

SB4006



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB4006

Introduced 1/4/2021, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for employers who hire residents of the State if those residents were unemployed as a result of the COVID-19 pandemic immediately prior to the date of hire by the taxpayer. Sets forth the amount of the credit. Effective immediately.

LRB101 21672 HLH 72614 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by adding
5 Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Employment credit; COVID-19.

8 (a) For taxable years that begin on or after January 1,
9 2020 and begin prior to January 1, 2025, each employer that
10 employs an average of 500 or fewer employees during the taxable
11 year is entitled to a credit against the taxes imposed by
12 subsections (a) and (b) of Section 201 for each qualified
13 employee hired by the employer to work at a location in the
14 State during the taxable year. If the taxpayer employs an
15 average of 500 or fewer employees, but more than 100 employees,
16 during the taxable year, then the amount of the credit shall be
17 \$2,500 per qualified employee. If the taxpayer employs an
18 average of 100 or fewer employees during the taxable year, then
19 the amount of the credit shall be \$5,000 per qualified
20 employee. Eligible taxpayers shall apply to the Department of
21 Commerce and Economic Opportunity for the credit under this
22 Section. The Department of Commerce and Economic Opportunity
23 shall award no more than \$100,000,000 in tax credits under this

1 Section during the term of the program. Credits shall be
2 awarded on a first-come-first-served basis.

3 (b) For partners, shareholders of subchapter S
4 corporations, and members of limited liability companies, if
5 the liability company is treated as a partnership for purposes
6 of federal and State income taxation, there shall be allowed a
7 credit under this Section to be determined in accordance with
8 the determination of income and distributive share of income
9 under Sections 702 and 704 and subchapter S of the Internal
10 Revenue Code.

11 (c) The credit or credits may not reduce the taxpayer's
12 liability to less than zero. If the amount of the credit or
13 credits exceeds the taxpayer's liability, the excess may be
14 carried forward and applied against the taxpayer's liability
15 for up to 5 succeeding taxable years. The credit or credits
16 shall be applied to the earliest year for which there is a tax
17 liability. If there are credits from more than one taxable year
18 that are available to offset a liability, the earlier credit
19 shall be applied first.

20 (d) As used in this Section, "qualified employee" means a
21 resident of the State who is employed by the taxpayer and was
22 unemployed as a result of the COVID-19 pandemic immediately
23 prior to the date he or she was hired by the taxpayer.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.