the discretion of the principal and local school council  
34 for programs to improve educational opportunities at



1       qualifying schools through the following programs and  
2       services: early childhood education, reduced class size or  
3       improved adult to student classroom ratio, enrichment  
4       programs, remedial assistance, attendance improvement, and  
5       other educationally beneficial expenditures which  
6       supplement the regular and basic programs as determined by  
7       the State Board of Education. Funds provided shall not be  
8       expended for any political or lobbying purposes as defined  
9       by board rule.

10       (f) Each district subject to the provisions of this  
11       subdivision (H) (4) shall submit an acceptable plan to meet  
12       the educational needs of disadvantaged children, in  
13       compliance with the requirements of this paragraph, to the  
14       State Board of Education prior to July 15 of each year.  
15       This plan shall be consistent with the decisions of local  
16       school councils concerning the school expenditure plans  
17       developed in accordance with part 4 of Section 34-2.3. The  
18       State Board shall approve or reject the plan within 60 days  
19       after its submission. If the plan is rejected, the district  
20       shall give written notice of intent to modify the plan  
21       within 15 days of the notification of rejection and then  
22       submit a modified plan within 30 days after the date of the  
23       written notice of intent to modify. Districts may amend  
24       approved plans pursuant to rules promulgated by the State  
25       Board of Education.

26       Upon notification by the State Board of Education that  
27       the district has not submitted a plan prior to July 15 or a  
28       modified plan within the time period specified herein, the  
29       State aid funds affected by that plan or modified plan  
30       shall be withheld by the State Board of Education until a  
31       plan or modified plan is submitted.

32       If the district fails to distribute State aid to  
33       attendance centers in accordance with an approved plan, the  
34       plan for the following year shall allocate funds, in

1 addition to the funds otherwise required by this  
2 subsection, to those attendance centers which were  
3 underfunded during the previous year in amounts equal to  
4 such underfunding.

5 For purposes of determining compliance with this  
6 subsection in relation to the requirements of attendance  
7 center funding, each district subject to the provisions of  
8 this subsection shall submit as a separate document by  
9 December 1 of each year a report of expenditure data for  
10 the prior year in addition to any modification of its  
11 current plan. If it is determined that there has been a  
12 failure to comply with the expenditure provisions of this  
13 subsection regarding contravention or supplanting, the  
14 State Superintendent of Education shall, within 60 days of  
15 receipt of the report, notify the district and any affected  
16 local school council. The district shall within 45 days of  
17 receipt of that notification inform the State  
18 Superintendent of Education of the remedial or corrective  
19 action to be taken, whether by amendment of the current  
20 plan, if feasible, or by adjustment in the plan for the  
21 following year. Failure to provide the expenditure report  
22 or the notification of remedial or corrective action in a  
23 timely manner shall result in a withholding of the affected  
24 funds.

25 The State Board of Education shall promulgate rules and  
26 regulations to implement the provisions of this  
27 subsection. No funds shall be released under this  
28 subdivision (H) (4) to any district that has not submitted a  
29 plan that has been approved by the State Board of  
30 Education.

31 (I) General State Aid for Newly Configured School Districts.

32 (1) For a new school district formed by combining property  
33 included totally within 2 or more previously existing school

1 districts, for its first year of existence the general State  
2 aid and supplemental general State aid calculated under this  
3 Section shall be computed for the new district and for the  
4 previously existing districts for which property is totally  
5 included within the new district. If the computation on the  
6 basis of the previously existing districts is greater, a  
7 supplementary payment equal to the difference shall be made for  
8 the first 4 years of existence of the new district.

9 (2) For a school district which annexes all of the  
10 territory of one or more entire other school districts, for the  
11 first year during which the change of boundaries attributable  
12 to such annexation becomes effective for all purposes as  
13 determined under Section 7-9 or 7A-8, the general State aid and  
14 supplemental general State aid calculated under this Section  
15 shall be computed for the annexing district as constituted  
16 after the annexation and for the annexing and each annexed  
17 district as constituted prior to the annexation; and if the  
18 computation on the basis of the annexing and annexed districts  
19 as constituted prior to the annexation is greater, a  
20 supplementary payment equal to the difference shall be made for  
21 the first 4 years of existence of the annexing school district  
22 as constituted upon such annexation.

