



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3574

Introduced 2/24/2011, by Rep. Thomas Morrison - Dwight Kay - Adam Brown - Richard Morthland - John D. Cavaletto, et al.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Provides that a taxpayer who owns and operates a business in Illinois shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 in the amount of \$3,750 per employee hired by the taxpayer and retained for 2 years. Provides that the credit may be allowed in the amount of \$2,500 in the year the employee is hired and in the amount of \$1,250 in the second year of employment. Provides that if the amount of the credit exceeds the taxpayer's liability for the taxable year, the excess may be carried forward and applied to the tax liability of the next 5 years. Effective immediately.

LRB097 07136 HLH 47238 b

FISCAL NOTE ACT
MAY APPLY

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 221 as follows:

6 (35 ILCS 5/221 new)

7 Sec. 221. Job creation credit. For taxable years beginning
8 on or after January 1, 2011, each taxpayer who owns and
9 operates a business in Illinois shall be allowed a credit
10 against the tax imposed by subsections (a) and (b) of Section
11 201 of this Act in the amount of \$3,750 per employee hired by
12 the taxpayer and retained for 2 years. Of the \$3,750 amount, an
13 amount equal to \$2,500 may be allowed as a credit for the
14 taxable year in which the employee was hired, and an amount
15 equal to \$1,250 may be allowed as a credit for the following
16 taxable year. A credit under this Section may not exceed the
17 taxpayer's Illinois income tax liability for the taxable year.
18 If the amount of the credit exceeds the tax liability for the
19 year, the excess may be carried forward and applied to the tax
20 liability of the 5 taxable years following the excess credit
21 year. The credit shall be applied to the earliest year for
22 which there is a tax liability. If there are credits from more
23 than one taxable year that are available to offset a liability,

1 the earlier credit shall be applied first. In the case of a
2 partnership or Subchapter S Corporation, the credit is allowed
3 to the partners or shareholders in accordance with the
4 determination of income and distributive share of income under
5 Sections 702 and 704 and Subchapter S of the Internal Revenue
6 Code. This Section is exempt from the provisions of Section 250
7 of this Act.

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