

SB0492



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0492

Introduced 2/23/2021, by Sen. Win Stoller

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, 2025 (currently, December 31, 2018). Effective immediately.

LRB102 04171 HLH 14188 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 without the changes made by P.A. 101-8,
8 which did not take effect (see Section 99 of P.A. 101-8))

9 Sec. 201. Tax imposed.

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

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

20 (1) In the case of an individual, trust or estate, for
21 taxable years ending prior to July 1, 1989, an amount
22 equal to 2 1/2% of the taxpayer's net income for the
23 taxable 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,
13 for 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,
20 for taxable years beginning on or after January 1, 2011,
21 and ending prior to January 1, 2015, an amount equal to 5%
22 of 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
4 202.5.

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

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

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

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

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

1 1989, as calculated under Section 202.3, and (ii) 4.8% of
2 the taxpayer's net income for the period after June 30,
3 1989, as calculated under Section 202.3.

4 (8) In the case of a corporation, for taxable years
5 beginning after June 30, 1989, and ending prior to January
6 1, 2011, an amount equal to 4.8% of the taxpayer's net
7 income for the taxable year.

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

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

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

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

1 beginning on or after January 1, 2015, and ending prior to
2 July 1, 2017, an amount equal to 5.25% of the taxpayer's
3 net income for the taxable year.

4 (13) In the case of a corporation, for taxable years
5 beginning prior to July 1, 2017, and ending after June 30,
6 2017, an amount equal to the sum of (i) 5.25% of the
7 taxpayer's net income for the period prior to July 1,
8 2017, as calculated under Section 202.5, and (ii) 7% of
9 the taxpayer's net income for the period after June 30,
10 2017, as calculated under Section 202.5.

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

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

16 (b-5) Surcharge; sale or exchange of assets, properties,
17 and intangibles of organization gaming licensees. For each of
18 taxable years 2019 through 2027, a surcharge is imposed on all
19 taxpayers on income arising from the sale or exchange of
20 capital assets, depreciable business property, real property
21 used in the trade or business, and Section 197 intangibles (i)
22 of an organization licensee under the Illinois Horse Racing
23 Act of 1975 and (ii) of an organization gaming licensee under
24 the Illinois Gambling Act. The amount of the surcharge is
25 equal to the amount of federal income tax liability for the
26 taxable year attributable to those sales and exchanges. The

1 surcharge imposed shall not apply if:

2 (1) the organization gaming license, organization
3 license, or racetrack property is transferred as a result
4 of any of the following:

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

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

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

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

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 license when the license was issued; or

25 (2) the controlling interest in the organization
26 gaming license, organization license, or racetrack

1 property is transferred in a transaction to lineal
2 descendants in which no gain or loss is recognized or as a
3 result of a transaction in accordance with Section 351 of
4 the Internal Revenue Code in which no gain or loss is
5 recognized; or

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

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

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

1 privilege taxes imposed by this State or by any municipal
2 corporation or political subdivision thereof.

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

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

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

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

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

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

25 equals 1.25% for taxable years ending prior to December
26 31, 2003, or 1.75% for taxable years ending on or after

1 December 31, 2003, of the net taxable premiums written for
2 the taxable year, as described by subsection (1) of
3 Section 409 of the Illinois Insurance Code. This paragraph
4 will in no event increase the rates imposed under
5 subsections (b) and (d).

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

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

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

18 (1) A taxpayer shall be allowed a credit equal to .5%
19 of the basis of qualified property placed in service
20 during the taxable year, provided such property is placed
21 in service on or after July 1, 1984. There shall be allowed
22 an additional credit equal to .5% of the basis of
23 qualified property placed in service during the taxable
24 year, provided such property is placed in service on or
25 after July 1, 1986, and the taxpayer's base employment
26 within Illinois has increased by 1% or more over the

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

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

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

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

1 buildings and structural components of buildings and
2 signs that are real property, but not including land
3 or improvements to real property that are not a
4 structural component of a building such as
5 landscaping, sewer lines, local access roads, fencing,
6 parking lots, and other appurtenances;

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

12 (C) is acquired by purchase as defined in Section
13 179(d) of the Internal Revenue Code;

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

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

24 (3) For purposes of this subsection (e),
25 "manufacturing" means the material staging and production
26 of tangible personal property by procedures commonly

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

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

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

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

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

18 (8) Unless the investment credit is extended by law,
19 the basis of qualified property shall not include costs
20 incurred (i) after December 31, 2018 and prior to the
21 effective date of this amendatory Act of the 102nd General
22 Assembly or (ii) after December 31, 2025, except for costs
23 incurred pursuant to a binding contract entered into on or
24 before December 31, 2018 or costs incurred pursuant to a
25 binding contract entered into on or after the effective
26 date of this amendatory Act of the 102nd General Assembly

1 but on or before December 31, 2025.

