AMENDMENT TO SENATE BILL 1515

AMENDMENT NO. _____. Amend Senate Bill 1515 by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Income Tax Act is amended by changing Section 205 as follows:

(35 ILCS 5/205) (from Ch. 120, par. 2-205)

Sec. 205. Exempt organizations.

(a) Charitable, etc. organizations. The base income of an organization which is exempt from the federal income tax by reason of the Internal Revenue Code shall not be determined under section 203 of this Act, but shall be its unrelated business taxable income as determined under section 512 of the Internal Revenue Code, without any deduction for the tax imposed by this Act. For tax years beginning on or after January 1, 2019, the unrelated business taxable income of such an organization shall not include amounts that are included in
the taxpayer's federal adjusted gross income as as result of
the application of Section 512(a)(7) of the Internal Revenue
Code; this exclusion is exempt from the provisions of Section
250. The standard exemption provided by section 204 of this Act
shall not be allowed in determining the net income of an
organization to which this subsection applies.

(b) Partnerships. A partnership as such shall not be
subject to the tax imposed by subsection 201 (a) and (b) of
this Act, but shall be subject to the replacement tax imposed
by subsection 201 (c) and (d) of this Act and shall compute its
base income as described in subsection (d) of Section 203 of
this Act. For taxable years ending on or after December 31,
2004, an investment partnership, as defined in Section
1501(a)(11.5) of this Act, shall not be subject to the tax
imposed by subsections (c) and (d) of Section 201 of this Act.
A partnership shall file such returns and other information at
such time and in such manner as may be required under Article 5
of this Act. The partners in a partnership shall be liable for
the replacement tax imposed by subsection 201 (c) and (d) of
this Act on such partnership, to the extent such tax is not
paid by the partnership, as provided under the laws of Illinois
governing the liability of partners for the obligations of a
partnership. Persons carrying on business as partners shall be
liable for the tax imposed by subsection 201 (a) and (b) of
this Act only in their separate or individual capacities.

(c) Subchapter S corporations. A Subchapter S corporation
shall not be subject to the tax imposed by subsection 201 (a) and (b) of this Act but shall be subject to the replacement tax imposed by subsection 201 (c) and (d) of this Act and shall file such returns and other information at such time and in such manner as may be required under Article 5 of this Act.

(d) Combat zone, terrorist attack, and certain other deaths. An individual relieved from the federal income tax for any taxable year by reason of section 692 of the Internal Revenue Code shall not be subject to the tax imposed by this Act for such taxable year.

(e) Certain trusts. A common trust fund described in Section 584 of the Internal Revenue Code, and any other trust to the extent that the grantor is treated as the owner thereof under sections 671 through 678 of the Internal Revenue Code shall not be subject to the tax imposed by this Act.

(f) Certain business activities. A person not otherwise subject to the tax imposed by this Act shall not become subject to the tax imposed by this Act by reason of:

(1) that person's ownership of tangible personal property located at the premises of a printer in this State with which the person has contracted for printing, or

(2) activities of the person's employees or agents located solely at the premises of a printer and related to quality control, distribution, or printing services performed by a printer in the State with which the person has contracted for printing.
(g) A nonprofit risk organization that holds a certificate of authority under Article VIID of the Illinois Insurance Code is exempt from the tax imposed under this Act with respect to its activities or operations in furtherance of the powers conferred upon it under that Article VIID of the Illinois Insurance Code.

(Source: P.A. 97-507, eff. 8-23-11.)

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