

SB3725



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB3725

Introduced 2/14/2020, by Sen. Chuck Weaver

SYNOPSIS AS INTRODUCED:

35 ILCS 5/201

Amends the Illinois Income Tax Act. Provides that the personal property tax replacement income tax credit for investments in qualified property applies for costs incurred on or after the effective date and on or before December 31, 2024 (currently, December 31, 2018). Effective immediately.

LRB101 19787 HLH 69298 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
5 changing Section 201 as follows:

6 (35 ILCS 5/201)

7 (Text of Section before amendment by P.A. 101-8)

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

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

23 (2) In the case of an individual, trust or estate, for

1 taxable years beginning prior to July 1, 1989 and ending
2 after June 30, 1989, an amount equal to the sum of (i) 2
3 1/2% of the taxpayer's net income for the period prior to
4 July 1, 1989, as calculated under Section 202.3, and (ii)
5 3% of the taxpayer's net income for the period after June
6 30, 1989, as calculated under Section 202.3.

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

11 (4) In the case of an individual, trust, or estate, for
12 taxable years beginning prior to January 1, 2011, and
13 ending after December 31, 2010, an amount equal to the sum
14 of (i) 3% of the taxpayer's net income for the period prior
15 to January 1, 2011, as calculated under Section 202.5, and
16 (ii) 5% of the taxpayer's net income for the period after
17 December 31, 2010, as calculated under Section 202.5.

18 (5) In the case of an individual, trust, or estate, for
19 taxable years beginning on or after January 1, 2011, and
20 ending prior to January 1, 2015, an amount equal to 5% of
21 the taxpayer's net income for the taxable year.

22 (5.1) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2015, and
24 ending after December 31, 2014, an amount equal to the sum
25 of (i) 5% of the taxpayer's net income for the period prior
26 to January 1, 2015, as calculated under Section 202.5, and

1 (ii) 3.75% of the taxpayer's net income for the period
2 after December 31, 2014, as calculated under Section 202.5.

3 (5.2) In the case of an individual, trust, or estate,
4 for taxable years beginning on or after January 1, 2015,
5 and ending prior to July 1, 2017, an amount equal to 3.75%
6 of the taxpayer's net income for the taxable year.

7 (5.3) In the case of an individual, trust, or estate,
8 for taxable years beginning prior to July 1, 2017, and
9 ending after June 30, 2017, an amount equal to the sum of
10 (i) 3.75% of the taxpayer's net income for the period prior
11 to July 1, 2017, as calculated under Section 202.5, and
12 (ii) 4.95% of the taxpayer's net income for the period
13 after June 30, 2017, as calculated under Section 202.5.

14 (5.4) In the case of an individual, trust, or estate,
15 for taxable years beginning on or after July 1, 2017, an
16 amount equal to 4.95% of the taxpayer's net income for the
17 taxable year.

18 (6) In the case of a corporation, for taxable years
19 ending prior to July 1, 1989, an amount equal to 4% of the
20 taxpayer's net income for the taxable year.

21 (7) In the case of a corporation, for taxable years
22 beginning prior to July 1, 1989 and ending after June 30,
23 1989, an amount equal to the sum of (i) 4% of the
24 taxpayer's net income for the period prior to July 1, 1989,
25 as calculated under Section 202.3, and (ii) 4.8% of the
26 taxpayer's net income for the period after June 30, 1989,

1 as calculated under Section 202.3.

2 (8) In the case of a corporation, for taxable years
3 beginning after June 30, 1989, and ending prior to January
4 1, 2011, an amount equal to 4.8% of the taxpayer's net
5 income for the taxable year.

6 (9) In the case of a corporation, for taxable years
7 beginning prior to January 1, 2011, and ending after
8 December 31, 2010, an amount equal to the sum of (i) 4.8%
9 of the taxpayer's net income for the period prior to
10 January 1, 2011, as calculated under Section 202.5, and
11 (ii) 7% of the taxpayer's net income for the period after
12 December 31, 2010, as calculated under Section 202.5.

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

17 (11) In the case of a corporation, for taxable years
18 beginning prior to January 1, 2015, and ending after
19 December 31, 2014, an amount equal to the sum of (i) 7% of
20 the taxpayer's net income for the period prior to January
21 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
22 of the taxpayer's net income for the period after December
23 31, 2014, as calculated under Section 202.5.

24 (12) In the case of a corporation, for taxable years
25 beginning on or after January 1, 2015, and ending prior to
26 July 1, 2017, an amount equal to 5.25% of the taxpayer's

1 net income for the taxable year.

2 (13) In the case of a corporation, for taxable years
3 beginning prior to July 1, 2017, and ending after June 30,
4 2017, an amount equal to the sum of (i) 5.25% of the
5 taxpayer's net income for the period prior to July 1, 2017,
6 as calculated under Section 202.5, and (ii) 7% of the
7 taxpayer's net income for the period after June 30, 2017,
8 as calculated under Section 202.5.

9 (14) In the case of a corporation, for taxable years
10 beginning on or after July 1, 2017, an amount equal to 7%
11 of the taxpayer's net income for the taxable year.

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

14 (b-5) Surcharge; sale or exchange of assets, properties,
15 and intangibles of organization gaming licensees. For each of
16 taxable years 2019 through 2027, a surcharge is imposed on all
17 taxpayers on income arising from the sale or exchange of
18 capital assets, depreciable business property, real property
19 used in the trade or business, and Section 197 intangibles (i)
20 of an organization licensee under the Illinois Horse Racing Act
21 of 1975 and (ii) of an organization gaming licensee under the
22 Illinois Gambling Act. The amount of the surcharge is equal to
23 the amount of federal income tax liability for the taxable year
24 attributable to those sales and exchanges. The surcharge
25 imposed shall not apply if:

26 (1) the organization gaming license, organization

1 license, or racetrack property is transferred as a result
2 of any of the following:

3 (A) bankruptcy, a receivership, or a debt
4 adjustment initiated by or against the initial
5 licensee or the substantial owners of the initial
6 licensee;

7 (B) cancellation, revocation, or termination of
8 any such license by the Illinois Gaming Board or the
9 Illinois Racing Board;

10 (C) a determination by the Illinois Gaming Board
11 that transfer of the license is in the best interests
12 of Illinois gaming;

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

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 license when the license was issued; or

23 (2) the controlling interest in the organization
24 gaming license, organization license, or racetrack
25 property is transferred in a transaction to lineal
26 descendants in which no gain or loss is recognized or as a

1 result of a transaction in accordance with Section 351 of
2 the Internal Revenue Code in which no gain or loss is
3 recognized; or

4 (3) live horse racing was not conducted in 2010 at a
5 racetrack located within 3 miles of the Mississippi River
6 under a license issued pursuant to the Illinois Horse
7 Racing Act of 1975.

8 The transfer of an organization gaming license,
9 organization license, or racetrack property by a person other
10 than the initial licensee to receive the organization gaming
11 license is not subject to a surcharge. The Department shall
12 adopt rules necessary to implement and administer this
13 subsection.

14 (c) Personal Property Tax Replacement Income Tax.
15 Beginning on July 1, 1979 and thereafter, in addition to such
16 income tax, there is also hereby imposed the Personal Property
17 Tax Replacement Income Tax measured by net income on every
18 corporation (including Subchapter S corporations), partnership
19 and trust, for each taxable year ending after June 30, 1979.
20 Such taxes are imposed on the privilege of earning or receiving
21 income in or as a resident of this State. The Personal Property
22 Tax Replacement Income Tax shall be in addition to the income
23 tax imposed by subsections (a) and (b) of this Section and in
24 addition to all other occupation or privilege taxes imposed by
25 this State or by any municipal corporation or political
26 subdivision thereof.

1 (d) Additional Personal Property Tax Replacement Income
2 Tax Rates. The personal property tax replacement income tax
3 imposed by this subsection and subsection (c) of this Section
4 in the case of a corporation, other than a Subchapter S
5 corporation and except as adjusted by subsection (d-1), shall
6 be an additional amount equal to 2.85% of such taxpayer's net
7 income for the taxable year, except that beginning on January
8 1, 1981, and thereafter, the rate of 2.85% specified in this
9 subsection shall be reduced to 2.5%, and in the case of a
10 partnership, trust or a Subchapter S corporation shall be an
11 additional amount equal to 1.5% of such taxpayer's net income
12 for the taxable year.

