



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB0091

Introduced 1/9/2013, by Rep. David McSweeney

SYNOPSIS AS INTRODUCED:

35 ILCS 5/201	from Ch. 120, par. 2-201
35 ILCS 5/201.5	
35 ILCS 5/207	from Ch. 120, par. 2-207
35 ILCS 5/901	from Ch. 120, par. 9-901
30 ILCS 105/5.786 rep.	
30 ILCS 105/5.787 rep.	
30 ILCS 105/6z-85 rep.	
30 ILCS 105/6z-86 rep.	

Amends the Illinois Income Tax Act. Reduces the rate of tax to 3% for individuals, trusts, and estates and 4.8% for corporations. Makes corresponding changes concerning the distribution of tax proceeds. Removes a limitation providing that no net loss carryover deduction may exceed \$100,000 for any taxable year ending on or after December 31, 2012 and prior to December 31, 2014. Provides that, if the State exceeds certain specified spending limitations, the Auditor General shall post a copy of the supplemental spending report on his or her website. Effective immediately.

LRB098 04258 HLH 34285 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 Sections 201, 201.5, 207, and 901 as follows:

6 (35 ILCS 5/201) (from Ch. 120, par. 2-201)

7 Sec. 201. Tax Imposed.

8 (a) In general. A tax measured by net income is hereby
9 imposed on every individual, corporation, trust and estate for
10 each taxable year ending after July 31, 1969 on the privilege
11 of earning or receiving income in or as a resident of this
12 State. Such tax shall be in addition to all other occupation or
13 privilege taxes imposed by this State or by any municipal
14 corporation or political subdivision thereof.

15 (b) Rates. The tax imposed by subsection (a) of this
16 Section shall be determined as follows, except as adjusted by
17 subsection (d-1):

18 (1) In the case of an individual, trust or estate, for
19 taxable years ending prior to July 1, 1989, an amount equal
20 to 2 1/2% of the taxpayer's net income for the taxable
21 year.

22 (2) In the case of an individual, trust or estate, for
23 taxable years beginning prior to July 1, 1989 and ending

1 after June 30, 1989, an amount equal to the sum of (i) 2
2 1/2% of the taxpayer's net income for the period prior to
3 July 1, 1989, as calculated under Section 202.3, and (ii)
4 3% of the taxpayer's net income for the period after June
5 30, 1989, as calculated under Section 202.3.

6 (3) In the case of an individual, trust or estate, for
7 taxable years beginning after June 30, 1989, and ending
8 prior to January 1, 2011, an amount equal to 3% of the
9 taxpayer's net income for the taxable year.

10 (4) In the case of an individual, trust, or estate, for
11 taxable years beginning prior to January 1, 2011, and
12 ending after December 31, 2010, an amount equal to the sum
13 of (i) 3% of the taxpayer's net income for the period prior
14 to January 1, 2011, as calculated under Section 202.5, and
15 (ii) 5% of the taxpayer's net income for the period after
16 December 31, 2010, as calculated under Section 202.5.

17 (5) In the case of an individual, trust, or estate, for
18 taxable years beginning on or after January 1, 2011, and
19 ending prior to January 1, 2013, ~~January 1, 2015,~~ an amount
20 equal to 5% of the taxpayer's net income for the taxable
21 year.

22 (5.1) In the case of an individual, trust, or estate,
23 for taxable years beginning prior to January 1, 2013,
24 ~~January 1, 2015,~~ and ending after December 31, 2012,
25 ~~December 31, 2014,~~ an amount equal to the sum of (i) 5% of
26 the taxpayer's net income for the period prior to January

1 1, 2013, January 1, 2015, as calculated under Section
2 202.5, and (ii) 3% ~~3.75%~~ of the taxpayer's net income for
3 the period after December 31, 2012, ~~December 31, 2014,~~ as
4 calculated under Section 202.5.

5 (5.2) In the case of an individual, trust, or estate,
6 for taxable years beginning on or after January 1, 2013,
7 ~~January 1, 2015, and ending prior to January 1, 2025,~~ an
8 amount equal to 3% ~~3.75%~~ of the taxpayer's net income for
9 the taxable year.

10 (5.3) (Blank). ~~In the case of an individual, trust, or~~
11 ~~estate, for taxable years beginning prior to January 1,~~
12 ~~2025, and ending after December 31, 2024, an amount equal~~
13 ~~to the sum of (i) 3.75% of the taxpayer's net income for~~
14 ~~the period prior to January 1, 2025, as calculated under~~
15 ~~Section 202.5, and (ii) 3.25% of the taxpayer's net income~~
16 ~~for the period after December 31, 2024, as calculated under~~
17 ~~Section 202.5.~~

18 (5.4) (Blank). ~~In the case of an individual, trust, or~~
19 ~~estate, for taxable years beginning on or after January 1,~~
20 ~~2025, an amount equal to 3.25% of the taxpayer's net income~~
21 ~~for the taxable year.~~

22 (6) In the case of a corporation, for taxable years
23 ending prior to July 1, 1989, an amount equal to 4% of the
24 taxpayer's net income for the taxable year.

25 (7) In the case of a corporation, for taxable years
26 beginning prior to July 1, 1989 and ending after June 30,

1 1989, an amount equal to the sum of (i) 4% of the
2 taxpayer's net income for the period prior to July 1, 1989,
3 as calculated under Section 202.3, and (ii) 4.8% of the
4 taxpayer's net income for the period after June 30, 1989,
5 as calculated under Section 202.3.

6 (8) In the case of a corporation, for taxable years
7 beginning after June 30, 1989, and ending prior to January
8 1, 2011, an amount equal to 4.8% of the taxpayer's net
9 income for the taxable year.

10 (9) In the case of a corporation, for taxable years
11 beginning prior to January 1, 2011, and ending after
12 December 31, 2010, an amount equal to the sum of (i) 4.8%
13 of the taxpayer's net income for the period prior to
14 January 1, 2011, as calculated under Section 202.5, and
15 (ii) 7% of the taxpayer's net income for the period after
16 December 31, 2010, as calculated under Section 202.5.

17 (10) In the case of a corporation, for taxable years
18 beginning on or after January 1, 2011, and ending prior to
19 January 1, 2013, ~~January 1, 2015,~~ an amount equal to 7% of
20 the taxpayer's net income for the taxable year.

21 (11) In the case of a corporation, for taxable years
22 beginning prior to January 1, 2013, ~~January 1, 2015,~~ and
23 ending after December 31, 2012, ~~December 31, 2014,~~ an
24 amount equal to the sum of (i) 7% of the taxpayer's net
25 income for the period prior to January 1, 2013, ~~January 1,~~
26 ~~2015,~~ as calculated under Section 202.5, and (ii) 4.8%

1 ~~5.25%~~ of the taxpayer's net income for the period after
2 December 31, 2012, ~~December 31, 2014,~~ as calculated under
3 Section 202.5.

4 (12) In the case of a corporation, for taxable years
5 beginning on or after January 1, 2013, ~~January 1, 2015,~~ and
6 ~~ending prior to January 1, 2025,~~ an amount equal to 4.8%
7 ~~5.25%~~ of the taxpayer's net income for the taxable year.

8 (13) (Blank). ~~In the case of a corporation, for taxable~~
9 ~~years beginning prior to January 1, 2025, and ending after~~
10 ~~December 31, 2024, an amount equal to the sum of (i) 5.25%~~
11 ~~of the taxpayer's net income for the period prior to~~
12 ~~January 1, 2025, as calculated under Section 202.5, and~~
13 ~~(ii) 4.8% of the taxpayer's net income for the period after~~
14 ~~December 31, 2024, as calculated under Section 202.5.~~

15 (14) (Blank). ~~In the case of a corporation, for taxable~~
16 ~~years beginning on or after January 1, 2025, an amount~~
17 ~~equal to 4.8% of the taxpayer's net income for the taxable~~
18 ~~year.~~

19 ~~The rates under this subsection (b) are subject to the~~
20 ~~provisions of Section 201.5.~~

21 (c) Personal Property Tax Replacement Income Tax.
22 Beginning on July 1, 1979 and thereafter, in addition to such
23 income tax, there is also hereby imposed the Personal Property
24 Tax Replacement Income Tax measured by net income on every
25 corporation (including Subchapter S corporations), partnership
26 and trust, for each taxable year ending after June 30, 1979.

1 Such taxes are imposed on the privilege of earning or receiving
2 income in or as a resident of this State. The Personal Property
3 Tax Replacement Income Tax shall be in addition to the income
4 tax imposed by subsections (a) and (b) of this Section and in
5 addition to all other occupation or privilege taxes imposed by
6 this State or by any municipal corporation or political
7 subdivision thereof.

8 (d) Additional Personal Property Tax Replacement Income
9 Tax Rates. The personal property tax replacement income tax
10 imposed by this subsection and subsection (c) of this Section
11 in the case of a corporation, other than a Subchapter S
12 corporation and except as adjusted by subsection (d-1), shall
13 be an additional amount equal to 2.85% of such taxpayer's net
14 income for the taxable year, except that beginning on January
15 1, 1981, and thereafter, the rate of 2.85% specified in this
16 subsection shall be reduced to 2.5%, and in the case of a
17 partnership, trust or a Subchapter S corporation shall be an
18 additional amount equal to 1.5% of such taxpayer's net income
19 for the taxable year.

20 (d-1) Rate reduction for certain foreign insurers. In the
21 case of a foreign insurer, as defined by Section 35A-5 of the
22 Illinois Insurance Code, whose state or country of domicile
23 imposes on insurers domiciled in Illinois a retaliatory tax
24 (excluding any insurer whose premiums from reinsurance assumed
25 are 50% or more of its total insurance premiums as determined
26 under paragraph (2) of subsection (b) of Section 304, except

1 that for purposes of this determination premiums from
2 reinsurance do not include premiums from inter-affiliate
3 reinsurance arrangements), beginning with taxable years ending
4 on or after December 31, 1999, the sum of the rates of tax
5 imposed by subsections (b) and (d) shall be reduced (but not
6 increased) to the rate at which the total amount of tax imposed
7 under this Act, net of all credits allowed under this Act,
8 shall equal (i) the total amount of tax that would be imposed
9 on the foreign insurer's net income allocable to Illinois for
10 the taxable year by such foreign insurer's state or country of
11 domicile if that net income were subject to all income taxes
12 and taxes measured by net income imposed by such foreign
13 insurer's state or country of domicile, net of all credits
14 allowed or (ii) a rate of zero if no such tax is imposed on such
15 income by the foreign insurer's state of domicile. For the
16 purposes of this subsection (d-1), an inter-affiliate includes
17 a mutual insurer under common management.

