



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1410

Introduced 1/31/2023, by Rep. Dave Vella

SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for businesses with an average of 100 or fewer full-time employees during the taxable year in an amount equal to 50% of the costs incurred by the business in offering a paid family leave program to all of its full-time employees.

LRB103 25800 HLH 52151 b

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
5 adding Section 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Credit for paid family leave.

8 (a) For taxable years beginning on or after January 1,
9 2024, each business with an average of 100 or fewer full-time
10 employees during the taxable year is entitled to a credit
11 against the taxes imposed by subsections (a) and (b) of
12 Section 201 in an amount equal to 50% of the costs incurred by
13 the business in offering a paid family leave program to all of
14 its full-time employees. The business shall submit
15 documentation of the paid family leave program in the form and
16 manner required by the Department by rule.

17 (b) For partners, shareholders of Subchapter S
18 corporations, and owners of limited liability companies, if
19 the liability company is treated as a partnership for purposes
20 of federal and State income taxation, there is allowed a
21 credit under this Section to be determined in accordance with
22 the determination of income and distributive share of income
23 under Sections 702 and 704 and Subchapter S of the Internal

1 Revenue Code.

2 (c) In no event shall a credit under this Section reduce
3 the taxpayer's liability to less than zero. If the amount of
4 the credit exceeds the tax liability for the year, the excess
5 may be carried forward and applied to the tax liability of the
6 5 taxable years following the excess credit year. The tax
7 credit shall be applied to the earliest year for which there is
8 a tax liability. If there are credits for more than one year
9 that are available to offset a liability, the earlier credit
10 shall be applied first.

11 (d) As used in this Section, "full-time employee" means an
12 individual who is employed for consideration for at least 35
13 hours each week or who renders any other standard of service
14 generally accepted by industry custom or practice as full-time
15 employment.

16 (e) This Section is exempt from the provisions of Section
17 250.