



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

Introduced 2/6/2004, by Michael J. Madigan

SYNOPSIS AS INTRODUCED:

35 ILCS 5/210.5

Amends the Illinois Income Tax Act. Makes a technical change in a Section concerning tax credits for providing child care for employees.

LRB093 17337 SJM 43003 b

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 210.5 as follows:

6 (35 ILCS 5/210.5)

7 Sec. 210.5. Tax credit for employee child care.

8 (a) Each corporate taxpayer is entitled to a credit against
9 the tax imposed by subsections (a) and (b) of Section 201 of
10 this Act in an amount equal to (i) for taxable years ending on
11 or after December 31, 2000 and on or before December 31, 2004,
12 30% of the start-up costs expended by the corporate taxpayer to
13 provide a child care facility for the children of its employees
14 and (ii) for taxable years ending on or after December 31,
15 2000, 5% of the annual amount paid by the corporate taxpayer in
16 providing the child care facility for the children of its
17 employees. The provisions of Section 250 do not apply to the 5%
18 credit under item (ii) of this subsection. If the 5% credit
19 authorized under item (ii) of this subsection is claimed, the
20 5% credit authorized under Section 210 cannot also be claimed.

21 To receive the tax credit under this Section a corporate
22 taxpayer may either independently provide and operate a child
23 care facility for the children of its employees or it may join
24 in a partnership with one or more other corporations to jointly
25 provide and operate a child care facility for the children of
26 employees of the corporations in the partnership.

27 (b) The tax credit may not reduce the taxpayer's liability
28 to less than zero. If the amount of the tax credit exceeds the
29 tax liability for the year, the excess may be carried forward
30 and applied to the tax liability of the 5 taxable years
31 following the excess credit year. The credit must be applied to
32 the earliest year for which there is a tax liability. If there

1 are credits from more than one tax year that are available to
2 offset a liability, then the earlier credit must be applied
3 first.

4 (c) As used in this Section, "start-up costs" means
5 planning, site-preparation, construction, renovation, or
6 acquisition of a child care facility. As used in this Section,
7 "child care facility" is limited to a child care facility
8 located in Illinois.

9 (d) A corporate taxpayer claiming the credit provided by
10 this Section shall maintain and record such information as the
11 Department may require by rule regarding the child care
12 facility for which the credit is claimed.

13 (Source: P.A. 91-930, eff. 12-15-00.)