

SB1709



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1709

Introduced 2/5/2025, by Sen. Robert F. Martwick

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates an income tax credit for taxpayers who have an approved NFPA 13D residential fire sprinkler system installed in a new or existing residential dwelling in the State during the taxable year. Provides that the credit shall be in an amount equal to 50% of the total cost of the installation but not to exceed \$10,000 per taxpayer in any taxable year. Provides that credit awards under the amendatory Act shall be limited to the lesser of 2,000 credit awards per year or \$8,000,000 in total credits per year. Provides that the credit is exempt from the Act's automatic sunset provisions. Effective immediately.

LRB104 09419 HLH 19479 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 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Residential fire sprinkler installation credit.

8 (a) For taxable years ending on or after December 31,
9 2027, each taxpayer who has an approved NFPA 13D residential
10 fire sprinkler system installed by a licensed fire sprinkler
11 contractor maintaining a valid license pursuant to the Fire
12 Sprinkler Contractor Licensing Act in a new or existing
13 residential dwelling in the State during the taxable year
14 shall be eligible, subject to the limitations in subsection
15 (b), for a credit against the taxes imposed by subsections (a)
16 and (b) of Section 201 in an amount equal to 50% of the total
17 cost of the installation but not to exceed \$10,000 per
18 taxpayer in any taxable year.

19 (b) Credits under this Section shall be limited to the
20 lesser of 2,000 credit awards per year or \$8,000,000 in total
21 credits per year. The Department shall adopt rules for the
22 processing and awarding of credits under this Section,
23 including when total filings exceed the total authorized

1 credits.

2 (c) To be eligible for a credit under this Section, a
3 taxpayer shall provide to the Department a copy of the final
4 invoice showing the total cost of the installation of the fire
5 sprinkler system. The invoice shall include the following:

6 (1) the water main tap fee, if required;

7 (2) fees and costs for combined sprinkler and domestic
8 water service;

9 (3) costs associated with installing, modifying, or
10 upgrading piping and valves; and

11 (4) all other installation and testing fees.

12 (d) In no event shall a credit under this Section reduce
13 the taxpayer's liability to less than zero.

14 (e) As used in this Section, "approved NFPA 13D
15 residential fire sprinkler system" means a residential fire
16 sprinkler system that meets the requirements of NFPA 13D
17 standards established by the National Fire Protection
18 Association for one-family and 2-family residential dwellings.

19 (f) This Section is exempt from the provisions of Section
20 250.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.