



Rep. Jeanne M Ives

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1 AMENDMENT TO SENATE BILL 9

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 9 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by  
5 changing Sections 201 and 222 and by adding Section 225 as  
6 follows:

7 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

8 Sec. 201. Tax Imposed.

9 (a) In general. A tax measured by net income is hereby  
10 imposed on every individual, corporation, trust and estate for  
11 each taxable year ending after July 31, 1969 on the privilege  
12 of earning or receiving income in or as a resident of this  
13 State. Such tax shall be in addition to all other occupation or  
14 privilege taxes imposed by this State or by any municipal  
15 corporation or political subdivision thereof.

16 (b) Rates. The tax imposed by subsection (a) of this

1 Section shall be determined as follows, except as adjusted by  
2 subsection (d-1):

3 (1) In the case of an individual, trust or estate, for  
4 taxable years ending prior to July 1, 1989, an amount equal  
5 to 2 1/2% of the taxpayer's net income for the taxable  
6 year.

7 (2) In the case of an individual, trust or estate, for  
8 taxable years beginning prior to July 1, 1989 and ending  
9 after June 30, 1989, an amount equal to the sum of (i) 2  
10 1/2% of the taxpayer's net income for the period prior to  
11 July 1, 1989, as calculated under Section 202.3, and (ii)  
12 3% of the taxpayer's net income for the period after June  
13 30, 1989, as calculated under Section 202.3.

14 (3) In the case of an individual, trust or estate, for  
15 taxable years beginning after June 30, 1989, and ending  
16 prior to January 1, 2011, an amount equal to 3% of the  
17 taxpayer's net income for the taxable year.

18 (4) In the case of an individual, trust, or estate, for  
19 taxable years beginning prior to January 1, 2011, and  
20 ending after December 31, 2010, an amount equal to the sum  
21 of (i) 3% of the taxpayer's net income for the period prior  
22 to January 1, 2011, as calculated under Section 202.5, and  
23 (ii) 5% of the taxpayer's net income for the period after  
24 December 31, 2010, as calculated under Section 202.5.

25 (5) In the case of an individual, trust, or estate, for  
26 taxable years beginning on or after January 1, 2011, and

1 ending prior to January 1, 2015, an amount equal to 5% of  
2 the taxpayer's net income for the taxable year.

3 (5.1) In the case of an individual, trust, or estate,  
4 for taxable years beginning prior to January 1, 2015, and  
5 ending after December 31, 2014, an amount equal to the sum  
6 of (i) 5% of the taxpayer's net income for the period prior  
7 to January 1, 2015, as calculated under Section 202.5, and  
8 (ii) 3.75% of the taxpayer's net income for the period  
9 after December 31, 2014, as calculated under Section 202.5.

10 (5.2) In the case of an individual, trust, or estate,  
11 for taxable years beginning on or after January 1, 2015,  
12 and ending prior to January 1, 2025, an amount equal to  
13 3.75% of the taxpayer's net income for the taxable year.

14 (5.3) In the case of an individual, trust, or estate,  
15 for taxable years beginning prior to January 1, 2025, and  
16 ending after December 31, 2024, an amount equal to the sum  
17 of (i) 3.75% of the taxpayer's net income for the period  
18 prior to January 1, 2025, as calculated under Section  
19 202.5, and (ii) 3.25% of the taxpayer's net income for the  
20 period after December 31, 2024, as calculated under Section  
21 202.5.

22 (5.4) In the case of an individual, trust, or estate,  
23 for taxable years beginning on or after January 1, 2025, an  
24 amount equal to 3.25% of the taxpayer's net income for the  
25 taxable year.

26 (6) In the case of a corporation, for taxable years

1 ending prior to July 1, 1989, an amount equal to 4% of the  
2 taxpayer's net income for the taxable year.

3 (7) In the case of a corporation, for taxable years  
4 beginning prior to July 1, 1989 and ending after June 30,  
5 1989, an amount equal to the sum of (i) 4% of the  
6 taxpayer's net income for the period prior to July 1, 1989,  
7 as calculated under Section 202.3, and (ii) 4.8% of the  
8 taxpayer's net income for the period after June 30, 1989,  
9 as calculated under Section 202.3.

10 (8) In the case of a corporation, for taxable years  
11 beginning after June 30, 1989, and ending prior to January  
12 1, 2011, an amount equal to 4.8% of the taxpayer's net  
13 income for the taxable year.

14 (9) In the case of a corporation, for taxable years  
15 beginning prior to January 1, 2011, and ending after  
16 December 31, 2010, an amount equal to the sum of (i) 4.8%  
17 of the taxpayer's net income for the period prior to  
18 January 1, 2011, as calculated under Section 202.5, and  
19 (ii) 7% of the taxpayer's net income for the period after  
20 December 31, 2010, as calculated under Section 202.5.

21 (10) In the case of a corporation, for taxable years  
22 beginning on or after January 1, 2011, and ending prior to  
23 January 1, 2015, an amount equal to 7% of the taxpayer's  
24 net income for the taxable year.

25 (11) In the case of a corporation, for taxable years  
26 beginning prior to January 1, 2015, and ending after

1 December 31, 2014, an amount equal to the sum of (i) 7% of  
2 the taxpayer's net income for the period prior to January  
3 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
4 of the taxpayer's net income for the period after December  
5 31, 2014, as calculated under Section 202.5.

6 (12) In the case of a corporation, for taxable years  
7 beginning on or after January 1, 2015, and ending prior to  
8 January 1, 2025, an amount equal to 5.25% of the taxpayer's  
9 net income for the taxable year.

10 (13) In the case of a corporation, for taxable years  
11 beginning prior to January 1, 2025, and ending after  
12 December 31, 2024, an amount equal to the sum of (i) 5.25%  
13 of the taxpayer's net income for the period prior to  
14 January 1, 2025, as calculated under Section 202.5, and  
15 (ii) 4.8% of the taxpayer's net income for the period after  
16 December 31, 2024, as calculated under Section 202.5.

17 (14) In the case of a corporation, for taxable years  
18 beginning on or after January 1, 2025, an amount equal to  
19 4.8% of the taxpayer's net income for the taxable year.

20 The rates under this subsection (b) are subject to the  
21 provisions of Section 201.5.

22 (c) Personal Property Tax Replacement Income Tax.  
23 Beginning on July 1, 1979 and thereafter, in addition to such  
24 income tax, there is also hereby imposed the Personal Property  
25 Tax Replacement Income Tax measured by net income on every  
26 corporation (including Subchapter S corporations), partnership

1 and trust, for each taxable year ending after June 30, 1979.  
2 Such taxes are imposed on the privilege of earning or receiving  
3 income in or as a resident of this State. The Personal Property  
4 Tax Replacement Income Tax shall be in addition to the income  
5 tax imposed by subsections (a) and (b) of this Section and in  
6 addition to all other occupation or privilege taxes imposed by  
7 this State or by any municipal corporation or political  
8 subdivision thereof.

9 (d) Additional Personal Property Tax Replacement Income  
10 Tax Rates. The personal property tax replacement income tax  
11 imposed by this subsection and subsection (c) of this Section  
12 in the case of a corporation, other than a Subchapter S  
13 corporation and except as adjusted by subsection (d-1), shall  
14 be an additional amount equal to 2.85% of such taxpayer's net  
15 income for the taxable year, except that beginning on January  
16 1, 1981, and thereafter, the rate of 2.85% specified in this  
17 subsection shall be reduced to 2.5%, and in the case of a  
18 partnership, trust or a Subchapter S corporation shall be an  
19 additional amount equal to 1.5% of such taxpayer's net income  
20 for the taxable year.

