

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 212 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit  
9 allowed for the taxable year under Section 32 of the federal  
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
11 is entitled to a credit against the tax imposed by subsections  
12 (a) and (b) of Section 201 in an amount equal to the following:

13 (1) for each taxable year beginning on or after January  
14 1, 2000 and ending before or during calendar year 2006, the  
15 amount of the credit is 5% of the federal tax credit; ~~for~~  
16 ~~each taxable year beginning on or after January 1, 2000~~

17 (2) for any taxable year ending during calendar year  
18 2007, the amount of the credit is 7.5% of the federal tax  
19 credit; and

20 (3) for any taxable year ending during calendar year  
21 2008 or thereafter, the amount of the credit is 10% of the  
22 federal tax credit.

23 For a non-resident or part-year resident, the amount of the

1 credit under this Section shall be in proportion to the amount  
2 of income attributable to this State.

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

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

18 (c) This Section is exempt from the provisions of Section  
19 250.

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

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law.