



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 350

2 AMENDMENT NO. _____. Amend Senate Bill 350 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The State Revenue Sharing Act is amended by
5 changing Section 1 as follows:

6 (30 ILCS 115/1) (from Ch. 85, par. 611)

7 Sec. 1. Local Government Distributive Fund.

8 (a) Through June 30, 1994, as soon as may be after the
9 first day of each month the Department of Revenue shall certify
10 to the Treasurer an amount equal to 1/12 of the net revenue
11 realized from the tax imposed by subsections (a) and (b) of
12 Section 201 of the Illinois Income Tax Act during the preceding
13 month.

14 Beginning July 1, 1994, and continuing through June 30,
15 1995, as soon as may be after the first day of each month, the
16 Department of Revenue shall certify to the Treasurer an amount

1 equal to 1/11 of the net revenue realized from the tax imposed
2 by subsections (a) and (b) of Section 201 of the Illinois
3 Income Tax Act during the preceding month.

4 Beginning July 1, 1995 and continuing through January 31,
5 2011, as soon as may be after the first day of each month, the
6 Department of Revenue shall certify to the Treasurer an amount
7 equal to 1/10 of the net revenue realized from the tax imposed
8 by subsections (a) and (b) of Section 201 of the Illinois
9 Income Tax Act during the preceding month.

10 For the purpose of this subsection (a), net ~~Net~~ revenue
11 realized for a month shall be defined as the revenue from the
12 tax imposed by subsections (a) and (b) of Section 201 of the
13 Illinois Income Tax Act which is deposited in the General
14 Revenue Fund, the Education Assistance Fund and the Income Tax
15 Surcharge Local Government Distributive Fund during the month
16 minus the amount paid out of the General Revenue Fund in State
17 warrants during that same month as refunds to taxpayers for
18 overpayment of liability under the tax imposed by subsections
19 (a) and (b) of Section 201 of the Illinois Income Tax Act.

20 Upon receipt of a ~~such~~ certification under this subsection
21 (a), the Treasurer shall transfer from the General Revenue Fund
22 to a special fund in the State treasury, to be known as the
23 "Local Government Distributive Fund", the amount shown on such
24 certification.

25 (b) Beginning February 1, 2011, for all payments collected
26 on or after December 31, 2010, the Treasurer shall transfer

1 from the General Revenue Fund into the Local Government
2 Distributive Fund the amounts required to be transferred under
3 subsection (b) of Section 901 of the Illinois Income Tax Act.

4 (c) All amounts paid into the Local Government Distributive
5 Fund in accordance with this Section and allocated pursuant to
6 this Act are appropriated on a continuing basis.

7 (Source: P.A. 88-89.)

8 Section 10. If and only if Senate Joint Resolution
9 Constitutional Amendment 40 of the 98th General Assembly is
10 adopted in accordance with Section 7 of the Illinois
11 Constitutional Amendment Act, the Illinois Income Tax Act is
12 amended by changing Sections 201, 502, and 901 as follows:

13 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

14 Sec. 201. Tax Imposed.

15 (a) In general. A tax measured by net income is hereby
16 imposed on every individual, corporation, trust and estate for
17 each taxable year ending after July 31, 1969 on the privilege
18 of earning or receiving income in or as a resident of this
19 State. Such tax shall be in addition to all other occupation or
20 privilege taxes imposed by this State or by any municipal
21 corporation or political subdivision thereof.

22 (b) Rates. The tax imposed by subsection (a) of this
23 Section shall be determined as follows, except as adjusted by
24 subsection (d-1):

1 (1) In the case of an individual, trust or estate, for
2 taxable years ending prior to July 1, 1989, an amount equal
3 to 2 1/2% of the taxpayer's net income for the taxable
4 year.

5 (2) In the case of an individual, trust or estate, for
6 taxable years beginning prior to July 1, 1989 and ending
7 after June 30, 1989, an amount equal to the sum of (i) 2
8 1/2% of the taxpayer's net income for the period prior to
9 July 1, 1989, as calculated under Section 202.3, and (ii)
10 3% of the taxpayer's net income for the period after June
11 30, 1989, as calculated under Section 202.3.

12 (3) In the case of an individual, trust or estate, for
13 taxable years beginning after June 30, 1989, and ending
14 prior to January 1, 2011, an amount equal to 3% of the
15 taxpayer's net income for the taxable year.

16 (4) In the case of an individual, trust, or estate, for
17 taxable years beginning prior to January 1, 2011, and
18 ending after December 31, 2010, an amount equal to the sum
19 of (i) 3% of the taxpayer's net income for the period prior
20 to January 1, 2011, as calculated under Section 202.5, and
21 (ii) 5% of the taxpayer's net income for the period after
22 December 31, 2010, as calculated under Section 202.5.

23 (5) In the case of an individual, trust, or estate, for
24 taxable years beginning on or after January 1, 2011, and
25 ending prior to December 31, 2015 ~~January 1, 2015~~, an
26 amount equal to 5% of the taxpayer's net income for the

1 taxable year.

2 (5.1) Graduated rates.

3 (A) In the case of an individual, spouses filing a
4 joint return, a trust, or an estate, for taxable years
5 ending on or after December 31, 2015, the tax imposed
6 by subsection (a) of this Section shall be computed at
7 the following rates:

8 (i) on that portion of the taxpayer's net
9 income that does not exceed \$12,500, 2.9%; plus

10 (ii) on that portion of the taxpayer's net
11 income exceeding \$12,500, but not exceeding
12 \$180,000, 4.9%; plus

13 (iii) on that portion of the taxpayer's net
14 income exceeding \$180,000, 6.9%.

15 (B) In the case of a nonresident or part-year
16 resident, the tax liability shall be determined by
17 applying the rates in this paragraph (5.1) to the net
18 income of the taxpayer computed as if the taxpayer were
19 a resident for the entire taxable year, and multiplying
20 the result by a fraction equal to the taxpayer's net
21 income (before the allowance of the net loss deduction
22 under Section 207 of this Act in the case of a trust or
23 estate) divided by the net income (before the allowance
24 of the net loss deduction under Section 207 of this Act
25 in the case of a trust or estate) computed as if the
26 taxpayer were a resident for the entire taxable year,

1 provided that the fraction may not exceed 100%.

2 ~~In the case of an individual, trust, or estate, for~~
3 ~~taxable years beginning prior to January 1, 2015, and~~
4 ~~ending after December 31, 2014, an amount equal to the sum~~
5 ~~of (i) 5% of the taxpayer's net income for the period prior~~
6 ~~to January 1, 2015, as calculated under Section 202.5, and~~
7 ~~(ii) 3.75% of the taxpayer's net income for the period~~
8 ~~after December 31, 2014, as calculated under Section 202.5.~~

9 (5.2) (Blank). ~~In the case of an individual, trust, or~~
10 ~~estate, for taxable years beginning on or after January 1,~~
11 ~~2015, and ending prior to January 1, 2025, an amount equal~~
12 ~~to 3.75% of the taxpayer's net income for the taxable year.~~

13 (5.3) (Blank). ~~In the case of an individual, trust, or~~
14 ~~estate, for taxable years beginning prior to January 1,~~
15 ~~2025, and ending after December 31, 2024, an amount equal~~
16 ~~to the sum of (i) 3.75% of the taxpayer's net income for~~
17 ~~the period prior to January 1, 2025, as calculated under~~
18 ~~Section 202.5, and (ii) 3.25% of the taxpayer's net income~~
19 ~~for the period after December 31, 2024, as calculated under~~
20 ~~Section 202.5.~~

21 (5.4) (Blank). ~~In the case of an individual, trust, or~~
22 ~~estate, for taxable years beginning on or after January 1,~~
23 ~~2025, an amount equal to 3.25% of the taxpayer's net income~~
24 ~~for the taxable year.~~

25 (6) In the case of a corporation, for taxable years
26 ending prior to July 1, 1989, an amount equal to 4% of the

1 taxpayer's net income for the taxable year.

2 (7) In the case of a corporation, for taxable years
3 beginning prior to July 1, 1989 and ending after June 30,
4 1989, an amount equal to the sum of (i) 4% of the
5 taxpayer's net income for the period prior to July 1, 1989,
6 as calculated under Section 202.3, and (ii) 4.8% of the
7 taxpayer's net income for the period after June 30, 1989,
8 as calculated under Section 202.3.

9 (8) In the case of a corporation, for taxable years
10 beginning after June 30, 1989, and ending prior to January
11 1, 2011, an amount equal to 4.8% of the taxpayer's net
12 income for the taxable year.

13 (9) In the case of a corporation, for taxable years
14 beginning prior to January 1, 2011, and ending after
15 December 31, 2010, an amount equal to the sum of (i) 4.8%
16 of the taxpayer's net income for the period prior to
17 January 1, 2011, as calculated under Section 202.5, and
18 (ii) 7% of the taxpayer's net income for the period after
19 December 31, 2010, as calculated under Section 202.5.

20 (10) In the case of a corporation, for taxable years
21 beginning on or after January 1, 2011, and ending prior to
22 December 31, 2015 ~~January 1, 2015~~, an amount equal to 7% of
23 the taxpayer's net income for the taxable year.

24 (11) In the case of a corporation, for taxable years
25 ending on or after December 31, 2015, the tax imposed by
26 subsection (a) of this Section shall be computed at the

1 following rates:

2 (i) on that portion of the corporation's net income
3 that does not exceed \$12,500, 2.9%; plus

4 (ii) on that portion of the corporation's net
5 income exceeding \$12,500, but not exceeding \$180,000,
6 4.9%; plus

7 (iii) on that portion of the corporation's net
8 income exceeding \$180,000, 6.9%.

