



Executive Committee

## Adopted in House Comm. on Aug 02, 2007

09500SB0770ham001

LRB095 05434 BDD 38378 a

1 AMENDMENT TO SENATE BILL 770

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 770 by replacing  
3 everything after the enacting clause with the following:

4 "ARTICLE 5. CONVEYANCE TO CITY OF MONMOUTH

5 Section 5-5. The Adjutant General, on behalf of the State  
6 of Illinois and the Department of Military Affairs, is  
7 authorized to convey by Quitclaim Deed all right, title, and  
8 interest of the State of Illinois and the Department of  
9 Military Affairs in and to the real estate described in Section  
10 5-10 to the City of Monmouth, subject to the conditions and  
11 restrictions described in Section 5-15.

12 Section 5-10. The Adjutant General is authorized to convey  
13 the following described real property:

14 Parcel 1: All of Lot Three (3) in Block Twenty-Six (26) of

1 the Old Town Plat of the City of Monmouth, Illinois.

2 Parcel 2: Thirty-eight and sixty-three hundredths (38.63)  
3 feet off the West end of Lot Four (4) in Block Twenty-Six (26)  
4 of the Old Town Plat of the City of Monmouth, Illinois.

5 Parcel 3: A part of Lot Two (2) of Lot Five (5) in Block  
6 Twenty-Six (26) of the Old Town Plat of the City of Monmouth,  
7 Illinois, described as follows:

8 Commencing at the Northwest corner of Lot Two (2) of the  
9 subdivision of Lot Five (5) of Block Twenty-Six (26) of the Old  
10 Town Plat of the City of Monmouth, running thence east along  
11 the north line of said Lot Two (2) to the Northeast corner of  
12 said Lot Two (2), about two hundred three and twenty-eight  
13 hundredths (203.28) feet, thence south to the south line of  
14 said Lot Two (2), thence west seventy-one and twenty-eight  
15 hundredths (71.28) feet, thence north sixty (60) feet, thence  
16 west to the west line of said Lot Two (2), thence north to the  
17 place of beginning, as shown by Plat of said subdivision  
18 recorded in Vol. 27 on page 58 of Deed records of Warren  
19 County, Illinois.

20 Parcel 4: The East half of the East half of Lot One (1) in  
21 Block Twenty-Six (26) of the Old Town Plat of the City of  
22 Monmouth, Illinois; subject to and including an easement, the

1 terms of which are recorded in Book 91, page 497 of the records  
2 in the Recorder's Office of Warren County, Illinois, and  
3 subject to any rights to maintain sewers under said premises.

4 Parcel 5: The West half of the East half of Lot One (1) in  
5 Block Twenty-Six (26) of the Old Town Plat of the City of  
6 Monmouth, Illinois; with perpetual right of ingress and egress  
7 for a driveway, as shown by deed dated February 23, 1898 and  
8 recorded in Volume 91, page 497, of the Deed Records of Warren  
9 County, Illinois.

10 Parcel 6: Lot Four (4) in Block Twenty-Six (26) of the Old  
11 Town Plat of the City of Monmouth, Illinois, except  
12 thirty-eight and sixty-three hundredths (38.63) feet off of the  
13 West end of said Lot 4, and except fifteen (15) feet off of the  
14 North side of said Lot 4, situated in the City of Monmouth,  
15 Warren County, Illinois.

16 Section 5-15. The Adjutant General shall not convey the  
17 above real property to the City of Monmouth until the Adjutant  
18 General determines that the property is no longer required for  
19 military purposes. In this regard, construction of the new  
20 Readiness Center in Galesburg must be completed, and all  
21 military units with associated equipment must have been  
22 transferred from the armory property described in Section 5-10  
23 to the new Readiness Center in Galesburg. Conveyance of the

1 above real property will be in an "as is" condition, subject to  
2 an Historic Preservation Covenant on the armory buildings as  
3 approved by the Illinois Historic Preservation Agency, and the  
4 City of Monmouth will pay all required costs and expenses of  
5 the conveyance, as determined by the Adjutant General.

6 Section 5-20. The Adjutant General shall obtain a certified  
7 copy of this Act from the Secretary of State within 60 days  
8 after its effective date and, upon conveyance of the real  
9 estate described in Section 5-10 being made, shall cause the  
10 certified copy of this Act to be recorded in the office of the  
11 recorder of Warren County, Illinois.

12 ARTICLE 10. CONVEYANCE TO CITY OF GALESBURG

13 Section 10-5. The Adjutant General, on behalf of the State  
14 of Illinois and the Department of Military Affairs, is  
15 authorized to convey by Quitclaim Deed all right, title, and  
16 interest of the State of Illinois and the Department of  
17 Military Affairs in and to the real estate described in Section  
18 10-10 to the City of Galesburg, subject to the conditions and  
19 restrictions described in Section 10-15.

20 Section 10-10. The Adjutant General is authorized to convey  
21 the following described real property:

## 1 Parcel 1:

2 Thirty-two (32) feet off of the entire North side of Sublot  
3 Eight (8), in a subdivision of original Lots Seven (7) and  
4 Eight (8) of Block Eleven (11), in the City of Galesburg, as  
5 shown by a plat recorded on page 36 in volume 78 of Knox County  
6 Deed Records; and otherwise described as the North 32 feet of  
7 the West one-half of original Lot 7 of Block 11, in the City of  
8 Galesburg.

## 9 Parcel 2:

10 Thirty-two (32) feet off of the entire North side of Sublot  
11 Seven (7) in a subdivision of original Lots Seven (7) and Eight  
12 (8) of Block Eleven (11), in the City of Galesburg, as shown by  
13 a plat recorded on page 36 in volume 78 of Knox County Deed  
14 Records; and otherwise described as the North 32 feet of the  
15 East one-half of original Lot 7 of Block 11, in the City of  
16 Galesburg.

## 17 Parcel 3:

18 Sublots Fifteen (15) and Sixteen (16) in the subdivision of the  
19 South six (6) feet of Lot Three (3), and all of Lots Four (4),  
20 Five (5) and Six (6) in original Block Eleven (11) in the City  
21 of Galesburg, as shown by Commissioners Plat in volume 28

1 Chancery Records, page 410, Knox County Records.

2 Section 10-15. The Adjutant General shall not convey the  
3 above real property to the City of Galesburg until the Adjutant  
4 General determines that the property is no longer required for  
5 military purposes. In this regard, construction of the new  
6 Readiness Center in Galesburg must be completed, and all  
7 military units with associated equipment must have been  
8 transferred from the armory property described in Section 10-10  
9 to the new Readiness Center in Galesburg. Conveyance of the  
10 above real property will be in an "as is" condition, subject to  
11 an Historic Preservation Covenant on the armory buildings as  
12 approved by the Illinois Historic Preservation Agency, and the  
13 City of Galesburg will pay all required costs and expenses of  
14 the conveyance, as determined by the Adjutant General.

15 Section 10-20. The Adjutant General shall obtain a  
16 certified copy of this Act from the Secretary of State within  
17 60 days after its effective date and, upon conveyance of the  
18 real estate described in Section 10-10 being made, shall cause  
19 the certified copy of this Act to be recorded in the office of  
20 the recorder of Knox County, Illinois.

21 ARTICLE 15. THE ILLINOIS NAVAL MILITIA

22 Section 15-5. The State Employee Indemnification Act is

1 amended by changing Section 1 as follows:

2 (5 ILCS 350/1) (from Ch. 127, par. 1301)

3 Sec. 1. Definitions. For the purpose of this Act:

4 (a) The term "State" means the State of Illinois, the  
5 General Assembly, the court, or any State office, department,  
6 division, bureau, board, commission, or committee, the  
7 governing boards of the public institutions of higher education  
8 created by the State, the Illinois National Guard and Illinois  
9 Naval Militia, the Comprehensive Health Insurance Board, any  
10 poison control center designated under the Poison Control  
11 System Act that receives State funding, or any other agency or  
12 instrumentality of the State. It does not mean any local public  
13 entity as that term is defined in Section 1-206 of the Local  
14 Governmental and Governmental Employees Tort Immunity Act or a  
15 pension fund.

16 (b) The term "employee" means any present or former elected  
17 or appointed officer, trustee or employee of the State, or of a  
18 pension fund, any present or former commissioner or employee of  
19 the Executive Ethics Commission or of the Legislative Ethics  
20 Commission, any present or former Executive, Legislative, or  
21 Auditor General's Inspector General, any present or former  
22 employee of an Office of an Executive, Legislative, or Auditor  
23 General's Inspector General, any present or former member of  
24 the Illinois National Guard or Illinois Naval Militia while on  
25 active duty, individuals or organizations who contract with the

1 Department of Corrections, the Comprehensive Health Insurance  
2 Board, or the Department of Veterans' Affairs to provide  
3 services, individuals or organizations who contract with the  
4 Department of Human Services (as successor to the Department of  
5 Mental Health and Developmental Disabilities) to provide  
6 services including but not limited to treatment and other  
7 services for sexually violent persons, individuals or  
8 organizations who contract with the Department of Military  
9 Affairs for youth programs, individuals or organizations who  
10 contract to perform carnival and amusement ride safety  
11 inspections for the Department of Labor, individual  
12 representatives of or designated organizations authorized to  
13 represent the Office of State Long-Term Ombudsman for the  
14 Department on Aging, individual representatives of or  
15 organizations designated by the Department on Aging in the  
16 performance of their duties as elder abuse provider agencies or  
17 regional administrative agencies under the Elder Abuse and  
18 Neglect Act, individuals or organizations who perform  
19 volunteer services for the State where such volunteer  
20 relationship is reduced to writing, individuals who serve on  
21 any public entity (whether created by law or administrative  
22 action) described in paragraph (a) of this Section, individuals  
23 or not for profit organizations who, either as volunteers,  
24 where such volunteer relationship is reduced to writing, or  
25 pursuant to contract, furnish professional advice or  
26 consultation to any agency or instrumentality of the State,



1 individuals who serve as foster parents for the Department of  
2 Children and Family Services when caring for a Department ward,  
3 and individuals who serve as arbitrators pursuant to Part 10A  
4 of Article II of the Code of Civil Procedure and the rules of  
5 the Supreme Court implementing Part 10A, each as now or  
6 hereafter amended, but does not mean an independent contractor  
7 except as provided in this Section. The term includes an  
8 individual appointed as an inspector by the Director of State  
9 Police when performing duties within the scope of the  
10 activities of a Metropolitan Enforcement Group or a law  
11 enforcement organization established under the  
12 Intergovernmental Cooperation Act. An individual who renders  
13 professional advice and consultation to the State through an  
14 organization which qualifies as an "employee" under the Act is  
15 also an employee. The term includes the estate or personal  
16 representative of an employee.

17 (c) The term "pension fund" means a retirement system or  
18 pension fund created under the Illinois Pension Code.

19 (Source: P.A. 93-617, eff. 12-9-03.)

20 Section 15-10. The State Employees Group Insurance Act of  
21 1971 is amended by changing Section 3 as follows:

22 (5 ILCS 375/3) (from Ch. 127, par. 523)

23 Sec. 3. Definitions. Unless the context otherwise  
24 requires, the following words and phrases as used in this Act

1 shall have the following meanings. The Department may define  
2 these and other words and phrases separately for the purpose of  
3 implementing specific programs providing benefits under this  
4 Act.

5 (a) "Administrative service organization" means any  
6 person, firm or corporation experienced in the handling of  
7 claims which is fully qualified, financially sound and capable  
8 of meeting the service requirements of a contract of  
9 administration executed with the Department.

10 (b) "Annuitant" means (1) an employee who retires, or has  
11 retired, on or after January 1, 1966 on an immediate annuity  
12 under the provisions of Articles 2, 14 (including an employee  
13 who has elected to receive an alternative retirement  
14 cancellation payment under Section 14-108.5 of the Illinois  
15 Pension Code in lieu of an annuity), 15 (including an employee  
16 who has retired under the optional retirement program  
17 established under Section 15-158.2), paragraphs (2), (3), or  
18 (5) of Section 16-106, or Article 18 of the Illinois Pension  
19 Code; (2) any person who was receiving group insurance coverage  
20 under this Act as of March 31, 1978 by reason of his status as  
21 an annuitant, even though the annuity in relation to which such  
22 coverage was provided is a proportional annuity based on less  
23 than the minimum period of service required for a retirement  
24 annuity in the system involved; (3) any person not otherwise  
25 covered by this Act who has retired as a participating member  
26 under Article 2 of the Illinois Pension Code but is ineligible

1 for the retirement annuity under Section 2-119 of the Illinois  
2 Pension Code; (4) the spouse of any person who is receiving a  
3 retirement annuity under Article 18 of the Illinois Pension  
4 Code and who is covered under a group health insurance program  
5 sponsored by a governmental employer other than the State of  
6 Illinois and who has irrevocably elected to waive his or her  
7 coverage under this Act and to have his or her spouse  
8 considered as the "annuitant" under this Act and not as a  
9 "dependent"; or (5) an employee who retires, or has retired,  
10 from a qualified position, as determined according to rules  
11 promulgated by the Director, under a qualified local  
12 government, a qualified rehabilitation facility, a qualified  
13 domestic violence shelter or service, or a qualified child  
14 advocacy center. (For definition of "retired employee", see (p)  
15 post).

16 (b-5) "New SERS annuitant" means a person who, on or after  
17 January 1, 1998, becomes an annuitant, as defined in subsection  
18 (b), by virtue of beginning to receive a retirement annuity  
19 under Article 14 of the Illinois Pension Code (including an  
20 employee who has elected to receive an alternative retirement  
21 cancellation payment under Section 14-108.5 of that Code in  
22 lieu of an annuity), and is eligible to participate in the  
23 basic program of group health benefits provided for annuitants  
24 under this Act.

25 (b-6) "New SURS annuitant" means a person who (1) on or  
26 after January 1, 1998, becomes an annuitant, as defined in

1 subsection (b), by virtue of beginning to receive a retirement  
2 annuity under Article 15 of the Illinois Pension Code, (2) has  
3 not made the election authorized under Section 15-135.1 of the  
4 Illinois Pension Code, and (3) is eligible to participate in  
5 the basic program of group health benefits provided for  
6 annuitants under this Act.

7 (b-7) "New TRS State annuitant" means a person who, on or  
8 after July 1, 1998, becomes an annuitant, as defined in  
9 subsection (b), by virtue of beginning to receive a retirement  
10 annuity under Article 16 of the Illinois Pension Code based on  
11 service as a teacher as defined in paragraph (2), (3), or (5)  
12 of Section 16-106 of that Code, and is eligible to participate  
13 in the basic program of group health benefits provided for  
14 annuitants under this Act.

15 (c) "Carrier" means (1) an insurance company, a corporation  
16 organized under the Limited Health Service Organization Act or  
17 the Voluntary Health Services Plan Act, a partnership, or other  
18 nongovernmental organization, which is authorized to do group  
19 life or group health insurance business in Illinois, or (2) the  
20 State of Illinois as a self-insurer.

21 (d) "Compensation" means salary or wages payable on a  
22 regular payroll by the State Treasurer on a warrant of the  
23 State Comptroller out of any State, trust or federal fund, or  
24 by the Governor of the State through a disbursing officer of  
25 the State out of a trust or out of federal funds, or by any  
26 Department out of State, trust, federal or other funds held by

1 the State Treasurer or the Department, to any person for  
2 personal services currently performed, and ordinary or  
3 accidental disability benefits under Articles 2, 14, 15  
4 (including ordinary or accidental disability benefits under  
5 the optional retirement program established under Section  
6 15-158.2), paragraphs (2), (3), or (5) of Section 16-106, or  
7 Article 18 of the Illinois Pension Code, for disability  
8 incurred after January 1, 1966, or benefits payable under the  
9 Workers' Compensation or Occupational Diseases Act or benefits  
10 payable under a sick pay plan established in accordance with  
11 Section 36 of the State Finance Act. "Compensation" also means  
12 salary or wages paid to an employee of any qualified local  
13 government, qualified rehabilitation facility, qualified  
14 domestic violence shelter or service, or qualified child  
15 advocacy center.

16 (e) "Commission" means the State Employees Group Insurance  
17 Advisory Commission authorized by this Act. Commencing July 1,  
18 1984, "Commission" as used in this Act means the Commission on  
19 Government Forecasting and Accountability as established by  
20 the Legislative Commission Reorganization Act of 1984.

21 (f) "Contributory", when referred to as contributory  
22 coverage, shall mean optional coverages or benefits elected by  
23 the member toward the cost of which such member makes  
24 contribution, or which are funded in whole or in part through  
25 the acceptance of a reduction in earnings or the foregoing of  
26 an increase in earnings by an employee, as distinguished from

1 noncontributory coverage or benefits which are paid entirely by  
2 the State of Illinois without reduction of the member's salary.

3 (g) "Department" means any department, institution, board,  
4 commission, officer, court or any agency of the State  
5 government receiving appropriations and having power to  
6 certify payrolls to the Comptroller authorizing payments of  
7 salary and wages against such appropriations as are made by the  
8 General Assembly from any State fund, or against trust funds  
9 held by the State Treasurer and includes boards of trustees of  
10 the retirement systems created by Articles 2, 14, 15, 16 and 18  
11 of the Illinois Pension Code. "Department" also includes the  
12 Illinois Comprehensive Health Insurance Board, the Board of  
13 Examiners established under the Illinois Public Accounting  
14 Act, and the Illinois Finance Authority.

15 (h) "Dependent", when the term is used in the context of  
16 the health and life plan, means a member's spouse and any  
17 unmarried child (1) from birth to age 19 including an adopted  
18 child, a child who lives with the member from the time of the  
19 filing of a petition for adoption until entry of an order of  
20 adoption, a stepchild or recognized child who lives with the  
21 member in a parent-child relationship, or a child who lives  
22 with the member if such member is a court appointed guardian of  
23 the child, or (2) age 19 to 23 enrolled as a full-time student  
24 in any accredited school, financially dependent upon the  
25 member, and eligible to be claimed as a dependent for income  
26 tax purposes, or (3) age 19 or over who is mentally or

1 physically handicapped. For the purposes of item (2), an  
2 unmarried child age 19 to 23 who is a member of the United  
3 States Armed Services, including the Illinois National Guard or  
4 the Illinois Naval Militia, and is mobilized to active duty  
5 shall qualify as a dependent beyond the age of 23 and until the  
6 age of 25 and while a full-time student for the amount of time  
7 spent on active duty between the ages of 19 and 23. The  
8 individual attempting to qualify for this additional time must  
9 submit written documentation of active duty service to the  
10 Director. The changes made by this amendatory Act of the 94th  
11 General Assembly apply only to individuals mobilized to active  
12 duty in the United States Armed Services, including the  
13 Illinois National Guard or Illinois Naval Militia, on or after  
14 January 1, 2002. For the health plan only, the term "dependent"  
15 also includes any person enrolled prior to the effective date  
16 of this Section who is dependent upon the member to the extent  
17 that the member may claim such person as a dependent for income  
18 tax deduction purposes; no other such person may be enrolled.  
19 For the health plan only, the term "dependent" also includes  
20 any person who has received after June 30, 2000 an organ  
21 transplant and who is financially dependent upon the member and  
22 eligible to be claimed as a dependent for income tax purposes.

23 (i) "Director" means the Director of the Illinois  
24 Department of Central Management Services.

25 (j) "Eligibility period" means the period of time a member  
26 has to elect enrollment in programs or to select benefits

1 without regard to age, sex or health.

2 (k) "Employee" means and includes each officer or employee  
3 in the service of a department who (1) receives his  
4 compensation for service rendered to the department on a  
5 warrant issued pursuant to a payroll certified by a department  
6 or on a warrant or check issued and drawn by a department upon  
7 a trust, federal or other fund or on a warrant issued pursuant  
8 to a payroll certified by an elected or duly appointed officer  
9 of the State or who receives payment of the performance of  
10 personal services on a warrant issued pursuant to a payroll  
11 certified by a Department and drawn by the Comptroller upon the  
12 State Treasurer against appropriations made by the General  
13 Assembly from any fund or against trust funds held by the State  
14 Treasurer, and (2) is employed full-time or part-time in a  
15 position normally requiring actual performance of duty during  
16 not less than 1/2 of a normal work period, as established by  
17 the Director in cooperation with each department, except that  
18 persons elected by popular vote will be considered employees  
19 during the entire term for which they are elected regardless of  
20 hours devoted to the service of the State, and (3) except that  
21 "employee" does not include any person who is not eligible by  
22 reason of such person's employment to participate in one of the  
23 State retirement systems under Articles 2, 14, 15 (either the  
24 regular Article 15 system or the optional retirement program  
25 established under Section 15-158.2) or 18, or under paragraph  
26 (2), (3), or (5) of Section 16-106, of the Illinois Pension



1 Code, but such term does include persons who are employed  
2 during the 6 month qualifying period under Article 14 of the  
3 Illinois Pension Code. Such term also includes any person who  
4 (1) after January 1, 1966, is receiving ordinary or accidental  
5 disability benefits under Articles 2, 14, 15 (including  
6 ordinary or accidental disability benefits under the optional  
7 retirement program established under Section 15-158.2),  
8 paragraphs (2), (3), or (5) of Section 16-106, or Article 18 of  
9 the Illinois Pension Code, for disability incurred after  
10 January 1, 1966, (2) receives total permanent or total  
11 temporary disability under the Workers' Compensation Act or  
12 Occupational Disease Act as a result of injuries sustained or  
13 illness contracted in the course of employment with the State  
14 of Illinois, or (3) is not otherwise covered under this Act and  
15 has retired as a participating member under Article 2 of the  
16 Illinois Pension Code but is ineligible for the retirement  
17 annuity under Section 2-119 of the Illinois Pension Code.  
18 However, a person who satisfies the criteria of the foregoing  
19 definition of "employee" except that such person is made  
20 ineligible to participate in the State Universities Retirement  
21 System by clause (4) of subsection (a) of Section 15-107 of the  
22 Illinois Pension Code is also an "employee" for the purposes of  
23 this Act. "Employee" also includes any person receiving or  
24 eligible for benefits under a sick pay plan established in  
25 accordance with Section 36 of the State Finance Act. "Employee"  
26 also includes (i) each officer or employee in the service of a

1 qualified local government, including persons appointed as  
2 trustees of sanitary districts regardless of hours devoted to  
3 the service of the sanitary district, (ii) each employee in the  
4 service of a qualified rehabilitation facility, (iii) each  
5 full-time employee in the service of a qualified domestic  
6 violence shelter or service, and (iv) each full-time employee  
7 in the service of a qualified child advocacy center, as  
8 determined according to rules promulgated by the Director.

9 (l) "Member" means an employee, annuitant, retired  
10 employee or survivor.

11 (m) "Optional coverages or benefits" means those coverages  
12 or benefits available to the member on his or her voluntary  
13 election, and at his or her own expense.

14 (n) "Program" means the group life insurance, health  
15 benefits and other employee benefits designed and contracted  
16 for by the Director under this Act.

17 (o) "Health plan" means a health benefits program offered  
18 by the State of Illinois for persons eligible for the plan.

19 (p) "Retired employee" means any person who would be an  
20 annuitant as that term is defined herein but for the fact that  
21 such person retired prior to January 1, 1966. Such term also  
22 includes any person formerly employed by the University of  
23 Illinois in the Cooperative Extension Service who would be an  
24 annuitant but for the fact that such person was made ineligible  
25 to participate in the State Universities Retirement System by  
26 clause (4) of subsection (a) of Section 15-107 of the Illinois

1 Pension Code.

2 (q) "Survivor" means a person receiving an annuity as a  
3 survivor of an employee or of an annuitant. "Survivor" also  
4 includes: (1) the surviving dependent of a person who satisfies  
5 the definition of "employee" except that such person is made  
6 ineligible to participate in the State Universities Retirement  
7 System by clause (4) of subsection (a) of Section 15-107 of the  
8 Illinois Pension Code; (2) the surviving dependent of any  
9 person formerly employed by the University of Illinois in the  
10 Cooperative Extension Service who would be an annuitant except  
11 for the fact that such person was made ineligible to  
12 participate in the State Universities Retirement System by  
13 clause (4) of subsection (a) of Section 15-107 of the Illinois  
14 Pension Code; and (3) the surviving dependent of a person who  
15 was an annuitant under this Act by virtue of receiving an  
16 alternative retirement cancellation payment under Section  
17 14-108.5 of the Illinois Pension Code.

18 (q-2) "SERS" means the State Employees' Retirement System  
19 of Illinois, created under Article 14 of the Illinois Pension  
20 Code.

21 (q-3) "SURS" means the State Universities Retirement  
22 System, created under Article 15 of the Illinois Pension Code.

23 (q-4) "TRS" means the Teachers' Retirement System of the  
24 State of Illinois, created under Article 16 of the Illinois  
25 Pension Code.

26 (q-5) "New SERS survivor" means a survivor, as defined in

1 subsection (q), whose annuity is paid under Article 14 of the  
2 Illinois Pension Code and is based on the death of (i) an  
3 employee whose death occurs on or after January 1, 1998, or  
4 (ii) a new SERS annuitant as defined in subsection (b-5). "New  
5 SERS survivor" includes the surviving dependent of a person who  
6 was an annuitant under this Act by virtue of receiving an  
7 alternative retirement cancellation payment under Section  
8 14-108.5 of the Illinois Pension Code.

9 (q-6) "New SURS survivor" means a survivor, as defined in  
10 subsection (q), whose annuity is paid under Article 15 of the  
11 Illinois Pension Code and is based on the death of (i) an  
12 employee whose death occurs on or after January 1, 1998, or  
13 (ii) a new SURS annuitant as defined in subsection (b-6).

14 (q-7) "New TRS State survivor" means a survivor, as defined  
15 in subsection (q), whose annuity is paid under Article 16 of  
16 the Illinois Pension Code and is based on the death of (i) an  
17 employee who is a teacher as defined in paragraph (2), (3), or  
18 (5) of Section 16-106 of that Code and whose death occurs on or  
19 after July 1, 1998, or (ii) a new TRS State annuitant as  
20 defined in subsection (b-7).

21 (r) "Medical services" means the services provided within  
22 the scope of their licenses by practitioners in all categories  
23 licensed under the Medical Practice Act of 1987.

24 (s) "Unit of local government" means any county,  
25 municipality, township, school district (including a  
26 combination of school districts under the Intergovernmental

1 Cooperation Act), special district or other unit, designated as  
2 a unit of local government by law, which exercises limited  
3 governmental powers or powers in respect to limited  
4 governmental subjects, any not-for-profit association with a  
5 membership that primarily includes townships and township  
6 officials, that has duties that include provision of research  
7 service, dissemination of information, and other acts for the  
8 purpose of improving township government, and that is funded  
9 wholly or partly in accordance with Section 85-15 of the  
10 Township Code; any not-for-profit corporation or association,  
11 with a membership consisting primarily of municipalities, that  
12 operates its own utility system, and provides research,  
13 training, dissemination of information, or other acts to  
14 promote cooperation between and among municipalities that  
15 provide utility services and for the advancement of the goals  
16 and purposes of its membership; the Southern Illinois  
17 Collegiate Common Market, which is a consortium of higher  
18 education institutions in Southern Illinois; the Illinois  
19 Association of Park Districts; and any hospital provider that  
20 is owned by a county that has 100 or fewer hospital beds and  
21 has not already joined the program. "Qualified local  
22 government" means a unit of local government approved by the  
23 Director and participating in a program created under  
24 subsection (i) of Section 10 of this Act.

25 (t) "Qualified rehabilitation facility" means any  
26 not-for-profit organization that is accredited by the

1 Commission on Accreditation of Rehabilitation Facilities or  
2 certified by the Department of Human Services (as successor to  
3 the Department of Mental Health and Developmental  
4 Disabilities) to provide services to persons with disabilities  
5 and which receives funds from the State of Illinois for  
6 providing those services, approved by the Director and  
7 participating in a program created under subsection (j) of  
8 Section 10 of this Act.

9 (u) "Qualified domestic violence shelter or service" means  
10 any Illinois domestic violence shelter or service and its  
11 administrative offices funded by the Department of Human  
12 Services (as successor to the Illinois Department of Public  
13 Aid), approved by the Director and participating in a program  
14 created under subsection (k) of Section 10.

15 (v) "TRS benefit recipient" means a person who:

16 (1) is not a "member" as defined in this Section; and

17 (2) is receiving a monthly benefit or retirement  
18 annuity under Article 16 of the Illinois Pension Code; and

19 (3) either (i) has at least 8 years of creditable  
20 service under Article 16 of the Illinois Pension Code, or  
21 (ii) was enrolled in the health insurance program offered  
22 under that Article on January 1, 1996, or (iii) is the  
23 survivor of a benefit recipient who had at least 8 years of  
24 creditable service under Article 16 of the Illinois Pension  
25 Code or was enrolled in the health insurance program  
26 offered under that Article on the effective date of this

1           amendatory Act of 1995, or (iv) is a recipient or survivor  
2           of a recipient of a disability benefit under Article 16 of  
3           the Illinois Pension Code.

4           (w) "TRS dependent beneficiary" means a person who:

5                 (1) is not a "member" or "dependent" as defined in this  
6                 Section; and

7                 (2) is a TRS benefit recipient's: (A) spouse, (B)  
8                 dependent parent who is receiving at least half of his or  
9                 her support from the TRS benefit recipient, or (C)  
10                unmarried natural or adopted child who is (i) under age 19,  
11                or (ii) enrolled as a full-time student in an accredited  
12                school, financially dependent upon the TRS benefit  
13                recipient, eligible to be claimed as a dependent for income  
14                tax purposes, and either is under age 24 or was, on January  
15                1, 1996, participating as a dependent beneficiary in the  
16                health insurance program offered under Article 16 of the  
17                Illinois Pension Code, or (iii) age 19 or over who is  
18                mentally or physically handicapped.

19           (x) "Military leave with pay and benefits" refers to  
20           individuals in basic training for reserves, special/advanced  
21           training, annual training, emergency call up, or activation by  
22           the President of the United States with approved pay and  
23           benefits.

24           (y) "Military leave without pay and benefits" refers to  
25           individuals who enlist for active duty in a regular component  
26           of the U.S. Armed Forces or other duty not specified or

1 authorized under military leave with pay and benefits.

