

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 30, 2025 ~~December 30, 2020~~, each
10 taxpayer who, during the taxable year, makes a contribution (i)
11 to a specified individual College Savings Pool Account under
12 Section 16.5 of the State Treasurer Act or (ii) to the Illinois
13 Prepaid Tuition Trust Fund in an amount matching a contribution
14 made in the same taxable year by an employee of the taxpayer to
15 that Account or Fund is entitled to a credit against the tax
16 imposed under subsections (a) and (b) of Section 201 in an
17 amount equal to 25% of that matching contribution, but not to
18 exceed (i) \$500 per contributing employee per taxable year for
19 taxable years ending prior to December 31, 2016 and (ii) \$1,000
20 per contributing employee per taxable year for taxable years
21 ending on or after December 31, 2016..

22 (b) For partners, shareholders of Subchapter S
23 corporations, and owners of limited liability companies, if the

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

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

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

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