23 (3) For 2 or more school districts which annex all of the  
24 territory of one or more entire other school districts, and for  
25 2 or more community unit districts which result upon the  
26 division (pursuant to petition under Section 11A-2) of one or  
27 more other unit school districts into 2 or more parts and which  
28 together include all of the parts into which such other unit  
29 school district or districts are so divided, for the first year  
30 during which the change of boundaries attributable to such  
31 annexation or division becomes effective for all purposes as  
32 determined under Section 7-9 or 11A-10, as the case may be, the  
33 general State aid and supplemental general State aid calculated  
34 under this Section shall be computed for each annexing or

1 resulting district as constituted after the annexation or  
2 division and for each annexing and annexed district, or for  
3 each resulting and divided district, as constituted prior to  
4 the annexation or division; and if the aggregate of the general  
5 State aid and supplemental general State aid as so computed for  
6 the annexing or resulting districts as constituted after the  
7 annexation or division is less than the aggregate of the  
8 general State aid and supplemental general State aid as so  
9 computed for the annexing and annexed districts, or for the  
10 resulting and divided districts, as constituted prior to the  
11 annexation or division, then a supplementary payment equal to  
12 the difference shall be made and allocated between or among the  
13 annexing or resulting districts, as constituted upon such  
14 annexation or division, for the first 4 years of their  
15 existence. The total difference payment shall be allocated  
16 between or among the annexing or resulting districts in the  
17 same ratio as the pupil enrollment from that portion of the  
18 annexed or divided district or districts which is annexed to or  
19 included in each such annexing or resulting district bears to  
20 the total pupil enrollment from the entire annexed or divided  
21 district or districts, as such pupil enrollment is determined  
22 for the school year last ending prior to the date when the  
23 change of boundaries attributable to the annexation or division  
24 becomes effective for all purposes. The amount of the total  
25 difference payment and the amount thereof to be allocated to  
26 the annexing or resulting districts shall be computed by the  
27 State Board of Education on the basis of pupil enrollment and  
28 other data which shall be certified to the State Board of  
29 Education, on forms which it shall provide for that purpose, by  
30 the regional superintendent of schools for each educational  
31 service region in which the annexing and annexed districts, or  
32 resulting and divided districts are located.

33 (3.5) Claims for financial assistance under this  
34 subsection (I) shall not be recomputed except as expressly

1 provided under this Section.

2 (4) Any supplementary payment made under this subsection  
3 (I) shall be treated as separate from all other payments made  
4 pursuant to this Section.

5 (J) Supplementary Grants in Aid.

6 (1) Notwithstanding any other provisions of this Section,  
7 the amount of the aggregate general State aid in combination  
8 with supplemental general State aid under this Section for  
9 which each school district is eligible shall be no less than  
10 the amount of the aggregate general State aid entitlement that  
11 was received by the district under Section 18-8 (exclusive of  
12 amounts received under subsections 5(p) and 5(p-5) of that  
13 Section) for the 1997-98 school year, pursuant to the  
14 provisions of that Section as it was then in effect. If a  
15 school district qualifies to receive a supplementary payment  
16 made under this subsection (J), the amount of the aggregate  
17 general State aid in combination with supplemental general  
18 State aid under this Section which that district is eligible to  
19 receive for each school year shall be no less than the amount  
20 of the aggregate general State aid entitlement that was  
21 received by the district under Section 18-8 (exclusive of  
22 amounts received under subsections 5(p) and 5(p-5) of that  
23 Section) for the 1997-1998 school year, pursuant to the  
24 provisions of that Section as it was then in effect.

25 (2) If, as provided in paragraph (1) of this subsection  
26 (J), a school district is to receive aggregate general State  
27 aid in combination with supplemental general State aid under  
28 this Section for the 1998-99 school year and any subsequent  
29 school year that in any such school year is less than the  
30 amount of the aggregate general State aid entitlement that the  
31 district received for the 1997-98 school year, the school  
32 district shall also receive, from a separate appropriation made  
33 for purposes of this subsection (J), a supplementary payment

1 that is equal to the amount of the difference in the aggregate  
2 State aid figures as described in paragraph (1).