18 (1) For the purposes of subsection (d-1), in no event
19 shall the sum of the rates of tax imposed by subsections
20 (b) and (d) be reduced below the rate at which the sum of:

21 (A) the total amount of tax imposed on such foreign
22 insurer under this Act for a taxable year, net of all
23 credits allowed under this Act, plus

24 (B) the privilege tax imposed by Section 409 of the
25 Illinois Insurance Code, the fire insurance company
26 tax imposed by Section 12 of the Fire Investigation

1 Act, and the fire department taxes imposed under
2 Section 11-10-1 of the Illinois Municipal Code,
3 equals 1.25% for taxable years ending prior to December 31,
4 2003, or 1.75% for taxable years ending on or after
5 December 31, 2003, of the net taxable premiums written for
6 the taxable year, as described by subsection (1) of Section
7 409 of the Illinois Insurance Code. This paragraph will in
8 no event increase the rates imposed under subsections (b)
9 and (d).

10 (2) Any reduction in the rates of tax imposed by this
11 subsection shall be applied first against the rates imposed
12 by subsection (b) and only after the tax imposed by
13 subsection (a) net of all credits allowed under this
14 Section other than the credit allowed under subsection (i)
15 has been reduced to zero, against the rates imposed by
16 subsection (d).

17 This subsection (d-1) is exempt from the provisions of
18 Section 250.

19 (e) Investment credit. A taxpayer shall be allowed a credit
20 against the Personal Property Tax Replacement Income Tax for
21 investment in qualified property.

22 (1) A taxpayer shall be allowed a credit equal to .5%
23 of the basis of qualified property placed in service during
24 the taxable year, provided such property is placed in
25 service on or after July 1, 1984. There shall be allowed an
26 additional credit equal to .5% of the basis of qualified

1 property placed in service during the taxable year,
2 provided such property is placed in service on or after
3 July 1, 1986, and the taxpayer's base employment within
4 Illinois has increased by 1% or more over the preceding
5 year as determined by the taxpayer's employment records
6 filed with the Illinois Department of Employment Security.
7 Taxpayers who are new to Illinois shall be deemed to have
8 met the 1% growth in base employment for the first year in
9 which they file employment records with the Illinois
10 Department of Employment Security. The provisions added to
11 this Section by Public Act 85-1200 (and restored by Public
12 Act 87-895) shall be construed as declaratory of existing
13 law and not as a new enactment. If, in any year, the
14 increase in base employment within Illinois over the
15 preceding year is less than 1%, the additional credit shall
16 be limited to that percentage times a fraction, the
17 numerator of which is .5% and the denominator of which is
18 1%, but shall not exceed .5%. The investment credit shall
19 not be allowed to the extent that it would reduce a
20 taxpayer's liability in any tax year below zero, nor may
21 any credit for qualified property be allowed for any year
22 other than the year in which the property was placed in
23 service in Illinois. For tax years ending on or after
24 December 31, 1987, and on or before December 31, 1988, the
25 credit shall be allowed for the tax year in which the
26 property is placed in service, or, if the amount of the

1 credit exceeds the tax liability for that year, whether it
2 exceeds the original liability or the liability as later
3 amended, such excess may be carried forward and applied to
4 the tax liability of the 5 taxable years following the
5 excess credit years if the taxpayer (i) makes investments
6 which cause the creation of a minimum of 2,000 full-time
7 equivalent jobs in Illinois, (ii) is located in an
8 enterprise zone established pursuant to the Illinois
9 Enterprise Zone Act and (iii) is certified by the
10 Department of Commerce and Community Affairs (now
11 Department of Commerce and Economic Opportunity) as
12 complying with the requirements specified in clause (i) and
13 (ii) by July 1, 1986. The Department of Commerce and
14 Community Affairs (now Department of Commerce and Economic
15 Opportunity) shall notify the Department of Revenue of all
16 such certifications immediately. For tax years ending
17 after December 31, 1988, the credit shall be allowed for
18 the tax year in which the property is placed in service,
19 or, if the amount of the credit exceeds the tax liability
20 for that year, whether it exceeds the original liability or
21 the liability as later amended, such excess may be carried
22 forward and applied to the tax liability of the 5 taxable
23 years following the excess credit years. The credit shall
24 be applied to the earliest year for which there is a
25 liability. If there is credit from more than one tax year
26 that is available to offset a liability, earlier credit

1 shall be applied first.

2 (2) The term "qualified property" means property
3 which:

4 (A) is tangible, whether new or used, including
5 buildings and structural components of buildings and
6 signs that are real property, but not including land or
7 improvements to real property that are not a structural
8 component of a building such as landscaping, sewer
9 lines, local access roads, fencing, parking lots, and
10 other appurtenances;

11 (B) is depreciable pursuant to Section 167 of the
12 Internal Revenue Code, except that "3-year property"
13 as defined in Section 168(c)(2)(A) of that Code is not
14 eligible for the credit provided by this subsection
15 (e);

16 (C) is acquired by purchase as defined in Section
17 179(d) of the Internal Revenue Code;

18 (D) is used in Illinois by a taxpayer who is
19 primarily engaged in manufacturing, or in mining coal
20 or fluorite, or in retailing, or was placed in service
21 on or after July 1, 2006 in a River Edge Redevelopment
22 Zone established pursuant to the River Edge
23 Redevelopment Zone Act; and

24 (E) has not previously been used in Illinois in
25 such a manner and by such a person as would qualify for
26 the credit provided by this subsection (e) or

1 subsection (f).

2 (3) For purposes of this subsection (e),
3 "manufacturing" means the material staging and production
4 of tangible personal property by procedures commonly
5 regarded as manufacturing, processing, fabrication, or
6 assembling which changes some existing material into new
7 shapes, new qualities, or new combinations. For purposes of
8 this subsection (e) the term "mining" shall have the same
9 meaning as the term "mining" in Section 613(c) of the
10 Internal Revenue Code. For purposes of this subsection (e),
11 the term "retailing" means the sale of tangible personal
12 property for use or consumption and not for resale, or
13 services rendered in conjunction with the sale of tangible
14 personal property for use or consumption and not for
15 resale. For purposes of this subsection (e), "tangible
16 personal property" has the same meaning as when that term
17 is used in the Retailers' Occupation Tax Act, and, for
18 taxable years ending after December 31, 2008, does not
19 include the generation, transmission, or distribution of
20 electricity.

21 (4) The basis of qualified property shall be the basis
22 used to compute the depreciation deduction for federal
23 income tax purposes.

24 (5) If the basis of the property for federal income tax
25 depreciation purposes is increased after it has been placed
26 in service in Illinois by the taxpayer, the amount of such

1 increase shall be deemed property placed in service on the
2 date of such increase in basis.

3 (6) The term "placed in service" shall have the same
4 meaning as under Section 46 of the Internal Revenue Code.

5 (7) If during any taxable year, any property ceases to
6 be qualified property in the hands of the taxpayer within
7 48 months after being placed in service, or the situs of
8 any qualified property is moved outside Illinois within 48
9 months after being placed in service, the Personal Property
10 Tax Replacement Income Tax for such taxable year shall be
11 increased. Such increase shall be determined by (i)
12 recomputing the investment credit which would have been
13 allowed for the year in which credit for such property was
14 originally allowed by eliminating such property from such
15 computation and, (ii) subtracting such recomputed credit
16 from the amount of credit previously allowed. For the
17 purposes of this paragraph (7), a reduction of the basis of
18 qualified property resulting from a redetermination of the
19 purchase price shall be deemed a disposition of qualified
20 property to the extent of such reduction.

21 (8) Unless the investment credit is extended by law,
22 the basis of qualified property shall not include costs
23 incurred after December 31, 2018, except for costs incurred
24 pursuant to a binding contract entered into on or before
25 December 31, 2018.

26 (9) Each taxable year ending before December 31, 2000,

1 a partnership may elect to pass through to its partners the
2 credits to which the partnership is entitled under this
3 subsection (e) for the taxable year. A partner may use the
4 credit allocated to him or her under this paragraph only
5 against the tax imposed in subsections (c) and (d) of this
6 Section. If the partnership makes that election, those
7 credits shall be allocated among the partners in the
8 partnership in accordance with the rules set forth in
9 Section 704(b) of the Internal Revenue Code, and the rules
10 promulgated under that Section, and the allocated amount of
11 the credits shall be allowed to the partners for that
12 taxable year. The partnership shall make this election on
13 its Personal Property Tax Replacement Income Tax return for
14 that taxable year. The election to pass through the credits
15 shall be irrevocable.

16 For taxable years ending on or after December 31, 2000,
17 a partner that qualifies its partnership for a subtraction
18 under subparagraph (I) of paragraph (2) of subsection (d)
19 of Section 203 or a shareholder that qualifies a Subchapter
20 S corporation for a subtraction under subparagraph (S) of
21 paragraph (2) of subsection (b) of Section 203 shall be
22 allowed a credit under this subsection (e) equal to its
23 share of the credit earned under this subsection (e) during
24 the taxable year by the partnership or Subchapter S
25 corporation, determined in accordance with the
26 determination of income and distributive share of income

1 under Sections 702 and 704 and Subchapter S of the Internal
2 Revenue Code. This paragraph is exempt from the provisions
3 of Section 250.

4 (f) Investment credit; Enterprise Zone; River Edge
5 Redevelopment Zone.