2 (z) "Community college benefit recipient" means a person  
3 who:

4 (1) is not a "member" as defined in this Section; and

5 (2) is receiving a monthly survivor's annuity or  
6 retirement annuity under Article 15 of the Illinois Pension  
7 Code; and

8 (3) either (i) was a full-time employee of a community  
9 college district or an association of community college  
10 boards created under the Public Community College Act  
11 (other than an employee whose last employer under Article  
12 15 of the Illinois Pension Code was a community college  
13 district subject to Article VII of the Public Community  
14 College Act) and was eligible to participate in a group  
15 health benefit plan as an employee during the time of  
16 employment with a community college district (other than a  
17 community college district subject to Article VII of the  
18 Public Community College Act) or an association of  
19 community college boards, or (ii) is the survivor of a  
20 person described in item (i).

21 (aa) "Community college dependent beneficiary" means a  
22 person who:

23 (1) is not a "member" or "dependent" as defined in this  
24 Section; and

25 (2) is a community college benefit recipient's: (A)  
26 spouse, (B) dependent parent who is receiving at least half



1 of his or her support from the community college benefit  
2 recipient, or (C) unmarried natural or adopted child who is  
3 (i) under age 19, or (ii) enrolled as a full-time student  
4 in an accredited school, financially dependent upon the  
5 community college benefit recipient, eligible to be  
6 claimed as a dependent for income tax purposes and under  
7 age 23, or (iii) age 19 or over and mentally or physically  
8 handicapped.

9 (bb) "Qualified child advocacy center" means any Illinois  
10 child advocacy center and its administrative offices funded by  
11 the Department of Children and Family Services, as defined by  
12 the Children's Advocacy Center Act (55 ILCS 80/), approved by  
13 the Director and participating in a program created under  
14 subsection (n) of Section 10.

15 (Source: P.A. 93-205, eff. 1-1-04; 93-839, eff. 7-30-04;  
16 93-1067, eff. 1-15-05; 94-32, eff. 6-15-05; 94-82, eff. 1-1-06;  
17 94-860, eff. 6-16-06; revised 8-3-06.)

18 Section 15-15. The Disaster Relief Act is amended by  
19 changing Section 3 as follows:

20 (15 ILCS 30/3) (from Ch. 127, par. 293.3)

21 Sec. 3. Whenever funds regularly appropriated to the State  
22 and local governmental bodies for disaster response and  
23 recovery are insufficient to provide services, and when the  
24 Governor has declared a disaster by proclamation in accordance

1 with Section 7 of the Illinois Emergency Management Agency Act  
2 or any successor Act, the Governor may draw upon the Disaster  
3 Relief Fund in order to provide services or to reimburse local  
4 governmental bodies furnishing services. The fund may be used  
5 for the payment of emergency employees, for the payment of the  
6 Illinois National Guard or Naval Militia when called to active  
7 duty, for disaster-related expenses of State Agencies and  
8 Departments, and for the emergency purchase or renting of  
9 equipment and commodities. The fund shall be used for  
10 furnishing emergency services and relief to the disaster area  
11 as a whole and shall not be used to provide private relief to  
12 persons sustaining property damages or personal injury as a  
13 result of a disaster.

14 (Source: P.A. 87-168.)

15 Section 15-20. The Department of Central Management  
16 Services Law of the Civil Administrative Code of Illinois is  
17 amended by changing Section 405-105 as follows:

18 (20 ILCS 405/405-105) (was 20 ILCS 405/64.1)

19 Sec. 405-105. Fidelity, surety, property, and casualty  
20 insurance. The Department shall establish and implement a  
21 program to coordinate the handling of all fidelity, surety,  
22 property, and casualty insurance exposures of the State and the  
23 departments, divisions, agencies, branches, and universities  
24 of the State. In performing this responsibility, the Department

1 shall have the power and duty to do the following:

2 (1) Develop and maintain loss and exposure data on all  
3 State property.

4 (2) Study the feasibility of establishing a self-insurance  
5 plan for State property and prepare estimates of the costs of  
6 reinsurance for risks beyond the realistic limits of the  
7 self-insurance.

8 (3) Prepare a plan for centralizing the purchase of  
9 property and casualty insurance on State property under a  
10 master policy or policies and purchase the insurance contracted  
11 for as provided in the Illinois Purchasing Act.

12 (4) Evaluate existing provisions for fidelity bonds  
13 required of State employees and recommend changes that are  
14 appropriate commensurate with risk experience and the  
15 determinations respecting self-insurance or reinsurance so as  
16 to permit reduction of costs without loss of coverage.

17 (5) Investigate procedures for inclusion of school  
18 districts, public community college districts, and other units  
19 of local government in programs for the centralized purchase of  
20 insurance.

21 (6) Implement recommendations of the State Property  
22 Insurance Study Commission that the Department finds necessary  
23 or desirable in the performance of its powers and duties under  
24 this Section to achieve efficient and comprehensive risk  
25 management.

26 (7) Prepare and, in the discretion of the Director,

1 implement a plan providing for the purchase of public liability  
2 insurance or for self-insurance for public liability or for a  
3 combination of purchased insurance and self-insurance for  
4 public liability (i) covering the State and drivers of motor  
5 vehicles owned, leased, or controlled by the State of Illinois  
6 pursuant to the provisions and limitations contained in the  
7 Illinois Vehicle Code, (ii) covering other public liability  
8 exposures of the State and its employees within the scope of  
9 their employment, and (iii) covering drivers of motor vehicles  
10 not owned, leased, or controlled by the State but used by a  
11 State employee on State business, in excess of liability  
12 covered by an insurance policy obtained by the owner of the  
13 motor vehicle or in excess of the dollar amounts that the  
14 Department shall determine to be reasonable. Any contract of  
15 insurance let under this Law shall be by bid in accordance with  
16 the procedure set forth in the Illinois Purchasing Act. Any  
17 provisions for self-insurance shall conform to subdivision  
18 (11).

19 The term "employee" as used in this subdivision (7) and in  
20 subdivision (11) means a person while in the employ of the  
21 State who is a member of the staff or personnel of a State  
22 agency, bureau, board, commission, committee, department,  
23 university, or college or who is a State officer, elected  
24 official, commissioner, member of or ex officio member of a  
25 State agency, bureau, board, commission, committee,  
26 department, university, or college, or a member of the National

1 Guard or Naval Militia while on active duty pursuant to orders  
2 of the Governor of the State of Illinois, or any other person  
3 while using a licensed motor vehicle owned, leased, or  
4 controlled by the State of Illinois with the authorization of  
5 the State of Illinois, provided the actual use of the motor  
6 vehicle is within the scope of that authorization and within  
7 the course of State service.

8 Subsequent to payment of a claim on behalf of an employee  
9 pursuant to this Section and after reasonable advance written  
10 notice to the employee, the Director may exclude the employee  
11 from future coverage or limit the coverage under the plan if  
12 (i) the Director determines that the claim resulted from an  
13 incident in which the employee was grossly negligent or had  
14 engaged in willful and wanton misconduct or (ii) the Director  
15 determines that the employee is no longer an acceptable risk  
16 based on a review of prior accidents in which the employee was  
17 at fault and for which payments were made pursuant to this  
18 Section.

19 The Director is authorized to promulgate administrative  
20 rules that may be necessary to establish and administer the  
21 plan.

22 Appropriations from the Road Fund shall be used to pay auto  
23 liability claims and related expenses involving employees of  
24 the Department of Transportation, the Illinois State Police,  
25 and the Secretary of State.

26 (8) Charge, collect, and receive from all other agencies of

1 the State government fees or monies equivalent to the cost of  
2 purchasing the insurance.

3 (9) Establish, through the Director, charges for risk  
4 management services rendered to State agencies by the  
5 Department. The State agencies so charged shall reimburse the  
6 Department by vouchers drawn against their respective  
7 appropriations. The reimbursement shall be determined by the  
8 Director as amounts sufficient to reimburse the Department for  
9 expenditures incurred in rendering the service.

10 The Department shall charge the employing State agency or  
11 university for workers' compensation payments for temporary  
12 total disability paid to any employee after the employee has  
13 received temporary total disability payments for 120 days if  
14 the employee's treating physician has issued a release to  
15 return to work with restrictions and the employee is able to  
16 perform modified duty work but the employing State agency or  
17 university does not return the employee to work at modified  
18 duty. Modified duty shall be duties assigned that may or may  
19 not be delineated as part of the duties regularly performed by  
20 the employee. Modified duties shall be assigned within the  
21 prescribed restrictions established by the treating physician  
22 and the physician who performed the independent medical  
23 examination. The amount of all reimbursements shall be  
24 deposited into the Workers' Compensation Revolving Fund which  
25 is hereby created as a revolving fund in the State treasury. In  
26 addition to any other purpose authorized by law, moneys in the

1 Fund shall be used, subject to appropriation, to pay these or  
2 other temporary total disability claims of employees of State  
3 agencies and universities.

4 Beginning with fiscal year 1996, all amounts recovered by  
5 the Department through subrogation in workers' compensation  
6 and workers' occupational disease cases shall be deposited into  
7 the Workers' Compensation Revolving Fund created under this  
8 subdivision (9).

9 (10) Establish rules, procedures, and forms to be used by  
10 State agencies in the administration and payment of workers'  
11 compensation claims. The Department shall initially evaluate  
12 and determine the compensability of any injury that is the  
13 subject of a workers' compensation claim and provide for the  
14 administration and payment of such a claim for all State  
15 agencies. The Director may delegate to any agency with the  
16 agreement of the agency head the responsibility for evaluation,  
17 administration, and payment of that agency's claims.

18 (11) Any plan for public liability self-insurance  
19 implemented under this Section shall provide that (i) the  
20 Department shall attempt to settle and may settle any public  
21 liability claim filed against the State of Illinois or any  
22 public liability claim filed against a State employee on the  
23 basis of an occurrence in the course of the employee's State  
24 employment; (ii) any settlement of such a claim must be  
25 approved by the Director and, in cases of settlements exceeding  
26 \$100,000, by the Governor; and (iii) a settlement of any public

1 liability claim against the State or a State employee shall  
2 require an unqualified release of any right of action against  
3 the State and the employee for acts within the scope of the  
4 employee's employment giving rise to the claim.

5 Whenever and to the extent that a State employee operates a  
6 motor vehicle or engages in other activity covered by  
7 self-insurance under this Section, the State of Illinois shall  
8 defend, indemnify, and hold harmless the employee against any  
9 claim in tort filed against the employee for acts or omissions  
10 within the scope of the employee's employment in any proper  
11 judicial forum and not settled pursuant to this subdivision  
12 (11), provided that this obligation of the State of Illinois  
13 shall not exceed a maximum liability of \$2,000,000 for any  
14 single occurrence in connection with the operation of a motor  
15 vehicle or \$100,000 per person per occurrence for any other  
16 single occurrence, or \$500,000 for any single occurrence in  
17 connection with the provision of medical care by a licensed  
18 physician employee.

19 Any claims against the State of Illinois under a  
20 self-insurance plan that are not settled pursuant to this  
21 subdivision (11) shall be heard and determined by the Court of  
22 Claims and may not be filed or adjudicated in any other forum.  
23 The Attorney General of the State of Illinois or the Attorney  
24 General's designee shall be the attorney with respect to all  
25 public liability self-insurance claims that are not settled  
26 pursuant to this subdivision (11) and therefore result in



1 litigation. The payment of any award of the Court of Claims  
2 entered against the State relating to any public liability  
3 self-insurance claim shall act as a release against any State  
4 employee involved in the occurrence.

5 (12) Administer a plan the purpose of which is to make  
6 payments on final settlements or final judgments in accordance  
7 with the State Employee Indemnification Act. The plan shall be  
8 funded through appropriations from the General Revenue Fund  
9 specifically designated for that purpose, except that  
10 indemnification expenses for employees of the Department of  
11 Transportation, the Illinois State Police, and the Secretary of  
12 State shall be paid from the Road Fund. The term "employee" as  
13 used in this subdivision (12) has the same meaning as under  
14 subsection (b) of Section 1 of the State Employee  
15 Indemnification Act. Subject to sufficient appropriation, the  
16 Director shall approve payment of any claim presented to the  
17 Director that is supported by a final settlement or final  
18 judgment when the Attorney General and the chief officer of the  
19 public body against whose employee the claim or cause of action  
20 is asserted certify to the Director that the claim is in  
21 accordance with the State Employee Indemnification Act and that  
22 they approve of the payment. In no event shall an amount in  
23 excess of \$150,000 be paid from this plan to or for the benefit  
24 of any claimant.

25 (13) Administer a plan the purpose of which is to make  
26 payments on final settlements or final judgments for employee

1 wage claims in situations where there was an appropriation  
2 relevant to the wage claim, the fiscal year and lapse period  
3 have expired, and sufficient funds were available to pay the  
4 claim. The plan shall be funded through appropriations from the  
5 General Revenue Fund specifically designated for that purpose.

6 Subject to sufficient appropriation, the Director is  
7 authorized to pay any wage claim presented to the Director that  
8 is supported by a final settlement or final judgment when the  
9 chief officer of the State agency employing the claimant  
10 certifies to the Director that the claim is a valid wage claim  
11 and that the fiscal year and lapse period have expired. Payment  
12 for claims that are properly submitted and certified as valid  
13 by the Director shall include interest accrued at the rate of  
14 7% per annum from the forty-fifth day after the claims are  
15 received by the Department or 45 days from the date on which  
16 the amount of payment is agreed upon, whichever is later, until  
17 the date the claims are submitted to the Comptroller for  
18 payment. When the Attorney General has filed an appearance in  
19 any proceeding concerning a wage claim settlement or judgment,  
20 the Attorney General shall certify to the Director that the  
21 wage claim is valid before any payment is made. In no event  
22 shall an amount in excess of \$150,000 be paid from this plan to  
23 or for the benefit of any claimant.

24 Nothing in Public Act 84-961 shall be construed to affect  
25 in any manner the jurisdiction of the Court of Claims  
26 concerning wage claims made against the State of Illinois.

1           (14) Prepare and, in the discretion of the Director,  
2           implement a program for self-insurance for official fidelity  
3           and surety bonds for officers and employees as authorized by  
4           the Official Bond Act.

5           (Source: P.A. 93-839, eff. 7-30-04.)

6           Section 15-25. The Personnel Code is amended by changing  
7           Section 4c as follows:

8           (20 ILCS 415/4c) (from Ch. 127, par. 63b104c)

9           Sec. 4c. General exemptions. The following positions in  
10          State service shall be exempt from jurisdictions A, B, and C,  
11          unless the jurisdictions shall be extended as provided in this  
12          Act:

13                 (1) All officers elected by the people.

14                 (2) All positions under the Lieutenant Governor,  
15                 Secretary of State, State Treasurer, State Comptroller,  
16                 State Board of Education, Clerk of the Supreme Court,  
17                 Attorney General, and State Board of Elections.

18                 (3) Judges, and officers and employees of the courts,  
19                 and notaries public.

20                 (4) All officers and employees of the Illinois General  
21                 Assembly, all employees of legislative commissions, all  
22                 officers and employees of the Illinois Legislative  
23                 Reference Bureau, the Legislative Research Unit, and the  
24                 Legislative Printing Unit.

1           (5) All positions in the Illinois National Guard,  
2           Illinois Naval Militia, and Illinois State Guard, paid from  
3           federal funds or positions in the State Military Service  
4           filled by enlistment and paid from State funds.

5           (6) All employees of the Governor at the executive  
6           mansion and on his immediate personal staff.

7           (7) Directors of Departments, the Adjutant General,  
8           the Assistant Adjutant General, the Director of the  
9           Illinois Emergency Management Agency, members of boards  
10          and commissions, and all other positions appointed by the  
11          Governor by and with the consent of the Senate.

12          (8) The presidents, other principal administrative  
13          officers, and teaching, research and extension faculties  
14          of Chicago State University, Eastern Illinois University,  
15          Governors State University, Illinois State University,  
16          Northeastern Illinois University, Northern Illinois  
17          University, Western Illinois University, the Illinois  
18          Community College Board, Southern Illinois University,  
19          Illinois Board of Higher Education, University of  
20          Illinois, State Universities Civil Service System,  
21          University Retirement System of Illinois, and the  
22          administrative officers and scientific and technical staff  
23          of the Illinois State Museum.

24          (9) All other employees except the presidents, other  
25          principal administrative officers, and teaching, research  
26          and extension faculties of the universities under the

1 jurisdiction of the Board of Regents and the colleges and  
2 universities under the jurisdiction of the Board of  
3 Governors of State Colleges and Universities, Illinois  
4 Community College Board, Southern Illinois University,  
5 Illinois Board of Higher Education, Board of Governors of  
6 State Colleges and Universities, the Board of Regents,  
7 University of Illinois, State Universities Civil Service  
8 System, University Retirement System of Illinois, so long  
9 as these are subject to the provisions of the State  
10 Universities Civil Service Act.

11 (10) The State Police so long as they are subject to  
12 the merit provisions of the State Police Act.

13 (11) The scientific staff of the State Scientific  
14 Surveys and the Waste Management and Research Center.

15 (12) The technical and engineering staffs of the  
16 Department of Transportation, the Department of Nuclear  
17 Safety, the Pollution Control Board, and the Illinois  
18 Commerce Commission, and the technical and engineering  
19 staff providing architectural and engineering services in  
20 the Department of Central Management Services.

21 (13) All employees of the Illinois State Toll Highway  
22 Authority.

23 (14) The Secretary of the Illinois Workers'  
24 Compensation Commission.

25 (15) All persons who are appointed or employed by the  
26 Director of Insurance under authority of Section 202 of the

1 Illinois Insurance Code to assist the Director of Insurance  
2 in discharging his responsibilities relating to the  
3 rehabilitation, liquidation, conservation, and dissolution  
4 of companies that are subject to the jurisdiction of the  
5 Illinois Insurance Code.

6 (16) All employees of the St. Louis Metropolitan Area  
7 Airport Authority.

8 (17) All investment officers employed by the Illinois  
9 State Board of Investment.

10 (18) Employees of the Illinois Young Adult  
11 Conservation Corps program, administered by the Illinois  
12 Department of Natural Resources, authorized grantee under  
13 Title VIII of the Comprehensive Employment and Training Act  
14 of 1973, 29 USC 993.

15 (19) Seasonal employees of the Department of  
16 Agriculture for the operation of the Illinois State Fair  
17 and the DuQuoin State Fair, no one person receiving more  
18 than 29 days of such employment in any calendar year.

19 (20) All "temporary" employees hired under the  
20 Department of Natural Resources' Illinois Conservation  
21 Service, a youth employment program that hires young people  
22 to work in State parks for a period of one year or less.

23 (21) All hearing officers of the Human Rights  
24 Commission.

25 (22) All employees of the Illinois Mathematics and  
26 Science Academy.

1           (23) All employees of the Kankakee River Valley Area  
2           Airport Authority.

3           (24) The commissioners and employees of the Executive  
4           Ethics Commission.

5           (25) The Executive Inspectors General, including  
6           special Executive Inspectors General, and employees of  
7           each Office of an Executive Inspector General.

8           (26) The commissioners and employees of the  
9           Legislative Ethics Commission.

10          (27) The Legislative Inspector General, including  
11          special Legislative Inspectors General, and employees of  
12          the Office of the Legislative Inspector General.

13          (28) The Auditor General's Inspector General and  
14          employees of the Office of the Auditor General's Inspector  
15          General.

16          (Source: P.A. 93-617, eff. 12-9-03; 93-721, eff. 1-1-05;  
17          93-1091, eff. 3-29-05.)

18          Section 15-30. The Helping Heroes Child Care Program Act is  
19          amended by changing Section 10 as follows:

20           (20 ILCS 1325/10)

21           (Section scheduled to be repealed on July 1, 2010)

22           Sec. 10. Program established.

23           (a) The Helping Heroes Child Care Program is established  
24           for the purpose of providing vouchers for child care to

1 Illinois families who have one or more parents deployed to Iraq  
2 or Afghanistan by the armed services. The Department shall  
3 administer the program. The Department shall implement the  
4 program only if federal funding is made available for that  
5 purpose. Any such federal moneys received by the State shall be  
6 deposited into the Fund for Child Care for Deployed Military  
7 Personnel, which is created as a special fund in the State  
8 treasury. Moneys in the Fund shall be appropriated to the  
9 Department for the purpose of administering this Act.

10 (b) Any Illinois resident who (i) is serving in the active  
11 military, reserves, ~~or~~ National Guard, or Naval Militia, (ii)  
12 has been deployed to Iraq or Afghanistan by the armed services,  
13 and (iii) meets the income eligibility criteria established by  
14 the Department by rule is eligible for a child care voucher  
15 under the program. A family that received child care assistance  
16 before the parent's deployment to Iraq or Afghanistan is  
17 eligible only for a voucher for the cost of any additional  
18 hours of child care that are necessary by reason of that  
19 deployment. A family is not eligible for a child care voucher  
20 under the program if the family receives child care services  
21 from the United States military.

22 (Source: P.A. 94-35, eff. 6-15-05.)

23 Section 15-35. The Military Code of Illinois is amended by  
24 changing Sections 1.01, 3, 4, 7, 10, 11, 12, 18, 20, 22, 22-1,  
25 22-9, 22-10, 24.1, 25, 27, 28.6, 28.9, the heading of Article



1 V-A, and Sections 30.1, 30.5, 30.10, 30.15, 30.20, 34, 35, 37,  
2 40, 41, 44, 46, 47, 48, 49, 52, 53, 62, 65, 68, 69, 71, 74, 82,  
3 83, 84, 85, 86, 87, 88, 89, 90, 92.1, 93, 94a, 96, 98, 100, and  
4 101 and by adding Sections 6, 6.1, 6.2, 6.3, the heading of  
5 Article VI, and Sections 31, 32, 63, and 93.1 as follows:

6 (20 ILCS 1805/1.01) (from Ch. 129, par. 220.001)

7 Sec. 1.01. This Act may be cited as the Military and Naval  
8 Code of Illinois.

9 (Source: P.A. 86-1475.)

10 (20 ILCS 1805/3) (from Ch. 129, par. 220.03)

11 Sec. 3. Whenever all or a portion of the Illinois National  
12 Guard or Illinois Naval Militia is called or ordered into the  
13 active military service of the United States by the President  
14 of the United States or the Congress of the United States it  
15 shall be the duty of the Governor as Commander-in-Chief to  
16 furnish such troops, and the Governor as Commander-in-Chief  
17 may, by his proclamation, organize the Illinois State Guard  
18 under the provisions of the Illinois State Guard Law.

19 (Source: P.A. 85-1241.)

20 (20 ILCS 1805/4) (from Ch. 129, par. 220.04)

21 Sec. 4. The intent of this Act and all Acts of the State of  
22 Illinois affecting the Illinois National Guard, Illinois Naval  
23 Militia, and Unorganized Militia is to conform to all Acts and

1 regulations of the United States affecting the same subjects,  
2 and all Acts of the State of Illinois shall be construed to  
3 effect this purpose.

4 (Source: P.A. 85-1241.)

5 (20 ILCS 1805/6 new)

6 Sec. 6. The Naval force of the State is hereby designated  
7 the Illinois Naval Militia.

8 (20 ILCS 1805/6.1 new)

9 Sec. 6.1. Commander, Illinois Naval Militia. The Illinois  
10 Naval Militia shall be commanded by the Commander, Illinois  
11 Naval Militia. The Commander-in-Chief shall appoint the  
12 Commander, Illinois Naval Militia, with a grade not to exceed  
13 Rear Admiral, Upper Half. The Commander, Illinois Naval  
14 Militia, shall be appointed from among career naval officers of  
15 the United States Navy, United States Marine Corps, or United  
16 States Coast Guard, or their reserve components, including  
17 retired officers.

18 (20 ILCS 1805/6.2 new)

19 Sec. 6.2. Advisement. The Commander, Illinois Naval  
20 Militia, shall advise the Commander-in-Chief on naval and  
21 maritime matters.

22 (20 ILCS 1805/6.3 new)

1       Sec. 6.3. Relationship with United States Armed Forces. The  
2 Commander, Illinois Naval Militia, shall maintain liaison with  
3 the United States Navy, United States Marine Corps, United  
4 States Coast Guard, and their reserve components.

5           (20 ILCS 1805/7) (from Ch. 129, par. 220.07)

6       Sec. 7. The Organized Militia shall consist of the Illinois  
7 National Guard and the Illinois Naval Militia. There shall be  
8 no racial segregation nor shall there be any discrimination in  
9 the service of any detachment, company, regiment, division,  
10 department or any other subdivision of the Illinois National  
11 Guard or the Illinois Naval Militia because of race, creed, or  
12 color.

13       (Source: P.A. 85-1241.)

14           (20 ILCS 1805/10) (from Ch. 129, par. 220.10)

15       Sec. 10. The uniforms, arms and equipment of all personnel  
16 of the Illinois National Guard or the Illinois Naval Militia  
17 shall be exempt from all suits, distresses, executions or sales  
18 for debts or payment of taxes. Personnel shall in all cases  
19 except treason, felony, or breach of peace, be privileged from  
20 arrest and imprisonment by civil authority while under orders  
21 in the active service of the State, from the date of the  
22 issuing of such orders to the time when such service shall  
23 cease.

24       (Source: P.A. 85-1241.)

1 (20 ILCS 1805/11) (from Ch. 129, par. 220.11)

2 Sec. 11. The Governor of the State is Commander-in-Chief of  
3 the military and naval forces of the State.

4 (Source: P.A. 85-1241.)

5 (20 ILCS 1805/12) (from Ch. 129, par. 220.12)

6 Sec. 12. The Commander-in-Chief may appoint at his  
7 discretion 6 ~~four~~ personal aides as members of his staff and  
8 may commission such aides in grades not above that of Colonel  
9 or naval Captain.

10 (Source: P.A. 85-1241.)

11 (20 ILCS 1805/18) (from Ch. 129, par. 220.18)

12 Sec. 18. The term "military service" used herein as  
13 qualification for appointment of officers of the Illinois  
14 National Guard or the Illinois Naval Militia is defined to mean  
15 such military or naval service credited as cumulative years of  
16 service for pay purposes in accordance with the laws of the  
17 United States and the rules and regulations based thereon.

18 (Source: P.A. 85-1241.)

19 (20 ILCS 1805/20) (from Ch. 129, par. 220.20)

20 Sec. 20. There is hereby established in the Executive  
21 Branch of the State Government, a principal department which  
22 shall be known as the Department of Military Affairs. The

1 Department of Military Affairs shall consist of The Adjutant  
2 General, Chief of Staff; an Assistant Adjutant General for  
3 Army; an Assistant Adjutant General for Air; a Commander,  
4 Illinois Naval Militia; and the number of military, naval, and  
5 civilian employees required. It is the channel of communication  
6 between the Federal Government and the State of Illinois on all  
7 matters pertaining to the State military and naval forces.

8 (Source: P.A. 85-1241.)

9 (20 ILCS 1805/22) (from Ch. 129, par. 220.22)

10 Sec. 22. The Adjutant General shall be charged with  
11 carrying out the policies of the Commander-in-Chief and shall  
12 issue orders in his name. Orders of The Adjutant General shall  
13 be considered as emanating from the Commander-in-Chief.

14 (a) He shall be the immediate adviser of the  
15 Commander-in-Chief on all matters relating to the militia and  
16 shall be charged with the planning, development and execution  
17 of the program of the military and naval forces of the State.  
18 He shall be responsible for the preparation and execution of  
19 plans, for organizing, supplying, equipping and mobilizing the  
20 Organized Militia, for use in the national defense, and for  
21 State defense, and emergencies.

22 (b) He shall hold major organization commanders  
23 responsible for the training of their commands, and shall issue  
24 all orders and instructions for the government of the militia  
25 and of the officers, warrant officers, and enlisted personnel

1       therein.

2           (c) He shall make such returns and reports as may be  
3       prescribed by the Commander-in-Chief or required by the laws or  
4       regulations of the State or of the United States.

5           (d) The Adjutant General shall be the head of the  
6       Department of Military Affairs of the Executive Branch of the  
7       government of the State.

8       (Source: P.A. 85-1241.)

9           (20 ILCS 1805/22-1) (from Ch. 129, par. 220.22-1)

10          Sec. 22-1. The Adjutant General has the power and authority  
11       to enter into contracts and agreements in the name of the State  
12       of Illinois with the Federal government on any and all matters  
13       relating to the organizing, training, equipping, quartering  
14       and maintenance of the Illinois National Guard and the Illinois  
15       Naval Militia.

16       (Source: P.A. 85-1241.)

17          (20 ILCS 1805/22-9)

18          Sec. 22-9. Power to make grants from the Illinois Military  
19       Family Relief Fund. Subject to appropriation, the Department of  
20       Military Affairs shall have the power to make grants from the  
21       Illinois Military Family Relief Fund, a special fund created in  
22       the State treasury, to single persons who are members of the  
23       Illinois National Guard or Naval Militia or Illinois residents  
24       who are members of the reserves of the armed forces of the

1 United States and who have been called to active duty as a  
2 result of the September 11, 2001 terrorist attacks and to  
3 families of persons who are members of the Illinois National  
4 Guard or the Illinois Naval Militia or Illinois residents who  
5 are members of the reserves of the armed forces of the United  
6 States and who have been called to active duty as a result of  
7 the September 11, 2001 terrorist attacks. The Department of  
8 Military Affairs shall establish eligibility criteria for the  
9 grants by rule.

10 In addition to amounts transferred into the Fund under  
11 Section 510 of the Illinois Income Tax Act, the State Treasurer  
12 shall accept and deposit into the Fund all gifts, grants,  
13 transfers, appropriations, and other amounts from any legal  
14 source, public or private, that are designated for deposit into  
15 the Fund.

16 (Source: P.A. 92-886, eff. 2-7-03; 93-506, eff. 8-11-03;  
17 93-976, eff. 8-20-04.)

18 (20 ILCS 1805/22-10)

19 Sec. 22-10. Notice of provisions of Service Member's  
20 Employment Tenure Act. Whenever a member of the Illinois  
21 National Guard or Naval Militia is called to active military  
22 duty pursuant to a declaration of war by the Congress or by the  
23 President under the War Powers Act or by the Governor in time  
24 of declared emergency or for quelling civil insurrection, the  
25 Adjutant General shall ensure that the member is expeditiously

1 given written notice of the provisions of Sections 4 and 4.5 of  
2 the Service Member's Employment Tenure Act.

3 (Source: P.A. 94-162, eff. 7-11-05.)

