



Sen. John M. Sullivan

**Filed: 2/28/2012**

09700SB3241sam001

LRB097 14777 HLH 66662 a

1 AMENDMENT TO SENATE BILL 3241

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3241 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by  
5 changing Section 217 and by adding Section 217.1 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)

1 and (b) of Section 201 of this Act in an amount equal to 10%,  
2 but in no event to exceed \$1,200, of the gross wages paid by  
3 the taxpayer to a qualified veteran in the course of that  
4 veteran's sustained employment during the taxable year. For  
5 partners, shareholders of Subchapter S corporations, and  
6 owners of limited liability companies, if the liability company  
7 is treated as a partnership for purposes of federal and State  
8 income taxation, there shall be allowed a credit under this  
9 Section to be determined in accordance with the determination  
10 of income and distributive share of income under Sections 702  
11 and 704 and Subchapter S of the Internal Revenue Code.

12 (b) For purposes of this Section:

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

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

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

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

7 (d) A taxpayer who claims a credit under this Section for a  
8 taxable year with respect to a veteran shall not be allowed a  
9 credit under Section 217.1 of this Act with respect to the same  
10 veteran for that taxable year.

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

12 (35 ILCS 5/217.1 new)

13 Sec. 217.1. Credit for wages paid to qualified unemployed  
14 veterans.

15 (a) For each taxable year ending on or after December 31,  
16 2012 and on or before December 31, 2016, each taxpayer is  
17 entitled to a credit against the tax imposed by subsections (a)  
18 and (b) of Section 201 of this Act in the amount equal to 20%,  
19 but in no event to exceed \$5,000, of the gross wages paid by  
20 the taxpayer to a qualified veteran in the course of that  
21 veteran's sustained employment during each taxable year ending  
22 on or after the date of hire by the taxpayer if that veteran  
23 was unemployed for an aggregate period of 4 weeks or more  
24 during the one-year period ending on the date he or she was  
25 hired by the taxpayer. For partners, shareholders of Subchapter

1 S corporations, and owners of limited liability companies, if  
2 the liability company is treated as a partnership for the  
3 purposes of federal and State income taxation, there shall be  
4 allowed a credit under this Section to be determined in  
5 accordance with the determination of income and distributive  
6 share of income under Sections 702 and 704 and Subchapter S of  
7 the Internal Revenue Code.

8 (b) For the purposes of this Section:

9 "Qualified veteran" means an Illinois resident who: (i) was  
10 a member of the Armed Forces of the United States, a member of  
11 the Illinois National Guard, or a member of any reserve  
12 component of the Armed Forces of the United States; (ii) served  
13 on active duty on or after September 11, 2001; (iii) has  
14 provided, to the taxpayer, documentation showing that he or she  
15 was honorably discharged; and (iv) was initially hired by the  
16 taxpayer on or after January 1, 2012.

17 "Sustained employment" means (i) a period of employment  
18 that is not less than 185 days following the date of hire or  
19 (ii) in the case of a veteran who was unemployed for an  
20 aggregate period of 6 months or more during the one-year period  
21 ending on the date the veteran was hired by the taxpayer, a  
22 period of employment that is more than 30 days following the  
23 date of hire. The period of sustained employment may be  
24 completed after the end of the taxable year in which the  
25 veteran is hired.

26 A veteran is "unemployed" for a week if he or she (i) has

1 received unemployment benefits (as defined in Section 202 of  
2 the Unemployment Insurance Act, including but not limited to  
3 federally funded unemployment benefits) for the week, or (ii)  
4 has not been employed since being honorably discharged.

5 (c) In no event shall a credit under this Section reduce a  
6 taxpayer's liability to less than zero. If the amount of credit  
7 exceeds the tax liability for the year, the excess may be  
8 carried forward and applied to the tax liability for the 5  
9 taxable years following the excess credit year. The tax credit  
10 shall be applied to the earliest year for which there is a tax  
11 liability. If there are credits for more than one year that are  
12 available to offset liability, the earlier credit shall be  
13 applied first.

14 (d) A taxpayer who claims a credit under this Section for a  
15 taxable year with respect to a veteran shall not be allowed a  
16 credit under Section 217 of this Act with respect to the same  
17 veteran for that taxable year.

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