

SB1900



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB1900

Introduced 2/10/2011, by Sen. James F. Clayborne, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/221 new

Amends the Illinois Income Tax Act. Provides that qualified taxpayers that undertake one or more eligible projects related to the remodeling, rehabilitation, modernization, or remediation of certain contaminated property may apply with the Department of Commerce and Economic Opportunity to obtain a tax credit against their income tax liability. Effective immediately.

LRB097 09954 HLH 50121 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT 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. Brownfield remediation tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2012, qualified taxpayers that undertake one or more eligible
10 projects during the taxable year may apply with the Department
11 to obtain a tax credit against the tax imposed under
12 subsections (a) and (b) of Section 201 of this Act. The credit
13 may not exceed 100% of the eligible project costs incurred by
14 the taxpayer during the taxable year. The taxpayer shall be
15 eligible to claim 75% of the amount of the credit awarded
16 beginning in the taxable year in which the application is
17 approved. The taxpayer may claim the remaining 25% of the
18 credits awarded upon receipt of a "No Further Remediation"
19 determination from the Illinois Environmental Protection
20 Agency. The Department shall distribute the tax credits
21 equitably throughout all geographic regions of the State. The
22 taxpayer may sell, transfer, or assign credits awarded under
23 this Section.

1 (b) The tax credit may not reduce the taxpayer's liability
2 to less than zero. If the amount of the tax credit exceeds the
3 tax liability for the year, the excess may be carried forward
4 and applied to the tax liability of the 5 taxable years
5 following the excess credit year. The credit must be applied to
6 the earliest year for which there is a tax liability. If there
7 are credits from more than one tax year that are available to
8 offset a liability, then the earlier credit must be applied
9 first.

10 (c) For the purposes of this Section:

11 "Department" means the Department of Commerce and
12 Economic Opportunity;

13 "Eligible project" means the remodeling,
14 rehabilitation, modernization, or remediation of abandoned
15 or underutilized property located in the State that is
16 contaminated with hazardous substances, petroleum
17 products, or lead-based paint, or a combination of those
18 factors, at the time the property is purchased by the
19 taxpayer. The project site must be enrolled in the Illinois
20 Environmental Protection Agency's Site Remediation
21 Program, and the project must be approved by the
22 municipality and the county in which the site is located.
23 The taxpayer must demonstrate that the project will create
24 at least 10 new jobs, retain 25 jobs, or a combination
25 thereof.

26 "Eligible project costs" include, but are not limited

1 to, costs associated with site assessment and
2 investigation; soil, groundwater, and surface water
3 remediation; asbestos and lead-based paint surveys and
4 abatement; documentation and reporting necessary to meet
5 environmental regulations and obtain closure documentation
6 from the State.

7 "Qualified taxpayer" means a taxpayer that meets all of
8 the following criteria:

9 (1) the taxpayer is the owner of the site on which
10 the eligible project will occur;

11 (2) the taxpayer must be current on all taxes
12 imposed by the State at the time of the application and
13 must have no criminal record; and

14 (3) the taxpayer must not be the party responsible
15 for the contamination.

16 (d) This Section is exempt from the provisions of Section
17 250.

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