4 (20 ILCS 1805/24.1) (from Ch. 129, par. 220.24-1)

5 Sec. 24.1. The Adjutant General is authorized to negotiate  
6 and enter into contracts on behalf of all civilian employees of  
7 the Army National Guard, ~~and~~ Air National Guard, and Naval  
8 Militia under his jurisdiction for membership in an employee  
9 retirement, disability or death benefits system, and  
10 membership in a group health insurance program, and to enter  
11 into agreements with the Secretary of Defense of the United  
12 States of America for withholding sums from the compensation of  
13 such civilian employees for contributions to such system or  
14 program. The Adjutant General is also authorized to designate  
15 who shall receive the sums withheld for contributions to the  
16 system or program authorized by this Section.

17 (Source: Laws 1965, p. 2574.)

18 (20 ILCS 1805/25) (from Ch. 129, par. 220.25)

19 Sec. 25. The Adjutant General shall have charge of and  
20 carefully preserve the colors, flags, guidons and military  
21 trophies of war belonging to the State. He may, for the purpose  
22 of enabling wider public display, make loans of these items to  
23 the Federal government, other State governments, and to  
24 recognized museums. He shall furnish, at the expense of the



1 State, blanks and forms, and such military and naval  
2 publications as required.

3 Prior to September 1 of each year, or at such other time as  
4 prescribed by the Governor, the Adjutant General shall file  
5 with the Office of the Governor a report listing each item  
6 loaned during the previous fiscal year and prior fiscal years,  
7 the terms and conditions of each loan, and the federal or State  
8 governmental office or recognized museum to which each item has  
9 been loaned.

10 (Source: P.A. 91-826, eff. 6-13-00.)

11 (20 ILCS 1805/27) (from Ch. 129, par. 220.27)

12 Sec. 27. The Adjutant General shall be responsible for and  
13 have supervision of all military installations, facilities,  
14 armories, grounds, buildings, property, and equipment of the  
15 Illinois Army, ~~and~~ Air National Guard, and Naval Militia.

16 (Source: P.A. 85-1241.)

17 (20 ILCS 1805/28.6)

18 Sec. 28.6. Policy.

19 (a) A member of the Army National Guard, ~~or~~ the Air  
20 National Guard, or the Naval Militia may be ordered to funeral  
21 honors duty in accordance with this Article. That member shall  
22 receive an allowance of \$100 for any day on which a minimum of  
23 2 hours of funeral honors duty is performed. Members of the  
24 Illinois National Guard or Naval Militia ordered to funeral

1 honors duty in accordance with this Article are considered to  
2 be in the active service of the State for all purposes except  
3 for pay, and the provisions of Sections 52, 53, 54, 55, and 56  
4 of the Military Code of Illinois apply if a member of the  
5 Illinois National Guard or the Illinois Naval Militia is  
6 injured or disabled in the course of those duties.

7 (b) The Adjutant General may provide support for other  
8 authorized providers who volunteer to participate in a funeral  
9 honors detail conducted on behalf of the Governor. This support  
10 is limited to transportation, reimbursement for  
11 transportation, expenses, materials, and training.

12 (c) On or after July 1, 2006, if the Adjutant General  
13 determines that Illinois National Guard or Naval Militia  
14 personnel are not available to perform military funeral honors  
15 in accordance with this Article, the Adjutant General may  
16 authorize another appropriate organization to provide one or  
17 more of its members to perform those honors and, subject to  
18 appropriations for that purpose, shall authorize the payment of  
19 a \$100 stipend to the organization.

20 (Source: P.A. 94-251, eff. 1-1-06; 94-359, eff. 7-1-06; revised  
21 9-14-06.)

22 (20 ILCS 1805/28.9)

23 Sec. 28.9. Availability of funds. Nothing in this Article  
24 establishes any entitlement to military funeral honors if the  
25 Adjutant General determines that Illinois National Guard,

1 Naval Militia, or other appropriate personnel are not available  
2 to perform those honors or if adequate appropriated funds are  
3 not available to fund this program.

4 (Source: P.A. 94-359, eff. 7-1-06.)

5 (20 ILCS 1805/Art. V-A heading)

6 ARTICLE V-A. NATIONAL GUARD AND NAVAL MILITIA EMPLOYMENT RIGHTS

7 (20 ILCS 1805/30.1)

8 Sec. 30.1. Article short title. This Article may be cited  
9 as the Illinois National Guard and Naval Militia Employment  
10 Rights Law.

11 (Source: P.A. 92-716, eff. 7-24-02.)

12 (20 ILCS 1805/30.5)

13 Sec. 30.5. Public policy. As a guide to the interpretation  
14 and application of this Article, the public policy of the State  
15 is declared as follows:

16 The United States has provided for the reemployment rights  
17 of members of the Reserve Components of the armed forces, and  
18 of the National Guard of the states, while serving in duty or  
19 training statuses pursuant to Title 10 or 32 of the United  
20 States Code, by enacting the Uniformed Services Employment and  
21 Reemployment Rights Act, codified at Title 38, United States  
22 Code, Chapter 43. The Uniformed Services Employment and  
23 Reemployment Rights Act, however, does not provide any such

1 protection to members of the National Guard or Naval Militia  
2 serving the states, including the State of Illinois, in a State  
3 Active Duty status pursuant to orders of the Governor.

4 The United States has also provided relief from certain  
5 civil obligations for personnel of the United States armed  
6 forces serving on federal active duty under Title 10 of the  
7 United States Code, by enacting the Soldiers' and Sailors'  
8 Civil Relief Act of 1940, codified at Title 50 Appendix, United  
9 States Code, Sections 501-591. Members of the National Guard or  
10 Naval Militia serving other than in such a federal active duty  
11 status under Title 10 of the United States Code, however, are  
12 not subject to, nor do they receive the protections of, the  
13 Soldiers' and Sailors' Civil Relief Act of 1940.

14 As a constituent commonwealth of the United States, and in  
15 accordance with the constitutions of the United States and of  
16 the State of Illinois, the State of Illinois must provide for  
17 the defense of its citizens and territory against domestic and  
18 foreign threats, and the Illinois National Guard and Illinois  
19 Naval Militia are ~~is an~~ essential parts ~~part~~ of the State's  
20 ability to meet such threats. It is therefore declared to be  
21 the policy of the State of Illinois (i) to ensure the readiness  
22 of members of the National Guard and Naval Militia to execute  
23 missions assigned by appropriate federal or State authorities  
24 by guaranteeing adequate protections of their right to return  
25 to civilian employment upon completion of State Active Duty and  
26 (ii) to grant members of the National Guard and Naval Militia

1 relief from certain civil obligations while performing periods  
2 of training or duty under Title 32 of the United States Code  
3 and State Active Duty.

4 (Source: P.A. 92-716, eff. 7-24-02.)

5 (20 ILCS 1805/30.10)

6 Sec. 30.10. Definitions. In this Article:

7 "National Guard" has the definition provided by federal law  
8 at 10 U.S.C. 101(c).

9 "Illinois National Guard" has the definition provided in  
10 Sections 5 and 7 of this Code.

11 "Illinois Naval Militia" or "Naval Militia" has the  
12 definition provided in Sections 6 and 7 of this Code.

13 "Federal active duty under Title 10 of the United States  
14 Code" means active federal service of members of the National  
15 Guard pursuant to any provision of Chapter 1209 of Title 10 of  
16 the United States Code.

17 "Training or duty under Title 32 of the United States Code"  
18 means active or inactive National Guard training or duty  
19 performed pursuant to Chapter 5 of Title 32 of the United  
20 States Code and pursuant to the orders of the Governor.

21 "State Active Duty" means National Guard duty performed in  
22 the active service of any state or United States territory or  
23 commonwealth in accordance with that jurisdiction's laws and  
24 pursuant to the orders of the Governor concerned. It does not  
25 refer to active duty performed pursuant to Chapter 5 of Title

1 32 of the United States Code and pursuant to the orders of the  
2 Governor.

3 "Political subdivision" means any unit of local government  
4 or school district.

5 (Source: P.A. 92-716, eff. 7-24-02.)

6 (20 ILCS 1805/30.15)

7 Sec. 30.15. National Guard or Naval Militia; State Active  
8 Duty; reemployment rights.

9 (a) Any member of the National Guard or Naval Militia ("a  
10 member") employed by a private employer in the State of  
11 Illinois or by the State of Illinois or any political  
12 subdivision of the State whose absence from a position of  
13 employment is necessitated by reason of being called to State  
14 Active Duty, whether or not voluntary, shall be entitled to  
15 reemployment rights and benefits and other employment benefits  
16 under this Article if:

17 (1) the member (or an appropriate officer of the  
18 National Guard or Naval Militia in which the service is  
19 performed) has given advance written or oral notice of the  
20 service, if reasonably possible;

21 (2) the member reports to, or submits an application  
22 for reemployment to, the employer in accordance with the  
23 provisions of subsection (e); and

24 (3) the character of the member's service on State  
25 Active Duty was honorable, under honorable conditions, or

1 otherwise characterized as satisfactory.

2 (b) No notice is required under subsection (a) if precluded  
3 by military necessity, or if the giving of the notice is not  
4 reasonably possible, under all relevant circumstances. A  
5 written determination of military necessity for the purposes of  
6 this subsection shall be made by the Adjutant General of  
7 Illinois and shall not be subject to judicial review.

8 (c) An employer is not required to reemploy a member under  
9 this Section if:

10 (1) the employer's circumstances have so changed as to  
11 make such reemployment impossible or unreasonable, or if  
12 reemployment would impose an undue hardship on the  
13 employer; or

14 (2) the employment from which the member leaves to  
15 serve in the National Guard or Naval Militia on State  
16 Active Duty is for a brief, nonrecurrent period and there  
17 is no reasonable expectation that the employment will  
18 continue indefinitely or for a significant period.

19 (d) In any proceeding involving an issue of whether (i) any  
20 reemployment referred to in subsection (c) is impossible or  
21 unreasonable because of a change in an employer's  
22 circumstances; (ii) any accommodation, training, or effort  
23 referred to in subdivision (c)(1) would impose an undue  
24 hardship on the employer; or (iii) the employment referred to  
25 in subdivision (c)(2) is for a brief, nonrecurrent period and  
26 there is no reasonable expectation that the employment will

1 continue indefinitely or for a significant period, the employer  
2 has the burden of proving the impossibility or  
3 unreasonableness, the undue hardship, or the brief or  
4 nonrecurrent nature of the employment without a reasonable  
5 expectation of continuing indefinitely or for a significant  
6 period.

7 (e) Subject to subsection (f), a member referred to in  
8 subsection (a) shall, upon completion of a period of State  
9 Active Duty, notify the employer referred to in subsection (a)  
10 of the member's intent to return to a position of employment  
11 with the employer as follows:

12 (1) In the case of a member whose period of State  
13 Active Duty was less than 31 days, by reporting to the  
14 employer:

15 (A) not later than the beginning of the first full  
16 regularly scheduled work period on the first full  
17 calendar day following completion of the period of  
18 State Active Duty and the expiration of 8 hours after a  
19 period allowing for safe transportation of the member  
20 from the place of that duty to the member's residence;  
21 or

22 (B) as soon as possible after the expiration of the  
23 8-hour period referred to in paragraph (A), if  
24 reporting within that period is impossible or  
25 unreasonable through no fault of the member.

26 (2) In the case of a member whose period of State



1 Active Duty was more than 30 days but less than 180 days,  
2 by submitting an application for reemployment with the  
3 employer not less than 14 days after completion of the  
4 period of State Active Duty, or if submitting the  
5 application within that period is impossible or  
6 unreasonable through no fault of the member, the next full  
7 calendar day when submission of the application becomes  
8 possible.

9 (3) In the case of a member whose period of State  
10 Active Duty was 180 days or more, by submitting an  
11 application for reemployment with the employer not later  
12 than 90 days after completion of the period of service.

13 (f) A member who is hospitalized for, or convalescing from,  
14 an illness or injury incurred in, or aggravated during, the  
15 performance of a period of State Active Duty shall, at the end  
16 of the period that is necessary for the member to recover from  
17 the illness or injury, report to the member's employer or  
18 submit an application for reemployment with the employer. The  
19 period of recovery shall not exceed 2 years, except that the  
20 2-year period shall be extended by the minimum time required to  
21 accommodate the circumstances beyond the member's control  
22 which make reporting within the 2-year period impossible or  
23 unreasonable.

24 (g) A member who fails to report or apply for employment or  
25 reemployment within the appropriate period specified in this  
26 Section shall not automatically forfeit his or her rights and

1 benefits under subsection (a), but shall be subject to the  
2 conduct rules, established policy, and general practices of the  
3 employer pertaining to explanations and discipline with  
4 respect to absence from scheduled work.

5 (h) A member who submits an application for reemployment in  
6 accordance with this Article shall, upon the request of the  
7 employer, provide to the employer documentation to establish  
8 that:

9 (1) the member's application is timely; and

10 (2) the character of the member's service was  
11 honorable, under honorable conditions, or otherwise  
12 satisfactory.

13 The failure of a member to provide documentation as  
14 prescribed in this subsection may not be the basis for denying  
15 reemployment if the failure occurs because the documentation  
16 does not exist or is not readily available at the time of the  
17 employer's request. If, after reemployment, documentation  
18 becomes available that establishes that the member does not  
19 meet one or more of the requirements in paragraph (1) or (2),  
20 the employer may terminate the member's employment in  
21 accordance with the conduct rules, established policy, and  
22 general practices of the employer pertaining to explanation and  
23 discipline with respect to absence from scheduled work. An  
24 employer may not delay or attempt to defeat a reemployment  
25 obligation by demanding documentation that does not exist or is  
26 not then readily available.

1           (i) Except as otherwise provided by this subsection, a  
2 member entitled to reemployment under this Article, upon  
3 completion of a period of State Active Duty, shall be promptly  
4 reemployed in the position of employment which he or she left  
5 with the same increases in status, seniority, and wages that  
6 were earned during his or her period of State Active Duty by  
7 employees in like positions who were on the job at the time the  
8 returning member entered State Active Duty, or to a position of  
9 like seniority, status, and pay, unless the employer's  
10 circumstances have so changed as to make it impossible or  
11 unreasonable to do so.

12           If at the time of requesting reemployment, the member is no  
13 longer physically, mentally, or otherwise qualified or able to  
14 perform the duties of the position of employment which he or  
15 she left due to disability acquired incident to his or her  
16 service in State Active Duty, but is qualified and able to  
17 perform the duties of any other position in the employ of the  
18 employer, then the member shall be restored to that other  
19 position, the duties of which he or she is qualified and able  
20 to perform and that will provide him or her with like  
21 seniority, status, and pay, or the nearest approximation  
22 thereof consistent with the circumstances of the case.

23           If a member enters State Active Duty and the position of  
24 employment which he or she left is filled by one or more  
25 employees who are also members of the National Guard or Naval  
26 Militia and who later enter State Active Duty, the members

1 shall, upon release from State Active Duty, be given preference  
2 in the matter of reemployment in the order in which they  
3 entered State Active Duty, and the employer shall not be  
4 required to retain more than one of them in his or her employ.

5 (j) Except as otherwise provided in this Section, each  
6 member in the employ of a private employer or of the State of  
7 Illinois or a political subdivision of the State who, for the  
8 purpose of entering State Active Duty, has left or leaves that  
9 employment but who has been rejected for State Active Duty for  
10 lack of proper qualifications, shall be restored by the  
11 employer (i) to the position of employment which the member  
12 left with the same seniority, status, and wage increases that  
13 an employee who was employed in that position at the time the  
14 member left to enter State Active Duty earned during the time  
15 the member was absent from employment because of his or her  
16 attempt to enter State Active Duty or (ii) to a position of  
17 like seniority, status, and pay, provided that at the time of  
18 the rejection for State Active Duty the member is qualified to  
19 perform the duties of the position of employment which he or  
20 she left and has made application for reemployment within the  
21 time period specified in subsection (e) after receiving  
22 official notice of the rejection for State Active Duty.

23 (Source: P.A. 92-716, eff. 7-24-02.)

24 (20 ILCS 1805/30.20)

25 Sec. 30.20. Reemployment; benefits.

1           (a) Any member of the National Guard or Naval Militia who  
2 is reemployed or seeks reemployment to a position of employment  
3 in accordance with the provisions of this Article, shall be  
4 considered as having been on furlough or leave of absence  
5 during his or her State Active Duty and shall be so reemployed  
6 without loss of seniority and shall be entitled to participate  
7 in insurance or other benefits offered by the employer pursuant  
8 to established rules and practices relating to employees on  
9 furlough or leave of absence in effect with the employer at the  
10 time the member entered State Active Duty. The member shall not  
11 be discharged from the position without cause within one year  
12 after reemployment.

13           (b) If an employer provides health insurance, an exclusion  
14 or waiting period may not be imposed in connection with  
15 coverage of a health or physical condition of a member entitled  
16 to participate in that insurance under this Section, or a  
17 health or physical condition of any other person who is covered  
18 by the insurance by reason of the coverage of that member, if:

19           (i) the condition arose before or during that member's period  
20 of State Active Duty; (ii) an exclusion or waiting period would  
21 not have been imposed for the condition during a period of  
22 coverage resulting from participation by that member in the  
23 insurance; and (iii) the condition of that member has not been  
24 determined to be service connected.

25           (Source: P.A. 92-716, eff. 7-24-02.)

1 (20 ILCS 1805/Art. VI heading new)

2 ARTICLE VI. ORGANIZATION OF THE NAVAL MILITIA

3 (20 ILCS 1805/31 new)

4 Sec. 31. The Illinois Naval Militia shall consist of not  
5 more than one Brigade or comparable unit or units as may be  
6 from time to time authorized by the Commander-in-Chief and  
7 shall be organized, equipped, disciplined, and governed in  
8 conformity with the laws of the United States and the rules,  
9 regulations, and tables based thereon.

10 (20 ILCS 1805/32 new)

11 Sec. 32. The Illinois Naval Militia shall not be considered  
12 attached to any unit of the military forces of the State. When,  
13 however, the Illinois Naval Militia or any part thereof is in  
14 the field or afloat upon actual service, the Commander,  
15 Illinois Naval Militia, or officers directed by the Commander  
16 shall command the Naval Militia. Whenever operating or acting  
17 in conjunction with the military forces of the State, the  
18 senior officer present, according to the relative rank of  
19 either force, shall command the whole unless otherwise  
20 specially ordered or directed by the Commander-in-Chief or  
21 other competent military or naval authority.

22 (20 ILCS 1805/34) (from Ch. 129, par. 220.34)

23 Sec. 34. Commissioned officers of the Illinois National

1 Guard and the Illinois Naval Militia shall be separated from  
2 the active service in accordance with Federal laws and the  
3 regulations published by the Secretary of Defense, except as  
4 otherwise provided herein.

5 (Source: P.A. 85-1241.)

6 (20 ILCS 1805/35) (from Ch. 129, par. 220.35)

7 Sec. 35. Officers who become disabled from wounds, injuries  
8 or illness, so as to be prevented from doing active service  
9 thereafter, shall on recommendation of a retiring board of five  
10 officers, two of whom shall be medical officers, be placed upon  
11 the retired list. If such disability has been incurred directly  
12 in the line of duty, such officer shall be retired with the  
13 grade next higher than that held at the time such disability  
14 was incurred but in no case higher than the grade of Major  
15 General or Rear Admiral.

16 (Source: P.A. 85-1241.)

17 (20 ILCS 1805/37) (from Ch. 129, par. 220.37)

18 Sec. 37. The Commander-in-Chief shall make all  
19 appointments in the commissioned rank in the Illinois National  
20 Guard and Illinois Naval Militia. Commissions evidencing all  
21 appointments shall be signed by the Governor and attested and  
22 issued by The Adjutant General.

23 (Source: P.A. 85-1241.)

1 (20 ILCS 1805/40) (from Ch. 129, par. 220.40)

2 Sec. 40. Except where otherwise specified herein, all  
3 officers now in active service or hereafter appointed, shall  
4 hold their respective commissions until they are vacated by  
5 resignation or retirement, or by acceptance of another  
6 commission in the State military or naval service, or by  
7 sentence of a general courts-martial, finding of a board of  
8 officers under Section 42, Article VIII, or terminated under  
9 Section 43, Article VIII hereof. Federal recognition with  
10 commission in the National Guard of the United States is  
11 established as a requirement for holding commission in the  
12 active National Guard of Illinois; the commission of an officer  
13 in the National Guard of Illinois will be terminated upon  
14 failure to obtain or retain Federal recognition.

15 (Source: P.A. 85-1241.)

16 (20 ILCS 1805/41) (from Ch. 129, par. 220.41)

17 Sec. 41. Any commanding officer of the Illinois National  
18 Guard or Illinois Naval Militia having under their command an  
19 officer who is undesirable as an officer, for any reason other  
20 than for physical disability, may recommend, through military  
21 channels, that such officer be ordered before a board of  
22 officers for investigation. Such recommendations shall fully  
23 and clearly state the facts and reasons on which such  
24 undesirability is based.

25 (Source: P.A. 85-1241.)



1 (20 ILCS 1805/44) (from Ch. 129, par. 220.44)

2 Sec. 44. The Commander-in-Chief shall make all  
3 appointments in the grade of warrant officer in the Illinois  
4 National Guard and Illinois Naval Militia. Warrants evidencing  
5 all appointments shall be signed by the Governor and attested  
6 and issued by The Adjutant General. The qualifications for  
7 appointments of and the separation from service of warrant  
8 officers shall be in accordance with the provisions of the laws  
9 of the United States and the rules and regulations based  
10 thereon.

11 (Source: P.A. 85-1241.)

12 (20 ILCS 1805/46) (from Ch. 129, par. 220.46)

13 Sec. 46. Qualification for enlistment in and separation  
14 from service of enlisted personnel of the Illinois National  
15 Guard and Illinois Naval Militia shall be in accordance with  
16 the provisions of the laws of the United States and the rules  
17 and regulations based thereon.

18 (Source: P.A. 85-1241.)

19 (20 ILCS 1805/47) (from Ch. 129, par. 220.47)

20 Sec. 47. Enlisted personnel who may be dishonorably  
21 discharged from the Illinois National Guard or Illinois Naval  
22 Militia shall be ineligible to hold any elective or appointive  
23 office, position or employment, in the service of the State of

1 Illinois, any county, or any municipality thereof, for a period  
2 of five years unless such disability be removed by the  
3 Governor.

4 (Source: P.A. 85-1241.)

5 (20 ILCS 1805/48) (from Ch. 129, par. 220.48)

6 Sec. 48. When in active service of the State, under orders  
7 of the Commander-in-Chief, officers and warrant officers of the  
8 Illinois National Guard and Illinois Naval Militia shall  
9 receive the same pay as provided by law for officers and  
10 warrant officers of the armed forces of the United States of  
11 like grade and longevity. However, no officer or warrant  
12 officer shall receive less than \$75 per day for each day's  
13 service performed.

14 (Source: P.A. 85-1241; 86-1170.)

15 (20 ILCS 1805/49) (from Ch. 129, par. 220.49)

16 Sec. 49. When in active service of the State, under orders  
17 of the Commander-in-Chief, enlisted personnel of the Illinois  
18 National Guard and Illinois Naval Militia shall receive the  
19 same pay as provided by law for enlisted personnel of the armed  
20 forces of the United States of like grade and longevity.  
21 However, no enlisted person shall receive less than \$75 per day  
22 for each day's service performed.

23 (Source: P.A. 85-1241; 86-1170.)

1 (20 ILCS 1805/52) (from Ch. 129, par. 220.52)

2 Sec. 52. Officers, warrant officers or enlisted personnel  
3 of the Illinois National Guard or Illinois Naval Militia who  
4 may be wounded or disabled in any way, while on duty and  
5 lawfully performing the same, so as to prevent their working at  
6 their profession, trade or other occupation from which they  
7 gain their living, are entitled to be treated by an officer of  
8 the medical or dental department detailed by The Adjutant  
9 General and, as long as the Illinois National Guard or Naval  
10 Militia has not been called into federal service, are entitled  
11 to all privileges due them as State employees under the  
12 "Workers' Compensation Act", approved July 9, 1951, as now or  
13 hereafter amended, and the "Workers' Occupational Diseases  
14 Act", approved July 9, 1951, as now or hereafter amended.

15 (Source: P.A. 85-1241.)

16 (20 ILCS 1805/53) (from Ch. 129, par. 220.53)

17 Sec. 53. When officers, warrant officers or enlisted  
18 personnel of the Illinois National Guard or Illinois Naval  
19 Militia are injured, wounded or killed while performing duty in  
20 pursuance of orders from the Commander-in-Chief, said  
21 personnel or their heirs or dependents, shall have a claim  
22 against the State for financial help or assistance, and the  
23 State Court of Claims shall act on and adjust the same as the  
24 merits of each case may demand. Pending action of the Court of  
25 Claims, the Commander-in-Chief is authorized to relieve

1 emergency needs upon recommendation of a board of three  
2 officers, one of whom shall be an officer of the medical  
3 department.

4 (Source: P.A. 85-1241.)

5 (20 ILCS 1805/62) (from Ch. 129, par. 220.62)

6 Sec. 62. No military or naval organization shall be  
7 maintained by the State at any station, town, or city, unless  
8 there be an available and suitable hall for drills, together  
9 with necessary and adequate company assembly rooms, store and  
10 locker and other rooms as may be required by the  
11 Commander-in-Chief.

12 (Source: P.A. 85-1241.)

13 (20 ILCS 1805/63 new)

14 Sec. 63. Armories of the naval force shall be situated  
15 immediately on or near navigable waters of the State, in a  
16 position to promote the efficiency of the service. The word  
17 "armory", as used in any part of this Act when applied to the  
18 naval force, shall be held to include vessel, boathouse or  
19 dock, used as an armory or for the purpose of instruction,  
20 drill, and defense.

21 (20 ILCS 1805/65) (from Ch. 129, par. 220.65)

22 Sec. 65. Subject to such reasonable regulations as may be  
23 promulgated by the Adjutant General, the use and rental of

1 armories may be permitted for any reasonable and legitimate  
2 civilian activities so long as the activities do not interfere  
3 with their use for military purposes. Proceeds received from  
4 rentals, above the expenses incident to the use, will be placed  
5 in an "Armory Rental Account" by the Adjutant General and used  
6 for recruiting, athletic, and recreational activities and  
7 other purposes in the interest and for the benefit of the  
8 personnel of the Illinois National Guard and Illinois Naval  
9 Militia. Expenditures of those proceeds must be made on a  
10 modified per capita basis with due consideration given to the  
11 proportion of each armory's generation of revenue, as  
12 determined by the Adjutant General.

13 (Source: P.A. 92-252, eff. 8-3-01.)

14 (20 ILCS 1805/68) (from Ch. 129, par. 220.68)

15 Sec. 68. Military offenses applicable to the Illinois  
16 National Guard and Illinois Naval Militia are those offenses  
17 and derelictions as are made punishable by the military laws of  
18 the United States and the State of Illinois and all rules and  
19 regulations based thereon.

20 (Source: P.A. 85-1241.)

21 (20 ILCS 1805/69) (from Ch. 129, par. 220.69)

22 Sec. 69. The Courts-Martial for the Illinois National Guard  
23 and Illinois Naval Militia shall be:

24 (a) General courts-martial.

1 (b) Special courts-martial.

2 (c) Summary courts-martial.

3 (Source: P.A. 85-1241.)

4 (20 ILCS 1805/71) (from Ch. 129, par. 220.71)

5 Sec. 71. General courts-martial shall be convened by order  
6 of the Governor and such courts shall have power to:

7 (a) Impose fines not to exceed \$500.00; sentence to  
8 confinement in a military guardhouse or in the county jail of  
9 the county in which the immediate organization of the accused  
10 is permanently located, not to exceed six months; sentence to  
11 forfeiture of pay and allowances; reprimand; sentence to  
12 dismissal or dishonorable discharge from the service; or to  
13 reduction of non-commissioned officers to the ranks. Any two or  
14 more of such punishments may be combined in the sentence  
15 authorized to be imposed by such courts.

16 (b) To impose a sentence of the same kind and degree as is  
17 provided by the criminal code of the State of Illinois upon  
18 conviction of the following offenses committed while the  
19 individual is in the active service of the State of Illinois:  
20 larceny, robbery, burglary, arson, mayhem, second degree  
21 murder, first degree murder, aggravated criminal sexual  
22 assault, predatory criminal sexual assault of a child, criminal  
23 sexual assault, assault and battery with intent to kill, or  
24 wounding by shooting or stabbing with intent to commit first  
25 degree murder; but should any member of the Illinois National

1 Guard or Illinois Naval Militia while in the discharge of duty  
2 on active service in pursuance of orders from a superior  
3 authority, take life or injure any person or persons or  
4 property in such discharge of duty, the act or acts upon the  
5 part of such enlisted personnel, warrant officer or  
6 commissioned officer shall be deemed to be justifiable and  
7 lawful and they shall not be prosecuted therefor in any court  
8 or incur any civil liability by reason thereof.

9 (Source: P.A. 89-428, eff. 12-13-95; 89-462, eff. 5-29-96.)

10 (20 ILCS 1805/74) (from Ch. 129, par. 220.74)

11 Sec. 74. In trials by general and special courts-martial  
12 the accused shall be entitled to be represented by own employed  
13 counsel or by a suitable officer of the Illinois National Guard  
14 or Illinois Naval Militia, to be designated by said court, or  
15 detailed by the officer convening the same, at the request of  
16 the accused.

17 All proceedings of courts-martial shall be forwarded to and  
18 receive approval of the officer ordering the same before  
19 sentence shall go into effect, and such officer may remit,  
20 mitigate or commute such sentence. No sentence of dismissal or  
21 of dishonorable discharge, or the reduction to the ranks of  
22 enlisted personnel, or which includes a fine of more than  
23 \$100.00, or imprisonment for more than 30 ~~thirty~~ days, shall  
24 take effect without the approval of the Commander-in-Chief.

25 In any trial by a general courts-martial or a special

1 courts-martial, the State's Attorney of the county where the  
2 offense is alleged to have been committed, or his  
3 representative, shall have the same right to be present at all  
4 sessions of any such courts-martial as the judge advocate of  
5 the court and to produce evidence and to examine and  
6 cross-examine all witnesses.

7 (Source: P.A. 85-1241.)

