

1 AN ACT concerning income taxes.

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  
5 adding Section 213 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Tax credit for employer-provided long-term  
8 care insurance.

9 (a) For taxable years ending on or after December 31,  
10 2002, each taxpayer who is an employer is entitled to a tax  
11 credit against the tax imposed by subsections (a) and (b) of  
12 Section 201 in an amount equal to 5% of the costs incurred by  
13 the taxpayer during the taxable year to provide long-term  
14 care insurance as a part of an employee benefit package. The  
15 credit, however, may not exceed the lesser of (i) \$5,000 or  
16 (ii) \$100 for each employee covered by long-term care  
17 insurance provided under the employee benefit package.

18 (b) As used in this Section, "long-term care insurance"  
19 means that term as defined in Article XIXA of the Illinois  
20 Insurance Code.

21 (c) If the amount of the credit exceeds the tax  
22 liability for the year, the excess may be carried forward and  
23 applied to the tax liability of the 5 taxable years following  
24 the excess credit year. The credit must be applied to the  
25 earliest year for which there is a tax liability. If there  
26 are credits from more than one tax year that are available to  
27 offset a liability, the earlier credit must be applied first.

28 (d) This Section is exempt from the provisions of  
29 Section 250.

30 Section 99. Effective date. This Act takes effect on

1 January 1, 2003.