for which there is a tax liability. If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first. In no event shall a credit under this Section reduce the taxpayer's liability to less than zero.

(Source: P.A. 97-688, eff. 6-14-12.)

(35 ILCS 5/227 new)

Sec. 227. Adoption credit.

(a) Beginning with tax years ending on or after December 31, 2018, in the case of an individual taxpayer there shall be allowed a credit against the tax imposed by subsections (a) and (b) of Section 201 in an amount equal to the amount of the federal adoption tax credit received pursuant to Section 23 of the Internal Revenue Code with respect to the adoption of a qualifying dependent child, subject to the limitations set forth in this subsection and subsection (b). The aggregate amount of qualified adoption expenses which may be taken into account under this Section for all taxable years with respect to the adoption of a qualifying dependent child by the taxpayer shall not exceed $2,000 ($1,000 in the case of a married individual filing a separate return). The credit under this Section shall be allowed: (i) in the case of any expense paid or incurred before the taxable year in which such adoption becomes final, for the taxable year following the taxable year during which such expense is paid or incurred, and (ii) in the
case of an expense paid or incurred during or after the taxable year in which such adoption becomes final, for the taxable year in which such expense is paid or incurred. No credit shall be allowed under this Section for any expense to the extent that funds for such expense are received under any Federal, State, or local program. For purposes of this Section, spouses filing a joint return shall be considered one taxpayer.

For a non-resident or part-year resident, the amount of the credit under this Section shall be in proportion to the amount of income attributable to this state.

(b) Increased credit amount for resident children. With respect to the adoption of an eligible child who is at least one year old and resides in Illinois at the time the expenses are paid or incurred, subsection (a) shall be applied by substituting $5,000 ($2,500 in the case of a married individual filing a separate return) for $2,000.

(c) In no event shall a credit under this Section reduce the taxpayer's liability to less than zero. If the amount of the credit exceeds the income tax liability for the applicable tax year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one year that are available to offset a liability, the earlier credit shall be applied first.

(d) The term "qualified adoption expenses" shall have the
same meaning as under Section 23(d) of the Internal Revenue Code.

ARTICLE 80. MARKETPLACE FAIRNESS

Section 80-5. The Use Tax Act is amended by changing Section 2 as follows:

(35 ILCS 105/2) (from Ch. 120, par. 439.2)

Sec. 2. Definitions.

"Use" means the exercise by any person of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of such property in any form as tangible personal property in the regular course of business to the extent that such property is not first subjected to a use for which it was purchased, and does not include the use of such property by its owner for demonstration purposes: Provided that the property purchased is deemed to be purchased for the purpose of resale, despite first being used, to the extent to which it is resold as an ingredient of an intentionally produced product or by-product of manufacturing. "Use" does not mean the demonstration use or interim use of tangible personal property by a retailer before he sells that tangible personal property. For watercraft or aircraft, if the period of demonstration use or interim use by the retailer exceeds 18 months, the retailer shall pay on the