



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5650

by Rep. Arthur Turner

SYNOPSIS AS INTRODUCED:

35 ILCS 5/218

Amends the Illinois Income Tax Act. Provides that each taxpayer who makes a contribution to a specified individual College Savings Pool Account or to the Illinois Prepaid Tuition Trust Fund in an amount matching a contribution made in the same taxable year by an employee of the taxpayer to that Account or Fund is entitled to a credit in an amount equal to 25% of that matching contribution, but not to exceed \$800 (rather than \$500) per contributing employee per taxable year. Effective immediately.

LRB098 17676 HLH 52790 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning state government.

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 30, 2020, each taxpayer who, during
10 the taxable year, makes a contribution (i) to a specified
11 individual College Savings Pool Account under Section 16.5 of
12 the State Treasurer Act or (ii) to the Illinois Prepaid Tuition
13 Trust Fund in an amount matching a contribution made in the
14 same taxable year by an employee of the taxpayer to that
15 Account or Fund is entitled to a credit against the tax imposed
16 under subsections (a) and (b) of Section 201 in an amount equal
17 to 25% of that matching contribution, but not to exceed \$800
18 ~~\$500~~ per contributing employee per taxable year.

19 (b) For partners, shareholders of Subchapter S
20 corporations, and owners of limited liability companies, if the
21 liability company is treated as a partnership for purposes of
22 federal and State income taxation, there is allowed a credit
23 under this Section to be determined in accordance with the

1 determination of income and distributive share of income under
2 Sections 702 and 704 and Subchapter S of the Internal Revenue
3 Code.

4 (c) The credit may not be carried back. If the amount of
5 the credit exceeds the tax liability for the year, the excess
6 may be carried forward and applied to the tax liability of the
7 5 taxable years following the excess credit year. The tax
8 credit shall be applied to the earliest year for which there is
9 a tax liability. If there are credits for more than one year
10 that are available to offset a liability, the earlier credit
11 shall be applied first.

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

17 (Source: P.A. 96-198, eff. 8-10-09.)

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