



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3592

Introduced 2/9/2024, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

New Act
35 ILCS 5/201
35 ILCS 5/241 new
35 ILCS 5/242 new
110 ILCS 947/65.125 new

Creates the Strengthening Community Media Act. Provides that a State agency shall direct at least 50% of its total spending on advertising to local news organization publications. Sets forth exceptions and reporting requirements. Provides that a local news organization shall not be sold to an out-of-state company without giving written notice 120 days before the sales occurs to specified individuals and organizations. Amends the Illinois Income Tax Act. Provides that a taxpayer that is an eligible news journalist employer shall be allowed a credit against the Personal Property Tax Replacement Income Tax for each qualified journalist hired by the eligible news journalist employer during the taxable year. Provides that an eligible news journalist employer is entitled to a credit against taxes in an amount equal to 50% of the wages paid for up to 150 qualified journalists. Provides that an eligible small business is entitled to a credit against taxes in an amount equal to the amount paid by the eligible small business to local newspapers or broadcasters for advertising in the State. Amends the Higher Education Student Assistance Act. Creates the Journalism Student Scholarship Program. Provides that the Illinois Student Assistance Commission shall award scholarships to students who will work at a local news organization in the State for a period of not less than 2 years.

LRB103 38956 SPS 69093 b

1 AN ACT concerning journalism.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Strengthening Community Media Act.

6 Section 5. Findings.

7 (a) Illinois benefits from robust local news services that
8 provide trusted and essential information to the community
9 that limits corruption, encourages citizen participation,
10 helps combat misinformation, and mitigates community and
11 individual alienation.

12 (b) Local news in Illinois and throughout the country is
13 struggling with newspaper advertising dropping 82% nationally
14 since 2000, contributing to a 57% drop in the number of
15 reporters at newspapers and thousands of closures.

16 (c) Local news outlets are trusted sources of information
17 for communities throughout Illinois and advertising spending
18 with these outlets carries a substantial benefit for the
19 effective dissemination of important government information to
20 the communities it serves.

21 (d) Government initiatives to increase spending on local
22 news advertising has been manifestly successful in both
23 supporting local news outlets and improving the information

1 diet of communities in several major cities.

2 (e) Illinois can and will implement such an initiative
3 while preserving the editorial independence of local news
4 outlets selling advertising space under this Act, and
5 recognizes that any diversion of advertising spending that has
6 the effect or appearance of an attempt to influence the
7 editorial content of a local news organization violates the
8 federal and State guarantees of freedom of the press and
9 freedom of speech.

10 Section 10. Definitions. As used in this Act:

11 "Department" means the Department of Commerce and Economic
12 Opportunity.

13 "Local news organization" means an entity that:

14 (1) engages professionals to create, edit, produce,
15 and distribute original content concerning matters of
16 public interest, through reporting activities, including
17 conducting interviews, observing current events, or
18 analyzing documents or other information;

19 (2) has at least one employee employed full-time for
20 30 hours a week or more dedicated to providing coverage of
21 Illinois or local Illinois community news and living
22 within 50 miles of the coverage area, who gathers,
23 prepares, collects, photographs, writes, edits, reports,
24 or publishes original local or State community news for
25 dissemination to the local or State community;

1 (3) in the case of print publications, has published
2 at least one print publication per month over the previous
3 12 months, and either holds a valid United States Postal
4 Service periodical permit or has at least 25% of its
5 content dedicated to local news;

6 (4) in the case of digital-only entities, has
7 published one piece about the community per week over the
8 previous 12 months and has at least 33% of its digital
9 audience in Illinois, averaged over a 12-month period;

10 (5) in the case of hybrid entities that that have both
11 print and digital outlets, meets the requirements in
12 either paragraph (3) or (4) of this definition;

13 (6) has disclosed in its print publication or on its
14 website its beneficial ownership or, in the case of a
15 not-for-profit entity, its board of directors;

16 (7) in the case of an entity that maintains tax status
17 under Section 501(c)(3) of the federal Internal Revenue
18 Code, has declared the coverage of local or State news as
19 the stated mission in its filings with the Internal
20 Revenue Service; and

21 (8) has not received more than 50% of its gross
22 receipts for the previous year from political action
23 committees or other entities described in Section 527 of
24 the federal Internal Revenue Code, or from an organization
25 that maintains Section 501(c)(4) or 501(c)(6) status under
26 the federal Internal Revenue Code.

1 "State agencies" means all officers, boards, commissions,
2 and agencies created by the Illinois Constitution, whether in
3 the executive, legislative, or judicial branch, but other than
4 the circuit court; all officers, departments, boards,
5 commissions, agencies, institutions, authorities,
6 universities, bodies politic and corporate of the State; and
7 administrative units or corporate outgrowths of the State
8 government which are created pursuant to statute, other than
9 units of local government and their officers, school districts
10 and boards of elected commissioners; and all administrative
11 units and corporate outgrowths of the above and as may be
12 created by executive order of the Governor.

13 Section 15. Advertising with local news organizations.

14 (a) For the fiscal year following the effective date of
15 this Act, and each fiscal year thereafter, a State agency
16 shall direct at least 50% of its total spending on advertising
17 to local news organization publications, provided that a State
18 agency may seek an exemption from this requirement upon a
19 showing to the Department that the purposes of the advertising
20 are inconsistent with placement in a local news organization.
21 If a State agency seeks an exemption, the Department shall
22 direct the advertising spending to a local news organization
23 if it determined that the objectives of the advertising can be
24 served as effectively or better through the local news
25 organization.

1 (b) The Department shall maintain a list of eligible local
2 news organizations.

3 (c) The Department shall determine whether an entity
4 qualifies as a local news organization in accordance with the
5 definition provided in Section 10.

6 (d) All State agencies are prohibited from discriminating
7 among local news organizations based on editorial content,
8 unless that content is objectively relevant to the target
9 audience and articulated purposes of the advertising.

10 (e) If an entity is denied eligibility as a local news
11 organization, the Department shall provide, in writing and
12 upon request, an explanation to the entity of the reasons for
13 the denial as described in subsection (c).

14 Section 20. Reporting requirements.

15 (a) No later than 3 months after the effective date of this
16 Act, the Department shall publish on its website a report on
17 the implementation of this Act, including information on the
18 criteria used to make determinations under subsection (a) of
19 Section 15.

20 (b) For the first full fiscal year following the effective
21 date of this Act, and each fiscal year thereafter, the
22 Department shall publish an annual report that includes, but
23 it not limited to:

24 (1) the operative list of local news organizations at
25 the date of publication;

- 1 (2) the advertising spending by each State agency; and
2 (3) the recipients of the spending, including which
3 entity received which individual advertising contract and
4 the amount of the contract.

5 Section 25. Notice of sale of a local news organization. A
6 local news organization shall not be sold to an out-of-state
7 company without giving written notice 120 days before the
8 sales occurs to the following:

- 9 (1) affected employees and representatives of affected
10 employees;
11 (2) the Department of Commerce and Economic
12 Opportunity and the county government in which the local
13 news organization is located; and
14 (3) any in-State nonprofit organization in the
15 business of buying local news organizations.

16 Section 90. The Illinois Income Tax Act is amended by
17 changing Section 201 and by adding Sections 241 and 242 as
18 follows:

19 (35 ILCS 5/201)

20 Sec. 201. Tax imposed.

21 (a) In general. A tax measured by net income is hereby
22 imposed on every individual, corporation, trust and estate for
23 each taxable year ending after July 31, 1969 on the privilege

1 of earning or receiving income in or as a resident of this
2 State. Such tax shall be in addition to all other occupation or
3 privilege taxes imposed by this State or by any municipal
4 corporation or political subdivision thereof.