8 (20 ILCS 1805/82) (from Ch. 129, par. 220.82)

9 Sec. 82. Judge advocates of general and special  
10 courts-martial and summary court officers are empowered to  
11 administer oaths to witnesses before such courts and to take  
12 such depositions as may be required for use in military trials.  
13 Such officers and all adjutants are empowered to take  
14 acknowledgments and oaths to affidavits pertaining to the loss  
15 or damage to property, to applications for discharge, and in  
16 general to any military documents or business which would  
17 otherwise require the action of a civil officer authorized by  
18 law to take acknowledgments. Such oaths, affidavits and  
19 acknowledgments shall have the same legal force and effect as  
20 if taken by a civil officer now authorized by law to take  
21 acknowledgments. Depositions of witnesses residing outside the  
22 State of Illinois may be taken before any civil officer  
23 authorized by law to take the same, upon reasonable notice  
24 given. Such depositions may be either upon oral or written  
25 interrogatories.



1 Oaths of office to any military or naval officer in the  
2 service of this State may be administered by any commissioned  
3 officer thereof.

4 The presiding officer, or recorder, of any military board  
5 duly appointed to conduct any investigation or inquiry, or an  
6 officer detailed for such purpose may likewise administer oaths  
7 to any witness attending to testify in such investigation or  
8 inquiry.

9 (Source: P.A. 85-1241.)

10 (20 ILCS 1805/83) (from Ch. 129, par. 220.83)

11 Sec. 83. Whenever there is a tumult, riot, mob or body of  
12 persons acting together by force with attempt to commit a  
13 felony, or to offer violence to persons or property, or by  
14 force or violence to break or resist the laws of the State, or  
15 when such tumult, riot or mob is threatened it shall be deemed  
16 that a time of public disorder and danger then exists, and it  
17 shall be the duty of the Governor thereupon to order such  
18 military or naval force as he may deem necessary to aid the  
19 civil authorities in suppressing such violence and executing  
20 the law.

21 (Source: P.A. 85-1241.)

22 (20 ILCS 1805/84) (from Ch. 129, par. 220.84)

23 Sec. 84. Whenever any military or naval force is so ordered  
24 out by the Commander-in-Chief, the commanding officer thereof

1 may arrest any person or persons in view without process and  
2 hold them in custody until, by order of the Commander-in-Chief,  
3 such person or persons are discharged from custody or delivered  
4 over to the civil authorities. Such commanding officer may also  
5 use such force as he may deem necessary to suppress riots,  
6 disperse mobs, restore peace and execute the law.

7 (Source: P.A. 85-1241.)

8 (20 ILCS 1805/85) (from Ch. 129, par. 220.85)

9 Sec. 85. Orders from civil officers to any military or  
10 naval commander shall specify only the work to be done or  
11 result to be attained and shall not include the method to be  
12 employed as to which the military or naval officer shall  
13 exercise his discretion and be the sole judge as to what means  
14 are necessary.

15 (Source: P.A. 85-1241.)

16 (20 ILCS 1805/86) (from Ch. 129, par. 220.86)

17 Sec. 86. Whenever 12 or more persons, any of them armed  
18 with clubs or dangerous weapons, or 30 or more, armed or  
19 unarmed are unlawfully, riotously or tumultuously assembled,  
20 it is the duty of the commanding officer of such military or  
21 naval force as may be present on duty, to go among the persons  
22 so assembled, or as near them as safety will permit, and in the  
23 name of the State command them immediately to disperse, and if  
24 they do not obey, every person refusing to disperse shall be

1 deemed one of such unlawful assembly and shall be guilty of a  
2 Class A misdemeanor; and each officer having notice of such  
3 unlawful assembly and refusing or neglecting to do their duty  
4 in relation thereto, as aforesaid, shall be guilty of a petty  
5 offense.

6 When persons so unlawfully assembled neglect or refuse, on  
7 command, as aforesaid, to disperse, it shall be the duty of the  
8 above military authorities to forthwith suppress such assembly  
9 and disperse the persons composing it in such manner as may be  
10 most expedient.

11 If in the efforts made as aforesaid to suppress such  
12 assembly and to arrest and secure the persons composing it who  
13 neglect or refuse to disperse, though the number remaining be  
14 less than 12, any such persons, or any persons, present as  
15 spectators or otherwise, are killed or wounded, the military or  
16 naval personnel, each and all of them, shall be held guiltless  
17 of any crime and justified in law.

18 (Source: P.A. 85-1241.)

19 (20 ILCS 1805/87) (from Ch. 129, par. 220.87)

20 Sec. 87. It is unlawful for any person to assault or fire  
21 upon, throw any missile at, against or upon any member or body  
22 of the Illinois National Guard or Illinois Naval Militia, when  
23 going to, returning from or performing any duty under the  
24 provisions of this Article, and any person so offending is  
25 guilty of a felony and may on conviction be imprisoned in the

1 penitentiary for not less than two nor more than five years.

2 (Source: P.A. 85-1241.)

3 (20 ILCS 1805/88) (from Ch. 129, par. 220.88)

4 Sec. 88. If any portion of the Illinois National Guard or  
5 Illinois Naval Militia in the performance of any duty is  
6 assailed, assaulted, attacked, or in imminent danger thereof,  
7 the commanding officer of such Illinois National Guard or  
8 Illinois Naval Militia may at once proceed to quell such attack  
9 and disperse the attacking parties and take all other steps for  
10 the safety of his command that he may deem necessary.

11 (Source: P.A. 85-1241.)

12 (20 ILCS 1805/89) (from Ch. 129, par. 220.89)

13 Sec. 89. If any member of the Illinois National Guard or  
14 Illinois Naval Militia in the performance of military duty, or  
15 in pursuance thereof, and while acting as a member of the  
16 Illinois National Guard or Illinois Naval Militia, kills,  
17 wounds, maims or injures any person, or causes, orders or  
18 directs the killing, wounding, maiming or injuring of any  
19 person, or the injury, destruction or confiscation of any  
20 property, real or personal, the officer commanding the military  
21 force of which such member is a part shall, as soon as possible  
22 thereafter, convene a board to consist of not less than 3 ~~three~~  
23 nor more than 5 ~~five~~ commissioned officers of the military or  
24 naval force, who shall examine and inquire into the facts in

1 connection with, or in relation to the act or acts to be  
2 inquired of, and take the substance of the proof or evidence of  
3 the witnesses to, and participants in, such act or acts down in  
4 writing, and transmit the same together with their findings and  
5 recommendations from the facts adduced before said board to The  
6 Adjutant General.

7 The findings of the board shall include one of the  
8 following recommendations, to-wit: That the individual under  
9 investigation be brought to trial before a general  
10 courts-martial, or be wholly exonerated and acquitted of  
11 responsibility for the acts, or be turned over to the civil  
12 authorities to be dealt with as the law directs.

13 The officer commanding said military force may cause the  
14 arrest of any member of the Illinois National Guard or Illinois  
15 Naval Militia so killing, wounding, or injuring any person or  
16 persons, or of the officer, or the non-commissioned, petty or  
17 warrant officer directly responsible therefor, by reason of  
18 orders given by him in the execution of his military duty, or  
19 otherwise, and hold in arrest until discharged by competent  
20 authority.

21 (Source: P.A. 85-1241.)

22 (20 ILCS 1805/90) (from Ch. 129, par. 220.90)

23 Sec. 90. If any member of the Illinois National Guard or  
24 Illinois Naval Militia is prosecuted by civil or criminal  
25 action for any act performed or committed by such member, or an

1 act caused, ordered or directed by such member to be done or  
2 performed in furtherance of and while in the performance of  
3 military duty, all the expense of the defense of such action or  
4 actions civil or criminal, including attorney's fees,  
5 witnesses' fees for the defense, defendant's court costs and  
6 all costs for transcripts of records and abstracts thereof on  
7 appeal by the defense, shall be paid by the State; provided,  
8 that the Attorney General of the State shall be first consulted  
9 in regard to, and approve of, the selection of the attorney for  
10 the defense: And, provided, further, that the Attorney General  
11 of the State may, if he see fit, assume the responsibility for  
12 the defense of such member and conduct the same personally or  
13 by any one or more of his assistants.

14 (Source: P.A. 85-1241.)

15 (20 ILCS 1805/92.1) (from Ch. 129, par. 220.92-1)

16 Sec. 92.1. All civilian employees of the Army National  
17 Guard, ~~and~~ Air National Guard, and Naval Militia under the  
18 jurisdiction of the Adjutant General are eligible for  
19 membership in the employee retirement, disability or death  
20 benefit system, and the group health insurance program  
21 negotiated for and provided on their behalf by the Adjutant  
22 General pursuant to Section 24.1 of this Act.

23 (Source: Laws 1965, p. 2574.)

24 (20 ILCS 1805/93) (from Ch. 129, par. 220.93)

1           Sec. 93. No part of the land or naval forces shall leave  
2 the State with arms and equipment without the consent of the  
3 Commander-in-Chief.

4           (Source: P.A. 85-1241.)

5           (20 ILCS 1805/93.1 new)

6           Sec. 93.1. Naval militia; inventory. Within 6 months after  
7 the effective date of this amendatory Act of the 95th General  
8 Assembly, any entity in the State that possesses a water craft  
9 or boat that is owned by the State shall report to the  
10 Commander, Illinois Naval Militia, the number and type of all  
11 those water craft or boats in the possession of that entity.

12           (20 ILCS 1805/94a) (from Ch. 129, par. 220.94a)

13           Sec. 94a. (a) As used in this Section, unless the context  
14 clearly requires otherwise:

15           (1) "Civil disorder" means any public disturbance  
16 involving acts of violence by assemblages of 3 or more  
17 persons which causes an immediate danger of or results in  
18 damage or injury to any real or tangible property or  
19 person.

20           (2) "Firearm" means any weapon which is designed to or  
21 may readily be converted to expel any projectile by the  
22 action of an explosive; or the frame or receiver of any  
23 such weapon.

24           (3) "Explosive or incendiary device" means (A)

1 dynamite or any other form of high explosive, (B) any  
2 explosive bomb, grenade, missile or similar device, or (C)  
3 any incendiary bomb or grenade, fire bomb or similar  
4 device, including any device which (i) consists of or  
5 includes a breakable container including a flammable  
6 liquid or compound, and a wick composed of any material  
7 which, when ignited, is capable of igniting such flammable  
8 liquid or compound and (ii) can be carried or thrown by one  
9 individual acting alone.

10 (b) It is unlawful for any person to:

11 (1) Teach or demonstrate to any other person the use,  
12 application, or making of any firearm, explosive,  
13 incendiary device or technique capable of causing injury or  
14 death to persons, knowing or having reason to know and  
15 intending that same will be unlawfully employed for use in,  
16 or in furtherance of, a civil disorder; or

17 (2) Assemble with one or more persons for the purpose  
18 of training with, practicing with, or being instructed in  
19 the use of any firearm, explosive, incendiary device or  
20 technique capable of causing injury or death to persons,  
21 intending to employ unlawfully the same for use in, or in  
22 furtherance of, a civil disorder.

23 (c) Violation of subsection (b) of this Section is a Class  
24 4 felony.

25 (d) Nothing contained in this Section makes unlawful any  
26 activity of:



1           (1) law enforcement officials of this or any other  
2 jurisdiction while engaged in the lawful performance of  
3 their official duties;

4           (2) federal officials required to carry firearms while  
5 engaged in the lawful performance of their official duties;

6           (3) members of the Armed Forces of the United States,  
7 ~~or~~ the Illinois National Guard, or the Illinois Naval  
8 Militia while engaged in the lawful performance of their  
9 official duties;

10          (4) any game commission, fish commission or law  
11 enforcement agency (or any agency licensed to provide  
12 security services), or any hunting club, rifle club, rifle  
13 range, pistol range, shooting range or other organization  
14 or entity whose primary purpose is to teach the safe  
15 handling or use of firearms, archery equipment or other  
16 weapons or techniques employed in connection with lawful  
17 sporting or other lawful activity;

18          (5) any assembly for public historical re-enactment  
19 purposes by a historic military re-enactment group  
20 portraying events in military history presented for the  
21 purposes of public education and entertainment; provided  
22 that any participants utilize historically appropriate  
23 uniforms, weapons and accoutrements.

24 (Source: P.A. 86-1370.)

25 (20 ILCS 1805/96) (from Ch. 129, par. 220.96)

1           Sec. 96. Any filth, offal, or any putrid, or decaying  
2 matter, material or substance of any kind, which constitutes a  
3 menace to public health or will be offensive to the senses of  
4 human beings, on any premises, or in any place within one half  
5 mile of any Illinois National Guard or Illinois Naval Militia  
6 camp grounds, rifle range, or buildings, or enclosure occupied  
7 and used, or about to be occupied or used by the Illinois  
8 National Guard or Illinois Naval Militia in the service of the  
9 State or Federal Government, or which may be called into the  
10 service of either, is declared to be a common nuisance, and the  
11 department of Public Health is empowered to determine whether  
12 such nuisance exists, and if found to exist, to forthwith, in  
13 writing, order the person, firm, association, or private,  
14 public or municipal corporation, as the case may be, to  
15 immediately abate such nuisance; and upon failure to  
16 immediately obey such order, the Department of Public Health  
17 shall abate such common nuisance and the person, firm,  
18 association, or corporation responsible for such common  
19 nuisance shall be liable for the cost and expense of such  
20 abatement in an action therefor at the suit of the People of  
21 the State of Illinois.

22           Any person or persons, either individually or as officers  
23 of any private, public or municipal corporation creating or  
24 maintaining, or responsible for the creation or maintenance of  
25 such common nuisance, or failing, or refusing to immediately  
26 abate the same upon the written order of the Department of

1 Public Health, shall be guilty of a Class C misdemeanor.

2 (Source: P.A. 85-1241.)

3 (20 ILCS 1805/98) (from Ch. 129, par. 220.98)

4 Sec. 98. If any person molests, interrupts or insults, by  
5 abusive words or behavior or obstructs any officer, ~~or~~ soldier,  
6 or seaman while on duty at any parade or drill, he may be put  
7 immediately under guard, and kept at the discretion of the  
8 commanding officer, until the duty, parade or drill is  
9 concluded, and such commanding officer may turn over such  
10 person to any sheriff or to a police officer of a county, city  
11 or town wherein such duty, parade or drill is held, to be dealt  
12 with as the law directs.

13 (Source: P.A. 85-1241.)

14 (20 ILCS 1805/100) (from Ch. 129, par. 220.100)

15 Sec. 100. A person who, either by himself or with another,  
16 wilfully deprives a member of the Illinois National Guard,  
17 Illinois Naval Militia, or the reserve armed services of the  
18 United States of his employment, or prevents his being employed  
19 by himself or another, or obstructs or annoys a member of such  
20 organization or his employer in respect of his trade, business  
21 or employment because the member is such member, or dissuades  
22 any person from enlistment in the National Guard or Naval  
23 Militia by threat of injury to him in case he so enlists in  
24 respect of his employment, trade or business, shall be guilty

1 of a petty offense. It is the duty of the State's Attorney of  
2 the county wherein said information is made or offense  
3 committed to prosecute the action in the name of the People of  
4 the State of Illinois.

5 (Source: P.A. 85-1241.)

6 (20 ILCS 1805/101) (from Ch. 129, par. 220.101)

7 Sec. 101. Any person not a member of the army or navy of  
8 the United States, or of the National Guard or Naval Militia of  
9 one of the States, or of the Grand Army of the Republic or  
10 other patriotic military societies, or independent military  
11 organizations as authorized under Section 94 of this Article,  
12 who wears any uniform or designation of rank in use by the  
13 Illinois National Guard or Illinois Naval Militia, used or  
14 authorized in this Act, shall be guilty of a petty offense and  
15 fined not less than \$20 nor more than \$100. Such offender shall  
16 be proceeded against as in the case of other misdemeanors under  
17 the statute, and the person so fined shall be committed as  
18 provided by law.

19 All fines collected under this Section shall be transmitted  
20 by the officer collecting the same to the Treasurer of the  
21 State of Illinois.

22 (Source: P.A. 85-1241.)

23 Section 15-40. The State Guard Act is amended by changing  
24 Sections 2, 6, and 8 as follows:

1 (20 ILCS 1815/2) (from Ch. 129, par. 230)

2 Sec. 2. Whenever the Governor as Commander-in-Chief of the  
3 military forces of the State, deems it necessary or advisable  
4 for the purpose of executing the laws of the State, or of  
5 preventing actual or threatened violation thereof, such as  
6 suppressing actual or threatened insurrection, invasion,  
7 tumult, riots, or mobs, or when the nation is at war and a  
8 requisition or order has been made, or is likely to be made, by  
9 the President of the United States calling the National Guard,  
10 or parts thereof, or the Illinois Naval Militia into the  
11 National service, or for any other emergency, the Governor may  
12 issue a proclamation or call for volunteer companies,  
13 battalions, regiments, brigades, or other units of land, ~~and~~  
14 air, and naval forces to be known as the Illinois State Guard  
15 which shall be formed and organized from the unorganized  
16 militia of the State, consisting of all able-bodied citizens  
17 between the ages of 18 and 45 years, and of other able-bodied  
18 citizens between the ages of 45 and 55 years, as enlisted  
19 personnel, and of commissioned officers and warrant officers,  
20 when made necessary by an emergency.

21 (Source: P.A. 85-1241.)

22 (20 ILCS 1815/6) (from Ch. 129, par. 234)

23 Sec. 6. The Governor may requisition from the ~~War~~  
24 Department of Defense of the United States such arms and

1 equipment as may be available for use of the Illinois State  
2 Guard, and such other uniforms, arms and equipment as may  
3 hereafter be authorized by the Congress of the United States to  
4 be made available to the Illinois State Guard. The Governor may  
5 make available for the use of the Illinois State Guard such  
6 uniforms, arms and equipment as may be owned by the State or as  
7 may be in possession of the State for the purpose of such use.

8 (Source: Laws 1951, p. 1999.)

9 (20 ILCS 1815/8) (from Ch. 129, par. 236)

10 Sec. 8. The uniforms, arms and other equipment of the  
11 Illinois State Guard, the minimum number of meetings per  
12 calendar year, for instruction, drill and training of the  
13 various units thereof, the character of such instruction and  
14 training, and all other matters and things necessary or  
15 desirable for the complete organization, equipment,  
16 discipline, efficiency, and maintenance, of the Illinois State  
17 Guard, not otherwise provided for, shall be prescribed and  
18 carried into effect by regulations promulgated by The Adjutant  
19 General, Chief of Staff, and approved by the Governor, which  
20 shall conform to any existing regulations prescribed by the  
21 Secretary of Defense War of the United States.

22 (Source: Laws 1951, p. 1999.)

23 Section 15-45. The Illinois National Guardsman's  
24 Compensation Act is amended by changing Sections 1, 2, 3, and 4

1 as follows:

2 (20 ILCS 1825/1) (from Ch. 129, par. 401)

3 Sec. 1. This Act shall be known as and may be cited as the  
4 "Illinois National Guardsman's and Naval Militiaman's  
5 Compensation Act".

6 (Source: P.A. 85-1241.)

7 (20 ILCS 1825/2) (from Ch. 129, par. 402)

8 Sec. 2. As used in this Act, unless the context otherwise  
9 requires:

10 (a) "Illinois National Guardsman" or "guardsman" and  
11 "Naval Militiaman" or "militiaman" means any person who is a  
12 member of the Illinois National Guard or Naval Militia under  
13 "The Military Code of Illinois", approved July 8, 1957, as  
14 amended.

15 (b) "Killed in the line of duty" means losing one's life as  
16 a result of injury received while on duty as an Illinois  
17 national guardsman or naval militiaman, if the death occurs  
18 within one year from the date the injury was received and if  
19 that injury arose from violence or any other accidental cause  
20 except that the benefits this Act shall not be provided in the  
21 event a guardsman or militiaman is killed while on active  
22 military service pursuant to an order of the President of the  
23 United States. The terms excludes death resulting from the  
24 willful misconduct or intoxication of the guardsman or

1 militiaman; however, the burden of proof of such willful  
2 misconduct or intoxication of the guardsman or militiaman is on  
3 the Attorney General.

4 (Source: P.A. 85-1241.)

5 (20 ILCS 1825/3) (from Ch. 129, par. 403)

6 Sec. 3. If a claim therefor is made within one year of the  
7 date of the death of the guardsman or militiaman, compensation  
8 shall be paid to the person designated by such guardsman or  
9 militiaman killed while on duty. The amount of compensation  
10 shall be equal to the greater of (i) \$100,000 or (ii) the  
11 amount of compensation payable under Section 3 of the Line of  
12 Duty Compensation Act when an individual to whom that Act  
13 applies is killed in the line of duty. If no beneficiary is  
14 designated or surviving at the death of the guardsman or  
15 militiaman killed while on duty, the compensation shall be paid  
16 as follows:

17 (a) When there is a surviving spouse, the entire sum  
18 shall be paid to the spouse.

19 (b) When there is no surviving spouse, but a surviving  
20 descendant of the decedent, the entire sum shall be paid to  
21 the decedent's descendants per stirpes.

22 (c) When there is neither a surviving spouse nor a  
23 surviving descendant, the entire sum shall be paid to the  
24 parents of the decedent in equal parts, allowing to the  
25 surviving parent, if one is dead, the entire sum.



1           (d) When there is no surviving spouse, descendant or  
2           parent of the decedent, but there are surviving brothers or  
3           sisters, or descendants of a brother or sister, who were  
4           receiving their principal support from the decedent at his  
5           death, the entire sum shall be paid, in equal parts, to the  
6           dependent brothers or sisters or dependent descendant of a  
7           brother or sister. Dependency shall be determined by the  
8           Court of Claims based upon the investigation and report of  
9           the Attorney General.

10           When there is no beneficiary designated or surviving at the  
11           death of the guardsman or militiaman killed while on duty and  
12           no surviving spouse, descendant, parent, dependent brother or  
13           sister, or dependent descendant of a brother or sister, no  
14           compensation shall be payable under this Act.

15           No part of such compensation may be paid to any other  
16           person for any efforts in securing such compensation.

17           If compensation is payable under the Line of Duty  
18           Compensation Act because of the death of a guardsman, the  
19           provisions of that Act shall apply to the payment of that  
20           compensation.

21           (Source: P.A. 93-1047, eff. 10-18-04; 94-844, eff. 6-8-06.)

22           (20 ILCS 1825/4) (from Ch. 129, par. 404)

23           Sec. 4. Notwithstanding Section 3, no compensation is  
24           payable under this Act unless a claim therefor is filed, within  
25           the time specified by that Section with the Court of Claims on

1 an application prescribed and furnished by the Attorney General  
2 and setting forth:

3 (a) the name, address and rank or grade in which the  
4 guardsman or militiaman was serving at the time of this death;

5 (b) the names and addresses of person or persons designated  
6 by the guardsman or militiaman to receive the compensation and,  
7 if more than one, the percentage or share to be paid to each  
8 such person, or if there has been no such designation, the name  
9 and address of the personal representative of the estate of the  
10 guardsman or militiaman;

11 (c) a full, factual account of the circumstances resulting  
12 in or the course of events causing the death of the guardsman  
13 or militiaman; and

14 (d) such other information as the Court of Claims  
15 reasonably requires.

16 When a claim is filed, the Attorney General shall make an  
17 investigation for substantiation of matters set forth in such  
18 an application.

19 (Source: P.A. 85-1241.)

20 Section 15-50. The Illinois Income Tax Act is amended by  
21 changing Section 203 as follows:

22 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

23 Sec. 203. Base income defined.

24 (a) Individuals.

1           (1) In general. In the case of an individual, base  
2 income means an amount equal to the taxpayer's adjusted  
3 gross income for the taxable year as modified by paragraph  
4 (2).

5           (2) Modifications. The adjusted gross income referred  
6 to in paragraph (1) shall be modified by adding thereto the  
7 sum of the following amounts:

8           (A) An amount equal to all amounts paid or accrued  
9 to the taxpayer as interest or dividends during the  
10 taxable year to the extent excluded from gross income  
11 in the computation of adjusted gross income, except  
12 stock dividends of qualified public utilities  
13 described in Section 305(e) of the Internal Revenue  
14 Code;

15           (B) An amount equal to the amount of tax imposed by  
16 this Act to the extent deducted from gross income in  
17 the computation of adjusted gross income for the  
18 taxable year;

19           (C) An amount equal to the amount received during  
20 the taxable year as a recovery or refund of real  
21 property taxes paid with respect to the taxpayer's  
22 principal residence under the Revenue Act of 1939 and  
23 for which a deduction was previously taken under  
24 subparagraph (L) of this paragraph (2) prior to July 1,  
25 1991, the retrospective application date of Article 4  
26 of Public Act 87-17. In the case of multi-unit or

1 multi-use structures and farm dwellings, the taxes on  
2 the taxpayer's principal residence shall be that  
3 portion of the total taxes for the entire property  
4 which is attributable to such principal residence;

5 (D) An amount equal to the amount of the capital  
6 gain deduction allowable under the Internal Revenue  
7 Code, to the extent deducted from gross income in the  
8 computation of adjusted gross income;

9 (D-5) An amount, to the extent not included in  
10 adjusted gross income, equal to the amount of money  
11 withdrawn by the taxpayer in the taxable year from a  
12 medical care savings account and the interest earned on  
13 the account in the taxable year of a withdrawal  
14 pursuant to subsection (b) of Section 20 of the Medical  
15 Care Savings Account Act or subsection (b) of Section  
16 20 of the Medical Care Savings Account Act of 2000;

17 (D-10) For taxable years ending after December 31,  
18 1997, an amount equal to any eligible remediation costs  
19 that the individual deducted in computing adjusted  
20 gross income and for which the individual claims a  
21 credit under subsection (l) of Section 201;

22 (D-15) For taxable years 2001 and thereafter, an  
23 amount equal to the bonus depreciation deduction taken  
24 on the taxpayer's federal income tax return for the  
25 taxable year under subsection (k) of Section 168 of the  
26 Internal Revenue Code;

1           (D-16) If the taxpayer sells, transfers, abandons,  
2 or otherwise disposes of property for which the  
3 taxpayer was required in any taxable year to make an  
4 addition modification under subparagraph (D-15), then  
5 an amount equal to the aggregate amount of the  
6 deductions taken in all taxable years under  
7 subparagraph (Z) with respect to that property.

8           If the taxpayer continues to own property through  
9 the last day of the last tax year for which the  
10 taxpayer may claim a depreciation deduction for  
11 federal income tax purposes and for which the taxpayer  
12 was allowed in any taxable year to make a subtraction  
13 modification under subparagraph (Z), then an amount  
14 equal to that subtraction modification.

15           The taxpayer is required to make the addition  
16 modification under this subparagraph only once with  
17 respect to any one piece of property;

18           (D-17) For taxable years ending on or after  
19 December 31, 2004, an amount equal to the amount  
20 otherwise allowed as a deduction in computing base  
21 income for interest paid, accrued, or incurred,  
22 directly or indirectly, to a foreign person who would  
23 be a member of the same unitary business group but for  
24 the fact that foreign person's business activity  
25 outside the United States is 80% or more of the foreign  
26 person's total business activity. The addition

1 modification required by this subparagraph shall be  
2 reduced to the extent that dividends were included in  
3 base income of the unitary group for the same taxable  
4 year and received by the taxpayer or by a member of the  
5 taxpayer's unitary business group (including amounts  
6 included in gross income under Sections 951 through 964  
7 of the Internal Revenue Code and amounts included in  
8 gross income under Section 78 of the Internal Revenue  
9 Code) with respect to the stock of the same person to  
10 whom the interest was paid, accrued, or incurred.

11 This paragraph shall not apply to the following:

12 (i) an item of interest paid, accrued, or  
13 incurred, directly or indirectly, to a foreign  
14 person who is subject in a foreign country or  
15 state, other than a state which requires mandatory  
16 unitary reporting, to a tax on or measured by net  
17 income with respect to such interest; or

18 (ii) an item of interest paid, accrued, or  
19 incurred, directly or indirectly, to a foreign  
20 person if the taxpayer can establish, based on a  
21 preponderance of the evidence, both of the  
22 following:

23 (a) the foreign person, during the same  
24 taxable year, paid, accrued, or incurred, the  
25 interest to a person that is not a related  
26 member, and

1           (b) the transaction giving rise to the  
2           interest expense between the taxpayer and the  
3           foreign person did not have as a principal  
4           purpose the avoidance of Illinois income tax,  
5           and is paid pursuant to a contract or agreement  
6           that reflects an arm's-length interest rate  
7           and terms; or

8           (iii) the taxpayer can establish, based on  
9           clear and convincing evidence, that the interest  
10          paid, accrued, or incurred relates to a contract or  
11          agreement entered into at arm's-length rates and  
12          terms and the principal purpose for the payment is  
13          not federal or Illinois tax avoidance; or

14          (iv) an item of interest paid, accrued, or  
15          incurred, directly or indirectly, to a foreign  
16          person if the taxpayer establishes by clear and  
17          convincing evidence that the adjustments are  
18          unreasonable; or if the taxpayer and the Director  
19          agree in writing to the application or use of an  
20          alternative method of apportionment under Section  
21          304(f).

22          Nothing in this subsection shall preclude the  
23          Director from making any other adjustment  
24          otherwise allowed under Section 404 of this Act for  
25          any tax year beginning after the effective date of  
26          this amendment provided such adjustment is made

1           pursuant to regulation adopted by the Department  
2           and such regulations provide methods and standards  
3           by which the Department will utilize its authority  
4           under Section 404 of this Act;

5           (D-18) For taxable years ending on or after  
6           December 31, 2004, an amount equal to the amount of  
7           intangible expenses and costs otherwise allowed as a  
8           deduction in computing base income, and that were paid,  
9           accrued, or incurred, directly or indirectly, to a  
10          foreign person who would be a member of the same  
11          unitary business group but for the fact that the  
12          foreign person's business activity outside the United  
13          States is 80% or more of that person's total business  
14          activity. The addition modification required by this  
15          subparagraph shall be reduced to the extent that  
16          dividends were included in base income of the unitary  
17          group for the same taxable year and received by the  
18          taxpayer or by a member of the taxpayer's unitary  
19          business group (including amounts included in gross  
20          income under Sections 951 through 964 of the Internal  
21          Revenue Code and amounts included in gross income under  
22          Section 78 of the Internal Revenue Code) with respect  
23          to the stock of the same person to whom the intangible  
24          expenses and costs were directly or indirectly paid,  
25          incurred, or accrued. The preceding sentence does not  
26          apply to the extent that the same dividends caused a



1 reduction to the addition modification required under  
2 Section 203(a)(2)(D-17) of this Act. As used in this  
3 subparagraph, the term "intangible expenses and costs"  
4 includes (1) expenses, losses, and costs for, or  
5 related to, the direct or indirect acquisition, use,  
6 maintenance or management, ownership, sale, exchange,  
7 or any other disposition of intangible property; (2)  
8 losses incurred, directly or indirectly, from  
9 factoring transactions or discounting transactions;  
10 (3) royalty, patent, technical, and copyright fees;  
11 (4) licensing fees; and (5) other similar expenses and  
12 costs. For purposes of this subparagraph, "intangible  
13 property" includes patents, patent applications, trade  
14 names, trademarks, service marks, copyrights, mask  
15 works, trade secrets, and similar types of intangible  
16 assets.

