

HB4841



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4841

by Rep. Martha Deuter

SYNOPSIS AS INTRODUCED:

35 ILCS 5/214

Amends the Illinois Income Tax Act. Provides that the tax credit for affordable housing donations applies permanently. Effective immediately.

LRB104 18803 HLH 32246 b

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 214 as follows:

6 (35 ILCS 5/214)

7 Sec. 214. Tax credit for affordable housing donations.

8 (a) For ~~Beginning with~~ taxable years ending on or after
9 December 31, 2001 ~~and until the taxable year ending on~~
10 ~~December 31, 2026,~~ a taxpayer who makes a donation under
11 Section 7.28 of the Illinois Housing Development Act is
12 entitled to a credit against the tax imposed by subsections
13 (a) and (b) of Section 201 in an amount equal to 50% of the
14 value of the donation. For taxable years ending before
15 December 31, 2023, partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies (if
17 the limited liability company is treated as a partnership for
18 purposes of federal and State income taxation) are entitled to
19 a credit under this Section to be determined in accordance
20 with the determination of income and distributive share of
21 income under Sections 702 and 703 and subchapter S of the
22 Internal Revenue Code. For taxable years ending on or after
23 December 31, 2023, partners and shareholders of subchapter S

1 corporations are entitled to a credit under this Section as
2 provided in Section 251. Persons or entities not subject to
3 the tax imposed by subsections (a) and (b) of Section 201 and
4 who make a donation under Section 7.28 of the Illinois Housing
5 Development Act are entitled to a credit as described in this
6 subsection and may transfer that credit as described in
7 subsection (c).

8 (b) If the amount of the credit exceeds the tax liability
9 for the year, the excess may be carried forward and applied to
10 the tax liability of the 5 taxable years following the excess
11 credit year. The tax credit shall be applied to the earliest
12 year for which there is a tax liability. If there are credits
13 for more than one year that are available to offset a
14 liability, the earlier credit shall be applied first.

15 (c) The transfer of the tax credit allowed under this
16 Section may be made (i) to the purchaser of land that has been
17 designated solely for affordable housing projects in
18 accordance with the Illinois Housing Development Act or (ii)
19 to another donor who has also made a donation in accordance
20 with Section 7.28 of the Illinois Housing Development Act.

21 (d) A taxpayer claiming the credit provided by this
22 Section must maintain and record any information that the
23 Department may require by regulation regarding the project for
24 which the credit is claimed. When claiming the credit provided
25 by this Section, the taxpayer must provide information
26 regarding the taxpayer's donation to the project under the

1 Illinois Housing Development Act.

2 (e) This Section is exempt from the provisions of Section
3 250.

4 (Source: P.A. 102-16, eff. 6-17-21; 102-175, eff. 7-29-21;
5 103-396, eff. 1-1-24.)

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