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

18 For taxable years ending on or after December 31,
19 2000, a partner that qualifies its partnership for a
20 subtraction under subparagraph (I) of paragraph (2) of
21 subsection (d) of Section 203 or a shareholder that
22 qualifies a Subchapter S corporation for a subtraction
23 under subparagraph (S) of paragraph (2) of subsection (b)
24 of Section 203 shall be allowed a credit under this
25 subsection (e) equal to its share of the credit earned
26 under this subsection (e) during the taxable year by the

1 partnership or Subchapter S corporation, determined in
2 accordance with the determination of income and
3 distributive share of income under Sections 702 and 704
4 and Subchapter S of the Internal Revenue Code. This
5 paragraph is exempt from the provisions of Section 250.

6 (f) Investment credit; Enterprise Zone; River Edge
7 Redevelopment Zone.

8 (1) A taxpayer shall be allowed a credit against the
9 tax imposed by subsections (a) and (b) of this Section for
10 investment in qualified property which is placed in
11 service in an Enterprise Zone created pursuant to the
12 Illinois Enterprise Zone Act or, for property placed in
13 service on or after July 1, 2006, a River Edge
14 Redevelopment Zone established pursuant to the River Edge
15 Redevelopment Zone Act. For partners, shareholders of
16 Subchapter S corporations, and owners of limited liability
17 companies, if the liability company is treated as a
18 partnership for purposes of federal and State income
19 taxation, there shall be allowed a credit under this
20 subsection (f) to be determined in accordance with the
21 determination of income and distributive share of income
22 under Sections 702 and 704 and Subchapter S of the
23 Internal Revenue Code. The credit shall be .5% of the
24 basis for such property. The credit shall be available
25 only in the taxable year in which the property is placed in
26 service in the Enterprise Zone or River Edge Redevelopment

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

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 (f);

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

26 (D) is used in the Enterprise Zone or River Edge

1 Redevelopment Zone by the taxpayer; and

2 (E) has not been previously used in Illinois in
3 such a manner and by such a person as would qualify for
4 the credit provided by this subsection (f) or
5 subsection (e).

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

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

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

17 (6) If during any taxable year, any property ceases to
18 be qualified property in the hands of the taxpayer within
19 48 months after being placed in service, or the situs of
20 any qualified property is moved outside the Enterprise
21 Zone or River Edge Redevelopment Zone within 48 months
22 after being placed in service, the tax imposed under
23 subsections (a) and (b) of this Section for such taxable
24 year shall be increased. Such increase shall be determined
25 by (i) recomputing the investment credit which would have
26 been allowed for the year in which credit for such

1 property was originally allowed by eliminating such
2 property from such computation, and (ii) subtracting such
3 recomputed credit from the amount of credit previously
4 allowed. For the purposes of this paragraph (6), a
5 reduction of the basis of qualified property resulting
6 from a redetermination of the purchase price shall be
7 deemed a disposition of qualified property to the extent
8 of such reduction.

9 (7) There shall be allowed an additional credit equal
10 to 0.5% of the basis of qualified property placed in
11 service during the taxable year in a River Edge
12 Redevelopment Zone, provided such property is placed in
13 service on or after July 1, 2006, and the taxpayer's base
14 employment within Illinois has increased by 1% or more
15 over the preceding year as determined by the taxpayer's
16 employment records filed with the Illinois Department of
17 Employment Security. Taxpayers who are new to Illinois
18 shall be deemed to have met the 1% growth in base
19 employment for the first year in which they file
20 employment records with the Illinois Department of
21 Employment Security. If, in any year, the increase in base
22 employment within Illinois over the preceding year is less
23 than 1%, the additional credit shall be limited to that
24 percentage times a fraction, the numerator of which is
25 0.5% and the denominator of which is 1%, but shall not
26 exceed 0.5%.

1 (8) For taxable years beginning on or after January 1,
2 2021, there shall be allowed an Enterprise Zone
3 construction jobs credit against the taxes imposed under
4 subsections (a) and (b) of this Section as provided in
5 Section 13 of the Illinois 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
9 be carried forward and applied against the taxpayer's
10 liability in succeeding calendar years in the same manner
11 provided under paragraph (4) of Section 211 of this Act.
12 The credit or credits shall be applied to the earliest
13 year for which there is a tax liability. If there are
14 credits from more than one taxable year that are available
15 to offset a liability, the earlier credit shall be applied
16 first.

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

25 The total aggregate amount of credits awarded under
26 the Blue Collar Jobs Act (Article 20 of Public Act 101-9

1 ~~this amendatory Act of the 101st General Assembly~~) shall
2 not exceed \$20,000,000 in any State fiscal year.

