



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/09/04, by Elizabeth Coulson

**SYNOPSIS AS INTRODUCED:**

35 ILCS 5/210.5

Amends the Illinois Income Tax Act. Removes language terminating the tax credit for start-up costs for providing employee child care. Exempts the credit from the sunset provisions of the Act. Effective immediately.

LRB093 18349 SJM 44056 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning income tax.

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 in an  
10 amount equal to (i) for taxable years ending on or after  
11 December 31, 2000 ~~and on or before December 31, 2004~~, 30% of  
12 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  
18 credits allowed under this Section ~~5% credit under item (ii) of~~  
19 ~~this subsection~~. If the 5% credit authorized under item (ii) of  
20 this subsection is claimed, the 5% credit authorized under  
21 Section 210 cannot also be claimed.

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

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

1 the earliest year for which there is a tax liability. If there  
2 are credits from more than one tax year that are available to  
3 offset a liability, then the earlier credit must be applied  
4 first.

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

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

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

15 Section 99. Effective date. This Act takes effect upon  
16 becoming law.