



# ILLINOIS DEPARTMENT OF REVENUE

## FY 2024 Legislative Summary

### Income Tax

#### **Senate Bill 3155, Public Act 103-0945**

- **Angel Investment Tax Credit** - Amends the Illinois Income Tax Act to provide the repayment of any angel investment credits issued involving a 3-year reporting period that includes March 13, 2020, to January 1, 2024, shall be determined at the discretion of the Department of Commerce and Economic Opportunity.

#### **House Bill 4951, Public Act 103-0592**

- **Workforce Development Through Charitable Loan Repayment Act** - Creates the Workforce Development Through Charitable Loan Repayment Act. Amends the Illinois Income Tax Act to create a deduction for taxable years beginning on or after January 1, 2026, for qualified workers. Provides the deduction is equal to the amount included in a taxpayer's federal adjusted gross income that is attributable to student loan repayment assistance received by the taxpayer from a qualified community foundation.
- **Local Journalism Sustainability Act** - Creates the Local Journalism Sustainability Act. For reporting periods that begin on or after January 1, 2025, and before January 1, 2030, creates a withholding credit for local news organizations that employ qualified journalists. Provides the Department of Commerce and Economic Opportunity shall award tax credits not to exceed \$5 million per year. Amends the Illinois Income Tax Act to provide a taxpayer who is issued a credit certificate under the Local Journalism Sustainability Act is allowed a credit against its withholding liability.
- **Live Theater Production Tax Credit Act** - Amends the Live Theater Production Tax Credit Act to provide after July 1, 2024, "accredited theater production" also includes non-profit theater productions. Provides for State fiscal years ending on or after June 30, 2025, the amount of tax credits awarded under this Act shall not exceed \$6 million, with no more than \$2 million in credits awarded for long-run productions, pre-Broadway productions, commercial Broadway touring shows, or non-profit theater productions. Amends the Illinois Income Tax Act to provide a taxpayer is allowed to use its credit against its withholding liability and provides excess credit can be carried forward for periods that occur in the five (5) succeeding calendar years.
- **Music and Musicians Tax Credit and Jobs Act** - Creates the Music and Musician Tax Credit and Jobs Act. For tax years beginning on or after January 1, 2025, creates a credit for qualified music companies in an amount certified by the Department of Commerce and Economic Opportunity (DCEO). Provides DCEO shall award tax credits not to exceed \$2 million in any calendar year. Amends the Illinois Income Tax Act to provide excess credit can be carried forward for five (5) years.
- **Wages Paid to Returning Citizens Credit** - Amends the Illinois Income Tax Act to rename the credit for wages paid to ex-felons to the credit for wages paid to returning citizens. Provides, beginning on or after January 1, 2025, each taxpayer is entitled to a credit in an amount equal to 15% of qualified wages paid by the taxpayer during the taxable year to one or more Illinois residents who are qualified returning citizens. Provides the total credit allowed to a taxpayer with respect to each qualified returning citizen may not exceed \$7,500. Limits the amount of credits that can be awarded to \$1 million per year.
- **Volunteer Emergency Worker Credit** - Amends the Illinois Income Tax Act to expand the volunteer emergency worker credit to include volunteer members of a county or municipal emergency services and disaster agency. Effective for taxable years beginning on or after January 1, 2024.
- **Investment Income for Financial Organizations** - Amends the Illinois Income Tax Act to change how investment income for financial organizations is apportioned. Effective for tax years ending on or after December 31, 2024.

- **Credit for Student Assistance Contributions** - Amends the Illinois Income Tax Act to extend the credit for student-assistance contributions to taxable years ending before December 31, 2029.
- **Adoption Credit** - Amends the Illinois Income Tax Act to extend the adoption credit to taxable years ending before December 31, 2029.
- **Child Tax Credit** - Amends the Illinois Income Tax Act to create a credit for taxpayers with at least one qualifying child under 12 years of age for tax years beginning on or after January 1, 2024. Provides the credit is equal to 20% of a taxpayer's state Earned Income Tax Credit (EITC) for tax year 2024 and equal to 40% of a taxpayer's EITC for tax years beginning on or after January 1, 2025. Provides the credit is refundable.
- **Net Operating Loss Deduction Limitation** - Amends the Illinois Income Tax Act to limit the amount a taxpayer can deduct for its net operating loss at \$500,000 for taxable years ending on or after December 31, 2024, and prior to December 31, 2027.
- **Illinois Gives Tax Credit Act** - Creates the Illinois Gives Tax Credit Act. For taxable years ending on or after December 31, 2025, and ending before January 1, 2030, creates a credit equal to 25% of an endowment gift made to a qualified community foundations' permanent endowment fund. Provides the credit shall not exceed \$100,000 per taxpayer. Provides contributions to any specific qualified community foundation shall not exceed \$3 million per year. Limits the amount of credits that can be awarded to \$5 million per year. Amends the Illinois Income Tax Act to provide excess credit can be carried forward for five (5) tax years.