13 (d-1) Rate reduction for certain foreign insurers. In the
14 case of a foreign insurer, as defined by Section 35A-5 of the
15 Illinois Insurance Code, whose state or country of domicile
16 imposes on insurers domiciled in Illinois a retaliatory tax
17 (excluding any insurer whose premiums from reinsurance assumed
18 are 50% or more of its total insurance premiums as determined
19 under paragraph (2) of subsection (b) of Section 304, except
20 that for purposes of this determination premiums from
21 reinsurance do not include premiums from inter-affiliate
22 reinsurance arrangements), beginning with taxable years ending
23 on or after December 31, 1999, the sum of the rates of tax
24 imposed by subsections (b) and (d) shall be reduced (but not
25 increased) to the rate at which the total amount of tax imposed
26 under this Act, net of all credits allowed under this Act,

1 shall equal (i) the total amount of tax that would be imposed
2 on the foreign insurer's net income allocable to Illinois for
3 the taxable year by such foreign insurer's state or country of
4 domicile if that net income were subject to all income taxes
5 and taxes measured by net income imposed by such foreign
6 insurer's state or country of domicile, net of all credits
7 allowed or (ii) a rate of zero if no such tax is imposed on such
8 income by the foreign insurer's state of domicile. For the
9 purposes of this subsection (d-1), an inter-affiliate includes
10 a mutual insurer under common management.

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

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

17 (B) the privilege tax imposed by Section 409 of the
18 Illinois Insurance Code, the fire insurance company
19 tax imposed by Section 12 of the Fire Investigation
20 Act, and the fire department taxes imposed under
21 Section 11-10-1 of the Illinois Municipal Code,

22 equals 1.25% for taxable years ending prior to December 31,
23 2003, or 1.75% for taxable years ending on or after
24 December 31, 2003, of the net taxable premiums written for
25 the taxable year, as described by subsection (1) of Section
26 409 of the Illinois Insurance Code. This paragraph will in

1 no event increase the rates imposed under subsections (b)
2 and (d).

3 (2) Any reduction in the rates of tax imposed by this
4 subsection shall be applied first against the rates imposed
5 by subsection (b) and only after the tax imposed by
6 subsection (a) net of all credits allowed under this
7 Section other than the credit allowed under subsection (i)
8 has been reduced to zero, against the rates imposed by
9 subsection (d).

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

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

15 (1) A taxpayer shall be allowed a credit equal to .5%
16 of the basis of qualified property placed in service during
17 the taxable year, provided such property is placed in
18 service on or after July 1, 1984. There shall be allowed an
19 additional credit equal to .5% of the basis of qualified
20 property placed in service during the taxable year,
21 provided such property is placed in service on or after
22 July 1, 1986, and the taxpayer's base employment within
23 Illinois has increased by 1% or more over the preceding
24 year as determined by the taxpayer's employment records
25 filed with the Illinois Department of Employment Security.
26 Taxpayers who are new to Illinois shall be deemed to have

1 met the 1% growth in base employment for the first year in
2 which they file employment records with the Illinois
3 Department of Employment Security. The provisions added to
4 this Section by Public Act 85-1200 (and restored by Public
5 Act 87-895) shall be construed as declaratory of existing
6 law and not as a new enactment. If, in any year, the
7 increase in base employment within Illinois over the
8 preceding year is less than 1%, the additional credit shall
9 be limited to that percentage times a fraction, the
10 numerator of which is .5% and the denominator of which is
11 1%, but shall not exceed .5%. The investment credit shall
12 not be allowed to the extent that it would reduce a
13 taxpayer's liability in any tax year below zero, nor may
14 any credit for qualified property be allowed for any year
15 other than the year in which the property was placed in
16 service in Illinois. For tax years ending on or after
17 December 31, 1987, and on or before December 31, 1988, the
18 credit shall be allowed for the tax year in which the
19 property is placed in service, or, if the amount of the
20 credit exceeds the tax liability for that year, whether it
21 exceeds the original liability or the liability as later
22 amended, such excess may be carried forward and applied to
23 the tax liability of the 5 taxable years following the
24 excess credit years if the taxpayer (i) makes investments
25 which cause the creation of a minimum of 2,000 full-time
26 equivalent jobs in Illinois, (ii) is located in an

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

21 (2) The term "qualified property" means property
22 which:

23 (A) is tangible, whether new or used, including
24 buildings and structural components of buildings and
25 signs that are real property, but not including land or
26 improvements to real property that are not a structural

1 component of a building such as landscaping, sewer
2 lines, local access roads, fencing, parking lots, and
3 other appurtenances;

4 (B) is depreciable pursuant to Section 167 of the
5 Internal Revenue Code, except that "3-year property"
6 as defined in Section 168(c)(2)(A) of that Code is not
7 eligible for the credit provided by this subsection
8 (e);

9 (C) is acquired by purchase as defined in Section
10 179(d) of the Internal Revenue Code;

11 (D) is used in Illinois by a taxpayer who is
12 primarily engaged in manufacturing, or in mining coal
13 or fluorite, or in retailing, or was placed in service
14 on or after July 1, 2006 in a River Edge Redevelopment
15 Zone established pursuant to the River Edge
16 Redevelopment Zone Act; and

17 (E) has not previously been used in Illinois in
18 such a manner and by such a person as would qualify for
19 the credit provided by this subsection (e) or
20 subsection (f).

21 (3) For purposes of this subsection (e),
22 "manufacturing" means the material staging and production
23 of tangible personal property by procedures commonly
24 regarded as manufacturing, processing, fabrication, or
25 assembling which changes some existing material into new
26 shapes, new qualities, or new combinations. For purposes of

1 this subsection (e) the term "mining" shall have the same
2 meaning as the term "mining" in Section 613(c) of the
3 Internal Revenue Code. For purposes of this subsection (e),
4 the term "retailing" means the sale of tangible personal
5 property for use or consumption and not for resale, or
6 services rendered in conjunction with the sale of tangible
7 personal property for use or consumption and not for
8 resale. For purposes of this subsection (e), "tangible
9 personal property" has the same meaning as when that term
10 is used in the Retailers' Occupation Tax Act, and, for
11 taxable years ending after December 31, 2008, does not
12 include the generation, transmission, or distribution of
13 electricity.

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

17 (5) If the basis of the property for federal income tax
18 depreciation purposes is increased after it has been placed
19 in service in Illinois by the taxpayer, the amount of such
20 increase shall be deemed property placed in service on the
21 date of such increase in basis.

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

24 (7) If during any taxable year, any property ceases to
25 be qualified property in the hands of the taxpayer within
26 48 months after being placed in service, or the situs of

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

14 (8) Unless the investment credit is extended by law,
15 the basis of qualified property shall not include costs
16 incurred (i) after December 31, 2018 and prior to the
17 effective date of this amendatory Act of the 101st General
18 Assembly or (ii) after December 31, 2024, except for costs
19 incurred pursuant to a binding contract entered into on or
20 before December 31, 2018 or costs incurred pursuant to a
21 binding contract entered into on or after the effective
22 date of this amendatory Act of the 101st General Assembly
23 but on or before December 31, 2024.

24 (9) Each taxable year ending before December 31, 2000,
25 a partnership may elect to pass through to its partners the
26 credits to which the partnership is entitled under this

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

14 For taxable years ending on or after December 31, 2000,
15 a partner that qualifies its partnership for a subtraction
16 under subparagraph (I) of paragraph (2) of subsection (d)
17 of Section 203 or a shareholder that qualifies a Subchapter
18 S corporation for a subtraction under subparagraph (S) of
19 paragraph (2) of subsection (b) of Section 203 shall be
20 allowed a credit under this subsection (e) equal to its
21 share of the credit earned under this subsection (e) during
22 the taxable year by the partnership or Subchapter S
23 corporation, determined in accordance with the
24 determination of income and distributive share of income
25 under Sections 702 and 704 and Subchapter S of the Internal
26 Revenue Code. This paragraph is exempt from the provisions

1 of Section 250.

2 (f) Investment credit; Enterprise Zone; River Edge
3 Redevelopment Zone.

4 (1) A taxpayer shall be allowed a credit against the
5 tax imposed by subsections (a) and (b) of this Section for
6 investment in qualified property which is placed in service
7 in an Enterprise Zone created pursuant to the Illinois
8 Enterprise Zone Act or, for property placed in service on
9 or after July 1, 2006, a River Edge Redevelopment Zone
10 established pursuant to the River Edge Redevelopment Zone
11 Act. For partners, shareholders of Subchapter S
12 corporations, and owners of limited liability companies,
13 if the liability company is treated as a partnership for
14 purposes of federal and State income taxation, there shall
15 be allowed a credit under this subsection (f) to be
16 determined in accordance with the determination of income
17 and distributive share of income under Sections 702 and 704
18 and Subchapter S of the Internal Revenue Code. The credit
19 shall be .5% of the basis for such property. The credit
20 shall be available only in the taxable year in which the
21 property is placed in service in the Enterprise Zone or
22 River Edge Redevelopment Zone and shall not be allowed to
23 the extent that it would reduce a taxpayer's liability for
24 the tax imposed by subsections (a) and (b) of this Section
25 to below zero. For tax years ending on or after December
26 31, 1985, the credit shall be allowed for the tax year in

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

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

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

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

19 (C) is acquired by purchase as defined in Section
20 179(d) of the Internal Revenue Code;

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

23 (E) has not been previously used in Illinois in
24 such a manner and by such a person as would qualify for
25 the credit provided by this subsection (f) or
26 subsection (e).