6 (1) A taxpayer shall be allowed a credit against the
7 tax imposed by subsections (a) and (b) of this Section for
8 investment in qualified property which is placed in service
9 in an Enterprise Zone created pursuant to the Illinois
10 Enterprise Zone Act or, for property placed in service on
11 or after July 1, 2006, a River Edge Redevelopment Zone
12 established pursuant to the River Edge Redevelopment Zone
13 Act. For partners, shareholders of Subchapter S
14 corporations, and owners of limited liability companies,
15 if the liability company is treated as a partnership for
16 purposes of federal and State income taxation, there shall
17 be allowed a credit under this subsection (f) to be
18 determined in accordance with the determination of income
19 and distributive share of income under Sections 702 and 704
20 and Subchapter S of the Internal Revenue Code. The credit
21 shall be .5% of the basis for such property. The credit
22 shall be available only in the taxable year in which the
23 property is placed in service in the Enterprise Zone or
24 River Edge Redevelopment Zone and shall not be allowed to
25 the extent that it would reduce a taxpayer's liability for
26 the tax imposed by subsections (a) and (b) of this Section

1 to below zero. For tax years ending on or after December
2 31, 1985, the credit shall be allowed for the tax year in
3 which the property is placed in service, or, if the amount
4 of the credit exceeds the tax liability for that year,
5 whether it exceeds the original liability or the liability
6 as later amended, such excess may be carried forward and
7 applied to the tax liability of the 5 taxable years
8 following the excess credit year. The credit shall be
9 applied to the earliest year for which there is a
10 liability. If there is credit from more than one tax year
11 that is available to offset a liability, the credit
12 accruing first in time shall be applied first.

13 (2) The term qualified property means property which:

14 (A) is tangible, whether new or used, including
15 buildings and structural components of buildings;

16 (B) is depreciable pursuant to Section 167 of the
17 Internal Revenue Code, except that "3-year property"
18 as defined in Section 168(c)(2)(A) of that Code is not
19 eligible for the credit provided by this subsection
20 (f);

21 (C) is acquired by purchase as defined in Section
22 179(d) of the Internal Revenue Code;

23 (D) is used in the Enterprise Zone or River Edge
24 Redevelopment Zone by the taxpayer; and

25 (E) has not been previously used in Illinois in
26 such a manner and by such a person as would qualify for

1 the credit provided by this subsection (f) or
2 subsection (e).

3 (3) The basis of qualified property shall be the basis
4 used to compute the depreciation deduction for federal
5 income tax purposes.

6 (4) If the basis of the property for federal income tax
7 depreciation purposes is increased after it has been placed
8 in service in the Enterprise Zone or River Edge
9 Redevelopment Zone by the taxpayer, the amount of such
10 increase shall be deemed property placed in service on the
11 date of such increase in basis.

12 (5) The term "placed in service" shall have the same
13 meaning as under Section 46 of the Internal Revenue Code.

14 (6) If during any taxable year, any property ceases to
15 be qualified property in the hands of the taxpayer within
16 48 months after being placed in service, or the situs of
17 any qualified property is moved outside the Enterprise Zone
18 or River Edge Redevelopment Zone within 48 months after
19 being placed in service, the tax imposed under subsections
20 (a) and (b) of this Section for such taxable year shall be
21 increased. Such increase shall be determined by (i)
22 recomputing the investment credit which would have been
23 allowed for the year in which credit for such property was
24 originally allowed by eliminating such property from such
25 computation, and (ii) subtracting such recomputed credit
26 from the amount of credit previously allowed. For the

1 purposes of this paragraph (6), a reduction of the basis of
2 qualified property resulting from a redetermination of the
3 purchase price shall be deemed a disposition of qualified
4 property to the extent of such reduction.

5 (7) There shall be allowed an additional credit equal
6 to 0.5% of the basis of qualified property placed in
7 service during the taxable year in a River Edge
8 Redevelopment Zone, provided such property is placed in
9 service on or after July 1, 2006, and the taxpayer's base
10 employment within Illinois has increased by 1% or more over
11 the preceding year as determined by the taxpayer's
12 employment records filed with the Illinois Department of
13 Employment Security. Taxpayers who are new to Illinois
14 shall be deemed to have met the 1% growth in base
15 employment for the first year in which they file employment
16 records with the Illinois Department of Employment
17 Security. If, in any year, the increase in base employment
18 within Illinois over the preceding year is less than 1%,
19 the additional credit shall be limited to that percentage
20 times a fraction, the numerator of which is 0.5% and the
21 denominator of which is 1%, but shall not exceed 0.5%.

22 (g) Jobs Tax Credit; River Edge Redevelopment Zone and
23 Foreign Trade Zone or Sub-Zone.

24 (1) A taxpayer conducting a trade or business, for
25 taxable years ending on or after December 31, 2006, in a
26 River Edge Redevelopment Zone or conducting a trade or

1 business in a federally designated Foreign Trade Zone or
2 Sub-Zone shall be allowed a credit against the tax imposed
3 by subsections (a) and (b) of this Section in the amount of
4 \$500 per eligible employee hired to work in the zone during
5 the taxable year.

6 (2) To qualify for the credit:

7 (A) the taxpayer must hire 5 or more eligible
8 employees to work in a River Edge Redevelopment Zone or
9 federally designated Foreign Trade Zone or Sub-Zone
10 during the taxable year;

11 (B) the taxpayer's total employment within the
12 River Edge Redevelopment Zone or federally designated
13 Foreign Trade Zone or Sub-Zone must increase by 5 or
14 more full-time employees beyond the total employed in
15 that zone at the end of the previous tax year for which
16 a jobs tax credit under this Section was taken, or
17 beyond the total employed by the taxpayer as of
18 December 31, 1985, whichever is later; and

19 (C) the eligible employees must be employed 180
20 consecutive days in order to be deemed hired for
21 purposes of this subsection.

22 (3) An "eligible employee" means an employee who is:

23 (A) Certified by the Department of Commerce and
24 Economic Opportunity as "eligible for services"
25 pursuant to regulations promulgated in accordance with
26 Title II of the Job Training Partnership Act, Training

1 Services for the Disadvantaged or Title III of the Job
2 Training Partnership Act, Employment and Training
3 Assistance for Dislocated Workers Program.

4 (B) Hired after the River Edge Redevelopment Zone
5 or federally designated Foreign Trade Zone or Sub-Zone
6 was designated or the trade or business was located in
7 that zone, whichever is later.

8 (C) Employed in the River Edge Redevelopment Zone
9 or Foreign Trade Zone or Sub-Zone. An employee is
10 employed in a federally designated Foreign Trade Zone
11 or Sub-Zone if his services are rendered there or it is
12 the base of operations for the services performed.

13 (D) A full-time employee working 30 or more hours
14 per week.

15 (4) For tax years ending on or after December 31, 1985
16 and prior to December 31, 1988, the credit shall be allowed
17 for the tax year in which the eligible employees are hired.
18 For tax years ending on or after December 31, 1988, the
19 credit shall be allowed for the tax year immediately
20 following the tax year in which the eligible employees are
21 hired. If the amount of the credit exceeds the tax
22 liability for that year, whether it exceeds the original
23 liability or the liability as later amended, such excess
24 may be carried forward and applied to the tax liability of
25 the 5 taxable years following the excess credit year. The
26 credit shall be applied to the earliest year for which

1 there is a liability. If there is credit from more than one
2 tax year that is available to offset a liability, earlier
3 credit shall be applied first.

4 (5) The Department of Revenue shall promulgate such
5 rules and regulations as may be deemed necessary to carry
6 out the purposes of this subsection (g).

7 (6) The credit shall be available for eligible
8 employees hired on or after January 1, 1986.

9 (h) Investment credit; High Impact Business.

10 (1) Subject to subsections (b) and (b-5) of Section 5.5
11 of the Illinois Enterprise Zone Act, a taxpayer shall be
12 allowed a credit against the tax imposed by subsections (a)
13 and (b) of this Section for investment in qualified
14 property which is placed in service by a Department of
15 Commerce and Economic Opportunity designated High Impact
16 Business. The credit shall be .5% of the basis for such
17 property. The credit shall not be available (i) until the
18 minimum investments in qualified property set forth in
19 subdivision (a)(3)(A) of Section 5.5 of the Illinois
20 Enterprise Zone Act have been satisfied or (ii) until the
21 time authorized in subsection (b-5) of the Illinois
22 Enterprise Zone Act for entities designated as High Impact
23 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
24 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
25 Act, and shall not be allowed to the extent that it would
26 reduce a taxpayer's liability for the tax imposed by

1 subsections (a) and (b) of this Section to below zero. The
2 credit applicable to such investments shall be taken in the
3 taxable year in which such investments have been completed.
4 The credit for additional investments beyond the minimum
5 investment by a designated high impact business authorized
6 under subdivision (a) (3) (A) of Section 5.5 of the Illinois
7 Enterprise Zone Act shall be available only in the taxable
8 year in which the property is placed in service and shall
9 not be allowed to the extent that it would reduce a
10 taxpayer's liability for the tax imposed by subsections (a)
11 and (b) of this Section to below zero. For tax years ending
12 on or after December 31, 1987, the credit shall be allowed
13 for the tax year in which the property is placed in
14 service, or, if the amount of the credit exceeds the tax
15 liability for that year, whether it exceeds the original
16 liability or the liability as later amended, such excess
17 may be carried forward and applied to the tax liability of
18 the 5 taxable years following the excess credit year. The
19 credit shall be applied to the earliest year for which
20 there is a liability. If there is credit from more than one
21 tax year that is available to offset a liability, the
22 credit accruing first in time shall be applied first.

23 Changes made in this subdivision (h) (1) by Public Act
24 88-670 restore changes made by Public Act 85-1182 and
25 reflect existing law.

