



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB2430

Introduced 2/17/2015, by Rep. Dwight Kay

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/224 new

Amends the Illinois Income Tax Act. Provides that a taxpayer who owns and operates a business in Illinois shall be allowed a credit in the amount of \$3,750 per employee hired by the taxpayer and retained for 2 years. Provides that the credit may be allowed in the amount of \$2,500 in the year the employee is hired and in the amount of \$1,250 in the second year of employment. Provides that if the amount of the credit exceeds the taxpayer's liability for the taxable year, the excess may be carried forward and applied to the tax liability of the next 5 years. Effective immediately.

LRB099 03794 HLH 23807 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. Job creation credit. For taxable years beginning  
8 on or after January 1, 2015, each taxpayer who owns and  
9 operates a business in Illinois shall be allowed a credit  
10 against the tax imposed by subsections (a) and (b) of Section  
11 201 of this Act in the amount of \$3,750 per employee hired by  
12 the taxpayer and retained for 2 years. Of the \$3,750 amount, an  
13 amount equal to \$2,500 may be allowed as a credit for the  
14 taxable year in which the employee was hired if the employee  
15 remains employed by the employer on the last day of that  
16 taxable year, and an amount equal to \$1,250 may be allowed as a  
17 credit for the following taxable year if the employee remains  
18 employed by the employer on the last day of that taxable year.  
19 A credit under this Section may not exceed the taxpayer's  
20 Illinois income tax liability for the taxable year. If the  
21 amount of the credit exceeds the tax liability for the year,  
22 the excess may be carried forward and applied to the tax  
23 liability of the 5 taxable years following the excess credit

1 year. The credit shall be applied to the earliest year for  
2 which there is a tax liability. If there are credits from more  
3 than one taxable year that are available to offset a liability,  
4 the earlier credit shall be applied first. In the case of a  
5 partnership or Subchapter S Corporation, the credit is allowed  
6 to the partners or shareholders in accordance with the  
7 determination of income and distributive share of income under  
8 Sections 702 and 704 and Subchapter S of the Internal Revenue  
9 Code. This Section is exempt from the provisions of Section 250  
10 of this Act.

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.