

HB2781



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2781

Introduced 2/21/2013, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a credit for freight forwarders in an amount equal to \$0.50 per chargeable kilo shipped by that freight forwarder from an airport in this State during the taxable year. Defines "freight forwarder" as a taxpayer that assumes responsibility in the ordinary course of its business for the transportation of cargo from the place of receipt to the place of destination, including the use of direct international flights. Effective immediately.

LRB098 08915 HLH 39047 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 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Illinois export incentive credit.

8 (a) Subject to the limitations set forth in this Section,
9 for taxable years beginning on or after January 1, 2014, each
10 freight forwarder is entitled to a credit against the tax
11 imposed by subsections (a) and (b) of Section 201 in an amount
12 equal to \$0.50 per chargeable kilo shipped by that freight
13 forwarder from an airport in this State during the taxable
14 year.

15 (b) To receive credits under this Section, the freight
16 forwarder shall file an application with the Department within
17 120 calendar days after the date of shipment. The freight
18 forwarder shall include with the application the master airway
19 bill for the shipment for which the freight forwarder is
20 seeking credit under this Section.

21 (c) The Department shall not issue more than \$7,500,000 in
22 credits under this Section in any fiscal year. Credits shall be
23 issued based on the order in which the application is received.

1 Any tax credits which are authorized but not issued in any
2 fiscal year because of the limitation under this subsection (c)
3 may be carried forward and issued in subsequent fiscal years.

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

13 (e) As used in this Section:

14 "Chargeable kilo" means a kilo of freight that is
15 shipped on a qualifying outbound flight, as measured by the
16 greater of:

17 (1) actual weight; or

18 (2) dimensional weight, as determined by the
19 conversion factors promulgated by the International
20 Air Transport Association.

21 "Direct international aircraft flight" means a single
22 transoceanic flight that operates to an international
23 destination in accordance with the operator's bilateral
24 route authority.

25 "Freight forwarder" means a taxpayer that assumes
26 responsibility in the ordinary course of its business for

1 the transportation of cargo from the place of receipt to
2 the place of destination, including the use of a qualifying
3 outbound flight.

4 "Qualifying outbound flight" means a direct
5 international aircraft flight that carries either all
6 cargo or a mix of passengers and cargo from an airport in
7 this State to an international destination.

8 (f) This Section is exempt from the provisions of Section
9 250.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.