21 (d-1) Rate reduction for certain foreign insurers. In the  
22 case of a foreign insurer, as defined by Section 35A-5 of the  
23 Illinois Insurance Code, whose state or country of domicile  
24 imposes on insurers domiciled in Illinois a retaliatory tax  
25 (excluding any insurer whose premiums from reinsurance assumed  
26 are 50% or more of its total insurance premiums as determined

1 under paragraph (2) of subsection (b) of Section 304, except  
2 that for purposes of this determination premiums from  
3 reinsurance do not include premiums from inter-affiliate  
4 reinsurance arrangements), beginning with taxable years ending  
5 on or after December 31, 1999, the sum of the rates of tax  
6 imposed by subsections (b) and (d) shall be reduced (but not  
7 increased) to the rate at which the total amount of tax imposed  
8 under this Act, net of all credits allowed under this Act,  
9 shall equal (i) the total amount of tax that would be imposed  
10 on the foreign insurer's net income allocable to Illinois for  
11 the taxable year by such foreign insurer's state or country of  
12 domicile if that net income were subject to all income taxes  
13 and taxes measured by net income imposed by such foreign  
14 insurer's state or country of domicile, net of all credits  
15 allowed or (ii) a rate of zero if no such tax is imposed on such  
16 income by the foreign insurer's state of domicile. For the  
17 purposes of this subsection (d-1), an inter-affiliate includes  
18 a mutual insurer under common management.

19 (1) For the purposes of subsection (d-1), in no event  
20 shall the sum of the rates of tax imposed by subsections  
21 (b) and (d) be reduced below the rate at which the sum of:

22 (A) the total amount of tax imposed on such foreign  
23 insurer under this Act for a taxable year, net of all  
24 credits allowed under this Act, plus

25 (B) the privilege tax imposed by Section 409 of the  
26 Illinois Insurance Code, the fire insurance company

1 tax imposed by Section 12 of the Fire Investigation  
2 Act, and the fire department taxes imposed under  
3 Section 11-10-1 of the Illinois Municipal Code,  
4 equals 1.25% for taxable years ending prior to December 31,  
5 2003, or 1.75% for taxable years ending on or after  
6 December 31, 2003, of the net taxable premiums written for  
7 the taxable year, as described by subsection (1) of Section  
8 409 of the Illinois Insurance Code. This paragraph will in  
9 no event increase the rates imposed under subsections (b)  
10 and (d).

11 (2) Any reduction in the rates of tax imposed by this  
12 subsection shall be applied first against the rates imposed  
13 by subsection (b) and only after the tax imposed by  
14 subsection (a) net of all credits allowed under this  
15 Section other than the credit allowed under subsection (i)  
16 has been reduced to zero, against the rates imposed by  
17 subsection (d).

18 This subsection (d-1) is exempt from the provisions of  
19 Section 250.

20 (e) Investment credit. A taxpayer shall be allowed a credit  
21 against the Personal Property Tax Replacement Income Tax for  
22 investment in qualified property.

23 (1) A taxpayer shall be allowed a credit equal to .5%  
24 of the basis of qualified property placed in service during  
25 the taxable year, provided such property is placed in  
26 service on or after July 1, 1984. There shall be allowed an



1 additional credit equal to .5% of the basis of qualified  
2 property placed in service during the taxable year,  
3 provided such property is placed in service on or after  
4 July 1, 1986, and the taxpayer's base employment within  
5 Illinois has increased by 1% or more over the preceding  
6 year as determined by the taxpayer's employment records  
7 filed with the Illinois Department of Employment Security.  
8 Taxpayers who are new to Illinois shall be deemed to have  
9 met the 1% growth in base employment for the first year in  
10 which they file employment records with the Illinois  
11 Department of Employment Security. The provisions added to  
12 this Section by Public Act 85-1200 (and restored by Public  
13 Act 87-895) shall be construed as declaratory of existing  
14 law and not as a new enactment. If, in any year, the  
15 increase in base employment within Illinois over the  
16 preceding year is less than 1%, the additional credit shall  
17 be limited to that percentage times a fraction, the  
18 numerator of which is .5% and the denominator of which is  
19 1%, but shall not exceed .5%. The investment credit shall  
20 not be allowed to the extent that it would reduce a  
21 taxpayer's liability in any tax year below zero, nor may  
22 any credit for qualified property be allowed for any year  
23 other than the year in which the property was placed in  
24 service in Illinois. For tax years ending on or after  
25 December 31, 1987, and on or before December 31, 1988, the  
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the  
2 credit exceeds the tax liability for that year, whether it  
3 exceeds the original liability or the liability as later  
4 amended, such excess may be carried forward and applied to  
5 the tax liability of the 5 taxable years following the  
6 excess credit years if the taxpayer (i) makes investments  
7 which cause the creation of a minimum of 2,000 full-time  
8 equivalent jobs in Illinois, (ii) is located in an  
9 enterprise zone established pursuant to the Illinois  
10 Enterprise Zone Act and (iii) is certified by the  
11 Department of Commerce and Community Affairs (now  
12 Department of Commerce and Economic Opportunity) as  
13 complying with the requirements specified in clause (i) and  
14 (ii) by July 1, 1986. The Department of Commerce and  
15 Community Affairs (now Department of Commerce and Economic  
16 Opportunity) shall notify the Department of Revenue of all  
17 such certifications immediately. For tax years ending  
18 after December 31, 1988, the credit shall be allowed for  
19 the tax year in which the property is placed in service,  
20 or, if the amount of the credit exceeds the tax liability  
21 for that year, whether it exceeds the original liability or  
22 the liability as later amended, such excess may be carried  
23 forward and applied to the tax liability of the 5 taxable  
24 years following the excess credit years. The credit shall  
25 be applied to the earliest year for which there is a  
26 liability. If there is credit from more than one tax year

1 that is available to offset a liability, earlier credit  
2 shall be applied first.

3 (2) The term "qualified property" means property  
4 which:

5 (A) is tangible, whether new or used, including  
6 buildings and structural components of buildings and  
7 signs that are real property, but not including land or  
8 improvements to real property that are not a structural  
9 component of a building such as landscaping, sewer  
10 lines, local access roads, fencing, parking lots, and  
11 other appurtenances;

12 (B) is depreciable pursuant to Section 167 of the  
13 Internal Revenue Code, except that "3-year property"  
14 as defined in Section 168(c)(2)(A) of that Code is not  
15 eligible for the credit provided by this subsection  
16 (e);

17 (C) is acquired by purchase as defined in Section  
18 179(d) of the Internal Revenue Code;

19 (D) is used in Illinois by a taxpayer who is  
20 primarily engaged in manufacturing, or in mining coal  
21 or fluorite, or in retailing, or was placed in service  
22 on or after July 1, 2006 in a River Edge Redevelopment  
23 Zone established pursuant to the River Edge  
24 Redevelopment Zone Act; and

25 (E) has not previously been used in Illinois in  
26 such a manner and by such a person as would qualify for

1           the credit provided by this subsection (e) or  
2           subsection (f).

3           (3) For purposes of this subsection (e),  
4           "manufacturing" means the material staging and production  
5           of tangible personal property by procedures commonly  
6           regarded as manufacturing, processing, fabrication, or  
7           assembling which changes some existing material into new  
8           shapes, new qualities, or new combinations. For purposes of  
9           this subsection (e) the term "mining" shall have the same  
10          meaning as the term "mining" in Section 613(c) of the  
11          Internal Revenue Code. For purposes of this subsection (e),  
12          the term "retailing" means the sale of tangible personal  
13          property for use or consumption and not for resale, or  
14          services rendered in conjunction with the sale of tangible  
15          personal property for use or consumption and not for  
16          resale. For purposes of this subsection (e), "tangible  
17          personal property" has the same meaning as when that term  
18          is used in the Retailers' Occupation Tax Act, and, for  
19          taxable years ending after December 31, 2008, does not  
20          include the generation, transmission, or distribution of  
21          electricity.

