

HB5830



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5830

Introduced 2/10/2010, by Rep. Mike Bost

SYNOPSIS AS INTRODUCED:

35 ILCS 5/217

Amends the Illinois Income Tax Act. Provides that the credit for wages paid to qualified veterans also applies to wages paid to employees who are currently a member of the Illinois National Guard or a member of any reserve component of the Armed Forces of the United States. Effective immediately.

LRB096 18019 HLH 33391 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
5 changing Section 217 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans.

8 (a) For each taxable year beginning on or after January 1,
9 2007 and ending on or before December 30, 2010, each taxpayer
10 is entitled to a credit against the tax imposed by subsections
11 (a) and (b) of Section 201 of this Act in an amount equal to 5%,
12 but in no event to exceed \$600, of the gross wages paid by the
13 taxpayer to a qualified veteran in the course of that veteran's
14 sustained employment during the taxable year. For each taxable
15 year beginning on or after January 1, 2010, each taxpayer is
16 entitled to a credit against the tax imposed by subsections (a)
17 and (b) of Section 201 of this Act in an amount equal to 10%,
18 but in no event to exceed \$1,200, of the gross wages paid by
19 the taxpayer to a qualified veteran in the course of that
20 veteran's sustained employment during the taxable year. For
21 partners, shareholders of Subchapter S corporations, and
22 owners of limited liability companies, if the liability company
23 is treated as a partnership for purposes of federal and State

1 income taxation, there shall be allowed a credit under this
2 Section to be determined in accordance with the determination
3 of income and distributive share of income under Sections 702
4 and 704 and Subchapter S of the Internal Revenue Code.

5 (b) For purposes of this Section:

6 "Qualified veteran" means an Illinois resident who was
7 initially hired by the taxpayer on or after January 1, 2007
8 and:

9 (1) who is currently a member of the Illinois National
10 Guard or a member of any reserve component of the Armed
11 Forces of the United States; or

12 (2) who: (i) was a member of the Armed Forces of the
13 United States, a member of the Illinois National Guard, or
14 a member of any reserve component of the Armed Forces of
15 the United States; (ii) served on active duty in connection
16 with Operation Desert Storm, Operation Enduring Freedom,
17 or Operation Iraqi Freedom; and (iii) has provided, to the
18 taxpayer, documentation showing that he or she was
19 honorably discharged; and (iv) was initially hired by the
20 taxpayer on or after January 1, 2007.

21 "Sustained employment" means a period of employment that is
22 not less than 185 days during the taxable year.

23 (c) In no event shall a credit under this Section reduce
24 the taxpayer's liability to less than zero. If the amount of
25 the credit exceeds the tax liability for the year, the excess
26 may be carried forward and applied to the tax liability of the

1 5 taxable years following the excess credit year. The tax
2 credit shall be applied to the earliest year for which there is
3 a tax liability. If there are credits for more than one year
4 that are available to offset a liability, the earlier credit
5 shall be applied first.

6 (Source: P.A. 96-101, eff. 1-1-10.)

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