



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5434

Introduced 1/31/2022, by Rep. Deanne M. Mazzochi

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for qualified landlords. Provides that the term "qualified landlord" means an individual, partnership, trust, or corporation that incurred rental income losses from residential rental property as a result of the COVID-19 eviction moratorium and (1) owns fewer than 7 residential rental units in the State; or (2) actively maintains at least 25% of its rental units as affordable housing. Effective immediately.

LRB102 23464 HLH 32639 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. Landlord credit.

8 (a) For taxable years beginning on or after January 1,
9 2022 and beginning prior to January 1, 2023, each qualified
10 landlord is entitled to a credit against the taxes imposed
11 under subsections (a) and (b) of Section 201 in an amount equal
12 to the lesser of: (1) actual rental income lost by the taxpayer
13 due an eviction moratorium in effect as a result of the
14 COVID-19 pandemic; or (2) \$50,000.

15 (b) In no event shall a credit under this Section reduce
16 the taxpayer's liability to less than zero. If the amount of
17 the credit exceeds the tax liability for the year, the excess
18 may be carried forward and applied to the tax liability of the
19 5 taxable years following the excess credit year. The tax
20 credit shall be applied to the earliest year for which there is
21 a tax liability. If there are credits for more than one year
22 that are available to offset a liability, the earlier credit
23 shall be applied first.

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 the
4 purposes of federal and State income taxation, there shall be
5 allowed a credit under this Section to be determined in
6 accordance with the determination of income and distributive
7 share of income under Sections 702 and 704 and Subchapter S of
8 the Internal Revenue Code.

9 (d) Credits under this Section shall be awarded by the
10 Illinois Housing Development Authority. Application shall be
11 made in the form and manner required by the Illinois Housing
12 Development Authority. In no event may the Illinois Housing
13 Development Authority award more than \$50,000,000 in credits
14 in any taxable year. Credits shall be awarded on a
15 first-come-first-served basis.

16 (e) As used in this Section:

17 "Qualified landlord" means an individual, partnership,
18 trust, or corporation that incurred rental income losses from
19 residential rental property as a result of the COVID-19
20 eviction moratorium and (1) owns fewer than 7 residential
21 rental units in the State; or (2) actively maintains at least
22 25% of its rental units as affordable housing, as defined in 42
23 U.S.C. 12745.

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