22          (4) The basis of qualified property shall be the basis  
23          used to compute the depreciation deduction for federal  
24          income tax purposes.

25          (5) If the basis of the property for federal income tax  
26          depreciation purposes is increased after it has been placed

1 in service in Illinois by the taxpayer, the amount of such  
2 increase shall be deemed property placed in service on the  
3 date of such increase in basis.

4 (6) The term "placed in service" shall have the same  
5 meaning as under Section 46 of the Internal Revenue Code.

6 (7) If during any taxable year, any property ceases to  
7 be qualified property in the hands of the taxpayer within  
8 48 months after being placed in service, or the situs of  
9 any qualified property is moved outside Illinois within 48  
10 months after being placed in service, the Personal Property  
11 Tax Replacement Income Tax for such taxable year shall be  
12 increased. Such increase shall be determined by (i)  
13 recomputing the investment credit which would have been  
14 allowed for the year in which credit for such property was  
15 originally allowed by eliminating such property from such  
16 computation and, (ii) subtracting such recomputed credit  
17 from the amount of credit previously allowed. For the  
18 purposes of this paragraph (7), a reduction of the basis of  
19 qualified property resulting from a redetermination of the  
20 purchase price shall be deemed a disposition of qualified  
21 property to the extent of such reduction.

22 (8) Unless the investment credit is extended by law,  
23 the basis of qualified property shall not include costs  
24 incurred after December 31, 2018, except for costs incurred  
25 pursuant to a binding contract entered into on or before  
26 December 31, 2018.

1           (9) Each taxable year ending before December 31, 2000,  
2 a partnership may elect to pass through to its partners the  
3 credits to which the partnership is entitled under this  
4 subsection (e) for the taxable year. A partner may use the  
5 credit allocated to him or her under this paragraph only  
6 against the tax imposed in subsections (c) and (d) of this  
7 Section. If the partnership makes that election, those  
8 credits shall be allocated among the partners in the  
9 partnership in accordance with the rules set forth in  
10 Section 704(b) of the Internal Revenue Code, and the rules  
11 promulgated under that Section, and the allocated amount of  
12 the credits shall be allowed to the partners for that  
13 taxable year. The partnership shall make this election on  
14 its Personal Property Tax Replacement Income Tax return for  
15 that taxable year. The election to pass through the credits  
16 shall be irrevocable.

17           For taxable years ending on or after December 31, 2000,  
18 a partner that qualifies its partnership for a subtraction  
19 under subparagraph (I) of paragraph (2) of subsection (d)  
20 of Section 203 or a shareholder that qualifies a Subchapter  
21 S corporation for a subtraction under subparagraph (S) of  
22 paragraph (2) of subsection (b) of Section 203 shall be  
23 allowed a credit under this subsection (e) equal to its  
24 share of the credit earned under this subsection (e) during  
25 the taxable year by the partnership or Subchapter S  
26 corporation, determined in accordance with the

1 determination of income and distributive share of income  
2 under Sections 702 and 704 and Subchapter S of the Internal  
3 Revenue Code. This paragraph is exempt from the provisions  
4 of Section 250.

5 (f) Investment credit; Enterprise Zone; River Edge  
6 Redevelopment Zone.

7 (1) A taxpayer shall be allowed a credit against the  
8 tax imposed by subsections (a) and (b) of this Section for  
9 investment in qualified property which is placed in service  
10 in an Enterprise Zone created pursuant to the Illinois  
11 Enterprise Zone Act or, for property placed in service on  
12 or after July 1, 2006, a River Edge Redevelopment Zone  
13 established pursuant to the River Edge Redevelopment Zone  
14 Act. For partners, shareholders of Subchapter S  
15 corporations, and owners of limited liability companies,  
16 if the liability company is treated as a partnership for  
17 purposes of federal and State income taxation, there shall  
18 be allowed a credit under this subsection (f) to be  
19 determined in accordance with the determination of income  
20 and distributive share of income under Sections 702 and 704  
21 and Subchapter S of the Internal Revenue Code. The credit  
22 shall be .5% of the basis for such property. The credit  
23 shall be available only in the taxable year in which the  
24 property is placed in service in the Enterprise Zone or  
25 River Edge Redevelopment Zone and shall not be allowed to  
26 the extent that it would reduce a taxpayer's liability for

1 the tax imposed by subsections (a) and (b) of this Section  
2 to below zero. For tax years ending on or after December  
3 31, 1985, the credit shall be allowed for the tax year in  
4 which the property is placed in service, or, if the amount  
5 of the credit exceeds the tax liability for that year,  
6 whether it exceeds the original liability or the liability  
7 as later amended, such excess may be carried forward and  
8 applied to the tax liability of the 5 taxable years  
9 following the excess credit year. The credit shall be  
10 applied to the earliest year for which there is a  
11 liability. If there is credit from more than one tax year  
12 that is available to offset a liability, the credit  
13 accruing first in time shall be applied first.

14 (2) The term qualified property means property which:

15 (A) is tangible, whether new or used, including  
16 buildings and structural components of buildings;

17 (B) is depreciable pursuant to Section 167 of the  
18 Internal Revenue Code, except that "3-year property"  
19 as defined in Section 168(c)(2)(A) of that Code is not  
20 eligible for the credit provided by this subsection  
21 (f);

22 (C) is acquired by purchase as defined in Section  
23 179(d) of the Internal Revenue Code;

24 (D) is used in the Enterprise Zone or River Edge  
25 Redevelopment Zone by the taxpayer; and

26 (E) has not been previously used in Illinois in



1           such a manner and by such a person as would qualify for  
2           the credit provided by this subsection (f) or  
3           subsection (e).

4           (3) The basis of qualified property shall be the basis  
5           used to compute the depreciation deduction for federal  
6           income tax purposes.

7           (4) If the basis of the property for federal income tax  
8           depreciation purposes is increased after it has been placed  
9           in service in the Enterprise Zone or River Edge  
10          Redevelopment Zone by the taxpayer, the amount of such  
11          increase shall be deemed property placed in service on the  
12          date of such increase in basis.

13          (5) The term "placed in service" shall have the same  
14          meaning as under Section 46 of the Internal Revenue Code.

15          (6) If during any taxable year, any property ceases to  
16          be qualified property in the hands of the taxpayer within  
17          48 months after being placed in service, or the situs of  
18          any qualified property is moved outside the Enterprise Zone  
19          or River Edge Redevelopment Zone within 48 months after  
20          being placed in service, the tax imposed under subsections  
21          (a) and (b) of this Section for such taxable year shall be  
22          increased. Such increase shall be determined by (i)  
23          recomputing the investment credit which would have been  
24          allowed for the year in which credit for such property was  
25          originally allowed by eliminating such property from such  
26          computation, and (ii) subtracting such recomputed credit

1 from the amount of credit previously allowed. For the  
2 purposes of this paragraph (6), a reduction of the basis of  
3 qualified property resulting from a redetermination of the  
4 purchase price shall be deemed a disposition of qualified  
5 property to the extent of such reduction.

6 (7) There shall be allowed an additional credit equal  
7 to 0.5% of the basis of qualified property placed in  
8 service during the taxable year in a River Edge  
9 Redevelopment Zone, provided such property is placed in  
10 service on or after July 1, 2006, and the taxpayer's base  
11 employment within Illinois has increased by 1% or more over  
12 the preceding year as determined by the taxpayer's  
13 employment records filed with the Illinois Department of  
14 Employment Security. Taxpayers who are new to Illinois  
15 shall be deemed to have met the 1% growth in base  
16 employment for the first year in which they file employment  
17 records with the Illinois Department of Employment  
18 Security. If, in any year, the increase in base employment  
19 within Illinois over the preceding year is less than 1%,  
20 the additional credit shall be limited to that percentage  
21 times a fraction, the numerator of which is 0.5% and the  
22 denominator of which is 1%, but shall not exceed 0.5%.

