



## 95TH GENERAL ASSEMBLY

### State of Illinois

#### 2007 and 2008

##### SB0508

Introduced 2/8/2007, by Sen. Michael W. Frerichs

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the State Finance Act. Creates the School District Property Tax Relief Fund. Requires appropriations from the Education Assistance Fund. Requires the Department of Revenue to certify property tax relief grants for school districts from the Fund. Sets forth procedures for these grants. Creates the Higher Education Operating Assistance Fund for the purpose of grants to colleges and universities. Requires annual appropriations to the Fund. Sets forth requirements for appropriating and using moneys from the Fund. Amends the Illinois Income Tax Act. Increases the rate of income tax for individuals, trusts, and estates from 3% to 5% and for corporations from 4.8% to 8%. Requires this additional revenue to be deposited into the Education Assistance Fund. Increases the amount of the earned income tax credit and the education expense credit. Limits the amount of the property tax credit to \$30. Amends the Property Tax Code. Requires abatements of education extensions by the amount of the property tax relief grants received. Amends the School Code. Increases the foundation level of support and grant amount for supplemental general State aid. Changes the distribution of moneys from the Education Assistance Fund. Establishes the Education Assistance Fund Board to make biennial recommendations concerning appropriations from the Education Assistance Fund. Creates a continuing appropriation. Makes other changes. Effective immediately.

LRB095 10520 BDD 30736 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning education.

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

4 Section 5. The State Finance Act is amended by changing  
5 Section 8h and by adding Sections 5.675, 5.680, 6z-69, and  
6 6z-70 as follows:

7 (30 ILCS 105/5.675 new)

8 Sec. 5.675. The Higher Education Operating Assistance  
9 Fund.

10 (30 ILCS 105/5.680 new)

11 Sec. 5.680. The School District Property Tax Relief Fund.

12 (30 ILCS 105/6z-69 new)

13 Sec. 6z-69. School District Property Tax Relief Fund.

14 (a) The School District Property Tax Relief Fund is created  
15 as a special Fund in the State treasury. All interest earned on  
16 moneys in the Fund shall be deposited into the Fund.

17 (b) As used in this Section:

18 "Department" means the Department of Revenue.

19 "School district" means elementary, high school, and unit  
20 districts that levy property taxes.

21 "Property tax relief grant" means the amount of property

1 tax relief that will be distributed to counties from the School  
2 District Property Tax Relief Fund in each fiscal year for  
3 grants to each school district.

4 (c) Beginning in fiscal year 2008, the General Assembly  
5 shall appropriate \$3.5 billion, or an amount sufficient to fund  
6 the required monthly transfers under Section 18-19(4) of the  
7 School Code, from the Education Assistance Fund to the School  
8 District Property Tax Relief Fund. In each fiscal year  
9 thereafter, the General Assembly shall appropriate an amount  
10 from the Education Assistance Fund to the School District  
11 Property Tax Relief Fund equal to the amount appropriated to  
12 the School District Property Tax Relief Fund in the immediately  
13 preceding fiscal year, increased by the lesser of 3.5% or the  
14 percentage increase in the Consumer Price Index for All Urban  
15 Consumers published by the U.S. Bureau of Labor Statistics for  
16 the immediately preceding fiscal year.

17 (d) Beginning in 2009 and for every year thereafter, the  
18 Department must certify, no earlier than November 15 and no  
19 later than November 17, the total amount of property tax relief  
20 each school district will receive from the School District  
21 Property Tax Relief Fund. The relief shall be determined as  
22 follows:

23 In each fiscal year commencing with fiscal year 2008,  
24 the General Assembly shall appropriate the total amount  
25 appropriated to the School District Property Tax Relief  
26 Fund for that fiscal year to fund the aggregate amount of

1 property tax relief grants that will be distributed through  
2 the counties to all school districts. The Department then  
3 shall calculate the amount of property tax relief grant to  
4 be distributed to each school district in each fiscal year  
5 as follows:

6 (A) for fiscal year 2008, each school district  
7 shall receive a property tax relief grant in an amount  
8 equal to one-third of the total property taxes levied  
9 for that school district in tax year 2001 (payable in  
10 2002); and

11 (B) for each fiscal year thereafter, the property  
12 tax relief grant for each school district must be  
13 increased by the lesser of 3.5% or the percentage  
14 increase, if any, in the Consumer Price Index For All  
15 Urban Consumers published for the prior fiscal year.

16 Property tax relief grants in each fiscal year shall be  
17 distributed to the county collectors in the appropriate  
18 counties. The county collectors must then distribute the moneys  
19 to the school districts as if the grant were property tax  
20 receipts.

21 (e) This amendatory Act of the 95th General Assembly  
22 constitutes an irrevocable and continuing appropriation (i)  
23 from the Education Assistance Fund to the School District  
24 Property Tax Relief Fund and (ii) from the School District  
25 Property Tax Relief Fund to the school districts for property  
26 tax relief grants in accordance with the provisions of this

1 Section.

2 (30 ILCS 105/6z-70 new)

3 Sec. 6z-70. Higher Education Operating Assistance Fund.

4 (a) The Higher Education Operating Assistance Fund is  
5 created as a special fund in the State treasury. Moneys in the  
6 Fund may be used only for the purposes set forth in this  
7 Section. All interest earned on moneys in the Fund must be  
8 deposited into the Fund.

9 (b) Beginning in fiscal year 2009, the General Assembly  
10 must appropriate \$370,000,000, or an amount sufficient to fund  
11 the required monthly transfers under Section 18-19(1) of the  
12 School Code, from the Education Assistance Fund to the Higher  
13 Education Operating Assistance Fund.

14 (c) In each fiscal year thereafter, the amount appropriated  
15 from the Education Assistance Fund to the Higher Education  
16 Operating Assistance Fund must be increased by the percentage  
17 of increase, in the previous calendar year, of the Consumer  
18 Price Index for all Urban Consumers published by the federal  
19 Bureau of Labor Statistics.

20 (c-1) Distributions from the Higher Education Operating  
21 Assistance Fund are to be made only if the level of the  
22 appropriations from general funds is equal to or greater than  
23 the "base appropriation level for higher education purposes",  
24 as adjusted for each intervening year by the percentage  
25 increase, if any, in the Consumer Price Index For All Urban

1 Consumers ("CPI") published by the federal Bureau of Labor  
2 Statistics for the prior fiscal year. For purposes of this  
3 amendatory Act of the 95th General Assembly, the "base  
4 appropriation level for higher education purposes" is the FY05  
5 General Revenue Fund level specified in Public Act 93-0842,  
6 effective July 7, 2004, as amended by Public Act 93-1070,  
7 Article 11, effective January 15, 2005 and referenced in Item  
8 #12 of the Illinois Board of Higher Education August 10, 2004  
9 Board Report.

10 If the amount appropriated in any year for higher education  
11 purposes is less than the "base appropriation level for higher  
12 education purposes" from the prior fiscal year as adjusted by  
13 the percentage increase in CPI, then no moneys may be  
14 appropriated from the Higher Education Operating Assistance  
15 Fund for that fiscal year for any purpose and all moneys shall  
16 remain in the Higher Education Operating Assistance Fund until  
17 the following fiscal year.

18 For purposes of this subsection (c-1), the term "amount  
19 appropriated for higher education purposes" does not include  
20 any amount appropriated from the Higher Education Operating  
21 Assistance Fund.

22 (c-2) Distributions from the Higher Education Operating  
23 Assistance Fund shall be as follows, subject to the conditions  
24 in subsection (c-1):

25 (1) The General Assembly must appropriate 75% of all  
26 moneys in the Higher Education Operating Assistance Fund,

1 including any balance from the prior year, to the Board of  
2 Higher Education for grants to State universities for their  
3 ordinary and contingent expenses. The grants under this  
4 item (1) must be distributed to each State university based  
5 upon each university's full time equivalent head count; and

6 (2) The General Assembly must appropriate 25% of all  
7 moneys in the Higher Education Operating Assistance Fund,  
8 including any balance from the prior year, to the Illinois  
9 Community College Board for grants to community colleges  
10 for their ordinary and contingent expenses. The grants  
11 under this item (2) must be distributed to each community  
12 college based upon each community college's full time  
13 equivalent head count.

14 For the purpose of this subsection (c-2), "full-time  
15 equivalent head count" means the total number of undergraduate  
16 students enrolled in 12 or more semester hours or quarter hours  
17 of credit courses in any given semester or quarter.

18 (d) Distributions from the Higher Education Operating  
19 Assistance Fund shall not be used for the following:

20 Executive management: executive level activities  
21 concerned with the overall management of, and long-range  
22 planning for, the entire university. This includes  
23 activities such as policy formation and executive  
24 direction, including the activities of the governing  
25 board, the chief executive officer, and the senior  
26 executive officers. Legal activities conducted on behalf

1 of the university are included.

2 Financial management and operations: activities  
3 related to the day-to-day financial management and fiscal  
4 operations of the university and long-range financial  
5 planning and policy formulations.

6 General administrative and logistical services:  
7 general administrative operations and services of the  
8 university (with exception of financial operations and  
9 student records activities). This includes administration  
10 of personnel programs, purchasing and maintenance of  
11 supplies and materials, management of facilities, and  
12 administrative computing support.

13 Faculty and staff auxiliary services: support services  
14 established primarily to service the faculty and staff,  
15 such as faculty lounges, cafeterias, or centers providing a  
16 variety of services.

17 Public relations and development: activities  
18 established to maintain relations with the local  
19 community, the university's alumni, governmental entities,  
20 and the public in general, as well as activities carried  
21 out to support institution-side fund raising and  
22 development efforts.

23 Academic administration: administrative support and  
24 management activities carried out specifically for the  
25 support of a university's primary programs of instruction,  
26 organized research, and public service.



1           Superintendence: activities necessary to carry out the  
2           duties of management and administration for all areas under  
3           the jurisdiction of the physical plant division of the  
4           university.

5           Custodial: activities related to custodial service in  
6           building interiors.

7           Grounds maintenance: operation and maintenance of  
8           campus landscape and grounds. This includes maintenance of  
9           roads and walkways; snow removal; maintenance of fences,  
10          retaining walls, and drainage ditches; and care of shrubs,  
11          trees, and grass.

12          Transportation: all charges related to the purchase,  
13          maintenance, and operation of motor vehicles specifically  
14          for the use of the physical plant department. Operational  
15          costs for a central motor pool are not included in this  
16          category and should be charged to the departments and  
17          programs that use the vehicles.

18          (e) This amendatory Act of the 95th General Assembly  
19          constitutes an irrevocable and continuing appropriation (i)  
20          from the Education Assistance Fund to the Higher Education  
21          Operating Assistance Fund and (ii) from the Higher Education  
22          Operating Assistance Fund to the Board of Higher Education and  
23          to the Illinois Community College Board in accordance with the  
24          provisions of this Section.

1           Sec. 8h. Transfers to General Revenue Fund.

2           (a) Except as otherwise provided in this Section and  
3 Section 8n of this Act, and ~~(c), (d), or (e)~~, notwithstanding  
4 any other State law to the contrary, the Governor may, through  
5 June 30, 2007, from time to time direct the State Treasurer and  
6 Comptroller to transfer a specified sum from any fund held by  
7 the State Treasurer to the General Revenue Fund in order to  
8 help defray the State's operating costs for the fiscal year.  
9 The total transfer under this Section from any fund in any  
10 fiscal year shall not exceed the lesser of (i) 8% of the  
11 revenues to be deposited into the fund during that fiscal year  
12 or (ii) an amount that leaves a remaining fund balance of 25%  
13 of the July 1 fund balance of that fiscal year. In fiscal year  
14 2005 only, prior to calculating the July 1, 2004 final  
15 balances, the Governor may calculate and direct the State  
16 Treasurer with the Comptroller to transfer additional amounts  
17 determined by applying the formula authorized in Public Act  
18 93-839 to the funds balances on July 1, 2003. No transfer may  
19 be made from a fund under this Section that would have the  
20 effect of reducing the available balance in the fund to an  
21 amount less than the amount remaining unexpended and unreserved  
22 from the total appropriation from that fund estimated to be  
23 expended for that fiscal year. This Section does not apply to  
24 any funds that are restricted by federal law to a specific use,  
25 to any funds in the Motor Fuel Tax Fund, the Intercity  
26 Passenger Rail Fund, the Hospital Provider Fund, the Medicaid

1 Provider Relief Fund, the Teacher Health Insurance Security  
2 Fund, the Reviewing Court Alternative Dispute Resolution Fund,  
3 the Voters' Guide Fund, the Foreign Language Interpreter Fund,  
4 the Lawyers' Assistance Program Fund, the Supreme Court Federal  
5 Projects Fund, the Supreme Court Special State Projects Fund,  
6 the Supplemental Low-Income Energy Assistance Fund, the Good  
7 Samaritan Energy Trust Fund, the Low-Level Radioactive Waste  
8 Facility Development and Operation Fund, the Horse Racing  
9 Equity Trust Fund, the Education Assistance Fund, the School  
10 District Property Tax Relief Fund, the Higher Education  
11 Operating Assistance Fund, the Income Tax Refund Fund, or the  
12 Hospital Basic Services Preservation Fund, or to any funds to  
13 which subsection (f) of Section 20-40 of the Nursing and  
14 Advanced Practice Nursing Act applies. No transfers may be made  
15 under this Section from the Pet Population Control Fund.  
16 Notwithstanding any other provision of this Section, for fiscal  
17 year 2004, the total transfer under this Section from the Road  
18 Fund or the State Construction Account Fund shall not exceed  
19 the lesser of (i) 5% of the revenues to be deposited into the  
20 fund during that fiscal year or (ii) 25% of the beginning  
21 balance in the fund. For fiscal year 2005 through fiscal year  
22 2007, no amounts may be transferred under this Section from the  
23 Road Fund, the State Construction Account Fund, the Criminal  
24 Justice Information Systems Trust Fund, the Wireless Service  
25 Emergency Fund, or the Mandatory Arbitration Fund.

26 In determining the available balance in a fund, the

1 Governor may include receipts, transfers into the fund, and  
2 other resources anticipated to be available in the fund in that  
3 fiscal year.

4 The State Treasurer and Comptroller shall transfer the  
5 amounts designated under this Section as soon as may be  
6 practicable after receiving the direction to transfer from the  
7 Governor.

8 (a-5) Transfers directed to be made under this Section on  
9 or before February 28, 2006 that are still pending on May 19,  
10 2008 (the effective date of Public Act 94-774) ~~this amendatory~~  
11 ~~Act of the 94th General Assembly~~ shall be redirected as  
12 provided in Section 8n of this Act.

13 (b) This Section does not apply to: (i) the Ticket For The  
14 Cure Fund; (ii) any fund established under the Community Senior  
15 Services and Resources Act; or (iii) on or after January 1,  
16 2006 (the effective date of Public Act 94-511), the Child Labor  
17 and Day and Temporary Labor Enforcement Fund.

18 (c) This Section does not apply to the Demutualization  
19 Trust Fund established under the Uniform Disposition of  
20 Unclaimed Property Act.

21 (d) This Section does not apply to moneys set aside in the  
22 Illinois State Podiatric Disciplinary Fund for podiatric  
23 scholarships and residency programs under the Podiatric  
24 Scholarship and Residency Act.

25 (e) Subsection (a) does not apply to, and no transfer may  
26 be made under this Section from, the Pension Stabilization

1 Fund.

2 (Source: P.A. 93-32, eff. 6-20-03; 93-659, eff. 2-3-04; 93-674,  
3 eff. 6-10-04; 93-714, eff. 7-12-04; 93-801, eff. 7-22-04;  
4 93-839, eff. 7-30-04; 93-1054, eff. 11-18-04; 93-1067, eff.  
5 1-15-05; 94-91, eff. 7-1-05; 94-120, eff. 7-6-05; 94-511, eff.  
6 1-1-06; 94-535, eff. 8-10-05; 94-639, eff. 8-22-05; 94-645,  
7 eff. 8-22-05; 94-648, eff. 1-1-06; 94-686, eff. 11-2-05;  
8 94-691, eff. 11-2-05; 94-726, eff. 1-20-06; 94-773, eff.  
9 5-18-06; 94-774, eff. 5-19-06; 94-804, eff. 5-26-06; 94-839,  
10 eff. 6-6-06; revised 6-19-06.)

11 Section 10. The Illinois Income Tax Act is amended by  
12 changing Sections 201, 208, 212, and 901 and by adding Section  
13 202.5 as follows:

14 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

15 Sec. 201. Tax Imposed.

16 (a) In general. A tax measured by net income is hereby  
17 imposed on every individual, corporation, trust and estate for  
18 each taxable year ending after July 31, 1969 on the privilege  
19 of earning or receiving income in or as a resident of this  
20 State. Such tax shall be in addition to all other occupation or  
21 privilege taxes imposed by this State or by any municipal  
22 corporation or political subdivision thereof.

23 (b) Rates. The tax imposed by subsection (a) of this  
24 Section shall be determined as follows, except as adjusted by

1 subsection (d-1):

2 (1) In the case of an individual, trust or estate, for  
3 taxable years ending prior to July 1, 1989, an amount equal  
4 to 2 1/2% of the taxpayer's net income for the taxable  
5 year.

6 (2) In the case of an individual, trust or estate, for  
7 taxable years beginning prior to July 1, 1989 and ending  
8 after June 30, 1989, an amount equal to the sum of (i) 2  
9 1/2% of the taxpayer's net income for the period prior to  
10 July 1, 1989, as calculated under Section 202.3, and (ii)  
11 3% of the taxpayer's net income for the period after June  
12 30, 1989, as calculated under Section 202.3.

13 (3) In the case of an individual, trust or estate, for  
14 taxable years beginning after June 30, 1989 and ending on  
15 or before December 31, 2007, an amount equal to 3% of the  
16 taxpayer's net income for the taxable year.

17 (4) In the case of an individual, trust, or estate, for  
18 taxable years beginning prior to January 1, 2008 and ending  
19 after December 31, 2007, an amount equal to the sum of (i)  
20 3% of the taxpayer's net income for the period prior to  
21 January 1, 2008, as calculated under Section 202.5, and  
22 (ii) 5% of the taxpayer's net income for the period after  
23 December 31, 2007, as calculated under Section 202.5.

24 ~~(Blank).~~

25 (5) In the case of an individual, trust or estate, for  
26 taxable years beginning after December 31, 2007, an amount

1 equal to 5% of the taxpayer's net income for the taxable  
2 year. (Blank).

3 (6) In the case of a corporation, for taxable years  
4 ending prior to July 1, 1989, an amount equal to 4% of the  
5 taxpayer's net income for the taxable year.

6 (7) In the case of a corporation, for taxable years  
7 beginning prior to July 1, 1989 and ending after June 30,  
8 1989, an amount equal to the sum of (i) 4% of the  
9 taxpayer's net income for the period prior to July 1, 1989,  
10 as calculated under Section 202.3, and (ii) 4.8% of the  
11 taxpayer's net income for the period after June 30, 1989,  
12 as calculated under Section 202.3.

13 (8) In the case of a corporation, for taxable years  
14 beginning after June 30, 1989 and ending on or before  
15 December 31, 2007, an amount equal to 4.8% of the  
16 taxpayer's net income for the taxable year.

17 (9) In the case of a corporation, for taxable years  
18 beginning prior to January 1, 2008 and ending after  
19 December 31, 2007, an amount equal to the sum of (i) 4.8%  
20 of the taxpayer's net income for the period prior to  
21 January 1, 2008, as calculated under Section 202.5, and  
22 (ii) 8% of the taxpayer's net income for the period after  
23 December 31, 2007, as calculated under Section 202.5.

24 (10) In the case of a corporation, for taxable years  
25 beginning after December 31, 2007, an amount equal to 8% of  
26 the taxpayer's net income for the taxable year.

1           (c) Personal Property Tax Replacement Income Tax.  
2 Beginning on July 1, 1979 and thereafter, in addition to such  
3 income tax, there is also hereby imposed the Personal Property  
4 Tax Replacement Income Tax measured by net income on every  
5 corporation (including Subchapter S corporations), partnership  
6 and trust, for each taxable year ending after June 30, 1979.  
7 Such taxes are imposed on the privilege of earning or receiving  
8 income in or as a resident of this State. The Personal Property  
9 Tax Replacement Income Tax shall be in addition to the income  
10 tax imposed by subsections (a) and (b) of this Section and in  
11 addition to all other occupation or privilege taxes imposed by  
12 this State or by any municipal corporation or political  
13 subdivision thereof.