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

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

12 (2) In the case of an individual, trust or estate, for
13 taxable years beginning prior to July 1, 1989 and ending
14 after June 30, 1989, an amount equal to the sum of (i) 2
15 1/2% of the taxpayer's net income for the period prior to
16 July 1, 1989, as calculated under Section 202.3, and (ii)
17 3% of the taxpayer's net income for the period after June
18 30, 1989, as calculated under Section 202.3.

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

23 (4) In the case of an individual, trust, or estate,
24 for taxable years beginning prior to January 1, 2011, and
25 ending after December 31, 2010, an amount equal to the sum
26 of (i) 3% of the taxpayer's net income for the period prior

1 to January 1, 2011, as calculated under Section 202.5, and
2 (ii) 5% of the taxpayer's net income for the period after
3 December 31, 2010, as calculated under Section 202.5.

4 (5) In the case of an individual, trust, or estate,
5 for taxable years beginning on or after January 1, 2011,
6 and ending prior to January 1, 2015, an amount equal to 5%
7 of the taxpayer's net income for the taxable year.

8 (5.1) In the case of an individual, trust, or estate,
9 for taxable years beginning prior to January 1, 2015, and
10 ending after December 31, 2014, an amount equal to the sum
11 of (i) 5% of the taxpayer's net income for the period prior
12 to January 1, 2015, as calculated under Section 202.5, and
13 (ii) 3.75% of the taxpayer's net income for the period
14 after December 31, 2014, as calculated under Section
15 202.5.

16 (5.2) In the case of an individual, trust, or estate,
17 for taxable years beginning on or after January 1, 2015,
18 and ending prior to July 1, 2017, an amount equal to 3.75%
19 of the taxpayer's net income for the taxable year.

20 (5.3) In the case of an individual, trust, or estate,
21 for taxable years beginning prior to July 1, 2017, and
22 ending after June 30, 2017, an amount equal to the sum of
23 (i) 3.75% of the taxpayer's net income for the period
24 prior to July 1, 2017, as calculated under Section 202.5,
25 and (ii) 4.95% of the taxpayer's net income for the period
26 after June 30, 2017, as calculated under Section 202.5.

1 (5.4) In the case of an individual, trust, or estate,
2 for taxable years beginning on or after July 1, 2017, an
3 amount equal to 4.95% of the taxpayer's net income for the
4 taxable year.

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

8 (7) In the case of a corporation, for taxable years
9 beginning prior to July 1, 1989 and ending after June 30,
10 1989, an amount equal to the sum of (i) 4% of the
11 taxpayer's net income for the period prior to July 1,
12 1989, as calculated under Section 202.3, and (ii) 4.8% of
13 the taxpayer's net income for the period after June 30,
14 1989, as calculated under Section 202.3.

15 (8) In the case of a corporation, for taxable years
16 beginning after June 30, 1989, and ending prior to January
17 1, 2011, an amount equal to 4.8% of the taxpayer's net
18 income for the taxable year.

19 (9) In the case of a corporation, for taxable years
20 beginning prior to January 1, 2011, and ending after
21 December 31, 2010, an amount equal to the sum of (i) 4.8%
22 of the taxpayer's net income for the period prior to
23 January 1, 2011, as calculated under Section 202.5, and
24 (ii) 7% of the taxpayer's net income for the period after
25 December 31, 2010, as calculated under Section 202.5.

26 (10) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2011, and ending prior to
2 January 1, 2015, an amount equal to 7% of the taxpayer's
3 net income for the taxable year.

4 (11) In the case of a corporation, for taxable years
5 beginning prior to January 1, 2015, and ending after
6 December 31, 2014, an amount equal to the sum of (i) 7% of
7 the taxpayer's net income for the period prior to January
8 1, 2015, as calculated under Section 202.5, and (ii) 5.25%
9 of the taxpayer's net income for the period after December
10 31, 2014, as calculated under Section 202.5.

11 (12) In the case of a corporation, for taxable years
12 beginning on or after January 1, 2015, and ending prior to
13 July 1, 2017, an amount equal to 5.25% of the taxpayer's
14 net income for the taxable year.

15 (13) In the case of a corporation, for taxable years
16 beginning prior to July 1, 2017, and ending after June 30,
17 2017, an amount equal to the sum of (i) 5.25% of the
18 taxpayer's net income for the period prior to July 1,
19 2017, as calculated under Section 202.5, and (ii) 7% of
20 the taxpayer's net income for the period after June 30,
21 2017, as calculated under Section 202.5.

22 (14) In the case of a corporation, for taxable years
23 beginning on or after July 1, 2017, an amount equal to 7%
24 of the taxpayer's net income for the taxable year.

25 The rates under this subsection (b) are subject to the
26 provisions of Section 201.5.

1 (b-5) Surcharge; sale or exchange of assets, properties,
2 and intangibles of organization gaming licensees. For each of
3 taxable years 2019 through 2027, a surcharge is imposed on all
4 taxpayers on income arising from the sale or exchange of
5 capital assets, depreciable business property, real property
6 used in the trade or business, and Section 197 intangibles (i)
7 of an organization licensee under the Illinois Horse Racing
8 Act of 1975 and (ii) of an organization gaming licensee under
9 the Illinois Gambling Act. The amount of the surcharge is
10 equal to the amount of federal income tax liability for the
11 taxable year attributable to those sales and exchanges. The
12 surcharge imposed shall not apply if:

13 (1) the organization gaming license, organization
14 license, or racetrack property is transferred as a result
15 of any of the following:

16 (A) bankruptcy, a receivership, or a debt
17 adjustment initiated by or against the initial
18 licensee or the substantial owners of the initial
19 licensee;

20 (B) cancellation, revocation, or termination of
21 any such license by the Illinois Gaming Board or the
22 Illinois Racing Board;

23 (C) a determination by the Illinois Gaming Board
24 that transfer of the license is in the best interests
25 of Illinois gaming;

26 (D) the death of an owner of the equity interest in

1 a licensee;

2 (E) the acquisition of a controlling interest in
3 the stock or substantially all of the assets of a
4 publicly traded company;

5 (F) a transfer by a parent company to a wholly
6 owned subsidiary; or

7 (G) the transfer or sale to or by one person to
8 another person where both persons were initial owners
9 of the license when the license was issued; or

10 (2) the controlling interest in the organization
11 gaming license, organization license, or racetrack
12 property is transferred in a transaction to lineal
13 descendants in which no gain or loss is recognized or as a
14 result of a transaction in accordance with Section 351 of
15 the Internal Revenue Code in which no gain or loss is
16 recognized; or

17 (3) live horse racing was not conducted in 2010 at a
18 racetrack located within 3 miles of the Mississippi River
19 under a license issued pursuant to the Illinois Horse
20 Racing Act of 1975.

21 The transfer of an organization gaming license,
22 organization license, or racetrack property by a person other
23 than the initial licensee to receive the organization gaming
24 license is not subject to a surcharge. The Department shall
25 adopt rules necessary to implement and administer this
26 subsection.