3 (3) (Blank).

4 (K) Grants to Laboratory and Alternative Schools.

5 In calculating the amount to be paid to the governing board  
6 of a public university that operates a laboratory school under  
7 this Section or to any alternative school that is operated by a  
8 regional superintendent of schools, the State Board of  
9 Education shall require by rule such reporting requirements as  
10 it deems necessary.

11 As used in this Section, "laboratory school" means a public  
12 school which is created and operated by a public university and  
13 approved by the State Board of Education. The governing board  
14 of a public university which receives funds from the State  
15 Board under this subsection (K) may not increase the number of  
16 students enrolled in its laboratory school from a single  
17 district, if that district is already sending 50 or more  
18 students, except under a mutual agreement between the school  
19 board of a student's district of residence and the university  
20 which operates the laboratory school. A laboratory school may  
21 not have more than 1,000 students, excluding students with  
22 disabilities in a special education program.

23 As used in this Section, "alternative school" means a  
24 public school which is created and operated by a Regional  
25 Superintendent of Schools and approved by the State Board of  
26 Education. Such alternative schools may offer courses of  
27 instruction for which credit is given in regular school  
28 programs, courses to prepare students for the high school  
29 equivalency testing program or vocational and occupational  
30 training. A regional superintendent of schools may contract  
31 with a school district or a public community college district  
32 to operate an alternative school. An alternative school serving  
33 more than one educational service region may be established by

1 the regional superintendents of schools of the affected  
2 educational service regions. An alternative school serving  
3 more than one educational service region may be operated under  
4 such terms as the regional superintendents of schools of those  
5 educational service regions may agree.

6 Each laboratory and alternative school shall file, on forms  
7 provided by the State Superintendent of Education, an annual  
8 State aid claim which states the Average Daily Attendance of  
9 the school's students by month. The best 3 months' Average  
10 Daily Attendance shall be computed for each school. The general  
11 State aid entitlement shall be computed by multiplying the  
12 applicable Average Daily Attendance by the Foundation Level as  
13 determined under this Section.

14 (L) Payments, Additional Grants in Aid and Other Requirements.

15 (1) For a school district operating under the financial  
16 supervision of an Authority created under Article 34A, the  
17 general State aid otherwise payable to that district under this  
18 Section, but not the supplemental general State aid, shall be  
19 reduced by an amount equal to the budget for the operations of  
20 the Authority as certified by the Authority to the State Board  
21 of Education, and an amount equal to such reduction shall be  
22 paid to the Authority created for such district for its  
23 operating expenses in the manner provided in Section 18-11. The  
24 remainder of general State school aid for any such district  
25 shall be paid in accordance with Article 34A when that Article  
26 provides for a disposition other than that provided by this  
27 Article.

28 (2) (Blank).

29 (3) Summer school. Summer school payments shall be made as  
30 provided in Section 18-4.3.

31 (M) Education Funding Advisory Board.

32 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.  
2 The Board shall consist of 5 members who are appointed by the  
3 Governor, by and with the advice and consent of the Senate. The  
4 members appointed shall include representatives of education,  
5 business, and the general public. One of the members so  
6 appointed shall be designated by the Governor at the time the  
7 appointment is made as the chairperson of the Board. The  
8 initial members of the Board may be appointed any time after  
9 the effective date of this amendatory Act of 1997. The regular  
10 term of each member of the Board shall be for 4 years from the  
11 third Monday of January of the year in which the term of the  
12 member's appointment is to commence, except that of the 5  
13 initial members appointed to serve on the Board, the member who  
14 is appointed as the chairperson shall serve for a term that  
15 commences on the date of his or her appointment and expires on  
16 the third Monday of January, 2002, and the remaining 4 members,  
17 by lots drawn at the first meeting of the Board that is held  
18 after all 5 members are appointed, shall determine 2 of their  
19 number to serve for terms that commence on the date of their  
20 respective appointments and expire on the third Monday of  
21 January, 2001, and 2 of their number to serve for terms that  
22 commence on the date of their respective appointments and  
23 expire on the third Monday of January, 2000. All members  
24 appointed to serve on the Board shall serve until their  
25 respective successors are appointed and confirmed. Vacancies  
26 shall be filled in the same manner as original appointments. If  
27 a vacancy in membership occurs at a time when the Senate is not  
28 in session, the Governor shall make a temporary appointment  
29 until the next meeting of the Senate, when he or she shall  
30 appoint, by and with the advice and consent of the Senate, a  
31 person to fill that membership for the unexpired term. If the  
32 Senate is not in session when the initial appointments are  
33 made, those appointments shall be made as in the case of  
34 vacancies.