23 (g) (Blank).

24 (h) Investment credit; High Impact Business.

25 (1) Subject to subsections (b) and (b-5) of Section 5.5  
26 of the Illinois Enterprise Zone Act, a taxpayer shall be

1 allowed a credit against the tax imposed by subsections (a)  
2 and (b) of this Section for investment in qualified  
3 property which is placed in service by a Department of  
4 Commerce and Economic Opportunity designated High Impact  
5 Business. The credit shall be .5% of the basis for such  
6 property. The credit shall not be available (i) until the  
7 minimum investments in qualified property set forth in  
8 subdivision (a)(3)(A) of Section 5.5 of the Illinois  
9 Enterprise Zone Act have been satisfied or (ii) until the  
10 time authorized in subsection (b-5) of the Illinois  
11 Enterprise Zone Act for entities designated as High Impact  
12 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
13 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
14 Act, and shall not be allowed to the extent that it would  
15 reduce a taxpayer's liability for the tax imposed by  
16 subsections (a) and (b) of this Section to below zero. The  
17 credit applicable to such investments shall be taken in the  
18 taxable year in which such investments have been completed.  
19 The credit for additional investments beyond the minimum  
20 investment by a designated high impact business authorized  
21 under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
22 Enterprise Zone Act shall be available only in the taxable  
23 year in which the property is placed in service and shall  
24 not be allowed to the extent that it would reduce a  
25 taxpayer's liability for the tax imposed by subsections (a)  
26 and (b) of this Section to below zero. For tax years ending

1 on or after December 31, 1987, the credit shall be allowed  
2 for the tax year in which the property is placed in  
3 service, or, if the amount of the credit exceeds the tax  
4 liability for that year, whether it exceeds the original  
5 liability or the liability as later amended, such excess  
6 may be carried forward and applied to the tax liability of  
7 the 5 taxable years following the excess credit year. The  
8 credit shall be applied to the earliest year for which  
9 there is a liability. If there is credit from more than one  
10 tax year that is available to offset a liability, the  
11 credit accruing first in time shall be applied first.

12 Changes made in this subdivision (h) (1) by Public Act  
13 88-670 restore changes made by Public Act 85-1182 and  
14 reflect existing law.

15 (2) The term qualified property means property which:

16 (A) is tangible, whether new or used, including  
17 buildings and structural components of buildings;

18 (B) is depreciable pursuant to Section 167 of the  
19 Internal Revenue Code, except that "3-year property"  
20 as defined in Section 168(c) (2) (A) of that Code is not  
21 eligible for the credit provided by this subsection  
22 (h);

23 (C) is acquired by purchase as defined in Section  
24 179(d) of the Internal Revenue Code; and

25 (D) is not eligible for the Enterprise Zone  
26 Investment Credit provided by subsection (f) of this

1 Section.

2 (3) The basis of qualified property shall be the basis  
3 used to compute the depreciation deduction for federal  
4 income tax purposes.

5 (4) If the basis of the property for federal income tax  
6 depreciation purposes is increased after it has been placed  
7 in service in a federally designated Foreign Trade Zone or  
8 Sub-Zone located in Illinois by the taxpayer, the amount of  
9 such increase shall be deemed property placed in service on  
10 the date of such increase in basis.

11 (5) The term "placed in service" shall have the same  
12 meaning as under Section 46 of the Internal Revenue Code.

13 (6) If during any taxable year ending on or before  
14 December 31, 1996, any property ceases to be qualified  
15 property in the hands of the taxpayer within 48 months  
16 after being placed in service, or the situs of any  
17 qualified property is moved outside Illinois within 48  
18 months after being placed in service, the tax imposed under  
19 subsections (a) and (b) of this Section for such taxable  
20 year shall be increased. Such increase shall be determined  
21 by (i) recomputing the investment credit which would have  
22 been allowed for the year in which credit for such property  
23 was originally allowed by eliminating such property from  
24 such computation, and (ii) subtracting such recomputed  
25 credit from the amount of credit previously allowed. For  
26 the purposes of this paragraph (6), a reduction of the

1 basis of qualified property resulting from a  
2 redetermination of the purchase price shall be deemed a  
3 disposition of qualified property to the extent of such  
4 reduction.

5 (7) Beginning with tax years ending after December 31,  
6 1996, if a taxpayer qualifies for the credit under this  
7 subsection (h) and thereby is granted a tax abatement and  
8 the taxpayer relocates its entire facility in violation of  
9 the explicit terms and length of the contract under Section  
10 18-183 of the Property Tax Code, the tax imposed under  
11 subsections (a) and (b) of this Section shall be increased  
12 for the taxable year in which the taxpayer relocated its  
13 facility by an amount equal to the amount of credit  
14 received by the taxpayer under this subsection (h).

15 (i) Credit for Personal Property Tax Replacement Income  
16 Tax. For tax years ending prior to December 31, 2003, a credit  
17 shall be allowed against the tax imposed by subsections (a) and  
18 (b) of this Section for the tax imposed by subsections (c) and  
19 (d) of this Section. This credit shall be computed by  
20 multiplying the tax imposed by subsections (c) and (d) of this  
21 Section by a fraction, the numerator of which is base income  
22 allocable to Illinois and the denominator of which is Illinois  
23 base income, and further multiplying the product by the tax  
24 rate imposed by subsections (a) and (b) of this Section.

25 Any credit earned on or after December 31, 1986 under this  
26 subsection which is unused in the year the credit is computed

1 because it exceeds the tax liability imposed by subsections (a)  
2 and (b) for that year (whether it exceeds the original  
3 liability or the liability as later amended) may be carried  
4 forward and applied to the tax liability imposed by subsections  
5 (a) and (b) of the 5 taxable years following the excess credit  
6 year, provided that no credit may be carried forward to any  
7 year ending on or after December 31, 2003. This credit shall be  
8 applied first to the earliest year for which there is a  
9 liability. If there is a credit under this subsection from more  
10 than one tax year that is available to offset a liability the  
11 earliest credit arising under this subsection shall be applied  
12 first.

13 If, during any taxable year ending on or after December 31,  
14 1986, the tax imposed by subsections (c) and (d) of this  
15 Section for which a taxpayer has claimed a credit under this  
16 subsection (i) is reduced, the amount of credit for such tax  
17 shall also be reduced. Such reduction shall be determined by  
18 recomputing the credit to take into account the reduced tax  
19 imposed by subsections (c) and (d). If any portion of the  
20 reduced amount of credit has been carried to a different  
21 taxable year, an amended return shall be filed for such taxable  
22 year to reduce the amount of credit claimed.

23 (j) Training expense credit. Beginning with tax years  
24 ending on or after December 31, 1986 and prior to December 31,  
25 2003, a taxpayer shall be allowed a credit against the tax  
26 imposed by subsections (a) and (b) under this Section for all

1 amounts paid or accrued, on behalf of all persons employed by  
2 the taxpayer in Illinois or Illinois residents employed outside  
3 of Illinois by a taxpayer, for educational or vocational  
4 training in semi-technical or technical fields or semi-skilled  
5 or skilled fields, which were deducted from gross income in the  
6 computation of taxable income. The credit against the tax  
7 imposed by subsections (a) and (b) shall be 1.6% of such  
8 training expenses. For partners, shareholders of subchapter S  
9 corporations, and owners of limited liability companies, if the  
10 liability company is treated as a partnership for purposes of  
11 federal and State income taxation, there shall be allowed a  
12 credit under this subsection (j) to be determined in accordance  
13 with the determination of income and distributive share of  
14 income under Sections 702 and 704 and subchapter S of the  
15 Internal Revenue Code.

