

# SB1362



## 97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1362

Introduced 2/8/2011, by Sen. Edward D. Maloney

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Creates a credit equal to a percentage of the cost of mechanical insulation property placed in service in the State during the taxable year. Effective immediately.

LRB097 05997 HLH 46068 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 221 as follows:

6 (35 ILCS 5/221 new)

7 Sec. 221. Credit for mechanical insulation. For each  
8 taxable year beginning on or after January 1, 2011, each  
9 taxpayer is entitled to a credit against the tax imposed by  
10 subsections (a) and (b) of Section 201 of this Act in an amount  
11 equal to the applicable percentage of the cost of mechanical  
12 insulation property placed in service in the State during the  
13 taxable year.

14 In no event shall a credit under this Section reduce the  
15 taxpayer's liability to less than zero. If the amount of the  
16 credit exceeds the tax liability for the year, the excess may  
17 be carried forward and applied to the tax liability of the 5  
18 taxable years following the excess credit year. The tax credit  
19 shall be applied to the earliest year for which there is a tax  
20 liability. If there are credits for more than one year that are  
21 available to offset a liability, the earlier credit shall be  
22 applied first.

23 For purposes of this Section:

1           "ASHRAE" means the American Society of Heating,  
2           Refrigerating, and Air-Conditioning Engineers.

3           "Mechanical insulation property" includes insulation  
4           materials, facings, and accessory products used for  
5           thermal requirements for mechanical piping and equipment,  
6           hot and cold applications, and heating, venting, and air  
7           conditioning applications.

8           "Cost of mechanical insulation property" includes any  
9           amount paid or incurred for the installation of mechanical  
10           insulation property that exceeds ASHRAE standard  
11           90.1-2007.

12           "Applicable percentage" means the lesser of (i) 30% or  
13           (ii) the reduction in energy loss (expressed as a  
14           percentage) from the installed mechanical insulation  
15           property compared with mechanical insulation property that  
16           meets the minimum requirements of ASHRAE standard  
17           90.1-2007.

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