3 This paragraph (8) is exempt from the provisions of
4 Section 250.

5 (g) (Blank).

6 (h) Investment credit; High Impact Business.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (h-5) High Impact Business construction ~~constructions~~ jobs
25 credit. For taxable years beginning on or after January 1,
26 2021, there shall also be allowed a High Impact Business

1 construction jobs credit against the tax imposed under
2 subsections (a) and (b) of this Section as provided in
3 subsections (i) and (j) of Section 5.5 of the Illinois
4 Enterprise Zone Act.

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

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

23 The total aggregate amount of credits awarded under the
24 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~
25 ~~amendatory Act of the 101st General Assembly~~) shall not exceed
26 \$20,000,000 in any State fiscal year.

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

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

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

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

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

1 determined in accordance with the determination of income and
2 distributive share of income under Sections 702 and 704 and
3 subchapter S of the Internal Revenue Code.

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

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

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

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

26 If an unused credit is carried forward to a given year from

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

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

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

24 (1) Environmental Remediation Tax Credit.

25 (i) For tax years ending after December 31, 1997 and
26 on or before December 31, 2001, a taxpayer shall be

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

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

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

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

1 this Section for qualified education expenses incurred on
2 behalf of the qualifying pupils. The credit shall be equal to
3 25% of qualified education expenses, but in no event may the
4 total credit under this subsection claimed by a family that is
5 the custodian of qualifying pupils exceed (i) \$500 for tax
6 years ending prior to December 31, 2017, and (ii) \$750 for tax
7 years 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
23 through twelfth grade education program at any school, as
24 defined in 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
9 for 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,
16 2006, 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
3 of the eligible remediation costs is granted. The credit
4 is 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
7 under the site that was identified and addressed by the
8 remedial action pursuant to the Site Remediation Program
9 of the Environmental Protection Act. Determinations as to
10 credit availability for purposes of this Section shall be
11 made consistent with rules adopted by the Pollution
12 Control Board pursuant to the Illinois Administrative
13 Procedure Act for the administration and enforcement of
14 Section 58.9 of the Environmental Protection Act. For
15 purposes of this Section, "taxpayer" includes a person
16 whose tax attributes the taxpayer has succeeded to under
17 Section 381 of the Internal Revenue Code and "related
18 party" includes the persons disallowed a deduction for
19 losses by paragraphs (b), (c), and (f)(1) of Section 267
20 of the Internal Revenue Code by virtue of being a related
21 taxpayer, as well as any of its partners. The credit
22 allowed against the tax imposed by subsections (a) and (b)
23 shall be equal to 25% of the unreimbursed eligible
24 remediation costs in excess of \$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
6 to offset a liability, the earliest credit arising under
7 this subsection shall be applied first. A credit allowed
8 under this subsection may be sold to a buyer as part of a
9 sale of all or part of the remediation site for which the
10 credit was granted. The purchaser of a remediation site
11 and the tax credit shall succeed to the unused credit and
12 remaining carry-forward period of the seller. To perfect
13 the transfer, the assignor shall record the transfer in
14 the chain of title for the site and provide written notice
15 to the Director of the Illinois Department of Revenue of
16 the 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
13 which 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; 101-9, eff. 6-5-19; 101-31,
17 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;
18 revised 11-18-20.)

19 (Text of Section with the changes made by P.A. 101-8,
20 which did not take effect (see Section 99 of P.A. 101-8))

21 Sec. 201. Tax imposed.

22 (a) In general. A tax measured by net income is hereby
23 imposed on every individual, corporation, trust and estate for
24 each taxable year ending after July 31, 1969 on the privilege
25 of earning or receiving income in or as a resident of this

1 State. Such tax shall be in addition to all other occupation or
2 privilege taxes imposed by this State or by any municipal
3 corporation or political subdivision thereof.

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

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

11 (2) In the case of an individual, trust or estate, for
12 taxable years beginning prior to July 1, 1989 and ending
13 after June 30, 1989, an amount equal to the sum of (i) 2
14 1/2% of the taxpayer's net income for the period prior to
15 July 1, 1989, as calculated under Section 202.3, and (ii)
16 3% of the taxpayer's net income for the period after June
17 30, 1989, as calculated under Section 202.3.

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

22 (4) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2011, and
24 ending after December 31, 2010, an amount equal to the sum
25 of (i) 3% of the taxpayer's net income for the period prior
26 to January 1, 2011, as calculated under Section 202.5, and

1 (ii) 5% of the taxpayer's net income for the period after
2 December 31, 2010, as calculated under Section 202.5.

