

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 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000.

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

18 (b) For taxable years beginning before January 1, 2003, in
19 no event shall a credit under this Section reduce the
20 taxpayer's liability to less than zero. For each taxable year
21 beginning on or after January 1, 2003, if the amount of the
22 credit exceeds the income tax liability for the applicable tax
23 year, then the excess credit shall be refunded to the taxpayer.

1 The amount of a refund shall not be included in the taxpayer's
2 income or resources for the purposes of determining eligibility
3 or benefit level in any means-tested benefit program
4 administered by a governmental entity unless required by
5 federal law.

6 ~~(b 5) Refunds authorized by subsection (b) are subject to~~
7 ~~the availability of funds from the federal Temporary Assistance~~
8 ~~for Needy Families Block Grant and the State's ability to meet~~
9 ~~its required Maintenance of Effort.~~

10 (c) This Section is exempt from the provisions of Section
11 250.

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

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.