14           (d) Additional Personal Property Tax Replacement Income  
15 Tax Rates. The personal property tax replacement income tax  
16 imposed by this subsection and subsection (c) of this Section  
17 in the case of a corporation, other than a Subchapter S  
18 corporation and except as adjusted by subsection (d-1), shall  
19 be an additional amount equal to 2.85% of such taxpayer's net  
20 income for the taxable year, except that beginning on January  
21 1, 1981, and thereafter, the rate of 2.85% specified in this  
22 subsection shall be reduced to 2.5%, and in the case of a  
23 partnership, trust or a Subchapter S corporation shall be an  
24 additional amount equal to 1.5% of such taxpayer's net income  
25 for the taxable year.

26           (d-1) Rate reduction for certain foreign insurers. In the



1 case of a foreign insurer, as defined by Section 35A-5 of the  
2 Illinois Insurance Code, whose state or country of domicile  
3 imposes on insurers domiciled in Illinois a retaliatory tax  
4 (excluding any insurer whose premiums from reinsurance assumed  
5 are 50% or more of its total insurance premiums as determined  
6 under paragraph (2) of subsection (b) of Section 304, except  
7 that for purposes of this determination premiums from  
8 reinsurance do not include premiums from inter-affiliate  
9 reinsurance arrangements), beginning with taxable years ending  
10 on or after December 31, 1999, the sum of the rates of tax  
11 imposed by subsections (b) and (d) shall be reduced (but not  
12 increased) to the rate at which the total amount of tax imposed  
13 under this Act, net of all credits allowed under this Act,  
14 shall equal (i) the total amount of tax that would be imposed  
15 on the foreign insurer's net income allocable to Illinois for  
16 the taxable year by such foreign insurer's state or country of  
17 domicile if that net income were subject to all income taxes  
18 and taxes measured by net income imposed by such foreign  
19 insurer's state or country of domicile, net of all credits  
20 allowed or (ii) a rate of zero if no such tax is imposed on such  
21 income by the foreign insurer's state of domicile. For the  
22 purposes of this subsection (d-1), an inter-affiliate includes  
23 a mutual insurer under common management.

24 (1) For the purposes of subsection (d-1), in no event  
25 shall the sum of the rates of tax imposed by subsections  
26 (b) and (d) be reduced below the rate at which the sum of:

1 (A) the total amount of tax imposed on such foreign  
2 insurer under this Act for a taxable year, net of all  
3 credits allowed under this Act, plus

4 (B) the privilege tax imposed by Section 409 of the  
5 Illinois Insurance Code, the fire insurance company  
6 tax imposed by Section 12 of the Fire Investigation  
7 Act, and the fire department taxes imposed under  
8 Section 11-10-1 of the Illinois Municipal Code,  
9 equals 1.25% for taxable years ending prior to December 31,  
10 2003, or 1.75% for taxable years ending on or after  
11 December 31, 2003, of the net taxable premiums written for  
12 the taxable year, as described by subsection (1) of Section  
13 409 of the Illinois Insurance Code. This paragraph will in  
14 no event increase the rates imposed under subsections (b)  
15 and (d).

16 (2) Any reduction in the rates of tax imposed by this  
17 subsection shall be applied first against the rates imposed  
18 by subsection (b) and only after the tax imposed by  
19 subsection (a) net of all credits allowed under this  
20 Section other than the credit allowed under subsection (i)  
21 has been reduced to zero, against the rates imposed by  
22 subsection (d).

23 This subsection (d-1) is exempt from the provisions of  
24 Section 250.

25 (e) Investment credit. A taxpayer shall be allowed a credit  
26 against the Personal Property Tax Replacement Income Tax for

1 investment in qualified property.

2 (1) A taxpayer shall be allowed a credit equal to .5%  
3 of the basis of qualified property placed in service during  
4 the taxable year, provided such property is placed in  
5 service on or after July 1, 1984. There shall be allowed an  
6 additional credit equal to .5% of the basis of qualified  
7 property placed in service during the taxable year,  
8 provided such property is placed in service on or after  
9 July 1, 1986, and the taxpayer's base employment within  
10 Illinois has increased by 1% or more over the preceding  
11 year as determined by the taxpayer's employment records  
12 filed with the Illinois Department of Employment Security.  
13 Taxpayers who are new to Illinois shall be deemed to have  
14 met the 1% growth in base employment for the first year in  
15 which they file employment records with the Illinois  
16 Department of Employment Security. The provisions added to  
17 this Section by Public Act 85-1200 (and restored by Public  
18 Act 87-895) shall be construed as declaratory of existing  
19 law and not as a new enactment. If, in any year, the  
20 increase in base employment within Illinois over the  
21 preceding year is less than 1%, the additional credit shall  
22 be limited to that percentage times a fraction, the  
23 numerator of which is .5% and the denominator of which is  
24 1%, but shall not exceed .5%. The investment credit shall  
25 not be allowed to the extent that it would reduce a  
26 taxpayer's liability in any tax year below zero, nor may

1 any credit for qualified property be allowed for any year  
2 other than the year in which the property was placed in  
3 service in Illinois. For tax years ending on or after  
4 December 31, 1987, and on or before December 31, 1988, the  
5 credit shall be allowed for the tax year in which the  
6 property is placed in service, or, if the amount of the  
7 credit exceeds the tax liability for that year, whether it  
8 exceeds the original liability or the liability as later  
9 amended, such excess may be carried forward and applied to  
10 the tax liability of the 5 taxable years following the  
11 excess credit years if the taxpayer (i) makes investments  
12 which cause the creation of a minimum of 2,000 full-time  
13 equivalent jobs in Illinois, (ii) is located in an  
14 enterprise zone established pursuant to the Illinois  
15 Enterprise Zone Act and (iii) is certified by the  
16 Department of Commerce and Community Affairs (now  
17 Department of Commerce and Economic Opportunity) as  
18 complying with the requirements specified in clause (i) and  
19 (ii) by July 1, 1986. The Department of Commerce and  
20 Community Affairs (now Department of Commerce and Economic  
21 Opportunity) shall notify the Department of Revenue of all  
22 such certifications immediately. For tax years ending  
23 after December 31, 1988, the credit shall be allowed for  
24 the tax year in which the property is placed in service,  
25 or, if the amount of the credit exceeds the tax liability  
26 for that year, whether it exceeds the original liability or

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

8 (2) The term "qualified property" means property  
9 which:

10 (A) is tangible, whether new or used, including  
11 buildings and structural components of buildings and  
12 signs that are real property, but not including land or  
13 improvements to real property that are not a structural  
14 component of a building such as landscaping, sewer  
15 lines, local access roads, fencing, parking lots, and  
16 other appurtenances;

17 (B) is depreciable pursuant to Section 167 of the  
18 Internal Revenue Code, except that "3-year property"  
19 as defined in Section 168(c)(2)(A) of that Code is not  
20 eligible for the credit provided by this subsection  
21 (e);

22 (C) is acquired by purchase as defined in Section  
23 179(d) of the Internal Revenue Code;

24 (D) is used in Illinois by a taxpayer who is  
25 primarily engaged in manufacturing, or in mining coal  
26 or fluorite, or in retailing, or was placed in service

1           on or after July 1, 2006 in a River Edge Redevelopment  
2           Zone established pursuant to the River Edge  
3           Redevelopment Zone Act; and

4           (E) has not previously been used in Illinois in  
5           such a manner and by such a person as would qualify for  
6           the credit provided by this subsection (e) or  
7           subsection (f).

8           (3) For purposes of this subsection (e),  
9           "manufacturing" means the material staging and production  
10          of tangible personal property by procedures commonly  
11          regarded as manufacturing, processing, fabrication, or  
12          assembling which changes some existing material into new  
13          shapes, new qualities, or new combinations. For purposes of  
14          this subsection (e) the term "mining" shall have the same  
15          meaning as the term "mining" in Section 613(c) of the  
16          Internal Revenue Code. For purposes of this subsection (e),  
17          the term "retailing" means the sale of tangible personal  
18          property or services rendered in conjunction with the sale  
19          of tangible consumer goods or commodities.

20          (4) The basis of qualified property shall be the basis  
21          used to compute the depreciation deduction for federal  
22          income tax purposes.

23          (5) If the basis of the property for federal income tax  
24          depreciation purposes is increased after it has been placed  
25          in service in Illinois by the taxpayer, the amount of such  
26          increase shall be deemed property placed in service on the

1 date of such increase in basis.

2 (6) The term "placed in service" shall have the same  
3 meaning as under Section 46 of the Internal Revenue Code.

4 (7) If during any taxable year, any property ceases to  
5 be qualified property in the hands of the taxpayer within  
6 48 months after being placed in service, or the situs of  
7 any qualified property is moved outside Illinois within 48  
8 months after being placed in service, the Personal Property  
9 Tax Replacement Income Tax for such taxable year shall be  
10 increased. Such increase shall be determined by (i)  
11 recomputing the investment credit which would have been  
12 allowed for the year in which credit for such property was  
13 originally allowed by eliminating such property from such  
14 computation and, (ii) subtracting such recomputed credit  
15 from the amount of credit previously allowed. For the  
16 purposes of this paragraph (7), a reduction of the basis of  
17 qualified property resulting from a redetermination of the  
18 purchase price shall be deemed a disposition of qualified  
19 property to the extent of such reduction.

20 (8) Unless the investment credit is extended by law,  
21 the basis of qualified property shall not include costs  
22 incurred after December 31, 2008, except for costs incurred  
23 pursuant to a binding contract entered into on or before  
24 December 31, 2008.

25 (9) Each taxable year ending before December 31, 2000,  
26 a partnership may elect to pass through to its partners the

1 credits to which the partnership is entitled under this  
2 subsection (e) for the taxable year. A partner may use the  
3 credit allocated to him or her under this paragraph only  
4 against the tax imposed in subsections (c) and (d) of this  
5 Section. If the partnership makes that election, those  
6 credits shall be allocated among the partners in the  
7 partnership in accordance with the rules set forth in  
8 Section 704(b) of the Internal Revenue Code, and the rules  
9 promulgated under that Section, and the allocated amount of  
10 the credits shall be allowed to the partners for that  
11 taxable year. The partnership shall make this election on  
12 its Personal Property Tax Replacement Income Tax return for  
13 that taxable year. The election to pass through the credits  
14 shall be irrevocable.

15 For taxable years ending on or after December 31, 2000,  
16 a partner that qualifies its partnership for a subtraction  
17 under subparagraph (I) of paragraph (2) of subsection (d)  
18 of Section 203 or a shareholder that qualifies a Subchapter  
19 S corporation for a subtraction under subparagraph (S) of  
20 paragraph (2) of subsection (b) of Section 203 shall be  
21 allowed a credit under this subsection (e) equal to its  
22 share of the credit earned under this subsection (e) during  
23 the taxable year by the partnership or Subchapter S  
24 corporation, determined in accordance with the  
25 determination of income and distributive share of income  
26 under Sections 702 and 704 and Subchapter S of the Internal



1 Revenue Code. This paragraph is exempt from the provisions  
2 of Section 250.

3 (f) Investment credit; Enterprise Zone; River Edge  
4 Redevelopment Zone.

5 (1) A taxpayer shall be allowed a credit against the  
6 tax imposed by subsections (a) and (b) of this Section for  
7 investment in qualified property which is placed in service  
8 in an Enterprise Zone created pursuant to the Illinois  
9 Enterprise Zone Act or, for property placed in service on  
10 or after July 1, 2006, a River Edge Redevelopment Zone  
11 established pursuant to the River Edge Redevelopment Zone  
12 Act. For partners, shareholders of Subchapter S  
13 corporations, and owners of limited liability companies,  
14 if the liability company is treated as a partnership for  
15 purposes of federal and State income taxation, there shall  
16 be allowed a credit under this subsection (f) to be  
17 determined in accordance with the determination of income  
18 and distributive share of income under Sections 702 and 704  
19 and Subchapter S of the Internal Revenue Code. The credit  
20 shall be .5% of the basis for such property. The credit  
21 shall be available only in the taxable year in which the  
22 property is placed in service in the Enterprise Zone or  
23 River Edge Redevelopment Zone and shall not be allowed to  
24 the extent that it would reduce a taxpayer's liability for  
25 the tax imposed by subsections (a) and (b) of this Section  
26 to below zero. For tax years ending on or after December

1 31, 1985, the credit shall be allowed for the tax year in  
2 which the property is placed in service, or, if the amount  
3 of the credit exceeds the tax liability for that year,  
4 whether it exceeds the original liability or the liability  
5 as later amended, such excess may be carried forward and  
6 applied to the tax liability of the 5 taxable years  
7 following the excess credit year. The credit shall be  
8 applied to the earliest year for which there is a  
9 liability. If there is credit from more than one tax year  
10 that is available to offset a liability, the credit  
11 accruing first in time shall be applied first.

12 (2) The term qualified property means property which:

13 (A) is tangible, whether new or used, including  
14 buildings and structural components of buildings;

15 (B) is depreciable pursuant to Section 167 of the  
16 Internal Revenue Code, except that "3-year property"  
17 as defined in Section 168(c)(2)(A) of that Code is not  
18 eligible for the credit provided by this subsection  
19 (f);

20 (C) is acquired by purchase as defined in Section  
21 179(d) of the Internal Revenue Code;

22 (D) is used in the Enterprise Zone or River Edge  
23 Redevelopment Zone by the taxpayer; and

24 (E) has not been previously used in Illinois in  
25 such a manner and by such a person as would qualify for  
26 the credit provided by this subsection (f) or

1 subsection (e).

2 (3) The basis of qualified property shall be the basis  
3 used to compute the depreciation deduction for federal  
4 income tax purposes.

5 (4) If the basis of the property for federal income tax  
6 depreciation purposes is increased after it has been placed  
7 in service in the Enterprise Zone or River Edge  
8 Redevelopment Zone by the taxpayer, the amount of such  
9 increase shall be deemed property placed in service on the  
10 date of such increase in basis.

11 (5) The term "placed in service" shall have the same  
12 meaning as under Section 46 of the Internal Revenue Code.

13 (6) If during any taxable year, any property ceases to  
14 be qualified property in the hands of the taxpayer within  
15 48 months after being placed in service, or the situs of  
16 any qualified property is moved outside the Enterprise Zone  
17 or River Edge Redevelopment Zone within 48 months after  
18 being placed in service, the tax imposed under subsections  
19 (a) and (b) of this Section for such taxable year shall be  
20 increased. Such increase shall be determined by (i)  
21 recomputing the investment credit which would have been  
22 allowed for the year in which credit for such property was  
23 originally allowed by eliminating such property from such  
24 computation, and (ii) subtracting such recomputed credit  
25 from the amount of credit previously allowed. For the  
26 purposes of this paragraph (6), a reduction of the basis of

1 qualified property resulting from a redetermination of the  
2 purchase price shall be deemed a disposition of qualified  
3 property to the extent of such reduction.

4 (7) There shall be allowed an additional credit equal  
5 to 0.5% of the basis of qualified property placed in  
6 service during the taxable year in a River Edge  
7 Redevelopment Zone, provided such property is placed in  
8 service on or after July 1, 2006, and the taxpayer's base  
9 employment within Illinois has increased by 1% or more over  
10 the preceding year as determined by the taxpayer's  
11 employment records filed with the Illinois Department of  
12 Employment Security. Taxpayers who are new to Illinois  
13 shall be deemed to have met the 1% growth in base  
14 employment for the first year in which they file employment  
15 records with the Illinois Department of Employment  
16 Security. If, in any year, the increase in base employment  
17 within Illinois over the preceding year is less than 1%,  
18 the additional credit shall be limited to that percentage  
19 times a fraction, the numerator of which is 0.5% and the  
20 denominator of which is 1%, but shall not exceed 0.5%.

21 (g) Jobs Tax Credit; Enterprise Zone, River Edge  
22 Redevelopment Zone, and Foreign Trade Zone or Sub-Zone.

23 (1) A taxpayer conducting a trade or business in an  
24 enterprise zone or a High Impact Business designated by the  
25 Department of Commerce and Economic Opportunity or for  
26 taxable years ending on or after December 31, 2006, in a

1 River Edge Redevelopment Zone conducting a trade or  
2 business in a federally designated Foreign Trade Zone or  
3 Sub-Zone shall be allowed a credit against the tax imposed  
4 by subsections (a) and (b) of this Section in the amount of  
5 \$500 per eligible employee hired to work in the zone during  
6 the taxable year.

7 (2) To qualify for the credit:

8 (A) the taxpayer must hire 5 or more eligible  
9 employees to work in an enterprise zone, River Edge  
10 Redevelopment Zone, or federally designated Foreign  
11 Trade Zone or Sub-Zone during the taxable year;

12 (B) the taxpayer's total employment within the  
13 enterprise zone, River Edge Redevelopment Zone, or  
14 federally designated Foreign Trade Zone or Sub-Zone  
15 must increase by 5 or more full-time employees beyond  
16 the total employed in that zone at the end of the  
17 previous tax year for which a jobs tax credit under  
18 this Section was taken, or beyond the total employed by  
19 the taxpayer as of December 31, 1985, whichever is  
20 later; and

21 (C) the eligible employees must be employed 180  
22 consecutive days in order to be deemed hired for  
23 purposes of this subsection.

24 (3) An "eligible employee" means an employee who is:

25 (A) Certified by the Department of Commerce and  
26 Economic Opportunity as "eligible for services"

1           pursuant to regulations promulgated in accordance with  
2           Title II of the Job Training Partnership Act, Training  
3           Services for the Disadvantaged or Title III of the Job  
4           Training Partnership Act, Employment and Training  
5           Assistance for Dislocated Workers Program.

6           (B) Hired after the enterprise zone, River Edge  
7           Redevelopment Zone, or federally designated Foreign  
8           Trade Zone or Sub-Zone was designated or the trade or  
9           business was located in that zone, whichever is later.

10          (C) Employed in the enterprise zone, River Edge  
11          Redevelopment Zone, or Foreign Trade Zone or Sub-Zone.  
12          An employee is employed in an enterprise zone or  
13          federally designated Foreign Trade Zone or Sub-Zone if  
14          his services are rendered there or it is the base of  
15          operations for the services performed.

16          (D) A full-time employee working 30 or more hours  
17          per week.

18          (4) For tax years ending on or after December 31, 1985  
19          and prior to December 31, 1988, the credit shall be allowed  
20          for the tax year in which the eligible employees are hired.  
21          For tax years ending on or after December 31, 1988, the  
22          credit shall be allowed for the tax year immediately  
23          following the tax year in which the eligible employees are  
24          hired. If the amount of the credit exceeds the tax  
25          liability for that year, whether it exceeds the original  
26          liability or the liability as later amended, such excess

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

7           (5) The Department of Revenue shall promulgate such  
8           rules and regulations as may be deemed necessary to carry  
9           out the purposes of this subsection (g).

10          (6) The credit shall be available for eligible  
11          employees hired on or after January 1, 1986.

12          (h) Investment credit; High Impact Business.