1 (c) Personal Property Tax Replacement Income Tax.
2 Beginning on July 1, 1979 and thereafter, in addition to such
3 income tax, there is also hereby imposed the Personal Property
4 Tax Replacement Income Tax measured by net income on every
5 corporation (including Subchapter S corporations), partnership
6 and trust, for each taxable year ending after June 30, 1979.
7 Such taxes are imposed on the privilege of earning or
8 receiving income in or as a resident of this State. The
9 Personal Property Tax Replacement Income Tax shall be in
10 addition to the income tax imposed by subsections (a) and (b)
11 of this Section and in addition to all other occupation or
12 privilege taxes imposed by this State or by any municipal
13 corporation or political subdivision thereof.

14 (d) Additional Personal Property Tax Replacement Income
15 Tax Rates. The personal property tax replacement income tax
16 imposed by this subsection and subsection (c) of this Section
17 in the case of a corporation, other than a Subchapter S
18 corporation and except as adjusted by subsection (d-1), shall
19 be an additional amount equal to 2.85% of such taxpayer's net
20 income for the taxable year, except that beginning on January
21 1, 1981, and thereafter, the rate of 2.85% specified in this
22 subsection shall be reduced to 2.5%, and in the case of a
23 partnership, trust or a Subchapter S corporation shall be an
24 additional amount equal to 1.5% of such taxpayer's net income
25 for the taxable year.

26 (d-1) Rate reduction for certain foreign insurers. In the

1 case of a foreign insurer, as defined by Section 35A-5 of the
2 Illinois Insurance Code, whose state or country of domicile
3 imposes on insurers domiciled in Illinois a retaliatory tax
4 (excluding any insurer whose premiums from reinsurance assumed
5 are 50% or more of its total insurance premiums as determined
6 under paragraph (2) of subsection (b) of Section 304, except
7 that for purposes of this determination premiums from
8 reinsurance do not include premiums from inter-affiliate
9 reinsurance arrangements), beginning with taxable years ending
10 on or after December 31, 1999, the sum of the rates of tax
11 imposed by subsections (b) and (d) shall be reduced (but not
12 increased) to the rate at which the total amount of tax imposed
13 under this Act, net of all credits allowed under this Act,
14 shall equal (i) the total amount of tax that would be imposed
15 on the foreign insurer's net income allocable to Illinois for
16 the taxable year by such foreign insurer's state or country of
17 domicile if that net income were subject to all income taxes
18 and taxes measured by net income imposed by such foreign
19 insurer's state or country of domicile, net of all credits
20 allowed or (ii) a rate of zero if no such tax is imposed on
21 such income by the foreign insurer's state of domicile. For
22 the purposes of this subsection (d-1), an inter-affiliate
23 includes a mutual insurer under common management.

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

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

4 (B) the privilege tax imposed by Section 409 of
5 the Illinois Insurance Code, the fire insurance
6 company tax imposed by Section 12 of the Fire
7 Investigation Act, and the fire department taxes
8 imposed under Section 11-10-1 of the Illinois
9 Municipal Code,

10 equals 1.25% for taxable years ending prior to December
11 31, 2003, or 1.75% for taxable years ending on or after
12 December 31, 2003, of the net taxable premiums written for
13 the taxable year, as described by subsection (1) of
14 Section 409 of the Illinois Insurance Code. This paragraph
15 will in no event increase the rates imposed under
16 subsections (b) and (d).

17 (2) Any reduction in the rates of tax imposed by this
18 subsection shall be applied first against the rates
19 imposed by subsection (b) and only after the tax imposed
20 by subsection (a) net of all credits allowed under this
21 Section other than the credit allowed under subsection (i)
22 has been reduced to zero, against the rates imposed by
23 subsection (d).

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

26 (e) Investment credit. A taxpayer shall be allowed a

1 credit against the Personal Property Tax Replacement Income
2 Tax for investment in qualified property.

3 (1) A taxpayer shall be allowed a credit equal to .5%
4 of the basis of qualified property placed in service
5 during the taxable year, provided such property is placed
6 in service on or after July 1, 1984. There shall be allowed
7 an additional credit equal to .5% of the basis of
8 qualified property placed in service during the taxable
9 year, provided such property is placed in service on or
10 after July 1, 1986, and the taxpayer's base employment
11 within Illinois has increased by 1% or more over the
12 preceding year as determined by the taxpayer's employment
13 records filed with the Illinois Department of Employment
14 Security. Taxpayers who are new to Illinois shall be
15 deemed to have met the 1% growth in base employment for the
16 first year in which they file employment records with the
17 Illinois Department of Employment Security. The provisions
18 added to this Section by Public Act 85-1200 (and restored
19 by Public Act 87-895) shall be construed as declaratory of
20 existing law and not as a new enactment. If, in any year,
21 the increase in base employment within Illinois over the
22 preceding year is less than 1%, the additional credit
23 shall be limited to that percentage times a fraction, the
24 numerator of which is .5% and the denominator of which is
25 1%, but shall not exceed .5%. The investment credit shall
26 not be allowed to the extent that it would reduce a

1 taxpayer's liability in any tax year below zero, nor may
2 any credit for qualified property be allowed for any year
3 other than the year in which the property was placed in
4 service in Illinois. For tax years ending on or after
5 December 31, 1987, and on or before December 31, 1988, the
6 credit shall be allowed for the tax year in which the
7 property is placed in service, or, if the amount of the
8 credit exceeds the tax liability for that year, whether it
9 exceeds the original liability or the liability as later
10 amended, such excess may be carried forward and applied to
11 the tax liability of the 5 taxable years following the
12 excess credit years if the taxpayer (i) makes investments
13 which cause the creation of a minimum of 2,000 full-time
14 equivalent jobs in Illinois, (ii) is located in an
15 enterprise zone established pursuant to the Illinois
16 Enterprise Zone Act and (iii) is certified by the
17 Department of Commerce and Community Affairs (now
18 Department of Commerce and Economic Opportunity) as
19 complying with the requirements specified in clause (i)
20 and (ii) by July 1, 1986. The Department of Commerce and
21 Community Affairs (now Department of Commerce and Economic
22 Opportunity) shall notify the Department of Revenue of all
23 such certifications immediately. For tax years ending
24 after December 31, 1988, the credit shall be allowed for
25 the tax year in which the property is placed in service,
26 or, if the amount of the credit exceeds the tax liability

1 for that year, whether it exceeds the original liability
2 or the liability as later amended, such excess may be
3 carried forward and applied to the tax liability of the 5
4 taxable years following the excess credit years. The
5 credit shall be applied to the earliest year for which
6 there is a liability. If there is credit from more than one
7 tax year that is available to offset a liability, earlier
8 credit shall be applied first.

9 (2) The term "qualified property" means property
10 which:

11 (A) is tangible, whether new or used, including
12 buildings and structural components of buildings and
13 signs that are real property, but not including land
14 or improvements to real property that are not a
15 structural component of a building such as
16 landscaping, sewer lines, local access roads, fencing,
17 parking lots, and other appurtenances;

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

23 (C) is acquired by purchase as defined in Section
24 179(d) of the Internal Revenue Code;

25 (D) is used in Illinois by a taxpayer who is
26 primarily engaged in manufacturing, or in mining coal

1 or fluorite, or in retailing, or was placed in service
2 on or after July 1, 2006 in a River Edge Redevelopment
3 Zone established pursuant to the River Edge
4 Redevelopment Zone Act; and

5 (E) has not previously been used in Illinois in
6 such a manner and by such a person as would qualify for
7 the credit provided by this subsection (e) or
8 subsection (f).