9 The corporation's tax liability shall be determined by
10 applying the table in this paragraph (11) to the net income
11 of the corporation computed as if it were a resident, and
12 multiplying the result by a fraction equal to the
13 corporation's net income (before the allowance of the net
14 loss deduction under Section 207 of this Act) divided by
15 the net income (before the allowance of the net loss
16 deduction under Section 207 of this Act) computed as if it
17 were a resident, provided that the fraction may not exceed
18 100%.

19 ~~In the case of a corporation, for taxable years~~
20 ~~beginning prior to January 1, 2015, and ending after~~
21 ~~December 31, 2014, an amount equal to the sum of (i) 7% of~~
22 ~~the taxpayer's net income for the period prior to January~~
23 ~~1, 2015, as calculated under Section 202.5, and (ii) 5.25%~~
24 ~~of the taxpayer's net income for the period after December~~
25 ~~31, 2014, as calculated under Section 202.5.~~

26 (12) (Blank). ~~In the case of a corporation, for taxable~~

1 ~~years beginning on or after January 1, 2015, and ending~~
2 ~~prior to January 1, 2025, an amount equal to 5.25% of the~~
3 ~~taxpayer's net income for the taxable year.~~

4 (13) (Blank). ~~In the case of a corporation, for taxable~~
5 ~~years beginning prior to January 1, 2025, and ending after~~
6 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~
7 ~~of the taxpayer's net income for the period prior to~~
8 ~~January 1, 2025, as calculated under Section 202.5, and~~
9 ~~(ii) 4.8% of the taxpayer's net income for the period after~~
10 ~~December 31, 2024, as calculated under Section 202.5.~~

11 (14) (Blank). ~~In the case of a corporation, for taxable~~
12 ~~years beginning on or after January 1, 2025, an amount~~
13 ~~equal to 4.8% of the taxpayer's net income for the taxable~~
14 ~~year.~~

15 ~~The rates under this subsection (b) are subject to the~~
16 ~~provisions of Section 201.5.~~

17 (c) Personal Property Tax Replacement Income Tax.
18 Beginning on July 1, 1979 and thereafter, in addition to such
19 income tax, there is also hereby imposed the Personal Property
20 Tax Replacement Income Tax measured by net income on every
21 corporation (including Subchapter S corporations), partnership
22 and trust, for each taxable year ending after June 30, 1979.
23 Such taxes are imposed on the privilege of earning or receiving
24 income in or as a resident of this State. The Personal Property
25 Tax Replacement Income Tax shall be in addition to the income
26 tax imposed by subsections (a) and (b) of this Section and in

1 addition to all other occupation or privilege taxes imposed by
2 this State or by any municipal corporation or political
3 subdivision thereof.

4 (d) Additional Personal Property Tax Replacement Income
5 Tax Rates. The personal property tax replacement income tax
6 imposed by this subsection and subsection (c) of this Section
7 in the case of a corporation, other than a Subchapter S
8 corporation and except as adjusted by subsection (d-1), shall
9 be an additional amount equal to 2.85% of such taxpayer's net
10 income for the taxable year, except that beginning on January
11 1, 1981, and thereafter, the rate of 2.85% specified in this
12 subsection shall be reduced to 2.5%, and in the case of a
13 partnership, trust or a Subchapter S corporation shall be an
14 additional amount equal to 1.5% of such taxpayer's net income
15 for the taxable year.

16 (d-1) Rate reduction for certain foreign insurers. In the
17 case of a foreign insurer, as defined by Section 35A-5 of the
18 Illinois Insurance Code, whose state or country of domicile
19 imposes on insurers domiciled in Illinois a retaliatory tax
20 (excluding any insurer whose premiums from reinsurance assumed
21 are 50% or more of its total insurance premiums as determined
22 under paragraph (2) of subsection (b) of Section 304, except
23 that for purposes of this determination premiums from
24 reinsurance do not include premiums from inter-affiliate
25 reinsurance arrangements), beginning with taxable years ending
26 on or after December 31, 1999, the sum of the rates of tax

1 imposed by subsections (b) and (d) shall be reduced (but not
2 increased) to the rate at which the total amount of tax imposed
3 under this Act, net of all credits allowed under this Act,
4 shall equal (i) the total amount of tax that would be imposed
5 on the foreign insurer's net income allocable to Illinois for
6 the taxable year by such foreign insurer's state or country of
7 domicile if that net income were subject to all income taxes
8 and taxes measured by net income imposed by such foreign
9 insurer's state or country of domicile, net of all credits
10 allowed or (ii) a rate of zero if no such tax is imposed on such
11 income by the foreign insurer's state of domicile. For the
12 purposes of this subsection (d-1), an inter-affiliate includes
13 a mutual insurer under common management.

14 (1) For the purposes of subsection (d-1), in no event
15 shall the sum of the rates of tax imposed by subsections
16 (b) and (d) be reduced below the rate at which the sum of:

17 (A) the total amount of tax imposed on such foreign
18 insurer under this Act for a taxable year, net of all
19 credits allowed under this Act, plus

20 (B) the privilege tax imposed by Section 409 of the
21 Illinois Insurance Code, the fire insurance company
22 tax imposed by Section 12 of the Fire Investigation
23 Act, and the fire department taxes imposed under
24 Section 11-10-1 of the Illinois Municipal Code,
25 equals 1.25% for taxable years ending prior to December 31,
26 2003, or 1.75% for taxable years ending on or after

1 December 31, 2003, of the net taxable premiums written for
2 the taxable year, as described by subsection (1) of Section
3 409 of the Illinois Insurance Code. This paragraph will in
4 no event increase the rates imposed under subsections (b)
5 and (d).

6 (2) Any reduction in the rates of tax imposed by this
7 subsection shall be applied first against the rates imposed
8 by subsection (b) and only after the tax imposed by
9 subsection (a) net of all credits allowed under this
10 Section other than the credit allowed under subsection (i)
11 has been reduced to zero, against the rates imposed by
12 subsection (d).

13 This subsection (d-1) is exempt from the provisions of
14 Section 250.

15 (e) Investment credit. A taxpayer shall be allowed a credit
16 against the Personal Property Tax Replacement Income Tax for
17 investment in qualified property.

18 (1) A taxpayer shall be allowed a credit equal to .5%
19 of the basis of qualified property placed in service during
20 the taxable year, provided such property is placed in
21 service on or after July 1, 1984. There shall be allowed an
22 additional credit equal to .5% of the basis of qualified
23 property placed in service during the taxable year,
24 provided such property is placed in service on or after
25 July 1, 1986, and the taxpayer's base employment within
26 Illinois has increased by 1% or more over the preceding

1 year as determined by the taxpayer's employment records
2 filed with the Illinois Department of Employment Security.
3 Taxpayers who are new to Illinois shall be deemed to have
4 met the 1% growth in base employment for the first year in
5 which they file employment records with the Illinois
6 Department of Employment Security. The provisions added to
7 this Section by Public Act 85-1200 (and restored by Public
8 Act 87-895) shall be construed as declaratory of existing
9 law and not as a new enactment. If, in any year, the
10 increase in base employment within Illinois over the
11 preceding year is less than 1%, the additional credit shall
12 be limited to that percentage times a fraction, the
13 numerator of which is .5% and the denominator of which is
14 1%, but shall not exceed .5%. The investment credit shall
15 not be allowed to the extent that it would reduce a
16 taxpayer's liability in any tax year below zero, nor may
17 any credit for qualified property be allowed for any year
18 other than the year in which the property was placed in
19 service in Illinois. For tax years ending on or after
20 December 31, 1987, and on or before December 31, 1988, the
21 credit shall be allowed for the tax year in which the
22 property is placed in service, or, if the amount of the
23 credit exceeds the tax liability for that year, whether it
24 exceeds the original liability or the liability as later
25 amended, such excess may be carried forward and applied to
26 the tax liability of the 5 taxable years following the

1 excess credit years if the taxpayer (i) makes investments
2 which cause the creation of a minimum of 2,000 full-time
3 equivalent jobs in Illinois, (ii) is located in an
4 enterprise zone established pursuant to the Illinois
5 Enterprise Zone Act and (iii) is certified by the
6 Department of Commerce and Community Affairs (now
7 Department of Commerce and Economic Opportunity) as
8 complying with the requirements specified in clause (i) and
9 (ii) by July 1, 1986. The Department of Commerce and
10 Community Affairs (now Department of Commerce and Economic
11 Opportunity) shall notify the Department of Revenue of all
12 such certifications immediately. For tax years ending
13 after December 31, 1988, the credit shall be allowed for
14 the tax year in which the property is placed in service,
15 or, if the amount of the credit exceeds the tax liability
16 for that year, whether it exceeds the original liability or
17 the liability as later amended, such excess may be carried
18 forward and applied to the tax liability of the 5 taxable
19 years following the excess credit years. The credit shall
20 be applied to the earliest year for which there is a
21 liability. If there is credit from more than one tax year
22 that is available to offset a liability, earlier credit
23 shall be applied first.

24 (2) The term "qualified property" means property
25 which:

26 (A) is tangible, whether new or used, including

1 buildings and structural components of buildings and
2 signs that are real property, but not including land or
3 improvements to real property that are not a structural
4 component of a building such as landscaping, sewer
5 lines, local access roads, fencing, parking lots, and
6 other appurtenances;

7 (B) is depreciable pursuant to Section 167 of the
8 Internal Revenue Code, except that "3-year property"
9 as defined in Section 168(c)(2)(A) of that Code is not
10 eligible for the credit provided by this subsection
11 (e);

12 (C) is acquired by purchase as defined in Section
13 179(d) of the Internal Revenue Code;

14 (D) is used in Illinois by a taxpayer who is
15 primarily engaged in manufacturing, or in mining coal
16 or fluorite, or in retailing, or was placed in service
17 on or after July 1, 2006 in a River Edge Redevelopment
18 Zone established pursuant to the River Edge
19 Redevelopment Zone Act; and

20 (E) has not previously been used in Illinois in
21 such a manner and by such a person as would qualify for
22 the credit provided by this subsection (e) or
23 subsection (f).