16 Any credit allowed under this subsection which is unused in  
17 the year the credit is earned may be carried forward to each of  
18 the 5 taxable years following the year for which the credit is  
19 first computed until it is used. This credit shall be applied  
20 first to the earliest year for which there is a liability. If  
21 there is a credit under this subsection from more than one tax  
22 year that is available to offset a liability the earliest  
23 credit arising under this subsection shall be applied first. No  
24 carryforward credit may be claimed in any tax year ending on or  
25 after December 31, 2003.

26 (k) Research and development credit. For tax years ending



1 after July 1, 1990 and prior to December 31, 2003, and  
2 beginning again for tax years ending on or after December 31,  
3 ~~2004, and ending prior to January 1, 2016,~~ a taxpayer shall be  
4 allowed a credit against the tax imposed by subsections (a) and  
5 (b) of this Section for increasing research activities in this  
6 State. The credit allowed against the tax imposed by  
7 subsections (a) and (b) shall be equal to 6 1/2% of the  
8 qualifying expenditures for increasing research activities in  
9 this State. For partners, shareholders of subchapter S  
10 corporations, and owners of limited liability companies, if the  
11 liability company is treated as a partnership for purposes of  
12 federal and State income taxation, there shall be allowed a  
13 credit under this subsection to be determined in accordance  
14 with the determination of income and distributive share of  
15 income under Sections 702 and 704 and subchapter S of the  
16 Internal Revenue Code.

17 For purposes of this subsection, "qualifying expenditures"  
18 means the qualifying expenditures as defined for the federal  
19 credit for increasing research activities which would be  
20 allowable under Section 41 of the Internal Revenue Code and  
21 which are conducted in this State, "qualifying expenditures for  
22 increasing research activities in this State" means the excess  
23 of qualifying expenditures for the taxable year in which  
24 incurred over qualifying expenditures for the base period,  
25 "qualifying expenditures for the base period" means (i) for tax  
26 years ending prior to December 31, 2017, the average of the

1 qualifying expenditures for each year in the base period; and  
2 (ii) for tax years ending on or after December 31, 2017, 50% of  
3 the average of the qualifying expenditures for each year in the  
4 base period, and "base period" means the 3 taxable years  
5 immediately preceding the taxable year for which the  
6 determination is being made.

7 Any credit in excess of the tax liability for the taxable  
8 year may be carried forward. A taxpayer may elect to have the  
9 unused credit shown on its final completed return carried over  
10 as a credit against the tax liability for the following 5  
11 taxable years or until it has been fully used, whichever occurs  
12 first; provided that no credit earned in a tax year ending  
13 prior to December 31, 2003 may be carried forward to any year  
14 ending on or after December 31, 2003.

15 If an unused credit is carried forward to a given year from  
16 2 or more earlier years, that credit arising in the earliest  
17 year will be applied first against the tax liability for the  
18 given year. If a tax liability for the given year still  
19 remains, the credit from the next earliest year will then be  
20 applied, and so on, until all credits have been used or no tax  
21 liability for the given year remains. Any remaining unused  
22 credit or credits then will be carried forward to the next  
23 following year in which a tax liability is incurred, except  
24 that no credit can be carried forward to a year which is more  
25 than 5 years after the year in which the expense for which the  
26 credit is given was incurred.

1 No inference shall be drawn from this amendatory Act of the  
2 91st General Assembly in construing this Section for taxable  
3 years beginning before January 1, 1999.

4 This subsection (k) is exempt from the provisions of  
5 Section 250.

6 It is the intent of the General Assembly that the research  
7 and development credit under this subsection (k) shall apply  
8 continuously for all tax years ending on or after December 31,  
9 2004, including, but not limited to, the period beginning on  
10 January 1, 2016 and ending on the effective date of this  
11 amendatory Act of the 100th General Assembly. All actions taken  
12 in reliance on the continuation of the credit under this  
13 subsection (k) by any taxpayer are hereby validated.

14 (l) Environmental Remediation Tax Credit.

15 (i) For tax years ending after December 31, 1997 and on  
16 or before December 31, 2001, a taxpayer shall be allowed a  
17 credit against the tax imposed by subsections (a) and (b)  
18 of this Section for certain amounts paid for unreimbursed  
19 eligible remediation costs, as specified in this  
20 subsection. For purposes of this Section, "unreimbursed  
21 eligible remediation costs" means costs approved by the  
22 Illinois Environmental Protection Agency ("Agency") under  
23 Section 58.14 of the Environmental Protection Act that were  
24 paid in performing environmental remediation at a site for  
25 which a No Further Remediation Letter was issued by the  
26 Agency and recorded under Section 58.10 of the

1 Environmental Protection Act. The credit must be claimed  
2 for the taxable year in which Agency approval of the  
3 eligible remediation costs is granted. The credit is not  
4 available to any taxpayer if the taxpayer or any related  
5 party caused or contributed to, in any material respect, a  
6 release of regulated substances on, in, or under the site  
7 that was identified and addressed by the remedial action  
8 pursuant to the Site Remediation Program of the  
9 Environmental Protection Act. After the Pollution Control  
10 Board rules are adopted pursuant to the Illinois  
11 Administrative Procedure Act for the administration and  
12 enforcement of Section 58.9 of the Environmental  
13 Protection Act, determinations as to credit availability  
14 for purposes of this Section shall be made consistent with  
15 those rules. For purposes of this Section, "taxpayer"  
16 includes a person whose tax attributes the taxpayer has  
17 succeeded to under Section 381 of the Internal Revenue Code  
18 and "related party" includes the persons disallowed a  
19 deduction for losses by paragraphs (b), (c), and (f)(1) of  
20 Section 267 of the Internal Revenue Code by virtue of being  
21 a related taxpayer, as well as any of its partners. The  
22 credit allowed against the tax imposed by subsections (a)  
23 and (b) shall be equal to 25% of the unreimbursed eligible  
24 remediation costs in excess of \$100,000 per site, except  
25 that the \$100,000 threshold shall not apply to any site  
26 contained in an enterprise zone as determined by the

1 Department of Commerce and Community Affairs (now  
2 Department of Commerce and Economic Opportunity). The  
3 total credit allowed shall not exceed \$40,000 per year with  
4 a maximum total of \$150,000 per site. For partners and  
5 shareholders of subchapter S corporations, there shall be  
6 allowed a credit under this subsection to be determined in  
7 accordance with the determination of income and  
8 distributive share of income under Sections 702 and 704 and  
9 subchapter S of the Internal Revenue Code.

10 (ii) A credit allowed under this subsection that is  
11 unused in the year the credit is earned may be carried  
12 forward to each of the 5 taxable years following the year  
13 for which the credit is first earned until it is used. The  
14 term "unused credit" does not include any amounts of  
15 unreimbursed eligible remediation costs in excess of the  
16 maximum credit per site authorized under paragraph (i).  
17 This credit shall be applied first to the earliest year for  
18 which there is a liability. If there is a credit under this  
19 subsection from more than one tax year that is available to  
20 offset a liability, the earliest credit arising under this  
21 subsection shall be applied first. A credit allowed under  
22 this subsection may be sold to a buyer as part of a sale of  
23 all or part of the remediation site for which the credit  
24 was granted. The purchaser of a remediation site and the  
25 tax credit shall succeed to the unused credit and remaining  
26 carry-forward period of the seller. To perfect the

1 transfer, the assignor shall record the transfer in the  
2 chain of title for the site and provide written notice to  
3 the Director of the Illinois Department of Revenue of the  
4 assignor's intent to sell the remediation site and the  
5 amount of the tax credit to be transferred as a portion of  
6 the sale. In no event may a credit be transferred to any  
7 taxpayer if the taxpayer or a related party would not be  
8 eligible under the provisions of subsection (i).