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

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

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

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

1 purchase price shall be deemed a disposition of qualified
2 property to the extent of such reduction.

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

20 (8) For taxable years beginning on or after January 1,
21 2021, there shall be allowed an Enterprise Zone
22 construction jobs credit against the taxes imposed under
23 subsections (a) and (b) of this Section as provided in
24 Section 13 of the Illinois Enterprise Zone Act.

25 The credit or credits may not reduce the taxpayer's
26 liability to less than zero. If the amount of the credit or

1 credits exceeds the taxpayer's liability, the excess may be
2 carried forward and applied against the taxpayer's
3 liability in succeeding calendar years in the same manner
4 provided under paragraph (4) of Section 211 of this Act.
5 The credit or credits shall be applied to the earliest year
6 for which there is a tax liability. If there are credits
7 from more than one taxable year that are available to
8 offset a liability, the earlier credit shall be applied
9 first.

10 For partners, shareholders of Subchapter S
11 corporations, and owners of limited liability companies,
12 if the liability company is treated as a partnership for
13 the purposes of federal and State income taxation, there
14 shall be allowed a credit under this Section to be
15 determined in accordance with the determination of income
16 and distributive share of income under Sections 702 and 704
17 and Subchapter S of the Internal Revenue Code.

18 The total aggregate amount of credits awarded under the
19 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
20 ~~amendatory Act of the 101st General Assembly~~) shall not
21 exceed \$20,000,000 in any State fiscal year.

22 This paragraph (8) is exempt from the provisions of
23 Section 250.

24 (g) (Blank).

25 (h) Investment credit; High Impact Business.

26 (1) Subject to subsections (b) and (b-5) of Section 5.5

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

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

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

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

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

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

24 (C) is acquired by purchase as defined in Section
25 179(d) of the Internal Revenue Code; and

26 (D) is not eligible for the Enterprise Zone

1 Investment Credit provided by subsection (f) of this
2 Section.

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

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

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

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

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

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

16 (h-5) High Impact Business construction ~~constructions~~ jobs
17 credit. For taxable years beginning on or after January 1,
18 2021, there shall also be allowed a High Impact Business
19 construction jobs credit against the tax imposed under
20 subsections (a) and (b) of this Section as provided in
21 subsections (i) and (j) of Section 5.5 of the Illinois
22 Enterprise Zone Act.

23 The credit or credits may not reduce the taxpayer's
24 liability to less than zero. If the amount of the credit or
25 credits exceeds the taxpayer's liability, the excess may be
26 carried forward and applied against the taxpayer's liability in

1 succeeding calendar years in the manner provided under
2 paragraph (4) of Section 211 of this Act. The credit or credits
3 shall be applied to the earliest year for which there is a tax
4 liability. If there are credits from more than one taxable year
5 that are available to offset a liability, the earlier credit
6 shall be applied first.

7 For partners, shareholders of Subchapter S corporations,
8 and owners of limited liability companies, if the liability
9 company is treated as a partnership for the purposes of federal
10 and State income taxation, there shall be allowed a credit
11 under this Section to be determined in accordance with the
12 determination of income and distributive share of income under
13 Sections 702 and 704 and Subchapter S of the Internal Revenue
14 Code.

15 The total aggregate amount of credits awarded under the
16 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
17 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
18 \$20,000,000 in any State fiscal year.

19 This subsection (h-5) is exempt from the provisions of
20 Section 250.

21 (i) Credit for Personal Property Tax Replacement Income
22 Tax. For tax years ending prior to December 31, 2003, a credit
23 shall be allowed against the tax imposed by subsections (a) and
24 (b) of this Section for the tax imposed by subsections (c) and
25 (d) of this Section. This credit shall be computed by
26 multiplying the tax imposed by subsections (c) and (d) of this

1 Section by a fraction, the numerator of which is base income
2 allocable to Illinois and the denominator of which is Illinois
3 base income, and further multiplying the product by the tax
4 rate imposed by subsections (a) and (b) of this Section.

5 Any credit earned on or after December 31, 1986 under this
6 subsection which is unused in the year the credit is computed
7 because it exceeds the tax liability imposed by subsections (a)
8 and (b) for that year (whether it exceeds the original
9 liability or the liability as later amended) may be carried
10 forward and applied to the tax liability imposed by subsections
11 (a) and (b) of the 5 taxable years following the excess credit
12 year, provided that no credit may be carried forward to any
13 year ending on or after December 31, 2003. This credit shall be
14 applied first to the earliest year for which there is a
15 liability. If there is a credit under this subsection from more
16 than one tax year that is available to offset a liability the
17 earliest credit arising under this subsection shall be applied
18 first.

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

1 taxable year, an amended return shall be filed for such taxable
2 year to reduce the amount of credit claimed.

3 (j) Training expense credit. Beginning with tax years
4 ending on or after December 31, 1986 and prior to December 31,
5 2003, a taxpayer shall be allowed a credit against the tax
6 imposed by subsections (a) and (b) under this Section for all
7 amounts paid or accrued, on behalf of all persons employed by
8 the taxpayer in Illinois or Illinois residents employed outside
9 of Illinois by a taxpayer, for educational or vocational
10 training in semi-technical or technical fields or semi-skilled
11 or skilled fields, which were deducted from gross income in the
12 computation of taxable income. The credit against the tax
13 imposed by subsections (a) and (b) shall be 1.6% of such
14 training expenses. For partners, shareholders of subchapter S
15 corporations, and owners of limited liability companies, if the
16 liability company is treated as a partnership for purposes of
17 federal and State income taxation, there shall be allowed a
18 credit under this subsection (j) to be determined in accordance
19 with the determination of income and distributive share of
20 income under Sections 702 and 704 and subchapter S of the
21 Internal Revenue Code.

22 Any credit allowed under this subsection which is unused in
23 the year the credit is earned may be carried forward to each of
24 the 5 taxable years following the year for which the credit is
25 first computed until it is used. This credit shall be applied
26 first to the earliest year for which there is a liability. If

1 there is a credit under this subsection from more than one tax
2 year that is available to offset a liability, the earliest
3 credit arising under this subsection shall be applied first. No
4 carryforward credit may be claimed in any tax year ending on or
5 after December 31, 2003.

6 (k) Research and development credit. For tax years ending
7 after July 1, 1990 and prior to December 31, 2003, and
8 beginning again for tax years ending on or after December 31,
9 2004, and ending prior to January 1, 2027, a taxpayer shall be
10 allowed a credit against the tax imposed by subsections (a) and
11 (b) of this Section for increasing research activities in this
12 State. The credit allowed against the tax imposed by
13 subsections (a) and (b) shall be equal to 6 1/2% of the
14 qualifying expenditures for increasing research activities in
15 this State. For partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies, if the
17 liability company is treated as a partnership for purposes of
18 federal and State income taxation, there shall be allowed a
19 credit under this subsection to be determined in accordance
20 with the determination of income and distributive share of
21 income under Sections 702 and 704 and subchapter S of the
22 Internal Revenue Code.

23 For purposes of this subsection, "qualifying expenditures"
24 means the qualifying expenditures as defined for the federal
25 credit for increasing research activities which would be
26 allowable under Section 41 of the Internal Revenue Code and

1 which are conducted in this State, "qualifying expenditures for
2 increasing research activities in this State" means the excess
3 of qualifying expenditures for the taxable year in which
4 incurred over qualifying expenditures for the base period,
5 "qualifying expenditures for the base period" means the average
6 of the qualifying expenditures for each year in the base
7 period, and "base period" means the 3 taxable years immediately
8 preceding the taxable year for which the determination is being
9 made.

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

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

1 that no credit can be carried forward to a year which is more
2 than 5 years after the year in which the expense for which the
3 credit is given was incurred.

4 No inference shall be drawn from Public Act 91-644 ~~this~~
5 ~~amendatory Act of the 91st General Assembly~~ in construing this
6 Section for taxable years beginning before January 1, 1999.

