

1 AN ACT concerning taxation.

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 adding Sections 213 and 214 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Small business tax credit. For taxable years  
8 ending on or after December 31, 2001 and on or before  
9 December 30, 2006, every small business operating within  
10 Illinois is entitled to claim as a credit against the tax  
11 imposed by subsections (a) and (b) of Section 201 any amount  
12 paid to the United States Small Business Administration as a  
13 required fee pursuant to the obtaining of Small Business  
14 Administration guaranteed financing. The credit may be  
15 applied to the tax year in which the required fee was paid.  
16 If the amount of the credit exceeds the tax liability for the  
17 year, the excess may be carried forward and applied to the  
18 tax liability of the 4 taxable years following the excess  
19 credit year. The credit shall be claimable only by the small  
20 business that is the primary obligor in the financing  
21 transaction and that actually paid the required fee. For  
22 purposes of this Section, "small business" means any  
23 corporation, partnership, sole proprietorship, or other  
24 business entity qualifying as "small" under the standards  
25 contained in Part 121 of Title 13 of the Code of Federal  
26 Regulations (13 C.F.R. 121).

27 (35 ILCS 5/214 new)

28 Sec. 214. Farm loan tax credit. For taxable years ending  
29 on or after December 31, 2001 and on or before December 30,  
30 2006, every individual taxpayer is entitled to claim as a

1 credit against the tax imposed by subsections (a) and (b) of  
2 Section 201 any amount paid as a required fee to obtain a  
3 guaranteed loan under the rural development loan program or  
4 the farm service loan program administered by the United  
5 States Department of Agriculture. The credit may be applied  
6 to the tax year in which the required fee was paid. If the  
7 amount of the credit exceeds the tax liability for the year,  
8 the excess may be carried forward and applied to the tax  
9 liability of the 4 taxable years following the excess credit  
10 year. The credit shall be claimable only by the taxpayer  
11 that is the primary obligor in the financing transaction and  
12 that actually paid the required fee.

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