

82nd GENERAL ASSEMBLY  
State of Illinois

1981 and 1982

INTRODUCED April 14, 1981. BY Senator Sangmeister

**SYNOPSIS:** (Ch. 120, pars. 2-201 and 9-901; Ch. 122, pars. 17-2, 17-3.2, 18-8, 34-53, new pars. 17-17, 17-17.1, 17-17.2, 18-8A, and rep. pars. 17-2.1, 17-3, 17-3.1, 17-4, 17-8; and Ch. 127, new par. 141.92)

Creates a State income tax to be used exclusively for school aid. Amends various Acts to provide for its levy at the rate of 2.64% of net income for individuals and 4.22% of net income for corporations, and for its administration and distribution. Eliminates the Educational Fund levy. Effective July 1, 1983, with the first taxable year ending December 31, 1984.

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Fiscal Note Act  
may be applicable

A BILL FOR

S712

LRB8204373JMtc

1	AN ACT creating a State income tax for school aid and	55
2	amending certain Acts relating thereto.	57
3	<u>Be it enacted by the people of the State of Illinois.</u>	61

4 represented in the General Assembly:

5 Section 1. Sections 201 and 901 of the “Illinois Income 63  
6 Tax Act”, approved July 1, 1969, as amended, are amended to 64  
7 read as follows:

(Ch. 120, par. 2-201) 66

8 Sec. 201. Tax Imposed. (a) In general. A tax measured 68  
9 by net income is hereby imposed on every individual, 69  
10 corporation, trust and estate for each taxable year ending 70  
11 after July 31, 1969 on the privilege of earning or receiving  
12 income in or as a resident of this State. Such tax shall be 71  
13 in addition to all other occupation or privilege taxes 72  
14 imposed by this State or by any municipal corporation or 73  
15 political subdivision thereof.

16 (b) Rates. The tax imposed by subsection (a) of this 75  
17 section shall be--

18 (1) in the case of an individual, trust or estate, an 77  
19 amount equal to 2 ½% of the taxpayer’s net income for the 78  
20 taxable year, and an additional amount equal to 2.64% of net 79  
21 income for the taxable year, to be used exclusively for 80  
22 school aid, and

23 (2) in the case of a corporation, an amount equal to 4% 82  
24 of the taxpayer’s net income for the taxable year and an 83  
25 additional amount equal to 4.22% of net income for the 84  
26 taxable year, to be used exclusively for school aid.

27 (c) Beginning on July, 1, 1979 and thereafter, in 86  
28 addition to such income tax, there is also hereby imposed the 87  
29 Personal Property Tax Replacement Income Tax measured by net 88  
30 income on every corporation (including corporations for which 89  
31 there is in effect for the taxable year an election under  
32 Section 1372 of the Internal Revenue Code), partnership and 90

1 trust, for each taxable year ending after June 30, 1979. 91  
2 Such taxes are imposed on the privilege of earning or 92  
3 receiving income in or as a resident of this State. The  
4 Personal Property Tax Replacement Income Tax shall be in 94  
5 addition to the income tax imposed by subsections (a) and (b) 95  
6 of this Section and in addition to all other occupation or  
7 privilege taxes imposed by this State or by any municipal 96

8	corporation or political subdivision thereof.	97
9	(d) Additional Personal Property Tax Replacement Income	99
10	Tax Rates. The personal property tax replacement income tax	100
11	imposed by this subsection and subsection (c ) of this Section	101
12	in the case of a corporation, other than a corporation for	102
13	which there is in effect for the taxable year an election	103
14	under Section 1372 of the Internal Revenue Code, shall be an	104
15	additional amount equal to 2.85% of such taxpayer's net	105
16	income for the taxable year, except that beginning on January	
17	1, 1981, and thereafter, the rate of 2.85% specified in this	106
18	subsection shall be reduced to 2.5%, and in the case of a	108
19	partnership, trust or a corporation for which there is in	
20	effect for the taxable year an election under Section 1372 of	109
21	the Internal Revenue Code shall be an additional amount equal	110
22	to 1.5% of such taxpayer's net income for the taxable year.	111
23	(e) For purposes of the additional tax imposed by	113
24	subsections (c) and (d) of this section: (1) Net income for a	115
25	taxable year which begins before July 1, 1979 and ends after	116
26	June 30, 1979 shall be that amount which bears the same ratio	
27	to the taxpayer's net income for the entire taxable year as	117
28	the number of days in such year after June 30,1979 bears to	118
29	the total number of days in such year, unless the taxpayer	119
30	elects to apportion net income for such taxable year in the	120
31	manner provided by paragraph (2).	
32	(2) If the taxpayer so elects, in the case of a taxable	122
33	year beginning before July 1, 1979 and ending after June 30,	123
34	1979 there shall be taken into account in computing base	124
35	income only those items earned, received, paid, incurred or	125

1	accrued after June 30, 1979 , and the standard exemption	126
2	provided by section 204 shall be limited to that amount which	127
3	bears the same ratio to the total exemption allowable under	
4	such section (determined without regard to this section) as	128
5	the number of days after June 30, 1979 in the taxable year	129
6	bears to 365. The election provided by this paragraph shall	130
7	be made in such manner and at such time as the Department may	131
8	by forms or regulations prescribe, but shall be made not	132
9	later than the due date (including any extensions thereof)	133

10 for the filing of the return for the taxable year, and shall  
11 be irrevocable. 134

12 ( f ) (1) The additional tax imposed upon a corporation, 136  
13 other than a corporation for which there is in effect for the 137  
14 taxable year an election under Section 1372 of the Internal 138  
15 Revenue Code, by subsection (c) and (d) of this section for a 139  
16 taxable year which begins before January 1, 1981 and ends  
17 after December 31, 1980 , shall be calculated by applying the 140  
18 2.85% rate to that part of the taxpayer's net income which 141  
19 bears the same ratio to the taxpayer's net income for the 142  
20 entire taxable year as the number of days in such year prior  
21 to January 1, 1981 bears to the total number of days in such 143  
22 year and by applying the 2.5% rate to that part of the 144  
23 taxpayer's net income which bears the same ratio to the 145  
24 taxpayer's net income for the entire taxable year as the 146  
25 number of days in such year after December 31, 1980 bears to  
26 the total number of days in such year, unless the taxpayer 147  
27 elects to apportion net income for such taxable year in the 148  
28 manner provided by paragraph (2)