26 (2) The term qualified property means property which:

1 (A) is tangible, whether new or used, including
2 buildings and structural components of buildings;

3 (B) is depreciable pursuant to Section 167 of the
4 Internal Revenue Code, except that "3-year property"
5 as defined in Section 168(c)(2)(A) of that Code is not
6 eligible for the credit provided by this subsection
7 (h);

8 (C) is acquired by purchase as defined in Section
9 179(d) of the Internal Revenue Code; and

10 (D) is not eligible for the Enterprise Zone
11 Investment Credit provided by subsection (f) of this
12 Section.

13 (3) The basis of qualified property shall be the basis
14 used to compute the depreciation deduction for federal
15 income tax purposes.

16 (4) If the basis of the property for federal income tax
17 depreciation purposes is increased after it has been placed
18 in service in a federally designated Foreign Trade Zone or
19 Sub-Zone located in Illinois by the taxpayer, the amount of
20 such increase shall be deemed property placed in service on
21 the date of such increase in basis.

22 (5) The term "placed in service" shall have the same
23 meaning as under Section 46 of the Internal Revenue Code.

24 (6) If during any taxable year ending on or before
25 December 31, 1996, any property ceases to be qualified
26 property in the hands of the taxpayer within 48 months

1 after being placed in service, or the situs of any
2 qualified property is moved outside Illinois within 48
3 months after being placed in service, the tax imposed under
4 subsections (a) and (b) of this Section for such taxable
5 year shall be increased. Such increase shall be determined
6 by (i) recomputing the investment credit which would have
7 been allowed for the year in which credit for such property
8 was originally allowed by eliminating such property from
9 such computation, and (ii) subtracting such recomputed
10 credit from the amount of credit previously allowed. For
11 the purposes of this paragraph (6), a reduction of the
12 basis of qualified property resulting from a
13 redetermination of the purchase price shall be deemed a
14 disposition of qualified property to the extent of such
15 reduction.

16 (7) Beginning with tax years ending after December 31,
17 1996, if a taxpayer qualifies for the credit under this
18 subsection (h) and thereby is granted a tax abatement and
19 the taxpayer relocates its entire facility in violation of
20 the explicit terms and length of the contract under Section
21 18-183 of the Property Tax Code, the tax imposed under
22 subsections (a) and (b) of this Section shall be increased
23 for the taxable year in which the taxpayer relocated its
24 facility by an amount equal to the amount of credit
25 received by the taxpayer under this subsection (h).

26 (i) Credit for Personal Property Tax Replacement Income

1 Tax. For tax years ending prior to December 31, 2003, a credit
2 shall be allowed against the tax imposed by subsections (a) and
3 (b) of this Section for the tax imposed by subsections (c) and
4 (d) of this Section. This credit shall be computed by
5 multiplying the tax imposed by subsections (c) and (d) of this
6 Section by a fraction, the numerator of which is base income
7 allocable to Illinois and the denominator of which is Illinois
8 base income, and further multiplying the product by the tax
9 rate imposed by subsections (a) and (b) of this Section.

10 Any credit earned on or after December 31, 1986 under this
11 subsection which is unused in the year the credit is computed
12 because it exceeds the tax liability imposed by subsections (a)
13 and (b) for that year (whether it exceeds the original
14 liability or the liability as later amended) may be carried
15 forward and applied to the tax liability imposed by subsections
16 (a) and (b) of the 5 taxable years following the excess credit
17 year, provided that no credit may be carried forward to any
18 year ending on or after December 31, 2003. This credit shall be
19 applied first to the earliest year for which there is a
20 liability. If there is a credit under this subsection from more
21 than one tax year that is available to offset a liability the
22 earliest credit arising under this subsection shall be applied
23 first.

24 If, during any taxable year ending on or after December 31,
25 1986, the tax imposed by subsections (c) and (d) of this
26 Section for which a taxpayer has claimed a credit under this

1 subsection (i) is reduced, the amount of credit for such tax
2 shall also be reduced. Such reduction shall be determined by
3 recomputing the credit to take into account the reduced tax
4 imposed by subsections (c) and (d). If any portion of the
5 reduced amount of credit has been carried to a different
6 taxable year, an amended return shall be filed for such taxable
7 year to reduce the amount of credit claimed.

8 (j) Training expense credit. Beginning with tax years
9 ending on or after December 31, 1986 and prior to December 31,
10 2003, a taxpayer shall be allowed a credit against the tax
11 imposed by subsections (a) and (b) under this Section for all
12 amounts paid or accrued, on behalf of all persons employed by
13 the taxpayer in Illinois or Illinois residents employed outside
14 of Illinois by a taxpayer, for educational or vocational
15 training in semi-technical or technical fields or semi-skilled
16 or skilled fields, which were deducted from gross income in the
17 computation of taxable income. The credit against the tax
18 imposed by subsections (a) and (b) shall be 1.6% of such
19 training expenses. 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 shall be allowed a
23 credit under this subsection (j) to be determined in accordance
24 with the determination of income and distributive share of
25 income under Sections 702 and 704 and subchapter S of the
26 Internal Revenue Code.

1 Any credit allowed under this subsection which is unused in
2 the year the credit is earned may be carried forward to each of
3 the 5 taxable years following the year for which the credit is
4 first computed until it is used. This credit shall be applied
5 first to the earliest year for which there is a liability. If
6 there is a credit under this subsection from more than one tax
7 year that is available to offset a liability the earliest
8 credit arising under this subsection shall be applied first. No
9 carryforward credit may be claimed in any tax year ending on or
10 after December 31, 2003.

11 (k) Research and development credit. For tax years ending
12 after July 1, 1990 and prior to December 31, 2003, and
13 beginning again for tax years ending on or after December 31,
14 2004, and ending prior to January 1, 2016, a taxpayer shall be
15 allowed a credit against the tax imposed by subsections (a) and
16 (b) of this Section for increasing research activities in this
17 State. The credit allowed against the tax imposed by
18 subsections (a) and (b) shall be equal to 6 1/2% of the
19 qualifying expenditures for increasing research activities in
20 this State. For partners, shareholders of subchapter S
21 corporations, and owners of limited liability companies, if the
22 liability company is treated as a partnership for purposes of
23 federal and State income taxation, there shall be allowed a
24 credit under this subsection to be determined in accordance
25 with the determination of income and distributive share of
26 income under Sections 702 and 704 and subchapter S of the

1 Internal Revenue Code.

2 For purposes of this subsection, "qualifying expenditures"
3 means the qualifying expenditures as defined for the federal
4 credit for increasing research activities which would be
5 allowable under Section 41 of the Internal Revenue Code and
6 which are conducted in this State, "qualifying expenditures for
7 increasing research activities in this State" means the excess
8 of qualifying expenditures for the taxable year in which
9 incurred over qualifying expenditures for the base period,
10 "qualifying expenditures for the base period" means the average
11 of the qualifying expenditures for each year in the base
12 period, and "base period" means the 3 taxable years immediately
13 preceding the taxable year for which the determination is being
14 made.

15 Any credit in excess of the tax liability for the taxable
16 year may be carried forward. A taxpayer may elect to have the
17 unused credit shown on its final completed return carried over
18 as a credit against the tax liability for the following 5
19 taxable years or until it has been fully used, whichever occurs
20 first; provided that no credit earned in a tax year ending
21 prior to December 31, 2003 may be carried forward to any year
22 ending on or after December 31, 2003.

23 If an unused credit is carried forward to a given year from
24 2 or more earlier years, that credit arising in the earliest
25 year will be applied first against the tax liability for the
26 given year. If a tax liability for the given year still

1 remains, the credit from the next earliest year will then be
2 applied, and so on, until all credits have been used or no tax
3 liability for the given year remains. Any remaining unused
4 credit or credits then will be carried forward to the next
5 following year in which a tax liability is incurred, except
6 that no credit can be carried forward to a year which is more
7 than 5 years after the year in which the expense for which the
8 credit is given was incurred.

9 No inference shall be drawn from this amendatory Act of the
10 91st General Assembly in construing this Section for taxable
11 years beginning before January 1, 1999.

12 (1) Environmental Remediation Tax Credit.

13 (i) For tax years ending after December 31, 1997 and on
14 or before December 31, 2001, a taxpayer shall be allowed a
15 credit against the tax imposed by subsections (a) and (b)
16 of this Section for certain amounts paid for unreimbursed
17 eligible remediation costs, as specified in this
18 subsection. For purposes of this Section, "unreimbursed
19 eligible remediation costs" means costs approved by the
20 Illinois Environmental Protection Agency ("Agency") under
21 Section 58.14 of the Environmental Protection Act that were
22 paid in performing environmental remediation at a site for
23 which a No Further Remediation Letter was issued by the
24 Agency and recorded under Section 58.10 of the
25 Environmental Protection Act. The credit must be claimed
26 for the taxable year in which Agency approval of the

1 eligible remediation costs is granted. The credit is not
2 available to any taxpayer if the taxpayer or any related
3 party caused or contributed to, in any material respect, a
4 release of regulated substances on, in, or under the site
5 that was identified and addressed by the remedial action
6 pursuant to the Site Remediation Program of the
7 Environmental Protection Act. After the Pollution Control
8 Board rules are adopted pursuant to the Illinois
9 Administrative Procedure Act for the administration and
10 enforcement of Section 58.9 of the Environmental
11 Protection Act, determinations as to credit availability
12 for purposes of this Section shall be made consistent with
13 those rules. For purposes of this Section, "taxpayer"
14 includes a person whose tax attributes the taxpayer has
15 succeeded to under Section 381 of the Internal Revenue Code
16 and "related party" includes the persons disallowed a
17 deduction for losses by paragraphs (b), (c), and (f)(1) of
18 Section 267 of the Internal Revenue Code by virtue of being
19 a related taxpayer, as well as any of its partners. The
20 credit allowed against the tax imposed by subsections (a)
21 and (b) shall be equal to 25% of the unreimbursed eligible
22 remediation costs in excess of \$100,000 per site, except
23 that the \$100,000 threshold shall not apply to any site
24 contained in an enterprise zone as determined by the
25 Department of Commerce and Community Affairs (now
26 Department of Commerce and Economic Opportunity). The

1 total credit allowed shall not exceed \$40,000 per year with
2 a maximum total of \$150,000 per site. For partners and
3 shareholders of subchapter S corporations, there shall be
4 allowed a credit under this subsection to be determined in
5 accordance with the determination of income and
6 distributive share of income under Sections 702 and 704 and
7 subchapter S of the Internal Revenue Code.