9 (iii) For purposes of this Section, the term "site"  
10 shall have the same meaning as under Section 58.2 of the  
11 Environmental Protection Act.

12 (m) Education expense credit. Beginning with tax years  
13 ending after December 31, 1999, a taxpayer who is the custodian  
14 of one or more qualifying pupils shall be allowed a credit  
15 against the tax imposed by subsections (a) and (b) of this  
16 Section for qualified education expenses incurred on behalf of  
17 the qualifying pupils. The credit shall be equal to 25% of  
18 qualified education expenses, but in no event may the total  
19 credit under this subsection claimed by a family that is the  
20 custodian of qualifying pupils exceed (i) \$500 for tax years  
21 ending prior to December 31, 2017, and (ii) \$750 for tax years  
22 ending on or after December 31, 2017. In no event shall a  
23 credit under this subsection reduce the taxpayer's liability  
24 under this Act to less than zero. Notwithstanding any other  
25 provision of law, for taxable years beginning on or after  
26 January 1, 2018, no taxpayer may claim a credit under this

1 subsection (m) if the taxpayer's adjusted gross income for the  
2 taxable year exceeds (i) \$500,000, in the case of spouses  
3 filing a joint federal tax return or (ii) \$250,000, in the case  
4 of all other taxpayers. This subsection is exempt from the  
5 provisions of Section 250 of this Act.

6 For purposes of this subsection:

7 "Qualifying pupils" means individuals who (i) are  
8 residents of the State of Illinois, (ii) are under the age of  
9 21 at the close of the school year for which a credit is  
10 sought, and (iii) during the school year for which a credit is  
11 sought were full-time pupils enrolled in a kindergarten through  
12 twelfth grade education program at any school, as defined in  
13 this subsection.

14 "Qualified education expense" means the amount incurred on  
15 behalf of a qualifying pupil in excess of \$250 for tuition,  
16 book fees, and lab fees at the school in which the pupil is  
17 enrolled during the regular school year.

18 "School" means any public or nonpublic elementary or  
19 secondary school in Illinois that is in compliance with Title  
20 VI of the Civil Rights Act of 1964 and attendance at which  
21 satisfies the requirements of Section 26-1 of the School Code,  
22 except that nothing shall be construed to require a child to  
23 attend any particular public or nonpublic school to qualify for  
24 the credit under this Section.

25 "Custodian" means, with respect to qualifying pupils, an  
26 Illinois resident who is a parent, the parents, a legal

1 guardian, or the legal guardians of the qualifying pupils.

2 (n) River Edge Redevelopment Zone site remediation tax  
3 credit.

4 (i) For tax years ending on or after December 31, 2006,  
5 a taxpayer shall be allowed a credit against the tax  
6 imposed by subsections (a) and (b) of this Section for  
7 certain amounts paid for unreimbursed eligible remediation  
8 costs, as specified in this subsection. For purposes of  
9 this Section, "unreimbursed eligible remediation costs"  
10 means costs approved by the Illinois Environmental  
11 Protection Agency ("Agency") under Section 58.14a of the  
12 Environmental Protection Act that were paid in performing  
13 environmental remediation at a site within a River Edge  
14 Redevelopment Zone for which a No Further Remediation  
15 Letter was issued by the Agency and recorded under Section  
16 58.10 of the Environmental Protection Act. The credit must  
17 be claimed for the taxable year in which Agency approval of  
18 the eligible remediation costs is granted. The credit is  
19 not available to any taxpayer if the taxpayer or any  
20 related party caused or contributed to, in any material  
21 respect, a release of regulated substances on, in, or under  
22 the site that was identified and addressed by the remedial  
23 action pursuant to the Site Remediation Program of the  
24 Environmental Protection Act. Determinations as to credit  
25 availability for purposes of this Section shall be made  
26 consistent with rules adopted by the Pollution Control



1 Board pursuant to the Illinois Administrative Procedure  
2 Act for the administration and enforcement of Section 58.9  
3 of the Environmental Protection Act. For purposes of this  
4 Section, "taxpayer" includes a person whose tax attributes  
5 the taxpayer has succeeded to under Section 381 of the  
6 Internal Revenue Code and "related party" includes the  
7 persons disallowed a deduction for losses by paragraphs  
8 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
9 Code by virtue of being a related taxpayer, as well as any  
10 of its partners. The credit allowed against the tax imposed  
11 by subsections (a) and (b) shall be equal to 25% of the  
12 unreimbursed eligible remediation costs in excess of  
13 \$100,000 per site.

14 (ii) A credit allowed under this subsection that is  
15 unused in the year the credit is earned may be carried  
16 forward to each of the 5 taxable years following the year  
17 for which the credit is first earned until it is used. This  
18 credit shall be applied first to the earliest year for  
19 which there is a liability. If there is a credit under this  
20 subsection from more than one tax year that is available to  
21 offset a liability, the earliest credit arising under this  
22 subsection shall be applied first. A credit allowed under  
23 this subsection may be sold to a buyer as part of a sale of  
24 all or part of the remediation site for which the credit  
25 was granted. The purchaser of a remediation site and the  
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the  
2 transfer, the assignor shall record the transfer in the  
3 chain of title for the site and provide written notice to  
4 the Director of the Illinois Department of Revenue of the  
5 assignor's intent to sell the remediation site and the  
6 amount of the tax credit to be transferred as a portion of  
7 the sale. In no event may a credit be transferred to any  
8 taxpayer if the taxpayer or a related party would not be  
9 eligible under the provisions of subsection (i).

10 (iii) For purposes of this Section, the term "site"  
11 shall have the same meaning as under Section 58.2 of the  
12 Environmental Protection Act.

13 (o) For each of taxable years during the Compassionate Use  
14 of Medical Cannabis Pilot Program, a surcharge is imposed on  
15 all taxpayers on income arising from the sale or exchange of  
16 capital assets, depreciable business property, real property  
17 used in the trade or business, and Section 197 intangibles of  
18 an organization registrant under the Compassionate Use of  
19 Medical Cannabis Pilot Program Act. The amount of the surcharge  
20 is equal to the amount of federal income tax liability for the  
21 taxable year attributable to those sales and exchanges. The  
22 surcharge imposed does not apply if:

23 (1) the medical cannabis cultivation center  
24 registration, medical cannabis dispensary registration, or  
25 the property of a registration is transferred as a result  
26 of any of the following:

1 (A) bankruptcy, a receivership, or a debt  
2 adjustment initiated by or against the initial  
3 registration or the substantial owners of the initial  
4 registration;

5 (B) cancellation, revocation, or termination of  
6 any registration by the Illinois Department of Public  
7 Health;

8 (C) a determination by the Illinois Department of  
9 Public Health that transfer of the registration is in  
10 the best interests of Illinois qualifying patients as  
11 defined by the Compassionate Use of Medical Cannabis  
12 Pilot Program Act;

13 (D) the death of an owner of the equity interest in  
14 a registrant;

15 (E) the acquisition of a controlling interest in  
16 the stock or substantially all of the assets of a  
17 publicly traded company;

18 (F) a transfer by a parent company to a wholly  
19 owned subsidiary; or

20 (G) the transfer or sale to or by one person to  
21 another person where both persons were initial owners  
22 of the registration when the registration was issued;  
23 or

24 (2) the cannabis cultivation center registration,  
25 medical cannabis dispensary registration, or the  
26 controlling interest in a registrant's property is

1 transferred in a transaction to lineal descendants in which  
2 no gain or loss is recognized or as a result of a  
3 transaction in accordance with Section 351 of the Internal  
4 Revenue Code in which no gain or loss is recognized.

5 (Source: P.A. 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905,  
6 eff. 8-7-12; 98-109, eff. 7-25-13; 98-122, eff. 1-1-14; 98-756,  
7 eff. 7-16-14.)