29 (2) If a taxpayer so elects, the additional tax imposed 150  
30 for a taxable year beginning before January 1, 1981 and 151  
31 ending after December 31, 1980 may be calculated by adding 152  
32 together the following amounts:

33 (A) The amount resulting from applying the 2.85% rate to 154  
34 that part of the taxpayer's total net income attributable to 155  
35 the portion of the taxable year prior to January 1, 1981 ; and 156

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1 (B) The amount resulting from applying the 2.5% rate to 158  
2 that part of taxpayer's total net income not attributable to 159  
3 the portion of the taxable year prior to January 1, 1981 . 160  
4 For purposes of this paragraph, the part of the taxpayer's 162  
5 total net income which is attributable to the portion of its 163  
6 taxable year prior to January 1, 1981 , is calculated by taking 164  
7 into account only those items earned, received, paid, 165  
8 incurred or accrued prior to January 1, 1981, and by limiting  
9 the standard exemption provided by Section 204 to that amount 166  
10 which bears the same ratio to the total exemption otherwise 167  
11 allowable under such section as the number of days in that 168

12 portion of taxpayer's taxable year prior to January 1, 1981 169  
13 bears to the total number of days in such year. The election  
14 provided by this paragraph shall be made in such manner and 170  
15 at such time as the Department may by forms or regulations 171  
16 prescribe, but shall be made not later than the due date 172  
17 (including any extensions thereof) for the filing of the 173  
18 return for the taxable year, and shall be irrevocable. 174

(Ch. 120, par. 9-901) 176

19 Sec. 901. Collection Authority. (a) In general. The 178  
20 Department shall collect the taxes imposed by this Act, and 179  
21 shall pay all moneys received by it under this Act except 180  
22 moneys collected pursuant to Section 201 (c) and (d) of this 181  
23 Act and moneys collected to be used exclusively for school 182  
24 aid as provided by Section 201 (b) (1) and (2) of this Act,  
25 into the General Revenue Fund in the State Treasury. Money 184  
26 collected pursuant to Section 201 (c) and (d) of this Act 185  
27 shall be paid into the "Personal Property Tax Replacement  
28 Fund", a special fund in the State Treasury. Money collected 186  
29 for school aid pursuant to Section 201 (b) (1) and (2) of this 187  
30 Act shall be paid into the School Income Tax Fund, a special 188  
31 fund in the State Treasury.

32 (b) Local Governmental Distributive Fund. Effective 190  
33 August 1, 1969 , the Treasurer shall transfer each month from 191  
34 the General Revenue Fund to a special fund in the State 192

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1 treasury, to be known as the "Local Government Distributive 193  
2 Fund", an amount equal to 1/12 of the net revenue realized 194  
3 from the tax imposed by Section 201, subsections (a) and (b) 195  
4 of this Act during the preceding month. Net revenue realized 196  
5 for a month shall be defined as the revenue from the tax  
6 imposed by Section 201, subsections (a) and (b) of the 197  
7 "Illinois Income Tax Act", deposited in the General Revenue 198  
8 Fund during the month minus the amount paid out in state 199  
9 warrants during the same month as refunds to taxpayers for 200  
10 overpayment of liability under the tax imposed by Section 201  
11 201, subsection (a) and (b) of the "Illinois Income Tax Act".

13 Section 2. Sections 17-2, 17-3.2, 18-8 and 34-53 of "The 204  
14 School Code", approved March 18, 1961 , as amended, are 205

15	amended, and Sections 17-17, 17-17.1, 17-17.2 and 18-8A are	206
16	added thereto, the amended and added Sections to read as	
17	follows:	
	(Ch.122, par. 17-2)	208
18	Sec. 17-2. Tax levies – Purposes – Rates. Except as	211
19	otherwise provided in Articles 12 and 13 of this Act , the	212
20	following maximum rates shall apply to all taxes levied after	
21	August 10, 1965 , in districts having a population of less	213
22	than 500,000 inhabitants, including those districts organized	214
23	under Article 11 of “The School Code”, approved March 18,	215
24	1961, as amended. The school board of any district having a	216
25	population of less than 500,000 inhabitants may levy a tax	217
26	annually, at not to exceed the maximum rates and for the	
27	specified purposes, upon all the taxable property of the	218
28	district at the value, as equalized or assessed by the	219
29	Department of Revenue as follows:	220
30	(1) districts maintaining only grades 1 through 8, <del>.92%</del>	222
31	<del>for educational purposes and .25%</del> for operations, building	223
32	and maintaining purposes;	224
33	(2) districts maintenance only grades 9 through 12, <del>.92%</del>	226
34	<del>for educational purposes and .25%</del> for operations, building	227
35	and maintenance purposes;	228
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1	(3) districts maintaining grades 1 though 12, <del>4.60%</del> for	230
2	<del>educational purposes and .375%</del> for operations, building and	231
3	maintenance purposes;	
4	(4) all districts, .06% for a capital improvements fund	233
5	(which is in addition to the levy for operations, building	234
6	and maintenance purposes) and such fund is to be levied,	235
7	accumulated and spent only in accordance with Section 17-2 .3	236
8	of this Act;	
9	(5) districts providing transportation for pupils, .12%	238
10	for transportation purposes;	239
11	(6) districts providing summer classes, .15% for	241
12	educational purposes, subject to Section 17-2.1 of this Act.	242
13	Whenever any special charter school district operating	244
14	grades 1 through 12, has organized or shall organize under	245
15	the general school law, the district so organized may	246

