

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 217 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans and
8 spouses of qualified veterans.

9 (a) For each taxable year beginning on or after January 1,
10 2007 and ending on or before December 30, 2010, each taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 of this Act in an amount equal to 5%,
13 but in no event to exceed \$600, of the gross wages paid by the
14 taxpayer to a qualified veteran in the course of that veteran's
15 sustained employment during the taxable year. For each taxable
16 year that begins beginning on or after January 1, 2010 and
17 begins prior to January 1, 2015, each taxpayer is entitled to a
18 credit against the tax imposed by subsections (a) and (b) of
19 Section 201 of this Act in an amount equal to 10%, but in no
20 event to exceed \$1,200, of the gross wages paid by the taxpayer
21 to a qualified veteran in the course of that veteran's
22 sustained employment during the taxable year. For each taxable
23 year that begins on or after January 1, 2018 and begins prior

1 to January 1, 2022, each taxpayer is entitled to a credit
2 against the tax imposed by subsections (a) and (b) of Section
3 201 of this Act in an amount equal to 10%, but in no event to
4 exceed \$1,200, of the gross wages paid by the taxpayer to a
5 qualified veteran or the spouse of a qualified veteran in the
6 course of that veteran's or spouse's sustained employment
7 during the taxable year. For partners, shareholders of
8 Subchapter S corporations, and owners of limited liability
9 companies, if the liability company is treated as a partnership
10 for purposes of federal and State income taxation, there shall
11 be allowed a credit under this Section to be determined in
12 accordance with the determination of income and distributive
13 share of income under Sections 702 and 704 and Subchapter S of
14 the Internal Revenue Code.

15 (b) For purposes of this Section:

16 "Qualified veteran" means an Illinois resident who: (i) was
17 a member of the Armed Forces of the United States, a member of
18 the Illinois National Guard, or a member of any reserve
19 component of the Armed Forces of the United States; (ii) served
20 on active duty in connection with Operation Desert Storm,
21 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)
22 has provided, to the taxpayer, documentation showing that he or
23 she was honorably discharged; and (iv) was initially hired by
24 the taxpayer on or after January 1, 2007.

25 "Sustained employment" means a period of employment that is
26 not less than 185 days during the taxable year.

1 (c) In no event shall a credit under this Section reduce
2 the taxpayer's liability to less than zero. If the amount of
3 the credit exceeds the tax liability for the year, the excess
4 may be carried forward and applied to the tax liability of the
5 taxable years following the excess credit year. The tax
6 credit shall be applied to the earliest year for which there is
7 a tax liability. If there are credits for more than one year
8 that are available to offset a liability, the earlier credit
9 shall be applied first.

10 (d) A taxpayer who claims a credit under this Section for a
11 taxable year with respect to a veteran shall not be allowed a
12 credit under Section 217.1 of this Act with respect to the same
13 veteran for that taxable year.

14 (Source: P.A. 96-101, eff. 1-1-10; 97-767, eff. 7-9-12.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.