13          (1) Subject to subsections (b) and (b-5) of Section 5.5  
14          of the Illinois Enterprise Zone Act, a taxpayer shall be  
15          allowed a credit against the tax imposed by subsections (a)  
16          and (b) of this Section for investment in qualified  
17          property which is placed in service by a Department of  
18          Commerce and Economic Opportunity designated High Impact  
19          Business. The credit shall be .5% of the basis for such  
20          property. The credit shall not be available (i) until the  
21          minimum investments in qualified property set forth in  
22          subdivision (a)(3)(A) of Section 5.5 of the Illinois  
23          Enterprise Zone Act have been satisfied or (ii) until the  
24          time authorized in subsection (b-5) of the Illinois  
25          Enterprise Zone Act for entities designated as High Impact  
26          Businesses under subdivisions (a)(3)(B), (a)(3)(C), and

1 (a) (3) (D) of Section 5.5 of the Illinois Enterprise Zone  
2 Act, and shall not be allowed to the extent that it would  
3 reduce a taxpayer's liability for the tax imposed by  
4 subsections (a) and (b) of this Section to below zero. The  
5 credit applicable to such investments shall be taken in the  
6 taxable year in which such investments have been completed.  
7 The credit for additional investments beyond the minimum  
8 investment by a designated high impact business authorized  
9 under subdivision (a) (3) (A) of Section 5.5 of the Illinois  
10 Enterprise Zone Act shall be available only in the taxable  
11 year in which the property is placed in service and shall  
12 not be allowed to the extent that it would reduce a  
13 taxpayer's liability for the tax imposed by subsections (a)  
14 and (b) of this Section to below zero. For tax years ending  
15 on or after December 31, 1987, the credit shall be allowed  
16 for the tax year in which the property is placed in  
17 service, or, if the amount of the credit exceeds the tax  
18 liability for that year, whether it exceeds the original  
19 liability or the liability as later amended, such excess  
20 may be carried forward and applied to the tax liability of  
21 the 5 taxable years following the excess credit year. The  
22 credit shall be applied to the earliest year for which  
23 there is a liability. If there is credit from more than one  
24 tax year that is available to offset a liability, the  
25 credit accruing first in time shall be applied first.

26 Changes made in this subdivision (h) (1) by Public Act



1 88-670 restore changes made by Public Act 85-1182 and  
2 reflect existing law.

3 (2) The term qualified property means property which:

4 (A) is tangible, whether new or used, including  
5 buildings and structural components of buildings;

6 (B) is depreciable pursuant to Section 167 of the  
7 Internal Revenue Code, except that "3-year property"  
8 as defined in Section 168(c)(2)(A) of that Code is not  
9 eligible for the credit provided by this subsection  
10 (h);

11 (C) is acquired by purchase as defined in Section  
12 179(d) of the Internal Revenue Code; and

13 (D) is not eligible for the Enterprise Zone  
14 Investment Credit provided by subsection (f) of this  
15 Section.

16 (3) The basis of qualified property shall be the basis  
17 used to compute the depreciation deduction for federal  
18 income tax purposes.

19 (4) If the basis of the property for federal income tax  
20 depreciation purposes is increased after it has been placed  
21 in service in a federally designated Foreign Trade Zone or  
22 Sub-Zone located in Illinois by the taxpayer, the amount of  
23 such increase shall be deemed property placed in service on  
24 the date of such increase in basis.

25 (5) The term "placed in service" shall have the same  
26 meaning as under Section 46 of the Internal Revenue Code.

1           (6) If during any taxable year ending on or before  
2           December 31, 1996, any property ceases to be qualified  
3           property in the hands of the taxpayer within 48 months  
4           after being placed in service, or the situs of any  
5           qualified property is moved outside Illinois within 48  
6           months after being placed in service, the tax imposed under  
7           subsections (a) and (b) of this Section for such taxable  
8           year shall be increased. Such increase shall be determined  
9           by (i) recomputing the investment credit which would have  
10          been allowed for the year in which credit for such property  
11          was originally allowed by eliminating such property from  
12          such computation, and (ii) subtracting such recomputed  
13          credit from the amount of credit previously allowed. For  
14          the purposes of this paragraph (6), a reduction of the  
15          basis of qualified property resulting from a  
16          redetermination of the purchase price shall be deemed a  
17          disposition of qualified property to the extent of such  
18          reduction.

19          (7) Beginning with tax years ending after December 31,  
20          1996, if a taxpayer qualifies for the credit under this  
21          subsection (h) and thereby is granted a tax abatement and  
22          the taxpayer relocates its entire facility in violation of  
23          the explicit terms and length of the contract under Section  
24          18-183 of the Property Tax Code, the tax imposed under  
25          subsections (a) and (b) of this Section shall be increased  
26          for the taxable year in which the taxpayer relocated its

1 facility by an amount equal to the amount of credit  
2 received by the taxpayer under this subsection (h).

3 (i) Credit for Personal Property Tax Replacement Income  
4 Tax. For tax years ending prior to December 31, 2003, a credit  
5 shall be allowed against the tax imposed by subsections (a) and  
6 (b) of this Section for the tax imposed by subsections (c) and  
7 (d) of this Section. This credit shall be computed by  
8 multiplying the tax imposed by subsections (c) and (d) of this  
9 Section by a fraction, the numerator of which is base income  
10 allocable to Illinois and the denominator of which is Illinois  
11 base income, and further multiplying the product by the tax  
12 rate imposed by subsections (a) and (b) of this Section.

13 Any credit earned on or after December 31, 1986 under this  
14 subsection which is unused in the year the credit is computed  
15 because it exceeds the tax liability imposed by subsections (a)  
16 and (b) for that year (whether it exceeds the original  
17 liability or the liability as later amended) may be carried  
18 forward and applied to the tax liability imposed by subsections  
19 (a) and (b) of the 5 taxable years following the excess credit  
20 year, provided that no credit may be carried forward to any  
21 year ending on or after December 31, 2003. This credit shall be  
22 applied first to the earliest year for which there is a  
23 liability. If there is a credit under this subsection from more  
24 than one tax year that is available to offset a liability the  
25 earliest credit arising under this subsection shall be applied  
26 first.

1           If, during any taxable year ending on or after December 31,  
2 1986, the tax imposed by subsections (c) and (d) of this  
3 Section for which a taxpayer has claimed a credit under this  
4 subsection (i) is reduced, the amount of credit for such tax  
5 shall also be reduced. Such reduction shall be determined by  
6 recomputing the credit to take into account the reduced tax  
7 imposed by subsections (c) and (d). If any portion of the  
8 reduced amount of credit has been carried to a different  
9 taxable year, an amended return shall be filed for such taxable  
10 year to reduce the amount of credit claimed.

11           (j) Training expense credit. Beginning with tax years  
12 ending on or after December 31, 1986 and prior to December 31,  
13 2003, a taxpayer shall be allowed a credit against the tax  
14 imposed by subsections (a) and (b) under this Section for all  
15 amounts paid or accrued, on behalf of all persons employed by  
16 the taxpayer in Illinois or Illinois residents employed outside  
17 of Illinois by a taxpayer, for educational or vocational  
18 training in semi-technical or technical fields or semi-skilled  
19 or skilled fields, which were deducted from gross income in the  
20 computation of taxable income. The credit against the tax  
21 imposed by subsections (a) and (b) shall be 1.6% of such  
22 training expenses. For partners, shareholders of subchapter S  
23 corporations, and owners of limited liability companies, if the  
24 liability company is treated as a partnership for purposes of  
25 federal and State income taxation, there shall be allowed a  
26 credit under this subsection (j) to be determined in accordance

1 with the determination of income and distributive share of  
2 income under Sections 702 and 704 and subchapter S of the  
3 Internal Revenue Code.

4 Any credit allowed under this subsection which is unused in  
5 the year the credit is earned may be carried forward to each of  
6 the 5 taxable years following the year for which the credit is  
7 first computed until it is used. This credit shall be applied  
8 first to the earliest year for which there is a liability. If  
9 there is a credit under this subsection from more than one tax  
10 year that is available to offset a liability the earliest  
11 credit arising under this subsection shall be applied first. No  
12 carryforward credit may be claimed in any tax year ending on or  
13 after December 31, 2003.

14 (k) Research and development credit.

15 For tax years ending after July 1, 1990 and prior to  
16 December 31, 2003, and beginning again for tax years ending on  
17 or after December 31, 2004, a taxpayer shall be allowed a  
18 credit against the tax imposed by subsections (a) and (b) of  
19 this Section for increasing research activities in this State.  
20 The credit allowed against the tax imposed by subsections (a)  
21 and (b) shall be equal to 6 1/2% of the qualifying expenditures  
22 for increasing research activities in this State. For partners,  
23 shareholders of subchapter S corporations, and owners of  
24 limited liability companies, if the liability company is  
25 treated as a partnership for purposes of federal and State  
26 income taxation, there shall be allowed a credit under this

1 subsection to be determined in accordance with the  
2 determination of income and distributive share of income under  
3 Sections 702 and 704 and subchapter S of the Internal Revenue  
4 Code.

5 For purposes of this subsection, "qualifying expenditures"  
6 means the qualifying expenditures as defined for the federal  
7 credit for increasing research activities which would be  
8 allowable under Section 41 of the Internal Revenue Code and  
9 which are conducted in this State, "qualifying expenditures for  
10 increasing research activities in this State" means the excess  
11 of qualifying expenditures for the taxable year in which  
12 incurred over qualifying expenditures for the base period,  
13 "qualifying expenditures for the base period" means the average  
14 of the qualifying expenditures for each year in the base  
15 period, and "base period" means the 3 taxable years immediately  
16 preceding the taxable year for which the determination is being  
17 made.

18 Any credit in excess of the tax liability for the taxable  
19 year may be carried forward. A taxpayer may elect to have the  
20 unused credit shown on its final completed return carried over  
21 as a credit against the tax liability for the following 5  
22 taxable years or until it has been fully used, whichever occurs  
23 first; provided that no credit earned in a tax year ending  
24 prior to December 31, 2003 may be carried forward to any year  
25 ending on or after December 31, 2003.

26 If an unused credit is carried forward to a given year from

1 2 or more earlier years, that credit arising in the earliest  
2 year will be applied first against the tax liability for the  
3 given year. If a tax liability for the given year still  
4 remains, the credit from the next earliest year will then be  
5 applied, and so on, until all credits have been used or no tax  
6 liability for the given year remains. Any remaining unused  
7 credit or credits then will be carried forward to the next  
8 following year in which a tax liability is incurred, except  
9 that no credit can be carried forward to a year which is more  
10 than 5 years after the year in which the expense for which the  
11 credit is given was incurred.

12 No inference shall be drawn from this amendatory Act of the  
13 91st General Assembly in construing this Section for taxable  
14 years beginning before January 1, 1999.

15 (1) Environmental Remediation Tax Credit.

16 (i) For tax years ending after December 31, 1997 and on  
17 or before December 31, 2001, a taxpayer shall be allowed a  
18 credit against the tax imposed by subsections (a) and (b)  
19 of this Section for certain amounts paid for unreimbursed  
20 eligible remediation costs, as specified in this  
21 subsection. For purposes of this Section, "unreimbursed  
22 eligible remediation costs" means costs approved by the  
23 Illinois Environmental Protection Agency ("Agency") under  
24 Section 58.14 of the Environmental Protection Act that were  
25 paid in performing environmental remediation at a site for  
26 which a No Further Remediation Letter was issued by the

1 Agency and recorded under Section 58.10 of the  
2 Environmental Protection Act. The credit must be claimed  
3 for the taxable year in which Agency approval of the  
4 eligible remediation costs is granted. The credit is not  
5 available to any taxpayer if the taxpayer or any related  
6 party caused or contributed to, in any material respect, a  
7 release of regulated substances on, in, or under the site  
8 that was identified and addressed by the remedial action  
9 pursuant to the Site Remediation Program of the  
10 Environmental Protection Act. After the Pollution Control  
11 Board rules are adopted pursuant to the Illinois  
12 Administrative Procedure Act for the administration and  
13 enforcement of Section 58.9 of the Environmental  
14 Protection Act, determinations as to credit availability  
15 for purposes of this Section shall be made consistent with  
16 those rules. For purposes of this Section, "taxpayer"  
17 includes a person whose tax attributes the taxpayer has  
18 succeeded to under Section 381 of the Internal Revenue Code  
19 and "related party" includes the persons disallowed a  
20 deduction for losses by paragraphs (b), (c), and (f)(1) of  
21 Section 267 of the Internal Revenue Code by virtue of being  
22 a related taxpayer, as well as any of its partners. The  
23 credit allowed against the tax imposed by subsections (a)  
24 and (b) shall be equal to 25% of the unreimbursed eligible  
25 remediation costs in excess of \$100,000 per site, except  
26 that the \$100,000 threshold shall not apply to any site



1 contained in an enterprise zone as determined by the  
2 Department of Commerce and Community Affairs (now  
3 Department of Commerce and Economic Opportunity). The  
4 total credit allowed shall not exceed \$40,000 per year with  
5 a maximum total of \$150,000 per site. For partners and  
6 shareholders of subchapter S corporations, there shall be  
7 allowed a credit under this subsection to be determined in  
8 accordance with the determination of income and  
9 distributive share of income under Sections 702 and 704 and  
10 subchapter S of the Internal Revenue Code.

11 (ii) A credit allowed under this subsection that is  
12 unused in the year the credit is earned may be carried  
13 forward to each of the 5 taxable years following the year  
14 for which the credit is first earned until it is used. The  
15 term "unused credit" does not include any amounts of  
16 unreimbursed eligible remediation costs in excess of the  
17 maximum credit per site authorized under paragraph (i).  
18 This credit shall be applied first to the earliest year for  
19 which there is a liability. If there is a credit under this  
20 subsection from more than one tax year that is available to  
21 offset a liability, the earliest credit arising under this  
22 subsection shall be applied first. A credit allowed under  
23 this subsection may be sold to a buyer as part of a sale of  
24 all or part of the remediation site for which the credit  
25 was granted. The purchaser of a remediation site and the  
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the  
2 transfer, the assignor shall record the transfer in the  
3 chain of title for the site and provide written notice to  
4 the Director of the Illinois Department of Revenue of the  
5 assignor's intent to sell the remediation site and the  
6 amount of the tax credit to be transferred as a portion of  
7 the sale. In no event may a credit be transferred to any  
8 taxpayer if the taxpayer or a related party would not be  
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"  
11 shall have the same meaning as under Section 58.2 of the  
12 Environmental Protection Act.

13 (m) Education expense credit. Beginning with tax years  
14 ending after December 31, 1999, a taxpayer who is the custodian  
15 of one or more qualifying pupils shall be allowed a credit  
16 against the tax imposed by subsections (a) and (b) of this  
17 Section for qualified education expenses incurred on behalf of  
18 the qualifying pupils. For taxable years ending on or before  
19 December 30, 2008, the ~~The~~ credit shall be equal to 25% of  
20 qualified education expenses, but in no event may the total  
21 credit under this subsection claimed by a family that is the  
22 custodian of qualifying pupils exceed \$500. For taxable years  
23 ending on or after December 31, 2008, the credit is equal to  
24 50% of the qualified education expense, but in no event may the  
25 total credit under this subsection claimed by a family that is  
26 the custodian of qualifying pupils exceed \$1,000. In no event

1 shall a credit under this subsection reduce the taxpayer's  
2 liability under this Act to less than zero. This subsection is  
3 exempt from the provisions of Section 250 of this Act.

4 For purposes of this subsection:

5 "Qualifying pupils" means individuals who (i) are  
6 residents of the State of Illinois, (ii) are under the age of  
7 21 at the close of the school year for which a credit is  
8 sought, and (iii) during the school year for which a credit is  
9 sought were full-time pupils enrolled in a kindergarten through  
10 twelfth grade education program at any school, as defined in  
11 this subsection.

12 "Qualified education expense" means the amount incurred on  
13 behalf of a qualifying pupil in excess of \$250 for tuition,  
14 book fees, and lab fees at the school in which the pupil is  
15 enrolled during the regular school year.

16 "School" means any public or nonpublic elementary or  
17 secondary school in Illinois that is in compliance with Title  
18 VI of the Civil Rights Act of 1964 and attendance at which  
19 satisfies the requirements of Section 26-1 of the School Code,  
20 except that nothing shall be construed to require a child to  
21 attend any particular public or nonpublic school to qualify for  
22 the credit under this Section.

23 "Custodian" means, with respect to qualifying pupils, an  
24 Illinois resident who is a parent, the parents, a legal  
25 guardian, or the legal guardians of the qualifying pupils.

26 (n) River Edge Redevelopment Zone site remediation tax

1 credit.

2 (i) For tax years ending on or after December 31, 2006,  
3 a taxpayer shall be allowed a credit against the tax  
4 imposed by subsections (a) and (b) of this Section for  
5 certain amounts paid for unreimbursed eligible remediation  
6 costs, as specified in this subsection. For purposes of  
7 this Section, "unreimbursed eligible remediation costs"  
8 means costs approved by the Illinois Environmental  
9 Protection Agency ("Agency") under Section 58.14 of the  
10 Environmental Protection Act that were paid in performing  
11 environmental remediation at a site within a River Edge  
12 Redevelopment Zone for which a No Further Remediation  
13 Letter was issued by the Agency and recorded under Section  
14 58.10 of the Environmental Protection Act. The credit must  
15 be claimed for the taxable year in which Agency approval of  
16 the eligible remediation costs is granted. The credit is  
17 not available to any taxpayer if the taxpayer or any  
18 related party caused or contributed to, in any material  
19 respect, a release of regulated substances on, in, or under  
20 the site that was identified and addressed by the remedial  
21 action pursuant to the Site Remediation Program of the  
22 Environmental Protection Act. Determinations as to credit  
23 availability for purposes of this Section shall be made  
24 consistent with rules adopted by the Pollution Control  
25 Board pursuant to the Illinois Administrative Procedure  
26 Act for the administration and enforcement of Section 58.9

1 of the Environmental Protection Act. For purposes of this  
2 Section, "taxpayer" includes a person whose tax attributes  
3 the taxpayer has succeeded to under Section 381 of the  
4 Internal Revenue Code and "related party" includes the  
5 persons disallowed a deduction for losses by paragraphs  
6 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
7 Code by virtue of being a related taxpayer, as well as any  
8 of its partners. The credit allowed against the tax imposed  
9 by subsections (a) and (b) shall be equal to 25% of the  
10 unreimbursed eligible remediation costs in excess of  
11 \$100,000 per site.

12 (ii) A credit allowed under this subsection that is  
13 unused in the year the credit is earned may be carried  
14 forward to each of the 5 taxable years following the year  
15 for which the credit is first earned until it is used. This  
16 credit shall be applied first to the earliest year for  
17 which there is a liability. If there is a credit under this  
18 subsection from more than one tax year that is available to  
19 offset a liability, the earliest credit arising under this  
20 subsection shall be applied first. A credit allowed under  
21 this subsection may be sold to a buyer as part of a sale of  
22 all or part of the remediation site for which the credit  
23 was granted. The purchaser of a remediation site and the  
24 tax credit shall succeed to the unused credit and remaining  
25 carry-forward period of the seller. To perfect the  
26 transfer, the assignor shall record the transfer in the

1 chain of title for the site and provide written notice to  
2 the Director of the Illinois Department of Revenue of the  
3 assignor's intent to sell the remediation site and the  
4 amount of the tax credit to be transferred as a portion of  
5 the sale. In no event may a credit be transferred to any  
6 taxpayer if the taxpayer or a related party would not be  
7 eligible under the provisions of subsection (i).

8 (iii) For purposes of this Section, the term "site"  
9 shall have the same meaning as under Section 58.2 of the  
10 Environmental Protection Act.

11 (iv) This subsection is exempt from the provisions of  
12 Section 250.

13 (Source: P.A. 93-29, eff. 6-20-03; 93-840, eff. 7-30-04;  
14 93-871, eff. 8-6-04; 94-1021, eff. 7-12-06.)

15 (35 ILCS 5/202.5 new)

16 Sec. 202.5. Net income attributable to the period prior to  
17 January 1, 2008 and net income attributable to the period after  
18 December 31, 2007.

19 (a) In general. With respect to the taxable year of a  
20 taxpayer beginning prior to January 1, 2008 and ending after  
21 December 31, 2007, net income for the period after December 31,  
22 2007 shall be that amount that bears the same ratio to the  
23 taxpayer's net income for the entire taxable year as the number  
24 of days in that year after December 31, 2007 bears to the total  
25 number of days in that year, and the net income for the period

1 prior to January 1, 2008 shall be that amount that bears the  
2 same ratio to the taxpayer's net income for the entire taxable  
3 year as the number of days in that year prior to January 1,  
4 2008 bears to the total number of days in that year.

5 (b) Election to attribute income and deduction items  
6 specifically to the respective portions of a taxable year prior  
7 to January 1, 2008 and after December 31, 2007. In the case of  
8 a taxpayer with a taxable year beginning prior to January 1,  
9 2008 and ending after December 31, 2007, the taxpayer may  
10 elect, instead of the procedure established in subsection (a)  
11 of this Section, to determine net income on a specific  
12 accounting basis for the 2 portions of his or her taxable year:

13 (i) from the beginning of the taxable year through  
14 December 31, 2007; and

15 (ii) from January 1, 2008 through the end of the  
16 taxable year.

