

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 216 as follows:

6 (35 ILCS 5/216)

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

8 (a) For each taxable year beginning on or after January 1,
9 2007, each taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 in an amount equal to 5% of qualified wages paid by the
12 taxpayer during the taxable year to one or more Illinois
13 residents who are qualified ex-offenders. The total credit
14 allowed to a taxpayer with respect to each qualified
15 ex-offender may not exceed \$1,500 ~~\$600~~ for all taxable years.
16 For partners, shareholders of Subchapter S corporations, and
17 owners of limited liability companies, if the liability company
18 is treated as a partnership for purposes of federal and State
19 income taxation, there shall be allowed a credit under this
20 Section to be determined in accordance with the determination
21 of income and distributive share of income under Sections 702
22 and 704 and Subchapter S of the Internal Revenue Code.

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

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

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

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

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

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

21 (1) has been convicted of a crime in this State or of
22 an offense in any other jurisdiction, not including any
23 offense or attempted offense that would subject a person to
24 registration under the Sex Offender Registration Act ~~is an~~
25 ~~eligible offender, as defined under Section 5-5.5-5 of the~~
26 ~~Unified Code of Corrections;~~

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

3 (3) was hired by the taxpayer within 3 years ~~one year~~
4 after being released from an Illinois adult correctional
5 center.

6 (d) In no event shall a credit under this Section reduce
7 the taxpayer's liability to less than zero. If the amount of
8 the credit exceeds the tax liability for the year, the excess
9 may be carried forward and applied to the tax liability of the
10 5 taxable years following the excess credit year. The tax
11 credit shall be applied to the earliest year for which there is
12 a tax liability. If there are credits for more than one year
13 that are available to offset a liability, the earlier credit
14 shall be applied first.

15 (e) This Section is exempt from the provisions of Section
16 250.

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

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