



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5933

by Rep. Mike Bost

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Creates a credit, for taxable years ending on or after December 31, 2008, for taxpayers who operate a clean-coal-energy project in the State. Provides that the amount of the credit is an amount equal to the costs of that operation, but not to exceed \$50,000. Defines "clean-coal-energy project" to include any project that employs the use of clean-coal technology, any coal-gasification project, and any project to provide pollution-control technology for existing coal plants. Provides that the credit may be carried forward for 5 years. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB095 16917 BDD 42961 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. Clean coal credit.

8 (a) For taxable years ending on or after December 31, 2008,
9 each taxpayer who operates a clean-coal-energy project in the
10 State is entitled to a credit against the tax imposed under
11 subsections (a) and (b) of Section 201 in an amount equal to
12 the costs of that operation, but not to exceed \$50,000.

13 (b) For the purpose of this Section, "clean-coal-energy
14 project" includes any project that employs the use of
15 clean-coal technology, any coal-gasification project, and any
16 project to provide pollution-control technology for existing
17 coal plants.

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

1 Sections 702 and 704 and Subchapter S of the Internal Revenue
2 Code.

3 (d) The credit may not be carried back. 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 (e) This Section is exempt from the provisions of Section
12 250.

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