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

7 (5.1) In the case of an individual, trust, or estate,
8 for taxable years beginning prior to January 1, 2015, and
9 ending after December 31, 2014, an amount equal to the sum
10 of (i) 5% of the taxpayer's net income for the period prior
11 to January 1, 2015, as calculated under Section 202.5, and
12 (ii) 3.75% of the taxpayer's net income for the period
13 after December 31, 2014, as calculated under Section
14 202.5.

15 (5.2) In the case of an individual, trust, or estate,
16 for taxable years beginning on or after January 1, 2015,
17 and ending prior to July 1, 2017, an amount equal to 3.75%
18 of the taxpayer's net income for the taxable year.

19 (5.3) In the case of an individual, trust, or estate,
20 for taxable years beginning prior to July 1, 2017, and
21 ending after June 30, 2017, an amount equal to the sum of
22 (i) 3.75% of the taxpayer's net income for the period
23 prior to July 1, 2017, as calculated under Section 202.5,
24 and (ii) 4.95% of the taxpayer's net income for the period
25 after June 30, 2017, as calculated under Section 202.5.

26 (5.4) In the case of an individual, trust, or estate,

1 for taxable years beginning on or after July 1, 2017 ~~and~~
2 ~~beginning prior to January 1, 2021~~, an amount equal to
3 4.95% of the taxpayer's net income for the taxable year.

4 ~~(5.5) In the case of an individual, trust, or estate,~~
5 ~~for taxable years beginning on or after January 1, 2021,~~
6 ~~an amount calculated under the rate structure set forth in~~
7 ~~Section 201.1.~~

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

11 (7) In the case of a corporation, for taxable years
12 beginning prior to July 1, 1989 and ending after June 30,
13 1989, an amount equal to the sum of (i) 4% of the
14 taxpayer's net income for the period prior to July 1,
15 1989, as calculated under Section 202.3, and (ii) 4.8% of
16 the taxpayer's net income for the period after June 30,
17 1989, as calculated under Section 202.3.

18 (8) In the case of a corporation, for taxable years
19 beginning after June 30, 1989, and ending prior to January
20 1, 2011, an amount equal to 4.8% of the taxpayer's net
21 income for the taxable year.

22 (9) In the case of a corporation, for taxable years
23 beginning prior to January 1, 2011, and ending after
24 December 31, 2010, an amount equal to the sum of (i) 4.8%
25 of the taxpayer's net income for the period prior to
26 January 1, 2011, as calculated under Section 202.5, and

1 (ii) 7% of the taxpayer's net income for the period after
2 December 31, 2010, as calculated under Section 202.5.

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

7 (11) In the case of a corporation, for taxable years
8 beginning prior to January 1, 2015, and ending after
9 December 31, 2014, an amount equal to the sum of (i) 7% of
10 the taxpayer's net income for the period prior to January
11 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
12 of the taxpayer's net income for the period after December
13 31, 2014, as calculated under Section 202.5.

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

18 (13) In the case of a corporation, for taxable years
19 beginning prior to July 1, 2017, and ending after June 30,
20 2017, an amount equal to the sum of (i) 5.25% of the
21 taxpayer's net income for the period prior to July 1,
22 2017, as calculated under Section 202.5, and (ii) 7% of
23 the taxpayer's net income for the period after June 30,
24 2017, as calculated under Section 202.5.

25 (14) In the case of a corporation, for taxable years
26 beginning on or after July 1, 2017 ~~and beginning prior to~~

1 ~~January 1, 2021~~, an amount equal to 7% of the taxpayer's
2 net income for the taxable year.

3 ~~(15) In the case of a corporation, for taxable years~~
4 ~~beginning on or after January 1, 2021, an amount equal to~~
5 ~~7.99% of the taxpayer's net income for the taxable year.~~

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

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

20 (1) the organization gaming license, organization
21 license, or racetrack property is transferred as a result
22 of any of the following:

23 (A) bankruptcy, a receivership, or a debt
24 adjustment initiated by or against the initial
25 licensee or the substantial owners of the initial
26 licensee;

1 (B) cancellation, revocation, or termination of
2 any such license by the Illinois Gaming Board or the
3 Illinois Racing Board;

4 (C) a determination by the Illinois Gaming Board
5 that transfer of the license is in the best interests
6 of Illinois gaming;

7 (D) the death of an owner of the equity interest in
8 a licensee;

9 (E) the acquisition of a controlling interest in
10 the stock or substantially all of the assets of a
11 publicly traded company;

12 (F) a transfer by a parent company to a wholly
13 owned subsidiary; or

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

17 (2) the controlling interest in the organization
18 gaming license, organization license, or racetrack
19 property is transferred in a transaction to lineal
20 descendants in which no gain or loss is recognized or as a
21 result of a transaction in accordance with Section 351 of
22 the Internal Revenue Code in which no gain or loss is
23 recognized; or

24 (3) live horse racing was not conducted in 2010 at a
25 racetrack located within 3 miles of the Mississippi River
26 under a license issued pursuant to the Illinois Horse

1 Racing Act of 1975.

2 The transfer of an organization gaming license,
3 organization license, or racetrack property by a person other
4 than the initial licensee to receive the organization gaming
5 license is not subject to a surcharge. The Department shall
6 adopt rules necessary to implement and administer this
7 subsection.