17 If the taxpayer elects specific accounting under this  
18 subsection, there shall be taken into account in computing base  
19 income for each of the 2 portions of the taxable year only  
20 those items earned, received, paid, incurred or accrued in each  
21 such period. The standard exemption provided by Section 204  
22 shall be divided between the respective periods in amounts that  
23 bear the same ratio to the total exemption allowable under  
24 Section 204 (determined without regard to this Section) as the  
25 total number of days in each such period bears to the total  
26 number of days in the taxable year. The election provided by

1 this subsection must be made in such manner and at such time  
2 that the Department by forms or regulations prescribes, but  
3 must be made no later than the due date (including any  
4 extensions thereof) for the filing of the return for the  
5 taxable year, and shall be irrevocable.

6 (35 ILCS 5/208) (from Ch. 120, par. 2-208)

7 Sec. 208. Tax credit for residential real property taxes.

8 (a) Beginning with tax years ending on or after December  
9 31, 1991 and through tax years ending on or before December 30,  
10 2008, every individual taxpayer shall be entitled to a tax  
11 credit equal to 5% of real property taxes paid by such taxpayer  
12 during the taxable year on the principal residence of the  
13 taxpayer.

14 (b) Beginning with taxable years ending on or after  
15 December 31, 2008, every individual taxpayer who is not claimed  
16 as a dependent on the tax return of any other taxpayer is  
17 entitled to a tax credit equal to the lesser of:

18 (1) \$30; or

19 (2) 5% of real property taxes paid by the taxpayer  
20 during the taxable year on the principal residence of the  
21 taxpayer.

22 (c) In the case of multi-unit or multi-use structures and  
23 farm dwellings, the taxes on the taxpayer's principal residence  
24 shall be that portion of the total taxes which is attributable  
25 to such principal residence.



1 (Source: P.A. 87-17.)

2 (35 ILCS 5/212)

3 Sec. 212. Earned income tax credit.

4 (a) With respect to the federal earned income tax credit  
5 allowed for the taxable year under Section 32 of the federal  
6 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
7 is entitled to a credit against the tax imposed by subsections  
8 (a) and (b) of Section 201 in an amount equal to 5% of the  
9 federal tax credit for each taxable year beginning on or after  
10 January 1, 2000 and ending on or before December 30, 2008 and  
11 in an amount equal to 20% of the federal tax credit for each  
12 taxable year ending on or after December 31, 2008.

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

16 (b) For taxable years beginning before January 1, 2003, in  
17 no event shall a credit under this Section reduce the  
18 taxpayer's liability to less than zero. For each taxable year  
19 beginning on or after January 1, 2003, if the amount of the  
20 credit exceeds the income tax liability for the applicable tax  
21 year, then the excess credit shall be refunded to the taxpayer.  
22 The amount of a refund shall not be included in the taxpayer's  
23 income or resources for the purposes of determining eligibility  
24 or benefit level in any means-tested benefit program  
25 administered by a governmental entity unless required by

1 federal law.

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

6 (c) This Section is exempt from the provisions of Section  
7 250.

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

9 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

10 Sec. 901. Collection Authority.

11 (a) In general.

12 The Department shall collect the taxes imposed by this Act.  
13 The Department shall collect certified past due child support  
14 amounts under Section 2505-650 of the Department of Revenue Law  
15 (20 ILCS 2505/2505-650). Except as provided in subsections (c)  
16 and (e) of this Section, money collected pursuant to  
17 subsections (a) and (b) of Section 201 of this Act shall be  
18 paid into the General Revenue Fund in the State treasury; money  
19 collected pursuant to subsections (c) and (d) of Section 201 of  
20 this Act shall be paid into the Personal Property Tax  
21 Replacement Fund, a special fund in the State Treasury; and  
22 money collected under Section 2505-650 of the Department of  
23 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the  
24 Child Support Enforcement Trust Fund, a special fund outside  
25 the State Treasury, or to the State Disbursement Unit

1 established under Section 10-26 of the Illinois Public Aid  
2 Code, as directed by the Department of Healthcare and Family  
3 Services.

4 (b) Local Governmental Distributive Fund.

5 Beginning August 1, 1969, and continuing through June 30,  
6 1994, the Treasurer shall transfer each month from the General  
7 Revenue Fund to a special fund in the State treasury, to be  
8 known as the "Local Government Distributive Fund", an amount  
9 equal to 1/12 of the net revenue realized from the tax imposed  
10 by subsections (a) and (b) of Section 201 of this Act during  
11 the preceding month. Beginning July 1, 1994, and continuing  
12 through June 30, 1995, the Treasurer shall transfer each month  
13 from the General Revenue Fund to the Local Government  
14 Distributive Fund an amount equal to 1/11 of the net revenue  
15 realized from the tax imposed by subsections (a) and (b) of  
16 Section 201 of this Act during the preceding month. Beginning  
17 July 1, 1995, the Treasurer shall transfer each month from the  
18 General Revenue Fund to the Local Government Distributive Fund  
19 an amount equal to the net of (i) 1/10 of the net revenue  
20 realized from the tax imposed by subsections (a) and (b) of  
21 Section 201 of the Illinois Income Tax Act during the preceding  
22 month, except that the net revenue attributable to the increase  
23 in the income tax imposed by subsections (a) and (b) of Section  
24 201 of this Act in accordance with this amendatory Act of the  
25 95th General Assembly shall not be used to calculate the amount  
26 transferred to the Local Governmental Distributive Fund (ii)

1 minus, beginning July 1, 2003 and ending June 30, 2004,  
2 \$6,666,666, and beginning July 1, 2004, zero. Net revenue  
3 realized for a month shall be defined as the revenue from the  
4 tax imposed by subsections (a) and (b) of Section 201 of this  
5 Act which is deposited in the General Revenue Fund, the  
6 Educational Assistance Fund and the Income Tax Surcharge Local  
7 Government Distributive Fund during the month minus the amount  
8 paid out of the General Revenue Fund in State warrants during  
9 that same month as refunds to taxpayers for overpayment of  
10 liability under the tax imposed by subsections (a) and (b) of  
11 Section 201 of this Act.

12 (c) Deposits Into Income Tax Refund Fund.

13 (1) Beginning on January 1, 1989 and thereafter, the  
14 Department shall deposit a percentage of the amounts  
15 collected pursuant to subsections (a) and (b)(1), (2), and  
16 (3), of Section 201 of this Act into a fund in the State  
17 treasury known as the Income Tax Refund Fund. The  
18 Department shall deposit 6% of such amounts during the  
19 period beginning January 1, 1989 and ending on June 30,  
20 1989. Beginning with State fiscal year 1990 and for each  
21 fiscal year thereafter, the percentage deposited into the  
22 Income Tax Refund Fund during a fiscal year shall be the  
23 Annual Percentage. For fiscal years 1999 through 2001, the  
24 Annual Percentage shall be 7.1%. For fiscal year 2003, the  
25 Annual Percentage shall be 8%. For fiscal year 2004, the  
26 Annual Percentage shall be 11.7%. Upon the effective date

1 of this amendatory Act of the 93rd General Assembly, the  
2 Annual Percentage shall be 10% for fiscal year 2005. For  
3 fiscal year 2006, the Annual Percentage shall be 9.75%. For  
4 fiscal year 2007, the Annual Percentage shall be 9.75%. For  
5 all other fiscal years, the Annual Percentage shall be  
6 calculated as a fraction, the numerator of which shall be  
7 the amount of refunds approved for payment by the  
8 Department during the preceding fiscal year as a result of  
9 overpayment of tax liability under subsections (a) and  
10 (b) (1), (2), and (3) of Section 201 of this Act plus the  
11 amount of such refunds remaining approved but unpaid at the  
12 end of the preceding fiscal year, minus the amounts  
13 transferred into the Income Tax Refund Fund from the  
14 Tobacco Settlement Recovery Fund, and the denominator of  
15 which shall be the amounts which will be collected pursuant  
16 to subsections (a) and (b) (1), (2), and (3) of Section 201  
17 of this Act during the preceding fiscal year; except that  
18 in State fiscal year 2002, the Annual Percentage shall in  
19 no event exceed 7.6%. The Director of Revenue shall certify  
20 the Annual Percentage to the Comptroller on the last  
21 business day of the fiscal year immediately preceding the  
22 fiscal year for which it is to be effective.

23 (2) Beginning on January 1, 1989 and thereafter, the  
24 Department shall deposit a percentage of the amounts  
25 collected pursuant to subsections (a) and (b) (6), (7), and  
26 (8), (c) and (d) of Section 201 of this Act into a fund in

1 the State treasury known as the Income Tax Refund Fund. The  
2 Department shall deposit 18% of such amounts during the  
3 period beginning January 1, 1989 and ending on June 30,  
4 1989. Beginning with State fiscal year 1990 and for each  
5 fiscal year thereafter, the percentage deposited into the  
6 Income Tax Refund Fund during a fiscal year shall be the  
7 Annual Percentage. For fiscal years 1999, 2000, and 2001,  
8 the Annual Percentage shall be 19%. For fiscal year 2003,  
9 the Annual Percentage shall be 27%. For fiscal year 2004,  
10 the Annual Percentage shall be 32%. Upon the effective date  
11 of this amendatory Act of the 93rd General Assembly, the  
12 Annual Percentage shall be 24% for fiscal year 2005. For  
13 fiscal year 2006, the Annual Percentage shall be 20%. For  
14 fiscal year 2007, the Annual Percentage shall be 17.5%. For  
15 all other fiscal years, the Annual Percentage shall be  
16 calculated as a fraction, the numerator of which shall be  
17 the amount of refunds approved for payment by the  
18 Department during the preceding fiscal year as a result of  
19 overpayment of tax liability under subsections (a) and  
20 (b) (6), (7), and (8), (c) and (d) of Section 201 of this  
21 Act plus the amount of such refunds remaining approved but  
22 unpaid at the end of the preceding fiscal year, and the  
23 denominator of which shall be the amounts which will be  
24 collected pursuant to subsections (a) and (b) (6), (7), and  
25 (8), (c) and (d) of Section 201 of this Act during the  
26 preceding fiscal year; except that in State fiscal year

1           2002, the Annual Percentage shall in no event exceed 23%.  
2           The Director of Revenue shall certify the Annual Percentage  
3           to the Comptroller on the last business day of the fiscal  
4           year immediately preceding the fiscal year for which it is  
5           to be effective.

6           (3) The Comptroller shall order transferred and the  
7           Treasurer shall transfer from the Tobacco Settlement  
8           Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000  
9           in January, 2001, (ii) \$35,000,000 in January, 2002, and  
10          (iii) \$35,000,000 in January, 2003.

11          (d) Expenditures from Income Tax Refund Fund.

12          (1) Beginning January 1, 1989, money in the Income Tax  
13          Refund Fund shall be expended exclusively for the purpose  
14          of paying refunds resulting from overpayment of tax  
15          liability under Section 201 of this Act, for paying rebates  
16          under Section 208.1 in the event that the amounts in the  
17          Homeowners' Tax Relief Fund are insufficient for that  
18          purpose, and for making transfers pursuant to this  
19          subsection (d).

20          (2) The Director shall order payment of refunds  
21          resulting from overpayment of tax liability under Section  
22          201 of this Act from the Income Tax Refund Fund only to the  
23          extent that amounts collected pursuant to Section 201 of  
24          this Act and transfers pursuant to this subsection (d) and  
25          item (3) of subsection (c) have been deposited and retained  
26          in the Fund.

1           (3) As soon as possible after the end of each fiscal  
2 year, the Director shall order transferred and the State  
3 Treasurer and State Comptroller shall transfer from the  
4 Income Tax Refund Fund to the Personal Property Tax  
5 Replacement Fund an amount, certified by the Director to  
6 the Comptroller, equal to the excess of the amount  
7 collected pursuant to subsections (c) and (d) of Section  
8 201 of this Act deposited into the Income Tax Refund Fund  
9 during the fiscal year over the amount of refunds resulting  
10 from overpayment of tax liability under subsections (c) and  
11 (d) of Section 201 of this Act paid from the Income Tax  
12 Refund Fund during the fiscal year.

13           (4) As soon as possible after the end of each fiscal  
14 year, the Director shall order transferred and the State  
15 Treasurer and State Comptroller shall transfer from the  
16 Personal Property Tax Replacement Fund to the Income Tax  
17 Refund Fund an amount, certified by the Director to the  
18 Comptroller, equal to the excess of the amount of refunds  
19 resulting from overpayment of tax liability under  
20 subsections (c) and (d) of Section 201 of this Act paid  
21 from the Income Tax Refund Fund during the fiscal year over  
22 the amount collected pursuant to subsections (c) and (d) of  
23 Section 201 of this Act deposited into the Income Tax  
24 Refund Fund during the fiscal year.

25           (4.5) As soon as possible after the end of fiscal year  
26 1999 and of each fiscal year thereafter, the Director shall



1 order transferred and the State Treasurer and State  
2 Comptroller shall transfer from the Income Tax Refund Fund  
3 to the General Revenue Fund any surplus remaining in the  
4 Income Tax Refund Fund as of the end of such fiscal year;  
5 excluding for fiscal years 2000, 2001, and 2002 amounts  
6 attributable to transfers under item (3) of subsection (c)  
7 less refunds resulting from the earned income tax credit.

8 (5) This Act shall constitute an irrevocable and  
9 continuing appropriation from the Income Tax Refund Fund  
10 for the purpose of paying refunds upon the order of the  
11 Director in accordance with the provisions of this Section.

12 (e) Deposits into the Education Assistance Fund and the  
13 Income Tax Surcharge Local Government Distributive Fund.

14 On January 1, 2008 and thereafter, of the amounts collected  
15 pursuant to subsections (a) and (b) of Section 201 of this Act,  
16 minus deposits into the Income Tax Refund Fund, the Department  
17 shall deposit into the Education Assistance Fund in the State  
18 treasury: (i) an amount equal to 7.3% of the amount  
19 attributable to the rates in effect prior to the effective date  
20 of this amendatory Act of the 95th General Assembly, plus (ii)  
21 100% of the amount attributable to the increase in the amounts  
22 collected pursuant to subsections (a) and (b) of Section 201 of  
23 this Act under this amendatory Act of the 95th General  
24 Assembly. On July 1, 1991, and through June 30, 2007  
25 ~~thereafter~~, of the amounts collected pursuant to subsections  
26 (a) and (b) of Section 201 of this Act, minus deposits into the

1 Income Tax Refund Fund, the Department shall deposit 7.3% into  
2 the Education Assistance Fund in the State Treasury. Beginning  
3 July 1, 1991, and continuing through January 31, 1993, of the  
4 amounts collected pursuant to subsections (a) and (b) of  
5 Section 201 of the Illinois Income Tax Act, minus deposits into  
6 the Income Tax Refund Fund, the Department shall deposit 3.0%  
7 into the Income Tax Surcharge Local Government Distributive  
8 Fund in the State Treasury. Beginning February 1, 1993 and  
9 continuing through June 30, 1993, of the amounts collected  
10 pursuant to subsections (a) and (b) of Section 201 of the  
11 Illinois Income Tax Act, minus deposits into the Income Tax  
12 Refund Fund, the Department shall deposit 4.4% into the Income  
13 Tax Surcharge Local Government Distributive Fund in the State  
14 Treasury. Beginning July 1, 1993, and continuing through June  
15 30, 1994, of the amounts collected under subsections (a) and  
16 (b) of Section 201 of this Act, minus deposits into the Income  
17 Tax Refund Fund, the Department shall deposit 1.475% into the  
18 Income Tax Surcharge Local Government Distributive Fund in the  
19 State Treasury.

20 (Source: P.A. 93-32, eff. 6-20-03; 93-839, eff. 7-30-04; 94-91,  
21 eff. 7-1-05; 94-839, eff. 6-6-06.)

22 Section 15. The Property Tax Code is amended by changing  
23 Sections 18-255, 20-15, and 21-30 and by adding Section 18-178  
24 as follows:

1 (35 ILCS 200/18-178 new)

2 Sec. 18-178. Education tax abatement. Beginning with taxes  
3 levied for 2007 (payable in 2008), the county clerk must  
4 determine the final extension for educational purposes for all  
5 taxable property in a school district located in the county or  
6 for the taxable property of that part of a school district  
7 located in the county, taking into account the maximum rate,  
8 levy, and extension authorized under the Property Tax Extension  
9 Limitation Law, the Truth in Taxation Law, and any other  
10 statute. The county clerk must then abate the extension for  
11 educational purposes for each school district or part of a  
12 school district in the county by the amount of the property tax  
13 relief grant certified to the county clerk for that school  
14 district or part of a school district by the Department of  
15 Revenue under Section 6z-69 of the State Finance Act. When the  
16 final extension for educational purposes has been determined  
17 and abated, the county clerk must notify the Department of  
18 Revenue. The county clerk must determine the prorated portion  
19 of the certified property tax relief grants allocable to each  
20 taxpayer in a given school district based on the tax rate for  
21 educational purposes for that school district and the aggregate  
22 relief granted to that school district. The extension amount  
23 for educational purposes, as originally calculated before  
24 abatement, is the official, final extension for educational  
25 purposes and must be used for all other purposes, including  
26 determining the maximum rate, levy, and extension authorized

1 under the Property Tax Extension Limitation Law, the Truth in  
2 Taxation Law, any calculations for tax increment allocation  
3 financing under Section 11-74.4-8 of the Tax Increment  
4 Allocation Redevelopment Act in the Illinois Municipal Code,  
5 and any other statute and the maximum amount of tax  
6 anticipation warrants under Sections 17-16 and 34-23 of the  
7 School Code. Nothing in this Section shall reduce any tax  
8 increment arising from levies upon taxable real property in  
9 redevelopment project areas created under the Tax Increment  
10 Allocation Redevelopment Act in the Illinois Municipal Code.

11 (35 ILCS 200/18-255)

12 Sec. 18-255. Abstract of assessments and extensions. When  
13 the collector's books are completed, the county clerk shall  
14 make a complete statement of the assessment and extensions, in  
15 conformity to the instructions of the Department. The clerk  
16 shall certify the statement to the Department. Beginning with  
17 the 2007 levy year, the Department shall require the statement  
18 to include a separate listing of the amount of any extension  
19 that is abated under Section 18-178 of this Act.

20 (Source: Laws 1943, vol. 1, p. 1136; P.A. 88-455.)

21 (35 ILCS 200/20-15)

22 Sec. 20-15. Information on bill or separate statement. The  
23 amount of tax due and rates shown on the tax bill pursuant to  
24 this Section shall be net of any abatement under Section

1 18-178. There shall be printed on each bill, or on a separate  
2 slip which shall be mailed with the bill:

3 (a) a statement itemizing the rate at which taxes have  
4 been extended for each of the taxing districts in the  
5 county in whose district the property is located, and in  
6 those counties utilizing electronic data processing  
7 equipment the dollar amount of tax due from the person  
8 assessed allocable to each of those taxing districts,  
9 including a separate statement of the dollar amount of tax  
10 due which is allocable to a tax levied under the Illinois  
11 Local Library Act or to any other tax levied by a  
12 municipality or township for public library purposes,

13 (b) a separate statement for each of the taxing  
14 districts of the dollar amount of tax due which is  
15 allocable to a tax levied under the Illinois Pension Code  
16 or to any other tax levied by a municipality or township  
17 for public pension or retirement purposes,

18 (c) the total tax rate,

19 (d) the total amount of tax due, ~~and~~

20 (e) the amount by which the total tax and the tax  
21 allocable to each taxing district differs from the  
22 taxpayer's last prior tax bill, and

23 (f) the amount of tax abated under Section 18-178  
24 labeled "Portion of your Education Related Property Taxes  
25 paid by the State of Illinois".

26 The county treasurer shall ensure that only those taxing

1 districts in which a parcel of property is located shall be  
2 listed on the bill for that property.

3 In all counties the statement shall also provide:

4 (1) the property index number or other suitable  
5 description,

6 (2) the assessment of the property,

7 (3) the equalization factors imposed by the county and  
8 by the Department, and

9 (4) the equalized assessment resulting from the  
10 application of the equalization factors to the basic  
11 assessment.