24 (3) For purposes of this subsection (e),
25 "manufacturing" means the material staging and production
26 of tangible personal property by procedures commonly

1 regarded as manufacturing, processing, fabrication, or
2 assembling which changes some existing material into new
3 shapes, new qualities, or new combinations. For purposes of
4 this subsection (e) the term "mining" shall have the same
5 meaning as the term "mining" in Section 613(c) of the
6 Internal Revenue Code. For purposes of this subsection (e),
7 the term "retailing" means the sale of tangible personal
8 property for use or consumption and not for resale, or
9 services rendered in conjunction with the sale of tangible
10 personal property for use or consumption and not for
11 resale. For purposes of this subsection (e), "tangible
12 personal property" has the same meaning as when that term
13 is used in the Retailers' Occupation Tax Act, and, for
14 taxable years ending after December 31, 2008, does not
15 include the generation, transmission, or distribution of
16 electricity.

17 (4) The basis of qualified property shall be the basis
18 used to compute the depreciation deduction for federal
19 income tax purposes.

20 (5) If the basis of the property for federal income tax
21 depreciation purposes is increased after it has been placed
22 in service in Illinois by the taxpayer, the amount of such
23 increase shall be deemed property placed in service on the
24 date of such increase in basis.

25 (6) The term "placed in service" shall have the same
26 meaning as under Section 46 of the Internal Revenue Code.

1 (7) If during any taxable year, any property ceases to
2 be qualified property in the hands of the taxpayer within
3 48 months after being placed in service, or the situs of
4 any qualified property is moved outside Illinois within 48
5 months after being placed in service, the Personal Property
6 Tax Replacement Income Tax for such taxable year shall be
7 increased. Such increase shall be determined by (i)
8 recomputing the investment credit which would have been
9 allowed for the year in which credit for such property was
10 originally allowed by eliminating such property from such
11 computation and, (ii) subtracting such recomputed credit
12 from the amount of credit previously allowed. For the
13 purposes of this paragraph (7), a reduction of the basis of
14 qualified property resulting from a redetermination of the
15 purchase price shall be deemed a disposition of qualified
16 property to the extent of such reduction.

17 (8) Unless the investment credit is extended by law,
18 the basis of qualified property shall not include costs
19 incurred after December 31, 2018, except for costs incurred
20 pursuant to a binding contract entered into on or before
21 December 31, 2018.

22 (9) Each taxable year ending before December 31, 2000,
23 a partnership may elect to pass through to its partners the
24 credits to which the partnership is entitled under this
25 subsection (e) for the taxable year. A partner may use the
26 credit allocated to him or her under this paragraph only

1 against the tax imposed in subsections (c) and (d) of this
2 Section. If the partnership makes that election, those
3 credits shall be allocated among the partners in the
4 partnership in accordance with the rules set forth in
5 Section 704(b) of the Internal Revenue Code, and the rules
6 promulgated under that Section, and the allocated amount of
7 the credits shall be allowed to the partners for that
8 taxable year. The partnership shall make this election on
9 its Personal Property Tax Replacement Income Tax return for
10 that taxable year. The election to pass through the credits
11 shall be irrevocable.

12 For taxable years ending on or after December 31, 2000,
13 a partner that qualifies its partnership for a subtraction
14 under subparagraph (I) of paragraph (2) of subsection (d)
15 of Section 203 or a shareholder that qualifies a Subchapter
16 S corporation for a subtraction under subparagraph (S) of
17 paragraph (2) of subsection (b) of Section 203 shall be
18 allowed a credit under this subsection (e) equal to its
19 share of the credit earned under this subsection (e) during
20 the taxable year by the partnership or Subchapter S
21 corporation, determined in accordance with the
22 determination of income and distributive share of income
23 under Sections 702 and 704 and Subchapter S of the Internal
24 Revenue Code. This paragraph is exempt from the provisions
25 of Section 250.

26 (f) Investment credit; Enterprise Zone; River Edge

1 Redevelopment Zone.

2 (1) A taxpayer shall be allowed a credit against the
3 tax imposed by subsections (a) and (b) of this Section for
4 investment in qualified property which is placed in service
5 in an Enterprise Zone created pursuant to the Illinois
6 Enterprise Zone Act or, for property placed in service on
7 or after July 1, 2006, a River Edge Redevelopment Zone
8 established pursuant to the River Edge Redevelopment Zone
9 Act. For partners, shareholders of Subchapter S
10 corporations, and owners of limited liability companies,
11 if the liability company is treated as a partnership for
12 purposes of federal and State income taxation, there shall
13 be allowed a credit under this subsection (f) to be
14 determined in accordance with the determination of income
15 and distributive share of income under Sections 702 and 704
16 and Subchapter S of the Internal Revenue Code. The credit
17 shall be .5% of the basis for such property. The credit
18 shall be available only in the taxable year in which the
19 property is placed in service in the Enterprise Zone or
20 River Edge Redevelopment Zone and shall not be allowed to
21 the extent that it would reduce a taxpayer's liability for
22 the tax imposed by subsections (a) and (b) of this Section
23 to below zero. For tax years ending on or after December
24 31, 1985, the credit shall be allowed for the tax year in
25 which the property is placed in service, or, if the amount
26 of the credit exceeds the tax liability for that year,

1 whether it exceeds the original liability or the liability
2 as later amended, such excess may be carried forward and
3 applied to the tax liability of the 5 taxable years
4 following the excess credit year. The credit shall be
5 applied to the earliest year for which there is a
6 liability. If there is credit from more than one tax year
7 that is available to offset a liability, the credit
8 accruing first in time shall be applied first.

9 (2) The term qualified property means property which:

10 (A) is tangible, whether new or used, including
11 buildings and structural components of buildings;

12 (B) is depreciable pursuant to Section 167 of the
13 Internal Revenue Code, except that "3-year property"
14 as defined in Section 168(c)(2)(A) of that Code is not
15 eligible for the credit provided by this subsection
16 (f);

17 (C) is acquired by purchase as defined in Section
18 179(d) of the Internal Revenue Code;

19 (D) is used in the Enterprise Zone or River Edge
20 Redevelopment Zone by the taxpayer; and

21 (E) has not been previously used in Illinois in
22 such a manner and by such a person as would qualify for
23 the credit provided by this subsection (f) or
24 subsection (e).

25 (3) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

2 (4) If the basis of the property for federal income tax
3 depreciation purposes is increased after it has been placed
4 in service in the Enterprise Zone or River Edge
5 Redevelopment Zone by the taxpayer, the amount of such
6 increase shall be deemed property placed in service on the
7 date of such increase in basis.

8 (5) The term "placed in service" shall have the same
9 meaning as under Section 46 of the Internal Revenue Code.

10 (6) If during any taxable year, any property ceases to
11 be qualified property in the hands of the taxpayer within
12 48 months after being placed in service, or the situs of
13 any qualified property is moved outside the Enterprise Zone
14 or River Edge Redevelopment Zone within 48 months after
15 being placed in service, the tax imposed under subsections
16 (a) and (b) of this Section for such taxable year shall be
17 increased. Such increase shall be determined by (i)
18 recomputing the investment credit which would have been
19 allowed for the year in which credit for such property was
20 originally allowed by eliminating such property from such
21 computation, and (ii) subtracting such recomputed credit
22 from the amount of credit previously allowed. For the
23 purposes of this paragraph (6), a reduction of the basis of
24 qualified property resulting from a redetermination of the
25 purchase price shall be deemed a disposition of qualified
26 property to the extent of such reduction.

1 (7) There shall be allowed an additional credit equal
2 to 0.5% of the basis of qualified property placed in
3 service during the taxable year in a River Edge
4 Redevelopment Zone, provided such property is placed in
5 service on or after July 1, 2006, and the taxpayer's base
6 employment within Illinois has increased by 1% or more over
7 the preceding year as determined by the taxpayer's
8 employment records filed with the Illinois Department of
9 Employment Security. Taxpayers who are new to Illinois
10 shall be deemed to have met the 1% growth in base
11 employment for the first year in which they file employment
12 records with the Illinois Department of Employment
13 Security. If, in any year, the increase in base employment
14 within Illinois over the preceding year is less than 1%,
15 the additional credit shall be limited to that percentage
16 times a fraction, the numerator of which is 0.5% and the
17 denominator of which is 1%, but shall not exceed 0.5%.

18 (g) (Blank).

19 (h) Investment credit; High Impact Business.

20 (1) Subject to subsections (b) and (b-5) of Section 5.5
21 of the Illinois Enterprise Zone Act, a taxpayer shall be
22 allowed a credit against the tax imposed by subsections (a)
23 and (b) of this Section for investment in qualified
24 property which is placed in service by a Department of
25 Commerce and Economic Opportunity designated High Impact
26 Business. The credit shall be .5% of the basis for such

1 property. The credit shall not be available (i) until the
2 minimum investments in qualified property set forth in
3 subdivision (a)(3)(A) of Section 5.5 of the Illinois
4 Enterprise Zone Act have been satisfied or (ii) until the
5 time authorized in subsection (b-5) of the Illinois
6 Enterprise Zone Act for entities designated as High Impact
7 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
8 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
9 Act, and shall not be allowed to the extent that it would
10 reduce a taxpayer's liability for the tax imposed by
11 subsections (a) and (b) of this Section to below zero. The
12 credit applicable to such investments shall be taken in the
13 taxable year in which such investments have been completed.
14 The credit for additional investments beyond the minimum
15 investment by a designated high impact business authorized
16 under subdivision (a)(3)(A) of Section 5.5 of the Illinois
17 Enterprise Zone Act shall be available only in the taxable
18 year in which the property is placed in service and shall
19 not be allowed to the extent that it would reduce a
20 taxpayer's liability for the tax imposed by subsections (a)
21 and (b) of this Section to below zero. For tax years ending
22 on or after December 31, 1987, the credit shall be allowed
23 for the tax year in which the property is placed in
24 service, or, if the amount of the credit exceeds the tax
25 liability for that year, whether it exceeds the original
26 liability or the liability as later amended, such excess

1 may be carried forward and applied to the tax liability of
2 the 5 taxable years following the excess credit year. The
3 credit shall be applied to the earliest year for which
4 there is a liability. If there is credit from more than one
5 tax year that is available to offset a liability, the
6 credit accruing first in time shall be applied first.

