

HB3838



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3838

Introduced 2/22/2021, by Rep. Lindsey LaPointe

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218

Amends the Illinois Income Tax Act. Provides that the credit for student-assistance contributions sunsets on December 31, 2031 (currently, December 30, 2021). Provides that, for taxable years ending on or after December 31, 2021, the maximum student-assistance credit is \$1,000 per contributing employee per taxable year (currently, \$500). Effective immediately.

LRB102 15253 HLH 20608 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
5 changing Section 218 as follows:

6 (35 ILCS 5/218)

7 Sec. 218. Credit for student-assistance contributions.

8 (a) For taxable years ending on or after December 31, 2009
9 and on or before December 31, 2031 ~~December 30, 2021~~, each
10 taxpayer who, during the taxable year, makes a contribution
11 (i) to a specified individual College Savings Pool Account
12 under Section 16.5 of the State Treasurer Act or (ii) to the
13 Illinois Prepaid Tuition Trust Fund in an amount matching a
14 contribution made in the same taxable year by an employee of
15 the taxpayer to that Account or Fund is entitled to a credit
16 against the tax imposed under subsections (a) and (b) of
17 Section 201 in an amount equal to 25% of that matching
18 contribution, but not to exceed (i) \$500 per contributing
19 employee per taxable year for taxable years ending prior to
20 December 31, 2021 and (ii) \$1,000 per contributing employee
21 per taxable year for taxable years ending on or after December
22 31, 2021.

23 (b) For partners, shareholders of Subchapter S

1 corporations, and owners of limited liability companies, if
2 the liability company is treated as a partnership for purposes
3 of federal and State income taxation, there is allowed a
4 credit under this Section to be determined in accordance with
5 the determination of income and distributive share of income
6 under Sections 702 and 704 and Subchapter S of the Internal
7 Revenue Code.

8 (c) The credit may not be carried back. If the amount of
9 the credit exceeds the tax liability for the year, the excess
10 may be carried forward and applied to the tax liability of the
11 5 taxable years following the excess credit year. The tax
12 credit shall be applied to the earliest year for which there is
13 a tax liability. If there are credits for more than one year
14 that are available to offset a liability, the earlier credit
15 shall be applied first.

16 (d) A taxpayer claiming the credit under this Section must
17 maintain and record any information that the Illinois Student
18 Assistance Commission, the Office of the State Treasurer, or
19 the Department may require regarding the matching contribution
20 for which the credit is claimed.

21 (Source: P.A. 101-645, eff. 6-26-20.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.