***House Bill 5005, Public Act 103-0595***

- **Credit for Quantum Computing Campuses** - Amends the Illinois Income Tax Act to create a credit for taxpayers certified by DCEO in an amount equal to 20% of wages paid to employees of a construction contractor employed in the construction of an eligible facility located on a quantum computing campus. Provides excess credit can be carried forward for five (5) years.
- **Research and Development Credit** - Amends the Illinois Income Tax Act to extend the Research and Development credit to tax years ending prior to January 1, 2032.

## Sales and Related Taxes

***Senate Bill 3282, Public Act 103-0966***

- **Direct Pay Permit Program** - Amends the Retailers' Occupation Tax Act to require Direct Pay Permit holders to review their purchase activities for a 12-month period ending on December 31st of the immediately preceding calendar year. Provides permit holders three (3) months to complete the review, with the first review to be completed by March 31, 2025, and subsequent reviews to be completed by March 31st of each year thereafter. Requires the permit holder to file amended returns to address any identified errors. Provides for penalty assessment if it is determined upon audit that the permit holder is non-compliant on at least 95% of its transactions.

***Senate Bill 3362, Public Act 103-0983***

- **Leveling the Playing Field** - Amends the Retailers' Occupation Tax Act to provide a retailer maintaining a place of business in Illinois that makes retail sales of tangible personal property to Illinois customers from a location or locations outside of Illinois is engaged in the occupation of selling at retail at the Illinois location to which the tangible personal property is shipped or delivered or at which possession is taken by the purchaser. Provides such retailers are liable for all applicable State and locally imposed retailers' occupation taxes administered by the Department on these sales, effective January 1, 2025.

### ***Senate Bill 3426, Public Act 103-0995***

- **Aircraft Maintenance Exemption** - Amends the “sales” tax acts to make technical corrections to the aircraft maintenance sales tax exemption.
- **Motor Fuel Tax Inflation Adjustment** - Amends the Motor Fuel Tax Law to clarify the annual inflation adjustment for the motor fuel tax rate is based on a comparison of 12-month averages.

### ***Senate Bill 3452, Public Act 103-1001***

- **Seized Contraband Hearing** - Amends the Cigarette Tax Act, the Cigarette Use Tax Act, the Tobacco Products Tax Act of 1995, and the Cannabis Regulation and Tax Act to provide the Department is not required to hold a hearing regarding seized contraband if the owner of the property or the person whose possession the contraband was found, if the owner is unknown, has consented to its forfeiture.
- **Tobacco Products Bond Requirement** - Amends the Tobacco Products Tax Act of 1995 to provide those licensed under the Act are not required to maintain a bond if they have a continuous compliance history, are a new licensee or had a tax liability for the previous year less than \$50,000.

### ***Senate Bill 3476, Public Act 103-0643***

- **Home Delivered Meals Exemption** - Amends the “sales” tax acts to create an exemption for home-delivered meals provided under Medicare or Medicaid programs when payment is made by an intermediary, effective July 1, 2024.