8 (ii) A credit allowed under this subsection that is
9 unused in the year the credit is earned may be carried
10 forward to each of the 5 taxable years following the year
11 for which the credit is first earned until it is used. The
12 term "unused credit" does not include any amounts of
13 unreimbursed eligible remediation costs in excess of the
14 maximum credit per site authorized under paragraph (i).
15 This credit shall be applied first to the earliest year for
16 which there is a liability. If there is a credit under this
17 subsection from more than one tax year that is available to
18 offset a liability, the earliest credit arising under this
19 subsection shall be applied first. A credit allowed under
20 this subsection may be sold to a buyer as part of a sale of
21 all or part of the remediation site for which the credit
22 was granted. The purchaser of a remediation site and the
23 tax credit shall succeed to the unused credit and remaining
24 carry-forward period of the seller. To perfect the
25 transfer, the assignor shall record the transfer in the
26 chain of title for the site and provide written notice to

1 the Director of the Illinois Department of Revenue of the
2 assignor's intent to sell the remediation site and the
3 amount of the tax credit to be transferred as a portion of
4 the sale. In no event may a credit be transferred to any
5 taxpayer if the taxpayer or a related party would not be
6 eligible under the provisions of subsection (i).

7 (iii) For purposes of this Section, the term "site"
8 shall have the same meaning as under Section 58.2 of the
9 Environmental Protection Act.

10 (m) Education expense credit. Beginning with tax years
11 ending after December 31, 1999, a taxpayer who is the custodian
12 of one or more qualifying pupils shall be allowed a credit
13 against the tax imposed by subsections (a) and (b) of this
14 Section for qualified education expenses incurred on behalf of
15 the qualifying pupils. The credit shall be equal to 25% of
16 qualified education expenses, but in no event may the total
17 credit under this subsection claimed by a family that is the
18 custodian of qualifying pupils exceed \$500. In no event shall a
19 credit under this subsection reduce the taxpayer's liability
20 under this Act to less than zero. This subsection is exempt
21 from the provisions of Section 250 of this Act.

22 For purposes of this subsection:

23 "Qualifying pupils" means individuals who (i) are
24 residents of the State of Illinois, (ii) are under the age of
25 21 at the close of the school year for which a credit is
26 sought, and (iii) during the school year for which a credit is

1 sought were full-time pupils enrolled in a kindergarten through
2 twelfth grade education program at any school, as defined in
3 this subsection.

4 "Qualified education expense" means the amount incurred on
5 behalf of a qualifying pupil in excess of \$250 for tuition,
6 book fees, and lab fees at the school in which the pupil is
7 enrolled during the regular school year.

8 "School" means any public or nonpublic elementary or
9 secondary school in Illinois that is in compliance with Title
10 VI of the Civil Rights Act of 1964 and attendance at which
11 satisfies the requirements of Section 26-1 of the School Code,
12 except that nothing shall be construed to require a child to
13 attend any particular public or nonpublic school to qualify for
14 the credit under this Section.

15 "Custodian" means, with respect to qualifying pupils, an
16 Illinois resident who is a parent, the parents, a legal
17 guardian, or the legal guardians of the qualifying pupils.

18 (n) River Edge Redevelopment Zone site remediation tax
19 credit.

20 (i) For tax years ending on or after December 31, 2006,
21 a taxpayer shall be allowed a credit against the tax
22 imposed by subsections (a) and (b) of this Section for
23 certain amounts paid for unreimbursed eligible remediation
24 costs, as specified in this subsection. For purposes of
25 this Section, "unreimbursed eligible remediation costs"
26 means costs approved by the Illinois Environmental

1 Protection Agency ("Agency") under Section 58.14a of the
2 Environmental Protection Act that were paid in performing
3 environmental remediation at a site within a River Edge
4 Redevelopment Zone for which a No Further Remediation
5 Letter was issued by the Agency and recorded under Section
6 58.10 of the Environmental Protection Act. The credit must
7 be claimed for the taxable year in which Agency approval of
8 the eligible remediation costs is granted. The credit is
9 not available to any taxpayer if the taxpayer or any
10 related party caused or contributed to, in any material
11 respect, a release of regulated substances on, in, or under
12 the site that was identified and addressed by the remedial
13 action pursuant to the Site Remediation Program of the
14 Environmental Protection Act. Determinations as to credit
15 availability for purposes of this Section shall be made
16 consistent with rules adopted by the Pollution Control
17 Board pursuant to the Illinois Administrative Procedure
18 Act for the administration and enforcement of Section 58.9
19 of the Environmental Protection Act. For purposes of this
20 Section, "taxpayer" includes a person whose tax attributes
21 the taxpayer has succeeded to under Section 381 of the
22 Internal Revenue Code and "related party" includes the
23 persons disallowed a deduction for losses by paragraphs
24 (b), (c), and (f) (1) of Section 267 of the Internal Revenue
25 Code by virtue of being a related taxpayer, as well as any
26 of its partners. The credit allowed against the tax imposed

1 by subsections (a) and (b) shall be equal to 25% of the
2 unreimbursed eligible remediation costs in excess of
3 \$100,000 per site.

4 (ii) A credit allowed under this subsection that is
5 unused in the year the credit is earned may be carried
6 forward to each of the 5 taxable years following the year
7 for which the credit is first earned until it is used. This
8 credit shall be applied first to the earliest year for
9 which there is a liability. If there is a credit under this
10 subsection from more than one tax year that is available to
11 offset a liability, the earliest credit arising under this
12 subsection shall be applied first. A credit allowed under
13 this subsection may be sold to a buyer as part of a sale of
14 all or part of the remediation site for which the credit
15 was granted. The purchaser of a remediation site and the
16 tax credit shall succeed to the unused credit and remaining
17 carry-forward period of the seller. To perfect the
18 transfer, the assignor shall record the transfer in the
19 chain of title for the site and provide written notice to
20 the Director of the Illinois Department of Revenue of the
21 assignor's intent to sell the remediation site and the
22 amount of the tax credit to be transferred as a portion of
23 the sale. In no event may a credit be transferred to any
24 taxpayer if the taxpayer or a related party would not be
25 eligible under the provisions of subsection (i).

26 (iii) For purposes of this Section, the term "site"

1 shall have the same meaning as under Section 58.2 of the
2 Environmental Protection Act.

3 (Source: P.A. 96-115, eff. 7-31-09; 96-116, eff. 7-31-09;
4 96-937, eff. 6-23-10; 96-1000, eff. 7-2-10; 96-1496, eff.
5 1-13-11; 97-2, eff. 5-6-11; 97-636, eff. 6-1-12; 97-905, eff.
6 8-7-12.)

7 (35 ILCS 5/201.5)

8 Sec. 201.5. State spending limitation and tax reduction.

9 (a) (Blank). ~~If, beginning in State fiscal year 2012 and~~
10 ~~continuing through State fiscal year 2015, State spending for~~
11 ~~any fiscal year exceeds the State spending limitation set forth~~
12 ~~in subsection (b) of this Section, then the tax rates set forth~~
13 ~~in subsection (b) of Section 201 of this Act shall be reduced,~~
14 ~~according to the procedures set forth in this Section, to 3% of~~
15 ~~the taxpayer's net income for individuals, trusts, and estates~~
16 ~~and to 4.8% of the taxpayer's net income for corporations. For~~
17 ~~all taxable years following the taxable year in which the rate~~
18 ~~has been reduced pursuant to this Section, the tax rate set~~
19 ~~forth in subsection (b) of Section 201 of this Act shall be 3%~~
20 ~~of the taxpayer's net income for individuals, trusts, and~~
21 ~~estates and 4.8% of the taxpayer's net income for corporations.~~

22 (b) The State spending limitation for fiscal years 2012
23 through 2015 shall be as follows: (i) for fiscal year 2012,
24 \$36,818,000,000; (ii) for fiscal year 2013, \$37,554,000,000;
25 (iii) for fiscal year 2014, \$38,305,000,000; and (iv) for

1 fiscal year 2015, \$39,072,000,000.

2 (c) Notwithstanding any other provision of law to the
3 contrary, the Auditor General shall examine each Public Act
4 authorizing State spending from State general funds and prepare
5 a report no later than 30 days after receiving notification of
6 the Public Act from the Secretary of State or 60 days after the
7 effective date of the Public Act, whichever is earlier. The
8 Auditor General shall file the report with the Secretary of
9 State and copies with the Governor, the State Treasurer, the
10 State Comptroller, the Senate, and the House of
11 Representatives. The report shall indicate: (i) the amount of
12 State spending set forth in the applicable Public Act; (ii) the
13 total amount of State spending authorized by law for the
14 applicable fiscal year as of the date of the report; and (iii)
15 whether State spending exceeds the State spending limitation
16 set forth in subsection (b). The Auditor General may examine
17 multiple Public Acts in one consolidated report, provided that
18 each Public Act is examined within the time period mandated by
19 this subsection (c). The Auditor General shall issue reports in
20 accordance with this Section through June 30, 2015 ~~or the~~
21 ~~effective date of a reduction in the rate of tax imposed by~~
22 ~~subsections (a) and (b) of Section 201 of this Act pursuant to~~
23 ~~this Section, whichever is earlier.~~

24 At the request of the Auditor General, each State agency
25 shall, without delay, make available to the Auditor General or
26 his or her designated representative any record or information

1 requested and shall provide for examination or copying all
2 records, accounts, papers, reports, vouchers, correspondence,
3 books and other documentation in the custody of that agency,
4 including information stored in electronic data processing
5 systems, which is related to or within the scope of a report
6 prepared under this Section. The Auditor General shall report
7 to the Governor each instance in which a State agency fails to
8 cooperate promptly and fully with his or her office as required
9 by this Section.

