



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB1547

by Rep. Arthur Turner

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216
35 ILCS 10/5-47 new

Amends the Illinois Income Tax Act. In a Section concerning a credit for wages paid to ex-felons, removes a provision providing that the credit may not exceed \$600 for each qualified ex-offender. Provides that the credit is exempt from the Act's automatic sunset. Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that each Agreement entered into on or after the effective date of the amendatory Act shall contain a provision stating that the Applicant shall establish a goal of hiring qualified ex-offenders so that no less than 10% of the Applicant's workforce is comprised of qualified ex-offenders. Effective immediately.

LRB098 07480 HLH 37551 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 216 as follows:

6 (35 ILCS 5/216)

7 Sec. 216. Credit for wages paid to ex-felons.

8 (a) For each taxable year beginning on or after January 1,
9 2007, each taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 in an amount equal to 5% of qualified wages paid by the
12 taxpayer during the taxable year to one or more Illinois
13 residents who are qualified ex-offenders. ~~The total credit~~
14 ~~allowed to a taxpayer with respect to each qualified~~
15 ~~ex-offender may not exceed \$600 for all taxable years.~~ For
16 partners, shareholders of Subchapter S corporations, and
17 owners of limited liability companies, if the liability company
18 is treated as a partnership for purposes of federal and State
19 income taxation, there shall be allowed a credit under this
20 Section to be determined in accordance with the determination
21 of income and distributive share of income under Sections 702
22 and 704 and Subchapter S of the Internal Revenue Code.

23 (b) For purposes of this Section, "qualified wages":

1 (1) includes only wages that are subject to federal
2 unemployment tax under Section 3306 of the Internal Revenue
3 Code, without regard to any dollar limitation contained in
4 that Section;

5 (2) does not include any amounts paid or incurred by an
6 employer for any period to any qualified ex-offender for
7 whom the employer receives federally funded payments for
8 on-the-job training of that qualified ex-offender for that
9 period; and

10 (3) includes only wages attributable to service
11 rendered during the one-year period beginning with the day
12 the qualified ex-offender begins work for the employer.

13 If the taxpayer has received any payment from a program
14 established under Section 482(e)(1) of the federal Social
15 Security Act with respect to a qualified ex-offender, then, for
16 purposes of calculating the credit under this Section, the
17 amount of the qualified wages paid to that qualified
18 ex-offender must be reduced by the amount of the payment.

19 (c) For purposes of this Section, "qualified ex-offender"
20 means any person who:

21 (1) is an eligible offender, as defined under Section
22 5-5.5-5 of the Unified Code of Corrections;

23 (2) was sentenced to a period of incarceration in an
24 Illinois adult correctional center; and

25 (3) was hired by the taxpayer within one year after
26 being released from an Illinois adult correctional center.

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

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

12 (Source: P.A. 94-1067, eff. 8-1-06.)

13 Section 10. The Economic Development for a Growing Economy
14 Tax Credit Act is amended by adding Section 5-47 as follows:

15 (35 ILCS 10/5-47 new)

16 Sec. 5-47. Qualified ex-offenders. Each Agreement entered
17 into on or after the effective date of this amendatory Act of
18 the 98th General Assembly shall contain a provision stating
19 that the Applicant shall establish a goal of hiring qualified
20 ex-offenders so that no less than 10% of the Applicant's
21 workforce is comprised of qualified ex-offenders.

22 For the purposes of this Section, "qualified ex-offender"
23 means any person who (1) is an eligible offender, as defined
24 under Section 5-5.5-5 of the Unified Code of Corrections, and

1 (2) was sentenced to a period of incarceration in an Illinois
2 adult correctional center.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.