



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB1409

Introduced 2/21/2007, by Rep. Kurt M. Granberg

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Creates a tax credit, for taxable years ending on or after December 31, 2007, for taxpayers who make an eligible expenditure during the taxable year for the rehabilitation of a qualified historic building. Sets the credit at an amount equal to 25% of the total expenditures made during the taxable year for the rehabilitation. Defines "eligible expenditure" as an expenditure equal to at least 50% of the total basis in the property. Defines "qualified historic building" as a structure listed individually on the National Register of Historic Places, a contributing structure in a National Register historic district, or be located in a local historic district that is certified by the United States Department of the Interior. Provides that the credit may be carried back for 3 years or carried forward for 5 years. Exempts the credit from the Act's sunset provisions. Effective immediately.

LRB095 08608 BDD 28791 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Historic preservation credit.

8 (a) For taxable years ending on or after December 31, 2007,
9 each taxpayer who makes an eligible expenditure during the
10 taxable year for the rehabilitation of a qualified historic
11 building is entitled to a credit against the tax imposed under
12 subsections (a) and (b) of Section 201 in an amount equal to
13 25% of the total expenditures made during the taxable year for
14 the rehabilitation that meets the standards consistent with
15 those of the Secretary of the United States Department of the
16 Interior for rehabilitation, as determined by the Historic
17 Preservation Agency.

18 (b) For the purpose of this Section:

19 "Eligible expenditure" means an expenditure equal to at
20 least 50% of the total basis in the property.

21 "Qualified historic building" means a structure listed
22 individually on the National Register of Historic Places, a
23 contributing structure in a National Register historic

1 district, or be located in a local historic district that is
2 certified by the United States Department of the Interior.

3 (c) For partners, shareholders of Subchapter S
4 corporations, and owners of limited liability companies, if the
5 liability company is treated as a partnership for purposes of
6 federal and State income taxation, there is allowed a credit
7 under this Section to be determined in accordance with the
8 determination of income and distributive share of income under
9 Sections 702 and 704 and Subchapter S of the Internal Revenue
10 Code.

11 (d) The credit under this Act may not reduce the taxpayer's
12 liability to less than zero. If the amount of the credit
13 exceeds the tax liability for the year, the excess may be (i)
14 carried back and applied to the tax liability of the 3 taxable
15 years preceding the excess credit year or (ii) carried forward
16 and applied to the tax liability of the 5 taxable years
17 following the excess credit year. The tax credit shall be
18 applied to the earliest year for which there is a tax
19 liability. If there are credits for more than one year that are
20 available to offset a liability, the earlier credit shall be
21 applied first.

22 (e) This Section is exempt from the provisions of Section
23 250.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.