

# HB2646



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB2646

by Rep. Deb Conroy

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/218

Amends the Illinois Income Tax Act. Provides that the credit for student assistance contributions sunsets on December 30, 2025 (instead of December 30, 2020). Provides that the credit for student-assistance contributions may not exceed \$1,000 (currently, \$500) per contributing employee per taxable year. Effective immediately.

LRB100 08298 HLH 18400 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 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, 2017 and (ii) \$1,000  
20 per contributing employee per taxable year for taxable years  
21 ending on or after December 31, 2017.

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.)

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