7 Changes made in this subdivision (h) (1) by Public Act
8 88-670 restore changes made by Public Act 85-1182 and
9 reflect existing law.

10 (2) The term qualified property means property which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings;

13 (B) is depreciable pursuant to Section 167 of the
14 Internal Revenue Code, except that "3-year property"
15 as defined in Section 168(c) (2) (A) of that Code is not
16 eligible for the credit provided by this subsection
17 (h);

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code; and

20 (D) is not eligible for the Enterprise Zone
21 Investment Credit provided by subsection (f) of this
22 Section.

23 (3) The basis of qualified property shall be the basis
24 used to compute the depreciation deduction for federal
25 income tax purposes.

26 (4) If the basis of the property for federal income tax

1 depreciation purposes is increased after it has been placed
2 in service in a federally designated Foreign Trade Zone or
3 Sub-Zone located in Illinois by the taxpayer, the amount of
4 such increase shall be deemed property placed in service on
5 the date of such increase in basis.

6 (5) The term "placed in service" shall have the same
7 meaning as under Section 46 of the Internal Revenue Code.

8 (6) If during any taxable year ending on or before
9 December 31, 1996, any property ceases to be qualified
10 property in the hands of the taxpayer within 48 months
11 after being placed in service, or the situs of any
12 qualified property is moved outside Illinois within 48
13 months after being placed in service, the tax imposed under
14 subsections (a) and (b) of this Section for such taxable
15 year shall be increased. Such increase shall be determined
16 by (i) recomputing the investment credit which would have
17 been allowed for the year in which credit for such property
18 was originally allowed by eliminating such property from
19 such computation, and (ii) subtracting such recomputed
20 credit from the amount of credit previously allowed. For
21 the purposes of this paragraph (6), a reduction of the
22 basis of qualified property resulting from a
23 redetermination of the purchase price shall be deemed a
24 disposition of qualified property to the extent of such
25 reduction.

26 (7) Beginning with tax years ending after December 31,

1 1996, if a taxpayer qualifies for the credit under this
2 subsection (h) and thereby is granted a tax abatement and
3 the taxpayer relocates its entire facility in violation of
4 the explicit terms and length of the contract under Section
5 18-183 of the Property Tax Code, the tax imposed under
6 subsections (a) and (b) of this Section shall be increased
7 for the taxable year in which the taxpayer relocated its
8 facility by an amount equal to the amount of credit
9 received by the taxpayer under this subsection (h).

10 (i) Credit for Personal Property Tax Replacement Income
11 Tax. For tax years ending prior to December 31, 2003, a credit
12 shall be allowed against the tax imposed by subsections (a) and
13 (b) of this Section for the tax imposed by subsections (c) and
14 (d) of this Section. This credit shall be computed by
15 multiplying the tax imposed by subsections (c) and (d) of this
16 Section by a fraction, the numerator of which is base income
17 allocable to Illinois and the denominator of which is Illinois
18 base income, and further multiplying the product by the tax
19 rate imposed by subsections (a) and (b) of this Section.

20 Any credit earned on or after December 31, 1986 under this
21 subsection which is unused in the year the credit is computed
22 because it exceeds the tax liability imposed by subsections (a)
23 and (b) for that year (whether it exceeds the original
24 liability or the liability as later amended) may be carried
25 forward and applied to the tax liability imposed by subsections
26 (a) and (b) of the 5 taxable years following the excess credit

1 year, provided that no credit may be carried forward to any
2 year ending on or after December 31, 2003. This credit shall be
3 applied first to the earliest year for which there is a
4 liability. If there is a credit under this subsection from more
5 than one tax year that is available to offset a liability the
6 earliest credit arising under this subsection shall be applied
7 first.

8 If, during any taxable year ending on or after December 31,
9 1986, the tax imposed by subsections (c) and (d) of this
10 Section for which a taxpayer has claimed a credit under this
11 subsection (i) is reduced, the amount of credit for such tax
12 shall also be reduced. Such reduction shall be determined by
13 recomputing the credit to take into account the reduced tax
14 imposed by subsections (c) and (d). If any portion of the
15 reduced amount of credit has been carried to a different
16 taxable year, an amended return shall be filed for such taxable
17 year to reduce the amount of credit claimed.

18 (j) Training expense credit. Beginning with tax years
19 ending on or after December 31, 1986 and prior to December 31,
20 2003, a taxpayer shall be allowed a credit against the tax
21 imposed by subsections (a) and (b) under this Section for all
22 amounts paid or accrued, on behalf of all persons employed by
23 the taxpayer in Illinois or Illinois residents employed outside
24 of Illinois by a taxpayer, for educational or vocational
25 training in semi-technical or technical fields or semi-skilled
26 or skilled fields, which were deducted from gross income in the

1 computation of taxable income. The credit against the tax
2 imposed by subsections (a) and (b) shall be 1.6% of such
3 training expenses. For partners, shareholders of subchapter S
4 corporations, and owners of limited liability companies, if the
5 liability company is treated as a partnership for purposes of
6 federal and State income taxation, there shall be allowed a
7 credit under this subsection (j) to be determined in accordance
8 with the determination of income and distributive share of
9 income under Sections 702 and 704 and subchapter S of the
10 Internal Revenue Code.

11 Any credit allowed under this subsection which is unused in
12 the year the credit is earned may be carried forward to each of
13 the 5 taxable years following the year for which the credit is
14 first computed until it is used. This credit shall be applied
15 first to the earliest year for which there is a liability. If
16 there is a credit under this subsection from more than one tax
17 year that is available to offset a liability the earliest
18 credit arising under this subsection shall be applied first. No
19 carryforward credit may be claimed in any tax year ending on or
20 after December 31, 2003.

21 (k) Research and development credit. For tax years ending
22 after July 1, 1990 and prior to December 31, 2003, and
23 beginning again for tax years ending on or after December 31,
24 2004, and ending prior to January 1, 2016, a taxpayer shall be
25 allowed a credit against the tax imposed by subsections (a) and
26 (b) of this Section for increasing research activities in this

1 State. The credit allowed against the tax imposed by
2 subsections (a) and (b) shall be equal to 6 1/2% of the
3 qualifying expenditures for increasing research activities in
4 this State. For partners, shareholders of subchapter S
5 corporations, and owners of limited liability companies, if the
6 liability company is treated as a partnership for purposes of
7 federal and State income taxation, there shall be allowed a
8 credit under this subsection to be determined in accordance
9 with the determination of income and distributive share of
10 income under Sections 702 and 704 and subchapter S of the
11 Internal Revenue Code.

12 For purposes of this subsection, "qualifying expenditures"
13 means the qualifying expenditures as defined for the federal
14 credit for increasing research activities which would be
15 allowable under Section 41 of the Internal Revenue Code and
16 which are conducted in this State, "qualifying expenditures for
17 increasing research activities in this State" means the excess
18 of qualifying expenditures for the taxable year in which
19 incurred over qualifying expenditures for the base period,
20 "qualifying expenditures for the base period" means the average
21 of the qualifying expenditures for each year in the base
22 period, and "base period" means the 3 taxable years immediately
23 preceding the taxable year for which the determination is being
24 made.

25 Any credit in excess of the tax liability for the taxable
26 year may be carried forward. A taxpayer may elect to have the

1 unused credit shown on its final completed return carried over
2 as a credit against the tax liability for the following 5
3 taxable years or until it has been fully used, whichever occurs
4 first; provided that no credit earned in a tax year ending
5 prior to December 31, 2003 may be carried forward to any year
6 ending on or after December 31, 2003.

7 If an unused credit is carried forward to a given year from
8 2 or more earlier years, that credit arising in the earliest
9 year will be applied first against the tax liability for the
10 given year. If a tax liability for the given year still
11 remains, the credit from the next earliest year will then be
12 applied, and so on, until all credits have been used or no tax
13 liability for the given year remains. Any remaining unused
14 credit or credits then will be carried forward to the next
15 following year in which a tax liability is incurred, except
16 that no credit can be carried forward to a year which is more
17 than 5 years after the year in which the expense for which the
18 credit is given was incurred.

19 No inference shall be drawn from this amendatory Act of the
20 91st General Assembly in construing this Section for taxable
21 years beginning before January 1, 1999.

22 (1) Environmental Remediation Tax Credit.

