



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0566

Introduced 2/6/2009, by Rep. Careen M Gordon - LaShawn K. Ford
- Annazette Collins - Paul D. Froehlich - Lisa M. Dugan

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. For taxable years ending on or after December 31, 2009, allows small businesses that provide health care insurance for their employees and their spouses and dependents to claim a tax credit in an amount equal to the cost of providing that insurance, but not to exceed: (i) \$500 per employee who receives health care insurance; and (ii) \$250 for each spouse and dependent of an employee who receives health care insurance. Provides that the taxpayer may not carry the credit forward or back and that the credit may not reduce a taxpayer's liability to less than zero. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB096 07644 RCE 17743 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Health care tax credit.

8 (a) For tax years ending on or after December 31, 2009,
9 each taxpayer that is a small business that provides health
10 care insurance for its employees and their spouses and
11 dependents is entitled to a credit against the tax imposed by
12 subsections (a) and (b) of Section 201 in an amount equal to
13 the cost of providing that health care insurance in that
14 taxable year, but not to exceed: (i) \$500 per employee who
15 receives health care insurance; and (ii) \$250 for each spouse
16 and dependent of an employee who receives health care
17 insurance.

18 (b) For the purposes of this Section, "small business"
19 means any business entity with 50 or fewer employees.

20 (c) If the taxpayer is a partnership or Subchapter S
21 corporation, the credit is allowed to the partners or
22 shareholders in accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and

1 Subchapter S of the Internal Revenue Code.

2 (d) The credit may not be carried forward or back. In no
3 event shall a credit under this Section reduce the taxpayer's
4 liability to less than zero.

5 (e) The Section is exempt from the provisions of Section
6 250.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.