16	continue to levy taxes at not to exceed the rate at which	247
17	taxes were last actually extended by the special charter	248
18	district, except that if such rate at which taxes were last	249
19	actually extended by such special charter district was less	
20	than the maximum rate for districts maintaining grades 1	250
21	through 12 authorized under this Section, such special	251
22	charter district nevertheless may levy taxes at a rate not to	252
23	exceed the maximum rate for districts maintaining grades 1	253
24	through 12 authorized under this Section, and except that if	254
25	any such district maintains only grades 1 through 8, the	255
26	board may levy, for educational purposes, at a rate not to	
27	exceed the maximum rate for elementary districts authorized	256
28	under this Section.	
29	Maximum rates before or after established in excess of	258
30	those prescribed shall not be affected by the amendatory Act	259
31	of 1965.	
	( Ch. 122, par. 17-3.2)	261
32	Sec. 17-3.2. Additional or supplemental budget.	264
33	Whenever the voters of a school district have voted in favor	
34	of an increase in the annual tax rate for <del>educational or</del>	265
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1	operations, building and maintenance purposes <del>or both</del> at an	266
2	election held after the adoption of the annual school budget	267
3	for any fiscal year, the board may adopt or pass during that	268
4	fiscal year an additional or supplemental budget under the	
5	sole authority of this Section by a vote of a majority of the	269
6	full membership of the board, any other provision of this	270
7	Article to the contrary notwithstanding, in and by which such	271
8	additional or supplemental budget the board shall appropriate	272
9	such additional sums of money as it may find necessary to	273
10	defray expenses and liabilities of that district to be	274
11	incurred for <del>educational or</del> operations, building and	
12	maintenance purposes <del>or both</del> of the district during that	275
13	fiscal year, but not in excess of the additional funds	276
14	estimated to be available by virtue of such voted increase in	277
15	the annual tax rate for <del>educational or</del> operations, building	
16	and maintenance purposes <del>or both</del> . Such additional or	278
17	supplemental budget shall be regarded as an amendment of the	279

18 annual school budget for the fiscal year in which it is 280  
19 adopted, and the board may levy the additional tax for 281  
20 educational or operations, building and maintenance purposes  
21 or both to equal the amount of the additional sums of money 282  
22 appropriated in that additional or supplemental budget, 283  
23 immediately.

24 (Ch. 122, new par. 17-17) 285

25 Sec. 17-17. Distribution of tax revenues. On or before 287  
26 July 1 of each year, the Department of Revenue shall prepare 288  
27 and certify to the Comptroller the disbursement of sums of 289  
28 money to school districts from money collected the preceding 290  
29 year from the portion of the State income tax levy designated  
30 for exclusive use for school aid, The amount to be paid to 291  
31 each district shall be determined by the amount of income 292  
32 taxes collected exclusively for use for school aid from 293  
33 individuals and corporations within each school district 294  
34 during that fiscal year by the Department, modified by a  
35 population weighting which shall be devised by the State 295

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1 Board of Education and implemented upon approval of the 296  
2 General Assembly, and excluding a deduction of 1% from the 297  
3 taxes collected, which shall be retained by the State  
4 Treasurer to cover the costs incurred by the Department in 298  
5 administering the disbursement and enforcing the tax. The 299  
6 Department, at the time of each disbursement to the school 300  
7 district, shall prepare and certify to the Comptroller the  
8 amount so retained by the State Treasurer to be paid to the 301  
9 school districts from the School Aid Fund according to the 302  
10 individual school district's income tax contribution to the 303  
11 Fund, modified by a population weighting factor as  
12 established by the State Board of Education. Within 10 days 304  
13 after receipt by the Comptroller of the disbursement 305  
14 certification, the comptroller shall cause the warrants to be 306  
15 drawn for the respective amount in accordance with the  
16 directions contained in the certification. 307

17 The local school board of any district receiving funds 309  
18 under this Section may apply those funds to any fund from 310  
19 which that board is authorized to make expenditures by law, 311



	(Ch. 122, new par. 17-17.1)	313
20	<u>Sec. 17-17.1. Determination of individual school</u>	315
21	<u>district's contribution of income tax paid exclusively for</u>	316
22	<u>school aid. (a) Full-year resident. The entire amount of</u>	317
23	<u>the person's State income tax paid for the use for school aid</u>	318
24	<u>for the taxable year shall be allocated to that district</u>	
25	<u>except the amount of tax which is attributable to income</u>	319
26	<u>derived from real property located outside the district. (b)</u>	320
27	<u>Part-time residents. The amount of the person's State income</u>	321
28	<u>tax paid for the taxable year for that part of the year the</u>	322
29	<u>person was a resident of the district shall be allocated to</u>	
30	<u>the district.</u>	
	(Ch. 122, new par. 17-17.2)	324
31	<u>Sec. 17-17.2. The Department of Revenue shall promulgate</u>	326
32	<u>any rules and regulations deemed necessary to implement the</u>	327
33	<u>provisions of this Article with regard to the State income</u>	328

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1	<u>tax for school aid.</u>	328
	( Ch. 122, par. 18-8)	330
2	Sec. 18-8. Basis for apportionment to districts and	332
3	laboratory schools.) A. The amount to be apportioned shall	333
4	be determined for each educational service region by school	334
5	districts, as follows:	
6	1. General Provisions: (a) In the computation of the	337
7	amounts to be apportioned, the average daily attendance of	338
8	all pupils in grades 9 thorough 12 shall be multiplied by	339
9	1.25.	
10	(b) The actual number of pupils in average daily	341
11	attendance shall be computed in a one-teacher school district	342
12	by dividing the total aggregate days of pupil attendance by	343
13	the actual number of days school is in session but not more	344
14	than 30 such pupils shall be accredited for such type of	345
15	district; and in districts of 2 or more teachers, or in	346
16	districts where records of attendance are kept by session	
17	teachers, by taking the sum of the respective averages of the	347
18	units composing the groups.	348
19	(c ) Pupils in average daily attendance shall be computed	351
20	upon the average of the best 6 months of pupils attendance of	352

21 the current school year except as district claims may be 353  
 22 later amended as provided hereinafter in this section. Days  
 23 of attendance shall be kept by regular calendar months, 354  
 24 except any days of attendance in August shall be added to the 355  
 25 month of September and any days of attendance in June shall 356  
 26 be added to the month of May. Days of attendance by pupils 357  
 27 shall be counted only for sessions of not less than 5 clock 358  
 28 hours of school work per day under direct supervision of 359  
 29 teachers, with pupils of legal school age and in kindergarten  
 30 and grades 1 through 12. 360  
 31 (d) Pupils regularly enrolled in a public school for 362  
 32 only a part of the school day may be counted on the basis of 363  
 33 1/6 day for every class hour of instruction of 40 minutes or 364  
 34 more attended pursuant to such enrollment. 365