23 (i) For tax years ending after December 31, 1997 and on
24 or before December 31, 2001, a taxpayer shall be allowed a
25 credit against the tax imposed by subsections (a) and (b)
26 of this Section for certain amounts paid for unreimbursed

1 eligible remediation costs, as specified in this
2 subsection. For purposes of this Section, "unreimbursed
3 eligible remediation costs" means costs approved by the
4 Illinois Environmental Protection Agency ("Agency") under
5 Section 58.14 of the Environmental Protection Act that were
6 paid in performing environmental remediation at a site for
7 which a No Further Remediation Letter was issued by the
8 Agency and recorded under Section 58.10 of the
9 Environmental Protection Act. The credit must be claimed
10 for the taxable year in which Agency approval of the
11 eligible remediation costs is granted. The credit is not
12 available to any taxpayer if the taxpayer or any related
13 party caused or contributed to, in any material respect, a
14 release of regulated substances on, in, or under the site
15 that was identified and addressed by the remedial action
16 pursuant to the Site Remediation Program of the
17 Environmental Protection Act. After the Pollution Control
18 Board rules are adopted pursuant to the Illinois
19 Administrative Procedure Act for the administration and
20 enforcement of Section 58.9 of the Environmental
21 Protection Act, determinations as to credit availability
22 for purposes of this Section shall be made consistent with
23 those rules. For purposes of this Section, "taxpayer"
24 includes a person whose tax attributes the taxpayer has
25 succeeded to under Section 381 of the Internal Revenue Code
26 and "related party" includes the persons disallowed a

1 deduction for losses by paragraphs (b), (c), and (f)(1) of
2 Section 267 of the Internal Revenue Code by virtue of being
3 a related taxpayer, as well as any of its partners. The
4 credit allowed against the tax imposed by subsections (a)
5 and (b) shall be equal to 25% of the unreimbursed eligible
6 remediation costs in excess of \$100,000 per site, except
7 that the \$100,000 threshold shall not apply to any site
8 contained in an enterprise zone as determined by the
9 Department of Commerce and Community Affairs (now
10 Department of Commerce and Economic Opportunity). The
11 total credit allowed shall not exceed \$40,000 per year with
12 a maximum total of \$150,000 per site. For partners and
13 shareholders of subchapter S corporations, there shall be
14 allowed a credit under this subsection to be determined in
15 accordance with the determination of income and
16 distributive share of income under Sections 702 and 704 and
17 subchapter S of the Internal Revenue Code.

18 (ii) A credit allowed under this subsection that is
19 unused in the year the credit is earned may be carried
20 forward to each of the 5 taxable years following the year
21 for which the credit is first earned until it is used. The
22 term "unused credit" does not include any amounts of
23 unreimbursed eligible remediation costs in excess of the
24 maximum credit per site authorized under paragraph (i).
25 This credit shall be applied first to the earliest year for
26 which there is a liability. If there is a credit under this

1 subsection from more than one tax year that is available to
2 offset a liability, the earliest credit arising under this
3 subsection shall be applied first. A credit allowed under
4 this subsection may be sold to a buyer as part of a sale of
5 all or part of the remediation site for which the credit
6 was granted. The purchaser of a remediation site and the
7 tax credit shall succeed to the unused credit and remaining
8 carry-forward period of the seller. To perfect the
9 transfer, the assignor shall record the transfer in the
10 chain of title for the site and provide written notice to
11 the Director of the Illinois Department of Revenue of the
12 assignor's intent to sell the remediation site and the
13 amount of the tax credit to be transferred as a portion of
14 the sale. In no event may a credit be transferred to any
15 taxpayer if the taxpayer or a related party would not be
16 eligible under the provisions of subsection (i).

17 (iii) For purposes of this Section, the term "site"
18 shall have the same meaning as under Section 58.2 of the
19 Environmental Protection Act.

20 (m) Education expense credit. Beginning with tax years
21 ending after December 31, 1999, a taxpayer who is the custodian
22 of one or more qualifying pupils shall be allowed a credit
23 against the tax imposed by subsections (a) and (b) of this
24 Section for qualified education expenses incurred on behalf of
25 the qualifying pupils. The credit shall be equal to 25% of
26 qualified education expenses, but in no event may the total

1 credit under this subsection claimed by a family that is the
2 custodian of qualifying pupils exceed \$500. In no event shall a
3 credit under this subsection reduce the taxpayer's liability
4 under this Act to less than zero. This subsection is exempt
5 from the provisions of Section 250 of this Act.

6 For purposes of this subsection:

7 "Qualifying pupils" means individuals who (i) are
8 residents of the State of Illinois, (ii) are under the age of
9 21 at the close of the school year for which a credit is
10 sought, and (iii) during the school year for which a credit is
11 sought were full-time pupils enrolled in a kindergarten through
12 twelfth grade education program at any school, as defined in
13 this subsection.

14 "Qualified education expense" means the amount incurred on
15 behalf of a qualifying pupil in excess of \$250 for tuition,
16 book fees, and lab fees at the school in which the pupil is
17 enrolled during the regular school year.

18 "School" means any public or nonpublic elementary or
19 secondary school in Illinois that is in compliance with Title
20 VI of the Civil Rights Act of 1964 and attendance at which
21 satisfies the requirements of Section 26-1 of the School Code,
22 except that nothing shall be construed to require a child to
23 attend any particular public or nonpublic school to qualify for
24 the credit under this Section.

25 "Custodian" means, with respect to qualifying pupils, an
26 Illinois resident who is a parent, the parents, a legal

1 guardian, or the legal guardians of the qualifying pupils.

2 (n) River Edge Redevelopment Zone site remediation tax
3 credit.

4 (i) For tax years ending on or after December 31, 2006,
5 a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) of this Section for
7 certain amounts paid for unreimbursed eligible remediation
8 costs, as specified in this subsection. For purposes of
9 this Section, "unreimbursed eligible remediation costs"
10 means costs approved by the Illinois Environmental
11 Protection Agency ("Agency") under Section 58.14a of the
12 Environmental Protection Act that were paid in performing
13 environmental remediation at a site within a River Edge
14 Redevelopment Zone for which a No Further Remediation
15 Letter was issued by the Agency and recorded under Section
16 58.10 of the Environmental Protection Act. The credit must
17 be claimed for the taxable year in which Agency approval of
18 the eligible remediation costs is granted. The credit is
19 not available to any taxpayer if the taxpayer or any
20 related party caused or contributed to, in any material
21 respect, a release of regulated substances on, in, or under
22 the site that was identified and addressed by the remedial
23 action pursuant to the Site Remediation Program of the
24 Environmental Protection Act. Determinations as to credit
25 availability for purposes of this Section shall be made
26 consistent with rules adopted by the Pollution Control

1 Board pursuant to the Illinois Administrative Procedure
2 Act for the administration and enforcement of Section 58.9
3 of the Environmental Protection Act. For purposes of this
4 Section, "taxpayer" includes a person whose tax attributes
5 the taxpayer has succeeded to under Section 381 of the
6 Internal Revenue Code and "related party" includes the
7 persons disallowed a deduction for losses by paragraphs
8 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
9 Code by virtue of being a related taxpayer, as well as any
10 of its partners. The credit allowed against the tax imposed
11 by subsections (a) and (b) shall be equal to 25% of the
12 unreimbursed eligible remediation costs in excess of
13 \$100,000 per site.

14 (ii) A credit allowed under this subsection that is
15 unused in the year the credit is earned may be carried
16 forward to each of the 5 taxable years following the year
17 for which the credit is first earned until it is used. This
18 credit shall be applied first to the earliest year for
19 which there is a liability. If there is a credit under this
20 subsection from more than one tax year that is available to
21 offset a liability, the earliest credit arising under this
22 subsection shall be applied first. A credit allowed under
23 this subsection may be sold to a buyer as part of a sale of
24 all or part of the remediation site for which the credit
25 was granted. The purchaser of a remediation site and the
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the
2 transfer, the assignor shall record the transfer in the
3 chain of title for the site and provide written notice to
4 the Director of the Illinois Department of Revenue of the
5 assignor's intent to sell the remediation site and the
6 amount of the tax credit to be transferred as a portion of
7 the sale. In no event may a credit be transferred to any
8 taxpayer if the taxpayer or a related party would not be
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"
11 shall have the same meaning as under Section 58.2 of the
12 Environmental Protection Act.

13 (o) For each of taxable years during the Compassionate Use
14 of Medical Cannabis Pilot Program, a surcharge is imposed on
15 all taxpayers on income arising from the sale or exchange of
16 capital assets, depreciable business property, real property
17 used in the trade or business, and Section 197 intangibles of
18 an organization registrant under the Compassionate Use of
19 Medical Cannabis Pilot Program Act. The amount of the surcharge
20 is equal to the amount of federal income tax liability for the
21 taxable year attributable to those sales and exchanges. The
22 surcharge imposed does not apply if:

23 (1) the medical cannabis cultivation center
24 registration, medical cannabis dispensary registration, or
25 the property of a registration is transferred as a result
26 of any of the following:

1 (A) bankruptcy, a receivership, or a debt
2 adjustment initiated by or against the initial
3 registration or the substantial owners of the initial
4 registration;

5 (B) cancellation, revocation, or termination of
6 any registration by the Illinois Department of Public
7 Health;

8 (C) a determination by the Illinois Department of
9 Public Health that transfer of the registration is in
10 the best interests of Illinois qualifying patients as
11 defined by the Compassionate Use of Medical Cannabis
12 Pilot Program Act;

13 (D) the death of an owner of the equity interest in
14 a registrant;

15 (E) the acquisition of a controlling interest in
16 the stock or substantially all of the assets of a
17 publicly traded company;

18 (F) a transfer by a parent company to a wholly
19 owned subsidiary; or

20 (G) the transfer or sale to or by one person to
21 another person where both persons were initial owners
22 of the registration when the registration was issued;
23 or

24 (2) the cannabis cultivation center registration,
25 medical cannabis dispensary registration, or the
26 controlling interest in a registrant's property is

1 transferred in a transaction to lineal descendants in which
2 no gain or loss is recognized or as a result of a
3 transaction in accordance with Section 351 of the Internal
4 Revenue Code in which no gain or loss is recognized.

5 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,
6 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; revised
7 8-9-13.)

8 (35 ILCS 5/502) (from Ch. 120, par. 5-502)

9 Sec. 502. Returns and notices.

10 (a) In general. A return with respect to the taxes imposed
11 by this Act shall be made by every person for any taxable year:

12 (1) for which such person is liable for a tax imposed
13 by this Act, or

14 (2) in the case of a resident or in the case of a
15 corporation which is qualified to do business in this
16 State, for which such person is required to make a federal
17 income tax return, regardless of whether such person is
18 liable for a tax imposed by this Act. However, this
19 paragraph shall not require a resident to make a return if
20 such person has an Illinois base income of the basic amount
21 in Section 204(b) or less and is either claimed as a
22 dependent on another person's tax return under the Internal
23 Revenue Code, or is claimed as a dependent on another
24 person's tax return under this Act.

