

**SB0339**



**95TH GENERAL ASSEMBLY**

**State of Illinois**

**2007 and 2008**

**SB0339**

Introduced 2/7/2007, by Sen. Jacqueline Y. Collins

**SYNOPSIS AS INTRODUCED:**

35 ILCS 5/212

Amends the Illinois Income Tax Act. Increases the amount of the earned income tax credit from 5% of the federal tax credit to (i) 10% of the federal tax credit for each taxable year beginning on or after January 1, 2007, (ii) 15% of the federal tax credit for each taxable year beginning on or after January 1, 2009, and (iii) 20% of the federal tax credit for each taxable year beginning on or after January 1, 2011. Effective immediately.

LRB095 06359 BDD 26455 b

FISCAL NOTE ACT  
MAY APPLY

**A BILL FOR**

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:

13 (1) 5% of the federal tax credit for each taxable year  
14 beginning on or after January 1, 2000 and ending on or  
15 before December 31, 2006;

16 (2) 10% of the federal tax credit for each taxable year  
17 beginning on or after January 1, 2007 and ending on or  
18 before December 31, 2008;

19 (3) 15% of the federal tax credit for each taxable year  
20 beginning on or after January 1, 2009 and ending on or  
21 before December 31, 2010; and

22 (4) 20% of the federal tax credit for each taxable year  
23 beginning on or after January 1, 2011.

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

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

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

19           (c) This Section is exempt from the provisions of Section  
20 250.

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

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