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1 ( e ) Days of attendance may be less than 5 clock hours on 367  
 2 the opening and closing of the school term, and upon the 368  
 3 first day of pupil attendance, if preceded by a day or days 369  
 4 utilized as an institute or teachers' workshop 370  
 5 (f) A session of 4 or more clock hours may be counted as 372  
 6 a day of attendance upon certification by the regional 373  
 7 superintendent, and approved by the State Superintendent of 374  
 8 Education to the extent that the district has been forced to 375  
 9 use daily multiple sessions.  
 10 (g ) A session of 3 or more clock hours may be counted as 377  
 11 a day of attendance when the remainder of the school day is 378  
 12 utilized for an in-service training program for teachers, up 379  
 13 to a maximum of 5 days per school year of which a maximum of 380  
 14 4 days of such 5 days may be used for parent–teacher 381  
 15 conferences, provided a district conducts an in-service 382  
 16 training program for teachers which has been approved by the  
 17 State Superintendent of Education; or, in lieu of 4 such 383  
 18 days, 2 full days may be devoted to parent-teacher 384  
 19 conferences, in which event each such day may be counted as a 385  
 20 day of attendance. Any days so used shall not be considered 386  
 21 for computing average daily attendance.  
 22 (h) A session of not less than 1 clock hour teaching of 388  
 23 hospitalized or homebound pupils on-site or by telephone to 389

24	the classroom may be counted as ½ day of attendance	390
25	however these pupils must receive 4 or more clock hours of	391
26	instruction to be counted for a full day of attendance.	392
27	(i) A session of at least 4 clock hours may be counted	394
28	as a day of attendance for first grade pupils, and a session	395
29	of 2 or more hours may be counted as ½ day of attendance by	396
30	kindergarten pupils.	
31	(j) For handicapped children below the age of 6 years	398
32	who cannot attend two or more clock hours because of handicap	399
33	or immaturity, a session of not less than one clock hour may	400
34	be counted as ½ day of attendance; however for such	401
35	children whose educational needs so require a session of 4 or	402

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1	more clock hours may be counted as a full day of attendance.	402
2	(k) A recognized kindergarten shall not have more than	404
3	½ day of attendance counted in any 1 day. However,	405
4	kindergartens may count 2 ½ days of attendance in any 5	406
5	consecutive school days. Where a kindergarten pupil attends	
6	school for 2 half days on anyone school day, such pupil	407
7	shall have the following day as a day absent from school,	408
8	unless the school district obtains permission in writing from	409
9	the State Superintendent of Education. Only the first year	410
10	of attendance in one kindergarten shall be counted except in	411
11	case of children who entered the kindergarten in their fifth	
12	year whose educational development requires a second year of	412
13	kindergarten as determined under the rules and regulations of	413
14	the State Board of Education.	
15	(1) Days of attendance by tuition pupils shall be	415
16	accredited only to the districts that pay the tuition to a	416
17	recognized school.	
18	(m) For the school year beginning July 1, 1979 , the	418
19	greater of the weighted average daily attendance for the	419
20	1978-79 school year or the average of the weighted average	420
21	daily attendance for the 1977-78 and 1978-79 school years	421
22	shall be used to compute the State aid entitlement. For any	
23	school year beginning July 1, 1980 , or thereafter, the	422
24	greater of the immediately preceding year's weighted average	423
25	daily attendance or the average of the weighted average daily	424

26 attendance of the immediately preceding year and the previous 425  
 27 2 years shall be used.

28 (n) The number of pupils in a district listed as 427  
 29 eligible under Title I of the Elementary and Secondary 428  
 30 Education Act of 1965 shall result in an increase in the 429  
 31 weighted average daily attendance calculated as follows: The 430  
 32 number of pupils eligible under Title I shall increase the 431  
 33 weighted ADA by .50 for each student adjusted by dividing the 432  
 34 percent of pupils eligible for Title I in the district by the  
 35 ratio of pupils eligible for Title I in the State to the best 433

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1 6 months' weighted average daily attendance in the State. In 434  
 2 no case may the adjustment under this paragraph result in a 435  
 3 greater weighting than .675 per eligible Title I student. 436

4 (o) Any school district which fails for nay given school 438  
 5 year to maintain school as required by law, or to maintain a 439  
 6 recognized school is not eligible to file for such school 440  
 7 year any claim upon the common school fund. In case of 441  
 8 non-recognition of one or more attendance centers in a school 442  
 9 district otherwise operating recognized schools, the claim of  
 10 the district shall be reduced in the proportion which the 443  
 11 average daily attendance in the attendance center or centers 444  
 12 bear to the average daily attendance in the school district. 445

13 A "recognized school" means any public school which meets the 446  
 14 standards as established for recognition by the State Board 447  
 15 of Education. A school district or attendance center not 448  
 16 having recognition statues at the end of a school term is  
 17 entitled to receive State aid payments due upon a legal claim 449  
 18 which was filed while it was recognized. 450

19 (p) School districts claims filed under this Section are 452  
 20 subject to Sections 18-9,18-12, except as herein 453  
 21 otherwise provided.

22 (q) The State Board of Education shall secure from the 456  
 23 Department of Revenue the value as equalized or assessed by 457  
 24 the Department of Revenue of all taxable property of every 458  
 25 school district together with the applicable tax rate used in 459  
 26 extending taxes for the funds of the district as of September 460  
 27 30 of the previous year. In a new district which has not had 461

28	any tax rates yet determined for extension of taxes, a	462
29	leveled uniform rate shall be computed from the latest amount	463
30	of the fund taxes extended on the several areas within such	464
31	new district.	
32	(r) If a school district operates a full year school	466
33	under Section 10-19.1 of this Act. The general state aid to	467
34	the school district shall be determined by the state board of	468
35	Education in accordance with this Section as near as may be	470

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1	applicable.	470
2	2. Limit in annual increases: For the school year	472
3	beginning July 1, 1978 , a district may not have an	473
4	entitlement in excess of a 35% increase over the prior year's	
5	entitlement as adjusted for weighted ADA excluding ESEA-Title	474
6	I weightings, but may in subsequent years continue to receive	476
7	35% increase until the district is reimbursed the full	
8	amount of the annual entitlement. For purposes of	479
9	determining "prior year's entitlement" under the subsection,	
10	for computing the 1976-1977 State aid claims and subsequent	480
11	year's claims in the event of proration of those claims, the	481
12	General Assembly declares by this clarifying amendatory Act	482
13	of 1977 that "prior year's entitlement" means the amount of	483
14	the school district's actual State aid claim for the prior	484
15	year as prorated to the appropriation level for that year.	
16	3. Supplementary claim: Any newly organized school	486
17	district, any district that has annexed a district or any	487
18	portion of a district, and any district that has had a	488
19	detachment of territory shall file a supplementary state aid	489
20	claim on forms provided by the State Board of Education.	
21	4. Impaction. Impaction payments shall be made as	491
22	provided for in Section 18-4.2 of this Act.	492
23	5. Summer school. Summer school payments shall be made	494
24	as provided in Section 18-4.3 of this Act.	495
25	6. Computation of State aid: The State grant shall be	497
26	determined as follows:	
27	(a) The State shall guarantee the amount of money that a	499
28	district's operating tax rate as limited in other Sections of	500
29	this Act would produce if every district maintaining grades	501