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

1 distribution of electricity.

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

5 (5) If the basis of the property for federal income
6 tax depreciation purposes is increased after it has been
7 placed in service in Illinois by the taxpayer, the amount
8 of such increase shall be deemed property placed in
9 service on the date of such increase in basis.

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

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

1 deemed a disposition of qualified property to the extent
2 of such reduction.

3 (8) Unless the investment credit is extended by law,
4 the basis of qualified property shall not include costs
5 incurred after December 31, 2018, except for costs
6 incurred pursuant to a binding contract entered into on or
7 before December 31, 2018.

8 (9) Each taxable year ending before December 31, 2000,
9 a partnership may elect to pass through to its partners
10 the credits to which the partnership is entitled under
11 this subsection (e) for the taxable year. A partner may
12 use the credit allocated to him or her under this
13 paragraph only against the tax imposed in subsections (c)
14 and (d) of this Section. If the partnership makes that
15 election, those credits shall be allocated among the
16 partners in the partnership in accordance with the rules
17 set forth in Section 704(b) of the Internal Revenue Code,
18 and the rules promulgated under that Section, and the
19 allocated amount of the credits shall be allowed to the
20 partners for that taxable year. The partnership shall make
21 this election on its Personal Property Tax Replacement
22 Income Tax return for that taxable year. The election to
23 pass through the credits shall be irrevocable.

24 For taxable years ending on or after December 31,
25 2000, a partner that qualifies its partnership for a
26 subtraction under subparagraph (I) of paragraph (2) of

1 subsection (d) of Section 203 or a shareholder that
2 qualifies a Subchapter S corporation for a subtraction
3 under subparagraph (S) of paragraph (2) of subsection (b)
4 of Section 203 shall be allowed a credit under this
5 subsection (e) equal to its share of the credit earned
6 under this subsection (e) during the taxable year by the
7 partnership or Subchapter S corporation, determined in
8 accordance with the determination of income and
9 distributive share of income under Sections 702 and 704
10 and Subchapter S of the Internal Revenue Code. This
11 paragraph is exempt from the provisions of Section 250.

12 (f) Investment credit; Enterprise Zone; River Edge
13 Redevelopment Zone.

14 (1) A taxpayer shall be allowed a credit against the
15 tax imposed by subsections (a) and (b) of this Section for
16 investment in qualified property which is placed in
17 service in an Enterprise Zone created pursuant to the
18 Illinois Enterprise Zone Act or, for property placed in
19 service on or after July 1, 2006, a River Edge
20 Redevelopment Zone established pursuant to the River Edge
21 Redevelopment Zone Act. For partners, shareholders of
22 Subchapter S corporations, and owners of limited liability
23 companies, if the liability company is treated as a
24 partnership for purposes of federal and State income
25 taxation, for taxable years ending before December 31,
26 2023, there shall be allowed a credit under this

1 subsection (f) to be determined in accordance with the
2 determination of income and distributive share of income
3 under Sections 702 and 704 and Subchapter S of the
4 Internal Revenue Code. For taxable years ending on or
5 after December 31, 2023, for partners and shareholders of
6 Subchapter S corporations, the provisions of Section 251
7 shall apply with respect to the credit under this
8 subsection. The credit shall be .5% of the basis for such
9 property. The credit shall be available only in the
10 taxable year in which the property is placed in service in
11 the Enterprise Zone or River Edge Redevelopment Zone and
12 shall not be allowed to the extent that it would reduce a
13 taxpayer's liability for the tax imposed by subsections
14 (a) and (b) of this Section to below zero. For tax years
15 ending on or after December 31, 1985, the credit shall be
16 allowed for the tax year in which the property is placed in
17 service, or, if the amount of the credit exceeds the tax
18 liability for that year, whether it exceeds the original
19 liability or the liability as later amended, such excess
20 may be carried forward and applied to the tax liability of
21 the 5 taxable years following the excess credit year. The
22 credit shall be applied to the earliest year for which
23 there is a liability. If there is credit from more than one
24 tax year that is available to offset a liability, the
25 credit accruing first in time shall be applied first.

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 (f);

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

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

12 (E) has not been previously used in Illinois in
13 such a manner and by such a person as would qualify for
14 the credit provided by this subsection (f) or
15 subsection (e).

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

19 (4) If the basis of the property for federal income
20 tax depreciation purposes is increased after it has been
21 placed in service in the Enterprise Zone or River Edge
22 Redevelopment Zone by the taxpayer, the amount of such
23 increase shall be deemed property placed in service on the
24 date of such increase in basis.

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

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

19 (7) There shall be allowed an additional credit equal
20 to 0.5% of the basis of qualified property placed in
21 service during the taxable year in a River Edge
22 Redevelopment Zone, provided such property is placed in
23 service on or after July 1, 2006, and the taxpayer's base
24 employment within Illinois has increased by 1% or more
25 over the preceding year as determined by the taxpayer's
26 employment records filed with the Illinois Department of

1 Employment Security. Taxpayers who are new to Illinois
2 shall be deemed to have met the 1% growth in base
3 employment for the first year in which they file
4 employment records with the Illinois Department of
5 Employment Security. If, in any year, the increase in base
6 employment within Illinois over the preceding year is less
7 than 1%, the additional credit shall be limited to that
8 percentage times a fraction, the numerator of which is
9 0.5% and the denominator of which is 1%, but shall not
10 exceed 0.5%.

11 (8) For taxable years beginning on or after January 1,
12 2021, there shall be allowed an Enterprise Zone
13 construction jobs credit against the taxes imposed under
14 subsections (a) and (b) of this Section as provided in
15 Section 13 of the Illinois Enterprise Zone Act.

16 The credit or credits may not reduce the taxpayer's
17 liability to less than zero. If the amount of the credit or
18 credits exceeds the taxpayer's liability, the excess may
19 be carried forward and applied against the taxpayer's
20 liability in succeeding calendar years in the same manner
21 provided under paragraph (4) of Section 211 of this Act.
22 The credit or credits shall be applied to the earliest
23 year for which there is a tax liability. If there are
24 credits from more than one taxable year that are available
25 to offset a liability, the earlier credit shall be applied
26 first.

1 For partners, shareholders of Subchapter S
2 corporations, and owners of limited liability companies,
3 if the liability company is treated as a partnership for
4 the purposes of federal and State income taxation, for
5 taxable years ending before December 31, 2023, there shall
6 be allowed a credit under this Section to be determined in
7 accordance with the determination of income and
8 distributive share of income under Sections 702 and 704
9 and Subchapter S of the Internal Revenue Code. For taxable
10 years ending on or after December 31, 2023, for partners
11 and shareholders of Subchapter S corporations, the
12 provisions of Section 251 shall apply with respect to the
13 credit under this subsection.

14 The total aggregate amount of credits awarded under
15 the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
16 shall not exceed \$20,000,000 in any State fiscal year.

17 This paragraph (8) is exempt from the provisions of
18 Section 250.

19 (g) (Blank).

20 (h) Investment credit; High Impact Business.