25 Notwithstanding the provisions of paragraph (1), a

1 nonresident (other than, for taxable years ending on or after
2 December 31, 2011, a nonresident required to withhold tax under
3 Section 709.5) whose Illinois income tax liability under
4 subsections (a), (b), (c), and (d) of Section 201 of this Act
5 is paid in full after taking into account the credits allowed
6 under subsection (f) of this Section or allowed under Section
7 709.5 of this Act shall not be required to file a return under
8 this subsection (a).

9 (b) Fiduciaries and receivers.

10 (1) Decedents. If an individual is deceased, any return
11 or notice required of such individual under this Act shall
12 be made by his executor, administrator, or other person
13 charged with the property of such decedent.

14 (2) Individuals under a disability. If an individual is
15 unable to make a return or notice required under this Act,
16 the return or notice required of such individual shall be
17 made by his duly authorized agent, guardian, fiduciary or
18 other person charged with the care of the person or
19 property of such individual.

20 (3) Estates and trusts. Returns or notices required of
21 an estate or a trust shall be made by the fiduciary
22 thereof.

23 (4) Receivers, trustees and assignees for
24 corporations. In a case where a receiver, trustee in
25 bankruptcy, or assignee, by order of a court of competent
26 jurisdiction, by operation of law, or otherwise, has

1 possession of or holds title to all or substantially all
2 the property or business of a corporation, whether or not
3 such property or business is being operated, such receiver,
4 trustee, or assignee shall make the returns and notices
5 required of such corporation in the same manner and form as
6 corporations are required to make such returns and notices.

7 (c) Joint returns by husband and wife.

8 (1) Except as provided in paragraph (3):

9 (A) if a husband and wife file a joint federal
10 income tax return for a taxable year ending before
11 December 31, 2009, or for a taxable year ending on or
12 after December 31, 2015, they shall file a joint return
13 under this Act for such taxable year and their
14 liabilities shall be joint and several, and any
15 overpayment for that taxable year may be withheld under
16 Section 909 of this Act or under Section 2505-275 of
17 the Department of Revenue Law of the Civil
18 Administrative Code of Illinois and applied against a
19 debt of either spouse without regard to the amount of
20 the overpayment attributable to the other spouse;

21 (B) if a husband and wife file a joint federal
22 income tax return for a taxable year ending on or after
23 December 31, 2009, and prior to December 31, 2015, they
24 may elect to file separate returns under this Act for
25 such taxable year. The election under this paragraph
26 must be made on or before the due date (including

1 extensions) of the return and, once made, shall be
2 irrevocable. If no election is timely made under this
3 paragraph for a taxable year:

4 (i) the couple must file a joint return under
5 this Act for such taxable year,

6 (ii) their liabilities shall be joint and
7 several, and

8 (iii) any overpayment for that taxable year
9 may be withheld under Section 909 of this Act or
10 under Section 2505-275 of the Civil Administrative
11 Code of Illinois and applied against a debt of
12 either spouse without regard to the amount of the
13 overpayment attributable to the other spouse; and

14 (C) if the federal income tax liability of either
15 spouse is determined on a separate federal income tax
16 return, they shall file separate returns under this
17 Act.

18 (2) If neither spouse is required to file a federal
19 income tax return and either or both are required to file a
20 return under this Act, they may elect to file separate or
21 joint returns and pursuant to such election their
22 liabilities shall be separate or joint and several.

23 (3) For taxable years ending prior to December 31,
24 2015, if ~~If~~ either husband or wife is a resident and the
25 other is a nonresident, they shall file separate returns in
26 this State on such forms as may be required by the

1 Department in which event their tax liabilities shall be
2 separate; but if they file a joint federal income tax
3 return for a taxable year, they may elect to determine
4 their joint net income and file a joint return for that
5 taxable year under the provisions of paragraph (1) of this
6 subsection as if both were residents and in such case,
7 their liabilities shall be joint and several.

8 (4) Innocent spouses.

9 (A) However, for tax liabilities arising and paid
10 prior to August 13, 1999, an innocent spouse shall be
11 relieved of liability for tax (including interest and
12 penalties) for any taxable year for which a joint
13 return has been made, upon submission of proof that the
14 Internal Revenue Service has made a determination
15 under Section 6013(e) of the Internal Revenue Code, for
16 the same taxable year, which determination relieved
17 the spouse from liability for federal income taxes. If
18 there is no federal income tax liability at issue for
19 the same taxable year, the Department shall rely on the
20 provisions of Section 6013(e) to determine whether the
21 person requesting innocent spouse abatement of tax,
22 penalty, and interest is entitled to that relief.

23 (B) For tax liabilities arising on and after August
24 13, 1999 or which arose prior to that date, but remain
25 unpaid as of that date, if an individual who filed a
26 joint return for any taxable year has made an election

1 under this paragraph, the individual's liability for
2 any tax shown on the joint return shall not exceed the
3 individual's separate return amount and the
4 individual's liability for any deficiency assessed for
5 that taxable year shall not exceed the portion of the
6 deficiency properly allocable to the individual. For
7 purposes of this paragraph:

8 (i) An election properly made pursuant to
9 Section 6015 of the Internal Revenue Code shall
10 constitute an election under this paragraph,
11 provided that the election shall not be effective
12 until the individual has notified the Department
13 of the election in the form and manner prescribed
14 by the Department.

15 (ii) If no election has been made under Section
16 6015, the individual may make an election under
17 this paragraph in the form and manner prescribed by
18 the Department, provided that no election may be
19 made if the Department finds that assets were
20 transferred between individuals filing a joint
21 return as part of a scheme by such individuals to
22 avoid payment of Illinois income tax and the
23 election shall not eliminate the individual's
24 liability for any portion of a deficiency
25 attributable to an error on the return of which the
26 individual had actual knowledge as of the date of

1 filing.

2 (iii) In determining the separate return
3 amount or portion of any deficiency attributable
4 to an individual, the Department shall follow the
5 provisions in subsections (c) and (d) of Section
6 6015 of the Internal Revenue Code.

7 (iv) In determining the validity of an
8 individual's election under subparagraph (ii) and
9 in determining an electing individual's separate
10 return amount or portion of any deficiency under
11 subparagraph (iii), any determination made by the
12 Secretary of the Treasury, by the United States Tax
13 Court on petition for review of a determination by
14 the Secretary of the Treasury, or on appeal from
15 the United States Tax Court under Section 6015 of
16 the Internal Revenue Code regarding criteria for
17 eligibility or under subsection (d) of Section
18 6015 of the Internal Revenue Code regarding the
19 allocation of any item of income, deduction,
20 payment, or credit between an individual making
21 the federal election and that individual's spouse
22 shall be conclusively presumed to be correct. With
23 respect to any item that is not the subject of a
24 determination by the Secretary of the Treasury or
25 the federal courts, in any proceeding involving
26 this subsection, the individual making the

1 election shall have the burden of proof with
2 respect to any item except that the Department
3 shall have the burden of proof with respect to
4 items in subdivision (ii).

5 (v) Any election made by an individual under
6 this subsection shall apply to all years for which
7 that individual and the spouse named in the
8 election have filed a joint return.

9 (vi) After receiving a notice that the federal
10 election has been made or after receiving an
11 election under subdivision (ii), the Department
12 shall take no collection action against the
13 electing individual for any liability arising from
14 a joint return covered by the election until the
15 Department has notified the electing individual in
16 writing that the election is invalid or of the
17 portion of the liability the Department has
18 allocated to the electing individual. Within 60
19 days (150 days if the individual is outside the
20 United States) after the issuance of such
21 notification, the individual may file a written
22 protest of the denial of the election or of the
23 Department's determination of the liability
24 allocated to him or her and shall be granted a
25 hearing within the Department under the provisions
26 of Section 908. If a protest is filed, the

1 Department shall take no collection action against
2 the electing individual until the decision
3 regarding the protest has become final under
4 subsection (d) of Section 908 or, if
5 administrative review of the Department's decision
6 is requested under Section 1201, until the
7 decision of the court becomes final.

8 (d) Partnerships. Every partnership having any base income
9 allocable to this State in accordance with section 305(c) shall
10 retain information concerning all items of income, gain, loss
11 and deduction; the names and addresses of all of the partners,
12 or names and addresses of members of a limited liability
13 company, or other persons who would be entitled to share in the
14 base income of the partnership if distributed; the amount of
15 the distributive share of each; and such other pertinent
16 information as the Department may by forms or regulations
17 prescribe. The partnership shall make that information
18 available to the Department when requested by the Department.

19 (e) For taxable years ending on or after December 31, 1985,
20 and before December 31, 1993, taxpayers that are corporations
21 (other than Subchapter S corporations) having the same taxable
22 year and that are members of the same unitary business group
23 may elect to be treated as one taxpayer for purposes of any
24 original return, amended return which includes the same
25 taxpayers of the unitary group which joined in the election to
26 file the original return, extension, claim for refund,

1 assessment, collection and payment and determination of the
2 group's tax liability under this Act. This subsection (e) does
3 not permit the election to be made for some, but not all, of
4 the purposes enumerated above. For taxable years ending on or
5 after December 31, 1987, corporate members (other than
6 Subchapter S corporations) of the same unitary business group
7 making this subsection (e) election are not required to have
8 the same taxable year.

9 For taxable years ending on or after December 31, 1993,
10 taxpayers that are corporations (other than Subchapter S
11 corporations) and that are members of the same unitary business
12 group shall be treated as one taxpayer for purposes of any
13 original return, amended return which includes the same
14 taxpayers of the unitary group which joined in filing the
15 original return, extension, claim for refund, assessment,
16 collection and payment and determination of the group's tax
17 liability under this Act.