12 In all counties which do not classify property for purposes  
13 of taxation, for property on which a single family residence is  
14 situated the statement shall also include a statement to  
15 reflect the fair cash value determined for the property. In all  
16 counties which classify property for purposes of taxation in  
17 accordance with Section 4 of Article IX of the Illinois  
18 Constitution, for parcels of residential property in the lowest  
19 assessment classification the statement shall also include a  
20 statement to reflect the fair cash value determined for the  
21 property.

22 In all counties, the statement shall include information  
23 that certain taxpayers may be eligible for the Senior Citizens  
24 and Disabled Persons Property Tax Relief and Pharmaceutical  
25 Assistance Act and that applications are available from the  
26 Illinois Department of Revenue.

1           In counties which use the estimated or accelerated billing  
2 methods, these statements shall only be provided with the final  
3 installment of taxes due, except that the statement under item  
4 (f) shall be included with both installments in those counties  
5 under estimated or accelerated billing methods, the first  
6 billing showing the amount deducted from the first installment,  
7 and the final billing showing the total tax abated for the levy  
8 year under Section 18-178. The provisions of this Section  
9 create a mandatory statutory duty. They are not merely  
10 directory or discretionary. The failure or neglect of the  
11 collector to mail the bill, or the failure of the taxpayer to  
12 receive the bill, shall not affect the validity of any tax, or  
13 the liability for the payment of any tax.

14       (Source: P.A. 91-699, eff. 1-1-01.)

15           (35 ILCS 200/21-30)

16           Sec. 21-30. Accelerated billing. Except as provided in this  
17 Section, Section 9-260, and Section 21-40, in counties with  
18 3,000,000 or more inhabitants, by January 31 annually,  
19 estimated tax bills setting out the first installment of  
20 property taxes for the preceding year, payable in that year,  
21 shall be prepared and mailed. The first installment of taxes on  
22 the estimated tax bills shall be computed at 50% of the total  
23 of each tax bill before the abatement of taxes under Section  
24 18-178 for the preceding year, less an estimate of one-half of  
25 the school district property tax relief grant for the current

1 year determined based on information available. If, prior to  
2 the preparation of the estimated tax bills, a certificate of  
3 error has been either approved by a court on or before November  
4 30 of the preceding year or certified pursuant to Section 14-15  
5 on or before November 30 of the preceding year, then the first  
6 installment of taxes on the estimated tax bills shall be  
7 computed at 50% of the total taxes before the abatement of  
8 taxes under Section 18-178 for the preceding year as corrected  
9 by the certificate of error, less an estimate of on-half of the  
10 school district property tax relief grant for the current year  
11 determined based on information available. By June 30 annually,  
12 actual tax bills shall be prepared and mailed. These bills  
13 shall set out total taxes due and the amount of estimated taxes  
14 billed in the first installment, and shall state the balance of  
15 taxes due for that year as represented by the sum derived from  
16 subtracting the amount of the first installment from the total  
17 taxes due for that year.

18 The county board may provide by ordinance, in counties with  
19 3,000,000 or more inhabitants, for taxes to be paid in 4  
20 installments. For the levy year for which the ordinance is  
21 first effective and each subsequent year, estimated tax bills  
22 setting out the first, second, and third installment of taxes  
23 for the preceding year, payable in that year, shall be prepared  
24 and mailed not later than the date specified by ordinance. Each  
25 installment on estimated tax bills shall be computed at 25% of  
26 the total of each tax bill for the preceding year. By the date



1 specified in the ordinance, actual tax bills shall be prepared  
2 and mailed. These bills shall set out total taxes due and the  
3 amount of estimated taxes billed in the first, second, and  
4 third installments and shall state the balance of taxes due for  
5 that year as represented by the sum derived from subtracting  
6 the amount of the estimated installments from the total taxes  
7 due for that year.

8 The county board of any county with less than 3,000,000  
9 inhabitants may, by ordinance or resolution, adopt an  
10 accelerated method of tax billing. The county board may  
11 subsequently rescind the ordinance or resolution and revert to  
12 the method otherwise provided for in this Code.

13 (Source: P.A. 93-560, eff. 8-20-03; 94-312, eff. 7-25-05.)

14 Section 20. The School Code is amended by changing Sections  
15 17-2.2a, 17-3, 17-4, 17-5, 18-8.05, 18-19, 20-3, 20-7, 34-31,  
16 and 34-53 and by adding Section 18-25 as follows:

17 (105 ILCS 5/17-2.2a) (from Ch. 122, par. 17-2.2a)

18 Sec. 17-2.2a. (a) Tax for special education programs. The  
19 school board of any district having a population of less than  
20 500,000 inhabitants may, by proper resolution, levy an annual  
21 tax upon the value as equalized or assessed by the Department  
22 of Revenue, for special education purposes, including the  
23 purposes authorized by Section 10-22.31b as follows:

24 (1) districts maintaining only grades kindergarten

1 through 8, and prior to July 1, 1970, districts maintaining  
2 only grades 1 through 8, .02%;

3 (2) districts maintaining only grades 9 through 12,  
4 .02%;

5 (3) districts maintaining only grades kindergarten  
6 through 12, and prior to July 1, 1970, districts  
7 maintaining only grades 1 through 12, .04%.

8 The revenue raised by such tax shall be used only for  
9 special education purposes, including the construction and  
10 maintenance of special education facilities.

11 Upon proper resolution of the school board, the school  
12 district may accumulate such funds for special education  
13 building purposes for a period of 8 years.

14 Buildings constructed under the provisions of this Section  
15 shall comply with the building code authorized under Section  
16 2-3.12.

17 If it is no longer feasible or economical to utilize  
18 classroom facilities constructed with revenues raised and  
19 accumulated by the tax for special education building purposes,  
20 the district, or cooperative district by unanimous consent, may  
21 with the approval of the regional superintendent of schools and  
22 the State Superintendent of Education use such facilities for  
23 regular school purposes. The district or cooperative of  
24 districts shall make comparable facilities available for  
25 special education purposes at another attendance center which  
26 is in a more practical location due to the proximity of the

1 students served.

2 (b) If the school board of any district that has levied the  
3 tax authorized by this Section determines that the accumulated  
4 funds from such tax and from the \$1,000 State reimbursement per  
5 professional worker received under Section 14-13.02 are no  
6 longer required for special education building purposes, the  
7 board may by proper resolution transfer such funds to any other  
8 fund to be used for any special education purposes authorized  
9 by Article 14. Such transfer shall not be made until after the  
10 regional superintendent has certified to the State  
11 Superintendent of Education that adequate housing provisions  
12 have been made for all children with disabilities residing in  
13 the school district.

14 (c) The tax rate limits specified in this Section may be  
15 increased to .40% by districts maintaining only grades  
16 kindergarten through 8 or only grades 9 through 12, and to .80%  
17 by districts maintaining grades kindergarten through 12, upon  
18 the approval of a proposition to effect such increase by at  
19 least 60% ~~a majority~~ of the electors voting on such proposition  
20 at a regular scheduled election. The proposition may be  
21 initiated by resolution of the school board and shall be  
22 certified by the secretary to the proper election authorities  
23 for submission in accordance with the general election law. If  
24 at such election at least 60% ~~a majority~~ of the votes cast on  
25 the proposition are ~~is~~ in favor thereof, the school board may  
26 thereafter until such authority is revoked in like manner levy

1 annually the tax so authorized.

2 (Source: P.A. 89-397, eff. 8-20-95; 90-757, eff. 8-14-98.)

3 (105 ILCS 5/17-3) (from Ch. 122, par. 17-3)

4 Sec. 17-3. Additional levies-Submission to voters. The  
5 school board in any district having a population of less than  
6 500,000 inhabitants may, by proper resolution, cause a  
7 proposition to increase, for a limited period of not less than  
8 3 nor more than 10 years or for an unlimited period, the annual  
9 tax rate for educational purposes to be submitted to the voters  
10 of such district at a regular scheduled election as follows:

11 (1) in districts maintaining grades 1 through 8, or  
12 grades 9 through 12, the maximum rate for educational  
13 purposes shall not exceed 3.5% of the value as equalized or  
14 assessed by the Department of Revenue;

15 (2) in districts maintaining grades 1 through 12 the  
16 maximum rate for educational purposes shall not exceed  
17 4.00% of the value as equalized or assessed by the  
18 Department of Revenue except that if a single elementary  
19 district and a secondary district having boundaries that  
20 are coterminous form a community unit district on or after  
21 the effective date of this amendatory Act of the 95th ~~94th~~  
22 General Assembly and the actual combined rate of the  
23 elementary district and secondary district prior to the  
24 formation of the community unit district is greater than  
25 4.00%, then the maximum rate for educational purposes for

1 such district shall be the following:

2 (A) For 2 years following the formation of the  
3 community unit district, the maximum rate shall equal  
4 the actual combined rate of the previous elementary  
5 district and secondary district.

6 (B) In each subsequent year, the maximum rate shall  
7 be reduced by 0.10% or reduced to 4.00%, whichever  
8 reduction is less. The school board may, by proper  
9 resolution, cause a proposition to increase the  
10 reduced rate, not to exceed the maximum rate in clause  
11 (A), to be submitted to the voters of the district at a  
12 regular scheduled election as provided under this  
13 Section. Nothing in this Section shall require that the  
14 maximum rate for educational purpose for a district  
15 maintaining grades one through 12 be reduced below  
16 4.00%.

17 If the resolution of the school board seeks to increase the  
18 annual tax rate for educational purposes for a limited period  
19 of not less than 3 nor more than 10 years, the proposition  
20 shall so state and shall identify the years for which the tax  
21 increase is sought.

22 If at least 60% ~~a majority~~ of the votes cast on the  
23 proposition are ~~is~~ in favor thereof at an election for which  
24 the election authorities have given notice either (i) in  
25 accordance with Section 12-5 of the Election Code or (ii) by  
26 publication of a true and legible copy of the specimen ballot

1 label containing the proposition in the form in which it  
2 appeared or will appear on the official ballot label on the day  
3 of the election at least 5 days before the day of the election  
4 in at least one newspaper published in and having a general  
5 circulation in the district, the school board may thereafter,  
6 until such authority is revoked in like manner, levy annually  
7 the tax so authorized; provided that if the proposition as  
8 approved limits the increase in the annual tax rate of the  
9 district for educational purposes to a period of not less than  
10 3 nor more than 10 years, the district may, unless such  
11 authority is sooner revoked in like manner, levy annually the  
12 tax so authorized for the limited number of years approved by a  
13 majority of the votes cast on the proposition. Upon expiration  
14 of that limited period, the rate at which the district may  
15 annually levy its tax for educational purposes shall be the  
16 rate provided under Section 17-2, or the rate at which the  
17 district last levied its tax for educational purposes prior to  
18 approval of the proposition authorizing the levy of that tax at  
19 an increased rate, whichever is greater.

20 The school board shall certify the proposition to the  
21 proper election authorities in accordance with the general  
22 election law.

23 The provisions of this Section concerning notice of the tax  
24 rate increase referendum apply only to consolidated primary  
25 elections held prior to January 1, 2002 at which not less than  
26 55% of the voters voting on the tax rate increase proposition

1 voted in favor of the tax rate increase proposition.

2 (Source: P.A. 94-52, eff. 6-17-05.)

3 (105 ILCS 5/17-4) (from Ch. 122, par. 17-4)

4 Sec. 17-4. Increase tax rate for transportation. The school  
5 board of any district having a population of less than 500,000  
6 inhabitants may, by proper resolution, cause a proposition to  
7 increase the annual tax rate for transportation purposes to be  
8 submitted to the voters of such district at a regular scheduled  
9 election. The board shall certify the proposition to the proper  
10 election authority for submission in accordance with the  
11 general election law. If at such election at least 60% ~~a~~  
12 ~~majority~~ of the votes cast on the proposition are ~~is~~ in favor  
13 thereof the school board may thereafter until such authority is  
14 revoked in like manner levy annually the tax so authorized.

15 (Source: P.A. 82-461.)

16 (105 ILCS 5/17-5) (from Ch. 122, par. 17-5)

17 Sec. 17-5. Increase tax rates for operations and  
18 maintenance purposes- Maximum. The school board in any district  
19 having a population of less than 500,000 inhabitants may, by  
20 proper resolution, cause a proposition to increase the annual  
21 tax rate for operations and maintenance purposes to be  
22 submitted to the voters of the district at a regular scheduled  
23 election. The board shall certify the proposition to the proper  
24 election authority for submission to the elector in accordance

1 with the general election law. In districts maintaining grades  
2 1 through 8, or grades 9 through 12, the maximum rate for  
3 operations and maintenance purposes shall not exceed .55%; and  
4 in districts maintaining grades 1 through 12, the maximum rates  
5 for operations and maintenance purposes shall not exceed .75%,  
6 except that if a single elementary district and a secondary  
7 district having boundaries that are coterminous on the  
8 effective date of this amendatory Act form a community unit  
9 district as authorized under Section 11-6, the maximum rate for  
10 operation and maintenance purposes for such district shall not  
11 exceed 1.10% of the value as equalized or assessed by the  
12 Department of Revenue; and in such district maintaining grades  
13 1 through 12, funds may, subject to the provisions of Section  
14 17-5.1 accumulate to not more than 5% of the equalized assessed  
15 valuation of the district. No such accumulation shall ever be  
16 transferred or used for any other purpose. If at least 60% ~~a~~  
17 ~~majority~~ of the votes cast on the proposition are ~~is~~ in favor  
18 thereof, the school board may thereafter, until such authority  
19 is revoked in like manner, levy annually a tax as authorized.

20 (Source: P.A. 86-1334.)

21 (105 ILCS 5/18-8.05)

22 Sec. 18-8.05. Basis for apportionment of general State  
23 financial aid and supplemental general State aid to the common  
24 schools for the 1998-1999 and subsequent school years.



1 (A) General Provisions.

2 (1) The provisions of this Section apply to the 1998-1999  
3 and subsequent school years. The system of general State  
4 financial aid provided for in this Section is designed to  
5 assure that, through a combination of State financial aid and  
6 required local resources, the financial support provided each  
7 pupil in Average Daily Attendance equals or exceeds a  
8 prescribed per pupil Foundation Level. This formula approach  
9 imputes a level of per pupil Available Local Resources and  
10 provides for the basis to calculate a per pupil level of  
11 general State financial aid that, when added to Available Local  
12 Resources, equals or exceeds the Foundation Level. The amount  
13 of per pupil general State financial aid for school districts,  
14 in general, varies in inverse relation to Available Local  
15 Resources. Per pupil amounts are based upon each school  
16 district's Average Daily Attendance as that term is defined in  
17 this Section.

18 (2) In addition to general State financial aid, school  
19 districts with specified levels or concentrations of pupils  
20 from low income households are eligible to receive supplemental  
21 general State financial aid grants as provided pursuant to  
22 subsection (H). The supplemental State aid grants provided for  
23 school districts under subsection (H) shall be appropriated for  
24 distribution to school districts as part of the same line item  
25 in which the general State financial aid of school districts is  
26 appropriated under this Section.

1           (3) To receive financial assistance under this Section,  
2 school districts are required to file claims with the State  
3 Board of Education, subject to the following requirements:

4           (a) Any school district which fails for any given  
5 school year to maintain school as required by law, or to  
6 maintain a recognized school is not eligible to file for  
7 such school year any claim upon the Common School Fund. In  
8 case of nonrecognition of one or more attendance centers in  
9 a school district otherwise operating recognized schools,  
10 the claim of the district shall be reduced in the  
11 proportion which the Average Daily Attendance in the  
12 attendance center or centers bear to the Average Daily  
13 Attendance in the school district. A "recognized school"  
14 means any public school which meets the standards as  
15 established for recognition by the State Board of  
16 Education. A school district or attendance center not  
17 having recognition status at the end of a school term is  
18 entitled to receive State aid payments due upon a legal  
19 claim which was filed while it was recognized.

20           (b) School district claims filed under this Section are  
21 subject to Sections 18-9, 18-10, and 18-12, except as  
22 otherwise provided in this Section.

23           (c) If a school district operates a full year school  
24 under Section 10-19.1, the general State aid to the school  
25 district shall be determined by the State Board of  
26 Education in accordance with this Section as near as may be

1 applicable.

2 (d) (Blank).

3 (4) Except as provided in subsections (H) and (L), the  
4 board of any district receiving any of the grants provided for  
5 in this Section may apply those funds to any fund so received  
6 for which that board is authorized to make expenditures by law.

7 School districts are not required to exert a minimum  
8 Operating Tax Rate in order to qualify for assistance under  
9 this Section.

10 (5) As used in this Section the following terms, when  
11 capitalized, shall have the meaning ascribed herein:

12 (a) "Average Daily Attendance": A count of pupil  
13 attendance in school, averaged as provided for in  
14 subsection (C) and utilized in deriving per pupil financial  
15 support levels.

16 (b) "Available Local Resources": A computation of  
17 local financial support, calculated on the basis of Average  
18 Daily Attendance and derived as provided pursuant to  
19 subsection (D).

20 (c) "Corporate Personal Property Replacement Taxes":  
21 Funds paid to local school districts pursuant to "An Act in  
22 relation to the abolition of ad valorem personal property  
23 tax and the replacement of revenues lost thereby, and  
24 amending and repealing certain Acts and parts of Acts in  
25 connection therewith", certified August 14, 1979, as  
26 amended (Public Act 81-1st S.S.-1).

1           (d) "Foundation Level": A prescribed level of per pupil  
2 financial support as provided for in subsection (B).

3           (e) "Operating Tax Rate": All school district property  
4 taxes extended for all purposes, except Bond and Interest,  
5 Summer School, Rent, Capital Improvement, and Vocational  
6 Education Building purposes.

7 (B) Foundation Level.

8           (1) The Foundation Level is a figure established by the  
9 State representing the minimum level of per pupil financial  
10 support that should be available to provide for the basic  
11 education of each pupil in Average Daily Attendance. As set  
12 forth in this Section, each school district is assumed to exert  
13 a sufficient local taxing effort such that, in combination with  
14 the aggregate of general State financial aid provided the  
15 district, an aggregate of State and local resources are  
16 available to meet the basic education needs of pupils in the  
17 district.

18           (2) For the 1998-1999 school year, the Foundation Level of  
19 support is \$4,225. For the 1999-2000 school year, the  
20 Foundation Level of support is \$4,325. For the 2000-2001 school  
21 year, the Foundation Level of support is \$4,425. For the  
22 2001-2002 school year and 2002-2003 school year, the Foundation  
23 Level of support is \$4,560. For the 2003-2004 school year, the  
24 Foundation Level of support is \$4,810. For the 2004-2005 school  
25 year, the Foundation Level of support is \$4,964. For the

1 2005-2006 school year, the Foundation Level of support is  
2 \$5,164.

3 (3) For the 2006-2007 school year and each school year  
4 thereafter, the Foundation Level of support is \$5,334 or such  
5 greater amount as may be established by law by the General  
6 Assembly. For each school year thereafter, the foundation level  
7 shall be increased by the lesser of 3.5% or the percentage  
8 increase in the Consumer Price Index for All Urban Consumers  
9 published by the U.S. Bureau of Labor Statistics for the  
10 immediately preceding fiscal year.

11 (C) Average Daily Attendance.

12 (1) For purposes of calculating general State aid pursuant  
13 to subsection (E), an Average Daily Attendance figure shall be  
14 utilized. The Average Daily Attendance figure for formula  
15 calculation purposes shall be the monthly average of the actual  
16 number of pupils in attendance of each school district, as  
17 further averaged for the best 3 months of pupil attendance for  
18 each school district. In compiling the figures for the number  
19 of pupils in attendance, school districts and the State Board  
20 of Education shall, for purposes of general State aid funding,  
21 conform attendance figures to the requirements of subsection  
22 (F).

23 (2) The Average Daily Attendance figures utilized in  
24 subsection (E) shall be the requisite attendance data for the  
25 school year immediately preceding the school year for which

1 general State aid is being calculated or the average of the  
2 attendance data for the 3 preceding school years, whichever is  
3 greater. The Average Daily Attendance figures utilized in  
4 subsection (H) shall be the requisite attendance data for the  
5 school year immediately preceding the school year for which  
6 general State aid is being calculated.