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

21 (d) Additional Personal Property Tax Replacement Income
22 Tax Rates. The personal property tax replacement income tax
23 imposed by this subsection and subsection (c) of this Section
24 in the case of a corporation, other than a Subchapter S
25 corporation and except as adjusted by subsection (d-1), shall
26 be an additional amount equal to 2.85% of such taxpayer's net

1 income for the taxable year, except that beginning on January
2 1, 1981, and thereafter, the rate of 2.85% specified in this
3 subsection shall be reduced to 2.5%, and in the case of a
4 partnership, trust or a Subchapter S corporation shall be an
5 additional amount equal to 1.5% of such taxpayer's net income
6 for the taxable year.

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

1 allowed or (ii) a rate of zero if no such tax is imposed on
2 such income by the foreign insurer's state of domicile. For
3 the purposes of this subsection (d-1), an inter-affiliate
4 includes a mutual insurer under common management.

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

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

11 (B) the privilege tax imposed by Section 409 of
12 the Illinois Insurance Code, the fire insurance
13 company tax imposed by Section 12 of the Fire
14 Investigation Act, and the fire department taxes
15 imposed under Section 11-10-1 of the Illinois
16 Municipal Code,

17 equals 1.25% for taxable years ending prior to December
18 31, 2003, or 1.75% for taxable years ending on or after
19 December 31, 2003, of the net taxable premiums written for
20 the taxable year, as described by subsection (1) of
21 Section 409 of the Illinois Insurance Code. This paragraph
22 will in no event increase the rates imposed under
23 subsections (b) and (d).

24 (2) Any reduction in the rates of tax imposed by this
25 subsection shall be applied first against the rates
26 imposed by subsection (b) and only after the tax imposed

1 by subsection (a) net of all credits allowed under this
2 Section other than the credit allowed under subsection (i)
3 has been reduced to zero, against the rates imposed by
4 subsection (d).

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

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

10 (1) A taxpayer shall be allowed a credit equal to .5%
11 of the basis of qualified property placed in service
12 during the taxable year, provided such property is placed
13 in service on or after July 1, 1984. There shall be allowed
14 an additional credit equal to .5% of the basis of
15 qualified property placed in service during the taxable
16 year, provided such property is placed in service on or
17 after July 1, 1986, and the taxpayer's base employment
18 within Illinois has increased by 1% or more over the
19 preceding year as determined by the taxpayer's employment
20 records filed with the Illinois Department of Employment
21 Security. Taxpayers who are new to Illinois shall be
22 deemed to have met the 1% growth in base employment for the
23 first year in which they file employment records with the
24 Illinois Department of Employment Security. The provisions
25 added to this Section by Public Act 85-1200 (and restored
26 by Public Act 87-895) shall be construed as declaratory of

1 existing law and not as a new enactment. If, in any year,
2 the increase in base employment within Illinois over the
3 preceding year is less than 1%, the additional credit
4 shall be limited to that percentage times a fraction, the
5 numerator of which is .5% and the denominator of which is
6 1%, but shall not exceed .5%. The investment credit shall
7 not be allowed to the extent that it would reduce a
8 taxpayer's liability in any tax year below zero, nor may
9 any credit for qualified property be allowed for any year
10 other than the year in which the property was placed in
11 service in Illinois. For tax years ending on or after
12 December 31, 1987, and on or before December 31, 1988, the
13 credit shall be allowed for the tax year in which the
14 property is placed in service, or, if the amount of the
15 credit exceeds the tax liability for that year, whether it
16 exceeds the original liability or the liability as later
17 amended, such excess may be carried forward and applied to
18 the tax liability of the 5 taxable years following the
19 excess credit years if the taxpayer (i) makes investments
20 which cause the creation of a minimum of 2,000 full-time
21 equivalent jobs in Illinois, (ii) is located in an
22 enterprise zone established pursuant to the Illinois
23 Enterprise Zone Act and (iii) is certified by the
24 Department of Commerce and Community Affairs (now
25 Department of Commerce and Economic Opportunity) as
26 complying with the requirements specified in clause (i)