18 (f) For taxable years ending prior to December 31, 2014,
19 the Department may promulgate regulations to permit
20 nonresident individual partners of the same partnership,
21 nonresident Subchapter S corporation shareholders of the same
22 Subchapter S corporation, and nonresident individuals
23 transacting an insurance business in Illinois under a Lloyds
24 plan of operation, and nonresident individual members of the
25 same limited liability company that is treated as a partnership
26 under Section 1501 (a)(16) of this Act, to file composite

1 individual income tax returns reflecting the composite income
2 of such individuals allocable to Illinois and to make composite
3 individual income tax payments. For taxable years ending prior
4 to December 31, 2014, the Department may by regulation also
5 permit such composite returns to include the income tax owed by
6 Illinois residents attributable to their income from
7 partnerships, Subchapter S corporations, insurance businesses
8 organized under a Lloyds plan of operation, or limited
9 liability companies that are treated as partnership under
10 Section 1501(a)(16) of this Act, in which case such Illinois
11 residents will be permitted to claim credits on their
12 individual returns for their shares of the composite tax
13 payments. This paragraph of subsection (f) applies to taxable
14 years ending on or after December 31, 1987 and ending prior to
15 December 31, 2014.

16 For taxable years ending on or after December 31, 1999, the
17 Department may, by regulation, permit any persons transacting
18 an insurance business organized under a Lloyds plan of
19 operation to file composite returns reflecting the income of
20 such persons allocable to Illinois and the tax rates applicable
21 to such persons under Section 201 and to make composite tax
22 payments and shall, by regulation, also provide that the income
23 and apportionment factors attributable to the transaction of an
24 insurance business organized under a Lloyds plan of operation
25 by any person joining in the filing of a composite return
26 shall, for purposes of allocating and apportioning income under

1 Article 3 of this Act and computing net income under Section
2 202 of this Act, be excluded from any other income and
3 apportionment factors of that person or of any unitary business
4 group, as defined in subdivision (a)(27) of Section 1501, to
5 which that person may belong.

6 For taxable years ending on or after December 31, 2008,
7 every nonresident shall be allowed a credit against his or her
8 liability under subsections (a) and (b) of Section 201 for any
9 amount of tax reported on a composite return and paid on his or
10 her behalf under this subsection (f). Residents (other than
11 persons transacting an insurance business organized under a
12 Lloyds plan of operation) may claim a credit for taxes reported
13 on a composite return and paid on their behalf under this
14 subsection (f) only as permitted by the Department by rule.

15 (f-5) For taxable years ending on or after December 31,
16 2008, the Department may adopt rules to provide that, when a
17 partnership or Subchapter S corporation has made an error in
18 determining the amount of any item of income, deduction,
19 addition, subtraction, or credit required to be reported on its
20 return that affects the liability imposed under this Act on a
21 partner or shareholder, the partnership or Subchapter S
22 corporation may report the changes in liabilities of its
23 partners or shareholders and claim a refund of the resulting
24 overpayments, or pay the resulting underpayments, on behalf of
25 its partners and shareholders.

26 (g) The Department may adopt rules to authorize the

1 electronic filing of any return required to be filed under this
2 Section.

3 (Source: P.A. 97-507, eff. 8-23-11; 98-478, eff. 1-1-14.)

4 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

5 Sec. 901. Collection Authority.

6 (a) In general.

7 The Department shall collect the taxes imposed by this Act.
8 The Department shall collect certified past due child support
9 amounts under Section 2505-650 of the Department of Revenue Law
10 (20 ILCS 2505/2505-650). Except as provided in subsections (c),
11 (e), (f), and (g) of this Section, money collected pursuant to
12 subsections (a) and (b) of Section 201 of this Act shall be
13 paid into the General Revenue Fund in the State treasury; money
14 collected pursuant to subsections (c) and (d) of Section 201 of
15 this Act shall be paid into the Personal Property Tax
16 Replacement Fund, a special fund in the State Treasury; and
17 money collected under Section 2505-650 of the Department of
18 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
19 Child Support Enforcement Trust Fund, a special fund outside
20 the State Treasury, or to the State Disbursement Unit
21 established under Section 10-26 of the Illinois Public Aid
22 Code, as directed by the Department of Healthcare and Family
23 Services.

24 (b) Local Government Distributive Fund.

25 Beginning August 1, 1969, and continuing through June 30,

1 1994, the Treasurer shall transfer each month from the General
2 Revenue Fund to a special fund in the State treasury, to be
3 known as the "Local Government Distributive Fund", an amount
4 equal to 1/12 of the net revenue realized from the tax imposed
5 by subsections (a) and (b) of Section 201 of this Act during
6 the preceding month. Beginning July 1, 1994, and continuing
7 through June 30, 1995, the Treasurer shall transfer each month
8 from the General Revenue Fund to the Local Government
9 Distributive Fund an amount equal to 1/11 of the net revenue
10 realized from the tax imposed by subsections (a) and (b) of
11 Section 201 of this Act during the preceding month. Beginning
12 July 1, 1995 and continuing through January 31, 2011, the
13 Treasurer shall transfer each month from the General Revenue
14 Fund to the Local Government Distributive Fund an amount equal
15 to the net of (i) 1/10 of the net revenue realized from the tax
16 imposed by subsections (a) and (b) of Section 201 of the
17 Illinois Income Tax Act during the preceding month (ii) minus,
18 beginning July 1, 2003 and ending June 30, 2004, \$6,666,666,
19 and beginning July 1, 2004, zero. Beginning February 1, 2011,
20 ~~and continuing through January 31, 2015,~~ the Treasurer shall
21 transfer each month from the General Revenue Fund to the Local
22 Government Distributive Fund an amount equal to the sum of (i)
23 6% (10% of the ratio of the 3% individual income tax rate prior
24 to 2011 to the 5% individual income tax rate after 2010) of the
25 net revenue realized from the tax imposed by subsections (a)
26 and (b) of Section 201 of this Act upon individuals, trusts,

1 and estates during the preceding month and (ii) 6.86% (10% of
2 the ratio of the 4.8% corporate income tax rate prior to 2011
3 to the 7% corporate income tax rate after 2010) of the net
4 revenue realized from the tax imposed by subsections (a) and
5 (b) of Section 201 of this Act upon corporations during the
6 preceding month. ~~Beginning February 1, 2015 and continuing
7 through January 31, 2025, the Treasurer shall transfer each
8 month from the General Revenue Fund to the Local Government
9 Distributive Fund an amount equal to the sum of (i) 8% (10% of
10 the ratio of the 3% individual income tax rate prior to 2011 to
11 the 3.75% individual income tax rate after 2014) of the net
12 revenue realized from the tax imposed by subsections (a) and
13 (b) of Section 201 of this Act upon individuals, trusts, and
14 estates during the preceding month and (ii) 9.14% (10% of the
15 ratio of the 4.8% corporate income tax rate prior to 2011 to
16 the 5.25% corporate income tax rate after 2014) of the net
17 revenue realized from the tax imposed by subsections (a) and
18 (b) of Section 201 of this Act upon corporations during the
19 preceding month. Beginning February 1, 2025, the Treasurer
20 shall transfer each month from the General Revenue Fund to the
21 Local Government Distributive Fund an amount equal to the sum
22 of (i) 9.23% (10% of the ratio of the 3% individual income tax
23 rate prior to 2011 to the 3.25% individual income tax rate
24 after 2024) of the net revenue realized from the tax imposed by
25 subsections (a) and (b) of Section 201 of this Act upon
26 individuals, trusts, and estates during the preceding month and~~

1 ~~(ii) 10% of the net revenue realized from the tax imposed by~~
2 ~~subsections (a) and (b) of Section 201 of this Act upon~~
3 ~~corporations during the preceding month.~~ Net revenue realized
4 for a month shall be defined as the revenue from the tax
5 imposed by subsections (a) and (b) of Section 201 of this Act
6 which is deposited in the General Revenue Fund, the Education
7 Assistance Fund, the Income Tax Surcharge Local Government
8 Distributive Fund, the Fund for the Advancement of Education,
9 and the Commitment to Human Services Fund during the month
10 minus the amount paid out of the General Revenue Fund in State
11 warrants during that same month as refunds to taxpayers for
12 overpayment of liability under the tax imposed by subsections
13 (a) and (b) of Section 201 of this Act.

14 (c) Deposits Into Income Tax Refund Fund.

15 (1) Beginning on January 1, 1989 and thereafter, the
16 Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a), ~~and~~ (b) (1), (2), ~~and~~
18 (3), (4), (5), and (5.1) of Section 201 of this Act into a
19 fund in the State treasury known as the Income Tax Refund
20 Fund. The Department shall deposit 6% of such amounts
21 during the period beginning January 1, 1989 and ending on
22 June 30, 1989. Beginning with State fiscal year 1990 and
23 for each fiscal year thereafter, the percentage deposited
24 into the Income Tax Refund Fund during a fiscal year shall
25 be the Annual Percentage. For fiscal years 1999 through
26 2001, the Annual Percentage shall be 7.1%. For fiscal year

1 2003, the Annual Percentage shall be 8%. For fiscal year
2 2004, the Annual Percentage shall be 11.7%. Upon the
3 effective date of this amendatory Act of the 93rd General
4 Assembly, the Annual Percentage shall be 10% for fiscal
5 year 2005. For fiscal year 2006, the Annual Percentage
6 shall be 9.75%. For fiscal year 2007, the Annual Percentage
7 shall be 9.75%. For fiscal year 2008, the Annual Percentage
8 shall be 7.75%. For fiscal year 2009, the Annual Percentage
9 shall be 9.75%. For fiscal year 2010, the Annual Percentage
10 shall be 9.75%. For fiscal year 2011, the Annual Percentage
11 shall be 8.75%. For fiscal year 2012, the Annual Percentage
12 shall be 8.75%. For fiscal year 2013, the Annual Percentage
13 shall be 9.75%. For fiscal year 2014, the Annual Percentage
14 shall be 9.5%. For all other fiscal years, the Annual
15 Percentage shall be calculated as a fraction, the numerator
16 of which shall be the amount of refunds approved for
17 payment by the Department during the preceding fiscal year
18 as a result of overpayment of tax liability under
19 subsections (a), ~~and~~ (b) (1), (2), ~~and~~ (3), (4), (5), and
20 (5.1) of Section 201 of this Act plus the amount of such
21 refunds remaining approved but unpaid at the end of the
22 preceding fiscal year, minus the amounts transferred into
23 the Income Tax Refund Fund from the Tobacco Settlement
24 Recovery Fund, and the denominator of which shall be the
25 amounts which will be collected pursuant to subsections
26 (a), ~~and~~ (b) (1), (2), ~~and~~ (3), (4), (5), and (5.1) of

1 Section 201 of this Act during the preceding fiscal year;
2 except that in State fiscal year 2002, the Annual
3 Percentage shall in no event exceed 7.6%. The Director of
4 Revenue shall certify the Annual Percentage to the
5 Comptroller on the last business day of the fiscal year
6 immediately preceding the fiscal year for which it is to be
7 effective.

