

SB1432



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB1432

Introduced 2/13/2019, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new

Amends the Illinois Income Tax Act. Provides that a taxpayer who may claim a qualifying student as a dependent is allowed a credit of up to \$2,000 for qualified tuition and fee expenses paid by the taxpayer. Provides that the term qualifying student means a person who (i) is a resident of the State, (ii) is under the age of 24 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought, is a full-time student enrolled in a program at a qualifying college or university.

LRB101 09523 HLH 54621 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. College tuition expense credit.

8 (a) For taxable years ending on or after December 31, 2019,
9 a taxpayer who may claim one or more qualifying students as a
10 dependent shall be allowed a credit up to \$2,000 against the
11 tax imposed by subsections (a) and (b) of this Section for
12 qualified tuition and fee expenses paid by the taxpayer during
13 the taxable year on behalf of the qualifying student or
14 students.

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

1 (c) For the purpose of this Section, "qualifying college or
2 university" means any public or private university, community
3 college, vocational school, or other postsecondary educational
4 institution that is physically located in the State and is
5 eligible to participate in a student loan program administered
6 by the United States Department of Education.

7 "Qualifying student" means an individual who (i) is a
8 resident of the State, (ii) is under the age of 24 at the close
9 of the school year for which a credit is sought, and (iii)
10 during the school year for which a credit is sought, is a
11 full-time student enrolled in a program at a qualifying college
12 or university at which the student is enrolled.

13 "Qualified tuition and fee expense" means the amount
14 incurred by on behalf of a qualifying student for tuition, book
15 fees, and lab fees at the qualifying college of university at
16 which the student is enrolled.

17 (d) Notwithstanding any other provision of law, for taxable
18 years beginning on January 1, 2020, no taxpayer may claim a
19 credit under this Section if the taxpayer's adjusted gross
20 income for the taxable year exceeds (i) \$250,000, in the case
21 of spouses filing a joint federal tax return or (ii) \$125,000,
22 in the case of all other taxpayers.

23 (e) This Section is exempt from the provisions of Section
24 250.