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

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

18 (A) is tangible, whether new or used, including
19 buildings and structural components of buildings and
20 signs that are real property, but not including land
21 or improvements to real property that are not a
22 structural component of a building such as
23 landscaping, sewer lines, local access roads, fencing,
24 parking lots, and other appurtenances;

25 (B) is depreciable pursuant to Section 167 of the
26 Internal Revenue Code, except that "3-year property"

1 as defined in Section 168(c)(2)(A) of that Code is not
2 eligible for the credit provided by this subsection
3 (e);

4 (C) is acquired by purchase as defined in Section
5 179(d) of the Internal Revenue Code;

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

12 (E) has not previously been used in Illinois in
13 such a manner and by such a person as would qualify for
14 the credit provided by this subsection (e) or
15 subsection (f).

16 (3) For purposes of this subsection (e),
17 "manufacturing" means the material staging and production
18 of tangible personal property by procedures commonly
19 regarded as manufacturing, processing, fabrication, or
20 assembling which changes some existing material into new
21 shapes, new qualities, or new combinations. For purposes
22 of this subsection (e) the term "mining" shall have the
23 same meaning as the term "mining" in Section 613(c) of the
24 Internal Revenue Code. For purposes of this subsection
25 (e), the term "retailing" means the sale of tangible
26 personal property for use or consumption and not for

1 resale, or services rendered in conjunction with the sale
2 of tangible personal property for use or consumption and
3 not for resale. For purposes of this subsection (e),
4 "tangible personal property" has the same meaning as when
5 that term is used in the Retailers' Occupation Tax Act,
6 and, for taxable years ending after December 31, 2008,
7 does not include the generation, transmission, or
8 distribution of electricity.

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

12 (5) If the basis of the property for federal income
13 tax depreciation purposes is increased after it has been
14 placed in service in Illinois by the taxpayer, the amount
15 of such increase shall be deemed property placed in
16 service on the date of such increase in basis.

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

19 (7) If during any taxable year, any property ceases to
20 be qualified property in the hands of the taxpayer within
21 48 months after being placed in service, or the situs of
22 any qualified property is moved outside Illinois within 48
23 months after being placed in service, the Personal
24 Property Tax Replacement Income Tax for such taxable year
25 shall be increased. Such increase shall be determined by
26 (i) recomputing the investment credit which would have

1 been allowed for the year in which credit for such
2 property was originally allowed by eliminating such
3 property from such computation and, (ii) subtracting such
4 recomputed credit from the amount of credit previously
5 allowed. For the purposes of this paragraph (7), a
6 reduction of the basis of qualified property resulting
7 from a redetermination of the purchase price shall be
8 deemed a disposition of qualified property to the extent
9 of such reduction.

10 (8) Unless the investment credit is extended by law,
11 the basis of qualified property shall not include costs
12 incurred (i) after December 31, 2018 and prior to the
13 effective date of this amendatory Act of the 102nd General
14 Assembly or (ii) after December 31, 2025, except for costs
15 incurred pursuant to a binding contract entered into on or
16 before December 31, 2018 or costs incurred pursuant to a
17 binding contract entered into on or after the effective
18 date of this amendatory Act of the 102nd General Assembly
19 but on or before December 31, 2025.

20 (9) Each taxable year ending before December 31, 2000,
21 a partnership may elect to pass through to its partners
22 the credits to which the partnership is entitled under
23 this subsection (e) for the taxable year. A partner may
24 use the credit allocated to him or her under this
25 paragraph only against the tax imposed in subsections (c)
26 and (d) of this Section. If the partnership makes that

1 election, those credits shall be allocated among the
2 partners in the partnership in accordance with the rules
3 set forth in Section 704(b) of the Internal Revenue Code,
4 and the rules promulgated under that Section, and the
5 allocated amount of the credits shall be allowed to the
6 partners for that taxable year. The partnership shall make
7 this election on its Personal Property Tax Replacement
8 Income Tax return for that taxable year. The election to
9 pass through the credits shall be irrevocable.

10 For taxable years ending on or after December 31,
11 2000, a partner that qualifies its partnership for a
12 subtraction under subparagraph (I) of paragraph (2) of
13 subsection (d) of Section 203 or a shareholder that
14 qualifies a Subchapter S corporation for a subtraction
15 under subparagraph (S) of paragraph (2) of subsection (b)
16 of Section 203 shall be allowed a credit under this
17 subsection (e) equal to its share of the credit earned
18 under this subsection (e) during the taxable year by the
19 partnership or Subchapter S corporation, determined in
20 accordance with the determination of income and
21 distributive share of income under Sections 702 and 704
22 and Subchapter S of the Internal Revenue Code. This
23 paragraph is exempt from the provisions of Section 250.

