



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0387

Introduced 1/25/2005, by Rep. William B. Black

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new

35 ILCS 5/217 new

Amends the Illinois Income Tax Act. Creates a \$2,000 tax credit for each taxpayer who purchases a new E85 ethanol powered motor vehicle during the taxable year. Creates a \$10,000 tax credit for each motor fuel retailer who installs one or more new E85 ethanol fuel dispensing pumps at his or her motor fuel retail store in Illinois during the taxable year. Provides that each of the credits applies to taxable years ending on or after December 31, 2005 and on or before December 30, 2010. Limits the vehicle credit to one vehicle and the pump credit to one year. Provides that the credits may not reduce the taxpayer's liability to less than zero. Effective January 1, 2006.

LRB094 06900 BDD 37011 b

FISCAL NOTE ACT
MAY APPLY

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 adding
5 Sections 216 and 217 as follows:

6 (35 ILCS 5/216 new)

7 Sec. 216. Tax credit for purchasing one E85 ethanol-powered
8 motor vehicle and using E85 blend fuel. For taxable years
9 ending on or after December 31, 2005 and on or before December
10 30, 2010, each taxpayer who purchases a new E85 ethanol-powered
11 motor vehicle is entitled to a credit against the tax imposed
12 by subsections (a) and (b) of Section 201 in the following
13 amounts:

14 (1) For the taxable year of the purchase, \$500.

15 (2) For the year following the taxable year of the
16 purchase, \$500 if the taxpayer verifies that the taxpayer
17 purchased at least 1,000 gallons of E85 blend fuel during
18 the taxable year for the E85 ethanol-powered motor vehicle
19 for which a credit was allowed under item (1).

20 (3) For the second year following the taxable year of
21 the purchase, \$500 if the taxpayer verifies that the
22 taxpayer purchased at least 1,000 gallons of E85 blend fuel
23 during the taxable year for the E85 ethanol-powered motor
24 vehicle for which a credit was allowed under item (1).

25 (4) For the third year following the taxable year of
26 the purchase, \$500 if the taxpayer verifies that the
27 taxpayer purchased at least 1,000 gallons of E85 blend fuel
28 during the taxable year for the E85 ethanol-powered motor
29 vehicle for which a credit was allowed under item (1).

30 For purposes of this Section, "E85 ethanol-powered motor
31 vehicle" means a motor vehicle that is powered by E85 blend
32 fuel that consists of at least 85% ethanol and no more than 15%

1 gasoline.

2 The same taxpayer, throughout all taxable years, may take
3 this credit only with respect to one vehicle. A taxpayer may
4 not use this credit for more than one vehicle. A tax credit
5 under this Section may not reduce the taxpayer's liability in
6 any taxable year to less than zero.

7 (35 ILCS 5/217 new)

8 Sec. 217. Single-year credit for installing E85 ethanol
9 fuel dispensing pumps. For taxable years ending on or after
10 December 31, 2005 and on or before December 30, 2010, each
11 motor fuel retailer who installs one or more new E85 ethanol
12 fuel dispensing pumps at his or her motor fuel retail store in
13 Illinois during the taxable year is entitled to a credit
14 against the tax imposed by subsections (a) and (b) of Section
15 201 in the amount of \$10,000. For purposes of this Section "E85
16 ethanol fuel dispensing pump" means a fuel dispensing pump that
17 dispenses E85 blend fuel which consists of at least 85% ethanol
18 and no more than 15% gasoline.

19 The same taxpayer may take this credit in only one taxable
20 year. The tax credit may not reduce the taxpayer's liability to
21 less than zero.

22 Section 99. Effective date. This Act takes effect January
23 1, 2006.