

# HB2251



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2251

by Rep. Thaddeus Jones

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Provides that each taxpayer who (i) was a resident of another State, (ii) first became a resident of Illinois in a taxable year beginning on or after January 1, 2019, (iii) agrees to reside in Illinois for a period of at least 10 consecutive years, and (iv) applies to the Department of Revenue for a new resident income tax credit is entitled to an income tax credit in the amount of \$15,000 per year. Provides for recapture if the taxpayer fails to reside in the State for a period of at least 10 consecutive years after being approved for a credit by the Department. Provides that the credit is exempt from the Act's automatic sunset. Effective immediately.

LRB101 07118 HLH 52155 b

FISCAL NOTE ACT  
MAY APPLY

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 adding  
5 Section 229 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. New resident credit.

8 (a) Each taxpayer who (i) was a resident of another State,  
9 (ii) first became a resident of Illinois in a taxable year  
10 beginning on or after January 1, 2019, (iii) agrees to reside  
11 in Illinois for a period of at least 10 consecutive years, and  
12 (iv) applies to the Department for a tax credit under this  
13 Section is entitled to a credit against the tax imposed by  
14 subsections (a) and (b) of Section 201 in the amount of \$15,000  
15 per year. The Department may approve no more than than 50,000  
16 applications under this Section. In the case of spouses filing  
17 a joint return, each spouse must separately qualify under this  
18 subsection (a), and both spouses together shall be considered a  
19 single taxpayer for the purpose of calculating the maximum  
20 number of applications under this Section.

21 (b) The tax credit award may not be carried back. If the  
22 amount of the credit exceeds the tax liability for the year,  
23 the excess may be carried forward and applied to the tax

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

8 (c) If the taxpayer fails to reside in the State for a  
9 period of at least 10 consecutive years after being approved  
10 for a credit by the Department under this Section, except in  
11 the case of death or disability of the taxpayer, the Department  
12 shall seek to recapture from the taxpayer the entire credit  
13 amount awarded to the taxpayer prior to the date he or she  
14 relocated.

15 (d) This Section is exempt from the provisions of Section  
16 250.

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.