

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 5/224 new)

7 Sec. 224. Credit for hiring a long-term unemployed person.

8 (a) For each taxable year beginning on or after January 1,
9 2015, each taxpayer who employs a long-term unemployed person
10 during the taxable year is entitled to a credit against the tax
11 imposed by subsections (a) and (b) of Section 201 of this Act
12 as provided in this Section. The amount of the credit is as
13 follows: (1) \$500 in the taxable year in which the long-term
14 unemployed person is initially hired by the taxpayer; (2) \$750
15 in the first taxable year after the long-term unemployed person
16 is initially hired by the taxpayer; and (3) \$1,250 in the
17 second taxable year after the long-term unemployed person is
18 initially hired by the taxpayer. If the long-term unemployed
19 person is employed by the taxpayer for only part of a taxable
20 year, then the amount of the credit shall be the maximum credit
21 allowed under this subsection (a) for the taxable year,
22 multiplied by a fraction, the numerator of which is the number
23 of weeks during the taxable year in which the person is

1 employed by the taxpayer, and the denominator of which shall be
2 the total number of weeks in the taxable year.

3 (b) 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 Section to be determined in accordance with
8 the determination of income and distributive share of income
9 under Sections 702 and 704 and Subchapter S of the Internal
10 Revenue Code.

11 (c) In no event shall a credit under this Section reduce
12 the taxpayer's liability to less than zero. If the amount of
13 the credit exceeds the tax liability for the year, the excess
14 may be carried forward and applied to the tax liability of the
15 5 taxable years following the excess credit year. The tax
16 credit shall be applied to the earliest year for which there is
17 a tax liability. If there are credits for more than one year
18 that are available to offset a liability, the earlier credit
19 shall be applied first.

20 (d) For the purposes of this Section:

21 "Long-term unemployed person" means an individual who:

22 (1) was unemployed for a period of at least 27
23 consecutive weeks ending on the Saturday immediately
24 preceding the date he or she was hired by the taxpayer;

25 (2) was an Illinois resident on the date he or she was
26 hired by the taxpayer;

1 (3) is employed by the taxpayer during the taxable year
2 as a full-time employee; and

3 (4) was not enrolled as a full-time student at a public
4 or private high school, community college, or university at
5 any point during the 27-week period immediately preceding
6 the date he or she was hired by the taxpayer.

7 "Full-time employee" means an individual who is employed
8 for a wage of at least \$10 per hour for at least 35 hours each
9 week or who renders any other standard of service generally
10 accepted by industry custom or practice as full-time
11 employment. An individual for whom a W-2 is issued by a
12 Professional Employer Organization is a full-time employee if
13 he or she is employed in the service of the taxpayer for a wage
14 of at least \$10 per hour for at least 35 hours each week or
15 renders any other standard of service generally accepted by
16 industry custom or practice as full-time employment.

17 (e) This Section is exempt from the provisions of Section
18 250.

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