7 It is the intent of the General Assembly that the research
8 and development credit under this subsection (k) shall apply
9 continuously for all tax years ending on or after December 31,
10 2004 and ending prior to January 1, 2027, including, but not
11 limited to, the period beginning on January 1, 2016 and ending
12 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
13 ~~amendatory Act of the 100th General Assembly~~. All actions taken
14 in reliance on the continuation of the credit under this
15 subsection (k) by any taxpayer are hereby validated.

16 (l) Environmental Remediation Tax Credit.

17 (i) For tax years ending after December 31, 1997 and on
18 or before December 31, 2001, a taxpayer shall be allowed a
19 credit against the tax imposed by subsections (a) and (b)
20 of this Section for certain amounts paid for unreimbursed
21 eligible remediation costs, as specified in this
22 subsection. For purposes of this Section, "unreimbursed
23 eligible remediation costs" means costs approved by the
24 Illinois Environmental Protection Agency ("Agency") under
25 Section 58.14 of the Environmental Protection Act that were
26 paid in performing environmental remediation at a site for

1 which a No Further Remediation Letter was issued by the
2 Agency and recorded under Section 58.10 of the
3 Environmental Protection Act. The credit must be claimed
4 for the taxable year in which Agency approval of the
5 eligible remediation costs is granted. The credit is not
6 available to any taxpayer if the taxpayer or any related
7 party caused or contributed to, in any material respect, a
8 release of regulated substances on, in, or under the site
9 that was identified and addressed by the remedial action
10 pursuant to the Site Remediation Program of the
11 Environmental Protection Act. After the Pollution Control
12 Board rules are adopted pursuant to the Illinois
13 Administrative Procedure Act for the administration and
14 enforcement of Section 58.9 of the Environmental
15 Protection Act, determinations as to credit availability
16 for purposes of this Section shall be made consistent with
17 those rules. For purposes of this Section, "taxpayer"
18 includes a person whose tax attributes the taxpayer has
19 succeeded to under Section 381 of the Internal Revenue Code
20 and "related party" includes the persons disallowed a
21 deduction for losses by paragraphs (b), (c), and (f)(1) of
22 Section 267 of the Internal Revenue Code by virtue of being
23 a related taxpayer, as well as any of its partners. The
24 credit allowed against the tax imposed by subsections (a)
25 and (b) shall be equal to 25% of the unreimbursed eligible
26 remediation costs in excess of \$100,000 per site, except

1 that the \$100,000 threshold shall not apply to any site
2 contained in an enterprise zone as determined by the
3 Department of Commerce and Community Affairs (now
4 Department of Commerce and Economic Opportunity). The
5 total credit allowed shall not exceed \$40,000 per year with
6 a maximum total of \$150,000 per site. For partners and
7 shareholders of subchapter S corporations, there shall be
8 allowed a credit under this subsection to be determined in
9 accordance with the determination of income and
10 distributive share of income under Sections 702 and 704 and
11 subchapter S of the Internal Revenue Code.

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

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

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

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

1 provision of law, for taxable years beginning on or after
2 January 1, 2017, no taxpayer may claim a credit under this
3 subsection (m) if the taxpayer's adjusted gross income for the
4 taxable year exceeds (i) \$500,000, in the case of spouses
5 filing a joint federal tax return or (ii) \$250,000, in the case
6 of all other taxpayers. This subsection is exempt from the
7 provisions of Section 250 of this Act.

8 For purposes of this subsection:

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

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

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

1 "Custodian" means, with respect to qualifying pupils, an
2 Illinois resident who is a parent, the parents, a legal
3 guardian, or the legal guardians of the qualifying pupils.

4 (n) River Edge Redevelopment Zone site remediation tax
5 credit.

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

1 availability for purposes of this Section shall be made
2 consistent with rules adopted by the Pollution Control
3 Board pursuant to the Illinois Administrative Procedure
4 Act for the administration and enforcement of Section 58.9
5 of the Environmental Protection Act. For purposes of this
6 Section, "taxpayer" includes a person whose tax attributes
7 the taxpayer has succeeded to under Section 381 of the
8 Internal Revenue Code and "related party" includes the
9 persons disallowed a deduction for losses by paragraphs
10 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
11 Code by virtue of being a related taxpayer, as well as any
12 of its partners. The credit allowed against the tax imposed
13 by subsections (a) and (b) shall be equal to 25% of the
14 unreimbursed eligible remediation costs in excess of
15 \$100,000 per site.

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

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

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

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

25 (1) the medical cannabis cultivation center
26 registration, medical cannabis dispensary registration, or

1 the property of a registration is transferred as a result
2 of any of the following:

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

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

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

15 (D) the death of an owner of the equity interest in
16 a registrant;

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

20 (F) a transfer by a parent company to a wholly
21 owned subsidiary; or

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

26 (2) the cannabis cultivation center registration,

1 medical cannabis dispensary registration, or the
2 controlling interest in a registrant's property is
3 transferred in a transaction to lineal descendants in which
4 no gain or loss is recognized or as a result of a
5 transaction in accordance with Section 351 of the Internal
6 Revenue Code in which no gain or loss is recognized.

7 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,
8 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
9 revised 9-17-19.)

10 (Text of Section after amendment by P.A. 101-8)

11 Sec. 201. Tax imposed.

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

19 (b) Rates. The tax imposed by subsection (a) of this
20 Section shall be determined as follows, except as adjusted by
21 subsection (d-1):

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

1 (2) In the case of an individual, trust or estate, for
2 taxable years beginning prior to July 1, 1989 and ending
3 after June 30, 1989, an amount equal to the sum of (i) 2
4 1/2% of the taxpayer's net income for the period prior to
5 July 1, 1989, as calculated under Section 202.3, and (ii)
6 3% of the taxpayer's net income for the period after June
7 30, 1989, as calculated under Section 202.3.

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

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

19 (5) In the case of an individual, trust, or estate, for
20 taxable years beginning on or after January 1, 2011, and
21 ending prior to January 1, 2015, an amount equal to 5% of
22 the taxpayer's net income for the taxable year.

23 (5.1) In the case of an individual, trust, or estate,
24 for taxable years beginning prior to January 1, 2015, and
25 ending after December 31, 2014, an amount equal to the sum
26 of (i) 5% of the taxpayer's net income for the period prior

1 to January 1, 2015, as calculated under Section 202.5, and
2 (ii) 3.75% of the taxpayer's net income for the period
3 after December 31, 2014, as calculated under Section 202.5.

4 (5.2) In the case of an individual, trust, or estate,
5 for taxable years beginning on or after January 1, 2015,
6 and ending prior to July 1, 2017, an amount equal to 3.75%
7 of the taxpayer's net income for the taxable year.

8 (5.3) In the case of an individual, trust, or estate,
9 for taxable years beginning prior to July 1, 2017, and
10 ending after June 30, 2017, an amount equal to the sum of
11 (i) 3.75% of the taxpayer's net income for the period prior
12 to July 1, 2017, as calculated under Section 202.5, and
13 (ii) 4.95% of the taxpayer's net income for the period
14 after June 30, 2017, as calculated under Section 202.5.

15 (5.4) In the case of an individual, trust, or estate,
16 for taxable years beginning on or after July 1, 2017 and
17 beginning prior to January 1, 2021, an amount equal to
18 4.95% of the taxpayer's net income for the taxable year.

19 (5.5) In the case of an individual, trust, or estate,
20 for taxable years beginning on or after January 1, 2021, an
21 amount calculated under the rate structure set forth in
22 Section 201.1.

23 (6) In the case of a corporation, for taxable years
24 ending prior to July 1, 1989, an amount equal to 4% of the
25 taxpayer's net income for the taxable year.

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

1 beginning prior to July 1, 1989 and ending after June 30,
2 1989, an amount equal to the sum of (i) 4% of the
3 taxpayer's net income for the period prior to July 1, 1989,
4 as calculated under Section 202.3, and (ii) 4.8% of the
5 taxpayer's net income for the period after June 30, 1989,
6 as calculated under Section 202.3.

7 (8) In the case of a corporation, for taxable years
8 beginning after June 30, 1989, and ending prior to January
9 1, 2011, an amount equal to 4.8% of the taxpayer's net
10 income for the taxable year.

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

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

22 (11) In the case of a corporation, for taxable years
23 beginning prior to January 1, 2015, and ending after
24 December 31, 2014, an amount equal to the sum of (i) 7% of
25 the taxpayer's net income for the period prior to January
26 1, 2015, as calculated under Section 202.5, and (ii) 5.25%

1 of the taxpayer's net income for the period after December
2 31, 2014, as calculated under Section 202.5.

