

SB2656



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2656

Introduced 1/10/2024, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

35 ILCS 5/241 new

Amends the Illinois Income Tax Act. Creates a credit for certain small businesses in an amount equal to the lesser of (i) 10% of the property taxes paid by the qualified small business during the taxable year for eligible real property or (ii) \$1,500. Effective immediately.

LRB103 35344 HLH 65408 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. Small business property tax relief credit.

8 (a) For taxable years ending on or after December 31,
9 2024, each qualified small business is entitled to a credit
10 against the taxes imposed by subsections (a) and (b) of
11 Section 201 in an amount equal to the lesser of (i) 10% of the
12 property taxes paid by the qualified small business during the
13 taxable year for eligible real property or (ii) \$1,500.

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

23 (c) If the taxpayer is a partnership or Subchapter S

1 corporation, the credit is allowed to pass through to the
2 partners and shareholders as provided in Section 251.

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

5 (e) As used in this Section:

6 "Eligible real property" means property located in
7 Illinois that meets the following criteria:

8 (1) the taxpayer has an ownership interest in the
9 property, whether legal, equitable, or as a lessee, and
10 the taxpayer is liable for the payment of property taxes
11 on the property;

12 (2) the property is used to conduct the taxpayer's
13 business operations; and

14 (3) the property is not residential.

15 "Qualified small business" means a sole proprietorship,
16 partnership, corporation, joint venture, association, or
17 cooperative that conducts business in Illinois, employs fewer
18 than 50 employees in the State during the taxable year, and is
19 current with all State and federal tax obligations as of the
20 last day of the taxable year.

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.