



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3927

Introduced 2/22/2021, by Rep. Thomas M. Bennett

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for Illinois licensed wine manufacturers and craft brewers in an amount equal to 50% of the qualified costs incurred by a qualified taxpayer during the taxable year, not to exceed \$1,500. Provides that the tax credit shall be awarded on the basis of costs related to the purchase of crops used in the manufacture of beer or wine that are grown and harvested in Illinois. Defines terms. Effective immediately.

LRB102 14036 HLH 21760 b

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 adding Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Credit for Illinois wineries and craft
8 breweries.

9 (a) For each taxable year ending on or after December 31,
10 2021, each taxpayer is entitled to a credit against the tax
11 imposed by subsections (a) and (b) of Section 201 of this Act
12 in an amount equal to 50% of the qualified costs incurred by a
13 qualified taxpayer during the taxable year. In no event shall
14 a taxpayer receive a credit of more than \$1,500. In no event
15 shall more than one credit be allowed for any one licensed wine
16 manufacturer or craft brewer.

17 (b) In order to be eligible for a tax credit under this
18 Section, a taxpayer must (i) own or operate a licensed
19 Illinois-based wine manufacturing business, or (ii) own or
20 operate a licensed Illinois-based craft brewery. The credit
21 shall be awarded on the basis of costs related to the purchase
22 of crops used in the manufacture of beer or wine that are grown
23 and harvested in Illinois.

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

9 (d) In no event shall a credit under this Section reduce
10 the taxpayer's liability to less than zero. If the amount of
11 the tax credit exceeds the tax liability for the year, the
12 excess may be carried forward and applied to the tax liability
13 of the 5 taxable years following the excess credit year. The
14 credit must be applied to the earliest year for which there is
15 a tax liability. If there are credits from more than one tax
16 year that are available to offset a liability, then the
17 earlier credit must be applied first.

18 (e) The Department of Revenue shall adopt any necessary
19 rules in order to implement and administer the provisions of
20 this Section.

21 (f) For purposes of this Section:

22 "Qualified costs" means costs associated to the purchase
23 of crops, including, but not limited to, barley, hops, and
24 grapes, that are grown and harvested in Illinois;

25 "Qualified taxpayer" means an individual that is (i) a
26 licensed wine manufacturer as provided under Section 1-3.11 of

1 the Liquor Control Act of 1934, (ii) a licensed Class 1 brewer,
2 as provided under Section 1-3.38 of the Liquor Control Act of
3 1934, or (iii) a licensed Class 2 brewer, as provided under
4 Section 1-3.42 of the Liquor Control Act of 1934.

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.