



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2184

Introduced 2/26/2021, by Sen. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212

35 ILCS 5/212.1 new

820 ILCS 170/5

from Ch. 48, par. 2755

Amends the Illinois Income Tax Act. Provides that an individual taxpayer age 65 or older is entitled to the earned income tax credit without regard to the requirement under the federal Internal Revenue Code that an individual taxpayer without a qualifying child has not attained age 65. Provides that an individual taxpayer age 18 to 24 is entitled to the earned income tax credit without regard to the requirement under the federal Internal Revenue Code that an individual taxpayer without a qualifying child has attained the age of 25. Provides that certain taxpayers using individual tax identification numbers are entitled to the earned income tax credit. Creates the eligible dependent tax credit. Provides that the total amount of credits between the eligible dependent tax credit and the earned income tax credit may not be less than \$600. Amends the Earned Income Tax Credit Information Act to delete certain provisions concerning dependent children. Effective immediately.

LRB102 14650 HLH 20003 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 212 and by adding Section 212.1 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending prior to December 31, 2012, (ii)
15 7.5% of the federal tax credit for each taxable year beginning
16 on or after January 1, 2012 and ending prior to December 31,
17 2013, (iii) 10% of the federal tax credit for each taxable year
18 beginning on or after January 1, 2013 and beginning prior to
19 January 1, 2017, (iv) 14% of the federal tax credit for each
20 taxable year beginning on or after January 1, 2017 and
21 beginning prior to January 1, 2018, and (v) 18% of the federal
22 tax credit for each taxable year beginning on or after January
23 1, 2018.

1 For a non-resident or part-year resident, the amount of
2 the credit under this Section shall be in proportion to the
3 amount of income attributable to this State.

4 (b) For taxable years beginning before January 1, 2003, in
5 no event shall a credit under this Section reduce the
6 taxpayer's liability to less than zero. For each taxable year
7 beginning on or after January 1, 2003, if the amount of the
8 credit exceeds the income tax liability for the applicable tax
9 year, then the excess credit shall be refunded to the
10 taxpayer. The amount of a refund shall not be included in the
11 taxpayer's income or resources for the purposes of determining
12 eligibility or benefit level in any means-tested benefit
13 program administered by a governmental entity unless required
14 by federal law.

15 (c) For taxable years beginning on or after January 1,
16 2021, each individual taxpayer age 65 or older is entitled to
17 the credit under paragraph (a) without regard to the
18 requirement under Section 32(c)(1)(A)(ii) of the federal
19 Internal Revenue Code that the individual taxpayer without a
20 qualifying child has not attained age 65.

21 (d) For taxable years beginning on or after January 1,
22 2021, each individual taxpayer age 18 to 24 is entitled to the
23 credit under paragraph (a) without regard to the requirement
24 under Section 32(c)(1)(A)(ii) of the federal Internal Revenue
25 Code that the individual taxpayer without a qualifying child
26 has attained the age of 25.

1 (e) For taxable years beginning on or after January 1,
2 2021, each individual taxpayer filing a return using an
3 individual tax identification number as prescribed under
4 Section 6109 of the federal Internal Revenue Code, other than
5 a Social Security number issued pursuant to Section
6 205(c)(2)(A) of the Social Security Act, is entitled to the
7 credit under paragraph (a) without regard to the restrictions
8 under Section 32(m) of the federal Internal Revenue Code.

9 (f) ~~(e)~~ This Section is exempt from the provisions of
10 Section 250.

11 (Source: P.A. 100-22, eff. 7-6-17.)

12 (35 ILCS 5/212.1 new)

13 Sec. 212.1. Eligible dependent tax credit.

14 (a) For each taxable year beginning on or after January 1,
15 2022, there shall be allowed against the tax imposed by
16 subsections (a) and (b) of Section 201, to each eligible
17 caregiver, an eligible dependent tax credit in an amount equal
18 to no less than \$600, except as otherwise provided by this
19 Section.

20 (b) The credit amount allowed shall be not less than \$600
21 regardless of how many qualified dependents the eligible
22 caregiver provides care for. The credit amount allowed per
23 taxpayer per taxable year shall be determined as follows:

24 (1) If the credit amount allowed pursuant to Section
25 212 is zero dollars, the credit amount allowed pursuant to

1 this Section shall be \$600.

2 (2) If the credit amount allowed pursuant to Section
3 212 is more than zero dollars and less than \$600, the
4 credit amount allowed pursuant to this Section shall be an
5 amount such that the total amount of credit allowed to a
6 taxpayer under both this Section and Section 212 is equal
7 to \$600.

8 (3) If the credit amount allowed pursuant to Section
9 212 is \$600 or more, the credit amount allowed pursuant to
10 this Section shall be zero.

11 (c) For purposes of this Section:

12 "Eligible caregiver" means a taxpayer who provides
13 uncompensated care for a qualified dependent and who would
14 otherwise meet the requirements of an eligible individual
15 pursuant to Section 212, except as follows:

16 (1) An eligible caregiver is not required to have
17 qualifying earned income as defined under Section
18 32(c)(2)(A) and (B) of the federal Internal Revenue Code
19 for the taxable year.

20 (2) The eligible caregiver or the qualified dependent,
21 or both, may have a taxpayer identification number that is
22 a social security number or is a federal individual
23 taxpayer identification number.

24 "Qualified dependent" means any of the following:

25 (1) A child who is under the age of 6 and for whom the
26 taxpayer is allowed an additional exemption under Section

1 204 during the taxable year in which the credit is
2 claimed.

3 (2) A dependent for whom a deduction is allowed under
4 Section 151 of the Internal Revenue Code, relating to
5 allowance of deductions for personal exemptions, 70 years
6 of age or older during the taxable year in which the credit
7 is claimed.

8 (3) An individual described in Section 21(b)(1)(B) of
9 the Internal Revenue Code, modified so that the reference
10 to subsection (b)(1) shall not apply.

11 (4) An individual described in Section 21(b)(1)(C) of
12 the Internal Revenue Code.

13 (c) Where the qualifying dependent is an individual
14 described in subsection (c)(2)(B), the tax return claiming the
15 credit allowed by this Section shall include the name, year of
16 birth, and taxpayer identification number of that qualifying
17 dependent.

18 (d) For taxable years beginning on or after January 1,
19 2022, if the amount allowable as a credit under this Section
20 exceeds the tax liability computed under this part for the
21 taxable year, the excess shall be credited against other
22 amounts due, if any, and the balance, if any, shall be refunded
23 to the taxpayer.

24 (e) The Department of Revenue may adopt rules necessary or
25 appropriate to carry out the purposes of this Section.

26 (f) The amount of a refund shall not be included in the

1 taxpayer's income or resources for the purposes of determining
2 eligibility or benefit level in any means-tested benefit
3 program administered by a governmental entity unless required
4 by federal law.

5 Section 10. The Earned Income Tax Credit Information Act
6 is amended by changing Section 5 as follows:

7 (820 ILCS 170/5) (from Ch. 48, par. 2755)

8 Sec. 5. Declaration of public policy. In order to
9 alleviate the tax burden of low-income persons in Illinois who
10 have earned income ~~and support one or more dependent children,~~
11 the State should facilitate the furnishing of information to
12 such persons about the availability of the federal earned
13 income tax credit so that eligible taxpayers may claim that
14 credit on their federal income tax returns. It is the intent of
15 this Act to offer the most cost-effective assistance to
16 eligible taxpayers through notices provided by their employers
17 and by State government.

18 (Source: P.A. 100-201, eff. 8-18-17.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.