



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB4485

by Rep. Katherine Cloonen

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Creates a credit equal to any unreimbursed amounts paid by the taxpayer during the taxable year for the purposes of (i) rebuilding or restoring a residential, industrial, or commercial structure located in the State that was damaged as a result of a natural disaster or (ii) engaging in other cleanup efforts related to a natural disaster occurring in the State. Provides that a taxpayer is not entitled to a credit if the natural disaster occurred more than 2 years prior to the taxable year for which the credit is claimed. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB098 15250 HLH 50258 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 adding
5 Section 224 as follows:

6 (35 ILCS 5/224 new)

7 Sec. 224. Natural disaster credit.

8 (a) For tax years ending on or after December 31, 2014,
9 each taxpayer is entitled to a credit against the taxes imposed
10 under subsections (a) and (b) of Section 201 of this Act in an
11 amount equal to the amount paid by the taxpayer during the
12 taxable year for the purposes of (i) rebuilding or restoring a
13 residential, industrial, or commercial structure located in
14 the State that was damaged as a result of a natural disaster or
15 (ii) engaging in other cleanup efforts related to a natural
16 disaster occurring in the State, including, but not limited, to
17 debris removal.

18 (b) Except as provided in subsection (c) with respect to
19 credit amounts that are carried forward, a taxpayer is not
20 entitled to a credit under this Section if the natural disaster
21 occurred more than 2 years prior to the taxable year for which
22 the credit is claimed. A taxpayer is not entitled to a credit
23 under this Section if the costs incurred are eligible for

1 reimbursement by a third party.

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

13 (d) For the purposes of this Section, "natural disaster"
14 means an occurrence of widespread or severe damage or loss of
15 property resulting from any catastrophic cause including but
16 not limited to fire, flood, earthquake, wind, storm, or
17 extended period of severe inclement weather. A proclamation of
18 disaster by the President of the United States or Governor of
19 the State of Illinois is not a prerequisite to the
20 classification of an occurrence as a natural disaster under
21 this Section.

22 (e) This Section is exempt from the provisions of Section
23 250.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.