17 This paragraph shall not apply to the following:

18 (i) any item of intangible expenses or costs  
19 paid, accrued, or incurred, directly or  
20 indirectly, from a transaction with a foreign  
21 person who is subject in a foreign country or  
22 state, other than a state which requires mandatory  
23 unitary reporting, to a tax on or measured by net  
24 income with respect to such item; or

25 (ii) any item of intangible expense or cost  
26 paid, accrued, or incurred, directly or

1 indirectly, if the taxpayer can establish, based  
2 on a preponderance of the evidence, both of the  
3 following:

4 (a) the foreign person during the same  
5 taxable year paid, accrued, or incurred, the  
6 intangible expense or cost to a person that is  
7 not a related member, and

8 (b) the transaction giving rise to the  
9 intangible expense or cost between the  
10 taxpayer and the foreign person did not have as  
11 a principal purpose the avoidance of Illinois  
12 income tax, and is paid pursuant to a contract  
13 or agreement that reflects arm's-length terms;  
14 or

15 (iii) any item of intangible expense or cost  
16 paid, accrued, or incurred, directly or  
17 indirectly, from a transaction with a foreign  
18 person if the taxpayer establishes by clear and  
19 convincing evidence, that the adjustments are  
20 unreasonable; or if the taxpayer and the Director  
21 agree in writing to the application or use of an  
22 alternative method of apportionment under Section  
23 304(f);

24 Nothing in this subsection shall preclude the  
25 Director from making any other adjustment  
26 otherwise allowed under Section 404 of this Act for

1           any tax year beginning after the effective date of  
2           this amendment provided such adjustment is made  
3           pursuant to regulation adopted by the Department  
4           and such regulations provide methods and standards  
5           by which the Department will utilize its authority  
6           under Section 404 of this Act;

7           (D-20) For taxable years beginning on or after  
8           January 1, 2002, in the case of a distribution from a  
9           qualified tuition program under Section 529 of the  
10          Internal Revenue Code, other than (i) a distribution  
11          from a College Savings Pool created under Section 16.5  
12          of the State Treasurer Act or (ii) a distribution from  
13          the Illinois Prepaid Tuition Trust Fund, an amount  
14          equal to the amount excluded from gross income under  
15          Section 529(c)(3)(B);

16         and by deducting from the total so obtained the sum of the  
17         following amounts:

18                 (E) For taxable years ending before December 31,  
19                 2001, any amount included in such total in respect of  
20                 any compensation (including but not limited to any  
21                 compensation paid or accrued to a serviceman while a  
22                 prisoner of war or missing in action) paid to a  
23                 resident by reason of being on active duty in the Armed  
24                 Forces of the United States and in respect of any  
25                 compensation paid or accrued to a resident who as a  
26                 governmental employee was a prisoner of war or missing

1 in action, and in respect of any compensation paid to a  
2 resident in 1971 or thereafter for annual training  
3 performed pursuant to Sections 502 and 503, Title 32,  
4 United States Code as a member of the Illinois National  
5 Guard or the Illinois Naval Militia. For taxable years  
6 ending on or after December 31, 2001, any amount  
7 included in such total in respect of any compensation  
8 (including but not limited to any compensation paid or  
9 accrued to a serviceman while a prisoner of war or  
10 missing in action) paid to a resident by reason of  
11 being a member of any component of the Armed Forces of  
12 the United States and in respect of any compensation  
13 paid or accrued to a resident who as a governmental  
14 employee was a prisoner of war or missing in action,  
15 and in respect of any compensation paid to a resident  
16 in 2001 or thereafter by reason of being a member of  
17 the Illinois National Guard or the Illinois Naval  
18 Militia. The provisions of this amendatory Act of the  
19 92nd General Assembly are exempt from the provisions of  
20 Section 250;

21 (F) An amount equal to all amounts included in such  
22 total pursuant to the provisions of Sections 402(a),  
23 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the  
24 Internal Revenue Code, or included in such total as  
25 distributions under the provisions of any retirement  
26 or disability plan for employees of any governmental

1 agency or unit, or retirement payments to retired  
2 partners, which payments are excluded in computing net  
3 earnings from self employment by Section 1402 of the  
4 Internal Revenue Code and regulations adopted pursuant  
5 thereto;

6 (G) The valuation limitation amount;

7 (H) An amount equal to the amount of any tax  
8 imposed by this Act which was refunded to the taxpayer  
9 and included in such total for the taxable year;

10 (I) An amount equal to all amounts included in such  
11 total pursuant to the provisions of Section 111 of the  
12 Internal Revenue Code as a recovery of items previously  
13 deducted from adjusted gross income in the computation  
14 of taxable income;

15 (J) An amount equal to those dividends included in  
16 such total which were paid by a corporation which  
17 conducts business operations in an Enterprise Zone or  
18 zones created under the Illinois Enterprise Zone Act or  
19 a River Edge Redevelopment Zone or zones created under  
20 the River Edge Redevelopment Zone Act, and conducts  
21 substantially all of its operations in an Enterprise  
22 Zone or zones or a River Edge Redevelopment Zone or  
23 zones. This subparagraph (J) is exempt from the  
24 provisions of Section 250;

25 (K) An amount equal to those dividends included in  
26 such total that were paid by a corporation that

1           conducts business operations in a federally designated  
2           Foreign Trade Zone or Sub-Zone and that is designated a  
3           High Impact Business located in Illinois; provided  
4           that dividends eligible for the deduction provided in  
5           subparagraph (J) of paragraph (2) of this subsection  
6           shall not be eligible for the deduction provided under  
7           this subparagraph (K);

8           (L) For taxable years ending after December 31,  
9           1983, an amount equal to all social security benefits  
10          and railroad retirement benefits included in such  
11          total pursuant to Sections 72(r) and 86 of the Internal  
12          Revenue Code;

13          (M) With the exception of any amounts subtracted  
14          under subparagraph (N), an amount equal to the sum of  
15          all amounts disallowed as deductions by (i) Sections  
16          171(a) (2), and 265(2) of the Internal Revenue Code of  
17          1954, as now or hereafter amended, and all amounts of  
18          expenses allocable to interest and disallowed as  
19          deductions by Section 265(1) of the Internal Revenue  
20          Code of 1954, as now or hereafter amended; and (ii) for  
21          taxable years ending on or after August 13, 1999,  
22          Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of  
23          the Internal Revenue Code; the provisions of this  
24          subparagraph are exempt from the provisions of Section  
25          250;

26          (N) An amount equal to all amounts included in such

1 total which are exempt from taxation by this State  
2 either by reason of its statutes or Constitution or by  
3 reason of the Constitution, treaties or statutes of the  
4 United States; provided that, in the case of any  
5 statute of this State that exempts income derived from  
6 bonds or other obligations from the tax imposed under  
7 this Act, the amount exempted shall be the interest net  
8 of bond premium amortization;

9 (O) An amount equal to any contribution made to a  
10 job training project established pursuant to the Tax  
11 Increment Allocation Redevelopment Act;

12 (P) An amount equal to the amount of the deduction  
13 used to compute the federal income tax credit for  
14 restoration of substantial amounts held under claim of  
15 right for the taxable year pursuant to Section 1341 of  
16 the Internal Revenue Code of 1986;

17 (Q) An amount equal to any amounts included in such  
18 total, received by the taxpayer as an acceleration in  
19 the payment of life, endowment or annuity benefits in  
20 advance of the time they would otherwise be payable as  
21 an indemnity for a terminal illness;

22 (R) An amount equal to the amount of any federal or  
23 State bonus paid to veterans of the Persian Gulf War;

24 (S) An amount, to the extent included in adjusted  
25 gross income, equal to the amount of a contribution  
26 made in the taxable year on behalf of the taxpayer to a

1 medical care savings account established under the  
2 Medical Care Savings Account Act or the Medical Care  
3 Savings Account Act of 2000 to the extent the  
4 contribution is accepted by the account administrator  
5 as provided in that Act;

6 (T) An amount, to the extent included in adjusted  
7 gross income, equal to the amount of interest earned in  
8 the taxable year on a medical care savings account  
9 established under the Medical Care Savings Account Act  
10 or the Medical Care Savings Account Act of 2000 on  
11 behalf of the taxpayer, other than interest added  
12 pursuant to item (D-5) of this paragraph (2);

13 (U) For one taxable year beginning on or after  
14 January 1, 1994, an amount equal to the total amount of  
15 tax imposed and paid under subsections (a) and (b) of  
16 Section 201 of this Act on grant amounts received by  
17 the taxpayer under the Nursing Home Grant Assistance  
18 Act during the taxpayer's taxable years 1992 and 1993;

19 (V) Beginning with tax years ending on or after  
20 December 31, 1995 and ending with tax years ending on  
21 or before December 31, 2004, an amount equal to the  
22 amount paid by a taxpayer who is a self-employed  
23 taxpayer, a partner of a partnership, or a shareholder  
24 in a Subchapter S corporation for health insurance or  
25 long-term care insurance for that taxpayer or that  
26 taxpayer's spouse or dependents, to the extent that the



1 amount paid for that health insurance or long-term care  
2 insurance may be deducted under Section 213 of the  
3 Internal Revenue Code of 1986, has not been deducted on  
4 the federal income tax return of the taxpayer, and does  
5 not exceed the taxable income attributable to that  
6 taxpayer's income, self-employment income, or  
7 Subchapter S corporation income; except that no  
8 deduction shall be allowed under this item (V) if the  
9 taxpayer is eligible to participate in any health  
10 insurance or long-term care insurance plan of an  
11 employer of the taxpayer or the taxpayer's spouse. The  
12 amount of the health insurance and long-term care  
13 insurance subtracted under this item (V) shall be  
14 determined by multiplying total health insurance and  
15 long-term care insurance premiums paid by the taxpayer  
16 times a number that represents the fractional  
17 percentage of eligible medical expenses under Section  
18 213 of the Internal Revenue Code of 1986 not actually  
19 deducted on the taxpayer's federal income tax return;

20 (W) For taxable years beginning on or after January  
21 1, 1998, all amounts included in the taxpayer's federal  
22 gross income in the taxable year from amounts converted  
23 from a regular IRA to a Roth IRA. This paragraph is  
24 exempt from the provisions of Section 250;

25 (X) For taxable year 1999 and thereafter, an amount  
26 equal to the amount of any (i) distributions, to the

1 extent includible in gross income for federal income  
2 tax purposes, made to the taxpayer because of his or  
3 her status as a victim of persecution for racial or  
4 religious reasons by Nazi Germany or any other Axis  
5 regime or as an heir of the victim and (ii) items of  
6 income, to the extent includible in gross income for  
7 federal income tax purposes, attributable to, derived  
8 from or in any way related to assets stolen from,  
9 hidden from, or otherwise lost to a victim of  
10 persecution for racial or religious reasons by Nazi  
11 Germany or any other Axis regime immediately prior to,  
12 during, and immediately after World War II, including,  
13 but not limited to, interest on the proceeds receivable  
14 as insurance under policies issued to a victim of  
15 persecution for racial or religious reasons by Nazi  
16 Germany or any other Axis regime by European insurance  
17 companies immediately prior to and during World War II;  
18 provided, however, this subtraction from federal  
19 adjusted gross income does not apply to assets acquired  
20 with such assets or with the proceeds from the sale of  
21 such assets; provided, further, this paragraph shall  
22 only apply to a taxpayer who was the first recipient of  
23 such assets after their recovery and who is a victim of  
24 persecution for racial or religious reasons by Nazi  
25 Germany or any other Axis regime or as an heir of the  
26 victim. The amount of and the eligibility for any

1 public assistance, benefit, or similar entitlement is  
2 not affected by the inclusion of items (i) and (ii) of  
3 this paragraph in gross income for federal income tax  
4 purposes. This paragraph is exempt from the provisions  
5 of Section 250;

6 (Y) For taxable years beginning on or after January  
7 1, 2002 and ending on or before December 31, 2004,  
8 moneys contributed in the taxable year to a College  
9 Savings Pool account under Section 16.5 of the State  
10 Treasurer Act, except that amounts excluded from gross  
11 income under Section 529(c)(3)(C)(i) of the Internal  
12 Revenue Code shall not be considered moneys  
13 contributed under this subparagraph (Y). For taxable  
14 years beginning on or after January 1, 2005, a maximum  
15 of \$10,000 contributed in the taxable year to (i) a  
16 College Savings Pool account under Section 16.5 of the  
17 State Treasurer Act or (ii) the Illinois Prepaid  
18 Tuition Trust Fund, except that amounts excluded from  
19 gross income under Section 529(c)(3)(C)(i) of the  
20 Internal Revenue Code shall not be considered moneys  
21 contributed under this subparagraph (Y). This  
22 subparagraph (Y) is exempt from the provisions of  
23 Section 250;

24 (Z) For taxable years 2001 and thereafter, for the  
25 taxable year in which the bonus depreciation deduction  
26 is taken on the taxpayer's federal income tax return

1 under subsection (k) of Section 168 of the Internal  
2 Revenue Code and for each applicable taxable year  
3 thereafter, an amount equal to "x", where:

4 (1) "y" equals the amount of the depreciation  
5 deduction taken for the taxable year on the  
6 taxpayer's federal income tax return on property  
7 for which the bonus depreciation deduction was  
8 taken in any year under subsection (k) of Section  
9 168 of the Internal Revenue Code, but not including  
10 the bonus depreciation deduction;

11 (2) for taxable years ending on or before  
12 December 31, 2005, "x" equals "y" multiplied by 30  
13 and then divided by 70 (or "y" multiplied by  
14 0.429); and

15 (3) for taxable years ending after December  
16 31, 2005:

17 (i) for property on which a bonus  
18 depreciation deduction of 30% of the adjusted  
19 basis was taken, "x" equals "y" multiplied by  
20 30 and then divided by 70 (or "y" multiplied by  
21 0.429); and

22 (ii) for property on which a bonus  
23 depreciation deduction of 50% of the adjusted  
24 basis was taken, "x" equals "y" multiplied by  
25 1.0.

26 The aggregate amount deducted under this

1           subparagraph in all taxable years for any one piece of  
2           property may not exceed the amount of the bonus  
3           depreciation deduction taken on that property on the  
4           taxpayer's federal income tax return under subsection  
5           (k) of Section 168 of the Internal Revenue Code. This  
6           subparagraph (Z) is exempt from the provisions of  
7           Section 250;

8           (AA) If the taxpayer sells, transfers, abandons,  
9           or otherwise disposes of property for which the  
10          taxpayer was required in any taxable year to make an  
11          addition modification under subparagraph (D-15), then  
12          an amount equal to that addition modification.

13          If the taxpayer continues to own property through  
14          the last day of the last tax year for which the  
15          taxpayer may claim a depreciation deduction for  
16          federal income tax purposes and for which the taxpayer  
17          was required in any taxable year to make an addition  
18          modification under subparagraph (D-15), then an amount  
19          equal to that addition modification.

20          The taxpayer is allowed to take the deduction under  
21          this subparagraph only once with respect to any one  
22          piece of property.

23          This subparagraph (AA) is exempt from the  
24          provisions of Section 250;

25          (BB) Any amount included in adjusted gross income,  
26          other than salary, received by a driver in a

1 ridesharing arrangement using a motor vehicle;

2 (CC) The amount of (i) any interest income (net of  
3 the deductions allocable thereto) taken into account  
4 for the taxable year with respect to a transaction with  
5 a taxpayer that is required to make an addition  
6 modification with respect to such transaction under  
7 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
8 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
9 the amount of that addition modification, and (ii) any  
10 income from intangible property (net of the deductions  
11 allocable thereto) taken into account for the taxable  
12 year with respect to a transaction with a taxpayer that  
13 is required to make an addition modification with  
14 respect to such transaction under Section  
15 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
16 203(d)(2)(D-8), but not to exceed the amount of that  
17 addition modification;

18 (DD) An amount equal to the interest income taken  
19 into account for the taxable year (net of the  
20 deductions allocable thereto) with respect to  
21 transactions with a foreign person who would be a  
22 member of the taxpayer's unitary business group but for  
23 the fact that the foreign person's business activity  
24 outside the United States is 80% or more of that  
25 person's total business activity, but not to exceed the  
26 addition modification required to be made for the same

1 taxable year under Section 203(a)(2)(D-17) for  
2 interest paid, accrued, or incurred, directly or  
3 indirectly, to the same foreign person; and

4 (EE) An amount equal to the income from intangible  
5 property taken into account for the taxable year (net  
6 of the deductions allocable thereto) with respect to  
7 transactions with a foreign person who would be a  
8 member of the taxpayer's unitary business group but for  
9 the fact that the foreign person's business activity  
10 outside the United States is 80% or more of that  
11 person's total business activity, but not to exceed the  
12 addition modification required to be made for the same  
13 taxable year under Section 203(a)(2)(D-18) for  
14 intangible expenses and costs paid, accrued, or  
15 incurred, directly or indirectly, to the same foreign  
16 person.

17 (b) Corporations.

18 (1) In general. In the case of a corporation, base  
19 income means an amount equal to the taxpayer's taxable  
20 income for the taxable year as modified by paragraph (2).

21 (2) Modifications. The taxable income referred to in  
22 paragraph (1) shall be modified by adding thereto the sum  
23 of the following amounts:

24 (A) An amount equal to all amounts paid or accrued  
25 to the taxpayer as interest and all distributions

1 received from regulated investment companies during  
2 the taxable year to the extent excluded from gross  
3 income in the computation of taxable income;

4 (B) An amount equal to the amount of tax imposed by  
5 this Act to the extent deducted from gross income in  
6 the computation of taxable income for the taxable year;

7 (C) In the case of a regulated investment company,  
8 an amount equal to the excess of (i) the net long-term  
9 capital gain for the taxable year, over (ii) the amount  
10 of the capital gain dividends designated as such in  
11 accordance with Section 852(b)(3)(C) of the Internal  
12 Revenue Code and any amount designated under Section  
13 852(b)(3)(D) of the Internal Revenue Code,  
14 attributable to the taxable year (this amendatory Act  
15 of 1995 (Public Act 89-89) is declarative of existing  
16 law and is not a new enactment);

17 (D) The amount of any net operating loss deduction  
18 taken in arriving at taxable income, other than a net  
19 operating loss carried forward from a taxable year  
20 ending prior to December 31, 1986;

21 (E) For taxable years in which a net operating loss  
22 carryback or carryforward from a taxable year ending  
23 prior to December 31, 1986 is an element of taxable  
24 income under paragraph (1) of subsection (e) or  
25 subparagraph (E) of paragraph (2) of subsection (e),  
26 the amount by which addition modifications other than



1           those provided by this subparagraph (E) exceeded  
2           subtraction modifications in such earlier taxable  
3           year, with the following limitations applied in the  
4           order that they are listed:

5                   (i) the addition modification relating to the  
6                   net operating loss carried back or forward to the  
7                   taxable year from any taxable year ending prior to  
8                   December 31, 1986 shall be reduced by the amount of  
9                   addition modification under this subparagraph (E)  
10                  which related to that net operating loss and which  
11                  was taken into account in calculating the base  
12                  income of an earlier taxable year, and

13                   (ii) the addition modification relating to the  
14                   net operating loss carried back or forward to the  
15                   taxable year from any taxable year ending prior to  
16                   December 31, 1986 shall not exceed the amount of  
17                   such carryback or carryforward;

18                  For taxable years in which there is a net operating  
19                  loss carryback or carryforward from more than one other  
20                  taxable year ending prior to December 31, 1986, the  
21                  addition modification provided in this subparagraph  
22                  (E) shall be the sum of the amounts computed  
23                  independently under the preceding provisions of this  
24                  subparagraph (E) for each such taxable year;

25                  (E-5) For taxable years ending after December 31,  
26                  1997, an amount equal to any eligible remediation costs

1           that the corporation deducted in computing adjusted  
2           gross income and for which the corporation claims a  
3           credit under subsection (l) of Section 201;

4           (E-10) For taxable years 2001 and thereafter, an  
5           amount equal to the bonus depreciation deduction taken  
6           on the taxpayer's federal income tax return for the  
7           taxable year under subsection (k) of Section 168 of the  
8           Internal Revenue Code; and

9           (E-11) If the taxpayer sells, transfers, abandons,  
10          or otherwise disposes of property for which the  
11          taxpayer was required in any taxable year to make an  
12          addition modification under subparagraph (E-10), then  
13          an amount equal to the aggregate amount of the  
14          deductions taken in all taxable years under  
15          subparagraph (T) with respect to that property.

16          If the taxpayer continues to own property through  
17          the last day of the last tax year for which the  
18          taxpayer may claim a depreciation deduction for  
19          federal income tax purposes and for which the taxpayer  
20          was allowed in any taxable year to make a subtraction  
21          modification under subparagraph (T), then an amount  
22          equal to that subtraction modification.

23          The taxpayer is required to make the addition  
24          modification under this subparagraph only once with  
25          respect to any one piece of property;

26          (E-12) For taxable years ending on or after

1 December 31, 2004, an amount equal to the amount  
2 otherwise allowed as a deduction in computing base  
3 income for interest paid, accrued, or incurred,  
4 directly or indirectly, to a foreign person who would  
5 be a member of the same unitary business group but for  
6 the fact the foreign person's business activity  
7 outside the United States is 80% or more of the foreign  
8 person's total business activity. The addition  
9 modification required by this subparagraph shall be  
10 reduced to the extent that dividends were included in  
11 base income of the unitary group for the same taxable  
12 year and received by the taxpayer or by a member of the  
13 taxpayer's unitary business group (including amounts  
14 included in gross income pursuant to Sections 951  
15 through 964 of the Internal Revenue Code and amounts  
16 included in gross income under Section 78 of the  
17 Internal Revenue Code) with respect to the stock of the  
18 same person to whom the interest was paid, accrued, or  
19 incurred.

20 This paragraph shall not apply to the following:

21 (i) an item of interest paid, accrued, or  
22 incurred, directly or indirectly, to a foreign  
23 person who is subject in a foreign country or  
24 state, other than a state which requires mandatory  
25 unitary reporting, to a tax on or measured by net  
26 income with respect to such interest; or

1           (ii) an item of interest paid, accrued, or  
2 incurred, directly or indirectly, to a foreign  
3 person if the taxpayer can establish, based on a  
4 preponderance of the evidence, both of the  
5 following:

6           (a) the foreign person, during the same  
7 taxable year, paid, accrued, or incurred, the  
8 interest to a person that is not a related  
9 member, and

10           (b) the transaction giving rise to the  
11 interest expense between the taxpayer and the  
12 foreign person did not have as a principal  
13 purpose the avoidance of Illinois income tax,  
14 and is paid pursuant to a contract or agreement  
15 that reflects an arm's-length interest rate  
16 and terms; or

17           (iii) the taxpayer can establish, based on  
18 clear and convincing evidence, that the interest  
19 paid, accrued, or incurred relates to a contract or  
20 agreement entered into at arm's-length rates and  
21 terms and the principal purpose for the payment is  
22 not federal or Illinois tax avoidance; or

23           (iv) an item of interest paid, accrued, or  
24 incurred, directly or indirectly, to a foreign  
25 person if the taxpayer establishes by clear and  
26 convincing evidence that the adjustments are

1           unreasonable; or if the taxpayer and the Director  
2           agree in writing to the application or use of an  
3           alternative method of apportionment under Section  
4           304(f).

5           Nothing in this subsection shall preclude the  
6           Director from making any other adjustment  
7           otherwise allowed under Section 404 of this Act for  
8           any tax year beginning after the effective date of  
9           this amendment provided such adjustment is made  
10          pursuant to regulation adopted by the Department  
11          and such regulations provide methods and standards  
12          by which the Department will utilize its authority  
13          under Section 404 of this Act;

14          (E-13) For taxable years ending on or after  
15          December 31, 2004, an amount equal to the amount of  
16          intangible expenses and costs otherwise allowed as a  
17          deduction in computing base income, and that were paid,  
18          accrued, or incurred, directly or indirectly, to a  
19          foreign person who would be a member of the same  
20          unitary business group but for the fact that the  
21          foreign person's business activity outside the United  
22          States is 80% or more of that person's total business  
23          activity. The addition modification required by this  
24          subparagraph shall be reduced to the extent that  
25          dividends were included in base income of the unitary  
26          group for the same taxable year and received by the

1 taxpayer or by a member of the taxpayer's unitary  
2 business group (including amounts included in gross  
3 income pursuant to Sections 951 through 964 of the  
4 Internal Revenue Code and amounts included in gross  
5 income under Section 78 of the Internal Revenue Code)  
6 with respect to the stock of the same person to whom  
7 the intangible expenses and costs were directly or  
8 indirectly paid, incurred, or accrued. The preceding  
9 sentence shall not apply to the extent that the same  
10 dividends caused a reduction to the addition  
11 modification required under Section 203(b)(2)(E-12) of  
12 this Act. As used in this subparagraph, the term  
13 "intangible expenses and costs" includes (1) expenses,  
14 losses, and costs for, or related to, the direct or  
15 indirect acquisition, use, maintenance or management,  
16 ownership, sale, exchange, or any other disposition of  
17 intangible property; (2) losses incurred, directly or  
18 indirectly, from factoring transactions or discounting  
19 transactions; (3) royalty, patent, technical, and  
20 copyright fees; (4) licensing fees; and (5) other  
21 similar expenses and costs. For purposes of this  
22 subparagraph, "intangible property" includes patents,  
23 patent applications, trade names, trademarks, service  
24 marks, copyrights, mask works, trade secrets, and  
25 similar types of intangible assets.