30 kindergarten through 12 had an equalized assessed valuation 502  
31 equal to \$51,695 per weighted ADA pupil; every district 503  
32 maintaining grades kindergarten through 8 had an equalized 504  
33 assessed valuation of \$78,656 per weighted ADA pupil; and 505  
34 every district maintaining grades 9 through 12 had an  
35 equalized assessed valuation of &139,333 per weighted ADA 506

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1 pupil. The State Board of Education shall adjust the 507  
2 equalized assessed valuation amounts stated in this  
3 paragraph, if necessary, to conform to the amount of the 508  
4 appropriation approved for any fiscal year. 509

5 (b) The operating tax rate to be used shall consist of 511  
6 all districts taxes extended for all purposes except community 512  
7 college educational purposes for the payment of tuition under 513  
8 Section 6-1 of the “ Public Community College Act”, Bond and 514 514  
9 Interest, Summer School, Rent, Special Education Building , 515  
10 Capital Improvement and Vocational Education Building . Any 516 516  
11 district may elect to exclude Transportation from the 517  
12 calculation of its operating tax rate.

13 The operating tax rate of a district levying a net income 519  
14 tax under the “ Illinois School District Income Tax Act”. 520  
15 enacted by the Eighty-Second General Assembly, shall be 521  
16 increased, for the calculation of aid under this Section, by 522  
17 a rate which when applied to the equalized assessed valuation  
18 of the district would yield an amount equal to the revenue 523  
19 received by the district from its income tax during the 524  
20 current fiscal year.

21 (c) For calculation of aid under this Act a district 526  
22 shall use the combined authorized tax rates of all funds not 527  
23 exempt in (b) above, not to exceed 2.83% of the value of all 528  
24 its taxable property as equalized or assessed by the 529  
25 Department of Revenue for districts maintaining grades  
26 kindergarten through 12; 1.86% of the value of all its 530  
27 taxable property as equalized or assessed by the Department 531  
28 of Revenue for districts maintaining grades kindergarten 532  
29 through 8 only; 1.05% of the value of all its taxable  
30 property as equalized or assessed by the Department of 533  
31 Revenue for districts maintaining grades 9 through 12 only. 534

32 A district may, however, as provided in Article 17, increase 535  
33 its operating tax rate above the maximum rate provided in  
34 this subsection without affecting the amount of State aid to 536  
35 which it is entitled under this act. 537

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1 For purposes of calculating a district's State aid, no 539  
2 district's operating tax rate shall be increased as a result 540  
3 of an increase in the taxes extended by the county clerk 541  
4 under Section 162 of the "Revenue Act of 1939" as amended in 542  
5 1977.

6 (d) (1) For districts maintaining grades kindergarten 544  
7 through 12 with an operating tax rate as described in 545  
8 subsections 6 (b) and (c) of less than 2.18%, and districts 546  
9 maintaining grades kindergarten through 8 with an operating  
10 tax rate of less than 1.28%, State aid shall be computed by 547  
11 multiplying the difference between the guaranteed equalized 548  
12 assessed valuation per weighted ADA pupil in subsection 6 (a) 549  
13 and the equalized assessed valuation per weighted ADA pupil 550  
14 in the district by the operating tax rate, multiplied by the  
15 weighted average daily attendance of the district. For the 552  
16 school year 1980-81 only, a K-12 school district with an  
17 operating tax rate less than 2.18% and more than 2.17% shall 553  
18 be eligible for General State Aid computed as follows: 554

19 The actual 1978 operating tax rate plus 2/3 of the 556  
20 difference between the actual 1978 operating tax rate and 557  
21 2.83% multiplied by the difference between the guaranteed 558  
22 equalized assessed valuation per weighted average daily  
23 attendance pupil in subsection 6 (a) and the equalized 559  
24 assessed valuation per weighted ADA pupil in the district, 560  
25 and multiplied by the weighted average daily attendance of 561  
26 the district. However, special equalization K-12 school  
27 districts with a 1978 operating tax rate less than 2.18% and 562  
28 more than 2.17% shall have a deduction made to the total 563  
29 claim in the amount of the 1978 equalized assessed valuation 564  
30 multiplied by the difference between the actual 1978 565  
31 operating tax rate and 2.18%. Such additional payment shall  
32 be treated as separate from all other payments made pursuant 566  
33 to this Section 18-3.

34 (2) For districts maintaining grades kindergarten 568  
35 through 12 with an operating tax rate as described in 569

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1 subsection 6 (b) and (c) of 2.18% and above, the State aid 570  
2 shall be computed as provided in subsection (d) (1) but as  
3 through the district had an operating tax rate of 2.83% in 573  
4 K-8 districts with an operating tax rate of 1.28% and above,  
5 the State aid shall be computed as provided in subsection (d) 574  
6 (1) but as though the district had an operating tax rate of 575  
7 1.86%; and in 9-12 districts, the State aid shall be computed 576  
8 by multiplying the difference between the guaranteed 577  
9 equalized assessed valuation per weighted average daily 578  
10 attendance pupil in subsection 6(a) and the equalized  
11 assessed valuation per weighted average daily attendance 579  
12 pupil in the district by the operating tax rate, not to 580  
13 exceed 1.05%, multiplied by the weighted average daily 581  
14 attendance of the district.

15 (3) The State aid as computed in paragraph (2) of this 583  
16 subsection (d) shall be subject to the following limitations: 584  
17 for the 1979-80 school year, K-12 districts with an operating 585  
18 tax rate of 2.18% and above but less than 2.83% and K-8 586  
19 districts with an operating tax rate of 1.28% and above but  
20 less than 1.86 %, shall use an operating tax rate equal to 587  
21 their actual operating tax rate plus 1/3 of the difference 588  
22 between their actual operating tax rate and the maximum 589  
23 operating tax rate specified above; for the 1980-81 school 590  
24 year, their actual operating tax rate plus 2/3 of the  
25 difference.