### ***House Bill 3144, Public Act 103-0781***

- **Grocery Tax Repeal** - Amends the “sales” tax acts to repeal the tax on food for human consumption that is to be consumed off the premises where it is sold, effective January 1, 2026.
- **Prepaid Telephone Calling Arrangements** - Amends the Retailers’ Occupation Tax Act to provide retailers occupation tax only applies to prepaid telephone calling arrangements which are obtained through the purchase of a preloaded phone, calling card, or other item of tangible personal property, effective January 1, 2025. **Note:** HB 4636 as amended by Senate Amendment 1, which passed the General Assembly on November 20, 2024, and which as of the publication of this Report is pending Gubernatorial action, repeals this provision.
- **Wireless 9-1-1 Surcharge** - Amends the Prepaid Wireless 9-1-1 Surcharge Act to allow home rule municipalities with a population of more than 500,000 to impose a prepaid wireless 9-1-1 surcharge at a rate not to exceed 9%, effective July 1, 2024, to July 1, 2029.
- **County Grocery Tax** - Creates the County Grocery Occupation Tax Law to authorize counties to impose a tax at the rate of 1% on persons engaged in the business of selling food for human consumption that is to be consumed off the premises where it is sold, effective January 1, 2026.
- **Municipal Grocery Tax** - Creates the Municipal Grocery Occupation Tax Law to authorize municipalities to impose a tax at the rate of 1% on persons engaged in the business of selling food for human consumption that is to be consumed off the premises where it is sold, effective January 1, 2026.
- **Non-Home Rule** - Amends the Illinois Municipal Code to allow non-home rule municipalities to impose tax by ordinance or resolution. **Note:** HB 4636 as amended by Senate Amendment 1, which passed the General Assembly on November 20, 2024, and which as of the publication of this Report is awaiting Gubernatorial action, provides any such ordinance or resolution shall be filed with the Department on or before April 1 for implementation July 1.

### ***House Bill 4951, Public Act 103-0592***

- **Hotel Operators' Occupation Tax (HOOT)-Re-Renters** - Amends the Hotel Operator's Occupation Tax Act to provide "re-renters of hotel rooms" are required to collect and remit HOOT on charges it imposes, effective July 1, 2024. Provides for a credit for taxes paid to a hotel operator.
- **Leaking Underground Storage Tank Tax** - Amends the Motor Fuel Tax Law to extend imposition of the leaking underground storage tank tax through December 31, 2029.
- **Environmental Impact Fee** - Amends the Environmental Impact Fee Law to extend imposition of the environmental impact fee through December 31, 2029.
- **Lease Tax** - Amends the "sales" tax acts to create a lease tax on the lease of tangible personal property, other than motor vehicles, watercraft, aircraft, and semitrailers that are required to be registered with an agency of this State, effective for leases entered into on or after January 1, 2025.
- **Tobacco Uniformity Project** - Amends the Cigarette Tax Act, the Cigarette Use Tax Act, and the Tobacco Products Tax Act of 1995 to provide the Department may request additional information on cigarette and tobacco products tax returns for purposes of implementing uniform regulation and taxation of cigarettes and tobacco products, effective January 1, 2025.
- **Vendor's Discount Cap** - Amends the "sales" tax acts to provide the amount allowed retailers for timely filing their returns and timely paying their tax liability shall not exceed \$1,000 per month, effective for returns due after January 1, 2025.

### ***House Bill 5005, Public Act 103-0595***

- **Quantum Computing Campus Building Materials Exemption** - Amends the "sales" tax acts to create an exemption for qualified building materials incorporated into real estate at a quantum computing campus certified by DCEO, effective June 26, 2024.
- **Quantum Computing Campus Utility Tax Exemptions** - Amends the Gas Use Tax Law, the Telecommunications Excise Tax Act, the Telecommunications Infrastructure Maintenance Fee Act, the Simplified Municipal Telecommunications Tax Act, the Electricity Excise Tax Act, and the Public Utilities Act to create an exemption from charges imposed under those Acts for tenants located in a quantum computing campus certified by DCEO, effective June 26, 2024.

### ***House Bill 5412, Public Act 103-0712***

- **REV Illinois and MICRO Act Clean Up** - Amends the Retailers' Occupation Tax Act to require retailers to obtain written certification to document exempt sales under REV and MICRO Acts.

## **Property Tax**

### ***Senate Bill 317, Public Act 103-0873***

- **Delinquent Property Taxes - Government-Owned Property** - Amends the Property Tax Code to expand provisions governing delinquent property taxes owed by lessees of government-owned property to all counties and provides the provisions apply to lessees of property owned by a governmental entity rather than a taxing district, effective for tax year 2024 and thereafter.