26 This paragraph shall not apply to the following:

1           (i) any item of intangible expenses or costs  
2           paid, accrued, or incurred, directly or  
3           indirectly, from a transaction with a foreign  
4           person who is subject in a foreign country or  
5           state, other than a state which requires mandatory  
6           unitary reporting, to a tax on or measured by net  
7           income with respect to such item; or

8           (ii) any item of intangible expense or cost  
9           paid, accrued, or incurred, directly or  
10          indirectly, if the taxpayer can establish, based  
11          on a preponderance of the evidence, both of the  
12          following:

13               (a) the foreign person during the same  
14               taxable year paid, accrued, or incurred, the  
15               intangible expense or cost to a person that is  
16               not a related member, and

17               (b) the transaction giving rise to the  
18               intangible expense or cost between the  
19               taxpayer and the foreign person did not have as  
20               a principal purpose the avoidance of Illinois  
21               income tax, and is paid pursuant to a contract  
22               or agreement that reflects arm's-length terms;  
23               or

24           (iii) any item of intangible expense or cost  
25           paid, accrued, or incurred, directly or  
26           indirectly, from a transaction with a foreign

1 person if the taxpayer establishes by clear and  
2 convincing evidence, that the adjustments are  
3 unreasonable; or if the taxpayer and the Director  
4 agree in writing to the application or use of an  
5 alternative method of apportionment under Section  
6 304(f);

7 Nothing in this subsection shall preclude the  
8 Director from making any other adjustment  
9 otherwise allowed under Section 404 of this Act for  
10 any tax year beginning after the effective date of  
11 this amendment provided such adjustment is made  
12 pursuant to regulation adopted by the Department  
13 and such regulations provide methods and standards  
14 by which the Department will utilize its authority  
15 under Section 404 of this Act;

16 and by deducting from the total so obtained the sum of the  
17 following amounts:

18 (F) An amount equal to the amount of any tax  
19 imposed by this Act which was refunded to the taxpayer  
20 and included in such total for the taxable year;

21 (G) An amount equal to any amount included in such  
22 total under Section 78 of the Internal Revenue Code;

23 (H) In the case of a regulated investment company,  
24 an amount equal to the amount of exempt interest  
25 dividends as defined in subsection (b) (5) of Section  
26 852 of the Internal Revenue Code, paid to shareholders



1 for the taxable year;

2 (I) With the exception of any amounts subtracted  
3 under subparagraph (J), an amount equal to the sum of  
4 all amounts disallowed as deductions by (i) Sections  
5 171(a) (2), and 265(a)(2) and amounts disallowed as  
6 interest expense by Section 291(a)(3) of the Internal  
7 Revenue Code, as now or hereafter amended, and all  
8 amounts of expenses allocable to interest and  
9 disallowed as deductions by Section 265(a)(1) of the  
10 Internal Revenue Code, as now or hereafter amended; and  
11 (ii) for taxable years ending on or after August 13,  
12 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and  
13 832(b)(5)(B)(i) of the Internal Revenue Code; the  
14 provisions of this subparagraph are exempt from the  
15 provisions of Section 250;

16 (J) An amount equal to all amounts included in such  
17 total which are exempt from taxation by this State  
18 either by reason of its statutes or Constitution or by  
19 reason of the Constitution, treaties or statutes of the  
20 United States; provided that, in the case of any  
21 statute of this State that exempts income derived from  
22 bonds or other obligations from the tax imposed under  
23 this Act, the amount exempted shall be the interest net  
24 of bond premium amortization;

25 (K) An amount equal to those dividends included in  
26 such total which were paid by a corporation which

1           conducts business operations in an Enterprise Zone or  
2           zones created under the Illinois Enterprise Zone Act or  
3           a River Edge Redevelopment Zone or zones created under  
4           the River Edge Redevelopment Zone Act and conducts  
5           substantially all of its operations in an Enterprise  
6           Zone or zones or a River Edge Redevelopment Zone or  
7           zones. This subparagraph (K) is exempt from the  
8           provisions of Section 250;

9           (L) An amount equal to those dividends included in  
10          such total that were paid by a corporation that  
11          conducts business operations in a federally designated  
12          Foreign Trade Zone or Sub-Zone and that is designated a  
13          High Impact Business located in Illinois; provided  
14          that dividends eligible for the deduction provided in  
15          subparagraph (K) of paragraph 2 of this subsection  
16          shall not be eligible for the deduction provided under  
17          this subparagraph (L);

18          (M) For any taxpayer that is a financial  
19          organization within the meaning of Section 304(c) of  
20          this Act, an amount included in such total as interest  
21          income from a loan or loans made by such taxpayer to a  
22          borrower, to the extent that such a loan is secured by  
23          property which is eligible for the Enterprise Zone  
24          Investment Credit or the River Edge Redevelopment Zone  
25          Investment Credit. To determine the portion of a loan  
26          or loans that is secured by property eligible for a

1 Section 201(f) investment credit to the borrower, the  
2 entire principal amount of the loan or loans between  
3 the taxpayer and the borrower should be divided into  
4 the basis of the Section 201(f) investment credit  
5 property which secures the loan or loans, using for  
6 this purpose the original basis of such property on the  
7 date that it was placed in service in the Enterprise  
8 Zone or the River Edge Redevelopment Zone. The  
9 subtraction modification available to taxpayer in any  
10 year under this subsection shall be that portion of the  
11 total interest paid by the borrower with respect to  
12 such loan attributable to the eligible property as  
13 calculated under the previous sentence. This  
14 subparagraph (M) is exempt from the provisions of  
15 Section 250;

16 (M-1) For any taxpayer that is a financial  
17 organization within the meaning of Section 304(c) of  
18 this Act, an amount included in such total as interest  
19 income from a loan or loans made by such taxpayer to a  
20 borrower, to the extent that such a loan is secured by  
21 property which is eligible for the High Impact Business  
22 Investment Credit. To determine the portion of a loan  
23 or loans that is secured by property eligible for a  
24 Section 201(h) investment credit to the borrower, the  
25 entire principal amount of the loan or loans between  
26 the taxpayer and the borrower should be divided into

1 the basis of the Section 201(h) investment credit  
2 property which secures the loan or loans, using for  
3 this purpose the original basis of such property on the  
4 date that it was placed in service in a federally  
5 designated Foreign Trade Zone or Sub-Zone located in  
6 Illinois. No taxpayer that is eligible for the  
7 deduction provided in subparagraph (M) of paragraph  
8 (2) of this subsection shall be eligible for the  
9 deduction provided under this subparagraph (M-1). The  
10 subtraction modification available to taxpayers in any  
11 year under this subsection shall be that portion of the  
12 total interest paid by the borrower with respect to  
13 such loan attributable to the eligible property as  
14 calculated under the previous sentence;

15 (N) Two times any contribution made during the  
16 taxable year to a designated zone organization to the  
17 extent that the contribution (i) qualifies as a  
18 charitable contribution under subsection (c) of  
19 Section 170 of the Internal Revenue Code and (ii) must,  
20 by its terms, be used for a project approved by the  
21 Department of Commerce and Economic Opportunity under  
22 Section 11 of the Illinois Enterprise Zone Act or under  
23 Section 10-10 of the ~~Illinois~~ River Edge Redevelopment  
24 Zone Act. This subparagraph (N) is exempt from the  
25 provisions of Section 250;

26 (O) An amount equal to: (i) 85% for taxable years

1 ending on or before December 31, 1992, or, a percentage  
2 equal to the percentage allowable under Section  
3 243(a)(1) of the Internal Revenue Code of 1986 for  
4 taxable years ending after December 31, 1992, of the  
5 amount by which dividends included in taxable income  
6 and received from a corporation that is not created or  
7 organized under the laws of the United States or any  
8 state or political subdivision thereof, including, for  
9 taxable years ending on or after December 31, 1988,  
10 dividends received or deemed received or paid or deemed  
11 paid under Sections 951 through 964 of the Internal  
12 Revenue Code, exceed the amount of the modification  
13 provided under subparagraph (G) of paragraph (2) of  
14 this subsection (b) which is related to such dividends;  
15 plus (ii) 100% of the amount by which dividends,  
16 included in taxable income and received, including,  
17 for taxable years ending on or after December 31, 1988,  
18 dividends received or deemed received or paid or deemed  
19 paid under Sections 951 through 964 of the Internal  
20 Revenue Code, from any such corporation specified in  
21 clause (i) that would but for the provisions of Section  
22 1504 (b) (3) of the Internal Revenue Code be treated as  
23 a member of the affiliated group which includes the  
24 dividend recipient, exceed the amount of the  
25 modification provided under subparagraph (G) of  
26 paragraph (2) of this subsection (b) which is related

1 to such dividends;

2 (P) An amount equal to any contribution made to a  
3 job training project established pursuant to the Tax  
4 Increment Allocation Redevelopment Act;

5 (Q) An amount equal to the amount of the deduction  
6 used to compute the federal income tax credit for  
7 restoration of substantial amounts held under claim of  
8 right for the taxable year pursuant to Section 1341 of  
9 the Internal Revenue Code of 1986;

10 (R) On and after July 20, 1999, in the case of an  
11 attorney-in-fact with respect to whom an interinsurer  
12 or a reciprocal insurer has made the election under  
13 Section 835 of the Internal Revenue Code, 26 U.S.C.  
14 835, an amount equal to the excess, if any, of the  
15 amounts paid or incurred by that interinsurer or  
16 reciprocal insurer in the taxable year to the  
17 attorney-in-fact over the deduction allowed to that  
18 interinsurer or reciprocal insurer with respect to the  
19 attorney-in-fact under Section 835(b) of the Internal  
20 Revenue Code for the taxable year; the provisions of  
21 this subparagraph are exempt from the provisions of  
22 Section 250;

23 (S) For taxable years ending on or after December  
24 31, 1997, in the case of a Subchapter S corporation, an  
25 amount equal to all amounts of income allocable to a  
26 shareholder subject to the Personal Property Tax

1 Replacement Income Tax imposed by subsections (c) and  
2 (d) of Section 201 of this Act, including amounts  
3 allocable to organizations exempt from federal income  
4 tax by reason of Section 501(a) of the Internal Revenue  
5 Code. This subparagraph (S) is exempt from the  
6 provisions of Section 250;

7 (T) For taxable years 2001 and thereafter, for the  
8 taxable year in which the bonus depreciation deduction  
9 is taken on the taxpayer's federal income tax return  
10 under subsection (k) of Section 168 of the Internal  
11 Revenue Code and for each applicable taxable year  
12 thereafter, an amount equal to "x", where:

13 (1) "y" equals the amount of the depreciation  
14 deduction taken for the taxable year on the  
15 taxpayer's federal income tax return on property  
16 for which the bonus depreciation deduction was  
17 taken in any year under subsection (k) of Section  
18 168 of the Internal Revenue Code, but not including  
19 the bonus depreciation deduction;

20 (2) for taxable years ending on or before  
21 December 31, 2005, "x" equals "y" multiplied by 30  
22 and then divided by 70 (or "y" multiplied by  
23 0.429); and

24 (3) for taxable years ending after December  
25 31, 2005:

26 (i) for property on which a bonus

1 depreciation deduction of 30% of the adjusted  
2 basis was taken, "x" equals "y" multiplied by  
3 30 and then divided by 70 (or "y" multiplied by  
4 0.429); and

5 (ii) for property on which a bonus  
6 depreciation deduction of 50% of the adjusted  
7 basis was taken, "x" equals "y" multiplied by  
8 1.0.

9 The aggregate amount deducted under this  
10 subparagraph in all taxable years for any one piece of  
11 property may not exceed the amount of the bonus  
12 depreciation deduction taken on that property on the  
13 taxpayer's federal income tax return under subsection  
14 (k) of Section 168 of the Internal Revenue Code. This  
15 subparagraph (T) is exempt from the provisions of  
16 Section 250;

17 (U) If the taxpayer sells, transfers, abandons, or  
18 otherwise disposes of property for which the taxpayer  
19 was required in any taxable year to make an addition  
20 modification under subparagraph (E-10), then an amount  
21 equal to that addition modification.

22 If the taxpayer continues to own property through  
23 the last day of the last tax year for which the  
24 taxpayer may claim a depreciation deduction for  
25 federal income tax purposes and for which the taxpayer  
26 was required in any taxable year to make an addition



1 modification under subparagraph (E-10), then an amount  
2 equal to that addition modification.

3 The taxpayer is allowed to take the deduction under  
4 this subparagraph only once with respect to any one  
5 piece of property.

6 This subparagraph (U) is exempt from the  
7 provisions of Section 250;

8 (V) The amount of: (i) any interest income (net of  
9 the deductions allocable thereto) taken into account  
10 for the taxable year with respect to a transaction with  
11 a taxpayer that is required to make an addition  
12 modification with respect to such transaction under  
13 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
14 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
15 the amount of such addition modification and (ii) any  
16 income from intangible property (net of the deductions  
17 allocable thereto) taken into account for the taxable  
18 year with respect to a transaction with a taxpayer that  
19 is required to make an addition modification with  
20 respect to such transaction under Section  
21 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
22 203(d)(2)(D-8), but not to exceed the amount of such  
23 addition modification;

24 (W) An amount equal to the interest income taken  
25 into account for the taxable year (net of the  
26 deductions allocable thereto) with respect to

1 transactions with a foreign person who would be a  
2 member of the taxpayer's unitary business group but for  
3 the fact that the foreign person's business activity  
4 outside the United States is 80% or more of that  
5 person's total business activity, but not to exceed the  
6 addition modification required to be made for the same  
7 taxable year under Section 203(b)(2)(E-12) for  
8 interest paid, accrued, or incurred, directly or  
9 indirectly, to the same foreign person; and

10 (X) An amount equal to the income from intangible  
11 property taken into account for the taxable year (net  
12 of the deductions allocable thereto) with respect to  
13 transactions with a foreign person who would be a  
14 member of the taxpayer's unitary business group but for  
15 the fact that the foreign person's business activity  
16 outside the United States is 80% or more of that  
17 person's total business activity, but not to exceed the  
18 addition modification required to be made for the same  
19 taxable year under Section 203(b)(2)(E-13) for  
20 intangible expenses and costs paid, accrued, or  
21 incurred, directly or indirectly, to the same foreign  
22 person.

23 (3) Special rule. For purposes of paragraph (2) (A),  
24 "gross income" in the case of a life insurance company, for  
25 tax years ending on and after December 31, 1994, shall mean  
26 the gross investment income for the taxable year.

1 (c) Trusts and estates.

2 (1) In general. In the case of a trust or estate, base  
3 income means an amount equal to the taxpayer's taxable  
4 income for the taxable year as modified by paragraph (2).

5 (2) Modifications. Subject to the provisions of  
6 paragraph (3), the taxable income referred to in paragraph  
7 (1) shall be modified by adding thereto the sum of the  
8 following amounts:

9 (A) An amount equal to all amounts paid or accrued  
10 to the taxpayer as interest or dividends during the  
11 taxable year to the extent excluded from gross income  
12 in the computation of taxable income;

13 (B) In the case of (i) an estate, \$600; (ii) a  
14 trust which, under its governing instrument, is  
15 required to distribute all of its income currently,  
16 \$300; and (iii) any other trust, \$100, but in each such  
17 case, only to the extent such amount was deducted in  
18 the computation of taxable income;

19 (C) An amount equal to the amount of tax imposed by  
20 this Act to the extent deducted from gross income in  
21 the computation of taxable income for the taxable year;

22 (D) The amount of any net operating loss deduction  
23 taken in arriving at taxable income, other than a net  
24 operating loss carried forward from a taxable year  
25 ending prior to December 31, 1986;

1           (E) For taxable years in which a net operating loss  
2           carryback or carryforward from a taxable year ending  
3           prior to December 31, 1986 is an element of taxable  
4           income under paragraph (1) of subsection (e) or  
5           subparagraph (E) of paragraph (2) of subsection (e),  
6           the amount by which addition modifications other than  
7           those provided by this subparagraph (E) exceeded  
8           subtraction modifications in such taxable year, with  
9           the following limitations applied in the order that  
10          they are listed:

11                 (i) the addition modification relating to the  
12                 net operating loss carried back or forward to the  
13                 taxable year from any taxable year ending prior to  
14                 December 31, 1986 shall be reduced by the amount of  
15                 addition modification under this subparagraph (E)  
16                 which related to that net operating loss and which  
17                 was taken into account in calculating the base  
18                 income of an earlier taxable year, and

19                 (ii) the addition modification relating to the  
20                 net operating loss carried back or forward to the  
21                 taxable year from any taxable year ending prior to  
22                 December 31, 1986 shall not exceed the amount of  
23                 such carryback or carryforward;

24           For taxable years in which there is a net operating  
25           loss carryback or carryforward from more than one other  
26           taxable year ending prior to December 31, 1986, the

1 addition modification provided in this subparagraph  
2 (E) shall be the sum of the amounts computed  
3 independently under the preceding provisions of this  
4 subparagraph (E) for each such taxable year;

5 (F) For taxable years ending on or after January 1,  
6 1989, an amount equal to the tax deducted pursuant to  
7 Section 164 of the Internal Revenue Code if the trust  
8 or estate is claiming the same tax for purposes of the  
9 Illinois foreign tax credit under Section 601 of this  
10 Act;

11 (G) An amount equal to the amount of the capital  
12 gain deduction allowable under the Internal Revenue  
13 Code, to the extent deducted from gross income in the  
14 computation of taxable income;

15 (G-5) For taxable years ending after December 31,  
16 1997, an amount equal to any eligible remediation costs  
17 that the trust or estate deducted in computing adjusted  
18 gross income and for which the trust or estate claims a  
19 credit under subsection (l) of Section 201;

20 (G-10) For taxable years 2001 and thereafter, an  
21 amount equal to the bonus depreciation deduction taken  
22 on the taxpayer's federal income tax return for the  
23 taxable year under subsection (k) of Section 168 of the  
24 Internal Revenue Code; and

25 (G-11) If the taxpayer sells, transfers, abandons,  
26 or otherwise disposes of property for which the

1 taxpayer was required in any taxable year to make an  
2 addition modification under subparagraph (G-10), then  
3 an amount equal to the aggregate amount of the  
4 deductions taken in all taxable years under  
5 subparagraph (R) with respect to that property.

6 If the taxpayer continues to own property through  
7 the last day of the last tax year for which the  
8 taxpayer may claim a depreciation deduction for  
9 federal income tax purposes and for which the taxpayer  
10 was allowed in any taxable year to make a subtraction  
11 modification under subparagraph (R), then an amount  
12 equal to that subtraction modification.

13 The taxpayer is required to make the addition  
14 modification under this subparagraph only once with  
15 respect to any one piece of property;

16 (G-12) For taxable years ending on or after  
17 December 31, 2004, an amount equal to the amount  
18 otherwise allowed as a deduction in computing base  
19 income for interest paid, accrued, or incurred,  
20 directly or indirectly, to a foreign person who would  
21 be a member of the same unitary business group but for  
22 the fact that the foreign person's business activity  
23 outside the United States is 80% or more of the foreign  
24 person's total business activity. The addition  
25 modification required by this subparagraph shall be  
26 reduced to the extent that dividends were included in

1 base income of the unitary group for the same taxable  
2 year and received by the taxpayer or by a member of the  
3 taxpayer's unitary business group (including amounts  
4 included in gross income pursuant to Sections 951  
5 through 964 of the Internal Revenue Code and amounts  
6 included in gross income under Section 78 of the  
7 Internal Revenue Code) with respect to the stock of the  
8 same person to whom the interest was paid, accrued, or  
9 incurred.

10 This paragraph shall not apply to the following:

11 (i) an item of interest paid, accrued, or  
12 incurred, directly or indirectly, to a foreign  
13 person who is subject in a foreign country or  
14 state, other than a state which requires mandatory  
15 unitary reporting, to a tax on or measured by net  
16 income with respect to such interest; or

17 (ii) an item of interest paid, accrued, or  
18 incurred, directly or indirectly, to a foreign  
19 person if the taxpayer can establish, based on a  
20 preponderance of the evidence, both of the  
21 following:

22 (a) the foreign person, during the same  
23 taxable year, paid, accrued, or incurred, the  
24 interest to a person that is not a related  
25 member, and

26 (b) the transaction giving rise to the

1 interest expense between the taxpayer and the  
2 foreign person did not have as a principal  
3 purpose the avoidance of Illinois income tax,  
4 and is paid pursuant to a contract or agreement  
5 that reflects an arm's-length interest rate  
6 and terms; or

7 (iii) the taxpayer can establish, based on  
8 clear and convincing evidence, that the interest  
9 paid, accrued, or incurred relates to a contract or  
10 agreement entered into at arm's-length rates and  
11 terms and the principal purpose for the payment is  
12 not federal or Illinois tax avoidance; or

13 (iv) an item of interest paid, accrued, or  
14 incurred, directly or indirectly, to a foreign  
15 person if the taxpayer establishes by clear and  
16 convincing evidence that the adjustments are  
17 unreasonable; or if the taxpayer and the Director  
18 agree in writing to the application or use of an  
19 alternative method of apportionment under Section  
20 304(f).

21 Nothing in this subsection shall preclude the  
22 Director from making any other adjustment  
23 otherwise allowed under Section 404 of this Act for  
24 any tax year beginning after the effective date of  
25 this amendment provided such adjustment is made  
26 pursuant to regulation adopted by the Department



1           and such regulations provide methods and standards  
2           by which the Department will utilize its authority  
3           under Section 404 of this Act;

4           (G-13) For taxable years ending on or after  
5           December 31, 2004, an amount equal to the amount of  
6           intangible expenses and costs otherwise allowed as a  
7           deduction in computing base income, and that were paid,  
8           accrued, or incurred, directly or indirectly, to a  
9           foreign person who would be a member of the same  
10          unitary business group but for the fact that the  
11          foreign person's business activity outside the United  
12          States is 80% or more of that person's total business  
13          activity. The addition modification required by this  
14          subparagraph shall be reduced to the extent that  
15          dividends were included in base income of the unitary  
16          group for the same taxable year and received by the  
17          taxpayer or by a member of the taxpayer's unitary  
18          business group (including amounts included in gross  
19          income pursuant to Sections 951 through 964 of the  
20          Internal Revenue Code and amounts included in gross  
21          income under Section 78 of the Internal Revenue Code)  
22          with respect to the stock of the same person to whom  
23          the intangible expenses and costs were directly or  
24          indirectly paid, incurred, or accrued. The preceding  
25          sentence shall not apply to the extent that the same  
26          dividends caused a reduction to the addition

1 modification required under Section 203(c)(2)(G-12) of  
2 this Act. As used in this subparagraph, the term  
3 "intangible expenses and costs" includes: (1)  
4 expenses, losses, and costs for or related to the  
5 direct or indirect acquisition, use, maintenance or  
6 management, ownership, sale, exchange, or any other  
7 disposition of intangible property; (2) losses  
8 incurred, directly or indirectly, from factoring  
9 transactions or discounting transactions; (3) royalty,  
10 patent, technical, and copyright fees; (4) licensing  
11 fees; and (5) other similar expenses and costs. For  
12 purposes of this subparagraph, "intangible property"  
13 includes patents, patent applications, trade names,  
14 trademarks, service marks, copyrights, mask works,  
15 trade secrets, and similar types of intangible assets.

16 This paragraph shall not apply to the following:

17 (i) any item of intangible expenses or costs  
18 paid, accrued, or incurred, directly or  
19 indirectly, from a transaction with a foreign  
20 person who is subject in a foreign country or  
21 state, other than a state which requires mandatory  
22 unitary reporting, to a tax on or measured by net  
23 income with respect to such item; or

24 (ii) any item of intangible expense or cost  
25 paid, accrued, or incurred, directly or  
26 indirectly, if the taxpayer can establish, based

1 on a preponderance of the evidence, both of the  
2 following:

3 (a) the foreign person during the same  
4 taxable year paid, accrued, or incurred, the  
5 intangible expense or cost to a person that is  
6 not a related member, and

7 (b) the transaction giving rise to the  
8 intangible expense or cost between the  
9 taxpayer and the foreign person did not have as  
10 a principal purpose the avoidance of Illinois  
11 income tax, and is paid pursuant to a contract  
12 or agreement that reflects arm's-length terms;  
13 or

14 (iii) any item of intangible expense or cost  
15 paid, accrued, or incurred, directly or  
16 indirectly, from a transaction with a foreign  
17 person if the taxpayer establishes by clear and  
18 convincing evidence, that the adjustments are  
19 unreasonable; or if the taxpayer and the Director  
20 agree in writing to the application or use of an  
21 alternative method of apportionment under Section  
22 304(f);

23 Nothing in this subsection shall preclude the  
24 Director from making any other adjustment  
25 otherwise allowed under Section 404 of this Act for  
26 any tax year beginning after the effective date of

1           this amendment provided such adjustment is made  
2           pursuant to regulation adopted by the Department  
3           and such regulations provide methods and standards  
4           by which the Department will utilize its authority  
5           under Section 404 of this Act;

6           and by deducting from the total so obtained the sum of the  
7           following amounts:

8           (H) An amount equal to all amounts included in such  
9           total pursuant to the provisions of Sections 402(a),  
10          402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the  
11          Internal Revenue Code or included in such total as  
12          distributions under the provisions of any retirement  
13          or disability plan for employees of any governmental  
14          agency or unit, or retirement payments to retired  
15          partners, which payments are excluded in computing net  
16          earnings from self employment by Section 1402 of the  
17          Internal Revenue Code and regulations adopted pursuant  
18          thereto;

19          (I) The valuation limitation amount;

20          (J) An amount equal to the amount of any tax  
21          imposed by this Act which was refunded to the taxpayer  
22          and included in such total for the taxable year;

23          (K) An amount equal to all amounts included in  
24          taxable income as modified by subparagraphs (A), (B),  
25          (C), (D), (E), (F) and (G) which are exempt from  
26          taxation by this State either by reason of its statutes

1 or Constitution or by reason of the Constitution,  
2 treaties or statutes of the United States; provided  
3 that, in the case of any statute of this State that  
4 exempts income derived from bonds or other obligations  
5 from the tax imposed under this Act, the amount  
6 exempted shall be the interest net of bond premium  
7 amortization;

8 (L) With the exception of any amounts subtracted  
9 under subparagraph (K), an amount equal to the sum of  
10 all amounts disallowed as deductions by (i) Sections  
11 171(a) (2) and 265(a) (2) of the Internal Revenue Code,  
12 as now or hereafter amended, and all amounts of  
13 expenses allocable to interest and disallowed as  
14 deductions by Section 265(1) of the Internal Revenue  
15 Code of 1954, as now or hereafter amended; and (ii) for  
16 taxable years ending on or after August 13, 1999,  
17 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of  
18 the Internal Revenue Code; the provisions of this  
19 subparagraph are exempt from the provisions of Section  
20 250;

21 (M) An amount equal to those dividends included in  
22 such total which were paid by a corporation which  
23 conducts business operations in an Enterprise Zone or  
24 zones created under the Illinois Enterprise Zone Act or  
25 a River Edge Redevelopment Zone or zones created under  
26 the River Edge Redevelopment Zone Act and conducts

1 substantially all of its operations in an Enterprise  
2 Zone or Zones or a River Edge Redevelopment Zone or  
3 zones. This subparagraph (M) is exempt from the  
4 provisions of Section 250;

5 (N) An amount equal to any contribution made to a  
6 job training project established pursuant to the Tax  
7 Increment Allocation Redevelopment Act;

8 (O) An amount equal to those dividends included in  
9 such total that were paid by a corporation that  
10 conducts business operations in a federally designated  
11 Foreign Trade Zone or Sub-Zone and that is designated a  
12 High Impact Business located in Illinois; provided  
13 that dividends eligible for the deduction provided in  
14 subparagraph (M) of paragraph (2) of this subsection  
15 shall not be eligible for the deduction provided under  
16 this subparagraph (O);

17 (P) An amount equal to the amount of the deduction  
18 used to compute the federal income tax credit for  
19 restoration of substantial amounts held under claim of  
20 right for the taxable year pursuant to Section 1341 of  
21 the Internal Revenue Code of 1986;

22 (Q) For taxable year 1999 and thereafter, an amount  
23 equal to the amount of any (i) distributions, to the  
24 extent includible in gross income for federal income  
25 tax purposes, made to the taxpayer because of his or  
26 her status as a victim of persecution for racial or

1 religious reasons by Nazi Germany or any other Axis  
2 regime or as an heir of the victim and (ii) items of  
3 income, to the extent includible in gross income for  
4 federal income tax purposes, attributable to, derived  
5 from or in any way related to assets stolen from,  
6 hidden from, or otherwise lost to a victim of  
7 persecution for racial or religious reasons by Nazi  
8 Germany or any other Axis regime immediately prior to,  
9 during, and immediately after World War II, including,  
10 but not limited to, interest on the proceeds receivable  
11 as insurance under policies issued to a victim of  
12 persecution for racial or religious reasons by Nazi  
13 Germany or any other Axis regime by European insurance  
14 companies immediately prior to and during World War II;  
15 provided, however, this subtraction from federal  
16 adjusted gross income does not apply to assets acquired  
17 with such assets or with the proceeds from the sale of  
18 such assets; provided, further, this paragraph shall  
19 only apply to a taxpayer who was the first recipient of  
20 such assets after their recovery and who is a victim of  
21 persecution for racial or religious reasons by Nazi  
22 Germany or any other Axis regime or as an heir of the  
23 victim. The amount of and the eligibility for any  
24 public assistance, benefit, or similar entitlement is  
25 not affected by the inclusion of items (i) and (ii) of  
26 this paragraph in gross income for federal income tax

1 purposes. This paragraph is exempt from the provisions  
2 of Section 250;

3 (R) For taxable years 2001 and thereafter, for the  
4 taxable year in which the bonus depreciation deduction  
5 is taken on the taxpayer's federal income tax return  
6 under subsection (k) of Section 168 of the Internal  
7 Revenue Code and for each applicable taxable year  
8 thereafter, an amount equal to "x", where:

9 (1) "y" equals the amount of the depreciation  
10 deduction taken for the taxable year on the  
11 taxpayer's federal income tax return on property  
12 for which the bonus depreciation deduction was  
13 taken in any year under subsection (k) of Section  
14 168 of the Internal Revenue Code, but not including  
15 the bonus depreciation deduction;

16 (2) for taxable years ending on or before  
17 December 31, 2005, "x" equals "y" multiplied by 30  
18 and then divided by 70 (or "y" multiplied by  
19 0.429); and

20 (3) for taxable years ending after December  
21 31, 2005:

22 (i) for property on which a bonus  
23 depreciation deduction of 30% of the adjusted  
24 basis was taken, "x" equals "y" multiplied by  
25 30 and then divided by 70 (or "y" multiplied by  
26 0.429); and



1                   (ii) for property on which a bonus  
2                   depreciation deduction of 50% of the adjusted  
3                   basis was taken, "x" equals "y" multiplied by  
4                   1.0.

5                   The aggregate amount deducted under this  
6                   subparagraph in all taxable years for any one piece of  
7                   property may not exceed the amount of the bonus  
8                   depreciation deduction taken on that property on the  
9                   taxpayer's federal income tax return under subsection  
10                  (k) of Section 168 of the Internal Revenue Code. This  
11                  subparagraph (R) is exempt from the provisions of  
12                  Section 250;

13                  (S) If the taxpayer sells, transfers, abandons, or  
14                  otherwise disposes of property for which the taxpayer  
15                  was required in any taxable year to make an addition  
16                  modification under subparagraph (G-10), then an amount  
17                  equal to that addition modification.

18                  If the taxpayer continues to own property through  
19                  the last day of the last tax year for which the  
20                  taxpayer may claim a depreciation deduction for  
21                  federal income tax purposes and for which the taxpayer  
22                  was required in any taxable year to make an addition  
23                  modification under subparagraph (G-10), then an amount  
24                  equal to that addition modification.

25                  The taxpayer is allowed to take the deduction under  
26                  this subparagraph only once with respect to any one

1 piece of property.

2 This subparagraph (S) is exempt from the  
3 provisions of Section 250;

4 (T) The amount of (i) any interest income (net of  
5 the deductions allocable thereto) taken into account  
6 for the taxable year with respect to a transaction with  
7 a taxpayer that is required to make an addition  
8 modification with respect to such transaction under  
9 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
10 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
11 the amount of such addition modification and (ii) any  
12 income from intangible property (net of the deductions  
13 allocable thereto) taken into account for the taxable  
14 year with respect to a transaction with a taxpayer that  
15 is required to make an addition modification with  
16 respect to such transaction under Section  
17 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
18 203(d)(2)(D-8), but not to exceed the amount of such  
19 addition modification;

20 (U) An amount equal to the interest income taken  
21 into account for the taxable year (net of the  
22 deductions allocable thereto) with respect to  
23 transactions with a foreign person who would be a  
24 member of the taxpayer's unitary business group but for  
25 the fact the foreign person's business activity  
26 outside the United States is 80% or more of that

1 person's total business activity, but not to exceed the  
2 addition modification required to be made for the same  
3 taxable year under Section 203(c)(2)(G-12) for  
4 interest paid, accrued, or incurred, directly or  
5 indirectly, to the same foreign person; and

6 (V) An amount equal to the income from intangible  
7 property taken into account for the taxable year (net  
8 of the deductions allocable thereto) with respect to  
9 transactions with a foreign person who would be a  
10 member of the taxpayer's unitary business group but for  
11 the fact that the foreign person's business activity  
12 outside the United States is 80% or more of that  
13 person's total business activity, but not to exceed the  
14 addition modification required to be made for the same  
15 taxable year under Section 203(c)(2)(G-13) for  
16 intangible expenses and costs paid, accrued, or  
17 incurred, directly or indirectly, to the same foreign  
18 person.

19 (3) Limitation. The amount of any modification  
20 otherwise required under this subsection shall, under  
21 regulations prescribed by the Department, be adjusted by  
22 any amounts included therein which were properly paid,  
23 credited, or required to be distributed, or permanently set  
24 aside for charitable purposes pursuant to Internal Revenue  
25 Code Section 642(c) during the taxable year.

1 (d) Partnerships.

2 (1) In general. In the case of a partnership, base  
3 income means an amount equal to the taxpayer's taxable  
4 income for the taxable year as modified by paragraph (2).