26 (e) The amount of State aid shall be computed under the 592  
27 provisions of subsections 6 (a) through 6 (d) provided the 594  
28 equalized assessed valuation per weighted ADA pupil is less  
29 than .87 of the amounts in subsection 6 (a). If the equalized 595  
30 assessed valuation per weighted ADA pupil is equal to or 596  
31 greater than .87 of the amounts in subsection 6 (a), the State 597  
32 aid shall be computed under the provisions of subsection  
33 6(f)

34 (f) If the equalized assessed valuation per weighted ADA 599  
35 pupil is equal to or greater than .87 of the amounts in 600



1 subsection 6(a), the State aid per weighted ADA pupil shall 601  
 2 be computed by multiplying the product of .13 times the 602  
 3 maximum per pupil amount computed under the provisions of  
 4 subsections 6(a) through 6(d) by an amount equal to the 603  
 5 quotient of .87 times the equalized assessed valuation per 604  
 6 weighted ADA pupil in subsection 6(a) for that type of 605  
 7 district divided by the district equalized valuation per  
 8 weighted ADA pupil except in no case shall the district 606  
 9 receive State aid per weighted ADA pupil of less than .07 607  
 10 times the maximum per pupil amount computed under the 608  
 11 provisions of subsections 6 (a) through 6 (d).

12 Notwithstanding any other provisions of this Act, any 610  
 13 district which receives less general State aid under this 611  
 14 Section during the 1980-81 school year as a result of the 612  
 15 formula revisions contained in this amendatory Act of 1980 613  
 16 when compared to it's claim for 1980-81 computed under  
 17 subsections 1,2,3 and 4 of Section 18-8 for the 1979-80 614  
 18 School year, shall be eligible to receive an adjusted amount 615  
 19 equal to the difference between the claim amount computed 616  
 20 under the 1979-80 formula and the 1980-81 formula.

21 (g) In addition to the above grants, summer school 618  
 22 grants shall be made based upon the calculation as provided 619  
 23 in subsection 5 of this Section.

24 (h) The board of any district receiving any of the 621  
 25 grants provided for in this Section may apply those funds to 622  
 26 any fund so received for which that board is authorized to 623  
 27 make expenditures by law.

28 (i) (1) In school districts with an average daily 625  
 29 attendance of 50,000 or more, one-third of the general state 626  
 30 aid in 1979-80, and each year in 1980-81, and the full amount in 627  
 31 1981-82 and each year there after which is provided under 628  
 32 subsection 1 (h) of this Section by the application of a base 629  
 33 Title 1 weighting factor of .375 shall be distributed to the 630  
 34 attendance centers within the district in proportion to the 631  
 35 number of pupils enrolled at each attendance center who are

1 eligible for counting and weighting as Title I students under 632

2 the provisions of subsection 1 (n). The amount of State aid 633  
3 provided under subsection 1 (n) of this Section by the 634  
4 application of the Title I weighting factor in excess of .375 635  
5 shall be distributed to the attendance centers within the 636  
6 district in proportion to the total enrollment at each 637  
7 attendance center. The distribution of these portions of 638  
8 general state aid among attendance centers according to these 639  
9 requirements shall not be compensated for or contravened by  
10 adjustments of the total of other funds appropriated to any 640  
11 attendance centers. Provided, however, the average per-pupil 641  
12 expenditure for any attendance center in the district shall 642  
13 not be less than 90% of the average per-pupil expenditure for 643  
14 that attendance center for the preceding school year or, for 644  
15 the 1981-82 school year, less than 70% of the average 645  
16 per-pupil expenditure for that attendance center for the 646  
17 1978-79 school year, whichever applies. Each district  
18 subject to the provisions of this paragraph shall submit an 647  
19 acceptable plan to meet the educational needs of 648  
20 disadvantaged children, in compliance with the requirements 649  
21 of this paragraph, to the State Board of Education prior to  
22 August 15 of each year. 650

23 The State Board of Education shall promulgate rules and 652  
24 regulations to implement the provisions of this subsection 653  
25 (i) (1). No funds shall be released under subsection 1 (n) of 654  
26 this Section or under this subsection 6 (i) (1) to any district 655  
27 which has not submitted a plan which has been approved by the 656  
28 State Board of Education.

29 (2) School districts with an average daily attendance of 658  
30 more than 1,000 and less than 50,000 and having a Title I 659  
31 weighting factor in excess of .50 shall submit a plan to the 660  
32 State Board of Education prior to August 15 of each year for 661  
33 the use of the funds resulting from the application of 662  
34 subsection 1 (n) of this Section for the improvement of  
35 instruction in which priority is given to meeting the 663

1 education needs of disadvantaged children. Such plan shall 664  
2 be submitted in accordance with rules and regulations 665  
3 promulgated by the State Board of Education.

4 (j) For the purposes of calculating State aid under this 667

5 Section, with respect to any part of a school district within 668  
6 a redevelopment project area in respect to which a 669  
7 municipality has adopted tax increment allocation financing 670  
8 pursuant to the Real Property Tax Increment Allocation 671  
9 Redevelopment Act, Section 11-74.4-1 through 11-74.4-11 of 672  
10 the Illinois Municipal Code, no part of the current equalized 673  
11 assessed valuation of real property located in any such 674  
12 project area which is attributable to an increase above the  
13 total initial equalized assessed valuation of such property 675  
14 shall be used in computing the equalized assessed valuation 676  
15 per weighted ADA pupil in the district, until such time as 677  
16 all redevelopment project costs have been paid, as provided 678  
17 in Section 11-74.4-8 of that Act. For the purpose of 679  
18 computing the equalized assessed valuation per weighted ADA  
19 pupil in the district the total initial equalized assessed 680  
20 valuation or the current equalized assessed valuation, 681  
21 whichever is lower, shall be used until such time as all 682  
22 redevelopment project costs have been paid.