8 (2) Beginning on January 1, 1989 and thereafter, the
9 Department shall deposit a percentage of the amounts
10 collected pursuant to subsections (a), ~~and~~ (b) (6), (7), ~~and~~
11 (8), (9), (10), and (11), (c) and (d) of Section 201 of
12 this Act into a fund in the State treasury known as the
13 Income Tax Refund Fund. The Department shall deposit 18% of
14 such amounts during the period beginning January 1, 1989
15 and ending on June 30, 1989. Beginning with State fiscal
16 year 1990 and for each fiscal year thereafter, the
17 percentage deposited into the Income Tax Refund Fund during
18 a fiscal year shall be the Annual Percentage. For fiscal
19 years 1999, 2000, and 2001, the Annual Percentage shall be
20 19%. For fiscal year 2003, the Annual Percentage shall be
21 27%. For fiscal year 2004, the Annual Percentage shall be
22 32%. Upon the effective date of this amendatory Act of the
23 93rd General Assembly, the Annual Percentage shall be 24%
24 for fiscal year 2005. For fiscal year 2006, the Annual
25 Percentage shall be 20%. For fiscal year 2007, the Annual
26 Percentage shall be 17.5%. For fiscal year 2008, the Annual

1 Percentage shall be 15.5%. For fiscal year 2009, the Annual
2 Percentage shall be 17.5%. For fiscal year 2010, the Annual
3 Percentage shall be 17.5%. For fiscal year 2011, the Annual
4 Percentage shall be 17.5%. For fiscal year 2012, the Annual
5 Percentage shall be 17.5%. For fiscal year 2013, the Annual
6 Percentage shall be 14%. For fiscal year 2014, the Annual
7 Percentage shall be 13.4%. For all other fiscal years, the
8 Annual Percentage shall be calculated as a fraction, the
9 numerator of which shall be the amount of refunds approved
10 for payment by the Department during the preceding fiscal
11 year as a result of overpayment of tax liability under
12 subsections (a), ~~and~~ (b) (6), (7), ~~and~~ (8), (9), (10), and
13 (11), (c) and (d) of Section 201 of this Act plus the
14 amount of such refunds remaining approved but unpaid at the
15 end of the preceding fiscal year, and the denominator of
16 which shall be the amounts which will be collected pursuant
17 to subsections (a), ~~and~~ (b) (6), (7), ~~and~~ (8), (9), (10),
18 and (11), (c) and (d) of Section 201 of this Act during the
19 preceding fiscal year; except that in State fiscal year
20 2002, the Annual Percentage shall in no event exceed 23%.
21 The Director of Revenue shall certify the Annual Percentage
22 to the Comptroller on the last business day of the fiscal
23 year immediately preceding the fiscal year for which it is
24 to be effective.

25 (3) The Comptroller shall order transferred and the
26 Treasurer shall transfer from the Tobacco Settlement

1 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
2 in January, 2001, (ii) \$35,000,000 in January, 2002, and
3 (iii) \$35,000,000 in January, 2003.

4 (d) Expenditures from Income Tax Refund Fund.

5 (1) Beginning January 1, 1989, money in the Income Tax
6 Refund Fund shall be expended exclusively for the purpose
7 of paying refunds resulting from overpayment of tax
8 liability under Section 201 of this Act, for paying rebates
9 under Section 208.1 in the event that the amounts in the
10 Homeowners' Tax Relief Fund are insufficient for that
11 purpose, and for making transfers pursuant to this
12 subsection (d).

13 (2) The Director shall order payment of refunds
14 resulting from overpayment of tax liability under Section
15 201 of this Act from the Income Tax Refund Fund only to the
16 extent that amounts collected pursuant to Section 201 of
17 this Act and transfers pursuant to this subsection (d) and
18 item (3) of subsection (c) have been deposited and retained
19 in the Fund.

20 (3) As soon as possible after the end of each fiscal
21 year, the Director shall order transferred and the State
22 Treasurer and State Comptroller shall transfer from the
23 Income Tax Refund Fund to the Personal Property Tax
24 Replacement Fund an amount, certified by the Director to
25 the Comptroller, equal to the excess of the amount
26 collected pursuant to subsections (c) and (d) of Section

1 201 of this Act deposited into the Income Tax Refund Fund
2 during the fiscal year over the amount of refunds resulting
3 from overpayment of tax liability under subsections (c) and
4 (d) of Section 201 of this Act paid from the Income Tax
5 Refund Fund during the fiscal year.

6 (4) As soon as possible after the end of each fiscal
7 year, the Director shall order transferred and the State
8 Treasurer and State Comptroller shall transfer from the
9 Personal Property Tax Replacement Fund to the Income Tax
10 Refund Fund an amount, certified by the Director to the
11 Comptroller, equal to the excess of the amount of refunds
12 resulting from overpayment of tax liability under
13 subsections (c) and (d) of Section 201 of this Act paid
14 from the Income Tax Refund Fund during the fiscal year over
15 the amount collected pursuant to subsections (c) and (d) of
16 Section 201 of this Act deposited into the Income Tax
17 Refund Fund during the fiscal year.

18 (4.5) As soon as possible after the end of fiscal year
19 1999 and of each fiscal year thereafter, the Director shall
20 order transferred and the State Treasurer and State
21 Comptroller shall transfer from the Income Tax Refund Fund
22 to the General Revenue Fund any surplus remaining in the
23 Income Tax Refund Fund as of the end of such fiscal year;
24 excluding for fiscal years 2000, 2001, and 2002 amounts
25 attributable to transfers under item (3) of subsection (c)
26 less refunds resulting from the earned income tax credit.

1 (5) This Act shall constitute an irrevocable and
2 continuing appropriation from the Income Tax Refund Fund
3 for the purpose of paying refunds upon the order of the
4 Director in accordance with the provisions of this Section.

5 (e) Deposits into the Education Assistance Fund and the
6 Income Tax Surcharge Local Government Distributive Fund.

7 On July 1, 1991, and thereafter, of the amounts collected
8 pursuant to subsections (a) and (b) of Section 201 of this Act,
9 minus deposits into the Income Tax Refund Fund, the Department
10 shall deposit 7.3% into the Education Assistance Fund in the
11 State Treasury. Beginning July 1, 1991, and continuing through
12 January 31, 1993, of the amounts collected pursuant to
13 subsections (a) and (b) of Section 201 of the Illinois Income
14 Tax Act, minus deposits into the Income Tax Refund Fund, the
15 Department shall deposit 3.0% into the Income Tax Surcharge
16 Local Government Distributive Fund in the State Treasury.
17 Beginning February 1, 1993 and continuing through June 30,
18 1993, of the amounts collected pursuant to subsections (a) and
19 (b) of Section 201 of the Illinois Income Tax Act, minus
20 deposits into the Income Tax Refund Fund, the Department shall
21 deposit 4.4% into the Income Tax Surcharge Local Government
22 Distributive Fund in the State Treasury. Beginning July 1,
23 1993, and continuing through June 30, 1994, of the amounts
24 collected under subsections (a) and (b) of Section 201 of this
25 Act, minus deposits into the Income Tax Refund Fund, the
26 Department shall deposit 1.475% into the Income Tax Surcharge

1 Local Government Distributive Fund in the State Treasury.

2 (f) Deposits into the Fund for the Advancement of
3 Education. Beginning February 1, 2015, the Department shall
4 deposit the following portions of the revenue realized from the
5 tax imposed upon individuals, trusts, and estates by
6 subsections (a) and (b) of Section 201 of this Act during the
7 preceding month, minus deposits into the Income Tax Refund
8 Fund, into the Fund for the Advancement of Education:

9 (1) beginning February 1, 2015, and prior to February
10 1, 2025, 1/30; and

11 (2) beginning February 1, 2025, 1/26.

12 If the rate of tax imposed by subsection (a) and (b) of
13 Section 201 is reduced pursuant to Section 201.5 of this Act,
14 the Department shall not make the deposits required by this
15 subsection (f) on or after the effective date of the reduction.

16 (g) Deposits into the Commitment to Human Services Fund.
17 Beginning February 1, 2015, the Department shall deposit the
18 following portions of the revenue realized from the tax imposed
19 upon individuals, trusts, and estates by subsections (a) and
20 (b) of Section 201 of this Act during the preceding month,
21 minus deposits into the Income Tax Refund Fund, into the
22 Commitment to Human Services Fund:

23 (1) beginning February 1, 2015, and prior to February
24 1, 2025, 1/30; and

25 (2) beginning February 1, 2025, 1/26.

26 If the rate of tax imposed by subsection (a) and (b) of

1 Section 201 is reduced pursuant to Section 201.5 of this Act,
2 the Department shall not make the deposits required by this
3 subsection (g) on or after the effective date of the reduction.
4 (Source: P.A. 97-72, eff. 7-1-11; 97-732, eff. 6-30-12; 98-24,
5 eff. 6-19-13.)".