24 (f) Investment credit; Enterprise Zone; River Edge
25 Redevelopment Zone.

26 (1) A taxpayer shall be allowed a credit against the

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

1 excess may be carried forward and applied to the tax
2 liability of the 5 taxable years following the excess
3 credit year. The credit shall be applied to the earliest
4 year for which there is a liability. If there is credit
5 from more than one tax year that is available to offset a
6 liability, the credit accruing first in time shall be
7 applied first.

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

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

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

16 (C) is acquired by purchase as defined in Section
17 179(d) of the Internal Revenue Code;

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

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

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

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

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

9 (6) If during any taxable year, any property ceases to
10 be qualified property in the hands of the taxpayer within
11 48 months after being placed in service, or the situs of
12 any qualified property is moved outside the Enterprise
13 Zone or River Edge Redevelopment Zone within 48 months
14 after being placed in service, the tax imposed under
15 subsections (a) and (b) of this Section for such taxable
16 year shall be increased. Such increase shall be determined
17 by (i) recomputing the investment credit which would have
18 been allowed for the year in which credit for such
19 property was originally allowed by eliminating such
20 property from such computation, and (ii) subtracting such
21 recomputed credit from the amount of credit previously
22 allowed. For the purposes of this paragraph (6), a
23 reduction of the basis of qualified property resulting
24 from a redetermination of the purchase price shall be
25 deemed a disposition of qualified property to the extent
26 of such reduction.

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

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

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

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

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

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

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

23 (g) (Blank).

24 (h) Investment credit; High Impact Business.

25 (1) Subject to subsections (b) and (b-5) of Section
26 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall

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

1 tax years ending on or after December 31, 1987, the credit
2 shall be allowed for the tax year in which the property is
3 placed in service, or, if the amount of the credit exceeds
4 the tax liability for that year, whether it exceeds the
5 original liability or the liability as later amended, such
6 excess may be carried forward and applied to the tax
7 liability of the 5 taxable years following the excess
8 credit year. The credit shall be applied to the earliest
9 year for which there is a liability. If there is credit
10 from more than one tax year that is available to offset a
11 liability, the credit accruing first in time shall be
12 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
7 tax depreciation purposes is increased after it has been
8 placed in service in a federally designated Foreign Trade
9 Zone or Sub-Zone located in Illinois by the taxpayer, the
10 amount of such increase shall be deemed property placed in
11 service on 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
20 under subsections (a) and (b) of this Section for such
21 taxable year shall be increased. Such increase shall be
22 determined by (i) recomputing the investment credit which
23 would have been allowed for the year in which credit for
24 such property was originally allowed by eliminating such
25 property from such computation, and (ii) subtracting such
26 recomputed credit from the amount of credit previously

1 allowed. For the purposes of this paragraph (6), a
2 reduction of the basis of qualified property resulting
3 from a redetermination of the purchase price shall be
4 deemed a disposition of qualified property to the extent
5 of such 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
11 Section 18-183 of the Property Tax Code, the tax imposed
12 under subsections (a) and (b) of this Section shall be
13 increased for the taxable year in which the taxpayer
14 relocated its facility by an amount equal to the amount of
15 credit 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

1 in 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
5 year that are available to offset a liability, the earlier
6 credit 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
10 federal and State income taxation, there shall be allowed a
11 credit under this Section to be determined in accordance with
12 the determination of income and distributive share of income
13 under Sections 702 and 704 and Subchapter S of the Internal
14 Revenue 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)
24 and (b) of this Section for the tax imposed by subsections (c)
25 and (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
8 (a) 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
11 subsections (a) and (b) of the 5 taxable years following the
12 excess credit year, provided that no credit may be carried
13 forward to any year ending on or after December 31, 2003. This
14 credit shall be applied first to the earliest year for which
15 there is a liability. If there is a credit under this
16 subsection from more than one tax year that is available to
17 offset a liability the earliest credit arising under this
18 subsection shall be applied first.

19 If, during any taxable year ending on or after December
20 31, 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
2 taxable 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
9 outside of Illinois by a taxpayer, for educational or
10 vocational training in semi-technical or technical fields or
11 semi-skilled or skilled fields, which were deducted from gross
12 income in the computation of taxable income. The credit
13 against the tax imposed by subsections (a) and (b) shall be
14 1.6% of such training expenses. For partners, shareholders of
15 subchapter S corporations, and owners of limited liability
16 companies, if the liability company is treated as a
17 partnership for purposes of federal and State income taxation,
18 there shall be allowed a credit under this subsection (j) to be
19 determined in accordance with the determination of income and
20 distributive share of income under Sections 702 and 704 and
21 subchapter S of the Internal Revenue Code.

