



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2916

Introduced 2/16/2023, by Rep. Mark L. Walker

SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Provides that a taxpayer who (i) has an associate degree, a bachelor's degree, or a graduate degree from an institution of higher education accredited by the U.S. Department of Education and (ii) has annual student loan repayment expenses is eligible for an income tax credit equal to the taxpayer's student loan repayment expenses for the taxable year, but not to exceed a maximum credit limit. Effective immediately.

LRB103 25779 HLH 57455 b

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 adding Section 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Student loan repayment credit.

8 (a) For taxable years beginning on or after January 1,
9 2023, a qualified taxpayer may apply to the Department for a
10 credit against the tax imposed by subsections (a) and (b) of
11 Section 201. The amount of the credit shall be equal to the
12 taxpayer's student loan repayment expenses for the taxable
13 year, but not to exceed the maximum credit amount set forth in
14 subsection (b).

15 (b) The maximum credit amount shall be:

16 (1) \$6,000 per taxable year for a taxpayer with a
17 master's degree or higher;

18 (2) \$4,000 per taxable year for a taxpayer with a
19 bachelor's degree; or

20 (3) \$1,000 per taxable year for a taxpayer with an
21 associate's degree.

22 In no event shall a credit under this Section reduce the
23 taxpayer's liability to less than zero. If the amount of the

1 credit exceeds the tax liability for the year, the excess may
2 be carried forward and applied to the tax liability of the 5
3 taxable years following the excess credit year. The tax credit
4 shall be applied to the earliest year for which there is a tax
5 liability. If there are credits for more than one year that are
6 available to offset a liability, the earlier credit shall be
7 applied first.

8 (c) As used in this Section, "qualified taxpayer" means a
9 taxpayer who (i) has an associate degree, a Bachelor's degree,
10 or a graduate degree from an institution of higher education
11 accredited by the U.S. Department of Education and (ii) has
12 annual student loan repayment expenses.

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.