



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB2960

Introduced 2/26/2007, by Rep. Tom Cross

SYNOPSIS AS INTRODUCED:

35 ILCS 5/210.5

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning tax credits for providing child care for employees.

LRB095 09274 BDD 29468 b

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
5 changing Section 210.5 as follows:

6 (35 ILCS 5/210.5)

7 Sec. 210.5. Tax credit for employee child care.

8 (a) Each corporate taxpayer is entitled to a credit against
9 ~~the~~ the tax imposed by subsections (a) and (b) of Section 201
10 in an amount equal to (i) for taxable years ending on or after
11 December 31, 2000 and on or before December 31, 2004, 30% of
12 the start-up costs expended by the corporate taxpayer to
13 provide a child care facility for the children of its employees
14 and (ii) for taxable years ending on or after December 31,
15 2000, 5% of the annual amount paid by the corporate taxpayer in
16 providing the child care facility for the children of its
17 employees. The provisions of Section 250 do not apply to the 5%
18 credit under item (ii) of this subsection. If the 5% credit
19 authorized under item (ii) of this subsection is claimed, the
20 5% credit authorized under Section 210 cannot also be claimed.

21 To receive the tax credit under this Section a corporate
22 taxpayer may either independently provide and operate a child
23 care facility for the children of its employees or it may join

1 in a partnership with one or more other corporations to jointly
2 provide and operate a child care facility for the children of
3 employees of the corporations in the partnership.

4 (b) The tax credit may not reduce the taxpayer's liability
5 to less than zero. If the amount of the tax credit exceeds the
6 tax liability for the year, the excess may be carried forward
7 and applied to the tax liability of the 5 taxable years
8 following the excess credit year. The credit must be applied to
9 the earliest year for which there is a tax liability. If there
10 are credits from more than one tax year that are available to
11 offset a liability, then the earlier credit must be applied
12 first.

13 (c) As used in this Section, "start-up costs" means
14 planning, site-preparation, construction, renovation, or
15 acquisition of a child care facility. As used in this Section,
16 "child care facility" is limited to a child care facility
17 located in Illinois.

18 (d) A corporate taxpayer claiming the credit provided by
19 this Section shall maintain and record such information as the
20 Department may require by rule regarding the child care
21 facility for which the credit is claimed.

22 (Source: P.A. 91-930, eff. 12-15-00.)