HB3317

LRB09810061HLH40220b

98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3317

by Rep. Barbara Wheeler

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that each taxpayer that is engaged in the business of manufacturing renewable fuels is entitled to a credit in an amount equal to 1% of the basis of qualified property that (i) is used for the production of renewable fuels and (ii) is placed in service by the taxpayer during the taxable year. Provides that the credit may be carried forward for a period of 5 years and is exempt from the Act's automatic sunset provisions. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Income Tax Act is amended by adding Section 224 as follows:

(35 ILCS 5/224 new)

Sec. 224. Renewable fuels. For taxable years beginning on or after January 1, 2014, each taxpayer that is engaged in the business of manufacturing renewable fuels is entitled to a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to 1% of the basis of qualified property that (i) is used for the production of renewable fuels and (ii) is placed in service by the taxpayer during the taxable year. For the purposes of this Section, "renewable fuel" has the meaning ascribed to that term in the Illinois Renewable Fuels Development Program Act.

For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there shall be allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue

Code.

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

This Section is exempt from the provisions of Section 250.

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