10 The Auditor General's report shall not be in the nature of
11 a post-audit or examination and shall not lead to the issuance
12 of an opinion as that term is defined in generally accepted
13 government auditing standards.

14 (d) If the Auditor General reports that State spending has
15 exceeded the State spending limitation set forth in subsection
16 (b) and if the Governor has not been presented with a bill or
17 bills passed by the General Assembly to reduce State spending
18 to a level that does not exceed the State spending limitation
19 within 45 calendar days of receipt of the Auditor General's
20 report, then the Governor may, for the purpose of reducing
21 State spending to a level that does not exceed the State
22 spending limitation set forth in subsection (b), designate
23 amounts to be set aside as a reserve from the amounts
24 appropriated from the State general funds for all boards,
25 commissions, agencies, institutions, authorities, colleges,
26 universities, and bodies politic and corporate of the State,

1 but not other constitutional officers, the legislative or
2 judicial branch, the office of the Executive Inspector General,
3 or the Executive Ethics Commission. Such a designation must be
4 made within 15 calendar days after the end of that 45-day
5 period. If the Governor designates amounts to be set aside as a
6 reserve, the Governor shall give notice of the designation to
7 the Auditor General, the State Treasurer, the State
8 Comptroller, the Senate, and the House of Representatives. The
9 amounts placed in reserves shall not be transferred, obligated,
10 encumbered, expended, or otherwise committed unless so
11 authorized by law. Any amount placed in reserves is not State
12 spending and shall not be considered when calculating the total
13 amount of State spending. Any Public Act authorizing the use of
14 amounts placed in reserve by the Governor is considered State
15 spending, unless such Public Act authorizes the use of amounts
16 placed in reserves in response to a fiscal emergency under
17 subsection (g).

18 (e) If the Auditor General reports under subsection (c)
19 that State spending has exceeded the State spending limitation
20 set forth in subsection (b), then the Auditor General shall
21 issue a supplemental report no sooner than the 61st day and no
22 later than the 65th day after issuing the report pursuant to
23 subsection (c). The supplemental report shall: (i) summarize
24 details of actions taken by the General Assembly and the
25 Governor after the issuance of the initial report to reduce
26 State spending, if any, (ii) indicate whether the level of

1 State spending has changed since the initial report, and (iii)
2 indicate whether State spending exceeds the State spending
3 limitation. The Auditor General shall file the report with the
4 Secretary of State and copies with the Governor, the State
5 Treasurer, the State Comptroller, the Senate, and the House of
6 Representatives, and shall post a copy of the report on his or
7 her website. ~~If the supplemental report of the Auditor General~~
8 ~~provides that State spending exceeds the State spending~~
9 ~~limitation, then the rate of tax imposed by subsections (a) and~~
10 ~~(b) of Section 201 is reduced as provided in this Section~~
11 ~~beginning on the first day of the first month to occur not less~~
12 ~~than 30 days after issuance of the supplemental report.~~

13 (f) (Blank). ~~For any taxable year in which the rates of tax~~
14 ~~have been reduced under this Section, the tax imposed by~~
15 ~~subsections (a) and (b) of Section 201 shall be determined as~~
16 ~~follows:~~

17 ~~(1) In the case of an individual, trust, or estate, the~~
18 ~~tax shall be imposed in an amount equal to the sum of (i)~~
19 ~~the rate applicable to the taxpayer under subsection (b) of~~
20 ~~Section 201 (without regard to the provisions of this~~
21 ~~Section) times the taxpayer's net income for any portion of~~
22 ~~the taxable year prior to the effective date of the~~
23 ~~reduction and (ii) 3% of the taxpayer's net income for any~~
24 ~~portion of the taxable year on or after the effective date~~
25 ~~of the reduction.~~

26 ~~(2) In the case of a corporation, the tax shall be~~

1 ~~imposed in an amount equal to the sum of (i) the rate~~
2 ~~applicable to the taxpayer under subsection (b) of Section~~
3 ~~201 (without regard to the provisions of this Section)~~
4 ~~times the taxpayer's net income for any portion of the~~
5 ~~taxable year prior to the effective date of the reduction~~
6 ~~and (ii) 4.8% of the taxpayer's net income for any portion~~
7 ~~of the taxable year on or after the effective date of the~~
8 ~~reduction.~~

9 ~~(3) For any taxpayer for whom the rate has been reduced~~
10 ~~under this Section for a portion of a taxable year, the~~
11 ~~taxpayer shall determine the net income for each portion of~~
12 ~~the taxable year following the rules set forth in Section~~
13 ~~202.5 of this Act, using the effective date of the rate~~
14 ~~reduction rather than the January 1 dates found in that~~
15 ~~Section, and the day before the effective date of the rate~~
16 ~~reduction rather than the December 31 dates found in that~~
17 ~~Section.~~

18 ~~(4) If the rate applicable to the taxpayer under~~
19 ~~subsection (b) of Section 201 (without regard to the~~
20 ~~provisions of this Section) changes during a portion of the~~
21 ~~taxable year to which that rate is applied under paragraphs~~
22 ~~(1) or (2) of this subsection (f), the tax for that portion~~
23 ~~of the taxable year for purposes of paragraph (1) or (2) of~~
24 ~~this subsection (f) shall be determined as if that portion~~
25 ~~of the taxable year were a separate taxable year, following~~
26 ~~the rules set forth in Section 202.5 of this Act. If the~~

1 ~~taxpayer elects to follow the rules set forth in subsection~~
2 ~~(b) of Section 202.5, the taxpayer shall follow the rules~~
3 ~~set forth in subsection (b) of Section 202.5 for all~~
4 ~~purposes of this Section for that taxable year.~~

5 (g) Notwithstanding the State spending limitation set
6 forth in subsection (b) of this Section, the Governor may
7 declare a fiscal emergency by filing a declaration with the
8 Secretary of State and copies with the State Treasurer, the
9 State Comptroller, the Senate, and the House of
10 Representatives. The declaration must be limited to only one
11 State fiscal year, set forth compelling reasons for declaring a
12 fiscal emergency, and request a specific dollar amount. Unless,
13 within 10 calendar days of receipt of the Governor's
14 declaration, the State Comptroller or State Treasurer notifies
15 the Senate and the House of Representatives that he or she does
16 not concur in the Governor's declaration, State spending
17 authorized by law to address the fiscal emergency in an amount
18 no greater than the dollar amount specified in the declaration
19 shall not be considered "State spending" for purposes of the
20 State spending limitation.

21 (h) As used in this Section:

22 "State general funds" means the General Revenue Fund, the
23 Common School Fund, the General Revenue Common School Special
24 Account Fund, the Education Assistance Fund, and the Budget
25 Stabilization Fund.

26 "State spending" means (i) the total amount authorized for

1 spending by appropriation or statutory transfer from the State
2 general funds in the applicable fiscal year, and (ii) any
3 amounts the Governor places in reserves in accordance with
4 subsection (d) that are subsequently released from reserves
5 following authorization by a Public Act. For the purpose of
6 this definition, "appropriation" means authority to spend
7 money from a State general fund for a specific amount, purpose,
8 and time period, including any supplemental appropriation or
9 continuing appropriation, but does not include
10 reappropriations from a previous fiscal year. For the purpose
11 of this definition, "statutory transfer" means authority to
12 transfer funds from one State general fund to any other fund in
13 the State treasury, but does not include transfers made from
14 one State general fund to another State general fund.

15 "State spending limitation" means the amount described in
16 subsection (b) of this Section for the applicable fiscal year.

17 (Source: P.A. 96-1496, eff. 1-13-11; 97-813, eff. 7-13-12.)

18 (35 ILCS 5/207) (from Ch. 120, par. 2-207)

19 Sec. 207. Net Losses.

20 (a) If after applying all of the (i) modifications provided
21 for in paragraph (2) of Section 203(b), paragraph (2) of
22 Section 203(c) and paragraph (2) of Section 203(d) and (ii) the
23 allocation and apportionment provisions of Article 3 of this
24 Act and subsection (c) of this Section, the taxpayer's net
25 income results in a loss;

1 (1) for any taxable year ending prior to December 31,
2 1999, such loss shall be allowed as a carryover or
3 carryback deduction in the manner allowed under Section 172
4 of the Internal Revenue Code;

5 (2) for any taxable year ending on or after December
6 31, 1999 and prior to December 31, 2003, such loss shall be
7 allowed as a carryback to each of the 2 taxable years
8 preceding the taxable year of such loss and shall be a net
9 operating loss carryover to each of the 20 taxable years
10 following the taxable year of such loss; and

11 (3) for any taxable year ending on or after December
12 31, 2003, such loss shall be allowed as a net operating
13 loss carryover to each of the 12 taxable years following
14 the taxable year of such loss, except as provided in
15 subsection (d).

16 (a-5) Election to relinquish carryback and order of
17 application of losses.

18 (A) For losses incurred in tax years ending prior
19 to December 31, 2003, the taxpayer may elect to
20 relinquish the entire carryback period with respect to
21 such loss. Such election shall be made in the form and
22 manner prescribed by the Department and shall be made
23 by the due date (including extensions of time) for
24 filing the taxpayer's return for the taxable year in
25 which such loss is incurred, and such election, once
26 made, shall be irrevocable.

1 (B) The entire amount of such loss shall be carried
2 to the earliest taxable year to which such loss may be
3 carried. The amount of such loss which shall be carried
4 to each of the other taxable years shall be the excess,
5 if any, of the amount of such loss over the sum of the
6 deductions for carryback or carryover of such loss
7 allowable for each of the prior taxable years to which
8 such loss may be carried.

9 (b) Any loss determined under subsection (a) of this
10 Section must be carried back or carried forward in the same
11 manner for purposes of subsections (a) and (b) of Section 201
12 of this Act as for purposes of subsections (c) and (d) of
13 Section 201 of this Act.

