

HB4864



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4864

Introduced 2/7/2024, by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to 10% of the manufacturing capital expenditures incurred by the taxpayer during the taxable year or, if the taxpayer is located in a rural or economically challenged area, 15% of the manufacturing capital expenditures. Provides that the total amount of credits awarded under those provisions may not exceed \$10,000,000 for any particular taxpayer in any taxable year, except that, if the capital investment is made in a rural or economically challenged area, then the maximum amount of the credit shall be \$20,000,000. Effective immediately.

LRB103 36518 HLH 66624 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 adding Section 241 as follows:

6 (35 ILCS 5/241 new)

7 Sec. 241. Manufacturing capital expenditure credit. For
8 taxable years that begin on or after January 1, 2024 and begin
9 prior to January 1, 2035, each taxpayer that is engaged in the
10 business of manufacturing (North American Industry
11 Classification System code 31-33) is entitled to a credit
12 against the taxes imposed by subsections (a) and (b) of
13 Section 201 in an amount equal to 10% of the capital
14 expenditures incurred by the taxpayer during the taxable year
15 that are related to manufacturing. The total amount of credits
16 awarded under this Section may not exceed \$10,000,000 for any
17 particular taxpayer in any taxable year, except that, if the
18 capital investment is made in a rural or economically
19 challenged area, as determined by the Department of Commerce
20 and Economic Opportunity, then the amount of the credit shall
21 be 15% of the capital expenditure, and the maximum amount of
22 the credit shall be \$20,000,000. A taxpayer may not claim a
23 credit under this Section if the taxpayer claims a credit

1 against the taxes imposed by subsections (a) and (b) of
2 Section 201 for the same capital expenditure under any other
3 provision of law.

4 In no event shall a credit under this Section reduce the
5 taxpayer's liability under this Act to less than zero. The
6 credit may not be carried forward or back.

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.