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LRB096 09394 HLH 38792 a

1 AMENDMENT TO SENATE BILL 1826

2 AMENDMENT NO. _____. Amend Senate Bill 1826, AS AMENDED,
3 with reference to page and line numbers of Senate Amendment No.
4 1, by replacing everything from line 23 on page 86 through line
5 17 on page 87 with the following:

6 "(F) Cooperatives. In the case of a cooperative
7 corporation or association, the taxable income of such
8 organization determined in accordance with the
9 provisions of Section 1381 through 1388 of the Internal
10 Revenue Code, but without regard to the prohibition
11 against offsetting losses from patronage activities
12 against income from nonpatronage activities; except
13 that a cooperative corporation or association may make
14 an election to follow its federal income tax treatment
15 of patronage losses and nonpatronage losses. In the
16 event such election is made, such losses shall be
17 computed and carried over in a manner consistent with
18 subsection (a) of Section 207 of this Act and

1 apportioned by the apportionment factor reported by
2 the cooperative on its Illinois income tax return filed
3 for the taxable year in which the losses are incurred.
4 The election shall be effective for all taxable years
5 with original returns due on or after the date of the
6 election. In addition, the cooperative may file an
7 amended return or returns, as allowed under this Act,
8 to provide that the election shall be effective for
9 losses incurred or carried forward for taxable years
10 occurring prior to the date of the election. Once made,
11 the election may only be revoked upon approval of the
12 Director. The Department shall adopt rules setting
13 forth requirements for documenting the elections and
14 any resulting Illinois net loss and the standards to be
15 used by the Director in evaluating requests to revoke
16 elections. This amendatory Act of the 96th General
17 Assembly is declaratory of existing law;".