14 (c) Notwithstanding any other provision of this Act, for
15 each taxable year ending on or after December 31, 2008, for
16 purposes of computing the loss for the taxable year under
17 subsection (a) of this Section and the deduction taken into
18 account for the taxable year for a net operating loss carryover
19 under paragraphs (1), (2), and (3) of subsection (a) of this
20 Section, the loss and net operating loss carryover shall be
21 reduced in an amount equal to the reduction to the net
22 operating loss and net operating loss carryover to the taxable
23 year, respectively, required under Section 108(b)(2)(A) of the
24 Internal Revenue Code, multiplied by a fraction, the numerator
25 of which is the amount of discharge of indebtedness income that
26 is excluded from gross income for the taxable year (but only if

1 the taxable year ends on or after December 31, 2008) under
2 Section 108(a) of the Internal Revenue Code and that would have
3 been allocated and apportioned to this State under Article 3 of
4 this Act but for that exclusion, and the denominator of which
5 is the total amount of discharge of indebtedness income
6 excluded from gross income under Section 108(a) of the Internal
7 Revenue Code for the taxable year. The reduction required under
8 this subsection (c) shall be made after the determination of
9 Illinois net income for the taxable year in which the
10 indebtedness is discharged.

11 (d) In the case of a corporation (other than a Subchapter S
12 corporation), no carryover deduction shall be allowed under
13 this Section for any taxable year ending after December 31,
14 2010 and prior to December 31, 2012, ~~and no carryover deduction~~
15 ~~shall exceed \$100,000 for any taxable year ending on or after~~
16 ~~December 31, 2012 and prior to December 31, 2014;~~ provided
17 that, for purposes of determining the taxable years to which a
18 net loss may be carried under subsection (a) of this Section,
19 no taxable year for which a deduction is disallowed under this
20 subsection, ~~or for which the deduction would exceed \$100,000 if~~
21 ~~not for this subsection,~~ shall be counted.

22 (e) In the case of a residual interest holder in a real
23 estate mortgage investment conduit subject to Section 860E of
24 the Internal Revenue Code, the net loss in subsection (a) shall
25 be equal to:

26 (1) the amount computed under subsection (a), without

1 regard to this subsection (e), or if that amount is
2 positive, zero;

3 (2) minus an amount equal to the amount computed under
4 subsection (a), without regard to this subsection (e),
5 minus the amount that would be computed under subsection
6 (a) if the taxpayer's federal taxable income were computed
7 without regard to Section 860E of the Internal Revenue Code
8 and without regard to this subsection (e).

9 The modification in this subsection (e) is exempt from the
10 provisions of Section 250.

11 (Source: P.A. 96-1496, eff. 1-13-11; 97-507, eff. 8-23-11;
12 97-636, eff. 6-1-12.)

13 (35 ILCS 5/901) (from Ch. 120, par. 9-901)
14 Sec. 901. Collection Authority.

15 (a) In general.

16 The Department shall collect the taxes imposed by this Act.
17 The Department shall collect certified past due child support
18 amounts under Section 2505-650 of the Department of Revenue Law
19 (20 ILCS 2505/2505-650). Except as provided in subsections (c)
20 and, (e), ~~(f)~~, and ~~(g)~~ of this Section, money collected
21 pursuant to subsections (a) and (b) of Section 201 of this Act
22 shall be paid into the General Revenue Fund in the State
23 treasury; money collected pursuant to subsections (c) and (d)
24 of Section 201 of this Act shall be paid into the Personal
25 Property Tax Replacement Fund, a special fund in the State

1 Treasury; and money collected under Section 2505-650 of the
2 Department of Revenue Law (20 ILCS 2505/2505-650) shall be paid
3 into the Child Support Enforcement Trust Fund, a special fund
4 outside the State Treasury, or to the State Disbursement Unit
5 established under Section 10-26 of the Illinois Public Aid
6 Code, as directed by the Department of Healthcare and Family
7 Services.

8 (b) Local Government Distributive Fund.

9 Beginning August 1, 1969, and continuing through June 30,
10 1994, the Treasurer shall transfer each month from the General
11 Revenue Fund to a special fund in the State treasury, to be
12 known as the "Local Government Distributive Fund", an amount
13 equal to 1/12 of the net revenue realized from the tax imposed
14 by subsections (a) and (b) of Section 201 of this Act during
15 the preceding month. Beginning July 1, 1994, and continuing
16 through June 30, 1995, the Treasurer shall transfer each month
17 from the General Revenue Fund to the Local Government
18 Distributive Fund an amount equal to 1/11 of the net revenue
19 realized from the tax imposed by subsections (a) and (b) of
20 Section 201 of this Act during the preceding month. Beginning
21 July 1, 1995 and continuing through January 31, 2011, and
22 beginning again on February 1, 2013, the Treasurer shall
23 transfer each month from the General Revenue Fund to the Local
24 Government Distributive Fund an amount equal to the net of (i)
25 1/10 of the net revenue realized from the tax imposed by
26 subsections (a) and (b) of Section 201 of the Illinois Income

1 Tax Act during the preceding month (ii) minus, beginning July
2 1, 2003 and ending June 30, 2004, \$6,666,666, and beginning
3 July 1, 2004, zero. Beginning February 1, 2011, and continuing
4 through January 31, 2013, January 31, 2015, the Treasurer shall
5 transfer each month from the General Revenue Fund to the Local
6 Government Distributive Fund an amount equal to the sum of (i)
7 6% (10% of the ratio of the 3% individual income tax rate prior
8 to 2011 to the 5% individual income tax rate after 2010) of the
9 net revenue realized from the tax imposed by subsections (a)
10 and (b) of Section 201 of this Act upon individuals, trusts,
11 and estates during the preceding month and (ii) 6.86% (10% of
12 the ratio of the 4.8% corporate income tax rate prior to 2011
13 to the 7% corporate income tax rate after 2010) of the net
14 revenue realized from the tax imposed by subsections (a) and
15 (b) of Section 201 of this Act upon corporations during the
16 preceding month. ~~Beginning February 1, 2015 and continuing~~
17 ~~through January 31, 2025, the Treasurer shall transfer each~~
18 ~~month from the General Revenue Fund to the Local Government~~
19 ~~Distributive Fund an amount equal to the sum of (i) 8% (10% of~~
20 ~~the ratio of the 3% individual income tax rate prior to 2011 to~~
21 ~~the 3.75% individual income tax rate after 2014) of the net~~
22 ~~revenue realized from the tax imposed by subsections (a) and~~
23 ~~(b) of Section 201 of this Act upon individuals, trusts, and~~
24 ~~estates during the preceding month and (ii) 9.14% (10% of the~~
25 ~~ratio of the 4.8% corporate income tax rate prior to 2011 to~~
26 ~~the 5.25% corporate income tax rate after 2014) of the net~~

1 ~~revenue realized from the tax imposed by subsections (a) and~~
2 ~~(b) of Section 201 of this Act upon corporations during the~~
3 ~~preceding month. Beginning February 1, 2025, the Treasurer~~
4 ~~shall transfer each month from the General Revenue Fund to the~~
5 ~~Local Government Distributive Fund an amount equal to the sum~~
6 ~~of (i) 9.23% (10% of the ratio of the 3% individual income tax~~
7 ~~rate prior to 2011 to the 3.25% individual income tax rate~~
8 ~~after 2024) of the net revenue realized from the tax imposed by~~
9 ~~subsections (a) and (b) of Section 201 of this Act upon~~
10 ~~individuals, trusts, and estates during the preceding month and~~
11 ~~(ii) 10% of the net revenue realized from the tax imposed by~~
12 ~~subsections (a) and (b) of Section 201 of this Act upon~~
13 ~~corporations during the preceding month. Net revenue realized~~
14 for a month shall be defined as the revenue from the tax
15 imposed by subsections (a) and (b) of Section 201 of this Act
16 which is deposited in the General Revenue Fund, the Education
17 Assistance Fund, and the Income Tax Surcharge Local Government
18 Distributive Fund, ~~the Fund for the Advancement of Education,~~
19 ~~and the Commitment to Human Services Fund~~ during the month
20 minus the amount paid out of the General Revenue Fund in State
21 warrants during that same month as refunds to taxpayers for
22 overpayment of liability under the tax imposed by subsections
23 (a) and (b) of Section 201 of this Act.

24 (c) Deposits Into Income Tax Refund Fund.

25 (1) Beginning on January 1, 1989 and thereafter, the
26 Department shall deposit a percentage of the amounts

1 collected pursuant to subsections (a) and (b) (1), (2), and
2 (3), of Section 201 of this Act into a fund in the State
3 treasury known as the Income Tax Refund Fund. The
4 Department shall deposit 6% of such amounts during the
5 period beginning January 1, 1989 and ending on June 30,
6 1989. Beginning with State fiscal year 1990 and for each
7 fiscal year thereafter, the percentage deposited into the
8 Income Tax Refund Fund during a fiscal year shall be the
9 Annual Percentage. For fiscal years 1999 through 2001, the
10 Annual Percentage shall be 7.1%. For fiscal year 2003, the
11 Annual Percentage shall be 8%. For fiscal year 2004, the
12 Annual Percentage shall be 11.7%. Upon the effective date
13 of this amendatory Act of the 93rd General Assembly, the
14 Annual Percentage shall be 10% for fiscal year 2005. For
15 fiscal year 2006, the Annual Percentage shall be 9.75%. For
16 fiscal year 2007, the Annual Percentage shall be 9.75%. For
17 fiscal year 2008, the Annual Percentage shall be 7.75%. For
18 fiscal year 2009, the Annual Percentage shall be 9.75%. For
19 fiscal year 2010, the Annual Percentage shall be 9.75%. For
20 fiscal year 2011, the Annual Percentage shall be 8.75%. For
21 fiscal year 2012, the Annual Percentage shall be 8.75%. For
22 fiscal year 2013, the Annual Percentage shall be 9.75%. For
23 all other fiscal years, the Annual Percentage shall be
24 calculated as a fraction, the numerator of which shall be
25 the amount of refunds approved for payment by the
26 Department during the preceding fiscal year as a result of

1 overpayment of tax liability under subsections (a) and
2 (b) (1), (2), and (3) of Section 201 of this Act plus the
3 amount of such refunds remaining approved but unpaid at the
4 end of the preceding fiscal year, minus the amounts
5 transferred into the Income Tax Refund Fund from the
6 Tobacco Settlement Recovery Fund, and the denominator of
7 which shall be the amounts which will be collected pursuant
8 to subsections (a) and (b) (1), (2), and (3) of Section 201
9 of this Act during the preceding fiscal year; except that
10 in State fiscal year 2002, the Annual Percentage shall in
11 no event exceed 7.6%. The Director of Revenue shall certify
12 the Annual Percentage to the Comptroller on the last
13 business day of the fiscal year immediately preceding the
14 fiscal year for which it is to be effective.