### ***Senate Bill 2859, Public Act 103-0631***

- **Wastewater Treatment Facilities** - Amends the Property Tax Code to require the Department to assess regional wastewater treatment facilities and provides guidelines for how the facilities are to be assessed.



***Senate Bill 2936, Public Act 103-0931***

- **Urban Decay Abatement** - Amends the Property Tax Code to include newly remodeled single family or duplex residential dwellings located in an area of urban decay to those properties eligible for abatement. Provides the abatement for these additional property types is limited to the amount in property taxes attributable to the improvements.

***Senate Bill 3209, Public Act 103-0954***

- **Charitable Exemption** - Amends the Property Tax Code to remove the requirement that limited liability companies must be disregarded entities for federal and Illinois income tax purposes to qualify for a charitable exemption.

***Senate Bill 3275, Public Act 103-0963***

- **Electronic Revenue Stamps** - Amends the Property Tax Code to provide paper revenue stamps will be phased out by December 31, 2025 and thereafter all counties shall issue electronic revenue stamps.

***Senate Bill 3455, Public Act 103-1002***

- **Property Tax Study** - Amends the Property Tax Code to require the Department to complete a study to evaluate the property tax system in Illinois, and analyze any information collected in connection with the study. Provides a final report shall be submitted to the General Assembly by July 1, 2026.

***Senate Bill 3567, Public Act 103-1018***

- **Truth in Taxation Law** - Amends the Property Tax Code to provide if a taxing district has a website, then the truth in taxation notice shall be posted on or near the top of the website's homepage or on a page accessible through a direct link from the homepage for not less than 30 consecutive days.

***House Bill 612, Public Act 103-0596***

- **Standard Homestead Exemption for Veterans with Disabilities (SHEVD)** - Amends the Property Tax Code to provide property owned by veterans of WW II is exempt, beginning with tax year 2024, and provides qualifying veterans need not reapply each year. Provides for qualifying veterans with a service-connected disability of 70% or more, the first \$250,000 in equalized assessed value of the property is exempt. Redefines "veteran" to provide it is a member of the armed forces who has a service-connected disability and who receives disability compensation.

***House Bill 1377, Public Act 103-0793***

- **Homestead Exemption for Municipality-Built Homes** - Amends the Property Tax Code to create a special homestead exemption for certain municipality-built homes for tax year 2024 and thereafter. Exemption is required in counties with 3 million or more inhabitants and allowed in other counties if the county board, by ordinance or resolution, opts in. Provides the exemption is equal to 50% of the equalized assessed value of the property for the first eight (8) years of eligibility and 33% of the equalized assessed value of the property for the ninth and tenth years of eligibility.

***House Bill 2232, Public Act 103-0655***

- **Refund of Protested Payments** - Amends the Property Tax Code to provide a claim for refund resulting from a final order of the Property Tax Appeal Board shall not be allowed unless the claim is filed within 20 years from the date the right to a refund arose. Provides the aggregate total of refunded taxes and interest shall not exceed \$5 million in any calendar year for claims filed more than seven (7) years after the right to the refund arose. Provides if the payment of a claim for a refund would cause the aggregate total of taxes and interest to exceed \$5 million in any year, any excess amount shall be paid in the next year.

***House Bill 4125, Public Act 103-0662***

- **Certificate of Error** - Amends the Property Tax Code to make a technical change to the issuance of certificates of error in counties with 3 million or more inhabitants. Effective for certificates of error issued on or after January 1, 2025, for taxable years 2004 or thereafter.

***House Bill 4179, Public Act 103-0807***

- **Emergency Services** - Amends the Emergency Services Districts Act to provide rescue squad districts, in counties other than Cook County and the collar counties, may increase, by referendum, the tax rate authorized by its organizational proposition by up to 0.20%. Provides taxes collected under the Act may also be used to provide ambulance service.

***House Bill 4284, Public Act 103-0587***

- **Homewood School District** - Amends the Property Tax Code to provide, for the purpose of calculating the limiting rate for levy year 2023, the last preceding aggregate extension base for Homewood School District 153 in Cook County shall be \$19,535,377.

