

SB3300



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3300

Introduced 2/14/2014, by Sen. Dave Syverson

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to a percentage of the taxpayer's qualified production activities income. Provides that, for taxable years ending on or after December 31, 2014 and prior to December 31, 2015, the credit shall be 2% of the taxpayer's qualified production activities income for the taxable year; for taxable years ending on or after December 31, 2015 and prior to December 31, 2016, the credit shall be 4% of the taxpayer's qualified production activities income for the taxable year; and for taxable years ending on or after December 31, 2016, the credit shall be 6.2% of the taxpayer's qualified production activities income for the taxable year. Provides that excess credit amounts may be carried forward and applied to the tax liability of the 15 taxable years following the excess credit year. Effective immediately.

LRB098 18559 HLH 53697 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 qualified production activities
8 income. For taxable years ending on or after December 31, 2014,
9 each taxpayer is entitled to a credit against the tax imposed
10 under subsections (a) and (b) of Section 201 in an amount equal
11 to a percentage of the taxpayer's qualified production
12 activities income as set forth in this Section. For taxable
13 years ending on or after December 31, 2014 and prior to
14 December 31, 2015, the credit shall be 2% of the taxpayer's
15 qualified production activities income for the taxable year.
16 For taxable years ending on or after December 31, 2015 and
17 prior to December 31, 2016, the credit shall be 4% of the
18 taxpayer's qualified production activities income for the
19 taxable year. For taxable years ending on or after December 31,
20 2016, the credit shall be 6.2% of the taxpayer's qualified
21 production activities income for the taxable year.

22 In no event shall a credit under this Section reduce the
23 taxpayer's liability under this Act to less than zero. If the

1 amount of the credit exceeds the tax liability for the taxable
2 year, whether it exceeds the original liability or the
3 liability as later amended, the excess may be carried forward
4 and applied to the tax liability of the 15 taxable years
5 following the excess credit year. The credit shall be applied
6 to the earliest year for which there is a liability. If there
7 is credit from more than one tax year that is available to
8 offset a liability, earlier credit shall be applied first.

9 For the purposes of this Section "qualified production
10 activities income" has the meaning ascribed to that term in
11 subsection (c) of Section 199 of the federal Internal Revenue
12 Code.

13 This Section is exempt from the provisions of Section 250.

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