21 (1) Subject to subsections (b) and (b-5) of Section
22 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
23 be allowed a credit against the tax imposed by subsections
24 (a) and (b) of this Section for investment in qualified
25 property which is placed in service by a Department of
26 Commerce and Economic Opportunity designated High Impact

1 Business. The credit shall be .5% of the basis for such
2 property. The credit shall not be available (i) until the
3 minimum investments in qualified property set forth in
4 subdivision (a)(3)(A) of Section 5.5 of the Illinois
5 Enterprise Zone Act have been satisfied or (ii) until the
6 time authorized in subsection (b-5) of the Illinois
7 Enterprise Zone Act for entities designated as High Impact
8 Businesses under subdivisions (a)(3)(B), (a)(3)(C), and
9 (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone
10 Act, and shall not be allowed to the extent that it would
11 reduce a taxpayer's liability for the tax imposed by
12 subsections (a) and (b) of this Section to below zero. The
13 credit applicable to such investments shall be taken in
14 the taxable year in which such investments have been
15 completed. The credit for additional investments beyond
16 the minimum investment by a designated high impact
17 business authorized under subdivision (a)(3)(A) of Section
18 5.5 of the Illinois Enterprise Zone Act shall be available
19 only in the taxable year in which the property is placed in
20 service and shall not be allowed to the extent that it
21 would reduce a taxpayer's liability for the tax imposed by
22 subsections (a) and (b) of this Section to below zero. For
23 tax years ending on or after December 31, 1987, the credit
24 shall be allowed for the tax year in which the property is
25 placed in service, or, if the amount of the credit exceeds
26 the tax liability for that year, whether it exceeds the

1 original liability or the liability as later amended, such
2 excess may be carried forward and applied to the tax
3 liability of the 5 taxable years following the excess
4 credit year. The credit shall be applied to the earliest
5 year for which there is a liability. If there is credit
6 from more than one tax year that is available to offset a
7 liability, the credit accruing first in time shall be
8 applied first.

9 Changes made in this subdivision (h) (1) by Public Act
10 88-670 restore changes made by Public Act 85-1182 and
11 reflect existing law.

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

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

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

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

22 (D) is not eligible for the Enterprise Zone
23 Investment Credit provided by subsection (f) of this
24 Section.

25 (3) The basis of qualified property shall be the basis
26 used to compute the depreciation deduction for federal

1 income tax purposes.

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

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

10 (6) If during any taxable year ending on or before
11 December 31, 1996, any property ceases to be qualified
12 property in the hands of the taxpayer within 48 months
13 after being placed in service, or the situs of any
14 qualified property is moved outside Illinois within 48
15 months after being placed in service, the tax imposed
16 under subsections (a) and (b) of this Section for such
17 taxable year shall be increased. Such increase shall be
18 determined by (i) recomputing the investment credit which
19 would have been allowed for the year in which credit for
20 such property was originally allowed by eliminating such
21 property from such computation, and (ii) subtracting such
22 recomputed credit from the amount of credit previously
23 allowed. For the purposes of this paragraph (6), a
24 reduction of the basis of qualified property resulting
25 from a redetermination of the purchase price shall be
26 deemed a disposition of qualified property to the extent

1 of such reduction.

2 (7) Beginning with tax years ending after December 31,
3 1996, if a taxpayer qualifies for the credit under this
4 subsection (h) and thereby is granted a tax abatement and
5 the taxpayer relocates its entire facility in violation of
6 the explicit terms and length of the contract under
7 Section 18-183 of the Property Tax Code, the tax imposed
8 under subsections (a) and (b) of this Section shall be
9 increased for the taxable year in which the taxpayer
10 relocated its facility by an amount equal to the amount of
11 credit received by the taxpayer under this subsection (h).

12 (h-5) High Impact Business construction jobs credit. For
13 taxable years beginning on or after January 1, 2021, there
14 shall also be allowed a High Impact Business construction jobs
15 credit against the tax imposed under subsections (a) and (b)
16 of this Section as provided in subsections (i) and (j) of
17 Section 5.5 of the Illinois Enterprise Zone Act.

18 The credit or credits may not reduce the taxpayer's
19 liability to less than zero. If the amount of the credit or
20 credits exceeds the taxpayer's liability, the excess may be
21 carried forward and applied against the taxpayer's liability
22 in succeeding calendar years in the manner provided under
23 paragraph (4) of Section 211 of this Act. The credit or credits
24 shall be applied to the earliest year for which there is a tax
25 liability. If there are credits from more than one taxable
26 year that are available to offset a liability, the earlier

1 credit shall be applied first.

2 For partners, shareholders of Subchapter S corporations,
3 and owners of limited liability companies, for taxable years
4 ending before December 31, 2023, if the liability company is
5 treated as a partnership for the purposes of federal and State
6 income taxation, there shall be allowed a credit under this
7 Section to be determined in accordance with the determination
8 of income and distributive share of income under Sections 702
9 and 704 and Subchapter S of the Internal Revenue Code. For
10 taxable years ending on or after December 31, 2023, for
11 partners and shareholders of Subchapter S corporations, the
12 provisions of Section 251 shall apply with respect to the
13 credit under this subsection.

14 The total aggregate amount of credits awarded under the
15 Blue Collar Jobs Act (Article 20 of Public Act 101-9) shall not
16 exceed \$20,000,000 in any State fiscal year.

17 This subsection (h-5) is exempt from the provisions of
18 Section 250.

19 (i) Credit for Personal Property Tax Replacement Income
20 Tax. For tax years ending prior to December 31, 2003, a credit
21 shall be allowed against the tax imposed by subsections (a)
22 and (b) of this Section for the tax imposed by subsections (c)
23 and (d) of this Section. This credit shall be computed by
24 multiplying the tax imposed by subsections (c) and (d) of this
25 Section by a fraction, the numerator of which is base income
26 allocable to Illinois and the denominator of which is Illinois

1 base income, and further multiplying the product by the tax
2 rate imposed by subsections (a) and (b) of this Section.

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

17 If, during any taxable year ending on or after December
18 31, 1986, the tax imposed by subsections (c) and (d) of this
19 Section for which a taxpayer has claimed a credit under this
20 subsection (i) is reduced, the amount of credit for such tax
21 shall also be reduced. Such reduction shall be determined by
22 recomputing the credit to take into account the reduced tax
23 imposed by subsections (c) and (d). If any portion of the
24 reduced amount of credit has been carried to a different
25 taxable year, an amended return shall be filed for such
26 taxable year to reduce the amount of credit claimed.

1 (j) Training expense credit. Beginning with tax years
2 ending on or after December 31, 1986 and prior to December 31,
3 2003, a taxpayer shall be allowed a credit against the tax
4 imposed by subsections (a) and (b) under this Section for all
5 amounts paid or accrued, on behalf of all persons employed by
6 the taxpayer in Illinois or Illinois residents employed
7 outside of Illinois by a taxpayer, for educational or
8 vocational training in semi-technical or technical fields or
9 semi-skilled or skilled fields, which were deducted from gross
10 income in the computation of taxable income. The credit
11 against the tax imposed by subsections (a) and (b) shall be
12 1.6% of such training expenses. For partners, shareholders of
13 subchapter S corporations, and owners of limited liability
14 companies, if the liability company is treated as a
15 partnership for purposes of federal and State income taxation,
16 for taxable years ending before December 31, 2023, there shall
17 be allowed a credit under this subsection (j) to be determined
18 in accordance with the determination of income and
19 distributive share of income under Sections 702 and 704 and
20 subchapter S of the Internal Revenue Code. For taxable years
21 ending on or after December 31, 2023, for partners and
22 shareholders of Subchapter S corporations, the provisions of
23 Section 251 shall apply with respect to the credit under this
24 subsection.

