

SB2024



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2024

Introduced 2/6/2025, by Sen. Celina Villanueva

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates an income tax credit for each taxpayer that manufactures renewable diesel in Illinois for use by a rail carrier. Provides that the amount of the credit is \$1 per gallon of renewable diesel that is manufactured by the taxpayer in the State for use by a rail carrier. Effective immediately.

LRB104 06019 HLH 16052 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. Rail carrier renewable diesel tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2027, each taxpayer that manufactures renewable diesel in
10 Illinois for use by a rail carrier is eligible for a credit
11 against the tax imposed by subsections (a) and (b) of Section
12 201 as provided in this Section.

13 The amount of the credit shall be \$1 per gallon, or
14 fraction of a gallon, of renewable diesel that is manufactured
15 by the taxpayer in the State for use by a rail carrier.

16 (b) To qualify for the credit under this Section, the
17 taxpayer must retain in its books and records:

18 (1) records indicating the number of whole gallons of
19 renewable diesel manufactured by the taxpayer in Illinois
20 for use by a rail carrier; and

21 (2) a verification that the renewable diesel blended
22 by the taxpayer meets the definition of renewable diesel
23 set forth in this Section.

1 The documentation must include detail sufficient for the
2 Department to determine the number of gallons of renewable
3 diesel manufactured in the State for use by rail carriers, as
4 well as any other information reasonably required by the
5 Department.

6 All documentation must be submitted to the Department in
7 the form and manner required by the Department and by the date
8 required by the Department.

9 (c) If the amount of the credit exceeds the taxpayer's tax
10 liability for the taxable year, the excess may be carried
11 forward and applied to the tax liability of the 10 taxable
12 years following the excess credit year. The credit shall be
13 applied to the earliest year for which there is a tax
14 liability. If there are credits from more than one tax year
15 that are available to offset a liability, the earlier credit
16 shall be applied first. In no event shall a credit under this
17 Section reduce the taxpayer's liability to less than zero.

18 (d) This Section is exempt from the provisions of Section
19 250.

20 (e) As used in this Section:

21 "Renewable diesel" means diesel fuel that is a hydrocarbon
22 fuel derived from biomass and that meets the requirements of
23 the latest version of ASTM standards D975 or D396.

24 "Rail carrier" means a Class I railroad, a Class II
25 railroad, or a Class III railroad, as defined in paragraph (1)
26 of 49 U.S.C. 20102.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.