



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0145

Introduced 1/17/2025, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

35 ILCS 5/601

from Ch. 120, par. 6-601

Amends the Illinois Income Tax Act. Provides that provisions concerning a credit for foreign taxes shall be applied without regard to provisions concerning distributions of investment partnership income to nonresident partners. Effective immediately.

LRB104 08269 HLH 18319 b

1 AN ACT concerning revenue.

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

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 601 as follows:

6 (35 ILCS 5/601) (from Ch. 120, par. 6-601)

7 Sec. 601. Payment on due date of return.

8 (a) In general. Every taxpayer required to file a return
9 under this Act shall, without assessment, notice or demand,
10 pay any tax due thereon to the Department, at the place fixed
11 for filing, on or before the date fixed for filing such return
12 (determined without regard to any extension of time for filing
13 the return) pursuant to regulations prescribed by the
14 Department. If, however, the due date for payment of a
15 taxpayer's federal income tax liability for a tax year (as
16 provided in the Internal Revenue Code or by Treasury
17 regulation, or as extended by the Internal Revenue Service) is
18 later than the date fixed for filing the taxpayer's Illinois
19 income tax return for that tax year, the Department may, by
20 rule, prescribe a due date for payment that is not later than
21 the due date for payment of the taxpayer's federal income tax
22 liability. For purposes of the Illinois Administrative
23 Procedure Act, the adoption of rules to prescribe a later due

1 date for payment shall be deemed an emergency and necessary
2 for the public interest, safety, and welfare.

3 (b) Amount payable. In making payment as provided in this
4 section there shall remain payable only the balance of such
5 tax remaining due after giving effect to the following:

6 (1) Withheld tax. Any amount withheld during any
7 calendar year pursuant to Article 7 from compensation paid
8 to a taxpayer shall be deemed to have been paid on account
9 of any tax imposed by subsections 201(a) and (b) of this
10 Act on such taxpayer for his taxable year beginning in
11 such calendar year. If more than one taxable year begins
12 in a calendar year, such amount shall be deemed to have
13 been paid on account of such tax for the last taxable year
14 so beginning.

15 (2) Estimated and tentative tax payments. Any amount
16 of estimated tax paid by a taxpayer pursuant to Article 8
17 for a taxable year shall be deemed to have been paid on
18 account of the tax imposed by this Act for such taxable
19 year.

20 (3) Foreign tax. The aggregate amount of tax which is
21 imposed upon or measured by income and which is paid by a
22 resident for a taxable year to another state or states on
23 income which is also subject to the tax imposed by
24 subsections 201(a) and (b) of this Act shall be credited
25 against the tax imposed by subsections 201(a) and (b)
26 otherwise due under this Act for such taxable year. For

1 taxable years ending prior to December 31, 2009, the
2 aggregate credit provided under this paragraph shall not
3 exceed that amount which bears the same ratio to the tax
4 imposed by subsections 201(a) and (b) otherwise due under
5 this Act as the amount of the taxpayer's base income
6 subject to tax both by such other state or states and by
7 this State bears to his total base income subject to tax by
8 this State for the taxable year. For taxable years ending
9 on or after December 31, 2009, the credit provided under
10 this paragraph for tax paid to other states shall not
11 exceed that amount which bears the same ratio to the tax
12 imposed by subsections 201(a) and (b) otherwise due under
13 this Act as the amount of the taxpayer's base income that
14 would be allocated or apportioned to other states if all
15 other states had adopted the provisions in Article 3 of
16 this Act bears to the taxpayer's total base income subject
17 to tax by this State for the taxable year. This subsection
18 is exempt from the 30-day threshold set forth in
19 subparagraph (iii) of paragraph (B) of item (2) of
20 subsection (a) of Section 304. Beginning with tax years
21 ending on or after December 31, 2025, this subsection
22 shall be applied without regard to subsection (c-5) of
23 Section 305. The credit provided by this paragraph shall
24 not be allowed if any creditable tax was deducted in
25 determining base income for the taxable year. Any person
26 claiming such credit shall attach a statement in support

1 thereof and shall notify the Director of any refund or
2 reductions in the amount of tax claimed as a credit
3 hereunder all in such manner and at such time as the
4 Department shall by regulations prescribe.

5 (4) Accumulation and capital gain distributions. If
6 the net income of a taxpayer includes amounts included in
7 his base income by reason of Section 667 of the Internal
8 Revenue Code (relating to accumulation and capital gain
9 distributions by a trust, respectively), the tax imposed
10 on such taxpayer by this Act shall be credited with his pro
11 rata portion of the taxes imposed by this Act on such trust
12 for preceding taxable years which would not have been
13 payable for such preceding years if the trust had in fact
14 made distributions to its beneficiaries at the times and
15 in the amounts specified in Sections 666 and 669 of the
16 Internal Revenue Code. The credit provided by this
17 paragraph shall not reduce the tax otherwise due from the
18 taxpayer to an amount less than that which would be due if
19 the amounts included by reason of Section 667 of the
20 Internal Revenue Code were excluded from his or her base
21 income.

22 (c) Cross reference. For application against tax due of
23 overpayments of tax for a prior year, see Section 909.

24 (Source: P.A. 101-585, eff. 8-26-19.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.