25 Any credit allowed under this subsection which is unused
26 in the year the credit is earned may be carried forward to each

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

9 (k) Research and development credit. For tax years ending
10 after July 1, 1990 and prior to December 31, 2003, and
11 beginning again for tax years ending on or after December 31,
12 2004, and ending prior to January 1, 2027, a taxpayer shall be
13 allowed a credit against the tax imposed by subsections (a)
14 and (b) of this Section for increasing research activities in
15 this State. The credit allowed against the tax imposed by
16 subsections (a) and (b) shall be equal to 6 1/2% of the
17 qualifying expenditures for increasing research activities in
18 this State. For partners, shareholders of subchapter S
19 corporations, and owners of limited liability companies, if
20 the liability company is treated as a partnership for purposes
21 of federal and State income taxation, for taxable years ending
22 before December 31, 2023, there shall be allowed a credit
23 under this subsection to be determined in accordance with the
24 determination of income and distributive share of income under
25 Sections 702 and 704 and subchapter S of the Internal Revenue
26 Code. For taxable years ending on or after December 31, 2023,

1 for partners and shareholders of Subchapter S corporations,
2 the provisions of Section 251 shall apply with respect to the
3 credit under this subsection.

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

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

25 If an unused credit is carried forward to a given year from
26 2 or more earlier years, that credit arising in the earliest

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

11 No inference shall be drawn from Public Act 91-644 in
12 construing this Section for taxable years beginning before
13 January 1, 1999.

14 It is the intent of the General Assembly that the research
15 and development credit under this subsection (k) shall apply
16 continuously for all tax years ending on or after December 31,
17 2004 and ending prior to January 1, 2027, including, but not
18 limited to, the period beginning on January 1, 2016 and ending
19 on July 6, 2017 (the effective date of Public Act 100-22). All
20 actions taken in reliance on the continuation of the credit
21 under this subsection (k) by any taxpayer are hereby
22 validated.

23 (1) Environmental Remediation Tax Credit.

24 (i) For tax years ending after December 31, 1997 and
25 on or before December 31, 2001, a taxpayer shall be
26 allowed a credit against the tax imposed by subsections

1 (a) and (b) of this Section for certain amounts paid for
2 unreimbursed eligible remediation costs, as specified in
3 this subsection. For purposes of this Section,
4 "unreimbursed eligible remediation costs" means costs
5 approved by the Illinois Environmental Protection Agency
6 ("Agency") under Section 58.14 of the Environmental
7 Protection Act that were paid in performing environmental
8 remediation at a site for which a No Further Remediation
9 Letter was issued by the Agency and recorded under Section
10 58.10 of the Environmental Protection Act. The credit must
11 be claimed for the taxable year in which Agency approval
12 of the eligible remediation costs is granted. The credit
13 is not available to any taxpayer if the taxpayer or any
14 related party caused or contributed to, in any material
15 respect, a release of regulated substances on, in, or
16 under the site that was identified and addressed by the
17 remedial action pursuant to the Site Remediation Program
18 of the Environmental Protection Act. After the Pollution
19 Control Board rules are adopted pursuant to the Illinois
20 Administrative Procedure Act for the administration and
21 enforcement of Section 58.9 of the Environmental
22 Protection Act, determinations as to credit availability
23 for purposes of this Section shall be made consistent with
24 those rules. For purposes of this Section, "taxpayer"
25 includes a person whose tax attributes the taxpayer has
26 succeeded to under Section 381 of the Internal Revenue

1 Code and "related party" includes the persons disallowed a
2 deduction for losses by paragraphs (b), (c), and (f)(1) of
3 Section 267 of the Internal Revenue Code by virtue of
4 being a related taxpayer, as well as any of its partners.
5 The credit allowed against the tax imposed by subsections
6 (a) and (b) shall be equal to 25% of the unreimbursed
7 eligible remediation costs in excess of \$100,000 per site,
8 except that the \$100,000 threshold shall not apply to any
9 site contained in an enterprise zone as determined by the
10 Department of Commerce and Community Affairs (now
11 Department of Commerce and Economic Opportunity). The
12 total credit allowed shall not exceed \$40,000 per year
13 with a maximum total of \$150,000 per site. For partners
14 and shareholders of subchapter S corporations, there shall
15 be allowed a credit under this subsection to be determined
16 in accordance with the determination of income and
17 distributive share of income under Sections 702 and 704
18 and subchapter S of the Internal Revenue Code.

19 (ii) A credit allowed under this subsection that is
20 unused in the year the credit is earned may be carried
21 forward to each of the 5 taxable years following the year
22 for which the credit is first earned until it is used. The
23 term "unused credit" does not include any amounts of
24 unreimbursed eligible remediation costs in excess of the
25 maximum credit per site authorized under paragraph (i).
26 This credit shall be applied first to the earliest year

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

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

22 (m) Education expense credit. Beginning with tax years
23 ending after December 31, 1999, a taxpayer who is the
24 custodian of one or more qualifying pupils shall be allowed a
25 credit against the tax imposed by subsections (a) and (b) of
26 this Section for qualified education expenses incurred on

1 behalf of the qualifying pupils. The credit shall be equal to
2 25% of qualified education expenses, but in no event may the
3 total credit under this subsection claimed by a family that is
4 the custodian of qualifying pupils exceed (i) \$500 for tax
5 years ending prior to December 31, 2017, and (ii) \$750 for tax
6 years ending on or after December 31, 2017. In no event shall a
7 credit under this subsection reduce the taxpayer's liability
8 under this Act to less than zero. Notwithstanding any other
9 provision of law, for taxable years beginning on or after
10 January 1, 2017, no taxpayer may claim a credit under this
11 subsection (m) if the taxpayer's adjusted gross income for the
12 taxable year exceeds (i) \$500,000, in the case of spouses
13 filing a joint federal tax return or (ii) \$250,000, in the case
14 of all other taxpayers. This subsection is exempt from the
15 provisions of Section 250 of this Act.

16 For purposes of this subsection:

17 "Qualifying pupils" means individuals who (i) are
18 residents of the State of Illinois, (ii) are under the age of
19 21 at the close of the school year for which a credit is
20 sought, and (iii) during the school year for which a credit is
21 sought were full-time pupils enrolled in a kindergarten
22 through twelfth grade education program at any school, as
23 defined in this subsection.

24 "Qualified education expense" means the amount incurred on
25 behalf of a qualifying pupil in excess of \$250 for tuition,
26 book fees, and lab fees at the school in which the pupil is

1 enrolled during the regular school year.

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

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

12 (n) River Edge Redevelopment Zone site remediation tax
13 credit.