8 (35 ILCS 5/222)

9 Sec. 222. Live theater production credit.

10 (a) For tax years beginning on or after January 1, 2012 and  
11 beginning prior to January 1, 2027, a taxpayer who has received  
12 a tax credit award under the Live Theater Production Tax Credit  
13 Act is entitled to a credit against the taxes imposed under  
14 subsections (a) and (b) of Section 201 of this Act in an amount  
15 determined under that Act by the Department of Commerce and  
16 Economic Opportunity.

17 (b) If the taxpayer is a partnership, limited liability  
18 partnership, limited liability company, or Subchapter S  
19 corporation, the tax credit award is allowed to the partners,  
20 unit holders, or shareholders in accordance with the  
21 determination of income and distributive share of income under  
22 Sections 702 and 704 and Subchapter S of the Internal Revenue  
23 Code.

24 (c) A sale, assignment, or transfer of the tax credit award  
25 may be made by the taxpayer earning the credit within one year

1 after the credit is awarded in accordance with rules adopted by  
2 the Department of Commerce and Economic Opportunity.

3 (d) The Department of Revenue, in cooperation with the  
4 Department of Commerce and Economic Opportunity, shall adopt  
5 rules to enforce and administer the provisions of this Section.

6 (e) The tax credit award may not be carried back. If the  
7 amount of the credit exceeds the tax liability for the year,  
8 the excess may be carried forward and applied to the tax  
9 liability of the 5 tax years following the excess credit year.  
10 The tax credit award shall be applied to the earliest year for  
11 which there is a tax liability. If there are credits from more  
12 than one tax year that are available to offset liability, the  
13 earlier credit shall be applied first. In no event may a credit  
14 under this Section reduce the taxpayer's liability to less than  
15 zero.

16 (Source: P.A. 97-636, eff. 6-1-12.)

17 (35 ILCS 5/225 new)

18 Sec. 225. Credit for instructional materials and supplies.  
19 For taxable years beginning on and after January 1, 2017, a  
20 taxpayer shall be allowed a credit in the amount paid by the  
21 taxpayer during the taxable year for instructional materials  
22 and supplies with respect to classroom based instruction in a  
23 qualified school, or \$250, whichever is less, provided that the  
24 taxpayer is a teacher, instructor, counselor, principal, or  
25 aide in a qualified school for at least 900 hours during a

1 school year.

2 The credit may not be carried back and may not reduce the  
3 taxpayer's liability to less than zero. If the amount of the  
4 credit exceeds the tax liability for the year, the excess may  
5 be carried forward and applied to the tax liability of the 5  
6 taxable years following the excess credit year. The tax credit  
7 shall be applied to the earliest year for which there is a tax  
8 liability. If there are credits for more than one year that are  
9 available to offset a liability, the earlier credit shall be  
10 applied first.

11 For purposes of this Section, the term "materials and  
12 supplies" means amounts paid for instructional materials or  
13 supplies that are designated for classroom use in any qualified  
14 school. For purposes of this Section, the term "qualified  
15 school" means a public school or non-public school located in  
16 Illinois.

17 This Section is exempt from the provisions of Section 250.

18 Section 10. The Film Production Services Tax Credit Act of  
19 2008 is amended by changing Section 42 as follows:

20 (35 ILCS 16/42)

21 Sec. 42. Sunset of credits. The application of credits  
22 awarded pursuant to this Act shall be limited by a reasonable  
23 and appropriate sunset date. A taxpayer shall not be entitled  
24 to take a credit awarded pursuant to this Act for tax years

1 beginning on or after January 1, 2027 ~~10 years after the~~  
2 ~~effective date of this amendatory Act of the 97th General~~  
3 ~~Assembly. After the initial 10 year sunset, the General~~  
4 ~~Assembly may extend the sunset date by 5 year intervals.~~

5 (Source: P.A. 97-2, eff. 5-6-11; 97-3, eff. 5-6-11.)

6 Section 15. The Illinois False Claims Act is amended by  
7 changing Section 3 as follows:

8 (740 ILCS 175/3) (from Ch. 127, par. 4103)

9 Sec. 3. False claims.

10 (a) Liability for certain acts.

11 (1) In general, any person who:

12 (A) knowingly presents, or causes to be presented,  
13 a false or fraudulent claim for payment or approval;

14 (B) knowingly makes, uses, or causes to be made or  
15 used, a false record or statement material to a false  
16 or fraudulent claim;

17 (C) conspires to commit a violation of  
18 subparagraph (A), (B), (D), (E), (F), or (G);

19 (D) has possession, custody, or control of  
20 property or money used, or to be used, by the State and  
21 knowingly delivers, or causes to be delivered, less  
22 than all the money or property;

23 (E) is authorized to make or deliver a document  
24 certifying receipt of property used, or to be used, by

1 the State and, intending to defraud the State, makes or  
2 delivers the receipt without completely knowing that  
3 the information on the receipt is true;

4 (F) knowingly buys, or receives as a pledge of an  
5 obligation or debt, public property from an officer or  
6 employee of the State, or a member of the Guard, who  
7 lawfully may not sell or pledge property; or

8 (G) knowingly makes, uses, or causes to be made or  
9 used, a false record or statement material to an  
10 obligation to pay or transmit money or property to the  
11 State, or knowingly conceals or knowingly and  
12 improperly avoids or decreases an obligation to pay or  
13 transmit money or property to the State,

14 is liable to the State for a civil penalty of not less than  
15 \$5,500 and not more than \$11,000, plus 3 times the amount  
16 of damages which the State sustains because of the act of  
17 that person. The penalties in this Section are intended to  
18 be remedial rather than punitive, and shall not preclude,  
19 nor be precluded by, a criminal prosecution for the same  
20 conduct.

21 (2) A person violating this subsection shall also be  
22 liable to the State for the costs of a civil action brought  
23 to recover any such penalty or damages.

24 (b) Definitions. For purposes of this Section:

25 (1) The terms "knowing" and "knowingly":

26 (A) mean that a person, with respect to



1 information:

2 (i) has actual knowledge of the information;

3 (ii) acts in deliberate ignorance of the truth  
4 or falsity of the information; or

5 (iii) acts in reckless disregard of the truth  
6 or falsity of the information, and

7 (B) require no proof of specific intent to defraud.

8 (2) The term "claim":

9 (A) means any request or demand, whether under a  
10 contract or otherwise, for money or property and  
11 whether or not the State has title to the money or  
12 property, that

13 (i) is presented to an officer, employee, or  
14 agent of the State; or

15 (ii) is made to a contractor, grantee, or other  
16 recipient, if the money or property is to be spent  
17 or used on the State's behalf or to advance a State  
18 program or interest, and if the State:

19 (I) provides or has provided any portion  
20 of the money or property requested or demanded;  
21 or

22 (II) will reimburse such contractor,  
23 grantee, or other recipient for any portion of  
24 the money or property which is requested or  
25 demanded; and

26 (B) does not include requests or demands for money

1 or property that the State has paid to an individual as  
2 compensation for State employment or as an income  
3 subsidy with no restrictions on that individual's use  
4 of the money or property.

5 (3) The term "obligation" means an established duty,  
6 whether or not fixed, arising from an express or implied  
7 contractual, grantor-grantee, or licensor-licensee  
8 relationship, from a fee-based or similar relationship,  
9 from statute or regulation, or from the retention of any  
10 overpayment.

11 (4) The term "material" means having a natural tendency  
12 to influence, or be capable of influencing, the payment or  
13 receipt of money or property.

14 (c) Exclusion. This Section does not apply to any taxes  
15 imposed, collected, or administered by the State of Illinois  
16 ~~claims, records, or statements made under the Illinois Income~~  
17 ~~Tax Act.~~

18 (Source: P.A. 95-128, eff. 1-1-08; 96-1304, eff. 7-27-10.)

