LRB09510819BDD31074b

95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

SB0490

Introduced 2/8/2007, by Sen. Kirk W. Dillard

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, but not to exceed $100,000. Defines "eligible expenditure" as an expenditure equal to at least 10% of the fair cash value of the qualified historic building before the rehabilitation. Defines "qualified historic building" as a commercial building or an owner-occupied residential building that is listed in a national, State, or local historic registry. 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. Historic preservation credit.

(a) For taxable years ending on or after December 31, 2007, each taxpayer who makes an eligible expenditure during the taxable year for the rehabilitation of a qualified historic building is entitled to a credit against the tax imposed under subsections (a) and (b) of Section 201 in an amount equal to 25% of the total expenditures made during the taxable year for the rehabilitation, but not to exceed $100,000.

(b) For the purpose of this Section:

"Eligible expenditure" means an expenditure equal to at least 10% of the fair cash value of the qualified historic building before the rehabilitation.

"Qualified historic building" means a commercial building or an owner-occupied residential building that is listed in a national, State, or local historic registry.

(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 and may not reduce the taxpayer's liability to less than zero. 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.