7 (D) Available Local Resources.

8 (1) For purposes of calculating general State aid pursuant  
9 to subsection (E), a representation of Available Local  
10 Resources per pupil, as that term is defined and determined in  
11 this subsection, shall be utilized. Available Local Resources  
12 per pupil shall include a calculated dollar amount representing  
13 local school district revenues from local property taxes and  
14 from Corporate Personal Property Replacement Taxes, expressed  
15 on the basis of pupils in Average Daily Attendance. Calculation  
16 of Available Local Resources shall exclude any tax amnesty  
17 funds received as a result of Public Act 93-26.

18 (2) In determining a school district's revenue from local  
19 property taxes, the State Board of Education shall utilize the  
20 equalized assessed valuation of all taxable property of each  
21 school district as of September 30 of the previous year. The  
22 equalized assessed valuation utilized shall be obtained and  
23 determined as provided in subsection (G).

24 (3) For school districts maintaining grades kindergarten  
25 through 12, local property tax revenues per pupil shall be

1 calculated as the product of the applicable equalized assessed  
2 valuation for the district multiplied by 3.00%, and divided by  
3 the district's Average Daily Attendance figure. For school  
4 districts maintaining grades kindergarten through 8, local  
5 property tax revenues per pupil shall be calculated as the  
6 product of the applicable equalized assessed valuation for the  
7 district multiplied by 2.30%, and divided by the district's  
8 Average Daily Attendance figure. For school districts  
9 maintaining grades 9 through 12, local property tax revenues  
10 per pupil shall be the applicable equalized assessed valuation  
11 of the district multiplied by 1.05%, and divided by the  
12 district's Average Daily Attendance figure.

13 For partial elementary unit districts created pursuant to  
14 Article 11E of this Code, local property tax revenues per pupil  
15 shall be calculated as the product of the equalized assessed  
16 valuation for property within the elementary and high school  
17 classification of the partial elementary unit district  
18 multiplied by 2.06% and divided by the Average Daily Attendance  
19 figure for grades kindergarten through 8, plus the product of  
20 the equalized assessed valuation for property within the high  
21 school only classification of the partial elementary unit  
22 district multiplied by 0.94% and divided by the Average Daily  
23 Attendance figure for grades 9 through 12.

24 (4) The Corporate Personal Property Replacement Taxes paid  
25 to each school district during the calendar year 2 years before  
26 the calendar year in which a school year begins, divided by the

1 Average Daily Attendance figure for that district, shall be  
2 added to the local property tax revenues per pupil as derived  
3 by the application of the immediately preceding paragraph (3).  
4 The sum of these per pupil figures for each school district  
5 shall constitute Available Local Resources as that term is  
6 utilized in subsection (E) in the calculation of general State  
7 aid.

8 (E) Computation of General State Aid.

9 (1) For each school year, the amount of general State aid  
10 allotted to a school district shall be computed by the State  
11 Board of Education as provided in this subsection.

12 (2) For any school district for which Available Local  
13 Resources per pupil is less than the product of 0.93 times the  
14 Foundation Level, general State aid for that district shall be  
15 calculated as an amount equal to the Foundation Level minus  
16 Available Local Resources, multiplied by the Average Daily  
17 Attendance of the school district.

18 (3) For any school district for which Available Local  
19 Resources per pupil is equal to or greater than the product of  
20 0.93 times the Foundation Level and less than the product of  
21 1.75 times the Foundation Level, the general State aid per  
22 pupil shall be a decimal proportion of the Foundation Level  
23 derived using a linear algorithm. Under this linear algorithm,  
24 the calculated general State aid per pupil shall decline in  
25 direct linear fashion from 0.07 times the Foundation Level for



1 a school district with Available Local Resources equal to the  
2 product of 0.93 times the Foundation Level, to 0.05 times the  
3 Foundation Level for a school district with Available Local  
4 Resources equal to the product of 1.75 times the Foundation  
5 Level. The allocation of general State aid for school districts  
6 subject to this paragraph 3 shall be the calculated general  
7 State aid per pupil figure multiplied by the Average Daily  
8 Attendance of the school district.

9 (4) For any school district for which Available Local  
10 Resources per pupil equals or exceeds the product of 1.75 times  
11 the Foundation Level, the general State aid for the school  
12 district shall be calculated as the product of \$218 multiplied  
13 by the Average Daily Attendance of the school district.

14 (5) The amount of general State aid allocated to a school  
15 district for the 1999-2000 school year meeting the requirements  
16 set forth in paragraph (4) of subsection (G) shall be increased  
17 by an amount equal to the general State aid that would have  
18 been received by the district for the 1998-1999 school year by  
19 utilizing the Extension Limitation Equalized Assessed  
20 Valuation as calculated in paragraph (4) of subsection (G) less  
21 the general State aid allotted for the 1998-1999 school year.  
22 This amount shall be deemed a one time increase, and shall not  
23 affect any future general State aid allocations.

24 (F) Compilation of Average Daily Attendance.

25 (1) Each school district shall, by July 1 of each year,

1 submit to the State Board of Education, on forms prescribed by  
2 the State Board of Education, attendance figures for the school  
3 year that began in the preceding calendar year. The attendance  
4 information so transmitted shall identify the average daily  
5 attendance figures for each month of the school year. Beginning  
6 with the general State aid claim form for the 2002-2003 school  
7 year, districts shall calculate Average Daily Attendance as  
8 provided in subdivisions (a), (b), and (c) of this paragraph  
9 (1).

10 (a) In districts that do not hold year-round classes,  
11 days of attendance in August shall be added to the month of  
12 September and any days of attendance in June shall be added  
13 to the month of May.

14 (b) In districts in which all buildings hold year-round  
15 classes, days of attendance in July and August shall be  
16 added to the month of September and any days of attendance  
17 in June shall be added to the month of May.

18 (c) In districts in which some buildings, but not all,  
19 hold year-round classes, for the non-year-round buildings,  
20 days of attendance in August shall be added to the month of  
21 September and any days of attendance in June shall be added  
22 to the month of May. The average daily attendance for the  
23 year-round buildings shall be computed as provided in  
24 subdivision (b) of this paragraph (1). To calculate the  
25 Average Daily Attendance for the district, the average  
26 daily attendance for the year-round buildings shall be

1 multiplied by the days in session for the non-year-round  
2 buildings for each month and added to the monthly  
3 attendance of the non-year-round buildings.

4 Except as otherwise provided in this Section, days of  
5 attendance by pupils shall be counted only for sessions of not  
6 less than 5 clock hours of school work per day under direct  
7 supervision of: (i) teachers, or (ii) non-teaching personnel or  
8 volunteer personnel when engaging in non-teaching duties and  
9 supervising in those instances specified in subsection (a) of  
10 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils  
11 of legal school age and in kindergarten and grades 1 through  
12 12.

13 Days of attendance by tuition pupils shall be accredited  
14 only to the districts that pay the tuition to a recognized  
15 school.

16 (2) Days of attendance by pupils of less than 5 clock hours  
17 of school shall be subject to the following provisions in the  
18 compilation of Average Daily Attendance.

19 (a) Pupils regularly enrolled in a public school for  
20 only a part of the school day may be counted on the basis  
21 of 1/6 day for every class hour of instruction of 40  
22 minutes or more attended pursuant to such enrollment,  
23 unless a pupil is enrolled in a block-schedule format of 80  
24 minutes or more of instruction, in which case the pupil may  
25 be counted on the basis of the proportion of minutes of  
26 school work completed each day to the minimum number of

1 minutes that school work is required to be held that day.

2 (b) Days of attendance may be less than 5 clock hours  
3 on the opening and closing of the school term, and upon the  
4 first day of pupil attendance, if preceded by a day or days  
5 utilized as an institute or teachers' workshop.

6 (c) A session of 4 or more clock hours may be counted  
7 as a day of attendance upon certification by the regional  
8 superintendent, and approved by the State Superintendent  
9 of Education to the extent that the district has been  
10 forced to use daily multiple sessions.

11 (d) A session of 3 or more clock hours may be counted  
12 as a day of attendance (1) when the remainder of the school  
13 day or at least 2 hours in the evening of that day is  
14 utilized for an in-service training program for teachers,  
15 up to a maximum of 5 days per school year of which a  
16 maximum of 4 days of such 5 days may be used for  
17 parent-teacher conferences, provided a district conducts  
18 an in-service training program for teachers which has been  
19 approved by the State Superintendent of Education; or, in  
20 lieu of 4 such days, 2 full days may be used, in which  
21 event each such day may be counted as a day of attendance;  
22 and (2) when days in addition to those provided in item (1)  
23 are scheduled by a school pursuant to its school  
24 improvement plan adopted under Article 34 or its revised or  
25 amended school improvement plan adopted under Article 2,  
26 provided that (i) such sessions of 3 or more clock hours

1 are scheduled to occur at regular intervals, (ii) the  
2 remainder of the school days in which such sessions occur  
3 are utilized for in-service training programs or other  
4 staff development activities for teachers, and (iii) a  
5 sufficient number of minutes of school work under the  
6 direct supervision of teachers are added to the school days  
7 between such regularly scheduled sessions to accumulate  
8 not less than the number of minutes by which such sessions  
9 of 3 or more clock hours fall short of 5 clock hours. Any  
10 full days used for the purposes of this paragraph shall not  
11 be considered for computing average daily attendance. Days  
12 scheduled for in-service training programs, staff  
13 development activities, or parent-teacher conferences may  
14 be scheduled separately for different grade levels and  
15 different attendance centers of the district.

16 (e) A session of not less than one clock hour of  
17 teaching hospitalized or homebound pupils on-site or by  
18 telephone to the classroom may be counted as 1/2 day of  
19 attendance, however these pupils must receive 4 or more  
20 clock hours of instruction to be counted for a full day of  
21 attendance.

22 (f) A session of at least 4 clock hours may be counted  
23 as a day of attendance for first grade pupils, and pupils  
24 in full day kindergartens, and a session of 2 or more hours  
25 may be counted as 1/2 day of attendance by pupils in  
26 kindergartens which provide only 1/2 day of attendance.

1           (g) For children with disabilities who are below the  
2           age of 6 years and who cannot attend 2 or more clock hours  
3           because of their disability or immaturity, a session of not  
4           less than one clock hour may be counted as 1/2 day of  
5           attendance; however for such children whose educational  
6           needs so require a session of 4 or more clock hours may be  
7           counted as a full day of attendance.

8           (h) A recognized kindergarten which provides for only  
9           1/2 day of attendance by each pupil shall not have more  
10          than 1/2 day of attendance counted in any one day. However,  
11          kindergartens may count 2 1/2 days of attendance in any 5  
12          consecutive school days. When a pupil attends such a  
13          kindergarten for 2 half days on any one school day, the  
14          pupil shall have the following day as a day absent from  
15          school, unless the school district obtains permission in  
16          writing from the State Superintendent of Education.  
17          Attendance at kindergartens which provide for a full day of  
18          attendance by each pupil shall be counted the same as  
19          attendance by first grade pupils. Only the first year of  
20          attendance in one kindergarten shall be counted, except in  
21          case of children who entered the kindergarten in their  
22          fifth year whose educational development requires a second  
23          year of kindergarten as determined under the rules and  
24          regulations of the State Board of Education.

25          (i) On the days when the Prairie State Achievement  
26          Examination is administered under subsection (c) of

1 Section 2-3.64 of this Code, the day of attendance for a  
2 pupil whose school day must be shortened to accommodate  
3 required testing procedures may be less than 5 clock hours  
4 and shall be counted towards the 176 days of actual pupil  
5 attendance required under Section 10-19 of this Code,  
6 provided that a sufficient number of minutes of school work  
7 in excess of 5 clock hours are first completed on other  
8 school days to compensate for the loss of school work on  
9 the examination days.

10 (G) Equalized Assessed Valuation Data.

11 (1) For purposes of the calculation of Available Local  
12 Resources required pursuant to subsection (D), the State Board  
13 of Education shall secure from the Department of Revenue the  
14 value as equalized or assessed by the Department of Revenue of  
15 all taxable property of every school district, together with  
16 (i) the applicable tax rate used in extending taxes for the  
17 funds of the district as of September 30 of the previous year  
18 and (ii) the limiting rate for all school districts subject to  
19 property tax extension limitations as imposed under the  
20 Property Tax Extension Limitation Law.

21 The Department of Revenue shall add to the equalized  
22 assessed value of all taxable property of each school district  
23 situated entirely or partially within a county that is or was  
24 subject to the alternative general homestead exemption  
25 provisions of Section 15-176 of the Property Tax Code (a) an

1 amount equal to the total amount by which the homestead  
2 exemption allowed under Section 15-176 of the Property Tax Code  
3 for real property situated in that school district exceeds the  
4 total amount that would have been allowed in that school  
5 district if the maximum reduction under Section 15-176 was (i)  
6 \$4,500 in Cook County or \$3,500 in all other counties in tax  
7 year 2003 or (ii) \$5,000 in all counties in tax year 2004 and  
8 thereafter and (b) an amount equal to the aggregate amount for  
9 the taxable year of all additional exemptions under Section  
10 15-175 of the Property Tax Code for owners with a household  
11 income of \$30,000 or less. The county clerk of any county that  
12 is or was subject to the alternative general homestead  
13 exemption provisions of Section 15-176 of the Property Tax Code  
14 shall annually calculate and certify to the Department of  
15 Revenue for each school district all homestead exemption  
16 amounts under Section 15-176 of the Property Tax Code and all  
17 amounts of additional exemptions under Section 15-175 of the  
18 Property Tax Code for owners with a household income of \$30,000  
19 or less. It is the intent of this paragraph that if the general  
20 homestead exemption for a parcel of property is determined  
21 under Section 15-176 of the Property Tax Code rather than  
22 Section 15-175, then the calculation of Available Local  
23 Resources shall not be affected by the difference, if any,  
24 between the amount of the general homestead exemption allowed  
25 for that parcel of property under Section 15-176 of the  
26 Property Tax Code and the amount that would have been allowed



1 had the general homestead exemption for that parcel of property  
2 been determined under Section 15-175 of the Property Tax Code.  
3 It is further the intent of this paragraph that if additional  
4 exemptions are allowed under Section 15-175 of the Property Tax  
5 Code for owners with a household income of less than \$30,000,  
6 then the calculation of Available Local Resources shall not be  
7 affected by the difference, if any, because of those additional  
8 exemptions.

9 This equalized assessed valuation, as adjusted further by  
10 the requirements of this subsection, shall be utilized in the  
11 calculation of Available Local Resources.

12 (2) The equalized assessed valuation in paragraph (1) shall  
13 be adjusted, as applicable, in the following manner:

14 (a) For the purposes of calculating State aid under  
15 this Section, with respect to any part of a school district  
16 within a redevelopment project area in respect to which a  
17 municipality has adopted tax increment allocation  
18 financing pursuant to the Tax Increment Allocation  
19 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11  
20 of the Illinois Municipal Code or the Industrial Jobs  
21 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the  
22 Illinois Municipal Code, no part of the current equalized  
23 assessed valuation of real property located in any such  
24 project area which is attributable to an increase above the  
25 total initial equalized assessed valuation of such  
26 property shall be used as part of the equalized assessed

1 valuation of the district, until such time as all  
2 redevelopment project costs have been paid, as provided in  
3 Section 11-74.4-8 of the Tax Increment Allocation  
4 Redevelopment Act or in Section 11-74.6-35 of the  
5 Industrial Jobs Recovery Law. For the purpose of the  
6 equalized assessed valuation of the district, the total  
7 initial equalized assessed valuation or the current  
8 equalized assessed valuation, whichever is lower, shall be  
9 used until such time as all redevelopment project costs  
10 have been paid.

11 (b) The real property equalized assessed valuation for  
12 a school district shall be adjusted by subtracting from the  
13 real property value as equalized or assessed by the  
14 Department of Revenue for the district an amount computed  
15 by dividing the amount of any abatement of taxes under  
16 Section 18-170 of the Property Tax Code by 3.00% for a  
17 district maintaining grades kindergarten through 12, by  
18 2.30% for a district maintaining grades kindergarten  
19 through 8, or by 1.05% for a district maintaining grades 9  
20 through 12 and adjusted by an amount computed by dividing  
21 the amount of any abatement of taxes under subsection (a)  
22 of Section 18-165 of the Property Tax Code by the same  
23 percentage rates for district type as specified in this  
24 subparagraph (b).

25 (3) For the 1999-2000 school year and each school year  
26 thereafter, if a school district meets all of the criteria of

1 this subsection (G) (3), the school district's Available Local  
2 Resources shall be calculated under subsection (D) using the  
3 district's Extension Limitation Equalized Assessed Valuation  
4 as calculated under this subsection (G) (3).

5 For purposes of this subsection (G) (3) the following terms  
6 shall have the following meanings:

7 "Budget Year": The school year for which general State  
8 aid is calculated and awarded under subsection (E).

9 "Base Tax Year": The property tax levy year used to  
10 calculate the Budget Year allocation of general State aid.

11 "Preceding Tax Year": The property tax levy year  
12 immediately preceding the Base Tax Year.

13 "Base Tax Year's Tax Extension": The product of the  
14 equalized assessed valuation utilized by the County Clerk  
15 in the Base Tax Year multiplied by the limiting rate as  
16 calculated by the County Clerk and defined in the Property  
17 Tax Extension Limitation Law.

18 "Preceding Tax Year's Tax Extension": The product of  
19 the equalized assessed valuation utilized by the County  
20 Clerk in the Preceding Tax Year multiplied by the Operating  
21 Tax Rate as defined in subsection (A).

22 "Extension Limitation Ratio": A numerical ratio,  
23 certified by the County Clerk, in which the numerator is  
24 the Base Tax Year's Tax Extension and the denominator is  
25 the Preceding Tax Year's Tax Extension.

26 "Operating Tax Rate": The operating tax rate as defined

1 in subsection (A).

2 If a school district is subject to property tax extension  
3 limitations as imposed under the Property Tax Extension  
4 Limitation Law, the State Board of Education shall calculate  
5 the Extension Limitation Equalized Assessed Valuation of that  
6 district. For the 1999-2000 school year, the Extension  
7 Limitation Equalized Assessed Valuation of a school district as  
8 calculated by the State Board of Education shall be equal to  
9 the product of the district's 1996 Equalized Assessed Valuation  
10 and the district's Extension Limitation Ratio. For the  
11 2000-2001 school year and each school year thereafter, the  
12 Extension Limitation Equalized Assessed Valuation of a school  
13 district as calculated by the State Board of Education shall be  
14 equal to the product of the Equalized Assessed Valuation last  
15 used in the calculation of general State aid and the district's  
16 Extension Limitation Ratio. If the Extension Limitation  
17 Equalized Assessed Valuation of a school district as calculated  
18 under this subsection (G)(3) is less than the district's  
19 equalized assessed valuation as calculated pursuant to  
20 subsections (G)(1) and (G)(2), then for purposes of calculating  
21 the district's general State aid for the Budget Year pursuant  
22 to subsection (E), that Extension Limitation Equalized  
23 Assessed Valuation shall be utilized to calculate the  
24 district's Available Local Resources under subsection (D).

25 Partial elementary unit districts created in accordance  
26 with Article 11E of this Code shall not be eligible for the

1 adjustment in this subsection (G)(3) until the fifth year  
2 following the effective date of the reorganization.

3 (4) For the purposes of calculating general State aid for  
4 the 1999-2000 school year only, if a school district  
5 experienced a triennial reassessment on the equalized assessed  
6 valuation used in calculating its general State financial aid  
7 apportionment for the 1998-1999 school year, the State Board of  
8 Education shall calculate the Extension Limitation Equalized  
9 Assessed Valuation that would have been used to calculate the  
10 district's 1998-1999 general State aid. This amount shall equal  
11 the product of the equalized assessed valuation used to  
12 calculate general State aid for the 1997-1998 school year and  
13 the district's Extension Limitation Ratio. If the Extension  
14 Limitation Equalized Assessed Valuation of the school district  
15 as calculated under this paragraph (4) is less than the  
16 district's equalized assessed valuation utilized in  
17 calculating the district's 1998-1999 general State aid  
18 allocation, then for purposes of calculating the district's  
19 general State aid pursuant to paragraph (5) of subsection (E),  
20 that Extension Limitation Equalized Assessed Valuation shall  
21 be utilized to calculate the district's Available Local  
22 Resources.