14 (i) For tax years ending on or after December 31,
15 2006, a taxpayer shall be allowed a credit against the tax
16 imposed by subsections (a) and (b) of this Section for
17 certain amounts paid for unreimbursed eligible remediation
18 costs, as specified in this subsection. For purposes of
19 this Section, "unreimbursed eligible remediation costs"
20 means costs approved by the Illinois Environmental
21 Protection Agency ("Agency") under Section 58.14a of the
22 Environmental Protection Act that were paid in performing
23 environmental remediation at a site within a River Edge
24 Redevelopment Zone for which a No Further Remediation
25 Letter was issued by the Agency and recorded under Section
26 58.10 of the Environmental Protection Act. The credit must

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

24 (ii) A credit allowed under this subsection that is
25 unused in the year the credit is earned may be carried
26 forward to each of the 5 taxable years following the year

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

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

23 (o) For each of taxable years during the Compassionate Use
24 of Medical Cannabis Program, a surcharge is imposed on all
25 taxpayers on income arising from the sale or exchange of
26 capital assets, depreciable business property, real property

1 used in the trade or business, and Section 197 intangibles of
2 an organization registrant under the Compassionate Use of
3 Medical Cannabis Program Act. The amount of the surcharge is
4 equal to the amount of federal income tax liability for the
5 taxable year attributable to those sales and exchanges. The
6 surcharge imposed does not apply if:

7 (1) the medical cannabis cultivation center
8 registration, medical cannabis dispensary registration, or
9 the property of a registration is transferred as a result
10 of any of the following:

11 (A) bankruptcy, a receivership, or a debt
12 adjustment initiated by or against the initial
13 registration or the substantial owners of the initial
14 registration;

15 (B) cancellation, revocation, or termination of
16 any registration by the Illinois Department of Public
17 Health;

18 (C) a determination by the Illinois Department of
19 Public Health that transfer of the registration is in
20 the best interests of Illinois qualifying patients as
21 defined by the Compassionate Use of Medical Cannabis
22 Program Act;

23 (D) the death of an owner of the equity interest in
24 a registrant;

25 (E) the acquisition of a controlling interest in
26 the stock or substantially all of the assets of a

1 publicly traded company;

2 (F) a transfer by a parent company to a wholly
3 owned subsidiary; or

4 (G) the transfer or sale to or by one person to
5 another person where both persons were initial owners
6 of the registration when the registration was issued;
7 or

8 (2) the cannabis cultivation center registration,
9 medical cannabis dispensary registration, or the
10 controlling interest in a registrant's property is
11 transferred in a transaction to lineal descendants in
12 which no gain or loss is recognized or as a result of a
13 transaction in accordance with Section 351 of the Internal
14 Revenue Code in which no gain or loss is recognized.

15 (p) Pass-through entity tax.

16 (1) For taxable years ending on or after December 31,
17 2021 and beginning prior to January 1, 2026, a partnership
18 (other than a publicly traded partnership under Section
19 7704 of the Internal Revenue Code) or Subchapter S
20 corporation may elect to apply the provisions of this
21 subsection. A separate election shall be made for each
22 taxable year. Such election shall be made at such time,
23 and in such form and manner as prescribed by the
24 Department, and, once made, is irrevocable.

25 (2) Entity-level tax. A partnership or Subchapter S
26 corporation electing to apply the provisions of this

1 subsection shall be subject to a tax for the privilege of
2 earning or receiving income in this State in an amount
3 equal to 4.95% of the taxpayer's net income for the
4 taxable year.

5 (3) Net income defined.

6 (A) In general. For purposes of paragraph (2), the
7 term net income has the same meaning as defined in
8 Section 202 of this Act, except that, for tax years
9 ending on or after December 31, 2023, a deduction
10 shall be allowed in computing base income for
11 distributions to a retired partner to the extent that
12 the partner's distributions are exempt from tax under
13 Section 203(a)(2)(F) of this Act. In addition, the
14 following modifications shall not apply:

15 (i) the standard exemption allowed under
16 Section 204;

17 (ii) the deduction for net losses allowed
18 under Section 207;

19 (iii) in the case of an S corporation, the
20 modification under Section 203(b)(2)(S); and

21 (iv) in the case of a partnership, the
22 modifications under Section 203(d)(2)(H) and
23 Section 203(d)(2)(I).

24 (B) Special rule for tiered partnerships. If a
25 taxpayer making the election under paragraph (1) is a
26 partner of another taxpayer making the election under

1 paragraph (1), net income shall be computed as
2 provided in subparagraph (A), except that the taxpayer
3 shall subtract its distributive share of the net
4 income of the electing partnership (including its
5 distributive share of the net income of the electing
6 partnership derived as a distributive share from
7 electing partnerships in which it is a partner).

8 (4) Credit for entity level tax. Each partner or
9 shareholder of a taxpayer making the election under this
10 Section shall be allowed a credit against the tax imposed
11 under subsections (a) and (b) of Section 201 of this Act
12 for the taxable year of the partnership or Subchapter S
13 corporation for which an election is in effect ending
14 within or with the taxable year of the partner or
15 shareholder in an amount equal to 4.95% times the partner
16 or shareholder's distributive share of the net income of
17 the electing partnership or Subchapter S corporation, but
18 not to exceed the partner's or shareholder's share of the
19 tax imposed under paragraph (1) which is actually paid by
20 the partnership or Subchapter S corporation. If the
21 taxpayer is a partnership or Subchapter S corporation that
22 is itself a partner of a partnership making the election
23 under paragraph (1), the credit under this paragraph shall
24 be allowed to the taxpayer's partners or shareholders (or
25 if the partner is a partnership or Subchapter S
26 corporation then its partners or shareholders) in

1 accordance with the determination of income and
2 distributive share of income under Sections 702 and 704
3 and Subchapter S of the Internal Revenue Code. If the
4 amount of the credit allowed under this paragraph exceeds
5 the partner's or shareholder's liability for tax imposed
6 under subsections (a) and (b) of Section 201 of this Act
7 for the taxable year, such excess shall be treated as an
8 overpayment for purposes of Section 909 of this Act.

9 (5) Nonresidents. A nonresident individual who is a
10 partner or shareholder of a partnership or Subchapter S
11 corporation for a taxable year for which an election is in
12 effect under paragraph (1) shall not be required to file
13 an income tax return under this Act for such taxable year
14 if the only source of net income of the individual (or the
15 individual and the individual's spouse in the case of a
16 joint return) is from an entity making the election under
17 paragraph (1) and the credit allowed to the partner or
18 shareholder under paragraph (4) equals or exceeds the
19 individual's liability for the tax imposed under
20 subsections (a) and (b) of Section 201 of this Act for the
21 taxable year.

22 (6) Liability for tax. Except as provided in this
23 paragraph, a partnership or Subchapter S making the
24 election under paragraph (1) is liable for the
25 entity-level tax imposed under paragraph (2). If the
26 electing partnership or corporation fails to pay the full

1 amount of tax deemed assessed under paragraph (2), the
2 partners or shareholders shall be liable to pay the tax
3 assessed (including penalties and interest). Each partner
4 or shareholder shall be liable for the unpaid assessment
5 based on the ratio of the partner's or shareholder's share
6 of the net income of the partnership over the total net
7 income of the partnership. If the partnership or
8 Subchapter S corporation fails to pay the tax assessed
9 (including penalties and interest) and thereafter an
10 amount of such tax is paid by the partners or
11 shareholders, such amount shall not be collected from the
12 partnership or corporation.

13 (7) Foreign tax. For purposes of the credit allowed
14 under Section 601(b)(3) of this Act, tax paid by a
15 partnership or Subchapter S corporation to another state
16 which, as determined by the Department, is substantially
17 similar to the tax imposed under this subsection, shall be
18 considered tax paid by the partner or shareholder to the
19 extent that the partner's or shareholder's share of the
20 income of the partnership or Subchapter S corporation
21 allocated and apportioned to such other state bears to the
22 total income of the partnership or Subchapter S
23 corporation allocated or apportioned to such other state.

24 (8) Suspension of withholding. The provisions of
25 Section 709.5 of this Act shall not apply to a partnership
26 or Subchapter S corporation for the taxable year for which

1 an election under paragraph (1) is in effect.

