



Sen. Antonio Muñoz

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1 AMENDMENT TO SENATE BILL 1448

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1448 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Endow  
5 Illinois Tax Credit Act.

6 Section 5. Definitions. For the purposes of this Act:

7 "Department" means the Department of Commerce and Economic  
8 Opportunity.

9 "Endowment gift" means an irrevocable contribution, made  
10 in cash or stock, to a permanent endowment fund held by a  
11 qualified community foundation.

12 "Permanent endowment fund" means a fund that (i) is held by  
13 a qualified community foundation to provide benefit only to  
14 charitable causes in the State, (ii) is intended to exist in  
15 perpetuity, and (iii) has an annual spend rate based on the  
16 foundation spending policy, but not to exceed 7%.

1 "Qualified community foundation" means a community  
2 foundation or similar publicly-supported organization  
3 described in Section 170 (b) (1) (A) (vi) of the Internal Revenue  
4 Code of 1986 that is organized or operating in this State and  
5 that substantially complies with the national standards for  
6 U.S. community foundations that are established by the National  
7 Council on Foundations, as determined by the Department.

8 Section 10. Tax credit awards.

9 (a) The Department shall award an income tax credit to  
10 taxpayers who make an endowment gift to a permanent endowment  
11 fund. The amount of the credit that may be awarded to a  
12 taxpayer by the Department under this Act is an amount equal to  
13 50% of the endowment gift. Except in the case of an individual,  
14 a taxpayer is not eligible to receive a credit under this Act  
15 for the taxable year if the taxpayer's average gross business  
16 receipts for the 3 taxable years prior to the taxable year for  
17 which the taxpayer applies for a credit under this Act exceed  
18 \$10,000,000 for taxable years ending in 2013, \$25,000,000 for  
19 taxable years ending in 2014, or \$50,000,000 for taxable years  
20 ending in 2015 or thereafter.

21 (b) The aggregate amount of all credits that the Department  
22 may award under this Act in any calendar year may not exceed  
23 \$10,000,000 in 2013, \$25,000,000 in 2014, or \$50,000,000 in  
24 2015 and each calendar year thereafter. The aggregate amount of  
25 all credits that the Department may authorize to any single

1 taxpayer in a calendar year may not exceed \$500,000 in 2013,  
2 \$1,250,000 in 2014, or \$2,500,000 in 2015 and each calendar  
3 year thereafter. The aggregate amount of all credits that the  
4 Department may authorize based on endowment gifts to any  
5 specific community foundation may not exceed \$2,500,000 in  
6 2013, \$6,250,000 in 2014, or \$12,500,000 in 2015 and each  
7 calendar year thereafter.

8 (c) If the Department receives applications for tax credit  
9 in excess of the aggregate limitation under subsection (b),  
10 then the applications must be prioritized by the date that the  
11 Department received them, and the Department must establish a  
12 wait list for the next year's allocation of tax credits and  
13 fund applications in the order listed on that wait list.

14 Section 15. Applications for tax credits.

15 (a) The Department shall develop and make available a  
16 standardized application pertaining to the allocation of tax  
17 credits under this Act. A separate application for tax credit  
18 must be made for each endowment gift, and shall be submitted  
19 jointly by the taxpayer and the qualified community foundation  
20 to which the endowment gift is to be made. The application  
21 shall include such information as the Department deems  
22 necessary to determine that the taxpayer is eligible to receive  
23 a credit under this Act, and such other information as the  
24 Department deems necessary to the administration of this Act.  
25 If an application for tax credit is approved, the Department

1 shall issue the taxpayer a certificate of verification that  
2 states the amount of the tax credit to which the taxpayer is  
3 entitled and the taxable year to which such credit applies. A  
4 taxpayer claiming a credit under this Act shall submit to the  
5 Department of Revenue a copy of the certificate of verification  
6 under this Act.

7 (b) Of the annual amount available for tax credits under  
8 subsection (b) of Section 10 of this Act, 10% must be reserved  
9 for those endowment gifts of \$30,000 or less. If the entire 10%  
10 that is reserved for permanent endowment gifts totalling  
11 \$30,000 or less is not allocated, then the remaining amount is  
12 available in the following years for endowment gifts of \$30,000  
13 or less.

14 (c) The Department must accept applications and authorize  
15 credits in an ongoing basis. The Department must make public,  
16 by June 1 and by December 1 of each year, the total number of  
17 requests for tax credits and the total amount of requested tax  
18 credits that have been submitted and awarded.

19 (d) Notwithstanding any other law to the contrary, the  
20 Director of Revenue may make available to the Department  
21 information received by the Director from tax returns filed  
22 under the Illinois Income Tax Act, for the limited purpose of  
23 determining the taxpayer's eligibility for credit under this  
24 Act.

25 Section 20. Annual report. By January 31 of each year, the

1 Department must submit an annual report to the Governor and the  
2 General Assembly concerning the activities conducted under  
3 this Act during the previous calendar year. The report must  
4 include a detailed listing of tax credits authorized under this  
5 Act by the Department.

6 Section 90. The Illinois Income Tax Act is amended by  
7 adding Section 224 as follows:

8 (35 ILCS 5/224 new)

9 Sec. 224. The Endow Illinois Tax Credit.

10 (a) For taxable years ending on or after December 31, 2013,  
11 each taxpayer for whom a tax credit has been awarded by the  
12 Department of Commerce and Economic Opportunity under the Endow  
13 Illinois Tax Credit Act is entitled to a credit against the tax  
14 imposed under subsections (a) and (b) of Section 201 in an  
15 amount equal to the amount awarded under that Act.

16 (b) If the taxpayer is a partnership or a Subchapter S  
17 corporation, the credit is allowed to the partners or  
18 shareholders in accordance with the determination of income and  
19 distributive share of income under Sections 702 and 704 and  
20 Subchapter S of the Internal Revenue Code.

21 (c) The credit may not be carried back and may not reduce  
22 the taxpayer's liability to less than zero. If the amount of  
23 the credit exceeds the tax liability for the year, the excess  
24 may be carried forward and applied to the tax liability of the

1 5 taxable years following the excess credit year. The tax  
2 credit shall be applied to the earliest year for which there is  
3 a tax liability. If there are credits for more than one year  
4 that are available to offset a liability, the earlier credit  
5 shall be applied first.

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