



Sen. Michael Noland

**Filed: 3/15/2010**

09600SB0489sam001

LRB096 06571 HLH 39017 a

1 AMENDMENT TO SENATE BILL 489

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 489 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by  
5 adding Section 219 as follows:

6 (35 ILCS 5/219 new)

7 Sec. 219. Venture capital tax credit.

8 (a) Beginning in taxable year 2010 and through taxable year  
9 2014, each taxpayer who makes an investment in a qualified  
10 venture capital fund in Illinois is entitled to a credit  
11 against the tax imposed under subsections (a) and (b) of  
12 Section 201 of this Act. For the purposes of this Section, a  
13 "qualified venture capital fund" is a fund (i) with its primary  
14 office in Illinois and (ii) that has at least 50% of the total  
15 number of investments in its portfolio in eligible companies  
16 based in Illinois. For the purposes of this Section, an

1 eligible company is a company that meets one or more of the  
2 following criteria:

3 (1) the company is located in an enterprise zone, a  
4 River Edge Redevelopment Zone, or a federally designated  
5 Foreign Trade Zone or Sub-Zone;

6 (2) the company is a minority owned business or a  
7 female owned business, as defined in the Business  
8 Enterprise for Minorities, Females, and Persons with  
9 Disabilities Act;

10 (3) the company has been in existence for 4 years or  
11 less;

12 (4) the company is engaged in manufacturing; or

13 (5) the company's products, services, or operations  
14 encourage the conservation of water, energy, or both.

15 (b) The credit shall be in the amount of (i) 10% of the  
16 taxpayer's investment if the investment is made in an eligible  
17 company that meets one of the criteria set forth in items (1)  
18 through (5) of subsection (a) and (ii) 20% of the taxpayer's  
19 investment if the investment is made in an eligible company  
20 that meets more than one of the criteria set forth in items (1)  
21 through (5) of subsection (a). The credit shall be taken in the  
22 taxable year in which the qualified venture capital fund makes  
23 the investment in the eligible business.

24 (c) A credit under this Section shall not reduce that  
25 taxpayer's income tax liability to less than zero. If the  
26 amount of the tax credit exceeds the tax liability for the

1 year, the excess may be carried forward and applied to the tax  
2 liability of the 5 taxable years following the excess credit  
3 year. The credit must be applied to the earliest year for which  
4 there is a tax liability. If there are credits from more than  
5 one tax year that are available to offset a liability, then the  
6 earlier credit must be applied first.

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