2 (9) Requirement to pay estimated tax. For each taxable
3 year for which an election under paragraph (1) is in
4 effect, a partnership or Subchapter S corporation is
5 required to pay estimated tax for such taxable year under
6 Sections 803 and 804 of this Act if the amount payable as
7 estimated tax can reasonably be expected to exceed \$500.

8 (10) The provisions of this subsection shall apply
9 only with respect to taxable years for which the
10 limitation on individual deductions applies under Section
11 164(b) (6) of the Internal Revenue Code.

12 (q) Local news organization exemption. A taxpayer that is
13 an eligible news journalist employer shall be allowed a credit
14 against the Personal Property Tax Replacement Income Tax for
15 each qualified journalist hired by the eligible news
16 journalist employer during the taxable year.

17 For purposes of this subsection:

18 "Eligible news journalist employer" has the meaning
19 ascribed to the term "local news organization" in the
20 Strengthening Community Media Act.

21 "Qualified journalist" means a person:

22 (1) employed for an average of at least 30 hours per
23 week during a taxable year by an eligible news journalist
24 employer; and

25 (2) responsible for gathering, developing, preparing,
26 directing the recording of, producing, collecting,

1 photographing, recording, writing, editing, reporting,
2 designing, presenting, distributing, or publishing
3 original news or information that concerns local,
4 regional, national, or international matters of public
5 interest.

6 (Source: P.A. 102-558, eff. 8-20-21; 102-658, eff. 8-27-21;
7 103-9, eff. 6-7-23; 103-396, eff. 1-1-24; revised 12-12-23.)

8 (35 ILCS 5/241 new)

9 Sec. 241. Local journalism employment support tax credit.

10 (a) As used in this Section:

11 "Eligible news journalist employer" has the meaning
12 ascribed to the term "local news organization" in the
13 Strengthening Community Media Act.

14 "Qualified journalist" means a person:

15 (1) employed for an average of at least 30 hours per
16 week during a taxable year by an eligible news journalist
17 employer; and

18 (2) responsible for gathering, developing, preparing,
19 directing the recording of, producing, collecting,
20 photographing, recording, writing, editing, reporting,
21 designing, presenting, distributing, or publishing
22 original news or information that concerns local,
23 regional, national, or international matters of public
24 interest.

25 (b) For the taxable years beginning on or after January 1,

1 2025, an eligible news journalist employer is entitled to a
2 credit against the tax imposed by subsections (a) and (b) of
3 Section 201 of this Act in an amount equal to 50% of the wages
4 paid for up to 150 qualified journalists, but not to exceed a
5 total credit amount of \$25,000 per qualifying journalist in a
6 single taxable year.

7 (c) If the amount of the credit exceeds the income tax
8 liability for the applicable tax year, then the excess credit
9 shall be refunded to the taxpayer. The amount of a refund shall
10 not be included in the taxpayer's income or resources for the
11 purposes of determining eligibility or benefit level in any
12 means-tested benefit program administered by a governmental
13 entity unless required by federal law.

14 (35 ILCS 5/242 new)

15 Sec. 242. Small business income tax credit for local
16 journalism advertising.

17 (a) As used in this Section:

18 "Advertising" means providing consideration for the
19 publication, dissemination, solicitation, or circulation or
20 visual, oral, or written communication to directly or
21 indirectly induce any person to purchase a good or service.

22 "Disqualified organization" means any organization:

23 (1) described in Section 502(c)(4) of the Internal
24 Revenue Code and exempt from taxation under Section 501(a)
25 of the Internal Revenue Code;

1 (2) described in Section 527 of the Internal Revenue
2 Code; or

3 (3) owned or controlled by one or more organizations
4 described in Section 527 of the Internal Revenue Code.

5 "Eligible local news journalist employer" means any
6 employer that:

7 (1) is an eligible local newspaper; or

8 (2) is a qualifying broadcast station; and

9 (3) employs local news journalists.

10 "Eligible small business" means a business with fewer than
11 50 employees.

12 "Local newspaper" means a print or digital publication
13 that:

14 (1) primarily serves the needs of the State or a
15 regional or local community in the State;

16 (2) primarily has content derived from primary sources
17 relating to news and current events; and

18 (3) employs at least one journalist who resides in
19 this State and who regularly gathers, collects,
20 photographs, records, writes, or reports news or
21 information that concerns local events or other matters of
22 local public interest.

23 "Local broadcast station" means a broadcast entity
24 licensed by the Federal Communications Commission that:

25 (1) primarily serves the needs of the State or a
26 regional or local community within the State with news,

1 weather, and emergency information;

2 (2) primarily has content derived from primary sources
3 relating to news and current events;

4 (3) employs at least one journalist who resides in
5 Illinois and who regularly gathers, collects, photographs,
6 records, writes, or reports news or information that
7 concerns local events of other matters or local public
8 interest.

9 (b) For the taxable years beginning on or after January 1,
10 2025, an eligible small business is entitled to a credit
11 against the tax imposed by subsections (a) and (b) of Section
12 201 of this Act in an amount equal to the amount paid by the
13 eligible small business to local newspapers or broadcasters
14 for advertising in this State, but not to exceed a total credit
15 amount of \$2,500.

16 Section 95. The Higher Education Student Assistance Act is
17 amended by adding Section 65.125 as follows:

18 (110 ILCS 947/65.125 new)

19 Sec. 65.125. Journalism Student Scholarship Program.

20 (a) As used in this Section:

21 "Local news organization" has the meaning ascribed to that
22 term in the Strengthening Community Media Act.

23 "Qualified institution of higher learning" means a public
24 university or a public community college under the Public

1 Community College Act.

2 (b) In order to encourage academically talented Illinois
3 students to pursue careers in journalism, especially in
4 underserved areas of the State, and to provide those students
5 with financial assistance to significantly increase the
6 likelihood that they will complete their full academic
7 commitment and elect to remain in Illinois to pursue a career
8 in journalism, subject to appropriation, the Commission shall
9 implement and administer the Journalism Student Scholarship
10 Program. The Commission shall annually award scholarships to
11 persons preparing to work in Illinois, with preference given
12 to those preparing to work in underserved areas. These
13 scholarships shall be awarded to individuals who make
14 application to the Commission and agree to sign an agreement
15 under which the recipient pledges that, within the 2-year
16 period following the termination of the academic program for
17 which the recipient was awarded a scholarship, the recipient
18 shall:

19 (1) begin working in journalism in this State for a
20 period of not less than 2 years;

21 (2) fulfill this obligation at local news
22 organization; and

23 (3) upon request of the Commission, provide the
24 Commission with evidence that he or she is fulfilling or
25 has fulfilled the terms of the teaching agreement provided
26 for in this subsection.

1 (c) For purposes of this Section, a qualified student
2 shall be a student who meets the following qualifications:

3 (1) is a resident of this State and a citizen or
4 eligible noncitizen of the United States;

5 (2) is a high school graduate or a person who has
6 received an Illinois High School Diploma;

7 (3) is enrolled or accepted, on at least a half-time
8 basis, at a qualified institution of higher learning; and

9 (4) is pursuing a postsecondary course of study
10 leading to a career in journalism or similar field.

11 (d) Each scholarship shall be utilized by its holder for
12 the payment of tuition and non-revenue bond fees at any
13 qualified institution of higher learning.

14 (e) The Commission shall administer the Program and shall
15 make all necessary and proper rules not inconsistent with this
16 Section for its effective implementation.