3 (12) In the case of a corporation, for taxable years
4 beginning on or after January 1, 2015, and ending prior to
5 July 1, 2017, an amount equal to 5.25% of the taxpayer's
6 net income for the taxable year.

7 (13) In the case of a corporation, for taxable years
8 beginning prior to July 1, 2017, and ending after June 30,
9 2017, an amount equal to the sum of (i) 5.25% of the
10 taxpayer's net income for the period prior to July 1, 2017,
11 as calculated under Section 202.5, and (ii) 7% of the
12 taxpayer's net income for the period after June 30, 2017,
13 as calculated under Section 202.5.

14 (14) In the case of a corporation, for taxable years
15 beginning on or after July 1, 2017 and beginning prior to
16 January 1, 2021, an amount equal to 7% of the taxpayer's
17 net income for the taxable year.

18 (15) In the case of a corporation, for taxable years
19 beginning on or after January 1, 2021, an amount equal to
20 7.99% of the taxpayer's net income for the taxable year.

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

23 (b-5) Surcharge; sale or exchange of assets, properties,
24 and intangibles of organization gaming licensees. For each of
25 taxable years 2019 through 2027, a surcharge is imposed on all
26 taxpayers on income arising from the sale or exchange of

1 capital assets, depreciable business property, real property
2 used in the trade or business, and Section 197 intangibles (i)
3 of an organization licensee under the Illinois Horse Racing Act
4 of 1975 and (ii) of an organization gaming licensee under the
5 Illinois Gambling Act. The amount of the surcharge is equal to
6 the amount of federal income tax liability for the taxable year
7 attributable to those sales and exchanges. The surcharge
8 imposed shall not apply if:

9 (1) the organization gaming license, organization
10 license, or racetrack property is transferred as a result
11 of any of the following:

12 (A) bankruptcy, a receivership, or a debt
13 adjustment initiated by or against the initial
14 licensee or the substantial owners of the initial
15 licensee;

16 (B) cancellation, revocation, or termination of
17 any such license by the Illinois Gaming Board or the
18 Illinois Racing Board;

19 (C) a determination by the Illinois Gaming Board
20 that transfer of the license is in the best interests
21 of Illinois gaming;

22 (D) the death of an owner of the equity interest in
23 a licensee;

24 (E) the acquisition of a controlling interest in
25 the stock or substantially all of the assets of a
26 publicly traded company;

1 (F) a transfer by a parent company to a wholly
2 owned subsidiary; or

3 (G) the transfer or sale to or by one person to
4 another person where both persons were initial owners
5 of the license when the license was issued; or

6 (2) the controlling interest in the organization
7 gaming license, organization license, or racetrack
8 property is transferred in a transaction to lineal
9 descendants in which no gain or loss is recognized or as a
10 result of a transaction in accordance with Section 351 of
11 the Internal Revenue Code in which no gain or loss is
12 recognized; or

13 (3) live horse racing was not conducted in 2010 at a
14 racetrack located within 3 miles of the Mississippi River
15 under a license issued pursuant to the Illinois Horse
16 Racing Act of 1975.

17 The transfer of an organization gaming license,
18 organization license, or racetrack property by a person other
19 than the initial licensee to receive the organization gaming
20 license is not subject to a surcharge. The Department shall
21 adopt rules necessary to implement and administer this
22 subsection.

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

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

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

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

1 are 50% or more of its total insurance premiums as determined
2 under paragraph (2) of subsection (b) of Section 304, except
3 that for purposes of this determination premiums from
4 reinsurance do not include premiums from inter-affiliate
5 reinsurance arrangements), beginning with taxable years ending
6 on or after December 31, 1999, the sum of the rates of tax
7 imposed by subsections (b) and (d) shall be reduced (but not
8 increased) to the rate at which the total amount of tax imposed
9 under this Act, net of all credits allowed under this Act,
10 shall equal (i) the total amount of tax that would be imposed
11 on the foreign insurer's net income allocable to Illinois for
12 the taxable year by such foreign insurer's state or country of
13 domicile if that net income were subject to all income taxes
14 and taxes measured by net income imposed by such foreign
15 insurer's state or country of domicile, net of all credits
16 allowed or (ii) a rate of zero if no such tax is imposed on such
17 income by the foreign insurer's state of domicile. For the
18 purposes of this subsection (d-1), an inter-affiliate includes
19 a mutual insurer under common management.

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

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

26 (B) the privilege tax imposed by Section 409 of the

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

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

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

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

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

1 service on or after July 1, 1984. There shall be allowed an
2 additional credit equal to .5% of the basis of qualified
3 property placed in service during the taxable year,
4 provided such property is placed in service on or after
5 July 1, 1986, and the taxpayer's base employment within
6 Illinois has increased by 1% or more over the preceding
7 year as determined by the taxpayer's employment records
8 filed with the Illinois Department of Employment Security.
9 Taxpayers who are new to Illinois shall be deemed to have
10 met the 1% growth in base employment for the first year in
11 which they file employment records with the Illinois
12 Department of Employment Security. The provisions added to
13 this Section by Public Act 85-1200 (and restored by Public
14 Act 87-895) shall be construed as declaratory of existing
15 law and not as a new enactment. If, in any year, the
16 increase in base employment within Illinois over the
17 preceding year is less than 1%, the additional credit shall
18 be limited to that percentage times a fraction, the
19 numerator of which is .5% and the denominator of which is
20 1%, but shall not exceed .5%. The investment credit shall
21 not be allowed to the extent that it would reduce a
22 taxpayer's liability in any tax year below zero, nor may
23 any credit for qualified property be allowed for any year
24 other than the year in which the property was placed in
25 service in Illinois. For tax years ending on or after
26 December 31, 1987, and on or before December 31, 1988, the

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

1 liability. If there is credit from more than one tax year
2 that is available to offset a liability, earlier credit
3 shall be applied first.

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

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

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

18 (C) is acquired by purchase as defined in Section
19 179(d) of the Internal Revenue Code;

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

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

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

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

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

26 (5) If the basis of the property for federal income tax

1 depreciation purposes is increased after it has been placed
2 in service in Illinois by the taxpayer, the amount of such
3 increase shall be deemed property placed in service on the
4 date of such increase in basis.

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

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

23 (8) Unless the investment credit is extended by law,
24 the basis of qualified property shall not include costs
25 incurred (i) after December 31, 2018 and prior to the
26 effective date of this amendatory Act of the 101st General

1 Assembly or (ii) after December 31, 2024, except for costs
2 incurred pursuant to a binding contract entered into on or
3 before December 31, 2018 or costs incurred pursuant to a
4 binding contract entered into on or after the effective
5 date of this amendatory Act of the 101st General Assembly
6 but on or before December 31, 2024.

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

23 For taxable years ending on or after December 31, 2000,
24 a partner that qualifies its partnership for a subtraction
25 under subparagraph (I) of paragraph (2) of subsection (d)
26 of Section 203 or a shareholder that qualifies a Subchapter

1 S corporation for a subtraction under subparagraph (S) of
2 paragraph (2) of subsection (b) of Section 203 shall be
3 allowed a credit under this subsection (e) equal to its
4 share of the credit earned under this subsection (e) during
5 the taxable year by the partnership or Subchapter S
6 corporation, determined in accordance with the
7 determination of income and distributive share of income
8 under Sections 702 and 704 and Subchapter S of the Internal
9 Revenue Code. This paragraph is exempt from the provisions
10 of Section 250.

11 (f) Investment credit; Enterprise Zone; River Edge
12 Redevelopment Zone.

13 (1) A taxpayer shall be allowed a credit against the
14 tax imposed by subsections (a) and (b) of this Section for
15 investment in qualified property which is placed in service
16 in an Enterprise Zone created pursuant to the Illinois
17 Enterprise Zone Act or, for property placed in service on
18 or after July 1, 2006, a River Edge Redevelopment Zone
19 established pursuant to the River Edge Redevelopment Zone
20 Act. For partners, shareholders of Subchapter S
21 corporations, and owners of limited liability companies,
22 if the liability company is treated as a partnership for
23 purposes of federal and State income taxation, there shall
24 be allowed a credit under this subsection (f) to be
25 determined in accordance with the determination of income
26 and distributive share of income under Sections 702 and 704

1 and Subchapter S of the Internal Revenue Code. The credit
2 shall be .5% of the basis for such property. The credit
3 shall be available only in the taxable year in which the
4 property is placed in service in the Enterprise Zone or
5 River Edge Redevelopment Zone and shall not be allowed to
6 the extent that it would reduce a taxpayer's liability for
7 the tax imposed by subsections (a) and (b) of this Section
8 to below zero. For tax years ending on or after December
9 31, 1985, the credit shall be allowed for the tax year in
10 which the property is placed in service, or, if the amount
11 of the credit exceeds the tax liability for that year,
12 whether it exceeds the original liability or the liability
13 as later amended, such excess may be carried forward and
14 applied to the tax liability of the 5 taxable years
15 following the excess credit year. The credit shall be
16 applied to the earliest year for which there is a
17 liability. If there is credit from more than one tax year
18 that is available to offset a liability, the credit
19 accruing first in time shall be applied first.

