

HB2859



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2859

Introduced 2/16/2023, by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

35 ILCS 5/217

Amends the Illinois Income Tax Act. Provides that the credit for wages paid to qualified veterans also extends to wages paid to a qualified veteran's spouse. Provides that active duty members of the United States Armed Forces are also considered "qualified veterans". Effective immediately.

LRB103 25765 HLH 52114 b

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 217 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans and
8 spouses of qualified veterans.

9 (a) For each taxable year beginning on or after January 1,
10 2007 and ending on or before December 30, 2010, each taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 of this Act in an amount equal to
13 5%, but in no event to exceed \$600, of the gross wages paid by
14 the taxpayer to a qualified veteran in the course of that
15 veteran's sustained employment during the taxable year. For
16 each taxable year that begins ~~beginning~~ on or after January 1,
17 2010 and begins prior to January 1, 2024, each taxpayer is
18 entitled to a credit against the tax imposed by subsections
19 (a) and (b) of Section 201 of this Act in an amount equal to
20 10%, but in no event to exceed \$1,200, of the gross wages paid
21 by the taxpayer to a qualified veteran in the course of that
22 veteran's sustained employment during the taxable year. For
23 each taxable year that begins on or after January 1, 2024 and

1 begins prior to January 1, 2029, each taxpayer is entitled to a
2 credit against the tax imposed by subsections (a) and (b) of
3 Section 201 of this Act in an amount equal to 10%, but in no
4 event to exceed \$1,200, of the gross wages paid by the taxpayer
5 to a qualified veteran or the spouse of a qualified veteran in
6 the course of that veteran's or spouse's sustained employment
7 during the taxable year. 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 taxation,
11 there shall be allowed a credit under this Section to be
12 determined in accordance with the determination of income and
13 distributive share of income under Sections 702 and 704 and
14 Subchapter S of the Internal Revenue Code.

15 (b) For purposes of this Section:

16 "Active duty member of the United States Armed Forces"
17 means a member of the Armed Services or Reserve Forces of the
18 United States or a member of the Illinois National Guard who is
19 called to active duty pursuant to an executive order of the
20 President of the United States, an act of the Congress of the
21 United States, or an order of the Governor.

22 "Qualified veteran" means an Illinois resident who is an
23 active duty member of the United States Armed Forces or who
24 meets the following criteria: (i) the person was a member of
25 the Armed Forces of the United States, a member of the Illinois
26 National Guard, or a member of any reserve component of the

1 Armed Forces of the United States; (ii) the person served on
2 active duty in connection with Operation Desert Storm,
3 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)
4 the person has provided, to the taxpayer, documentation
5 showing that he or she was honorably discharged; and (iv) the
6 person was initially hired by the taxpayer on or after January
7 1, 2007.

8 "Sustained employment" means a period of employment that
9 is not less than 185 days during the taxable year.

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

19 (d) A taxpayer who claims a credit under this Section for a
20 taxable year with respect to a veteran shall not be allowed a
21 credit under Section 217.1 of this Act with respect to the same
22 veteran for that taxable year.

23 (Source: P.A. 96-101, eff. 1-1-10; 97-767, eff. 7-9-12.)

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