23 (5) For school districts having a majority of their  
24 equalized assessed valuation in any county except Cook, DuPage,  
25 Kane, Lake, McHenry, or Will, if the amount of general State  
26 aid allocated to the school district for the 1999-2000 school

1 year under the provisions of subsection (E), (H), and (J) of  
2 this Section is less than the amount of general State aid  
3 allocated to the district for the 1998-1999 school year under  
4 these subsections, then the general State aid of the district  
5 for the 1999-2000 school year only shall be increased by the  
6 difference between these amounts. The total payments made under  
7 this paragraph (5) shall not exceed \$14,000,000. Claims shall  
8 be prorated if they exceed \$14,000,000.

9 (H) Supplemental General State Aid.

10 (1) In addition to the general State aid a school district  
11 is allotted pursuant to subsection (E), qualifying school  
12 districts shall receive a grant, paid in conjunction with a  
13 district's payments of general State aid, for supplemental  
14 general State aid based upon the concentration level of  
15 children from low-income households within the school  
16 district. Supplemental State aid grants provided for school  
17 districts under this subsection shall be appropriated for  
18 distribution to school districts as part of the same line item  
19 in which the general State financial aid of school districts is  
20 appropriated under this Section. If the appropriation in any  
21 fiscal year for general State aid and supplemental general  
22 State aid is insufficient to pay the amounts required under the  
23 general State aid and supplemental general State aid  
24 calculations, then the State Board of Education shall ensure  
25 that each school district receives the full amount due for

1 general State aid and the remainder of the appropriation shall  
2 be used for supplemental general State aid, which the State  
3 Board of Education shall calculate and pay to eligible  
4 districts on a prorated basis.

5 (1.5) This paragraph (1.5) applies only to those school  
6 years preceding the 2003-2004 school year. For purposes of this  
7 subsection (H), the term "Low-Income Concentration Level"  
8 shall be the low-income eligible pupil count from the most  
9 recently available federal census divided by the Average Daily  
10 Attendance of the school district. If, however, (i) the  
11 percentage decrease from the 2 most recent federal censuses in  
12 the low-income eligible pupil count of a high school district  
13 with fewer than 400 students exceeds by 75% or more the  
14 percentage change in the total low-income eligible pupil count  
15 of contiguous elementary school districts, whose boundaries  
16 are coterminous with the high school district, or (ii) a high  
17 school district within 2 counties and serving 5 elementary  
18 school districts, whose boundaries are coterminous with the  
19 high school district, has a percentage decrease from the 2 most  
20 recent federal censuses in the low-income eligible pupil count  
21 and there is a percentage increase in the total low-income  
22 eligible pupil count of a majority of the elementary school  
23 districts in excess of 50% from the 2 most recent federal  
24 censuses, then the high school district's low-income eligible  
25 pupil count from the earlier federal census shall be the number  
26 used as the low-income eligible pupil count for the high school

1 district, for purposes of this subsection (H). The changes made  
2 to this paragraph (1) by Public Act 92-28 shall apply to  
3 supplemental general State aid grants for school years  
4 preceding the 2003-2004 school year that are paid in fiscal  
5 year 1999 or thereafter and to any State aid payments made in  
6 fiscal year 1994 through fiscal year 1998 pursuant to  
7 subsection 1(n) of Section 18-8 of this Code (which was  
8 repealed on July 1, 1998), and any high school district that is  
9 affected by Public Act 92-28 is entitled to a recomputation of  
10 its supplemental general State aid grant or State aid paid in  
11 any of those fiscal years. This recomputation shall not be  
12 affected by any other funding.

13 (1.10) This paragraph (1.10) applies to the 2003-2004  
14 school year and each school year thereafter. For purposes of  
15 this subsection (H), the term "Low-Income Concentration Level"  
16 shall, for each fiscal year, be the low-income eligible pupil  
17 count as of July 1 of the immediately preceding fiscal year (as  
18 determined by the Department of Human Services based on the  
19 number of pupils who are eligible for at least one of the  
20 following low income programs: Medicaid, KidCare, TANF, or Food  
21 Stamps, excluding pupils who are eligible for services provided  
22 by the Department of Children and Family Services, averaged  
23 over the 2 immediately preceding fiscal years for fiscal year  
24 2004 and over the 3 immediately preceding fiscal years for each  
25 fiscal year thereafter) divided by the Average Daily Attendance  
26 of the school district.



1           (2) Supplemental general State aid pursuant to this  
2 subsection (H) shall be provided as follows for the 1998-1999,  
3 1999-2000, and 2000-2001 school years only:

4           (a) For any school district with a Low Income  
5 Concentration Level of at least 20% and less than 35%, the  
6 grant for any school year shall be \$800 multiplied by the  
7 low income eligible pupil count.

8           (b) For any school district with a Low Income  
9 Concentration Level of at least 35% and less than 50%, the  
10 grant for the 1998-1999 school year shall be \$1,100  
11 multiplied by the low income eligible pupil count.

12           (c) For any school district with a Low Income  
13 Concentration Level of at least 50% and less than 60%, the  
14 grant for the 1998-99 school year shall be \$1,500  
15 multiplied by the low income eligible pupil count.

16           (d) For any school district with a Low Income  
17 Concentration Level of 60% or more, the grant for the  
18 1998-99 school year shall be \$1,900 multiplied by the low  
19 income eligible pupil count.

20           (e) For the 1999-2000 school year, the per pupil amount  
21 specified in subparagraphs (b), (c), and (d) immediately  
22 above shall be increased to \$1,243, \$1,600, and \$2,000,  
23 respectively.

24           (f) For the 2000-2001 school year, the per pupil  
25 amounts specified in subparagraphs (b), (c), and (d)  
26 immediately above shall be \$1,273, \$1,640, and \$2,050,

1           respectively.

2           (2.5) Supplemental general State aid pursuant to this  
3 subsection (H) shall be provided as follows for the 2002-2003  
4 school year:

5           (a) For any school district with a Low Income  
6 Concentration Level of less than 10%, the grant for each  
7 school year shall be \$355 multiplied by the low income  
8 eligible pupil count.

9           (b) For any school district with a Low Income  
10 Concentration Level of at least 10% and less than 20%, the  
11 grant for each school year shall be \$675 multiplied by the  
12 low income eligible pupil count.

13           (c) For any school district with a Low Income  
14 Concentration Level of at least 20% and less than 35%, the  
15 grant for each school year shall be \$1,330 multiplied by  
16 the low income eligible pupil count.

17           (d) For any school district with a Low Income  
18 Concentration Level of at least 35% and less than 50%, the  
19 grant for each school year shall be \$1,362 multiplied by  
20 the low income eligible pupil count.

21           (e) For any school district with a Low Income  
22 Concentration Level of at least 50% and less than 60%, the  
23 grant for each school year shall be \$1,680 multiplied by  
24 the low income eligible pupil count.

25           (f) For any school district with a Low Income  
26 Concentration Level of 60% or more, the grant for each

1 school year shall be \$2,080 multiplied by the low income  
2 eligible pupil count.

3 (2.10) Except as otherwise provided, supplemental general  
4 State aid pursuant to this subsection (H) shall be provided as  
5 follows for the 2003-2004 school year and each school year  
6 thereafter:

7 (a) For any school district with a Low Income  
8 Concentration Level of 15% or less, the grant for each  
9 school year shall be \$355 multiplied by the low income  
10 eligible pupil count.

11 (b) For any school district with a Low Income  
12 Concentration Level greater than 15%, the grant for each  
13 school year shall be \$294.25 added to the product of \$2,700  
14 and the square of the Low Income Concentration Level, all  
15 multiplied by the low income eligible pupil count.

16 For the 2003-2004 school year, 2004-2005 school year,  
17 2005-2006 school year, and 2006-2007 school year only, the  
18 grant shall be no less than the grant for the 2002-2003 school  
19 year. For the 2007-2008 school year only, the grant shall be no  
20 less than the grant for the 2002-2003 school year multiplied by  
21 0.66. For the 2008-2009 school year only, the grant shall be no  
22 less than the grant for the 2002-2003 school year multiplied by  
23 0.33. Notwithstanding the provisions of this paragraph to the  
24 contrary, if for any school year supplemental general State aid  
25 grants are prorated as provided in paragraph (1) of this  
26 subsection (H), then the grants under this paragraph shall be

1 prorated.

2 For the 2003-2004 school year only, the grant shall be no  
3 greater than the grant received during the 2002-2003 school  
4 year added to the product of 0.25 multiplied by the difference  
5 between the grant amount calculated under subsection (a) or (b)  
6 of this paragraph (2.10), whichever is applicable, and the  
7 grant received during the 2002-2003 school year. For the  
8 2004-2005 school year only, the grant shall be no greater than  
9 the grant received during the 2002-2003 school year added to  
10 the product of 0.50 multiplied by the difference between the  
11 grant amount calculated under subsection (a) or (b) of this  
12 paragraph (2.10), whichever is applicable, and the grant  
13 received during the 2002-2003 school year. For the 2005-2006  
14 school year only, the grant shall be no greater than the grant  
15 received during the 2002-2003 school year added to the product  
16 of 0.75 multiplied by the difference between the grant amount  
17 calculated under subsection (a) or (b) of this paragraph  
18 (2.10), whichever is applicable, and the grant received during  
19 the 2002-2003 school year.

20 (3) School districts with an Average Daily Attendance of  
21 more than 1,000 and less than 50,000 that qualify for  
22 supplemental general State aid pursuant to this subsection  
23 shall submit a plan to the State Board of Education prior to  
24 October 30 of each year for the use of the funds resulting from  
25 this grant of supplemental general State aid for the  
26 improvement of instruction in which priority is given to

1 meeting the education needs of disadvantaged children. Such  
2 plan shall be submitted in accordance with rules and  
3 regulations promulgated by the State Board of Education.

4 (4) School districts with an Average Daily Attendance of  
5 50,000 or more that qualify for supplemental general State aid  
6 pursuant to this subsection shall be required to distribute  
7 from funds available pursuant to this Section, no less than  
8 \$261,000,000 in accordance with the following requirements:

9 (a) The required amounts shall be distributed to the  
10 attendance centers within the district in proportion to the  
11 number of pupils enrolled at each attendance center who are  
12 eligible to receive free or reduced-price lunches or  
13 breakfasts under the federal Child Nutrition Act of 1966  
14 and under the National School Lunch Act during the  
15 immediately preceding school year.

16 (b) The distribution of these portions of supplemental  
17 and general State aid among attendance centers according to  
18 these requirements shall not be compensated for or  
19 contravened by adjustments of the total of other funds  
20 appropriated to any attendance centers, and the Board of  
21 Education shall utilize funding from one or several sources  
22 in order to fully implement this provision annually prior  
23 to the opening of school.

24 (c) Each attendance center shall be provided by the  
25 school district a distribution of noncategorical funds and  
26 other categorical funds to which an attendance center is

1 entitled under law in order that the general State aid and  
2 supplemental general State aid provided by application of  
3 this subsection supplements rather than supplants the  
4 noncategorical funds and other categorical funds provided  
5 by the school district to the attendance centers.

6 (d) Any funds made available under this subsection that  
7 by reason of the provisions of this subsection are not  
8 required to be allocated and provided to attendance centers  
9 may be used and appropriated by the board of the district  
10 for any lawful school purpose.

11 (e) Funds received by an attendance center pursuant to  
12 this subsection shall be used by the attendance center at  
13 the discretion of the principal and local school council  
14 for programs to improve educational opportunities at  
15 qualifying schools through the following programs and  
16 services: early childhood education, reduced class size or  
17 improved adult to student classroom ratio, enrichment  
18 programs, remedial assistance, attendance improvement, and  
19 other educationally beneficial expenditures which  
20 supplement the regular and basic programs as determined by  
21 the State Board of Education. Funds provided shall not be  
22 expended for any political or lobbying purposes as defined  
23 by board rule.

24 (f) Each district subject to the provisions of this  
25 subdivision (H) (4) shall submit an acceptable plan to meet  
26 the educational needs of disadvantaged children, in

1 compliance with the requirements of this paragraph, to the  
2 State Board of Education prior to July 15 of each year.  
3 This plan shall be consistent with the decisions of local  
4 school councils concerning the school expenditure plans  
5 developed in accordance with part 4 of Section 34-2.3. The  
6 State Board shall approve or reject the plan within 60 days  
7 after its submission. If the plan is rejected, the district  
8 shall give written notice of intent to modify the plan  
9 within 15 days of the notification of rejection and then  
10 submit a modified plan within 30 days after the date of the  
11 written notice of intent to modify. Districts may amend  
12 approved plans pursuant to rules promulgated by the State  
13 Board of Education.

14 Upon notification by the State Board of Education that  
15 the district has not submitted a plan prior to July 15 or a  
16 modified plan within the time period specified herein, the  
17 State aid funds affected by that plan or modified plan  
18 shall be withheld by the State Board of Education until a  
19 plan or modified plan is submitted.

20 If the district fails to distribute State aid to  
21 attendance centers in accordance with an approved plan, the  
22 plan for the following year shall allocate funds, in  
23 addition to the funds otherwise required by this  
24 subsection, to those attendance centers which were  
25 underfunded during the previous year in amounts equal to  
26 such underfunding.

1           For purposes of determining compliance with this  
2 subsection in relation to the requirements of attendance  
3 center funding, each district subject to the provisions of  
4 this subsection shall submit as a separate document by  
5 December 1 of each year a report of expenditure data for  
6 the prior year in addition to any modification of its  
7 current plan. If it is determined that there has been a  
8 failure to comply with the expenditure provisions of this  
9 subsection regarding contravention or supplanting, the  
10 State Superintendent of Education shall, within 60 days of  
11 receipt of the report, notify the district and any affected  
12 local school council. The district shall within 45 days of  
13 receipt of that notification inform the State  
14 Superintendent of Education of the remedial or corrective  
15 action to be taken, whether by amendment of the current  
16 plan, if feasible, or by adjustment in the plan for the  
17 following year. Failure to provide the expenditure report  
18 or the notification of remedial or corrective action in a  
19 timely manner shall result in a withholding of the affected  
20 funds.

21           The State Board of Education shall promulgate rules and  
22 regulations to implement the provisions of this  
23 subsection. No funds shall be released under this  
24 subdivision (H) (4) to any district that has not submitted a  
25 plan that has been approved by the State Board of  
26 Education.



1 (I) (Blank).

2 (J) Supplementary Grants in Aid.

3 (1) Notwithstanding any other provisions of this Section,  
4 the amount of the aggregate general State aid in combination  
5 with supplemental general State aid under this Section for  
6 which each school district is eligible shall be no less than  
7 the amount of the aggregate general State aid entitlement that  
8 was received by the district under Section 18-8 (exclusive of  
9 amounts received under subsections 5(p) and 5(p-5) of that  
10 Section) for the 1997-98 school year, pursuant to the  
11 provisions of that Section as it was then in effect. If a  
12 school district qualifies to receive a supplementary payment  
13 made under this subsection (J), the amount of the aggregate  
14 general State aid in combination with supplemental general  
15 State aid under this Section which that district is eligible to  
16 receive for each school year shall be no less than the amount  
17 of the aggregate general State aid entitlement that was  
18 received by the district under Section 18-8 (exclusive of  
19 amounts received under subsections 5(p) and 5(p-5) of that  
20 Section) for the 1997-1998 school year, pursuant to the  
21 provisions of that Section as it was then in effect.

22 (2) If, as provided in paragraph (1) of this subsection  
23 (J), a school district is to receive aggregate general State  
24 aid in combination with supplemental general State aid under

1 this Section for the 1998-99 school year and any subsequent  
2 school year that in any such school year is less than the  
3 amount of the aggregate general State aid entitlement that the  
4 district received for the 1997-98 school year, the school  
5 district shall also receive, from a separate appropriation made  
6 for purposes of this subsection (J), a supplementary payment  
7 that is equal to the amount of the difference in the aggregate  
8 State aid figures as described in paragraph (1).

9 (3) (Blank).

10 (K) Grants to Laboratory and Alternative Schools.

11 In calculating the amount to be paid to the governing board  
12 of a public university that operates a laboratory school under  
13 this Section or to any alternative school that is operated by a  
14 regional superintendent of schools, the State Board of  
15 Education shall require by rule such reporting requirements as  
16 it deems necessary.

17 As used in this Section, "laboratory school" means a public  
18 school which is created and operated by a public university and  
19 approved by the State Board of Education. The governing board  
20 of a public university which receives funds from the State  
21 Board under this subsection (K) may not increase the number of  
22 students enrolled in its laboratory school from a single  
23 district, if that district is already sending 50 or more  
24 students, except under a mutual agreement between the school  
25 board of a student's district of residence and the university

1 which operates the laboratory school. A laboratory school may  
2 not have more than 1,000 students, excluding students with  
3 disabilities in a special education program.

4 As used in this Section, "alternative school" means a  
5 public school which is created and operated by a Regional  
6 Superintendent of Schools and approved by the State Board of  
7 Education. Such alternative schools may offer courses of  
8 instruction for which credit is given in regular school  
9 programs, courses to prepare students for the high school  
10 equivalency testing program or vocational and occupational  
11 training. A regional superintendent of schools may contract  
12 with a school district or a public community college district  
13 to operate an alternative school. An alternative school serving  
14 more than one educational service region may be established by  
15 the regional superintendents of schools of the affected  
16 educational service regions. An alternative school serving  
17 more than one educational service region may be operated under  
18 such terms as the regional superintendents of schools of those  
19 educational service regions may agree.

20 Each laboratory and alternative school shall file, on forms  
21 provided by the State Superintendent of Education, an annual  
22 State aid claim which states the Average Daily Attendance of  
23 the school's students by month. The best 3 months' Average  
24 Daily Attendance shall be computed for each school. The general  
25 State aid entitlement shall be computed by multiplying the  
26 applicable Average Daily Attendance by the Foundation Level as

1 determined under this Section.

2 (L) Payments, Additional Grants in Aid and Other Requirements.

3 (1) For a school district operating under the financial  
4 supervision of an Authority created under Article 34A, the  
5 general State aid otherwise payable to that district under this  
6 Section, but not the supplemental general State aid, shall be  
7 reduced by an amount equal to the budget for the operations of  
8 the Authority as certified by the Authority to the State Board  
9 of Education, and an amount equal to such reduction shall be  
10 paid to the Authority created for such district for its  
11 operating expenses in the manner provided in Section 18-11. The  
12 remainder of general State school aid for any such district  
13 shall be paid in accordance with Article 34A when that Article  
14 provides for a disposition other than that provided by this  
15 Article.

16 (2) (Blank).

17 (3) Summer school. Summer school payments shall be made as  
18 provided in Section 18-4.3.

19 (M) Education Funding Advisory Board.

20 The Education Funding Advisory Board, hereinafter in this  
21 subsection (M) referred to as the "Board", is hereby created.  
22 The Board shall consist of 5 members who are appointed by the  
23 Governor, by and with the advice and consent of the Senate. The  
24 members appointed shall include representatives of education,

1 business, and the general public. One of the members so  
2 appointed shall be designated by the Governor at the time the  
3 appointment is made as the chairperson of the Board. The  
4 initial members of the Board may be appointed any time after  
5 the effective date of this amendatory Act of 1997. The regular  
6 term of each member of the Board shall be for 4 years from the  
7 third Monday of January of the year in which the term of the  
8 member's appointment is to commence, except that of the 5  
9 initial members appointed to serve on the Board, the member who  
10 is appointed as the chairperson shall serve for a term that  
11 commences on the date of his or her appointment and expires on  
12 the third Monday of January, 2002, and the remaining 4 members,  
13 by lots drawn at the first meeting of the Board that is held  
14 after all 5 members are appointed, shall determine 2 of their  
15 number to serve for terms that commence on the date of their  
16 respective appointments and expire on the third Monday of  
17 January, 2001, and 2 of their number to serve for terms that  
18 commence on the date of their respective appointments and  
19 expire on the third Monday of January, 2000. All members  
20 appointed to serve on the Board shall serve until their  
21 respective successors are appointed and confirmed. Vacancies  
22 shall be filled in the same manner as original appointments. If  
23 a vacancy in membership occurs at a time when the Senate is not  
24 in session, the Governor shall make a temporary appointment  
25 until the next meeting of the Senate, when he or she shall  
26 appoint, by and with the advice and consent of the Senate, a

1 person to fill that membership for the unexpired term. If the  
2 Senate is not in session when the initial appointments are  
3 made, those appointments shall be made as in the case of  
4 vacancies.