23 (k) For a school district operating under the financial 684  
24 supervision of an Authority created under Article 34A, the 685  
25 State aid otherwise payable to that district under this 686  
26 Section, other than State aid attributable to Title I 687  
27 students, shall be reduced by an amount equal to the budget  
28 for the operations of the Authority as certified by the 688  
29 Authority to the State Board of Education, and an amount 689  
30 equal to such reduction shall be paid to the Authority 690  
31 created for such district for its operating expenses in the 691  
32 manner provided in Section 18-11 of this Act. The remainder  
33 of State school for any such district shall be paid in 692  
34 accordance with Article 34A when that Article provides for a 693  
35 disposition other than that provided by this Article. 694

1 (1) For purpose of calculating State aid under this 696  
2 Section for any school year beginning July 1,1981 , or 697  
3 thereafter, the equalized assessed valuation for a school 698  
4 district used to compute State aid shall be determined by 699  
5 adding to the real property equalized assessed valuation for  
6 the district an amount computed by dividing the amount of 700

7 money received by the district under the provisions of "An 701  
 8 Act in relation to the abolition of ad valorem personal 702  
 9 property tax and the replacement of revenues lost thereby",  
 10 certified August 14, 1979 , by the total tax rate for the 703  
 11 district. For purposes of this subsection 1976 tax rates 704  
 12 shall be used for school districts in the county of cook and 705  
 13 1977 tax rates shall be used for school districts in all 706  
 14 other counties. For the school year beginning July 1, 1981 , 707  
 15 for purposes of computing State aid, there shall be added to 708  
 16 the amount derived by the above computation two-thirds of the  
 17 difference between the ad valorem personal property equalized 709  
 18 assessed valuation extensions and collections for 1978. For 710  
 19 the school year beginning July 1, 1982 , one-third of this 711  
 20 difference shall be added.  
 21 (m) Notwithstanding any other provisions of this 713  
 22 Section, if the equalized assessed valuation used to 714  
 23 calculate the State aid which a school district is entitled 715  
 24 to receive under this Section for the 1980-81 school year has  
 25 increased by 100% or more compared to the equalized assessed 716  
 26 valuation used to calculate the district's State aid 717  
 27 entitlement for the 1979-80 school year, and over 50% of the 718  
 28 increase is due to an increase in the equalized assessed 719  
 29 valuation of personal property in the districts, and the  
 30 increase in the district's equalized assessed valuation is 720  
 31 not due to a reorganization of school district boundaries, 721  
 32 then the school district's State aid entitlement for the 722  
 33 1980-81 school year shall be not less than 80% of the  
 34 district's 1979-80 entitlement. 723  
 35 In calculating the amount to be paid to the governing 725

1 board of a public university which operates a laboratory 726  
 2 school under this Section during the 1981-82 school year and 727  
 3 thereafter, the State Board of Education shall require by 728  
 4 rule such reporting requirements for the laboratory school by 729  
 5 the public university as it deems necessary to determine the 730  
 6 number of students who are residents of a district but attend 731  
 7 school at a public university laboratory school. The State  
 8 board of Education shall then calculate the difference in the 732

9 amount of aid the various school districts would be paid 733  
10 under Part A of this Section without counting such students 734  
11 in any way and the amount of aid the districts would be paid  
12 if the students attending such laboratory schools were 735  
13 included in the weighted average daily attendance of those 736  
14 districts. Upon request made by the governing board of the 737  
15 public university which conducts the laboratory school, the  
16 State Board shall pay the amount of such difference from 739  
17 moneys appropriated for the purpose of this Section to the 740  
18 governing board of the public university which conducts the  
19 laboratory school. As used in this Section, "laboratory 741  
20 school" means a public school in actual operation on the 742  
21 effective date of this amendatory Act which is created and 743  
22 operated by a public university and approved by the State 744  
23 Board of Education. The governing board of a public  
24 university which receives funds from the State Board under 745  
25 this paragraph may not increase the number of students 746  
26 enrolled in its laboratory school from a single district, if 747  
27 that district is already sending 50 or more student, except  
28 under a mutual agreement between the school board of a 748  
29 student's district of residence and the university which 749  
30 operates the laboratory school. A laboratory school may not 750  
31 have more than 1,000 students, excluding handicapped students 751  
32 in a special education program. Nothing in Part B of this 752  
33 Section shall affect the right of school districts to claim  
34 aid for weighted average daily attendance reported under part 753  
35 A which have contracted to pay a university for weighted 754

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1 average daily attendance prior to July 1, 1981 . 755  
(Ch. 122, new par. 18-8A) 757  
2 Sec. 18-8A. For purposes of calculating State aid under 759  
3 Section 18-8 for the year after the implementation of the 760  
4 State income tax for school aid, the value of the operating 761  
5 tax rate for a district shall be determined by multiplying 762  
6 the operating tax rate for the previous year by the income 763  
7 received under Section 17-17 in the current year and dividing  
8 this product by the income received under the property taxes. 764  
9 For the purpose of calculating State aid under Section 766

10	<u>18-8 in years subsequent to the year after the adoption of</u>	767
11	<u>the State income tax for school aid, the value of the</u>	768
12	<u>operating tax rate for a school district shall be determined</u>	
13	<u>by multiplying the value of the operating tax rate (as</u>	769
14	<u>determined under this Section for the previous year by the</u>	770
15	<u>income received under Section 17-17 in the current year and</u>	771
16	<u>dividing this product by the income received under Section</u>	772
17	<u>17-17 in the previous year</u>	
	(Ch. 122, par.34-35)	774
18	Sec. 34-35. Tax levies – purpose – Rates. For the	776
19	Purpose of establishing and supporting free schools for not	777
20	fewer than 9 months in each year and defraying the expenses	778
21	thereof; for the purpose of building, renting buildings and	779
22	property for school purposes (other than buildings and	780
23	property rented from the Public Building Commission of	781
24	Chicago ), repairing and improving such school houses and	
25	property, or procuring school lands, furniture, fuel,	782
26	libraries, apparatus, building and architectural supplies,	783
27	for the purchase, maintenance, repair and replacement of	784
28	fixtures generally used in school buildings, including but	785
29	not limited to heating and ventilating systems, mechanical	786
30	equipment, seats and desks, blackboards, window shades and	
31	curtains, gymnasium and recreation apparatus and equipment,	787
32	auditorium and lunchroom equipment, and all expenses incident	788
33	there to each district described in this Article, the board	789

