

# HB3094



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB3094

by Rep. John Connor

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Creates a credit for taxpayers who make a payment toward principal or interest on a qualified education loan, as defined in Section 221 of the Internal Revenue Code, during the taxable year. Provides that the credit shall be equal to the amount paid during the taxable year, but not to exceed \$500 per taxable year. Effective immediately.

LRB101 09667 HLH 54766 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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 adding  
5 Section 229 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. Student loan credit.

8 (a) For taxable years beginning on or after January 1,  
9 2019, each taxpayer who makes a payment toward principal or  
10 interest on a qualified education loan, as defined in Section  
11 221 of the Internal Revenue Code, during the taxable year is  
12 entitled to a credit against the tax imposed by subsections (a)  
13 and (b) of Section 201 in an amount equal to the amount paid  
14 during the taxable year, but not to exceed \$500 per taxable  
15 year.

16 (b) In no event shall a credit under this Section reduce a  
17 taxpayer's liability to less than zero. If the amount of credit  
18 exceeds the tax liability for the year, the excess may be  
19 carried forward and applied to the tax liability for the 5  
20 taxable years following the excess credit year. The tax credit  
21 shall be applied to the earliest year for which there is a tax  
22 liability. If there are credits for more than one year that are  
23 available to offset liability, the earlier credit shall be

1 applied first.

2 (c) This Section is exempt from the provisions of Section  
3 250.

4 Section 99. Effective date. This Act takes effect upon  
5 becoming law.