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States' Agritourism Statutes:

Illinois



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35 Ill. Comp. Stat. Ann. 5/232

Current through P.A. 102-730 of the 2022 Reg. Sess.

5/232. Tax credit for agritourism liability insurance

§ 232. Tax credit for agritourism liability insurance.

(a) For taxable years beginning on or after January 1, 2022 and ending on or before December 31, 2023, any individual or entity that operates an agritourism operation in the State during the taxable year shall be entitled to a tax credit against the tax imposed by subsections (a) and (b) of Section 201 equal to the lesser of 100% of the liability insurance premiums paid by that individual or entity during the taxable year or \$1,000. To claim the credit, the taxpayer must apply to the Department of Agriculture for a certificate of credit in the form and manner required by the Department of Agriculture by rule. If granted, the taxpayer shall attach a copy of the certificate of credit to his or her Illinois income tax return for the taxable year. The total amount of credits that may be awarded by the Department of Agriculture may not exceed \$1,000,000 in any calendar year.

(b) For the purposes of this Section:

“Agricultural property” means property that is used in whole or in part for production agriculture, as defined in Section 3-35 of the Use Tax Act, or used in connection with one or more of the following:

- (1) the growing and harvesting of crops;
- (2) the feeding, breeding, and management of livestock;
- (3) dairying or any other agricultural or horticultural use or combination of those uses, including, but not limited to, the harvesting of hay, grain, fruit, or truck or vegetable crops, or floriculture, mushroom growing, plant or tree nurseries, orchards, forestry, sod farming, or greenhouses; or
- (4) the keeping, raising, and feeding of livestock or poultry, including dairying, poultry, swine, sheep, beef cattle, ponies or horses, fur farming, bees, fish and wildlife farming.

“Agritourism activities” includes, but is not limited to, the following:



- (1) historic, cultural, and on-site educational programs;
- (2) guided and self-guided tours, including school tours;
- (3) animal exhibitions or petting zoos;
- (4) agricultural crop mazes, such as corn or flower mazes;
- (5) harvest-your-own or U-pick operations;
- (6) horseback or pony rides; and
- (7) hayrides or sleigh rides.

“Agritourism activities” does not include the following activities:

- (1) hunting;
- (2) fishing;
- (3) amusement rides;
- (4) rodeos;
- (5) off-road biking or motorized off-highway or all-terrain vehicle activities;
- (6) boating, swimming, canoeing, hiking, camping, skiing, bounce houses, or similar activities; or
- (7) entertainment venues such as weddings or concerts.

“Agritourism operation” means an individual or entity that carries out agricultural activities on agricultural property and allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy those activities.

(c) If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

(d) 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 tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year



for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