19 Section 20. The Limited Liability Company Act is amended by  
20 changing Section 50-10 as follows:

21 (805 ILCS 180/50-10)

22 (Text of Section before amendment by P.A. 99-637)

23 Sec. 50-10. Fees.

24 (a) The Secretary of State shall charge and collect in

1 accordance with the provisions of this Act and rules  
2 promulgated under its authority all of the following:

3 (1) Fees for filing documents.

4 (2) Miscellaneous charges.

5 (3) Fees for the sale of lists of filings and for  
6 copies of any documents.

7 (b) The Secretary of State shall charge and collect for all  
8 of the following:

9 (1) Filing articles of organization (domestic),  
10 application for admission (foreign), and restated articles  
11 of organization (domestic), \$39 ~~\$500~~. Notwithstanding the  
12 foregoing, the fee for filing articles of organization  
13 (domestic), application for admission (foreign), and  
14 restated articles of organization (domestic) in connection  
15 with a limited liability company with ability to establish  
16 series pursuant to Section 37-40 of this Act is \$59 ~~\$750~~.

17 (2) Filing articles of amendment or an amended  
18 application for admission, \$150.

19 (3) Filing articles of dissolution or application for  
20 withdrawal, \$100.

21 (4) Filing an application to reserve a name, \$300.

22 (5) Filing a notice of cancellation of a reserved name,  
23 \$100.

24 (6) Filing a notice of a transfer of a reserved name,  
25 \$100.

26 (7) Registration of a name, \$300.

1 (8) Renewal of registration of a name, \$100.

2 (9) Filing an application for use of an assumed name  
3 under Section 1-20 of this Act, \$150 for each year or part  
4 thereof ending in 0 or 5, \$120 for each year or part  
5 thereof ending in 1 or 6, \$90 for each year or part thereof  
6 ending in 2 or 7, \$60 for each year or part thereof ending  
7 in 3 or 8, \$30 for each year or part thereof ending in 4 or  
8 9, and a renewal for each assumed name, \$150.

9 (10) Filing an application for change or cancellation  
10 of an assumed name, \$100.

11 (11) Filing an annual report of a limited liability  
12 company or foreign limited liability company, \$250, if  
13 filed as required by this Act, plus a penalty if  
14 delinquent. Notwithstanding the foregoing, the fee for  
15 filing an annual report of a limited liability company or  
16 foreign limited liability company with ability to  
17 establish series is \$250 plus \$50 for each series for which  
18 a certificate of designation has been filed pursuant to  
19 Section 37-40 of this Act and active on the last day of the  
20 third month preceding the company's anniversary month,  
21 plus a penalty if delinquent.

22 (12) Filing an application for reinstatement of a  
23 limited liability company or foreign limited liability  
24 company \$500.

25 (13) Filing Articles of Merger, \$100 plus \$50 for each  
26 party to the merger in excess of the first 2 parties.

1           (14) Filing an Agreement of Conversion or Statement of  
2 Conversion, \$100.

3           (15) Filing a statement of change of address of  
4 registered office or change of registered agent, or both,  
5 or filing a statement of correction, \$25.

6           (16) Filing a petition for refund, \$15.

7           (17) Filing any other document, \$100.

8           (18) Filing a certificate of designation of a limited  
9 liability company with the ability to establish series  
10 pursuant to Section 37-40 of this Act, \$50.

11           (c) The Secretary of State shall charge and collect all of  
12 the following:

13           (1) For furnishing a copy or certified copy of any  
14 document, instrument, or paper relating to a limited  
15 liability company or foreign limited liability company, or  
16 for a certificate, \$25.

17           (2) For the transfer of information by computer process  
18 media to any purchaser, fees established by rule.

19 (Source: P.A. 97-839, eff. 7-20-12.)

20           (Text of Section after amendment by P.A. 99-637)

21           Sec. 50-10. Fees.

22           (a) The Secretary of State shall charge and collect in  
23 accordance with the provisions of this Act and rules  
24 promulgated under its authority all of the following:

25           (1) Fees for filing documents.

1 (2) Miscellaneous charges.

2 (3) Fees for the sale of lists of filings and for  
3 copies of any documents.

4 (b) The Secretary of State shall charge and collect for all  
5 of the following:

6 (1) Filing articles of organization (domestic),  
7 application for admission (foreign), and restated articles  
8 of organization (domestic), \$39 ~~\$500~~. Notwithstanding the  
9 foregoing, the fee for filing articles of organization  
10 (domestic), application for admission (foreign), and  
11 restated articles of organization (domestic) in connection  
12 with a limited liability company with a series or the  
13 ability to establish a series pursuant to Section 37-40 of  
14 this Act is \$59 ~~\$750~~.

15 (2) Filing amendments (domestic or foreign), \$150.

16 (3) Filing a statement of termination or application  
17 for withdrawal, \$25.

18 (4) Filing an application to reserve a name, \$300.

19 (5) Filing a notice of cancellation of a reserved name,  
20 \$100.

21 (6) Filing a notice of a transfer of a reserved name,  
22 \$100.

23 (7) Registration of a name, \$300.

24 (8) Renewal of registration of a name, \$100.

25 (9) Filing an application for use of an assumed name  
26 under Section 1-20 of this Act, \$150 for each year or part

1           thereof ending in 0 or 5, \$120 for each year or part  
2           thereof ending in 1 or 6, \$90 for each year or part thereof  
3           ending in 2 or 7, \$60 for each year or part thereof ending  
4           in 3 or 8, \$30 for each year or part thereof ending in 4 or  
5           9, and a renewal for each assumed name, \$150.

6           (10) Filing an application for change or cancellation  
7           of an assumed name, \$100.

8           (11) Filing an annual report of a limited liability  
9           company or foreign limited liability company, \$250, if  
10          filed as required by this Act, plus a penalty if  
11          delinquent. Notwithstanding the foregoing, the fee for  
12          filing an annual report of a limited liability company or  
13          foreign limited liability company is \$250 plus \$50 for each  
14          series for which a certificate of designation has been  
15          filed pursuant to Section 37-40 of this Act and is in  
16          effect on the last day of the third month preceding the  
17          company's anniversary month, plus a penalty if delinquent.

18          (12) Filing an application for reinstatement of a  
19          limited liability company or foreign limited liability  
20          company \$500.

21          (13) Filing articles of merger, \$100 plus \$50 for each  
22          party to the merger in excess of the first 2 parties.

23          (14) Filing articles of conversion, \$100.

24          (15) Filing a statement of change of address of  
25          registered office or change of registered agent, or both,  
26          or filing a statement of correction, \$25.

1 (16) Filing a petition for refund, \$15.

2 (17) Filing a certificate of designation of a limited  
3 liability company with a series pursuant to Section 37-40  
4 of this Act, \$50.

5 (18) Filing articles of domestication, \$100.

6 (19) Filing, amending, or cancelling a statement of  
7 authority, \$50.

8 (20) Filing, amending, or cancelling a statement of  
9 denial, \$10.

10 (21) Filing any other document, \$100.

11 (c) The Secretary of State shall charge and collect all of  
12 the following:

13 (1) For furnishing a copy or certified copy of any  
14 document, instrument, or paper relating to a limited  
15 liability company or foreign limited liability company, or  
16 for a certificate, \$25.

17 (2) For the transfer of information by computer process  
18 media to any purchaser, fees established by rule.

19 (Source: P.A. 99-637, eff. 7-1-17.)

20 Section 95. No acceleration or delay. Where this Act makes  
21 changes in a statute that is represented in this Act by text  
22 that is not yet or no longer in effect (for example, a Section  
23 represented by multiple versions), the use of that text does  
24 not accelerate or delay the taking effect of (i) the changes  
25 made by this Act or (ii) provisions derived from any other



1 Public Act.

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