



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB3185

Introduced 5/3/2006, by Sen. Cheryl Axley - John O. Jones -
Dave Syverson - David Luechtefeld - Chris Lauzen

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to 5%, but in no event to exceed \$600, of the gross wages paid by the taxpayer to a qualified veteran in the course of that veteran's sustained employment during the taxable year. Defines "qualified veteran". Provides that the credit may be carried forward for 5 taxable years. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB094 20413 BDD 58583 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 216 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Credit for wages paid to qualified veterans.

8 (a) For each taxable year beginning on or after January 1,
9 2007, each taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 in an amount equal to 5%, but in no event to exceed \$600, of the
12 gross wages paid by the taxpayer to a qualified veteran in the
13 course of that veteran's sustained employment during the
14 taxable year.

15 (b) For purposes of this Section:

16 "Qualified veteran" means an Illinois resident who: (i) was
17 a member of the Armed Forces of the United States, a member of
18 the Illinois National Guard, or a member of any reserve
19 component of the Armed Forces of the United States; (ii) served
20 on active duty in connection with Operation Desert Storm,
21 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)
22 was honorably discharged; and (iv) was initially hired by the
23 taxpayer on or after January 1, 2007.

24 "Sustained employment" means a period of employment that is
25 not less than 185 days during the taxable year.

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

31 (d) In no event shall a credit under this Section reduce
32 the taxpayer's liability to less than zero. If the amount of

1 the credit exceeds the tax liability for the year, the excess
2 may be carried forward and applied to the tax liability of the
3 5 taxable years following the excess credit year. The tax
4 credit shall be applied to the earliest year for which there is
5 a tax liability. If there are credits for more than one year
6 that are available to offset a liability, the earlier credit
7 shall be applied first.

8 (e) This Section is exempt from the provisions of Section
9 250.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.