



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5625

by Rep. Mike Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Provides that an employer that incurs expenses to train a qualifying individual to obtain a commercial driver's license or to operate a commercial motor vehicle may apply to the Department of Revenue for an income tax credit in an amount equal to 50% of those training expenses. Set forth aggregate credit limits and limits the amount of credits available to any particular employer under those provisions.

LRB101 19913 HLH 69436 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 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Training expenses for a commercial driver's
8 license.

9 (a) As used in this Section:

10 "Qualifying individual" means an individual who holds a
11 valid commercial driver's license or who is eligible to obtain
12 such a license.

13 "Training expense" means any cost customarily incurred by
14 an employer to train a qualifying individual to obtain a
15 commercial driver's license or to operate a commercial motor
16 vehicle. An employee's wages are not considered a training
17 expense.

18 (b) For taxable years ending on or after December 31, 2020
19 and ending on or before December 31, 2022, an employer that
20 incurs training expenses during the taxable year may apply to
21 the Department for a credit against the tax imposed by
22 subsections (a) and (b) of Section 201 in an amount equal to
23 50% of those training expenses. The Department shall certify no

1 more than \$50,000 in expenses per year for any one employer.
2 The Department shall certify no more than \$3,000,000 in
3 training expenses for all employers in any year, increased by
4 the sum of tax credit-eligible expenses the Department was
5 authorized to certify for preceding years that were not the
6 basis of a tax credit certificate issued under this Section in
7 the current year or any preceding year.

8 (c) For partners, shareholders of subchapter S
9 corporations, and members of limited liability companies, if
10 the liability company is treated as a partnership for purposes
11 of federal and State income taxation, there shall be allowed a
12 credit under this subsection to be determined in accordance
13 with the determination of income and distributive share of
14 income under Sections 702 and 704 and subchapter S of the
15 Internal Revenue Code.

16 (d) The credit or credits may not reduce the taxpayer's
17 liability to less than zero. If the amount of the credit or
18 credits exceeds the taxpayer's liability, the excess may be
19 carried forward and applied against the taxpayer's liability in
20 next 5 succeeding calendar years. The credit or credits shall
21 be applied to the earliest year for which there is a tax
22 liability. If there are credits from more than one taxable year
23 that are available to offset a liability, the earlier credit
24 shall be applied first.