1           The Education Funding Advisory Board shall be deemed  
2 established, and the initial members appointed by the Governor  
3 to serve as members of the Board shall take office, on the date  
4 that the Governor makes his or her appointment of the fifth  
5 initial member of the Board, whether those initial members are  
6 then serving pursuant to appointment and confirmation or  
7 pursuant to temporary appointments that are made by the  
8 Governor as in the case of vacancies.

9           The State Board of Education shall provide such staff  
10 assistance to the Education Funding Advisory Board as is  
11 reasonably required for the proper performance by the Board of  
12 its responsibilities.

13           For school years after the 2000-2001 school year, the  
14 Education Funding Advisory Board, in consultation with the  
15 State Board of Education, shall make recommendations as  
16 provided in this subsection (M) to the General Assembly for the  
17 foundation level under subsection (B) ~~subdivision (B)(3)~~ of  
18 this Section and for the supplemental general State aid grant  
19 level under subsection (H) of this Section for districts with  
20 high concentrations of children from poverty. The recommended  
21 foundation level shall be determined based on a methodology  
22 which incorporates the basic education expenditures of  
23 low-spending schools exhibiting high academic performance. The  
24 Education Funding Advisory Board shall make such  
25 recommendations to the General Assembly on January 1 of odd  
26 numbered years, beginning January 1, 2001.

27       (N) (Blank).

28       (O) References.

29           (1) References in other laws to the various subdivisions of  
30 Section 18-8 as that Section existed before its repeal and  
31 replacement by this Section 18-8.05 shall be deemed to refer to  
32 the corresponding provisions of this Section 18-8.05, to the

1 extent that those references remain applicable.

2 (2) References in other laws to State Chapter 1 funds shall  
3 be deemed to refer to the supplemental general State aid  
4 provided under subsection (H) of this Section.

5 (P) Public Act 93-838 ~~This amendatory Act of the 93rd General~~  
6 ~~Assembly~~ and Public Act 93-808 ~~House Bill 4266 of the 93rd~~  
7 ~~General Assembly~~ make inconsistent changes to this Section. ~~If~~  
8 ~~House Bill 4266 becomes law, then~~ Under Section 6 of the  
9 Statute on Statutes there is an irreconcilable conflict between  
10 Public Act 93-808 and Public Act 93-838 ~~House Bill 4266 and~~  
11 ~~this amendatory Act.~~ Public Act 93-838 ~~This amendatory Act,~~  
12 being the last acted upon, is controlling. The text of Public  
13 Act 93-838 ~~this amendatory Act~~ is the law regardless of the  
14 text of Public Act 93-808 ~~House Bill 4266~~.

15 (Source: P.A. 92-16, eff. 6-28-01; 92-28, eff. 7-1-01; 92-29,  
16 eff. 7-1-01; 92-269, eff. 8-7-01; 92-604, eff. 7-1-02; 92-636,  
17 eff. 7-11-02; 92-651, eff. 7-11-02; 93-21, eff. 7-1-03; 93-715,  
18 eff. 7-12-04; 93-808, eff. 7-26-04; 93-838, eff. 7-30-04;  
19 93-875, eff. 8-6-04; revised 10-21-04.)

20 (105 ILCS 5/18-19) (from Ch. 122, par. 18-19)

21 Sec. 18-19. Moneys shall be transferred or distributed~~The~~  
22 ~~State Board of Education may make distributions of monies~~ from  
23 the Education Assistance Fund as follows:

24 (1) On the first day of each month, or as soon  
25 thereafter as practical, beginning on August 1, 2006  
26 through June 1, 2007, the Treasurer shall transfer  
27 \$30,833,333 to the Higher Education Operating Assistance  
28 Fund. On the first day of each month, or as soon thereafter  
29 as practical, beginning on July 1, 2007, the Treasurer  
30 shall transfer to the Higher Education Operating  
31 Assistance Fund an amount equal to one-twelfth of the  
32 amount that must be transferred annually to that fund under

1 subsections (b) and (c) of Section 6z-69 of the State  
2 Finance Act.

