

HB0597



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0597

Introduced 2/5/2007, by Rep. Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. For taxable years ending on or after December 31, 2008, allows small businesses that provide health care insurance for their employees to claim a tax credit in an amount equal to \$100 for each employee covered, \$50 for each spouse covered, and \$40 for each dependent (up to 2 dependents) covered. Provides that the taxpayer may not carry the credit forward or back and that the credit may not reduce a taxpayer's liability to less than zero. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB095 03895 BDD 23928 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 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Health care tax credit.

8 (a) For tax years ending on or after December 31, 2008,
9 each taxpayer that is a small business that provides health
10 care insurance for its employees is entitled to a credit
11 against the tax imposed by subsections (a) and (b) of Section
12 201 in an amount equal to:

13 (1) \$100 for each employee who is covered by the
14 taxpayer;

15 (2) \$50 for each employee's spouse who is covered by
16 the taxpayer; and

17 (3) \$40 for each dependent, other than the employee's
18 spouse, who is covered by the taxpayer, not to exceed 2
19 dependents of an employee in addition to the employee's
20 spouse.

21 (b) For the purposes of this Section, "small business"
22 means any business entity with 50 or fewer employees.

23 (c) If the taxpayer is a partnership or Subchapter S

1 corporation, the credit is allowed to the partners or
2 shareholders in accordance with the determination of income and
3 distributive share of income under Sections 702 and 704 and
4 Subchapter S of the Internal Revenue Code.

5 (d) The credit may not be carried forward or back. In no
6 event shall a credit under this Section reduce the taxpayer's
7 liability to less than zero.

8 (e) The Section is exempt from the provisions of Section
9 250.

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