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

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

23 (B) is depreciable pursuant to Section 167 of the
24 Internal Revenue Code, except that "3-year property"
25 as defined in Section 168(c)(2)(A) of that Code is not
26 eligible for the credit provided by this subsection

1 (f);

2 (C) is acquired by purchase as defined in Section
3 179(d) of the Internal Revenue Code;

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

6 (E) has not been previously used in Illinois in
7 such a manner and by such a person as would qualify for
8 the credit provided by this subsection (f) or
9 subsection (e).

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

13 (4) If the basis of the property for federal income tax
14 depreciation purposes is increased after it has been placed
15 in service in the Enterprise Zone or River Edge
16 Redevelopment Zone by the taxpayer, the amount of such
17 increase shall be deemed property placed in service on the
18 date of such increase in basis.

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

21 (6) If during any taxable year, any property ceases to
22 be qualified property in the hands of the taxpayer within
23 48 months after being placed in service, or the situs of
24 any qualified property is moved outside the Enterprise Zone
25 or River Edge Redevelopment Zone within 48 months after
26 being placed in service, the tax imposed under subsections

1 (a) and (b) of this Section for such taxable year shall be
2 increased. Such increase shall be determined by (i)
3 recomputing the investment credit which would have been
4 allowed for the year in which credit for such property was
5 originally allowed by eliminating such property from such
6 computation, and (ii) subtracting such recomputed credit
7 from the amount of credit previously allowed. For the
8 purposes of this paragraph (6), a reduction of the basis of
9 qualified property resulting from a redetermination of the
10 purchase price shall be deemed a disposition of qualified
11 property to the extent of such reduction.

12 (7) There shall be allowed an additional credit equal
13 to 0.5% of the basis of qualified property placed in
14 service during the taxable year in a River Edge
15 Redevelopment Zone, provided such property is placed in
16 service on or after July 1, 2006, and the taxpayer's base
17 employment within Illinois has increased by 1% or more over
18 the preceding year as determined by the taxpayer's
19 employment records filed with the Illinois Department of
20 Employment Security. Taxpayers who are new to Illinois
21 shall be deemed to have met the 1% growth in base
22 employment for the first year in which they file employment
23 records with the Illinois Department of Employment
24 Security. If, in any year, the increase in base employment
25 within Illinois over the preceding year is less than 1%,
26 the additional credit shall be limited to that percentage

1 times a fraction, the numerator of which is 0.5% and the
2 denominator of which is 1%, but shall not exceed 0.5%.

3 (8) For taxable years beginning on or after January 1,
4 2021, there shall be allowed an Enterprise Zone
5 construction jobs credit against the taxes imposed under
6 subsections (a) and (b) of this Section as provided in
7 Section 13 of the Illinois Enterprise Zone Act.

8 The credit or credits may not reduce the taxpayer's
9 liability to less than zero. If the amount of the credit or
10 credits exceeds the taxpayer's liability, the excess may be
11 carried forward and applied against the taxpayer's
12 liability in succeeding calendar years in the same manner
13 provided under paragraph (4) of Section 211 of this Act.
14 The credit or credits shall be applied to the earliest year
15 for which there is a tax liability. If there are credits
16 from more than one taxable year that are available to
17 offset a liability, the earlier credit shall be applied
18 first.

19 For partners, shareholders of Subchapter S
20 corporations, and owners of limited liability companies,
21 if the liability company is treated as a partnership for
22 the purposes of federal and State income taxation, there
23 shall be allowed a credit under this Section to be
24 determined in accordance with the determination of income
25 and distributive share of income under Sections 702 and 704
26 and Subchapter S of the Internal Revenue Code.

1 The total aggregate amount of credits awarded under the
2 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
3 ~~amendatory Act of the 101st General Assembly~~) shall not
4 exceed \$20,000,000 in any State fiscal year.

5 This paragraph (8) is exempt from the provisions of
6 Section 250.

7 (g) (Blank).

8 (h) Investment credit; High Impact Business.

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

1 credit applicable to such investments shall be taken in the
2 taxable year in which such investments have been completed.
3 The credit for additional investments beyond the minimum
4 investment by a designated high impact business authorized
5 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
6 Enterprise Zone Act shall be available only in the taxable
7 year in which the property is placed in service and shall
8 not be allowed to the extent that it would reduce a
9 taxpayer's liability for the tax imposed by subsections (a)
10 and (b) of this Section to below zero. For tax years ending
11 on or after December 31, 1987, the credit shall be allowed
12 for the tax year in which the property is placed in
13 service, or, if the amount of the credit exceeds the tax
14 liability for that year, whether it exceeds the original
15 liability or the liability as later amended, such excess
16 may be carried forward and applied to the tax liability of
17 the 5 taxable years following the excess credit year. The
18 credit shall be applied to the earliest year for which
19 there is a liability. If there is credit from more than one
20 tax year that is available to offset a liability, the
21 credit accruing first in time shall be applied first.

22 Changes made in this subdivision (h) (1) by Public Act
23 88-670 restore changes made by Public Act 85-1182 and
24 reflect existing law.

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

26 (A) is tangible, whether new or used, including

1 buildings and structural components of buildings;

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

7 (C) is acquired by purchase as defined in Section
8 179(d) of the Internal Revenue Code; and

9 (D) is not eligible for the Enterprise Zone
10 Investment Credit provided by subsection (f) of this
11 Section.

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

15 (4) If the basis of the property for federal income tax
16 depreciation purposes is increased after it has been placed
17 in service in a federally designated Foreign Trade Zone or
18 Sub-Zone located in Illinois by the taxpayer, the amount of
19 such increase shall be deemed property placed in service on
20 the date of such increase in basis.

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

23 (6) If during any taxable year ending on or before
24 December 31, 1996, any property ceases to be qualified
25 property in the hands of the taxpayer within 48 months
26 after being placed in service, or the situs of any

1 qualified property is moved outside Illinois within 48
2 months after being placed in service, the tax imposed under
3 subsections (a) and (b) of this Section for such taxable
4 year shall be increased. Such increase shall be determined
5 by (i) recomputing the investment credit which would have
6 been allowed for the year in which credit for such property
7 was originally allowed by eliminating such property from
8 such computation, and (ii) subtracting such recomputed
9 credit from the amount of credit previously allowed. For
10 the purposes of this paragraph (6), a reduction of the
11 basis of qualified property resulting from a
12 redetermination of the purchase price shall be deemed a
13 disposition of qualified property to the extent of such
14 reduction.

15 (7) Beginning with tax years ending after December 31,
16 1996, if a taxpayer qualifies for the credit under this
17 subsection (h) and thereby is granted a tax abatement and
18 the taxpayer relocates its entire facility in violation of
19 the explicit terms and length of the contract under Section
20 18-183 of the Property Tax Code, the tax imposed under
21 subsections (a) and (b) of this Section shall be increased
22 for the taxable year in which the taxpayer relocated its
23 facility by an amount equal to the amount of credit
24 received by the taxpayer under this subsection (h).

25 (h-5) High Impact Business construction ~~constructions~~ jobs
26 credit. For taxable years beginning on or after January 1,

1 2021, there shall also be allowed a High Impact Business
2 construction jobs credit against the tax imposed under
3 subsections (a) and (b) of this Section as provided in
4 subsections (i) and (j) of Section 5.5 of the Illinois
5 Enterprise Zone Act.

6 The credit or credits may not reduce the taxpayer's
7 liability to less than zero. If the amount of the credit or
8 credits exceeds the taxpayer's liability, the excess may be
9 carried forward and applied against the taxpayer's liability in
10 succeeding calendar years in the manner provided under
11 paragraph (4) of Section 211 of this Act. The credit or credits
12 shall be applied to the earliest year for which there is a tax
13 liability. If there are credits from more than one taxable year
14 that are available to offset a liability, the earlier credit
15 shall be applied first.

16 For partners, shareholders of Subchapter S corporations,
17 and owners of limited liability companies, if the liability
18 company is treated as a partnership for the purposes of federal
19 and State income taxation, there shall be allowed a credit
20 under this Section to be determined 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 The total aggregate amount of credits awarded under the
25 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
26 ~~amendatory Act of the 101st General Assembly~~) shall not exceed

1 \$20,000,000 in any State fiscal year.