15 (2) Beginning on January 1, 1989 and thereafter, the
16 Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a) and (b) (6), (7), and
18 (8), (c) and (d) of Section 201 of this Act into a fund in
19 the State treasury known as the Income Tax Refund Fund. The
20 Department shall deposit 18% of such amounts during the
21 period beginning January 1, 1989 and ending on June 30,
22 1989. Beginning with State fiscal year 1990 and for each
23 fiscal year thereafter, the percentage deposited into the
24 Income Tax Refund Fund during a fiscal year shall be the
25 Annual Percentage. For fiscal years 1999, 2000, and 2001,
26 the Annual Percentage shall be 19%. For fiscal year 2003,

1 the Annual Percentage shall be 27%. For fiscal year 2004,
2 the Annual Percentage shall be 32%. Upon the effective date
3 of this amendatory Act of the 93rd General Assembly, the
4 Annual Percentage shall be 24% for fiscal year 2005. For
5 fiscal year 2006, the Annual Percentage shall be 20%. For
6 fiscal year 2007, the Annual Percentage shall be 17.5%. For
7 fiscal year 2008, the Annual Percentage shall be 15.5%. For
8 fiscal year 2009, the Annual Percentage shall be 17.5%. For
9 fiscal year 2010, the Annual Percentage shall be 17.5%. For
10 fiscal year 2011, the Annual Percentage shall be 17.5%. For
11 fiscal year 2012, the Annual Percentage shall be 17.5%. For
12 fiscal year 2013, the Annual Percentage shall be 14%. For
13 all other fiscal years, the Annual Percentage shall be
14 calculated as a fraction, the numerator of which shall be
15 the amount of refunds approved for payment by the
16 Department during the preceding fiscal year as a result of
17 overpayment of tax liability under subsections (a) and
18 (b)(6), (7), and (8), (c) and (d) of Section 201 of this
19 Act plus the amount of such refunds remaining approved but
20 unpaid at the end of the preceding fiscal year, and the
21 denominator of which shall be the amounts which will be
22 collected pursuant to subsections (a) and (b)(6), (7), and
23 (8), (c) and (d) of Section 201 of this Act during the
24 preceding fiscal year; except that in State fiscal year
25 2002, the Annual Percentage shall in no event exceed 23%.
26 The Director of Revenue shall certify the Annual Percentage

1 to the Comptroller on the last business day of the fiscal
2 year immediately preceding the fiscal year for which it is
3 to be effective.

4 (3) The Comptroller shall order transferred and the
5 Treasurer shall transfer from the Tobacco Settlement
6 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
7 in January, 2001, (ii) \$35,000,000 in January, 2002, and
8 (iii) \$35,000,000 in January, 2003.

9 (d) Expenditures from Income Tax Refund Fund.

10 (1) Beginning January 1, 1989, money in the Income Tax
11 Refund Fund shall be expended exclusively for the purpose
12 of paying refunds resulting from overpayment of tax
13 liability under Section 201 of this Act, for paying rebates
14 under Section 208.1 in the event that the amounts in the
15 Homeowners' Tax Relief Fund are insufficient for that
16 purpose, and for making transfers pursuant to this
17 subsection (d).

18 (2) The Director shall order payment of refunds
19 resulting from overpayment of tax liability under Section
20 201 of this Act from the Income Tax Refund Fund only to the
21 extent that amounts collected pursuant to Section 201 of
22 this Act and transfers pursuant to this subsection (d) and
23 item (3) of subsection (c) have been deposited and retained
24 in the Fund.

25 (3) As soon as possible after the end of each fiscal
26 year, the Director shall order transferred and the State

1 Treasurer and State Comptroller shall transfer from the
2 Income Tax Refund Fund to the Personal Property Tax
3 Replacement Fund an amount, certified by the Director to
4 the Comptroller, equal to the excess of the amount
5 collected pursuant to subsections (c) and (d) of Section
6 201 of this Act deposited into the Income Tax Refund Fund
7 during the fiscal year over the amount of refunds resulting
8 from overpayment of tax liability under subsections (c) and
9 (d) of Section 201 of this Act paid from the Income Tax
10 Refund Fund during the fiscal year.

11 (4) As soon as possible after the end of each fiscal
12 year, the Director shall order transferred and the State
13 Treasurer and State Comptroller shall transfer from the
14 Personal Property Tax Replacement Fund to the Income Tax
15 Refund Fund an amount, certified by the Director to the
16 Comptroller, equal to the excess of the amount of refunds
17 resulting from overpayment of tax liability under
18 subsections (c) and (d) of Section 201 of this Act paid
19 from the Income Tax Refund Fund during the fiscal year over
20 the amount collected pursuant to subsections (c) and (d) of
21 Section 201 of this Act deposited into the Income Tax
22 Refund Fund during the fiscal year.

23 (4.5) As soon as possible after the end of fiscal year
24 1999 and of each fiscal year thereafter, the Director shall
25 order transferred and the State Treasurer and State
26 Comptroller shall transfer from the Income Tax Refund Fund

1 to the General Revenue Fund any surplus remaining in the
2 Income Tax Refund Fund as of the end of such fiscal year;
3 excluding for fiscal years 2000, 2001, and 2002 amounts
4 attributable to transfers under item (3) of subsection (c)
5 less refunds resulting from the earned income tax credit.

6 (5) This Act shall constitute an irrevocable and
7 continuing appropriation from the Income Tax Refund Fund
8 for the purpose of paying refunds upon the order of the
9 Director in accordance with the provisions of this Section.

10 (e) Deposits into the Education Assistance Fund and the
11 Income Tax Surcharge Local Government Distributive Fund.

12 On July 1, 1991, and thereafter, of the amounts collected
13 pursuant to subsections (a) and (b) of Section 201 of this Act,
14 minus deposits into the Income Tax Refund Fund, the Department
15 shall deposit 7.3% into the Education Assistance Fund in the
16 State Treasury. Beginning July 1, 1991, and continuing through
17 January 31, 1993, of the amounts collected pursuant to
18 subsections (a) and (b) of Section 201 of the Illinois Income
19 Tax Act, minus deposits into the Income Tax Refund Fund, the
20 Department shall deposit 3.0% into the Income Tax Surcharge
21 Local Government Distributive Fund in the State Treasury.
22 Beginning February 1, 1993 and continuing through June 30,
23 1993, of the amounts collected pursuant to subsections (a) and
24 (b) of Section 201 of the Illinois Income Tax Act, minus
25 deposits into the Income Tax Refund Fund, the Department shall
26 deposit 4.4% into the Income Tax Surcharge Local Government

1 Distributive Fund in the State Treasury. Beginning July 1,
2 1993, and continuing through June 30, 1994, of the amounts
3 collected under subsections (a) and (b) of Section 201 of this
4 Act, minus deposits into the Income Tax Refund Fund, the
5 Department shall deposit 1.475% into the Income Tax Surcharge
6 Local Government Distributive Fund in the State Treasury.

7 (f) (Blank). ~~Deposits into the Fund for the Advancement of~~
8 ~~Education. Beginning February 1, 2015, the Department shall~~
9 ~~deposit the following portions of the revenue realized from the~~
10 ~~tax imposed upon individuals, trusts, and estates by~~
11 ~~subsections (a) and (b) of Section 201 of this Act during the~~
12 ~~preceding month, minus deposits into the Income Tax Refund~~
13 ~~Fund, into the Fund for the Advancement of Education:~~

14 ~~(1) beginning February 1, 2015, and prior to February~~
15 ~~1, 2025, 1/30; and~~

16 ~~(2) beginning February 1, 2025, 1/26.~~

17 ~~If the rate of tax imposed by subsection (a) and (b) of~~
18 ~~Section 201 is reduced pursuant to Section 201.5 of this Act,~~
19 ~~the Department shall not make the deposits required by this~~
20 ~~subsection (f) on or after the effective date of the reduction.~~

21 (g) (Blank). ~~Deposits into the Commitment to Human Services~~
22 ~~Fund. Beginning February 1, 2015, the Department shall deposit~~
23 ~~the following portions of the revenue realized from the tax~~
24 ~~imposed upon individuals, trusts, and estates by subsections~~
25 ~~(a) and (b) of Section 201 of this Act during the preceding~~
26 ~~month, minus deposits into the Income Tax Refund Fund, into the~~

1 ~~Commitment to Human Services Fund:~~

2 ~~(1) beginning February 1, 2015, and prior to February~~
3 ~~1, 2025, 1/30; and~~

4 ~~(2) beginning February 1, 2025, 1/26.~~

5 ~~If the rate of tax imposed by subsection (a) and (b) of~~
6 ~~Section 201 is reduced pursuant to Section 201.5 of this Act,~~
7 ~~the Department shall not make the deposits required by this~~
8 ~~subsection (g) on or after the effective date of the reduction.~~

9 (Source: P.A. 96-45, eff. 7-15-09; 96-328, eff. 8-11-09;
10 96-959, eff. 7-1-10; 96-1496, eff. 1-13-11; 97-72, eff. 7-1-11;
11 97-732, eff. 6-30-12.)

12 (30 ILCS 105/5.786 rep.)

13 (30 ILCS 105/5.787 rep.)

14 (30 ILCS 105/6z-85 rep.)

15 (30 ILCS 105/6z-86 rep.)

16 Section 15. The State Finance Act is amended by repealing
17 Sections 5.786, 5.787, 6z-85, and 6z-86.

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