**Section 100.7386 Local Journalism Sustainability Tax Credit (IITA Section 704A(k))**

a) *A taxpayer who is issued a* tax credit *certificate under the Local Journalism Sustainability Act for a taxable year shall be allowed a credit against payments due under* IITA Section 704A(c). (IITA Section 704A(k))

b) *Employers that maintain tax status under Section 501(c)(3) of the federal Internal Revenue Code, that are local news organizations and that are required to deduct and withhold taxes as provided in* IITA Section 704A, may claim a Local Journalism Sustainability Tax Credit against withholding *payments due under* IITA Section 704A(c). (35 ILCS 18/40-10)

c) For purposes of the Local Journalism Sustainability Tax Credit, the term "local news organization" shall have the same meaning as when used in Section 40-5 of the Local Journalism Sustainability Act [35 ILCS 18].

d) The amount of the credit shall be determined by the Department of Commerce and Economic Opportunity (DCEO) and shall be the amount shown on the tax credit certificate issued by DCEO to the taxpayer.

e) The credit may be taken against payments due for withholding *reporting periods that begin on or after January 1, 2025, and* end *before January 1, 2030*. (35 ILCS 18/40-10)

1) For purposes of this Section, "reporting period" means the quarter for which a withholding tax return is required to be filed under IITA Section 704A(b).

2) *The credit shall be applied to the first* quarterly *reporting period* beginning after the end of the quarterly reporting period in which the tax *credit certificate is issued* by DCEO *and begins on or after January 1, 2025*. (35 ILCS 18/40-10)

EXAMPLE: The taxpayer is issued a tax credit certificate by DCEO in the amount of $25,000. The tax credit certificate is dated March 17, 2025. The taxpayer is allowed a credit of $25,000 against withholding payments due under IITA Section 704A(c) in its first quarterly reporting period that begins after the end of the quarterly reporting period in which the tax credit certificate is issued to the taxpayer. Since the tax credit certificate was issued to the taxpayer during the first withholding quarter of 2025, the taxpayer may claim the credit against any payments due in the second withholding quarter of 2025.

f) A copy of the tax *credit certificate shall be attached to the taxpayer'*s quarterly withholding tax *return*. (35 ILCS 18/40-10)

g) The credit may not be transferred or sold.

h) No carryover of excess credit is allowed. *If the amount of the credit exceeds the liability for the reporting period, the excess credit shall be refunded to the taxpayer*. (35 ILCS 18/40-10)

(Source: Added at 49 Ill. Reg. 1861, effective January 31, 2025)