

# HB3211



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3211

by Rep. Justin Slaughter

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to the investment made by the taxpayer during the taxable year in a Qualified Opportunity Fund. Provides that no such credit may be taken for any taxable year that begins prior to January 1, 2020. Provides that excess credits may be carried forward or back. Provides that the aggregate amount of the Qualified Opportunity Fund tax credit shall be limited to \$10,000 per taxpayer per calendar year. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB101 07461 HLH 52504 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 229 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. Qualified Opportunity Fund credit.

8 (a) As used in this Section:

9 "Applicant" means a corporation, partnership, limited  
10 liability company, or a natural person that makes an investment  
11 in a Qualified Opportunity Fund established under Section  
12 1400Z-2 of the Internal Revenue Code.

13 "Claimant" means an applicant that is awarded a credit  
14 under this Section by the Department.

15 "Department" means the Department of Commerce and Economic  
16 Opportunity.

17 (b) A claimant may claim a credit against the tax imposed  
18 under subsections (a) and (b) of Section 201 of this Act in an  
19 amount equal to the claimant's investment during the taxable  
20 year in a Qualified Opportunity Fund established under Section  
21 1400Z-2 of the Internal Revenue Code.

22 (c) Credits may be awarded for investments made on or after  
23 the date on which the Qualified Opportunity Fund is created;

1 however, no credit may be taken for any taxable year that  
2 begins prior to January 1, 2020. The credit under this Section  
3 may not exceed the taxpayer's Illinois income tax liability for  
4 the taxable year. If the amount of the credit exceeds the tax  
5 liability for the year, then the excess may be carried forward  
6 and applied to the tax liability of the 5 taxable years  
7 following the excess credit year or carried back and applied to  
8 the tax liability of the 3 taxable years immediately preceding  
9 the excess credit year. The credit shall be applied to the  
10 earliest year for which there is a tax liability. If there are  
11 credits from more than one tax year that are available to  
12 offset a liability, the earlier credit shall be applied first.  
13 In the case of a partnership or Subchapter S Corporation, the  
14 credit is allowed to the partners or shareholders in accordance  
15 with the determination of income and distributive share of  
16 income under Sections 702 and 704 and Subchapter S of the  
17 Internal Revenue Code.

18 (d) A transfer of the credit may be made by the taxpayer,  
19 in accordance with rules adopted by the Department, within one  
20 year after the credit is awarded.

21 (e) In no event shall a credit under this Section exceed  
22 \$10,000 for any taxpayer in any taxable year.

23 (f) This Section is exempt from the provisions of Section  
24 250.

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.