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1	of education and the authorities of such district or city, as	790
2	the case may be, may levy annually, upon all taxable property	791
3	of the district or city, a tax for building purposes and the	792
4	purchase of school grounds for the fiscal year 1971 and each	
5	year thereafter at a rate not to exceed .45% of the value, as	793
6	equalized or assessed by the Department of Revenue for the	794
7	year in which the levy was made; <del>and may levy annually upon</del>	795
8	<del>all taxable property of such district or city for</del>	796
9	<del>educational purpose a tax for the fiscal years 1971 through</del>	797
10	<del>1980 at a rate not to exceed 2.11% and each fiscal year</del>	798
11	<del>thereafter at a rate of not to exceed 1.61% of the value as</del>	799
12	<del>equalized or assessed by the Department of Revenue for the</del>	

13 ~~year in which such levy is made;~~ provided that the taxes so 801  
 14 levied for building purposes and the purchase of school  
 15 grounds ~~and for educational purposes, respectively,~~ shall not 802  
 16 exceed the estimated amounts of taxes to be levied for such 803  
 17 fiscal year for such purposes as determined by the provisions 804  
 18 of Sections 34-43 through 34-52 and set forth in the annual 805  
 19 school budget of the board: Provided, however, when bonds are 806  
 20 issued by the board as authorized by Section 34-22.1 the rate 807  
 21 of tax herein authorized to be levied for building purposes 808  
 22 and the purchase of school grounds shall be reduced each year  
 23 by the rate of tax necessary to be levied for each such year 809  
 24 to pay the principal of and interest upon such bonds when 810  
 25 issued. Except sums expended or obligations incurred for 811  
 26 purposes described in any resolution and ordinance 812  
 27 authorizing bonds issued under Sections 34-22.1, 34-22.2 813  
 28 34-22.3, 34-22.4, 34-22.5 and 34-22.5, any sum expended or 814  
 29 obligations incurred for the purpose of building school 815  
 30 houses, renting buildings and property for school purposes  
 31 (other than buildings and property rented from the public 816  
 32 Building Commission of Chicago), for procuring school lands, 817  
 33 furniture, fuel, libraries and apparatus, for the 818  
 34 improvement, repair or benefit of school buildings and 819  
 35 property, for building and architectural supplies, for the

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1 purchase, maintenance, repair and replacement of fixtures 820  
 2 generally used in school buildings, including but not limited 821  
 3 to heating and ventilating systems, mechanical equipment, 822  
 4 seats and desks, blackboards, window shades and curtains, 823  
 5 gymnasium and recreation apparatus and equipment, auditorium  
 6 and lunchroom equipment, and all expenses incident thereto 824  
 7 shall be paid from that portion of the tax levied for 825  
 8 building purposes and the purchase of school grounds. The 826  
 9 board may provide by resolution that the payment of all or a 827  
 10 part of the salaries or wages of persons employed in 828  
 11 connection with the custody, heating or cleaning of school  
 12 grounds and buildings, and all or part of expenditures for 829  
 13 gas and electricity, water, telephone service, custodial 830  
 14 supplies and equipment, or any one or more of the preceding 831  
 15 items shall be paid from the tax for building purposes and 832

16 the purchase of school grounds, and in such event such 833  
17 salaries or specified expenditures, or both, shall be so paid  
18 until the next fiscal year after the repeal of such 834  
19 resolution. After the adoption of the annual school budget, 835  
20 the board shall have the power to adopt or pass during such 836  
21 fiscal year an additional or supplement budget under the 837  
22 sole authority of this Section by a vote of a majority of the  
23 full membership of the board, any other provision of this 838  
24 Article to the contrary notwithstanding, in and by which such 839  
25 additional or supplement budget the board may provide for 840  
26 the appropriation from the building fund for the remainder of 841  
27 said fiscal year of such items of expenditure authorized by 842  
28 this Section as are expressly set forth in said resolution 843  
29 and such additional or supplement budget shall be regarded 844  
30 as an amendment of the annual school budget for that fiscal  
31 year. 845  
32 Except as hereinabove in this section expressly provided, 847  
33 all taxes and tax rates herein authorized to be levied shall 848  
34 be exclusive of taxes and tax rates authorized to be levied 849  
35 for free textbooks, school playground (or school playground 850

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1 and recreational, as the case may be), public school 851  
2 teachers' pension and retirement fund, and working cash fund 852  
3 purposes, and for the payment of bonded indebtedness or  
4 interest thereon. ~~This Act does not prevent the~~ 853  
5 ~~appropriation for and payment from the tax for educational~~ 854  
6 ~~purpose of any contribution to the public school teachers'~~ 855  
7 ~~pension and retirement fund and payments to persons retired,~~ 856  
8 ~~as provided by law and such appropriations and payments are~~  
9 hereby authorized, Educational purposes. Building purposes 857  
10 and the purchase of school grounds, free textbook and school 858  
11 playground (or school playground and recreational as the case 859  
12 may be) purposes, respectively, shall include expenses of 860  
13 administration incidental to each of such purposes. Nothing 861  
14 in this amendatory Act of 1980 shall in any way impair or 862  
15 restrict the extension of taxes pursuant to levies lawfully 863  
16 made prior to the adoption of this amendatory Act.  
17 Notwithstanding any other provision of Chapter 122 and in 865  
18 addition to the methods provided in this chapter for 866



19 increasing the tax rate, the Chicago Board of Education may, 867  
20 by proper resolution, cause a proposition to increase the 868  
21 annual tax rate for educational purposes to be submitted to 869  
22 the voters of such districts at any general or special 870  
23 election. ~~The maximum rate for educational purpose shall~~  
24 ~~not exceed 4.00%.~~ The election called for such purpose shall 871  
25 be governed by Article 9 of this Act. If at such election a 872  
26 majority of the votes cast on the proposition is in favor 873  
27 thereof, the Board of Education may thereafter until such 874  
28 authority is revoked in a like manner, levy annually the tax 875  
29 so authorized.

30 Section 3. Section 5.92 is added to “An Act in relation 877  
31 to State finance”, approved June 10, 1919 , as amended, the 878  
32 added Section to read as follows:

(Ch.127, new par.141.92) 880

33 Sec. 5.92. The School Income Tax Fund. 882

( Ch. 122, rep. Pars. 17-2.1,17-3,17-3.1,17-4 and 17-8 884

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1 Section 4. Sections 17-2.1,17-3,17-3.1,17-4 and 17-8 886  
2 of “The School Code”, approved March 18,1961 , as amended, 887  
3 are repealed.

4 Section 5. This Act shall take effect July 1, 1983 , but 889  
5 any taxes imposed under this Act may only apply to income 890  
6 earned during the taxable year ending December 31, 1984 , and  
7 subsequent taxable years.