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

1 liability. If there is a credit under this subsection from
2 more than one tax year that is available to offset a liability,
3 the earliest credit arising under this subsection shall be
4 applied first. No carryforward credit may be claimed in any
5 tax year ending on or 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)
11 and (b) of this Section for increasing research activities in
12 this 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
17 the liability company is treated as a partnership for purposes
18 of 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
2 for increasing research activities in this State" means the
3 excess of qualifying expenditures for the taxable year in
4 which incurred over qualifying expenditures for the base
5 period, "qualifying expenditures for the base period" means
6 the average of the qualifying expenditures for each year in
7 the base period, and "base period" means the 3 taxable years
8 immediately preceding the taxable year for which the
9 determination is being 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
15 occurs first; provided that no credit earned in a tax year
16 ending prior to December 31, 2003 may be carried forward to any
17 year 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
14 taken 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
18 on or before December 31, 2001, a taxpayer shall be
19 allowed a credit against the tax imposed by subsections
20 (a) and (b) of this Section for certain amounts paid for
21 unreimbursed eligible remediation costs, as specified in
22 this subsection. For purposes of this Section,
23 "unreimbursed eligible remediation costs" means costs
24 approved by the Illinois Environmental Protection Agency
25 ("Agency") under Section 58.14 of the Environmental
26 Protection Act that were paid in performing environmental

1 remediation at a site for which a No Further Remediation
2 Letter was issued by the Agency and recorded under Section
3 58.10 of the Environmental Protection Act. The credit must
4 be claimed for the taxable year in which Agency approval
5 of the eligible remediation costs is granted. The credit
6 is not available to any taxpayer if the taxpayer or any
7 related party caused or contributed to, in any material
8 respect, a release of regulated substances on, in, or
9 under the site that was identified and addressed by the
10 remedial action pursuant to the Site Remediation Program
11 of the Environmental Protection Act. After the Pollution
12 Control 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
20 Code 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
23 being a related taxpayer, as well as any of its partners.
24 The credit allowed against the tax imposed by subsections
25 (a) and (b) shall be equal to 25% of the unreimbursed
26 eligible remediation costs in excess of \$100,000 per site,

1 except that the \$100,000 threshold shall not apply to any
2 site 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
6 with a maximum total of \$150,000 per site. For partners
7 and shareholders of subchapter S corporations, there shall
8 be allowed a credit under this subsection to be determined
9 in accordance with the determination of income and
10 distributive share of income under Sections 702 and 704
11 and 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
20 for which there is a liability. If there is a credit under
21 this subsection from more than one tax year that is
22 available to offset a liability, the earliest credit
23 arising under this subsection shall be applied first. A
24 credit allowed under this subsection may be sold to a
25 buyer as part of a sale of all or part of the remediation
26 site for which the credit was granted. The purchaser of a

1 remediation site and the tax credit shall succeed to the
2 unused credit and remaining carry-forward period of the
3 seller. To perfect the transfer, the assignor shall record
4 the transfer in the chain of title for the site and provide
5 written notice to the Director of the Illinois Department
6 of Revenue of the assignor's intent to sell the
7 remediation site and the amount of the tax credit to be
8 transferred as a portion of the sale. In no event may a
9 credit be transferred to any taxpayer if the taxpayer or a
10 related party would not be eligible under the provisions
11 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 (m) Education expense credit. Beginning with tax years
16 ending after December 31, 1999, a taxpayer who is the
17 custodian of one or more qualifying pupils shall be allowed a
18 credit against the tax imposed by subsections (a) and (b) of
19 this Section for qualified education expenses incurred on
20 behalf of the qualifying pupils. The credit shall be equal to
21 25% of qualified education expenses, but in no event may the
22 total credit under this subsection claimed by a family that is
23 the custodian of qualifying pupils exceed (i) \$500 for tax
24 years ending prior to December 31, 2017, and (ii) \$750 for tax
25 years ending on or after December 31, 2017. In no event shall a
26 credit under this subsection reduce the taxpayer's liability

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

9 For purposes of this subsection:

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

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

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

1 for the credit under this Section.

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

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

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

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

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

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

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

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

26 (1) the medical cannabis cultivation center

1 registration, medical cannabis dispensary registration, or
2 the property of a registration is transferred as a result
3 of any of the following:

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

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

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

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

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

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

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

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

8 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for
9 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
10 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 11-18-20.)

11 Section 95. No acceleration or delay. Where this Act makes
12 changes in a statute that is represented in this Act by text
13 that is not yet or no longer in effect (for example, a Section
14 represented by multiple versions), the use of that text does
15 not accelerate or delay the taking effect of (i) the changes
16 made by this Act or (ii) provisions derived from any other
17 Public Act.

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