



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB4575

Introduced 2/1/2012, by Rep. Jerry F. Costello, II

SYNOPSIS AS INTRODUCED:

35 ILCS 5/217

Amends the Illinois Income Tax Act. Increases the amount of the credit for wages paid by the taxpayer to a qualified veteran to 20%, but in no event to exceed \$5,000, of the gross wages paid by the taxpayer to a qualified veteran if the veteran (A) was hired by the taxpayer on or after January 1, 2012 and (B) was unemployed at the time he or she was hired by the taxpayer. Exempts the credit from the Act's automatic sunset provisions. Effective immediately.

LRB097 20000 HLH 65300 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 217 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans.

8 (a) For each taxable year beginning on or after January 1,
9 2007 and ending on or before December 30, 2010, each taxpayer
10 is entitled to a credit against the tax imposed by subsections
11 (a) and (b) of Section 201 of this Act in an amount equal to 5%,
12 but in no event to exceed \$600, of the gross wages paid by the
13 taxpayer to a qualified veteran in the course of that veteran's
14 sustained employment during the taxable year. For each taxable
15 year beginning on or after January 1, 2010 and ending on or
16 before December 30, 2012, each taxpayer is entitled to a credit
17 against the tax imposed by subsections (a) and (b) of Section
18 201 of this Act in an amount equal to 10%, but in no event to
19 exceed \$1,200, of the gross wages paid by the taxpayer to a
20 qualified veteran in the course of that veteran's sustained
21 employment during the taxable year. For each taxable year
22 beginning on or after January 1, 2012, each taxpayer is
23 entitled to a credit against the tax imposed by subsections (a)

1 and (b) of Section 201 of this Act in an amount equal to (i)
2 20%, but in no event to exceed \$5,000, of the gross wages paid
3 by the taxpayer to a qualified veteran in the course of that
4 veteran's sustained employment during the taxable year if that
5 veteran (A) was hired by the taxpayer on or after January 1,
6 2012 and (B) was unemployed at the time he or she was hired by
7 the taxpayer and (ii) 10%, but in no event to exceed \$1,200, of
8 the gross wages paid by the taxpayer to a qualified veteran
9 other than a qualified veteran described in item (i) above in
10 the course of that veteran's sustained employment during the
11 taxable year. For partners, shareholders of Subchapter S
12 corporations, and owners of limited liability companies, if the
13 liability company is treated as a partnership for purposes of
14 federal and State income taxation, there shall be allowed a
15 credit under this Section to be determined in accordance with
16 the determination of income and distributive share of income
17 under Sections 702 and 704 and Subchapter S of the Internal
18 Revenue Code.

19 (b) For purposes of this Section:

20 "Qualified veteran" means an Illinois resident who: (i) was
21 a member of the Armed Forces of the United States, a member of
22 the Illinois National Guard, or a member of any reserve
23 component of the Armed Forces of the United States; (ii) served
24 on active duty in connection with Operation Desert Storm,
25 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)
26 has provided, to the taxpayer, documentation showing that he or

1 she was honorably discharged; and (iv) was initially hired by
2 the taxpayer on or after January 1, 2007.

3 "Sustained employment" means a period of employment that is
4 not less than 185 days during the taxable year.

5 (c) In no event shall a credit under this Section reduce
6 the taxpayer's liability to less than zero. If the amount of
7 the credit exceeds the tax liability for the year, the excess
8 may be carried forward and applied to the tax liability of the
9 5 taxable years following the excess credit year. The tax
10 credit shall be applied to the earliest year for which there is
11 a tax liability. If there are credits for more than one year
12 that are available to offset a liability, the earlier credit
13 shall be applied first.

14 (d) This Section is exempt from the provisions of Section
15 250.

16 (Source: P.A. 96-101, eff. 1-1-10.)

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