



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB1720

Introduced 2/15/2013, by Sen. Kyle McCarter

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that each taxpayer is entitled to a credit in an amount equal to (i) 25% of the qualified first-year wages, not to exceed \$6,000, paid to each qualified employee who worked at least 120 hours but less than 400 hours during the taxable year, and (ii) 40% of the qualified first-year wages, not to exceed \$6,000, paid to each qualified employee who worked at least 400 hours during the taxable year. Provides that the term "qualified employee" means a person who (i) received benefits under either the Temporary Aid to Needy Families Program under Article IV of the Public Aid Code or the federal Supplemental Nutrition Assistance Program (SNAP) for any 9 months during the 18-month period ending on the date the employee was hired by the taxpayer, and (ii) was employed by the taxpayer for a period of exactly 12 consecutive months at any point during the taxable year. Effective immediately.

LRB098 10493 HLH 40727 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. Credit for wages paid to employees who receive
8 TANF or SNAP.

9 (a) For taxable years ending on or after December 31, 2013,
10 each taxpayer is entitled to a credit against the tax imposed
11 under subsections (a) and (b) of Section 201 in an amount equal
12 to (i) 25% of the qualified first-year wages, not to exceed
13 \$6,000, paid to each qualified employee who worked at least 120
14 hours but less than 400 hours during the taxable year, and (ii)
15 40% of the qualified first-year wages, not to exceed \$6,000,
16 paid to each qualified employee who worked at least 400 hours
17 during the taxable year.

18 (b) For the purposes of this Section:

19 "Qualified employee" means a person who (i) received
20 benefits under either the Temporary Aid to Needy Families
21 Program under Article IV of the Public Aid Code or the federal
22 Supplemental Nutrition Assistance Program (SNAP) for any 9
23 months during the 18-month period ending on the date the

1 employee was hired by the taxpayer, and (ii) was employed by
2 the taxpayer for a period of exactly 12 consecutive months at
3 any point during the taxable year.

4 "Qualified first-year wages" means, with respect to a
5 qualified employee, qualified wages attributable to services
6 rendered during the one-year period beginning on the date the
7 individual begins work for the taxpayer.

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

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

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