

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 Sections 204 and 212 as follows:

6 (35 ILCS 5/204) (from Ch. 120, par. 2-204)

7 Sec. 204. Standard Exemption.

8 (a) Allowance of exemption. In computing net income under  
9 this Act, there shall be allowed as an exemption the sum of the  
10 amounts determined under subsections (b), (c) and (d),  
11 multiplied by a fraction the numerator of which is the amount  
12 of the taxpayer's base income allocable to this State for the  
13 taxable year and the denominator of which is the taxpayer's  
14 total base income for the taxable year.

15 (b) Basic amount. For the purpose of subsection (a) of this  
16 Section, except as provided by subsection (a) of Section 205  
17 and in this subsection, each taxpayer shall be allowed a basic  
18 amount of \$1000, except that for corporations the basic amount  
19 shall be zero for tax years ending on or after December 31,  
20 2003, and for individuals the basic amount shall be:

21 (1) for taxable years ending on or after December 31,  
22 1998 and prior to December 31, 1999, \$1,300;

23 (2) for taxable years ending on or after December 31,

- 1           1999 and prior to December 31, 2000, \$1,650;
- 2           (3) for taxable years ending on or after December 31,
- 3           2000 and prior to December 31, 2012, \$2,000; ~~+~~
- 4           (4) for taxable years ending on or after December 31,
- 5           2012 and prior to December 31, 2013, \$2,050;
- 6           (5) for taxable years ending on or after December 31,
- 7           2013, \$2,050 plus the cost-of-living adjustment under
- 8           subsection (d-5).

9           For taxable years ending on or after December 31, 1992, a  
10           taxpayer whose Illinois base income exceeds the basic amount  
11           and who is claimed as a dependent on another person's tax  
12           return under the Internal Revenue Code shall not be allowed any  
13           basic amount under this subsection.

14           (c) Additional amount for individuals. In the case of an  
15           individual taxpayer, there shall be allowed for the purpose of  
16           subsection (a), in addition to the basic amount provided by  
17           subsection (b), an additional exemption equal to the basic  
18           amount for each exemption in excess of one allowable to such  
19           individual taxpayer for the taxable year under Section 151 of  
20           the Internal Revenue Code.

21           (d) Additional exemptions for an individual taxpayer and  
22           his or her spouse. In the case of an individual taxpayer and  
23           his or her spouse, he or she shall each be allowed additional  
24           exemptions as follows:

- 25           (1) Additional exemption for taxpayer or spouse 65  
26           years of age or older.

1           (A) For taxpayer. An additional exemption of  
2           \$1,000 for the taxpayer if he or she has attained the  
3           age of 65 before the end of the taxable year.

4           (B) For spouse when a joint return is not filed. An  
5           additional exemption of \$1,000 for the spouse of the  
6           taxpayer if a joint return is not made by the taxpayer  
7           and his spouse, and if the spouse has attained the age  
8           of 65 before the end of such taxable year, and, for the  
9           calendar year in which the taxable year of the taxpayer  
10          begins, has no gross income and is not the dependent of  
11          another taxpayer.

12          (2) Additional exemption for blindness of taxpayer or  
13          spouse.

14          (A) For taxpayer. An additional exemption of  
15          \$1,000 for the taxpayer if he or she is blind at the  
16          end of the taxable year.

17          (B) For spouse when a joint return is not filed. An  
18          additional exemption of \$1,000 for the spouse of the  
19          taxpayer if a separate return is made by the taxpayer,  
20          and if the spouse is blind and, for the calendar year  
21          in which the taxable year of the taxpayer begins, has  
22          no gross income and is not the dependent of another  
23          taxpayer. For purposes of this paragraph, the  
24          determination of whether the spouse is blind shall be  
25          made as of the end of the taxable year of the taxpayer;  
26          except that if the spouse dies during such taxable year

1           such determination shall be made as of the time of such  
2           death.

3           (C) Blindness defined. For purposes of this  
4           subsection, an individual is blind only if his or her  
5           central visual acuity does not exceed 20/200 in the  
6           better eye with correcting lenses, or if his or her  
7           visual acuity is greater than 20/200 but is accompanied  
8           by a limitation in the fields of vision such that the  
9           widest diameter of the visual fields subtends an angle  
10          no greater than 20 degrees.

11          (d-5) Cost-of-living adjustment. For purposes of item (5)  
12          of subsection (b), the cost-of-living adjustment for any  
13          calendar year and for taxable years ending prior to the end of  
14          the subsequent calendar year is equal to \$2,050 times the  
15          percentage (if any) by which:

16                 (1) the Consumer Price Index for the preceding calendar  
17                 year, exceeds

18                 (2) the Consumer Price Index for the calendar year  
19                 2011.

20          The Consumer Price Index for any calendar year is the  
21          average of the Consumer Price Index as of the close of the  
22          12-month period ending on August 31 of that calendar year.

23          The term "Consumer Price Index" means the last Consumer  
24          Price Index for All Urban Consumers published by the United  
25          States Department of Labor or any successor agency.

26          If any cost-of-living adjustment is not a multiple of \$25,

1 that adjustment shall be rounded to the next lowest multiple of  
2 \$25.

3 (e) Cross reference. See Article 3 for the manner of  
4 determining base income allocable to this State.

5 (f) Application of Section 250. Section 250 does not apply  
6 to the amendments to this Section made by Public Act 90-613.

7 (Source: P.A. 97-507, eff. 8-23-11.)

8 (35 ILCS 5/212)

9 Sec. 212. Earned income tax credit.

10 (a) With respect to the federal earned income tax credit  
11 allowed for the taxable year under Section 32 of the federal  
12 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer  
13 is entitled to a credit against the tax imposed by subsections  
14 (a) and (b) of Section 201 in an amount equal to (i) 5% of the  
15 federal tax credit for each taxable year beginning on or after  
16 January 1, 2000 and ending prior to December 31, 2012, (ii)  
17 7.5% of the federal tax credit for each taxable year beginning  
18 on or after January 1, 2012 and ending prior to December 31,  
19 2013, and (iii) 10% of the federal tax credit for each taxable  
20 year beginning on or after January 1, 2013.

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

24 (b) For taxable years beginning before January 1, 2003, in  
25 no event shall a credit under this Section reduce the

1 taxpayer's liability to less than zero. For each taxable year  
2 beginning on or after January 1, 2003, if the amount of the  
3 credit exceeds the income tax liability for the applicable tax  
4 year, then the excess credit shall be refunded to the taxpayer.  
5 The amount of a refund shall not be included in the taxpayer's  
6 income or resources for the purposes of determining eligibility  
7 or benefit level in any means-tested benefit program  
8 administered by a governmental entity unless required by  
9 federal law.

10 (c) This Section is exempt from the provisions of Section  
11 250.

12 (Source: P.A. 95-333, eff. 8-21-07.)