HB3673

LRB09509689BDD29891b

95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB3673

Introduced 2/28/2007, by Rep. Jim Watson

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Creates a credit, for taxable years ending on or after December 31, 2007, for taxpayers who operate a clean-coal-energy project in the State. Provides that the amount of the credit is an amount equal to the costs of that operation, but not to exceed $50,000. Defines "clean-coal-energy project" to include any project that employs the use of clean-coal technology, any coal-gasification project, and any project to provide pollution-control technology for existing coal plants. Provides that the credit may be carried forward for 5 years. Exempts the credit from the Act's sunset provisions. Effective immediately.

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FISCAL NOTE ACT
MAY APPLY

A BILL FOR

AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Income Tax Act is amended by adding Section 218 as follows:

(35 ILCS 5/218 new)

Sec. 218. Clean coal credit.

(a) For taxable years ending on or after December 31, 2007, each taxpayer who operates a clean-coal-energy project in the State is entitled to a credit against the tax imposed under subsections (a) and (b) of Section 201 in an amount equal to the costs of that operation, but not to exceed $50,000.

(b) For the purpose of this Section, "clean-coal-energy project" includes any project that employs the use of clean-coal technology, any coal-gasification project, and any project to provide pollution-control technology for existing coal plants.

(c) For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there is allowed a credit under this Section to be determined in accordance with the determination of income and distributive share of income under

Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

(d) The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

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

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