5 (2) Modifications. The taxable income referred to in  
6 paragraph (1) shall be modified by adding thereto the sum  
7 of the following amounts:

8 (A) An amount equal to all amounts paid or accrued  
9 to the taxpayer as interest or dividends during the  
10 taxable year to the extent excluded from gross income  
11 in the computation of taxable income;

12 (B) An amount equal to the amount of tax imposed by  
13 this Act to the extent deducted from gross income for  
14 the taxable year;

15 (C) The amount of deductions allowed to the  
16 partnership pursuant to Section 707 (c) of the Internal  
17 Revenue Code in calculating its taxable income;

18 (D) An amount equal to the amount of the capital  
19 gain deduction allowable under the Internal Revenue  
20 Code, to the extent deducted from gross income in the  
21 computation of taxable income;

22 (D-5) For taxable years 2001 and thereafter, an  
23 amount equal to the bonus depreciation deduction taken  
24 on the taxpayer's federal income tax return for the  
25 taxable year under subsection (k) of Section 168 of the  
26 Internal Revenue Code;

1           (D-6) If the taxpayer sells, transfers, abandons,  
2 or otherwise disposes of property for which the  
3 taxpayer was required in any taxable year to make an  
4 addition modification under subparagraph (D-5), then  
5 an amount equal to the aggregate amount of the  
6 deductions taken in all taxable years under  
7 subparagraph (O) with respect to that property.

8           If the taxpayer continues to own property through  
9 the last day of the last tax year for which the  
10 taxpayer may claim a depreciation deduction for  
11 federal income tax purposes and for which the taxpayer  
12 was allowed in any taxable year to make a subtraction  
13 modification under subparagraph (O), then an amount  
14 equal to that subtraction modification.

15           The taxpayer is required to make the addition  
16 modification under this subparagraph only once with  
17 respect to any one piece of property;

18           (D-7) For taxable years ending on or after December  
19 31, 2004, an amount equal to the amount otherwise  
20 allowed as a deduction in computing base income for  
21 interest paid, accrued, or incurred, directly or  
22 indirectly, to a foreign person who would be a member  
23 of the same unitary business group but for the fact the  
24 foreign person's business activity outside the United  
25 States is 80% or more of the foreign person's total  
26 business activity. The addition modification required

1           by this subparagraph shall be reduced to the extent  
2           that dividends were included in base income of the  
3           unitary group for the same taxable year and received by  
4           the taxpayer or by a member of the taxpayer's unitary  
5           business group (including amounts included in gross  
6           income pursuant to Sections 951 through 964 of the  
7           Internal Revenue Code and amounts included in gross  
8           income under Section 78 of the Internal Revenue Code)  
9           with respect to the stock of the same person to whom  
10          the interest was paid, accrued, or incurred.

11           This paragraph shall not apply to the following:

12           (i) an item of interest paid, accrued, or  
13           incurred, directly or indirectly, to a foreign  
14           person who is subject in a foreign country or  
15           state, other than a state which requires mandatory  
16           unitary reporting, to a tax on or measured by net  
17           income with respect to such interest; or

18           (ii) an item of interest paid, accrued, or  
19           incurred, directly or indirectly, to a foreign  
20           person if the taxpayer can establish, based on a  
21           preponderance of the evidence, both of the  
22           following:

23           (a) the foreign person, during the same  
24           taxable year, paid, accrued, or incurred, the  
25           interest to a person that is not a related  
26           member, and

1           (b) the transaction giving rise to the  
2           interest expense between the taxpayer and the  
3           foreign person did not have as a principal  
4           purpose the avoidance of Illinois income tax,  
5           and is paid pursuant to a contract or agreement  
6           that reflects an arm's-length interest rate  
7           and terms; or

8           (iii) the taxpayer can establish, based on  
9           clear and convincing evidence, that the interest  
10          paid, accrued, or incurred relates to a contract or  
11          agreement entered into at arm's-length rates and  
12          terms and the principal purpose for the payment is  
13          not federal or Illinois tax avoidance; or

14          (iv) an item of interest paid, accrued, or  
15          incurred, directly or indirectly, to a foreign  
16          person if the taxpayer establishes by clear and  
17          convincing evidence that the adjustments are  
18          unreasonable; or if the taxpayer and the Director  
19          agree in writing to the application or use of an  
20          alternative method of apportionment under Section  
21          304(f).

22          Nothing in this subsection shall preclude the  
23          Director from making any other adjustment  
24          otherwise allowed under Section 404 of this Act for  
25          any tax year beginning after the effective date of  
26          this amendment provided such adjustment is made

1           pursuant to regulation adopted by the Department  
2           and such regulations provide methods and standards  
3           by which the Department will utilize its authority  
4           under Section 404 of this Act; and

5           (D-8) For taxable years ending on or after December  
6           31, 2004, an amount equal to the amount of intangible  
7           expenses and costs otherwise allowed as a deduction in  
8           computing base income, and that were paid, accrued, or  
9           incurred, directly or indirectly, to a foreign person  
10          who would be a member of the same unitary business  
11          group but for the fact that the foreign person's  
12          business activity outside the United States is 80% or  
13          more of that person's total business activity. The  
14          addition modification required by this subparagraph  
15          shall be reduced to the extent that dividends were  
16          included in base income of the unitary group for the  
17          same taxable year and received by the taxpayer or by a  
18          member of the taxpayer's unitary business group  
19          (including amounts included in gross income pursuant  
20          to Sections 951 through 964 of the Internal Revenue  
21          Code and amounts included in gross income under Section  
22          78 of the Internal Revenue Code) with respect to the  
23          stock of the same person to whom the intangible  
24          expenses and costs were directly or indirectly paid,  
25          incurred or accrued. The preceding sentence shall not  
26          apply to the extent that the same dividends caused a



1 reduction to the addition modification required under  
2 Section 203(d)(2)(D-7) of this Act. As used in this  
3 subparagraph, the term "intangible expenses and costs"  
4 includes (1) expenses, losses, and costs for, or  
5 related to, the direct or indirect acquisition, use,  
6 maintenance or management, ownership, sale, exchange,  
7 or any other disposition of intangible property; (2)  
8 losses incurred, directly or indirectly, from  
9 factoring transactions or discounting transactions;  
10 (3) royalty, patent, technical, and copyright fees;  
11 (4) licensing fees; and (5) other similar expenses and  
12 costs. For purposes of this subparagraph, "intangible  
13 property" includes patents, patent applications, trade  
14 names, trademarks, service marks, copyrights, mask  
15 works, trade secrets, and similar types of intangible  
16 assets;

17 This paragraph shall not apply to the following:

18 (i) any item of intangible expenses or costs  
19 paid, accrued, or incurred, directly or  
20 indirectly, from a transaction with a foreign  
21 person who is subject in a foreign country or  
22 state, other than a state which requires mandatory  
23 unitary reporting, to a tax on or measured by net  
24 income with respect to such item; or

25 (ii) any item of intangible expense or cost  
26 paid, accrued, or incurred, directly or

1 indirectly, if the taxpayer can establish, based  
2 on a preponderance of the evidence, both of the  
3 following:

4 (a) the foreign person during the same  
5 taxable year paid, accrued, or incurred, the  
6 intangible expense or cost to a person that is  
7 not a related member, and

8 (b) the transaction giving rise to the  
9 intangible expense or cost between the  
10 taxpayer and the foreign person did not have as  
11 a principal purpose the avoidance of Illinois  
12 income tax, and is paid pursuant to a contract  
13 or agreement that reflects arm's-length terms;  
14 or

15 (iii) any item of intangible expense or cost  
16 paid, accrued, or incurred, directly or  
17 indirectly, from a transaction with a foreign  
18 person if the taxpayer establishes by clear and  
19 convincing evidence, that the adjustments are  
20 unreasonable; or if the taxpayer and the Director  
21 agree in writing to the application or use of an  
22 alternative method of apportionment under Section  
23 304(f);

24 Nothing in this subsection shall preclude the  
25 Director from making any other adjustment  
26 otherwise allowed under Section 404 of this Act for

1           any tax year beginning after the effective date of  
2           this amendment provided such adjustment is made  
3           pursuant to regulation adopted by the Department  
4           and such regulations provide methods and standards  
5           by which the Department will utilize its authority  
6           under Section 404 of this Act;

7           and by deducting from the total so obtained the following  
8           amounts:

9                   (E) The valuation limitation amount;

10                   (F) An amount equal to the amount of any tax  
11                   imposed by this Act which was refunded to the taxpayer  
12                   and included in such total for the taxable year;

13                   (G) An amount equal to all amounts included in  
14                   taxable income as modified by subparagraphs (A), (B),  
15                   (C) and (D) which are exempt from taxation by this  
16                   State either by reason of its statutes or Constitution  
17                   or by reason of the Constitution, treaties or statutes  
18                   of the United States; provided that, in the case of any  
19                   statute of this State that exempts income derived from  
20                   bonds or other obligations from the tax imposed under  
21                   this Act, the amount exempted shall be the interest net  
22                   of bond premium amortization;

23                   (H) Any income of the partnership which  
24                   constitutes personal service income as defined in  
25                   Section 1348 (b) (1) of the Internal Revenue Code (as  
26                   in effect December 31, 1981) or a reasonable allowance

1 for compensation paid or accrued for services rendered  
2 by partners to the partnership, whichever is greater;

3 (I) An amount equal to all amounts of income  
4 distributable to an entity subject to the Personal  
5 Property Tax Replacement Income Tax imposed by  
6 subsections (c) and (d) of Section 201 of this Act  
7 including amounts distributable to organizations  
8 exempt from federal income tax by reason of Section  
9 501(a) of the Internal Revenue Code;

10 (J) With the exception of any amounts subtracted  
11 under subparagraph (G), an amount equal to the sum of  
12 all amounts disallowed as deductions by (i) Sections  
13 171(a) (2), and 265(2) of the Internal Revenue Code of  
14 1954, as now or hereafter amended, and all amounts of  
15 expenses allocable to interest and disallowed as  
16 deductions by Section 265(1) of the Internal Revenue  
17 Code, as now or hereafter amended; and (ii) for taxable  
18 years ending on or after August 13, 1999, Sections  
19 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of the  
20 Internal Revenue Code; the provisions of this  
21 subparagraph are exempt from the provisions of Section  
22 250;

23 (K) An amount equal to those dividends included in  
24 such total which were paid by a corporation which  
25 conducts business operations in an Enterprise Zone or  
26 zones created under the Illinois Enterprise Zone Act,

1           enacted by the 82nd General Assembly, or a River Edge  
2           Redevelopment Zone or zones created under the River  
3           Edge Redevelopment Zone Act and conducts substantially  
4           all of its operations in an Enterprise Zone or Zones or  
5           from a River Edge Redevelopment Zone or zones. This  
6           subparagraph (K) is exempt from the provisions of  
7           Section 250;

8           (L) An amount equal to any contribution made to a  
9           job training project established pursuant to the Real  
10          Property Tax Increment Allocation Redevelopment Act;

11          (M) An amount equal to those dividends included in  
12          such total that were paid by a corporation that  
13          conducts business operations in a federally designated  
14          Foreign Trade Zone or Sub-Zone and that is designated a  
15          High Impact Business located in Illinois; provided  
16          that dividends eligible for the deduction provided in  
17          subparagraph (K) of paragraph (2) of this subsection  
18          shall not be eligible for the deduction provided under  
19          this subparagraph (M);

20          (N) An amount equal to the amount of the deduction  
21          used to compute the federal income tax credit for  
22          restoration of substantial amounts held under claim of  
23          right for the taxable year pursuant to Section 1341 of  
24          the Internal Revenue Code of 1986;

25          (O) For taxable years 2001 and thereafter, for the  
26          taxable year in which the bonus depreciation deduction

1 is taken on the taxpayer's federal income tax return  
2 under subsection (k) of Section 168 of the Internal  
3 Revenue Code and for each applicable taxable year  
4 thereafter, an amount equal to "x", where:

5 (1) "y" equals the amount of the depreciation  
6 deduction taken for the taxable year on the  
7 taxpayer's federal income tax return on property  
8 for which the bonus depreciation deduction was  
9 taken in any year under subsection (k) of Section  
10 168 of the Internal Revenue Code, but not including  
11 the bonus depreciation deduction;

12 (2) for taxable years ending on or before  
13 December 31, 2005, "x" equals "y" multiplied by 30  
14 and then divided by 70 (or "y" multiplied by  
15 0.429); and

16 (3) for taxable years ending after December  
17 31, 2005:

18 (i) for property on which a bonus  
19 depreciation deduction of 30% of the adjusted  
20 basis was taken, "x" equals "y" multiplied by  
21 30 and then divided by 70 (or "y" multiplied by  
22 0.429); and

23 (ii) for property on which a bonus  
24 depreciation deduction of 50% of the adjusted  
25 basis was taken, "x" equals "y" multiplied by  
26 1.0.

1           The aggregate amount deducted under this  
2           subparagraph in all taxable years for any one piece of  
3           property may not exceed the amount of the bonus  
4           depreciation deduction taken on that property on the  
5           taxpayer's federal income tax return under subsection  
6           (k) of Section 168 of the Internal Revenue Code. This  
7           subparagraph (O) is exempt from the provisions of  
8           Section 250;

9           (P) If the taxpayer sells, transfers, abandons, or  
10          otherwise disposes of property for which the taxpayer  
11          was required in any taxable year to make an addition  
12          modification under subparagraph (D-5), then an amount  
13          equal to that addition modification.

14          If the taxpayer continues to own property through  
15          the last day of the last tax year for which the  
16          taxpayer may claim a depreciation deduction for  
17          federal income tax purposes and for which the taxpayer  
18          was required in any taxable year to make an addition  
19          modification under subparagraph (D-5), then an amount  
20          equal to that addition modification.

21          The taxpayer is allowed to take the deduction under  
22          this subparagraph only once with respect to any one  
23          piece of property.

24          This subparagraph (P) is exempt from the  
25          provisions of Section 250;

26          (Q) The amount of (i) any interest income (net of

1 the deductions allocable thereto) taken into account  
2 for the taxable year with respect to a transaction with  
3 a taxpayer that is required to make an addition  
4 modification with respect to such transaction under  
5 Section 203(a)(2)(D-17), 203(b)(2)(E-12),  
6 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed  
7 the amount of such addition modification and (ii) any  
8 income from intangible property (net of the deductions  
9 allocable thereto) taken into account for the taxable  
10 year with respect to a transaction with a taxpayer that  
11 is required to make an addition modification with  
12 respect to such transaction under Section  
13 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or  
14 203(d)(2)(D-8), but not to exceed the amount of such  
15 addition modification;

16 (R) An amount equal to the interest income taken  
17 into account for the taxable year (net of the  
18 deductions allocable thereto) with respect to  
19 transactions with a foreign person who would be a  
20 member of the taxpayer's unitary business group but for  
21 the fact that the foreign person's business activity  
22 outside the United States is 80% or more of that  
23 person's total business activity, but not to exceed the  
24 addition modification required to be made for the same  
25 taxable year under Section 203(d)(2)(D-7) for interest  
26 paid, accrued, or incurred, directly or indirectly, to



1 the same foreign person; and

2 (S) An amount equal to the income from intangible  
3 property taken into account for the taxable year (net  
4 of the deductions allocable thereto) with respect to  
5 transactions with a foreign person who would be a  
6 member of the taxpayer's unitary business group but for  
7 the fact that the foreign person's business activity  
8 outside the United States is 80% or more of that  
9 person's total business activity, but not to exceed the  
10 addition modification required to be made for the same  
11 taxable year under Section 203(d)(2)(D-8) for  
12 intangible expenses and costs paid, accrued, or  
13 incurred, directly or indirectly, to the same foreign  
14 person.

15 (e) Gross income; adjusted gross income; taxable income.

16 (1) In general. Subject to the provisions of paragraph  
17 (2) and subsection (b) (3), for purposes of this Section  
18 and Section 803(e), a taxpayer's gross income, adjusted  
19 gross income, or taxable income for the taxable year shall  
20 mean the amount of gross income, adjusted gross income or  
21 taxable income properly reportable for federal income tax  
22 purposes for the taxable year under the provisions of the  
23 Internal Revenue Code. Taxable income may be less than  
24 zero. However, for taxable years ending on or after  
25 December 31, 1986, net operating loss carryforwards from

1 taxable years ending prior to December 31, 1986, may not  
2 exceed the sum of federal taxable income for the taxable  
3 year before net operating loss deduction, plus the excess  
4 of addition modifications over subtraction modifications  
5 for the taxable year. For taxable years ending prior to  
6 December 31, 1986, taxable income may never be an amount in  
7 excess of the net operating loss for the taxable year as  
8 defined in subsections (c) and (d) of Section 172 of the  
9 Internal Revenue Code, provided that when taxable income of  
10 a corporation (other than a Subchapter S corporation),  
11 trust, or estate is less than zero and addition  
12 modifications, other than those provided by subparagraph  
13 (E) of paragraph (2) of subsection (b) for corporations or  
14 subparagraph (E) of paragraph (2) of subsection (c) for  
15 trusts and estates, exceed subtraction modifications, an  
16 addition modification must be made under those  
17 subparagraphs for any other taxable year to which the  
18 taxable income less than zero (net operating loss) is  
19 applied under Section 172 of the Internal Revenue Code or  
20 under subparagraph (E) of paragraph (2) of this subsection  
21 (e) applied in conjunction with Section 172 of the Internal  
22 Revenue Code.

23 (2) Special rule. For purposes of paragraph (1) of this  
24 subsection, the taxable income properly reportable for  
25 federal income tax purposes shall mean:

26 (A) Certain life insurance companies. In the case

1 of a life insurance company subject to the tax imposed  
2 by Section 801 of the Internal Revenue Code, life  
3 insurance company taxable income, plus the amount of  
4 distribution from pre-1984 policyholder surplus  
5 accounts as calculated under Section 815a of the  
6 Internal Revenue Code;

7 (B) Certain other insurance companies. In the case  
8 of mutual insurance companies subject to the tax  
9 imposed by Section 831 of the Internal Revenue Code,  
10 insurance company taxable income;

11 (C) Regulated investment companies. In the case of  
12 a regulated investment company subject to the tax  
13 imposed by Section 852 of the Internal Revenue Code,  
14 investment company taxable income;

15 (D) Real estate investment trusts. In the case of a  
16 real estate investment trust subject to the tax imposed  
17 by Section 857 of the Internal Revenue Code, real  
18 estate investment trust taxable income;

19 (E) Consolidated corporations. In the case of a  
20 corporation which is a member of an affiliated group of  
21 corporations filing a consolidated income tax return  
22 for the taxable year for federal income tax purposes,  
23 taxable income determined as if such corporation had  
24 filed a separate return for federal income tax purposes  
25 for the taxable year and each preceding taxable year  
26 for which it was a member of an affiliated group. For

1 purposes of this subparagraph, the taxpayer's separate  
2 taxable income shall be determined as if the election  
3 provided by Section 243(b) (2) of the Internal Revenue  
4 Code had been in effect for all such years;

5 (F) Cooperatives. In the case of a cooperative  
6 corporation or association, the taxable income of such  
7 organization determined in accordance with the  
8 provisions of Section 1381 through 1388 of the Internal  
9 Revenue Code;

10 (G) Subchapter S corporations. In the case of: (i)  
11 a Subchapter S corporation for which there is in effect  
12 an election for the taxable year under Section 1362 of  
13 the Internal Revenue Code, the taxable income of such  
14 corporation determined in accordance with Section  
15 1363(b) of the Internal Revenue Code, except that  
16 taxable income shall take into account those items  
17 which are required by Section 1363(b)(1) of the  
18 Internal Revenue Code to be separately stated; and (ii)  
19 a Subchapter S corporation for which there is in effect  
20 a federal election to opt out of the provisions of the  
21 Subchapter S Revision Act of 1982 and have applied  
22 instead the prior federal Subchapter S rules as in  
23 effect on July 1, 1982, the taxable income of such  
24 corporation determined in accordance with the federal  
25 Subchapter S rules as in effect on July 1, 1982; and

26 (H) Partnerships. In the case of a partnership,

1 taxable income determined in accordance with Section  
2 703 of the Internal Revenue Code, except that taxable  
3 income shall take into account those items which are  
4 required by Section 703(a)(1) to be separately stated  
5 but which would be taken into account by an individual  
6 in calculating his taxable income.

7 (3) Recapture of business expenses on disposition of  
8 asset or business. Notwithstanding any other law to the  
9 contrary, if in prior years income from an asset or  
10 business has been classified as business income and in a  
11 later year is demonstrated to be non-business income, then  
12 all expenses, without limitation, deducted in such later  
13 year and in the 2 immediately preceding taxable years  
14 related to that asset or business that generated the  
15 non-business income shall be added back and recaptured as  
16 business income in the year of the disposition of the asset  
17 or business. Such amount shall be apportioned to Illinois  
18 using the greater of the apportionment fraction computed  
19 for the business under Section 304 of this Act for the  
20 taxable year or the average of the apportionment fractions  
21 computed for the business under Section 304 of this Act for  
22 the taxable year and for the 2 immediately preceding  
23 taxable years.

24 (f) Valuation limitation amount.

25 (1) In general. The valuation limitation amount  
26 referred to in subsections (a) (2) (G), (c) (2) (I) and

1 (d) (2) (E) is an amount equal to:

2 (A) The sum of the pre-August 1, 1969 appreciation  
3 amounts (to the extent consisting of gain reportable  
4 under the provisions of Section 1245 or 1250 of the  
5 Internal Revenue Code) for all property in respect of  
6 which such gain was reported for the taxable year; plus

7 (B) The lesser of (i) the sum of the pre-August 1,  
8 1969 appreciation amounts (to the extent consisting of  
9 capital gain) for all property in respect of which such  
10 gain was reported for federal income tax purposes for  
11 the taxable year, or (ii) the net capital gain for the  
12 taxable year, reduced in either case by any amount of  
13 such gain included in the amount determined under  
14 subsection (a) (2) (F) or (c) (2) (H).

15 (2) Pre-August 1, 1969 appreciation amount.

16 (A) If the fair market value of property referred  
17 to in paragraph (1) was readily ascertainable on August  
18 1, 1969, the pre-August 1, 1969 appreciation amount for  
19 such property is the lesser of (i) the excess of such  
20 fair market value over the taxpayer's basis (for  
21 determining gain) for such property on that date  
22 (determined under the Internal Revenue Code as in  
23 effect on that date), or (ii) the total gain realized  
24 and reportable for federal income tax purposes in  
25 respect of the sale, exchange or other disposition of  
26 such property.

1           (B) If the fair market value of property referred  
2           to in paragraph (1) was not readily ascertainable on  
3           August 1, 1969, the pre-August 1, 1969 appreciation  
4           amount for such property is that amount which bears the  
5           same ratio to the total gain reported in respect of the  
6           property for federal income tax purposes for the  
7           taxable year, as the number of full calendar months in  
8           that part of the taxpayer's holding period for the  
9           property ending July 31, 1969 bears to the number of  
10          full calendar months in the taxpayer's entire holding  
11          period for the property.

12          (C) The Department shall prescribe such  
13          regulations as may be necessary to carry out the  
14          purposes of this paragraph.

15          (g) Double deductions. Unless specifically provided  
16          otherwise, nothing in this Section shall permit the same item  
17          to be deducted more than once.

18          (h) Legislative intention. Except as expressly provided by  
19          this Section there shall be no modifications or limitations on  
20          the amounts of income, gain, loss or deduction taken into  
21          account in determining gross income, adjusted gross income or  
22          taxable income for federal income tax purposes for the taxable  
23          year, or in the amount of such items entering into the  
24          computation of base income and net income under this Act for

1 such taxable year, whether in respect of property values as of  
2 August 1, 1969 or otherwise.

3 (Source: P.A. 93-812, eff. 7-26-04; 93-840, eff. 7-30-04;  
4 94-776, eff. 5-19-06; 94-789, eff. 5-19-06; 94-1021, eff.  
5 7-12-06; 94-1074, eff. 12-26-06; revised 1-2-07.)

6 Section 15-55. The Revised Cities and Villages Act of 1941  
7 is amended by changing Section 21-14 as follows:

8 (65 ILCS 20/21-14) (from Ch. 24, par. 21-14)

9 Sec. 21-14. Member residency before election; member not to  
10 hold other office.

11 (a) No member may be elected or appointed to the city  
12 council after the effective date of this amendatory Act of the  
13 93rd General Assembly unless he or she has resided in the ward  
14 he or she seeks to represent at least one year next preceding  
15 the date of the election or appointment. In the election  
16 following redistricting, a candidate for alderman may be  
17 elected from any ward containing a part of the ward in which he  
18 or she resided for at least one year next preceding the  
19 election that follows the redistricting, and, if elected, that  
20 person may be reelected from the new ward he or she represents  
21 if he or she resides in that ward for at least one year next  
22 preceding the reelection.

23 (b) No member of the city council shall at the same time  
24 hold any other civil service office under the federal, state or



1 city government, except if such member is granted a leave of  
2 absence from such civil service office, or except in the  
3 National Guard or the Illinois Naval Militia, or as a notary  
4 public, and except such honorary offices as go by appointment  
5 without compensation.

6 (Source: P.A. 93-847, eff. 7-30-04.)

7 Section 15-60. The Metropolitan Transit Authority Act is  
8 amended by changing Section 19 as follows:

9 (70 ILCS 3605/19) (from Ch. 111 2/3, par. 319)

10 Sec. 19. The governing and administrative body of the  
11 Authority shall be a board consisting of seven members, to be  
12 known as Chicago Transit Board. Members of the Board shall be  
13 residents of the metropolitan area and persons of recognized  
14 business ability. No member of the Board of the Authority shall  
15 hold any other office or employment under the Federal, State or  
16 any County or any municipal government except an honorary  
17 office without compensation or an office in the National Guard  
18 or Illinois Naval Militia. No employee of the Authority shall  
19 hold any other office or employment under the Federal, State,  
20 or any County or any municipal government except an office with  
21 compensation not exceeding \$5,000 annually or a position in the  
22 National Guard, Illinois Naval Militia, or the United States  
23 military reserves. Provided, however, that the Chairman may be  
24 a member of the Board of the Regional Transportation Authority.

1 No member of the Board or employee of the Authority shall have  
2 any private financial interest, profit or benefit in any  
3 contract, work or business of the Authority nor in the sale or  
4 lease of any property to or from the Authority. The salary of  
5 each member of the initial Board shall be \$15,000.00 per annum,  
6 and such salary shall not be increased or diminished during his  
7 or her term of office. The salaries of successor members of the  
8 Board shall be fixed by the Board and shall not be increased or  
9 diminished during their respective terms of office. No Board  
10 member shall be allowed any fees, perquisites or emoluments,  
11 reward or compensation for his or her services as a member or  
12 officer of the Authority aside from his or her salary or  
13 pension, but he or she shall be reimbursed for actual expenses  
14 incurred by him or her in the performance of his or her duties.  
15 (Source: P.A. 84-939.)

16 Section 15-65. The School Code is amended by changing  
17 Sections 30-14.2 and 34-4 as follows:

18 (105 ILCS 5/30-14.2) (from Ch. 122, par. 30-14.2)

19 Sec. 30-14.2. MIA/POW scholarships.

20 (a) Any spouse, natural child, legally adopted child, or  
21 any step-child of an eligible veteran or serviceperson who  
22 possesses all necessary entrance requirements shall, upon  
23 application and proper proof, be awarded a MIA/POW Scholarship  
24 consisting of the equivalent of 4 calendar years of full-time

1 enrollment including summer terms, to the state supported  
2 Illinois institution of higher learning of his choice, subject  
3 to the restrictions listed below.

4 "Eligible veteran or serviceperson" means any veteran or  
5 serviceperson, including an Illinois National Guard or  
6 Illinois Naval Militia member who is on active duty or is  
7 active on a training assignment, who has been declared by the  
8 U. S. Department of Defense or the U.S. Department of Veterans'  
9 Affairs to be a prisoner of war, be missing in action, have  
10 died as the result of a service-connected disability or be  
11 permanently disabled from service-connected causes with 100%  
12 disability and who at the time of entering service was an  
13 Illinois resident or was an Illinois resident within 6 months  
14 of entering such service.

15 Full-time enrollment means 12 or more semester hours of  
16 courses per semester, or 12 or more quarter hours of courses  
17 per quarter, or the equivalent thereof per term. Scholarships  
18 utilized by dependents enrolled in less than full-time study  
19 shall be computed in the proportion which the number of hours  
20 so carried bears to full-time enrollment.

21 Scholarships awarded under this Section may be used by a  
22 spouse or child without regard to his or her age. The holder of  
23 a Scholarship awarded under this Section shall be subject to  
24 all examinations and academic standards, including the  
25 maintenance of minimum grade levels, that are applicable  
26 generally to other enrolled students at the Illinois

1 institution of higher learning where the Scholarship is being  
2 used. If the surviving spouse remarries or if there is a  
3 divorce between the veteran or serviceperson and his or her  
4 spouse while the dependent is pursuing his or her course of  
5 study, Scholarship benefits will be terminated at the end of  
6 the term for which he or she is presently enrolled. Such  
7 dependents shall also be entitled, upon proper proof and  
8 application, to enroll in any extension course offered by a  
9 State supported Illinois institution of higher learning  
10 without payment of tuition and approved fees.

11 The holder of a MIA/POW Scholarship authorized under this  
12 Section shall not be required to pay any matriculation or  
13 application fees, tuition, activities fees, graduation fees or  
14 other fees, except multipurpose building fees or similar fees  
15 for supplies and materials.

16 Any dependent who has been or shall be awarded a MIA/POW  
17 Scholarship shall be reimbursed by the appropriate institution  
18 of higher learning for any fees which he or she has paid and  
19 for which exemption is granted under this Section if  
20 application for reimbursement is made within 2 months following  
21 the end of the school term for which the fees were paid.

22 (b) In lieu of the benefit provided in subsection (a), any  
23 spouse, natural child, legally adopted child, or step-child of  
24 an eligible veteran or serviceperson, which spouse or child has  
25 a physical, mental or developmental disability, shall be  
26 entitled to receive, upon application and proper proof, a

1 benefit to be used for the purpose of defraying the cost of the  
2 attendance or treatment of such spouse or child at one or more  
3 appropriate therapeutic, rehabilitative or educational  
4 facilities. The application and proof may be made by the parent  
5 or legal guardian of the spouse or child on his or her behalf.

