

1 AN ACT concerning taxes.

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 212 as follows:

6 (35 ILCS 5/212)

7 (Section scheduled to be repealed on June 1, 2003)

8 Sec. 212. Earned income tax credit.

9 (a) With respect to the federal earned income tax credit
10 allowed for the taxable year under Section 32 of the federal
11 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
12 is entitled to a credit against the tax imposed by
13 subsections (a) and (b) of Section 201 in an amount equal to
14 (i) 5% of the federal tax credit for each taxable year
15 beginning on or after January 1, 2000 and ending on or before
16 December 31, 2004; (ii) 10% of the federal tax credit for the
17 taxable year beginning on or after January 1 in 2005; (iii)
18 15% of the federal tax credit for the taxable year beginning
19 on or after January 1 in 2006; and 20% of the federal tax
20 credit for taxable years beginning on or after January 1,
21 2007~~2002~~.

22 For a non-resident or part-year resident, the amount of
23 the credit under this Section shall be in proportion to the
24 amount of income attributable to this State.

25 (b) For taxable years beginning before January 1, 2005,
26 in no event shall a credit under this Section reduce the
27 taxpayer's liability to less than zero. For each taxable
28 year beginning on or after January 1, 2005, if the amount of
29 the credit exceeds the income tax liability for the
30 applicable tax year, then the excess credit shall be refunded
31 to the taxpayer. The amount of a refund shall not be

1 included in the taxpayer's income or resources for the
2 purposes of determining eligibility or benefit level in any
3 means-tested benefit program administered by a governmental
4 entity unless required by federal law.

5 (c) This Section is exempt from the provisions of
6 Section 250 ~~repealed on June 17, 2003.~~

7 (Source: P.A. 91-700, eff. 5-11-00.)

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