***House Bill 4951, Public Act 103-0592***

- **Housing Opportunity Abatement Program** - Amends the Property Tax Code to extend the housing opportunity area abatement program to tax year 2034.
- **Redemption Amount** - Amends the Property Tax Code to provide in counties with fewer than 3 million inhabitants if the property to be redeemed is property with respect to which a tax lien or certificate is acquired after January 1, 2024, by the county as trustee, the penalty bid at sale shall accrue according to the established penalty periods.
- **Available Exemptions** - Amends the Property Tax Code to provide bills mailed on or after January 1, 2026, shall include a list of exemptions available to taxpayers and contact information for the chief county assessment officer.
- **Distributions From Tax Reimbursement Account** - Amends the Property Tax Code to add an exception when a taxing district orders a distribution from the tax reimbursement account. Provides for commercial and industrial properties, owners who received a tax incentive because of a tax incentivized development established by an intergovernmental agreement to which the taxing district is a party do not qualify for the distribution.
- **LaMoille Community School District** - Amends the Property Tax Code to provide the LaMoille Community Unit School District #303 may, by ordinance adopted on or before June 30, 2024, amend or supplement its levy for the 2023 tax year.
- **Return of Erroneous Distributions** - Amends the Property Tax Code to provide all interest earned by a county on behalf of taxing districts must be distributed by the county treasurer, in counties with less than 3 million inhabitants, no later than the last distribution of taxes.
- **Senior Citizens Homestead Exemption** - Amends the Property Tax Code to repeal, in counties with 3 million or more inhabitants, and allow for the repeal, in counties with less than 3 million inhabitants, the annual application requirement to apply for the senior citizens homestead exemption. Provides in counties for which the application is not required that exemptions granted during the previous cycle be reviewed.
- **Historic Residence Assessment Freeze** - Amends the Property Tax Code to provide the fair cash value of a property shall be based on the final determination by the assessment officer, board of review, Property Tax Appeal Board, or court.

- **Exemptions for Religious Purposes, Orphanages, or School Purposes** - Amends the Property Tax Code to make a technical change replacing “recorder” with “clerk”, as it relates to Cook County.
- **Pollution Control Facilities** - Amends the Property Tax Code to codify the Department’s method of valuation for pollution control facilities.
- **PTELL-Community Mental Health Facilities** - Amends the Property Tax Code to add a new special purpose extension for Community Mental Health Act fund requests to supplement existing funds for community mental health facilities and services, including services for a person with a developmental disability or substance abuse disorder.

***House Bill 5005, Public Act 103-0595***

- **REV Illinois and MICRO Project Facilities** - Amends the Property Tax Code to clarify that an abatement agreement of taxing districts may not exceed a period of 30 consecutive tax years.

## General/Miscellaneous

***Senate Bill 3475, Public Act 103-0642***

- **Hotel Operators’ Occupation Tax Distribution Formula** - Amends the Hotel Operator’s Occupation Tax Act to provide, after deposits to the Build Illinois Fund and the Illinois Sports Facilities Fund, 7% shall be deposited to the International Tourism Fund, 14% to the Chicago Travel Industry Promotion Fund, 23% to the Local Tourism Fund and 56% to the Tourism Promotion Fund, effective July 1, 2024.

***Senate Bill 3617, Public Act 103-1027***

- **Bank Levy Procedures** - Amends the Department of Revenue Law of the Civil Administrative Code of Illinois to allow the Department to develop and implement a data match program to identify accounts held at financial institutions by delinquent taxpayers for purposes of issuing bank levies on those accounts.

***Senate Bill 3762, Public Act 103-0723***

- **Language Access** - Creates the Language Equity and Access Act to provide the Governor’s Office of New Americans is to oversee the creation of language access plans at state agencies to improve access to State programs by limited English proficient persons.

***House Bill 4720, Public Act 103-0604***

- **Higher Education Savings Program** - Amends the State Treasurer Act to provide the Department shall provide the State Treasurer with information to assist the State Treasurer with administration of its Illinois Higher Education Savings Program.

***House Bill 4951, Public Act 103-0592***

- **County Official Compensation Task Force** - Amends the Department of Revenue Law of the Civil Administrative Code of Illinois to create the County Official Compensation Task Force. The Task Force is to review the compensation of county-level officials as provided for in various State statutes and to make recommendations to the General Assembly on changes to those statutes.