6 The total benefit provided to any beneficiary under this  
7 subsection shall not exceed the cost equivalent of 4 calendar  
8 years of full-time enrollment, including summer terms, at the  
9 University of Illinois. Whenever practicable in the opinion of  
10 the Department of Veterans' Affairs, payment of benefits under  
11 this subsection shall be made directly to the facility, the  
12 cost of attendance or treatment at which is being defrayed, as  
13 such costs accrue.

14 (c) The benefits of this Section shall be administered by  
15 and paid for out of funds made available to the Illinois  
16 Department of Veterans' Affairs. The amounts that become due to  
17 any state supported Illinois institution of higher learning  
18 shall be payable by the Comptroller to such institution on  
19 vouchers approved by the Illinois Department of Veterans'  
20 Affairs. The amounts that become due under subsection (b) of  
21 this Section shall be payable by warrant upon vouchers issued  
22 by the Illinois Department of Veterans' Affairs and approved by  
23 the Comptroller. The Illinois Department of Veterans' Affairs  
24 shall determine the eligibility of the persons who make  
25 application for the benefits provided for in this Section.

26 (Source: P.A. 93-825, eff. 7-28-04.)

1 (105 ILCS 5/34-4) (from Ch. 122, par. 34-4)

2 Sec. 34-4. Eligibility. To be eligible for appointment to  
3 the board, a person shall be a citizen of the United States,  
4 shall be a registered voter as provided in the Election Code,  
5 shall have been a resident of the city for at least 3 years  
6 immediately preceding his or her appointment, and shall not be  
7 a child sex offender as defined in Section 11-9.3 of the  
8 Criminal Code of 1961. Permanent removal from the city by any  
9 member of the board during his term of office constitutes a  
10 resignation therefrom and creates a vacancy in the board.  
11 Except for the President of the Chicago School Reform Board of  
12 Trustees who may be paid compensation for his or her services  
13 as chief executive officer as determined by the Mayor as  
14 provided in subsection (a) of Section 34-3, board members shall  
15 serve without any compensation; provided, that board members  
16 shall be reimbursed for expenses incurred while in the  
17 performance of their duties upon submission of proper receipts  
18 or upon submission of a signed voucher in the case of an  
19 expense allowance evidencing the amount of such reimbursement  
20 or allowance to the president of the board for verification and  
21 approval. The board of education may continue to provide health  
22 care insurance coverage, employer pension contributions,  
23 employee pension contributions, and life insurance premium  
24 payments for an employee required to resign from an  
25 administrative, teaching, or career service position in order

1 to qualify as a member of the board of education. They shall  
2 not hold other public office under the Federal, State or any  
3 local government other than that of Director of the Regional  
4 Transportation Authority, member of the economic development  
5 commission of a city having a population exceeding 500,000,  
6 notary public or member of the National Guard or Illinois Naval  
7 Militia, and by accepting any such office while members of the  
8 board, or by not resigning any such office held at the time of  
9 being appointed to the board within 30 days after such  
10 appointment, shall be deemed to have vacated their membership  
11 in the board.

12 (Source: P.A. 93-309, eff. 1-1-04.)

13 Section 15-70. The Emergency Medical Services (EMS)  
14 Systems Act is amended by changing Section 3.50 as follows:

15 (210 ILCS 50/3.50)

16 Sec. 3.50. Emergency Medical Technician (EMT) Licensure.

17 (a) "Emergency Medical Technician-Basic" or "EMT-B" means  
18 a person who has successfully completed a course of instruction  
19 in basic life support as prescribed by the Department, is  
20 currently licensed by the Department in accordance with  
21 standards prescribed by this Act and rules adopted by the  
22 Department pursuant to this Act, and practices within an EMS  
23 System.

24 (b) "Emergency Medical Technician-Intermediate" or "EMT-I"

1 means a person who has successfully completed a course of  
2 instruction in intermediate life support as prescribed by the  
3 Department, is currently licensed by the Department in  
4 accordance with standards prescribed by this Act and rules  
5 adopted by the Department pursuant to this Act, and practices  
6 within an Intermediate or Advanced Life Support EMS System.

7 (c) "Emergency Medical Technician-Paramedic" or "EMT-P"  
8 means a person who has successfully completed a course of  
9 instruction in advanced life support care as prescribed by the  
10 Department, is licensed by the Department in accordance with  
11 standards prescribed by this Act and rules adopted by the  
12 Department pursuant to this Act, and practices within an  
13 Advanced Life Support EMS System.

14 (d) The Department shall have the authority and  
15 responsibility to:

16 (1) Prescribe education and training requirements,  
17 which includes training in the use of epinephrine, for all  
18 levels of EMT, based on the respective national curricula  
19 of the United States Department of Transportation and any  
20 modifications to such curricula specified by the  
21 Department through rules adopted pursuant to this Act;

22 (2) Prescribe licensure testing requirements for all  
23 levels of EMT, which shall include a requirement that all  
24 phases of instruction, training, and field experience be  
25 completed before taking the EMT licensure examination.  
26 Candidates may elect to take the National Registry of



1           Emergency Medical Technicians examination in lieu of the  
2           Department's examination, but are responsible for making  
3           their own arrangements for taking the National Registry  
4           examination;

5           (3) License individuals as an EMT-B, EMT-I, or EMT-P  
6           who have met the Department's education, training and  
7           testing requirements;

8           (4) Prescribe annual continuing education and  
9           relicensure requirements for all levels of EMT;

10          (5) Relicense individuals as an EMT-B, EMT-I, or EMT-P  
11          every 4 years, based on their compliance with continuing  
12          education and relicensure requirements;

13          (6) Grant inactive status to any EMT who qualifies,  
14          based on standards and procedures established by the  
15          Department in rules adopted pursuant to this Act;

16          (7) Charge each candidate for EMT a fee to be submitted  
17          with an application for a licensure examination;

18          (8) Suspend, revoke, or refuse to renew the license of  
19          an EMT, after an opportunity for a hearing, when findings  
20          show one or more of the following:

21                (A) The EMT has not met continuing education or  
22                relicensure requirements as prescribed by the  
23                Department;

24                (B) The EMT has failed to maintain proficiency in  
25                the level of skills for which he or she is licensed;

26                (C) The EMT, during the provision of medical

1 services, engaged in dishonorable, unethical or  
2 unprofessional conduct of a character likely to  
3 deceive, defraud or harm the public;

4 (D) The EMT has failed to maintain or has violated  
5 standards of performance and conduct as prescribed by  
6 the Department in rules adopted pursuant to this Act or  
7 his or her EMS System's Program Plan;

8 (E) The EMT is physically impaired to the extent  
9 that he or she cannot physically perform the skills and  
10 functions for which he or she is licensed, as verified  
11 by a physician, unless the person is on inactive status  
12 pursuant to Department regulations;

13 (F) The EMT is mentally impaired to the extent that  
14 he or she cannot exercise the appropriate judgment,  
15 skill and safety for performing the functions for which  
16 he or she is licensed, as verified by a physician,  
17 unless the person is on inactive status pursuant to  
18 Department regulations; or

19 (G) The EMT has violated this Act or any rule  
20 adopted by the Department pursuant to this Act.

21 The education requirements prescribed by the Department  
22 under this subsection must allow for the suspension of those  
23 requirements in the case of a member of the armed services or  
24 reserve forces of the United States or a member of the Illinois  
25 National Guard or Illinois Naval Militia who is on active duty  
26 pursuant to an executive order of the President of the United

1 States, an act of the Congress of the United States, or an  
2 order of the Governor at the time that the member would  
3 otherwise be required to fulfill a particular education  
4 requirement. Such a person must fulfill the education  
5 requirement within 6 months after his or her release from  
6 active duty.

7 (e) In the event that any rule of the Department or an EMS  
8 Medical Director that requires testing for drug use as a  
9 condition for EMT licensure conflicts with or duplicates a  
10 provision of a collective bargaining agreement that requires  
11 testing for drug use, that rule shall not apply to any person  
12 covered by the collective bargaining agreement.  
13 (Source: P.A. 94-504, eff. 8-8-05.)

14 Section 15-75. The Illinois Insurance Code is amended by  
15 changing Section 236 as follows:

16 (215 ILCS 5/236) (from Ch. 73, par. 848)

17 Sec. 236. Discrimination prohibited.

18 (a) No life company doing business in this State shall make  
19 or permit any distinction or discrimination in favor of  
20 individuals among insured persons of the same class and equal  
21 expectation of life in the issuance of its policies, in the  
22 amount of payment of premiums or rates charged for policies of  
23 insurance, in the amount of any dividends or other benefits  
24 payable thereon, or in any other of the terms and conditions of

1 the contracts it makes.

2 (b) No life company shall make or permit any distinction or  
3 discrimination against individuals with handicaps or  
4 disabilities in the amount of payment of premiums or rates  
5 charged for policies of life insurance, in the amount of any  
6 dividends or death benefits payable thereon, or in any other  
7 terms and conditions of the contract it makes unless the rate  
8 differential is based on sound actuarial principles and a  
9 reasonable system of classification and is related to actual or  
10 reasonably anticipated experience directly associated with the  
11 handicap or disability.

12 (c) No life company shall refuse to insure, or refuse to  
13 continue to insure, or limit the amount or extent or kind of  
14 coverage available to an individual, or charge an individual a  
15 different rate for the same coverage solely because of  
16 blindness or partial blindness. With respect to all other  
17 conditions, including the underlying cause of the blindness or  
18 partial blindness, persons who are blind or partially blind  
19 shall be subject to the same standards of sound actuarial  
20 principles or actual or reasonably anticipated experience as  
21 are sighted persons. Refusal to insure includes denial by an  
22 insurer of disability insurance coverage on the grounds that  
23 the policy defines "disability" as being presumed in the event  
24 that the insured loses his or her eyesight. However, an insurer  
25 may exclude from coverage disabilities consisting solely of  
26 blindness or partial blindness when such condition existed at

1 the time the policy was issued.

2 (d) No life company shall refuse to insure or to continue  
3 to insure an individual solely because of the individual's  
4 status as a member of the United States Air Force, Army, Coast  
5 Guard, Marines, or Navy or solely because of the individual's  
6 status as a member of the National Guard, Illinois Naval  
7 Militia, or Armed Forces Reserve.

8 (e) No life company may refuse to insure, refuse to  
9 continue to insure, limit the amount or extent or kind of  
10 coverage available to an individual, or charge an individual a  
11 different rate for the same coverage solely for reasons  
12 associated with an applicant's or insured's past lawful travel  
13 experiences.

14 (Source: P.A. 93-850, eff. 7-30-04.)

15 Section 15-80. The Firearm Owners Identification Card Act  
16 is amended by changing Section 2 as follows:

17 (430 ILCS 65/2) (from Ch. 38, par. 83-2)

18 Sec. 2. Firearm Owner's Identification Card required;  
19 exceptions.

20 (a) (1) No person may acquire or possess any firearm, stun  
21 gun, or taser within this State without having in his or  
22 her possession a Firearm Owner's Identification Card  
23 previously issued in his or her name by the Department of  
24 State Police under the provisions of this Act.

1           (2) No person may acquire or possess firearm ammunition  
2           within this State without having in his or her possession a  
3           Firearm Owner's Identification Card previously issued in  
4           his or her name by the Department of State Police under the  
5           provisions of this Act.

6           (b) The provisions of this Section regarding the possession  
7           of firearms, firearm ammunition, stun guns, and tasers do not  
8           apply to:

9           (1) United States Marshals, while engaged in the  
10          operation of their official duties;

11          (2) Members of the Armed Forces of the United States,  
12          ~~or~~ the National Guard, or the Illinois Naval Militia, while  
13          engaged in the operation of their official duties;

14          (3) Federal officials required to carry firearms,  
15          while engaged in the operation of their official duties;

16          (4) Members of bona fide veterans organizations which  
17          receive firearms directly from the armed forces of the  
18          United States, while using the firearms for ceremonial  
19          purposes with blank ammunition;

20          (5) Nonresident hunters during hunting season, with  
21          valid nonresident hunting licenses and while in an area  
22          where hunting is permitted; however, at all other times and  
23          in all other places these persons must have their firearms  
24          unloaded and enclosed in a case;

25          (6) Those hunters exempt from obtaining a hunting  
26          license who are required to submit their Firearm Owner's

1 Identification Card when hunting on Department of Natural  
2 Resources owned or managed sites;

3 (7) Nonresidents while on a firing or shooting range  
4 recognized by the Department of State Police; however,  
5 these persons must at all other times and in all other  
6 places have their firearms unloaded and enclosed in a case;

7 (8) Nonresidents while at a firearm showing or display  
8 recognized by the Department of State Police; however, at  
9 all other times and in all other places these persons must  
10 have their firearms unloaded and enclosed in a case;

11 (9) Nonresidents whose firearms are unloaded and  
12 enclosed in a case;

13 (10) Nonresidents who are currently licensed or  
14 registered to possess a firearm in their resident state;

15 (11) Unemancipated minors while in the custody and  
16 immediate control of their parent or legal guardian or  
17 other person in loco parentis to the minor if the parent or  
18 legal guardian or other person in loco parentis to the  
19 minor has a currently valid Firearm Owner's Identification  
20 Card;

21 (12) Color guards of bona fide veterans organizations  
22 or members of bona fide American Legion bands while using  
23 firearms for ceremonial purposes with blank ammunition;

24 (13) Nonresident hunters whose state of residence does  
25 not require them to be licensed or registered to possess a  
26 firearm and only during hunting season, with valid hunting

1 licenses, while accompanied by, and using a firearm owned  
2 by, a person who possesses a valid Firearm Owner's  
3 Identification Card and while in an area within a  
4 commercial club licensed under the Wildlife Code where  
5 hunting is permitted and controlled, but in no instance  
6 upon sites owned or managed by the Department of Natural  
7 Resources;

8 (14) Resident hunters who are properly authorized to  
9 hunt and, while accompanied by a person who possesses a  
10 valid Firearm Owner's Identification Card, hunt in an area  
11 within a commercial club licensed under the Wildlife Code  
12 where hunting is permitted and controlled; and

13 (15) A person who is otherwise eligible to obtain a  
14 Firearm Owner's Identification Card under this Act and is  
15 under the direct supervision of a holder of a Firearm  
16 Owner's Identification Card who is 21 years of age or older  
17 while the person is on a firing or shooting range or is a  
18 participant in a firearms safety and training course  
19 recognized by a law enforcement agency or a national,  
20 statewide shooting sports organization.

21 (c) The provisions of this Section regarding the  
22 acquisition and possession of firearms, firearm ammunition,  
23 stun guns, and tasers do not apply to law enforcement officials  
24 of this or any other jurisdiction, while engaged in the  
25 operation of their official duties.

26 (Source: P.A. 94-6, eff. 1-1-06.)



1           Section 15-83. The Criminal Code of 1961 is amended by  
2 changing Section 24-9.5 as follows:

3           (720 ILCS 5/24-9.5)

4           Sec. 24-9.5. Handgun safety devices.

5           (a) It is unlawful for a person licensed as a federal  
6 firearms dealer under Section 923 of the federal Gun Control  
7 Act of 1968 (18 U.S.C. 923) to offer for sale, sell, or  
8 transfer a handgun to a person not licensed under that Act,  
9 unless he or she sells or includes with the handgun a device or  
10 mechanism, other than the firearm safety, designed to render  
11 the handgun temporarily inoperable or inaccessible. This  
12 includes but is not limited to:

13           (1) An external device that is:

14           (i) attached to the handgun with a key or  
15 combination lock; and

16           (ii) designed to prevent the handgun from being  
17 discharged unless the device has been deactivated.

18           (2) An integrated mechanical safety, disabling, or  
19 locking device that is:

20           (i) built into the handgun; and

21           (ii) designed to prevent the handgun from being  
22 discharged unless the device has been deactivated.

23           (b) Sentence. A person who violates this Section is guilty  
24 of a Class C misdemeanor and shall be fined not less than

1 \$1,000. A second or subsequent violation of this Section is a  
2 Class A misdemeanor.

3 (c) For the purposes of this Section, "handgun" has the  
4 meaning ascribed to it in clause (h)(2) of subsection (A) of  
5 Section 24-3 of this Code.

6 (d) This Section does not apply to:

7 (1) the purchase, sale, or transportation of a handgun  
8 to or by a federally licensed firearms dealer or  
9 manufacturer that provides or services a handgun for:

10 (i) personnel of any unit of the federal  
11 government;

12 (ii) members of the armed forces of the United  
13 States, ~~or~~ the National Guard, or the Illinois Naval  
14 Militia;

15 (iii) law enforcement personnel of the State or any  
16 local law enforcement agency in the State while acting  
17 within the scope of their official duties; and

18 (iv) an organization that is required by federal  
19 law governing its specific business or activity to  
20 maintain handguns and applicable ammunition;

21 (2) a firearm modified to be permanently inoperative;

22 (3) the sale or transfer of a handgun by a federally  
23 licensed firearms dealer or manufacturer described in item  
24 (1) of this subsection (d);

25 (4) the sale or transfer of a handgun by a federally  
26 licensed firearms dealer or manufacturer to a lawful

1 customer outside the State; or

2 (5) an antique firearm.

3 (Source: P.A. 94-390, eff. 1-1-06.)

4 Section 15-85. The Illinois Human Rights Act is amended by  
5 changing Section 1-103 as follows:

6 (775 ILCS 5/1-103) (from Ch. 68, par. 1-103)

7 Sec. 1-103. General Definitions. When used in this Act,  
8 unless the context requires otherwise, the term:

9 (A) Age. "Age" means the chronological age of a person who  
10 is at least 40 years old, except with regard to any practice  
11 described in Section 2-102, insofar as that practice concerns  
12 training or apprenticeship programs. In the case of training or  
13 apprenticeship programs, for the purposes of Section 2-102,  
14 "age" means the chronological age of a person who is 18 but not  
15 yet 40 years old.

16 (B) Aggrieved Party. "Aggrieved party" means a person who  
17 is alleged or proved to have been injured by a civil rights  
18 violation or believes he or she will be injured by a civil  
19 rights violation under Article 3 that is about to occur.

20 (C) Charge. "Charge" means an allegation filed with the  
21 Department by an aggrieved party or initiated by the Department  
22 under its authority.

23 (D) Civil Rights Violation. "Civil rights violation"  
24 includes and shall be limited to only those specific acts set

1 forth in Sections 2-102, 2-103, 2-105, 3-102, 3-103, 3-104,  
2 3-104.1, 3-105, 4-102, 4-103, 5-102, 5A-102 and 6-101 of this  
3 Act.

4 (E) Commission. "Commission" means the Human Rights  
5 Commission created by this Act.

6 (F) Complaint. "Complaint" means the formal pleading filed  
7 by the Department with the Commission following an  
8 investigation and finding of substantial evidence of a civil  
9 rights violation.

10 (G) Complainant. "Complainant" means a person including  
11 the Department who files a charge of civil rights violation  
12 with the Department or the Commission.

13 (H) Department. "Department" means the Department of Human  
14 Rights created by this Act.

15 (I) Handicap. "Handicap" means a determinable physical or  
16 mental characteristic of a person, including, but not limited  
17 to, a determinable physical characteristic which necessitates  
18 the person's use of a guide, hearing or support dog, the  
19 history of such characteristic, or the perception of such  
20 characteristic by the person complained against, which may  
21 result from disease, injury, congenital condition of birth or  
22 functional disorder and which characteristic:

23 (1) For purposes of Article 2 is unrelated to the  
24 person's ability to perform the duties of a particular job  
25 or position and, pursuant to Section 2-104 of this Act, a  
26 person's illegal use of drugs or alcohol is not a handicap;

1           (2) For purposes of Article 3, is unrelated to the  
2 person's ability to acquire, rent or maintain a housing  
3 accommodation;

4           (3) For purposes of Article 4, is unrelated to a  
5 person's ability to repay;

6           (4) For purposes of Article 5, is unrelated to a  
7 person's ability to utilize and benefit from a place of  
8 public accommodation.

9           (J) Marital Status. "Marital status" means the legal status  
10 of being married, single, separated, divorced or widowed.

11           (J-1) Military Status. "Military status" means a person's  
12 status on active duty in or status as a veteran of the armed  
13 forces of the United States, status as a current member or  
14 veteran of any reserve component of the armed forces of the  
15 United States, including the United States Army Reserve, United  
16 States Marine Corps Reserve, United States Navy Reserve, United  
17 States Air Force Reserve, and United States Coast Guard  
18 Reserve, or status as a current member or veteran of the  
19 Illinois Army National Guard, Illinois Naval Militia, or  
20 Illinois Air National Guard.

21           (K) National Origin. "National origin" means the place in  
22 which a person or one of his or her ancestors was born.

23           (L) Person. "Person" includes one or more individuals,  
24 partnerships, associations or organizations, labor  
25 organizations, labor unions, joint apprenticeship committees,  
26 or union labor associations, corporations, the State of

1 Illinois and its instrumentalities, political subdivisions,  
2 units of local government, legal representatives, trustees in  
3 bankruptcy or receivers.

4 (M) Public Contract. "Public contract" includes every  
5 contract to which the State, any of its political subdivisions  
6 or any municipal corporation is a party.

7 (N) Religion. "Religion" includes all aspects of religious  
8 observance and practice, as well as belief, except that with  
9 respect to employers, for the purposes of Article 2, "religion"  
10 has the meaning ascribed to it in paragraph (F) of Section  
11 2-101.

12 (O) Sex. "Sex" means the status of being male or female.

13 (O-1) Sexual orientation. "Sexual orientation" means  
14 actual or perceived heterosexuality, homosexuality,  
15 bisexuality, or gender-related identity, whether or not  
16 traditionally associated with the person's designated sex at  
17 birth. "Sexual orientation" does not include a physical or  
18 sexual attraction to a minor by an adult.

19 (P) Unfavorable Military Discharge. "Unfavorable military  
20 discharge" includes discharges from the Armed Forces of the  
21 United States, their Reserve components or any National Guard  
22 or Naval Militia which are classified as RE-3 or the equivalent  
23 thereof, but does not include those characterized as RE-4 or  
24 "Dishonorable".

25 (Q) Unlawful Discrimination. "Unlawful discrimination"  
26 means discrimination against a person because of his or her

1 race, color, religion, national origin, ancestry, age, sex,  
2 marital status, handicap, military status, sexual orientation,  
3 or unfavorable discharge from military service as those terms  
4 are defined in this Section.

5 (Source: P.A. 93-941, eff. 8-16-04; 93-1078, eff. 1-1-06;  
6 94-803, eff. 5-26-06.)

7 Section 15-87. The Workers' Compensation Act is amended by  
8 changing Section 1 as follows:

9 (820 ILCS 305/1) (from Ch. 48, par. 138.1)

10 Sec. 1. This Act may be cited as the Workers' Compensation  
11 Act.

12 (a) The term "employer" as used in this Act means:

13 1. The State and each county, city, town, township,  
14 incorporated village, school district, body politic, or  
15 municipal corporation therein.

16 2. Every person, firm, public or private corporation,  
17 including hospitals, public service, eleemosynary, religious  
18 or charitable corporations or associations who has any person  
19 in service or under any contract for hire, express or implied,  
20 oral or written, and who is engaged in any of the enterprises  
21 or businesses enumerated in Section 3 of this Act, or who at or  
22 prior to the time of the accident to the employee for which  
23 compensation under this Act may be claimed, has in the manner  
24 provided in this Act elected to become subject to the

1 provisions of this Act, and who has not, prior to such  
2 accident, effected a withdrawal of such election in the manner  
3 provided in this Act.

4 3. Any one engaging in any business or enterprise referred  
5 to in subsections 1 and 2 of Section 3 of this Act who  
6 undertakes to do any work enumerated therein, is liable to pay  
7 compensation to his own immediate employees in accordance with  
8 the provisions of this Act, and in addition thereto if he  
9 directly or indirectly engages any contractor whether  
10 principal or sub-contractor to do any such work, he is liable  
11 to pay compensation to the employees of any such contractor or  
12 sub-contractor unless such contractor or sub-contractor has  
13 insured, in any company or association authorized under the  
14 laws of this State to insure the liability to pay compensation  
15 under this Act, or guaranteed his liability to pay such  
16 compensation. With respect to any time limitation on the filing  
17 of claims provided by this Act, the timely filing of a claim  
18 against a contractor or subcontractor, as the case may be,  
19 shall be deemed to be a timely filing with respect to all  
20 persons upon whom liability is imposed by this paragraph.

21 In the event any such person pays compensation under this  
22 subsection he may recover the amount thereof from the  
23 contractor or sub-contractor, if any, and in the event the  
24 contractor pays compensation under this subsection he may  
25 recover the amount thereof from the sub-contractor, if any.

26 This subsection does not apply in any case where the



1 accident occurs elsewhere than on, in or about the immediate  
2 premises on which the principal has contracted that the work be  
3 done.

4 4. Where an employer operating under and subject to the  
5 provisions of this Act loans an employee to another such  
6 employer and such loaned employee sustains a compensable  
7 accidental injury in the employment of such borrowing employer  
8 and where such borrowing employer does not provide or pay the  
9 benefits or payments due such injured employee, such loaning  
10 employer is liable to provide or pay all benefits or payments  
11 due such employee under this Act and as to such employee the  
12 liability of such loaning and borrowing employers is joint and  
13 several, provided that such loaning employer is in the absence  
14 of agreement to the contrary entitled to receive from such  
15 borrowing employer full reimbursement for all sums paid or  
16 incurred pursuant to this paragraph together with reasonable  
17 attorneys' fees and expenses in any hearings before the  
18 Illinois Workers' Compensation Commission or in any action to  
19 secure such reimbursement. Where any benefit is provided or  
20 paid by such loaning employer the employee has the duty of  
21 rendering reasonable cooperation in any hearings, trials or  
22 proceedings in the case, including such proceedings for  
23 reimbursement.

24 Where an employee files an Application for Adjustment of  
25 Claim with the Illinois Workers' Compensation Commission  
26 alleging that his claim is covered by the provisions of the

1 preceding paragraph, and joining both the alleged loaning and  
2 borrowing employers, they and each of them, upon written demand  
3 by the employee and within 7 days after receipt of such demand,  
4 shall have the duty of filing with the Illinois Workers'  
5 Compensation Commission a written admission or denial of the  
6 allegation that the claim is covered by the provisions of the  
7 preceding paragraph and in default of such filing or if any  
8 such denial be ultimately determined not to have been bona fide  
9 then the provisions of Paragraph K of Section 19 of this Act  
10 shall apply.

11 An employer whose business or enterprise or a substantial  
12 part thereof consists of hiring, procuring or furnishing  
13 employees to or for other employers operating under and subject  
14 to the provisions of this Act for the performance of the work  
15 of such other employers and who pays such employees their  
16 salary or wages notwithstanding that they are doing the work of  
17 such other employers shall be deemed a loaning employer within  
18 the meaning and provisions of this Section.

19 (b) The term "employee" as used in this Act means:

20 1. Every person in the service of the State, including  
21 members of the General Assembly, members of the Commerce  
22 Commission, members of the Illinois Workers' Compensation  
23 Commission, and all persons in the service of the University of  
24 Illinois, county, including deputy sheriffs and assistant  
25 state's attorneys, city, town, township, incorporated village  
26 or school district, body politic, or municipal corporation

1 therein, whether by election, under appointment or contract of  
2 hire, express or implied, oral or written, including all  
3 members of the Illinois National Guard or Illinois Naval  
4 Militia while on active duty in the service of the State, and  
5 all probation personnel of the Juvenile Court appointed  
6 pursuant to Article VI of the Juvenile Court Act of 1987, and  
7 including any official of the State, any county, city, town,  
8 township, incorporated village, school district, body politic  
9 or municipal corporation therein except any duly appointed  
10 member of a police department in any city whose population  
11 exceeds 200,000 according to the last Federal or State census,  
12 and except any member of a fire insurance patrol maintained by  
13 a board of underwriters in this State. A duly appointed member  
14 of a fire department in any city, the population of which  
15 exceeds 200,000 according to the last federal or State census,  
16 is an employee under this Act only with respect to claims  
17 brought under paragraph (c) of Section 8.

18 One employed by a contractor who has contracted with the  
19 State, or a county, city, town, township, incorporated village,  
20 school district, body politic or municipal corporation  
21 therein, through its representatives, is not considered as an  
22 employee of the State, county, city, town, township,  
23 incorporated village, school district, body politic or  
24 municipal corporation which made the contract.

25 2. Every person in the service of another under any  
26 contract of hire, express or implied, oral or written,

1 including persons whose employment is outside of the State of  
2 Illinois where the contract of hire is made within the State of  
3 Illinois, persons whose employment results in fatal or  
4 non-fatal injuries within the State of Illinois where the  
5 contract of hire is made outside of the State of Illinois, and  
6 persons whose employment is principally localized within the  
7 State of Illinois, regardless of the place of the accident or  
8 the place where the contract of hire was made, and including  
9 aliens, and minors who, for the purpose of this Act are  
10 considered the same and have the same power to contract,  
11 receive payments and give quittances therefor, as adult  
12 employees.

13 3. Every sole proprietor and every partner of a business  
14 may elect to be covered by this Act.

15 An employee or his dependents under this Act who shall have  
16 a cause of action by reason of any injury, disablement or death  
17 arising out of and in the course of his employment may elect to  
18 pursue his remedy in the State where injured or disabled, or in  
19 the State where the contract of hire is made, or in the State  
20 where the employment is principally localized.

21 However, any employer may elect to provide and pay  
22 compensation to any employee other than those engaged in the  
23 usual course of the trade, business, profession or occupation  
24 of the employer by complying with Sections 2 and 4 of this Act.  
25 Employees are not included within the provisions of this Act  
26 when excluded by the laws of the United States relating to

1 liability of employers to their employees for personal injuries  
2 where such laws are held to be exclusive.

3 The term "employee" does not include persons performing  
4 services as real estate broker, broker-salesman, or salesman  
5 when such persons are paid by commission only.

6 (c) "Commission" means the Industrial Commission created  
7 by Section 5 of "The Civil Administrative Code of Illinois",  
8 approved March 7, 1917, as amended, or the Illinois Workers'  
9 Compensation Commission created by Section 13 of this Act.

10 (Source: P.A. 93-721, eff. 1-1-05.)

11 ARTICLE 99. EFFECTIVE DATE

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