



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2522

Introduced 2/18/2005, by Rep. Jim Sacia

SYNOPSIS AS INTRODUCED:

35 ILCS 5/216 new
35 ILCS 5/217 new

Amends the Illinois Income Tax Act. Allows credits of \$10,000 for high-impact ethanol retailers and high-impact biodiesel retailers. Defines "high-impact ethanol retailer" as a motor fuel retailer who has been certified by the Department as being one of the top 25 retailers in the sale of motor-fuel ethanol in the State during the previous calendar year, and defines "high-impact biodiesel retailer" as a motor fuel retailer who has been certified by the Department as being one of the top 25 retailers in the sale of biodiesel in the State during the previous calendar year. Provides that the credits may not be carried forward or back and may not reduce a taxpayer's liability to less than zero. Effective immediately.

LRB094 09840 BDD 41184 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 ethanol sales.

8 (a) For taxable years ending on or after December 31, 2005
9 and ending on or before December 30, 2010, each high-impact
10 ethanol retailer is entitled to a credit against the tax
11 imposed by subsections (a) and (b) of Section 201 in an amount
12 of \$10,000.

13 (b) For the purpose of this Section, a "high-impact ethanol
14 retailer" means a motor fuel retailer who has been certified by
15 the Department as being one of the top 25 retailers in the sale
16 of motor-fuel ethanol in the State during the previous calendar
17 year. "Motor-fuel ethanol" means ethanol that has been added to
18 gasoline.

19 (c) To be eligible for a credit under this Section, the
20 taxpayer must make an application to the Department that
21 contains any information reasonably required by the Department
22 to calculate the amount of motor-fuel ethanol sold by the
23 taxpayer.

24 (d) If the taxpayer is a partnership or Subchapter S
25 corporation, the credit is allowed to the partners or
26 shareholders in accordance with the determination of income and
27 distributive share of income under Sections 702 and 704 and
28 Subchapter S of the Internal Revenue Code.

29 (e) The credit may not be carried forward or back. In no
30 event shall a credit under this Section reduce the taxpayer's
31 liability to less than zero.

32 (f) The Department must adopt any ruled necessary for the

1 administration of this Section.

2 (35 ILCS 5/217 new)

3 Sec. 217. Tax credit for biodiesel sales.

4 (a) For taxable years ending on or after December 31, 2005
5 and ending on or before December 30, 2010, each high-impact
6 biodiesel retailer is entitled to a credit against the tax
7 imposed by subsections (a) and (b) of Section 201 in an amount
8 of \$10,000.

9 (b) For the purpose of this Section, a "high-impact
10 biodiesel retailer" means a motor fuel retailer who has been
11 certified by the Department as being one of the top 25
12 retailers in the sale of biodiesel in the State during the
13 previous calendar year. "Biodiesel" has the meaning set forth
14 in Section 10 of the Illinois Renewable Fuels Development
15 Program Act.

16 (c) To be eligible for a credit under this Section, the
17 taxpayer must make an application to the Department that
18 contains any information reasonably required by the Department
19 to calculate the amount of biodiesel sold by the taxpayer.

20 (d) If the taxpayer is a partnership or Subchapter S
21 corporation, the credit is allowed to the partners or
22 shareholders in accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and
24 Subchapter S of the Internal Revenue Code.

25 (e) The credit may not be carried forward or back. In no
26 event shall a credit under this Section reduce the taxpayer's
27 liability to less than zero.

28 (f) The Department must adopt any ruled necessary for the
29 administration of this Section.

30 Section 99. Effective date. This Act takes effect January
31 1, 2006.