



Sen. A. J. Wilhelmi

**Filed: 3/6/2009**

09600SB1935sam001

LRB096 11104 HLH 22945 a

1 AMENDMENT TO SENATE BILL 1935

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 1935 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the Endow  
5 Illinois Tax Credit Act.

6 Section 5. Definitions. For the purposes of this Act:

7 "Department" means the Department of Revenue.

8 "Endowment gift" means an irrevocable contribution to a  
9 permanent endowment fund held by a qualified community  
10 foundation.

11 "Permanent endowment fund" means a fund that (i) is held by  
12 a qualified community foundation to provide benefit to  
13 charitable causes in the State, (ii) is intended to exist in  
14 perpetuity, and (iii) has an annual spend rate based on the  
15 foundation spending policy.

16 "Qualified community foundation" means a community

1 foundation or similar publicly-supported organization  
2 described in Section 170 (b) (1) (A) (vi) of the Internal Revenue  
3 Code of 1986 that is organized or operating in this State and  
4 that substantially complies with the national standards for  
5 U.S. community foundations that are established by the National  
6 Council on Foundations, as determined by the Department.

7 Section 10. Tax credit awards.

8 (a) The Department shall authorize an income tax credit to  
9 taxpayers who provide an endowment gift to a permanent  
10 endowment fund. The amount of the credit that may be authorized  
11 to a taxpayer by the Department under this Act is an amount  
12 equal to 50% of the endowment gift, but may not exceed  
13 \$125,000. A taxpayer that is a business entity is not eligible  
14 to receive a credit under this Act for the taxable year if the  
15 taxpayer's gross business receipts exceed \$30,000,000 for  
16 taxable years ending in 2009, \$40,000,000 for taxable years  
17 ending in 2010, or \$50,000,000 for taxable years ending in 2011  
18 or thereafter.

19 (b) The aggregate amount of all credits that the Department  
20 may authorize under this Act may not exceed \$50,000,000 in  
21 2009, \$75,000,000 in 2010, or \$100,000,000 in 2011 and each  
22 calendar year thereafter. The aggregate amount of all credits  
23 that the Department may authorize to any single taxpayer in a  
24 calendar year may not exceed 5% of the aggregate amount of all  
25 credits authorized by the Department in that calendar year. The

1 aggregate amount of all credits that the Department may  
2 authorize in any calendar year based on endowment gifts to any  
3 specific permanent endowment fund may not exceed 25% of  
4 aggregate credits authorized for that year.

5 (c) If the Department receives applications for tax credit  
6 in excess of the amount available, then the applications must  
7 be prioritized by the date that the Department received them.  
8 If the number of applications exceeds the amount of annual tax  
9 credits available, then the Department must establish a wait  
10 list for the next year's allocation of tax credits, and  
11 applications must first be funded in the order listed on that  
12 wait list.

13 Section 15. Applications for tax credits.

14 (a) The Department shall develop and make available a  
15 standardized application pertaining to the allocation of tax  
16 credits under this Act.

17 (b) Of the annual amount available for tax credits, 10%  
18 must be reserved for those endowment gifts of \$30,000 or less.  
19 If the entire 10% that is reserved for permanent endowment  
20 gifts totalling \$30,000 or less is not allocated, then the  
21 remaining amount is available in the following years for  
22 endowment gifts of \$30,000 or less.

23 (c) The Department must accept applications and authorize  
24 credits in an ongoing basis. The Department must make public,  
25 by June 1 and by December 1 of each year, the total number of

1 requests for tax credits and the total amount of requested tax  
2 credits that have been submitted and awarded.

3 Section 20. Annual report. By January 31 of each year, the  
4 Department must submit an annual report to the Governor and the  
5 General Assembly concerning the activities conducted under this  
6 Act during the previous calendar year. The report must include  
7 a detailed listing of tax credits authorized under this Act by  
8 the Department.

9 Section 90. The Illinois Income Tax Act is amended by  
10 adding Section 218 as follows:

11 (35 ILCS 5/218 new)

12 Sec. 218. The Endow Illinois Tax Credit.

13 (a) For taxable years ending on or after December 31, 2009,  
14 each taxpayer for whom a tax credit has been authorized by the  
15 Department of Revenue under the Endow Illinois Tax Credit Act,  
16 is entitled to a credit against the tax imposed under  
17 subsections (a) and (b) of Section 201 in an amount equal to  
18 the amount authorized under that Act.

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

1 determination of income and distributive share of income under  
2 Sections 702 and 704 and Subchapter S of the Internal Revenue  
3 Code.

4 (c) The credit may not be carried back and may not reduce  
5 the taxpayer's liability to less than zero. If the amount of  
6 the credit exceeds the tax liability for the year, the excess  
7 may be carried forward and applied to the tax liability of the  
8 3 taxable years following the excess credit year. The tax  
9 credit shall be applied to the earliest year for which there is  
10 a tax liability. If there are credits for more than one year  
11 that are available to offset a liability, the earlier credit  
12 shall be applied first.

13 (d) This Section is exempt from the provisions of Section  
14 250.

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