5 The Education Funding Advisory Board shall be deemed  
6 established, and the initial members appointed by the Governor  
7 to serve as members of the Board shall take office, on the date  
8 that the Governor makes his or her appointment of the fifth  
9 initial member of the Board, whether those initial members are  
10 then serving pursuant to appointment and confirmation or  
11 pursuant to temporary appointments that are made by the  
12 Governor as in the case of vacancies.

13 The State Board of Education shall provide such staff  
14 assistance to the Education Funding Advisory Board as is  
15 reasonably required for the proper performance by the Board of  
16 its responsibilities.

17 For school years after the 2000-2001 school year, the  
18 Education Funding Advisory Board, in consultation with the  
19 State Board of Education, shall make recommendations as  
20 provided in this subsection (M) to the General Assembly for the  
21 foundation level under subsection (B) ~~subdivision (B)(3)~~ of  
22 this Section and for the supplemental general State aid grant  
23 level under subsection (H) of this Section for districts with  
24 high concentrations of children from poverty. The recommended  
25 foundation level shall be determined based on a methodology  
26 which incorporates the basic education expenditures of

1 low-spending schools exhibiting high academic performance. The  
2 Education Funding Advisory Board shall make such  
3 recommendations to the General Assembly on January 1 of odd  
4 numbered years, beginning January 1, 2001.

5 (N) (Blank).

6 (O) References.

7 (1) References in other laws to the various subdivisions of  
8 Section 18-8 as that Section existed before its repeal and  
9 replacement by this Section 18-8.05 shall be deemed to refer to  
10 the corresponding provisions of this Section 18-8.05, to the  
11 extent that those references remain applicable.

12 (2) References in other laws to State Chapter 1 funds shall  
13 be deemed to refer to the supplemental general State aid  
14 provided under subsection (H) of this Section.

15 (P) Public Act 93-838 and Public Act 93-808 make inconsistent  
16 changes to this Section. Under Section 6 of the Statute on  
17 Statutes there is an irreconcilable conflict between Public Act  
18 93-808 and Public Act 93-838. Public Act 93-838, being the last  
19 acted upon, is controlling. The text of Public Act 93-838 is  
20 the law regardless of the text of Public Act 93-808.

21 (Source: P.A. 93-21, eff. 7-1-03; 93-715, eff. 7-12-04; 93-808,  
22 eff. 7-26-04; 93-838, eff. 7-30-04; 93-875, eff. 8-6-04; 94-69,  
23 eff. 7-1-05; 94-438, eff. 8-4-05; 94-835, eff. 6-6-06; 94-1019,

1 eff. 7-10-06; revised 8-3-06.)

2 (105 ILCS 5/18-19) (from Ch. 122, par. 18-19)

3 Sec. 18-19. Moneys shall be transferred or distributed~~The~~  
4 ~~State Board of Education may make distributions of monies~~ from  
5 the Education Assistance Fund as follows:

6 (1) On the first day of each month, or as soon  
7 thereafter as practical, beginning on August 1, 2008  
8 through June 1, 2009, the Treasurer shall transfer  
9 \$30,833,333 to the Higher Education Operating Assistance  
10 Fund. On the first day of each month, or as soon thereafter  
11 as practical, beginning on July 1, 2009, the Treasurer  
12 shall transfer to the Higher Education Operating  
13 Assistance Fund an amount equal to one-twelfth of the  
14 amount that must be transferred annually to that fund under  
15 subsections (b) and (c) of Section 6z-69 of the State  
16 Finance Act.

17 (2) On the first day of each month, or as soon  
18 thereafter as practical, beginning on August 1, 2008, the  
19 Treasurer shall transfer \$34,583,333 to the Income Tax  
20 Refund Fund to fund increases to the earned income tax  
21 credit under Section 212 of the Illinois Income Tax Act and  
22 the education expense credit under Section 201 of the  
23 Illinois Income Tax Act provided in this amendatory Act of  
24 the 95th General Assembly.

25 (3) On the first day of each month, or as soon



1 thereafter as practical, beginning on August 1, 2008, the  
2 Treasurer shall transfer \$15,833,333 to the Local  
3 Government Distributive Fund.

4 (4) On the first day of each month, or as soon  
5 thereafter as practical, beginning on March 1, 2008 through  
6 June 1, 2008, the Treasurer shall transfer \$250,000,000 to  
7 the School District Property Tax Relief Fund. On the first  
8 day of each month, or as soon thereafter as practical,  
9 beginning on July 1, 2008, the Treasurer shall transfer to  
10 the School District Property Tax Relief Fund an amount  
11 equal to one-twelfth of the amount that must be transferred  
12 annually to that fund under subsection (c) of Section 6z-69  
13 of the State Finance Act.

14 (5) On the first day of each month, or as soon  
15 thereafter as practical, beginning on August 1, 2008, the  
16 Treasurer shall transfer \$10,000,000, in addition to  
17 appropriations from other sources, to fund reimbursements  
18 due under Sections 14-7.02, 14-7.02a, 14-17.03, 14-13.01,  
19 18-3, 18-4.3, and 29-5 of the School Code and the School  
20 Breakfast and Lunch Program Act at the 100% level.

21 (6) Such, pursuant to appropriation, in addition to  
22 such sums as may have been otherwise appropriated for the  
23 same purpose, for any of the purposes set forth in this  
24 Article, subject to the same terms and conditions that  
25 apply to distributions under the several sections of this  
26 Article, respectively.

1       This amendatory Act of the 95th General Assembly  
2       constitutes an irrevocable and continuing appropriation from  
3       the Education Assistance Fund for the purposes set forth in  
4       this Section.

5       (Source: P.A. 86-18.)

6               (105 ILCS 5/18-25 new)

7       Sec. 18-25. Education Assistance Fund Board. The Education  
8       Assistance Fund Board is established. The Board shall consist  
9       of 4 members of the General Assembly. The Senate President, the  
10       Senate Minority Leader, the Speaker of the House of  
11       Representatives, and the House Minority Leader shall each  
12       appoint one member to the Board. The members of the Board shall  
13       designate one of the members to serve as chairperson. All  
14       members shall serve until their respective successors are  
15       appointed or until they cease to be members of the General  
16       Assembly, whichever occurs first. Vacancies shall be filled in  
17       the same manner as the original appointments.

18       For school years after the 2007-2008 school year and every  
19       2 fiscal years thereafter, the Board must make a recommendation  
20       to the General Assembly concerning appropriations from the  
21       Education Assistance Fund. The Board must make its  
22       recommendation to the General Assembly on April 1 of each even  
23       numbered year, beginning on April 1, 2008.

24               (105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

1           Sec. 20-3. Tax levy. For the purpose of providing moneys  
2 for a working cash fund, the school board of any such school  
3 district may, by proper resolution, cause a proposition to also  
4 levy annually upon all the taxable property of their district a  
5 tax, known as the "working cash fund tax," not to exceed 0.05%  
6 of value, as equalized or assessed by the Department of  
7 Revenue, to be submitted to the electors of the school district  
8 at a regularly scheduled election; provided that no such tax  
9 shall be levied if bonds are issued in amount or amounts equal  
10 in the aggregate to the limitation set forth in Section 20-2  
11 for the creation of a working cash fund. The collection of the  
12 tax shall not be anticipated by the issuance of any warrants  
13 drawn against it. The tax shall be levied and collected, except  
14 as otherwise provided in this Section, in like manner as the  
15 general taxes of the district, and shall be in addition to the  
16 maximum of all other taxes, either educational;  
17 transportation; operations and maintenance; or fire prevention  
18 and safety fund taxes, now or hereafter to be levied for school  
19 purposes. It may be levied by separate resolution by the last  
20 Tuesday in September in each year or it may be included in the  
21 certificate of tax levy filed under Section 17-11.

22           The tax may not be levied until the question of levying the  
23 tax has been submitted to the electors of the school district  
24 at a regular election and approved by at least 60% of the  
25 electors voting on the question. The school board must certify  
26 the question to the proper election authority, which must

1 submit the question at an election in accordance with the  
2 Election Code.

3 The election authority must submit the question in  
4 substantially the following form:

5 Shall the board of .... of school district number ....  
6 be authorized to levy a tax at the rate of .... % for the  
7 purpose of providing moneys for a working cash fund?

8 The election authority must record the votes as "Yes" or "No".

9 If at least 60% of the electors voting on the question vote  
10 in the affirmative, the school district may thereafter levy the  
11 tax.

12

13 (Source: P.A. 94-234, eff. 7-1-06.)

14 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

15 Sec. 20-7. Resolution for issuance of bonds - Submission to  
16 voters - Ballot. No school district may issue bonds under this  
17 Article until the question of the issuance of bonds has been  
18 submitted to the electors of the school district at a regularly  
19 scheduled election and approved by at least 60% of the electors  
20 voting on the question. The school board must certify the  
21 question to the proper election authority, which must submit  
22 the question at an election in accordance with the Election  
23 Code. ~~unless it adopts a resolution declaring its intention to~~  
24 ~~issue bonds for the purpose therein provided and directs that~~  
25 ~~notice of such intention be published at least once in a~~

1 ~~newspaper published and having a general circulation in the~~  
2 ~~district, if there be one, but if there is no newspaper~~  
3 ~~published in such district then by publishing such notice in a~~  
4 ~~newspaper having a general circulation in the district. The~~  
5 ~~notice shall set forth (1) the intention of the district to~~  
6 ~~issue bonds in accordance with this Article; (2) the time~~  
7 ~~within which a petition may be filed requesting the submission~~  
8 ~~of the proposition to issue the bonds; (3) the specific number~~  
9 ~~of voters required to sign the petition; and (4) the date of~~  
10 ~~the prospective referendum. At the time of publication of the~~  
11 ~~notice and for 30 days thereafter, the recording officer of the~~  
12 ~~district shall provide a petition form to any individual~~  
13 ~~requesting one. If within 30 days after the publication a~~  
14 ~~petition is filed with the recording officer of the district,~~  
15 ~~signed by the voters of the district equal to 10% or more of~~  
16 ~~the registered voters of the district requesting that the~~  
17 ~~proposition to issue bonds as authorized by this Article be~~  
18 ~~submitted to the voters thereof, then the district shall not be~~  
19 ~~authorized to issue such bonds until the proposition has been~~  
20 ~~certified to the proper election authorities and has been~~  
21 ~~submitted to and approved by a majority of the voters voting on~~  
22 ~~the proposition at a regular scheduled election in accordance~~  
23 ~~with the general election law. If no such petition is so filed,~~  
24 ~~or if any and all petitions filed are invalid, the district may~~  
25 ~~issue the bonds. In addition to the requirements of the general~~  
26 ~~election law the notice of the election shall set forth the~~

1 ~~intention of the district to issue bonds under this Article.~~  
 2 The election authority must submit the question ~~proposition~~  
 3 ~~shall be~~ in substantially the following form:

OFFICIAL BALLOT

-----

6 Shall the board of....  
 7 of School district number.... YES  
 8 County, Illinois, be authorized  
 9 to issue bonds for a working -----  
 10 cash fund as provided for  
 11 by Article 20 of the NO  
 12 School Code?

-----

14 If at least 60% of the electors voting on the question vote in  
 15 the affirmative, the school district may thereafter issue bonds  
 16 under this Article.

17 (Source: P.A. 87-767.)

18 (105 ILCS 5/34-31) (from Ch. 122, par. 34-31)  
 19 Sec. 34-31. Bond issue to increase fund. (a). Where the  
 20 board has created and is maintaining such a working cash fund  
 21 for the purposes above mentioned, it may, with the consent of  
 22 the city council expressed by ordinance, incur an indebtedness  
 23 for the purpose of increasing such fund and, by proper  
 24 resolution, cause a proposition to issue bonds therefor from  
 25 time to time, in an amount or amounts not exceeding in the

1 aggregate \$75,000,000, exclusive of all bonded indebtedness  
2 authorized for that purpose prior to May 16, 1967, to be  
3 submitted to the electors of the school district at a regularly  
4 scheduled election ~~without the submission thereof to the~~  
5 ~~electors of the school district or city for approval.~~

6 (b). The board may incur an additional indebtedness for the  
7 purpose of further increasing such fund and, by proper  
8 resolution, cause a proposition to issue additional bonds  
9 therefor, from time to time, in an amount or amounts not  
10 exceeding in the aggregate \$20,000,000, exclusive of all bonded  
11 indebtedness authorized for that purpose prior to the effective  
12 date of this amendatory Act of 1971, to be submitted to the  
13 electors of the school district at a regularly scheduled  
14 election ~~without the submission thereof to the electors of the~~  
15 ~~school district or city for approval.~~

16 (c). The board may incur an additional indebtedness for the  
17 purpose of further increasing such fund and, by proper  
18 resolution, cause a proposition to issue additional bonds  
19 therefor, from time to time, in an amount or amounts not  
20 exceeding in the aggregate \$25,000,000, exclusive of all bonded  
21 indebtedness authorized for that purpose prior to the effective  
22 date of this amendatory Act of 1973, to be submitted to the  
23 electors of the school district at a regularly scheduled  
24 election ~~without the submission thereof to the electors of the~~  
25 ~~school district or city for approval.~~

26 (d). The board may incur an additional indebtedness for the

1 purpose of further increasing such fund and, by proper  
2 resolution, cause a proposition to issue additional bonds  
3 therefor, from time to time, in an amount or amounts not  
4 exceeding in the aggregate \$31,000,000, exclusive of all bonded  
5 indebtedness authorized for that purpose prior to the effective  
6 date of this amendatory Act of 1977, to be submitted to the  
7 electors of the school district at a regularly scheduled  
8 election ~~without the submission thereof to the electors of the~~  
9 ~~school district or city for approval.~~

10 (e). Any bonds issued under paragraphs (a), (b), (c) or (d)  
11 of this Section shall bear interest at a rate of not more than  
12 the maximum rate authorized by the Bond Authorization Act, as  
13 amended at the time of the making of the contract, and shall  
14 mature within 20 years from date of issue. The authority herein  
15 granted in paragraphs (a), (b), (c) and (d) shall be considered  
16 exclusive of each other and as cumulative authority for the  
17 issuance of such bonds.

18 With respect to instruments for the payment of money issued  
19 under this Section either before, on, or after the effective  
20 date of this amendatory Act of 1989, it is and always has been  
21 the intention of the General Assembly (i) that the Omnibus Bond  
22 Acts are and always have been supplementary grants of power to  
23 issue instruments in accordance with the Omnibus Bond Acts,  
24 regardless of any provision of this Act that may appear to be  
25 or to have been more restrictive than those Acts, (ii) that the  
26 provisions of this Section are not a limitation on the



1 supplementary authority granted by the Omnibus Bond Acts, and  
2 (iii) that instruments issued under this Section within the  
3 supplementary authority granted by the Omnibus Bond Acts are  
4 not invalid because of any provision of this Act that may  
5 appear to be or to have been more restrictive than those Acts.

6 (f) The board may not issue bonds under paragraph (a), (b),  
7 (c), or (d) of this Section until the question of the issuance  
8 of bonds has been submitted to the electors of the school  
9 district at a regular election and approved by at least 60% of  
10 the electors voting on the question. The board must certify the  
11 question to the proper election authority, which must submit  
12 the question at an election in accordance with the Election  
13 Code.

14 The election authority must submit the question in  
15 substantially the following form:

16 Shall the board of education be authorized to issue  
17 bonds for the purpose of increasing the working cash fund  
18 as provided in Section 34-31 of the School Code?

19 The election authority must record the votes as "Yes" or "No".

20 If at least 60% of the electors voting on the question vote  
21 in the affirmative, the board may thereafter issue bonds under  
22 paragraph (a), (b), (c), or (d) of this Section.

23 (Source: P.A. 86-4.)

24 (105 ILCS 5/34-53) (from Ch. 122, par. 34-53)

25 Sec. 34-53. Tax levies; Purpose; Rates. For the purpose of

1 establishing and supporting free schools for not fewer than 9  
2 months in each year and defraying their expenses the board may  
3 levy annually, upon all taxable property of such district for  
4 educational purposes a tax for the fiscal years 1996 and each  
5 succeeding fiscal year at a rate of not to exceed the sum of  
6 (i) 3.07% (or such other rate as may be set by law independent  
7 of the rate difference described in (ii) below) and (ii) the  
8 difference between .50% and the rate per cent of taxes extended  
9 for a School Finance Authority organized under Article 34A of  
10 the School Code, for the calendar year in which the applicable  
11 fiscal year of the board begins as determined by the county  
12 clerk and certified to the board pursuant to Section 18-110 of  
13 the Property Tax Code, of the value as equalized or assessed by  
14 the Department of Revenue for the year in which such levy is  
15 made.

16 Nothing in this amendatory Act of 1995 shall in any way  
17 impair or restrict the levy or extension of taxes pursuant to  
18 any tax levies for any purposes of the board lawfully made  
19 prior to the adoption of this amendatory Act of 1995.

20 Notwithstanding any other provision of this Code and in  
21 addition to any other methods provided for increasing the tax  
22 rate the board may, by proper resolution, cause a proposition  
23 to increase the annual tax rate for educational purposes to be  
24 submitted to the voters of such district at any general or  
25 special election. The maximum rate for educational purposes  
26 shall not exceed 4.00%. The election called for such purpose

1 shall be governed by Article 9 of this Act. If at such election  
2 at least 60% ~~a majority~~ of the votes cast on the proposition  
3 are ~~is~~ in favor thereof, the Board of Education may thereafter  
4 until such authority is revoked in a like manner, levy annually  
5 the tax so authorized.

6 For purposes of this Article, educational purposes for  
7 fiscal years beginning in 1995 and each subsequent year shall  
8 also include, but not be limited to, in addition to those  
9 purposes authorized before this amendatory Act of 1995,  
10 constructing, acquiring, leasing (other than from the Public  
11 Building Commission of Chicago), operating, maintaining,  
12 improving, repairing, and renovating land, buildings,  
13 furnishings, and equipment for school houses and buildings, and  
14 related incidental expenses, and provision of special  
15 education, furnishing free textbooks and instructional aids  
16 and school supplies, establishing, equipping, maintaining, and  
17 operating supervised playgrounds under the control of the  
18 board, school extracurricular activities, and stadia, social  
19 center, and summer swimming pool programs open to the public in  
20 connection with any public school; making an employer  
21 contribution to the Public School Teachers' Pension and  
22 Retirement Fund as required by Section 17-129 of the Illinois  
23 Pension Code; and providing an agricultural science school,  
24 including site development and improvements, maintenance  
25 repairs, and supplies. Educational purposes also includes  
26 student transportation expenses.

1 All collections of all taxes levied for fiscal years ending  
2 before 1996 under this Section or under Sections 34-53.2,  
3 34-53.3, 34-58, 34-60, or 34-62 of this Article as in effect  
4 prior to this amendatory Act of 1995 may be used for any  
5 educational purposes as defined by this amendatory Act of 1995  
6 and need not be used for the particular purposes for which they  
7 were levied. The levy and extension of taxes pursuant to this  
8 Section as amended by this amendatory Act of 1995 shall not  
9 constitute a new or increased tax rate within the meaning of  
10 the Property Tax Extension Limitation Law or the One-year  
11 Property Tax Extension Limitation Law.

12 The rate at which taxes may be levied for the fiscal year  
13 beginning September 1, 1996, for educational purposes shall be  
14 the full rate authorized by this Section for such taxes for  
15 fiscal years ending after 1995.

16 (Source: P.A. 88-511; 88-670, eff. 12-2-94; 89-15, eff.  
17 5-30-95.)".

18 Section 99. Effective date. This Act takes effect upon  
19 becoming law.

1	INDEX	
2	Statutes amended in order of appearance	
3	30 ILCS 105/5.675 new	
4	30 ILCS 105/5.680 new	
5	30 ILCS 105/6z-69 new	
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