3 (2) On the first day of each month, or as soon  
4 thereafter as practical, beginning on August 1, 2006, the  
5 Treasurer shall transfer \$34,583,333 to the Income Tax  
6 Refund Fund to fund increases to the earned income tax  
7 credit under Section 212 of the Illinois Income Tax Act and  
8 the education expense credit under Section 201 of the  
9 Illinois Income Tax Act provided in this amendatory Act of  
10 the 94th General Assembly.

11 (3) On the first day of each month, or as soon  
12 thereafter as practical, beginning on August 1, 2006, the  
13 Treasurer shall transfer \$15,833,333 to the Local  
14 Government Distributive Fund.

15 (4) On the first day of each month, or as soon  
16 thereafter as practical, beginning on March 1, 2006 through  
17 June 1, 2006, the Treasurer shall transfer \$250,000,000 to  
18 the School District Property Tax Relief Fund. On the first  
19 day of each month, or as soon thereafter as practical,  
20 beginning on July 1, 2006, the Treasurer shall transfer to  
21 the School District Property Tax Relief Fund an amount  
22 equal to one-twelfth of the amount that must be transferred  
23 annually to that fund under subsection (c) of Section 6z-68  
24 of the State Finance Act.

25 (5) On the first day of each month, or as soon  
26 thereafter as practical, beginning on August 1, 2006, the  
27 Treasurer shall transfer \$10,000,000, in addition to  
28 appropriations from other sources, to fund reimbursements  
29 due under Sections 14-7.02, 14-7.02a, 14-17.03, 14-13.01,  
30 18-3, 18-4.3, and 29-5 of the School Code and the School  
31 Breakfast and Lunch Program Act at the 100% level.

32 (6) ~~Such, pursuant to appropriation, in addition to~~  
33 ~~such~~ sums as may have been otherwise appropriated ~~for the~~  
34 ~~same purpose~~, for any of the purposes set forth in this

1 Article, subject to the same terms and conditions that  
2 apply to distributions under the several sections of this  
3 Article, respectively.

4 This amendatory Act of the 94th General Assembly  
5 constitutes an irrevocable and continuing appropriation from  
6 the Education Assistance Fund for the purposes set forth in  
7 this Section.

8 (Source: P.A. 86-18.)

9 (105 ILCS 5/18-25 new)

10 Sec. 18-25. Education Assistance Fund Board. The Education  
11 Assistance Fund Board is established. The Board shall consist  
12 of 4 members of the General Assembly. The Senate President, the  
13 Senate Minority Leader, the Speaker of the House of  
14 Representatives, and the House Minority Leader shall each  
15 appoint one member to the Board. The members of the Board shall  
16 designate one of the members to serve as chairperson. All  
17 members shall serve until their respective successors are  
18 appointed or until they cease to be members of the General  
19 Assembly, whichever occurs first. Vacancies shall be filled in  
20 the same manner as the original appointments.

21 For school years after the 2005-2006 school year and every  
22 2 fiscal years thereafter, the Board must make a recommendation  
23 to the General Assembly concerning appropriations from the  
24 Education Assistance Fund. The Board must make its  
25 recommendation to the General Assembly on April 1 of each even  
26 numbered year, beginning on April 1, 2008.