2 This subsection (h-5) is exempt from the provisions of
3 Section 250.

4 (i) Credit for Personal Property Tax Replacement Income
5 Tax. For tax years ending prior to December 31, 2003, a credit
6 shall be allowed against the tax imposed by subsections (a) and
7 (b) of this Section for the tax imposed by subsections (c) and
8 (d) of this Section. This credit shall be computed by
9 multiplying the tax imposed by subsections (c) and (d) of this
10 Section by a fraction, the numerator of which is base income
11 allocable to Illinois and the denominator of which is Illinois
12 base income, and further multiplying the product by the tax
13 rate imposed by subsections (a) and (b) of this Section.

14 Any credit earned on or after December 31, 1986 under this
15 subsection which is unused in the year the credit is computed
16 because it exceeds the tax liability imposed by subsections (a)
17 and (b) for that year (whether it exceeds the original
18 liability or the liability as later amended) may be carried
19 forward and applied to the tax liability imposed by subsections
20 (a) and (b) of the 5 taxable years following the excess credit
21 year, provided that no credit may be carried forward to any
22 year ending on or after December 31, 2003. This credit shall be
23 applied first to the earliest year for which there is a
24 liability. If there is a credit under this subsection from more
25 than one tax year that is available to offset a liability the
26 earliest credit arising under this subsection shall be applied

1 first.

2 If, during any taxable year ending on or after December 31,
3 1986, the tax imposed by subsections (c) and (d) of this
4 Section for which a taxpayer has claimed a credit under this
5 subsection (i) is reduced, the amount of credit for such tax
6 shall also be reduced. Such reduction shall be determined by
7 recomputing the credit to take into account the reduced tax
8 imposed by subsections (c) and (d). If any portion of the
9 reduced amount of credit has been carried to a different
10 taxable year, an amended return shall be filed for such taxable
11 year to reduce the amount of credit claimed.

12 (j) Training expense credit. Beginning with tax years
13 ending on or after December 31, 1986 and prior to December 31,
14 2003, a taxpayer shall be allowed a credit against the tax
15 imposed by subsections (a) and (b) under this Section for all
16 amounts paid or accrued, on behalf of all persons employed by
17 the taxpayer in Illinois or Illinois residents employed outside
18 of Illinois by a taxpayer, for educational or vocational
19 training in semi-technical or technical fields or semi-skilled
20 or skilled fields, which were deducted from gross income in the
21 computation of taxable income. The credit against the tax
22 imposed by subsections (a) and (b) shall be 1.6% of such
23 training expenses. For partners, shareholders of subchapter S
24 corporations, and owners of limited liability companies, if the
25 liability company is treated as a partnership for purposes of
26 federal and State income taxation, there shall be allowed a

1 credit under this subsection (j) to be determined in accordance
2 with the determination of income and distributive share of
3 income under Sections 702 and 704 and subchapter S of the
4 Internal Revenue Code.

5 Any credit allowed under this subsection which is unused in
6 the year the credit is earned may be carried forward to each of
7 the 5 taxable years following the year for which the credit is
8 first computed until it is used. This credit shall be applied
9 first to the earliest year for which there is a liability. If
10 there is a credit under this subsection from more than one tax
11 year that is available to offset a liability, the earliest
12 credit arising under this subsection shall be applied first. No
13 carryforward credit may be claimed in any tax year ending on or
14 after December 31, 2003.

15 (k) Research and development credit. For tax years ending
16 after July 1, 1990 and prior to December 31, 2003, and
17 beginning again for tax years ending on or after December 31,
18 2004, and ending prior to January 1, 2027, a taxpayer shall be
19 allowed a credit against the tax imposed by subsections (a) and
20 (b) of this Section for increasing research activities in this
21 State. The credit allowed against the tax imposed by
22 subsections (a) and (b) shall be equal to 6 1/2% of the
23 qualifying expenditures for increasing research activities in
24 this State. For partners, shareholders of subchapter S
25 corporations, and owners of limited liability companies, if the
26 liability company is treated as a partnership for purposes of

1 federal and State income taxation, there shall be allowed a
2 credit under this subsection to be determined in accordance
3 with the determination of income and distributive share of
4 income under Sections 702 and 704 and subchapter S of the
5 Internal Revenue Code.

6 For purposes of this subsection, "qualifying expenditures"
7 means the qualifying expenditures as defined for the federal
8 credit for increasing research activities which would be
9 allowable under Section 41 of the Internal Revenue Code and
10 which are conducted in this State, "qualifying expenditures for
11 increasing research activities in this State" means the excess
12 of qualifying expenditures for the taxable year in which
13 incurred over qualifying expenditures for the base period,
14 "qualifying expenditures for the base period" means the average
15 of the qualifying expenditures for each year in the base
16 period, and "base period" means the 3 taxable years immediately
17 preceding the taxable year for which the determination is being
18 made.

19 Any credit in excess of the tax liability for the taxable
20 year may be carried forward. A taxpayer may elect to have the
21 unused credit shown on its final completed return carried over
22 as a credit against the tax liability for the following 5
23 taxable years or until it has been fully used, whichever occurs
24 first; provided that no credit earned in a tax year ending
25 prior to December 31, 2003 may be carried forward to any year
26 ending on or after December 31, 2003.

1 If an unused credit is carried forward to a given year from
2 2 or more earlier years, that credit arising in the earliest
3 year will be applied first against the tax liability for the
4 given year. If a tax liability for the given year still
5 remains, the credit from the next earliest year will then be
6 applied, and so on, until all credits have been used or no tax
7 liability for the given year remains. Any remaining unused
8 credit or credits then will be carried forward to the next
9 following year in which a tax liability is incurred, except
10 that no credit can be carried forward to a year which is more
11 than 5 years after the year in which the expense for which the
12 credit is given was incurred.

13 No inference shall be drawn from Public Act 91-644 ~~this~~
14 ~~amendatory Act of the 91st General Assembly~~ in construing this
15 Section for taxable years beginning before January 1, 1999.

16 It is the intent of the General Assembly that the research
17 and development credit under this subsection (k) shall apply
18 continuously for all tax years ending on or after December 31,
19 2004 and ending prior to January 1, 2027, including, but not
20 limited to, the period beginning on January 1, 2016 and ending
21 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~
22 ~~amendatory Act of the 100th General Assembly~~. All actions taken
23 in reliance on the continuation of the credit under this
24 subsection (k) by any taxpayer are hereby validated.

25 (1) Environmental Remediation Tax Credit.

26 (i) For tax years ending after December 31, 1997 and on

1 or before December 31, 2001, a taxpayer shall be allowed a
2 credit against the tax imposed by subsections (a) and (b)
3 of this Section for certain amounts paid for unreimbursed
4 eligible remediation costs, as specified in this
5 subsection. For purposes of this Section, "unreimbursed
6 eligible remediation costs" means costs approved by the
7 Illinois Environmental Protection Agency ("Agency") under
8 Section 58.14 of the Environmental Protection Act that were
9 paid in performing environmental remediation at a site for
10 which a No Further Remediation Letter was issued by the
11 Agency and recorded under Section 58.10 of the
12 Environmental Protection Act. The credit must be claimed
13 for the taxable year in which Agency approval of the
14 eligible remediation costs is granted. The credit is not
15 available to any taxpayer if the taxpayer or any related
16 party caused or contributed to, in any material respect, a
17 release of regulated substances on, in, or under the site
18 that was identified and addressed by the remedial action
19 pursuant to the Site Remediation Program of the
20 Environmental Protection Act. After the Pollution Control
21 Board rules are adopted pursuant to the Illinois
22 Administrative Procedure Act for the administration and
23 enforcement of Section 58.9 of the Environmental
24 Protection Act, determinations as to credit availability
25 for purposes of this Section shall be made consistent with
26 those rules. For purposes of this Section, "taxpayer"

1 includes a person whose tax attributes the taxpayer has
2 succeeded to under Section 381 of the Internal Revenue Code
3 and "related party" includes the persons disallowed a
4 deduction for losses by paragraphs (b), (c), and (f) (1) of
5 Section 267 of the Internal Revenue Code by virtue of being
6 a related taxpayer, as well as any of its partners. The
7 credit allowed against the tax imposed by subsections (a)
8 and (b) shall be equal to 25% of the unreimbursed eligible
9 remediation costs in excess of \$100,000 per site, except
10 that the \$100,000 threshold shall not apply to any site
11 contained in an enterprise zone as determined by the
12 Department of Commerce and Community Affairs (now
13 Department of Commerce and Economic Opportunity). The
14 total credit allowed shall not exceed \$40,000 per year with
15 a maximum total of \$150,000 per site. For partners and
16 shareholders of subchapter S corporations, there shall be
17 allowed a credit under this subsection to be determined in
18 accordance with the determination of income and
19 distributive share of income under Sections 702 and 704 and
20 subchapter S of the Internal Revenue Code.

