

HB5279



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5279

Introduced 2/9/2024, by Rep. Katie Stuart

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232

Amends the Illinois Income Tax Act. Provides that the credit for agritourism liability insurance applies for tax years ending on or before December 31, 2028 (currently, December 31, 2023). Effective immediately.

LRB103 36613 HLH 66722 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 232 as follows:

6 (35 ILCS 5/232)

7 Sec. 232. Tax credit for agritourism liability insurance.

8 (a) For taxable years beginning on or after January 1,
9 2022 and ending on or before December 31, 2028 ~~December 31,~~
10 ~~2023~~, any individual or entity that operates an agritourism
11 operation in the State during the taxable year shall be
12 entitled to a tax credit against the tax imposed by
13 subsections (a) and (b) of Section 201 equal to the lesser of
14 100% of the liability insurance premiums paid by that
15 individual or entity during the taxable year or \$1,000. To
16 claim the credit, the taxpayer must apply to the Department of
17 Agriculture for a certificate of credit in the form and manner
18 required by the Department of Agriculture by rule. If granted,
19 the taxpayer shall attach a copy of the certificate of credit
20 to his or her Illinois income tax return for the taxable year.
21 The total amount of credits that may be awarded by the
22 Department of Agriculture may not exceed \$1,000,000 in any
23 calendar year.

1 (b) For the purposes of this Section:

2 "Agricultural property" means property that is used in
3 whole or in part for production agriculture, as defined in
4 Section 3-35 of the Use Tax Act, or used in connection with one
5 or more of the following:

6 (1) the growing and harvesting of crops;

7 (2) the feeding, breeding, and management of
8 livestock;

9 (3) dairying or any other agricultural or
10 horticultural use or combination of those uses, including,
11 but not limited to, the harvesting of hay, grain, fruit,
12 or truck or vegetable crops, or floriculture, mushroom
13 growing, plant or tree nurseries, orchards, forestry, sod
14 farming, or greenhouses; or

15 (4) the keeping, raising, and feeding of livestock or
16 poultry, including dairying, poultry, swine, sheep, beef
17 cattle, ponies or horses, fur farming, bees, fish and
18 wildlife farming.

19 "Agritourism activities" includes, but is not limited to,
20 the following:

21 (1) historic, cultural, and on-site educational
22 programs;

23 (2) guided and self-guided tours, including school
24 tours;

25 (3) animal exhibitions or petting zoos;

26 (4) agricultural crop mazes, such as corn or flower

1 mazes;

2 (5) harvest-your-own or U-pick operations;

3 (6) horseback or pony rides; and

4 (7) hayrides or sleigh rides.

5 "Agritourism activities" does not include the following
6 activities:

7 (1) hunting;

8 (2) fishing;

9 (3) amusement rides;

10 (4) rodeos;

11 (5) off-road biking or motorized off-highway or
12 all-terrain vehicle activities;

13 (6) boating, swimming, canoeing, hiking, camping,
14 skiing, bounce houses, or similar activities; or

15 (7) entertainment venues such as weddings or concerts.

16 "Agritourism operation" means an individual or entity that
17 carries out agricultural activities on agricultural property
18 and allows members of the general public, for recreational,
19 entertainment, or educational purposes, to view or enjoy those
20 activities.

21 (c) If the taxpayer is a partnership or Subchapter S
22 corporation, the credit shall be allowed to the partners or
23 shareholders in accordance with the determination of income
24 and distributive share of income under Sections 702 and 704
25 and Subchapter S of the Internal Revenue Code.

26 (d) In no event shall a credit under this Section reduce

1 the taxpayer's liability to less than zero. If the amount of
2 the credit exceeds the tax liability for the year, the excess
3 may be carried forward and applied to the tax liability of the
4 5 taxable years following the excess credit year. The tax
5 credit shall be applied to the earliest year for which there is
6 a tax liability. If there are credits for more than one year
7 that are available to offset a liability, the earlier credit
8 shall be applied first.

9 (Source: P.A. 102-700, eff. 4-19-22; 103-154, eff. 6-30-23.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.