27 (105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

28 Sec. 20-3. Tax levy. For the purpose of providing moneys  
29 for a working cash fund, the school board of any such school  
30 district may, by proper resolution, cause a proposition to also  
31 levy annually upon all the taxable property of their district a  
32 tax, known as the "working cash fund tax," not to exceed 0.05%

1 of value, as equalized or assessed by the Department of  
2 Revenue, to be submitted to the electors of the school district  
3 at a regularly scheduled election, provided. ~~Provided,~~ that:

4 (1) no such tax shall be levied if bonds are issued in amount  
5 or amounts equal in the aggregate to the limitation set forth  
6 in Section 20-2 for the creation of a working cash fund; (2) no  
7 such tax shall be levied and extended by a school district that  
8 is not certified as a financially distressed district under  
9 Section 19-1.5 if the amount of the tax so to be extended will  
10 increase the working cash fund to a total amount exceeding 85%  
11 of the taxes last extended for educational purposes of the  
12 district plus 85% of the last known entitlement of such  
13 district to taxes as by law now or hereafter enacted or  
14 amended, imposed by the General Assembly of the State of  
15 Illinois to replace revenue lost by units of local government  
16 and school districts as a result of the abolition of ad valorem  
17 personal property taxes, pursuant to Article IX, Section 5(c)  
18 of the Constitution of the State of Illinois; and (3) no such  
19 tax shall be levied or extended by a school district that is  
20 certified as a financially distressed district under Section  
21 19-1.5 if the amount of the tax so to be extended will increase  
22 the working cash fund to a total amount exceeding 125% of the  
23 taxes last extended for educational purposes of the district  
24 plus 125% of the last known entitlement of that district to  
25 taxes that by law now or hereafter enacted or amended are  
26 imposed by the General Assembly to replace revenue lost by  
27 units of local government and school districts as a result of  
28 the abolition of ad valorem personal property taxes, pursuant  
29 to Article IX, Section 5(c) of the Constitution of the State of  
30 Illinois.

31 The tax may not be levied until the question of levying the  
32 tax has been submitted to the electors of the school district  
33 at a regular election and approved by at least 60% of the  
34 electors voting on the question. The school board must certify

1 the question to the proper election authority, which must  
2 submit the question at an election in accordance with the  
3 Election Code.

4 The election authority must submit the question in  
5 substantially the following form:

6 Shall the board of .... of school district number ....  
7 be authorized to levy a tax at the rate of .... % for the  
8 purpose of providing moneys for a working cash fund?

9 The election authority must record the votes as "Yes" or "No".

10 If at least 60% of the electors voting on the question vote  
11 in the affirmative, the school district may thereafter levy the  
12 tax.

13 The collection of the tax shall not be anticipated by the  
14 issuance of any warrants drawn against it. The tax shall be  
15 levied and collected, except as otherwise provided in this  
16 Section, in like manner as the general taxes of the district,  
17 and shall be in addition to the maximum of all other taxes,  
18 either educational; transportation; operations and  
19 maintenance; or fire prevention and safety fund taxes, now or  
20 hereafter to be levied for school purposes. It may be levied by  
21 separate resolution by the last Tuesday in September in each  
22 year or it may be included in the certificate of tax levy filed  
23 under Section 17-11.

24 (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

25 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

26 Sec. 20-7. Resolution for issuance of bonds - Submission to  
27 voters - Ballot. No school district may issue bonds under this  
28 Article until the question of the issuance of bonds has been  
29 submitted to the electors of the school district at a regularly  
30 scheduled election and approved by at least 60% of the electors  
31 voting on the question. The school board must certify the  
32 question to the proper election authority, which must submit  
33 the question at an election in accordance with the Election

1 Code. ~~unless it adopts a resolution declaring its intention to~~  
2 ~~issue bonds for the purpose therein provided and directs that~~  
3 ~~notice of such intention be published at least once in a~~  
4 ~~newspaper published and having a general circulation in the~~  
5 ~~district, if there be one, but if there is no newspaper~~  
6 ~~published in such district then by publishing such notice in a~~  
7 ~~newspaper having a general circulation in the district. The~~  
8 ~~notice shall set forth (1) the intention of the district to~~  
9 ~~issue bonds in accordance with this Article; (2) the time~~  
10 ~~within which a petition may be filed requesting the submission~~  
11 ~~of the proposition to issue the bonds; (3) the specific number~~  
12 ~~of voters required to sign the petition; and (4) the date of~~  
13 ~~the prospective referendum. At the time of publication of the~~  
14 ~~notice and for 30 days thereafter, the recording officer of the~~  
15 ~~district shall provide a petition form to any individual~~  
16 ~~requesting one. If within 30 days after the publication a~~  
17 ~~petition is filed with the recording officer of the district,~~  
18 ~~signed by the voters of the district equal to 10% or more of~~  
19 ~~the registered voters of the district requesting that the~~  
20 ~~proposition to issue bonds as authorized by this Article be~~  
21 ~~submitted to the voters thereof, then the district shall not be~~  
22 ~~authorized to issue such bonds until the proposition has been~~  
23 ~~certified to the proper election authorities and has been~~  
24 ~~submitted to and approved by a majority of the voters voting on~~  
25 ~~the proposition at a regular scheduled election in accordance~~  
26 ~~with the general election law. If no such petition is so filed,~~  
27 ~~or if any and all petitions filed are invalid, the district may~~  
28 ~~issue the bonds. In addition to the requirements of the general~~  
29 ~~election law the notice of the election shall set forth the~~  
30 ~~intention of the district to issue bonds under this Article.~~  
31 The election authority must submit the question ~~proposition~~  
32 ~~shall be~~ in substantially the following form:

OFFICIAL BALLOT

33 -----  
34 -----





1 ~~election without the submission thereof to the electors of the~~  
2 ~~school district or city for approval.~~

3 (c). The board may incur an additional indebtedness for the  
4 purpose of further increasing such fund and, by proper  
5 resolution, cause a proposition to issue additional bonds  
6 therefor, from time to time, in an amount or amounts not  
7 exceeding in the aggregate \$25,000,000, exclusive of all bonded  
8 indebtedness authorized for that purpose prior to the effective  
9 date of this amendatory Act of 1973, to be submitted to the  
10 electors of the school district at a regularly scheduled  
11 election ~~without the submission thereof to the electors of the~~  
12 ~~school district or city for approval.~~

13 (d). The board may incur an additional indebtedness for the  
14 purpose of further increasing such fund and, by proper  
15 resolution, cause a proposition to issue additional bonds  
16 therefor, from time to time, in an amount or amounts not  
17 exceeding in the aggregate \$31,000,000, exclusive of all bonded  
18 indebtedness authorized for that purpose prior to the effective  
19 date of this amendatory Act of 1977, to be submitted to the  
20 electors of the school district at a regularly scheduled  
21 election ~~without the submission thereof to the electors of the~~  
22 ~~school district or city for approval.~~

23 (e). Any bonds issued under paragraphs (a), (b), (c) or (d)  
24 of this Section shall bear interest at a rate of not more than  
25 the maximum rate authorized by the Bond Authorization Act, as  
26 amended at the time of the making of the contract, and shall  
27 mature within 20 years from date of issue. The authority herein  
28 granted in paragraphs (a), (b), (c) and (d) shall be considered  
29 exclusive of each other and as cumulative authority for the  
30 issuance of such bonds.

31 With respect to instruments for the payment of money issued  
32 under this Section either before, on, or after the effective  
33 date of this amendatory Act of 1989, it is and always has been  
34 the intention of the General Assembly (i) that the Omnibus Bond

1 Acts are and always have been supplementary grants of power to  
2 issue instruments in accordance with the Omnibus Bond Acts,  
3 regardless of any provision of this Act that may appear to be  
4 or to have been more restrictive than those Acts, (ii) that the  
5 provisions of this Section are not a limitation on the  
6 supplementary authority granted by the Omnibus Bond Acts, and  
7 (iii) that instruments issued under this Section within the  
8 supplementary authority granted by the Omnibus Bond Acts are  
9 not invalid because of any provision of this Act that may  
10 appear to be or to have been more restrictive than those Acts.

11 (f) The board may not issue bonds under paragraph (a), (b),  
12 (c), or (d) of this Section until the question of the issuance  
13 of bonds has been submitted to the electors of the school  
14 district at a regular election and approved by at least 60% of  
15 the electors voting on the question. The board must certify the  
16 question to the proper election authority, which must submit  
17 the question at an election in accordance with the Election  
18 Code.

19 The election authority must submit the question in  
20 substantially the following form:

21 Shall the board of education be authorized to issue  
22 bonds for the purpose of increasing the working cash fund  
23 as provided in Section 34-31 of the School Code?

24 The election authority must record the votes as "Yes" or "No".

25 If at least 60% of the electors voting on the question vote  
26 in the affirmative, the board may thereafter issue bonds under  
27 paragraph (a), (b), (c), or (d) of this Section.