21 (ii) A credit allowed under this subsection that is
22 unused in the year the credit is earned may be carried
23 forward to each of the 5 taxable years following the year
24 for which the credit is first earned until it is used. The
25 term "unused credit" does not include any amounts of
26 unreimbursed eligible remediation costs in excess of the

1 maximum credit per site authorized under paragraph (i).
2 This credit shall be applied first to the earliest year for
3 which there is a liability. If there is a credit under this
4 subsection from more than one tax year that is available to
5 offset a liability, the earliest credit arising under this
6 subsection shall be applied first. A credit allowed under
7 this subsection may be sold to a buyer as part of a sale of
8 all or part of the remediation site for which the credit
9 was granted. The purchaser of a remediation site and the
10 tax credit shall succeed to the unused credit and remaining
11 carry-forward period of the seller. To perfect the
12 transfer, the assignor shall record the transfer in the
13 chain of title for the site and provide written notice to
14 the Director of the Illinois Department of Revenue of the
15 assignor's intent to sell the remediation site and the
16 amount of the tax credit to be transferred as a portion of
17 the sale. In no event may a credit be transferred to any
18 taxpayer if the taxpayer or a related party would not be
19 eligible under the provisions of subsection (i).

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

23 (m) Education expense credit. Beginning with tax years
24 ending after December 31, 1999, a taxpayer who is the custodian
25 of one or more qualifying pupils shall be allowed a credit
26 against the tax imposed by subsections (a) and (b) of this

1 Section for qualified education expenses incurred on behalf of
2 the qualifying pupils. The credit shall be equal to 25% of
3 qualified education expenses, but in no event may the total
4 credit under this subsection claimed by a family that is the
5 custodian of qualifying pupils exceed (i) \$500 for tax years
6 ending prior to December 31, 2017, and (ii) \$750 for tax years
7 ending on or after December 31, 2017. In no event shall a
8 credit under this subsection reduce the taxpayer's liability
9 under this Act to less than zero. Notwithstanding any other
10 provision of law, for taxable years beginning on or after
11 January 1, 2017, no taxpayer may claim a credit under this
12 subsection (m) if the taxpayer's adjusted gross income for the
13 taxable year exceeds (i) \$500,000, in the case of spouses
14 filing a joint federal tax return or (ii) \$250,000, in the case
15 of all other taxpayers. This subsection is exempt from the
16 provisions of Section 250 of this Act.

17 For purposes of this subsection:

18 "Qualifying pupils" means individuals who (i) are
19 residents of the State of Illinois, (ii) are under the age of
20 21 at the close of the school year for which a credit is
21 sought, and (iii) during the school year for which a credit is
22 sought were full-time pupils enrolled in a kindergarten through
23 twelfth grade education program at any school, as defined in
24 this subsection.

25 "Qualified education expense" means the amount incurred on
26 behalf of a qualifying pupil in excess of \$250 for tuition,

1 book fees, and lab fees at the school in which the pupil is
2 enrolled during the regular school year.

3 "School" means any public or nonpublic elementary or
4 secondary school in Illinois that is in compliance with Title
5 VI of the Civil Rights Act of 1964 and attendance at which
6 satisfies the requirements of Section 26-1 of the School Code,
7 except that nothing shall be construed to require a child to
8 attend any particular public or nonpublic school to qualify for
9 the credit under this Section.

10 "Custodian" means, with respect to qualifying pupils, an
11 Illinois resident who is a parent, the parents, a legal
12 guardian, or the legal guardians of the qualifying pupils.

13 (n) River Edge Redevelopment Zone site remediation tax
14 credit.

15 (i) For tax years ending on or after December 31, 2006,
16 a taxpayer shall be allowed a credit against the tax
17 imposed by subsections (a) and (b) of this Section for
18 certain amounts paid for unreimbursed eligible remediation
19 costs, as specified in this subsection. For purposes of
20 this Section, "unreimbursed eligible remediation costs"
21 means costs approved by the Illinois Environmental
22 Protection Agency ("Agency") under Section 58.14a of the
23 Environmental Protection Act that were paid in performing
24 environmental remediation at a site within a River Edge
25 Redevelopment Zone for which a No Further Remediation
26 Letter was issued by the Agency and recorded under Section

1 58.10 of the Environmental Protection Act. The credit must
2 be claimed for the taxable year in which Agency approval of
3 the eligible remediation costs is granted. The credit is
4 not available to any taxpayer if the taxpayer or any
5 related party caused or contributed to, in any material
6 respect, a release of regulated substances on, in, or under
7 the site that was identified and addressed by the remedial
8 action pursuant to the Site Remediation Program of the
9 Environmental Protection Act. Determinations as to credit
10 availability for purposes of this Section shall be made
11 consistent with rules adopted by the Pollution Control
12 Board pursuant to the Illinois Administrative Procedure
13 Act for the administration and enforcement of Section 58.9
14 of the Environmental Protection Act. For purposes of this
15 Section, "taxpayer" includes a person whose tax attributes
16 the taxpayer has succeeded to under Section 381 of the
17 Internal Revenue Code and "related party" includes the
18 persons disallowed a deduction for losses by paragraphs
19 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
20 Code by virtue of being a related taxpayer, as well as any
21 of its partners. The credit allowed against the tax imposed
22 by subsections (a) and (b) shall be equal to 25% of the
23 unreimbursed eligible remediation costs in excess of
24 \$100,000 per site.

25 (ii) A credit allowed under this subsection that is
26 unused in the year the credit is earned may be carried

1 forward to each of the 5 taxable years following the year
2 for which the credit is first earned until it is used. This
3 credit shall be applied first to the earliest year for
4 which there is a liability. If there is a credit under this
5 subsection from more than one tax year that is available to
6 offset a liability, the earliest credit arising under this
7 subsection shall be applied first. A credit allowed under
8 this subsection may be sold to a buyer as part of a sale of
9 all or part of the remediation site for which the credit
10 was granted. The purchaser of a remediation site and the
11 tax credit shall succeed to the unused credit and remaining
12 carry-forward period of the seller. To perfect the
13 transfer, the assignor shall record the transfer in the
14 chain of title for the site and provide written notice to
15 the Director of the Illinois Department of Revenue of the
16 assignor's intent to sell the remediation site and the
17 amount of the tax credit to be transferred as a portion of
18 the sale. In no event may a credit be transferred to any
19 taxpayer if the taxpayer or a related party would not be
20 eligible under the provisions of subsection (i).

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

24 (o) For each of taxable years during the Compassionate Use
25 of Medical Cannabis Program, a surcharge is imposed on all
26 taxpayers on income arising from the sale or exchange of

1 capital assets, depreciable business property, real property
2 used in the trade or business, and Section 197 intangibles of
3 an organization registrant under the Compassionate Use of
4 Medical Cannabis Program Act. The amount of the surcharge is
5 equal to the amount of federal income tax liability for the
6 taxable year attributable to those sales and exchanges. The
7 surcharge imposed does not apply if:

8 (1) the medical cannabis cultivation center
9 registration, medical cannabis dispensary registration, or
10 the property of a registration is transferred as a result
11 of any of the following:

12 (A) bankruptcy, a receivership, or a debt
13 adjustment initiated by or against the initial
14 registration or the substantial owners of the initial
15 registration;

16 (B) cancellation, revocation, or termination of
17 any registration by the Illinois Department of Public
18 Health;

19 (C) a determination by the Illinois Department of
20 Public Health that transfer of the registration is in
21 the best interests of Illinois qualifying patients as
22 defined by the Compassionate Use of Medical Cannabis
23 Program Act;

24 (D) the death of an owner of the equity interest in
25 a registrant;

26 (E) the acquisition of a controlling interest in

1 the stock or substantially all of the assets of a
2 publicly traded company;

3 (F) a transfer by a parent company to a wholly
4 owned subsidiary; or

5 (G) the transfer or sale to or by one person to
6 another person where both persons were initial owners
7 of the registration when the registration was issued;
8 or

9 (2) the cannabis cultivation center registration,
10 medical cannabis dispensary registration, or the
11 controlling interest in a registrant's property is
12 transferred in a transaction to lineal descendants in which
13 no gain or loss is recognized or as a result of a
14 transaction in accordance with Section 351 of the Internal
15 Revenue Code in which no gain or loss is recognized.

16 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
17 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
18 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 9-17-19.)

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

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