28 (Source: P.A. 86-4.)

29 (105 ILCS 5/34-53) (from Ch. 122, par. 34-53)

30 Sec. 34-53. Tax levies; Purpose; Rates. For the purpose of  
31 establishing and supporting free schools for not fewer than 9  
32 months in each year and defraying their expenses the board may  
33 levy annually, upon all taxable property of such district for

1 educational purposes a tax for the fiscal years 1996 and each  
2 succeeding fiscal year at a rate of not to exceed the sum of  
3 (i) 3.07% (or such other rate as may be set by law independent  
4 of the rate difference described in (ii) below) and (ii) the  
5 difference between .50% and the rate per cent of taxes extended  
6 for a School Finance Authority organized under Article 34A of  
7 the School Code, for the calendar year in which the applicable  
8 fiscal year of the board begins as determined by the county  
9 clerk and certified to the board pursuant to Section 18-110 of  
10 the Property Tax Code, of the value as equalized or assessed by  
11 the Department of Revenue for the year in which such levy is  
12 made.

13 Nothing in this amendatory Act of 1995 shall in any way  
14 impair or restrict the levy or extension of taxes pursuant to  
15 any tax levies for any purposes of the board lawfully made  
16 prior to the adoption of this amendatory Act of 1995.

17 Notwithstanding any other provision of this Code and in  
18 addition to any other methods provided for increasing the tax  
19 rate the board may, by proper resolution, cause a proposition  
20 to increase the annual tax rate for educational purposes to be  
21 submitted to the voters of such district at any general or  
22 special election. The maximum rate for educational purposes  
23 shall not exceed 4.00%. The election called for such purpose  
24 shall be governed by Article 9 of this Act. If at such election  
25 at least 60% ~~a majority~~ of the votes cast on the proposition  
26 are ~~is~~ in favor thereof, the Board of Education may thereafter  
27 until such authority is revoked in a like manner, levy annually  
28 the tax so authorized.

29 For purposes of this Article, educational purposes for  
30 fiscal years beginning in 1995 and each subsequent year shall  
31 also include, but not be limited to, in addition to those  
32 purposes authorized before this amendatory Act of 1995,  
33 constructing, acquiring, leasing (other than from the Public  
34 Building Commission of Chicago), operating, maintaining,

1 improving, repairing, and renovating land, buildings,  
2 furnishings, and equipment for school houses and buildings, and  
3 related incidental expenses, and provision of special  
4 education, furnishing free textbooks and instructional aids  
5 and school supplies, establishing, equipping, maintaining, and  
6 operating supervised playgrounds under the control of the  
7 board, school extracurricular activities, and stadia, social  
8 center, and summer swimming pool programs open to the public in  
9 connection with any public school; making an employer  
10 contribution to the Public School Teachers' Pension and  
11 Retirement Fund as required by Section 17-129 of the Illinois  
12 Pension Code; and providing an agricultural science school,  
13 including site development and improvements, maintenance  
14 repairs, and supplies. Educational purposes also includes  
15 student transportation expenses.

16 All collections of all taxes levied for fiscal years ending  
17 before 1996 under this Section or under Sections 34-53.2,  
18 34-53.3, 34-58, 34-60, or 34-62 of this Article as in effect  
19 prior to this amendatory Act of 1995 may be used for any  
20 educational purposes as defined by this amendatory Act of 1995  
21 and need not be used for the particular purposes for which they  
22 were levied. The levy and extension of taxes pursuant to this  
23 Section as amended by this amendatory Act of 1995 shall not  
24 constitute a new or increased tax rate within the meaning of  
25 the Property Tax Extension Limitation Law or the One-year  
26 Property Tax Extension Limitation Law.

27 The rate at which taxes may be levied for the fiscal year  
28 beginning September 1, 1996, for educational purposes shall be  
29 the full rate authorized by this Section for such taxes for  
30 fiscal years ending after 1995.

31 (Source: P.A. 88-511; 88-670, eff. 12-2-94; 89-15, eff.  
32 5-30-95.)".

33 Section 99. Effective date. This Act takes effect upon

1 becoming law.".