



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB1342

Introduced 1/28/2025, by Rep. Paul Jacobs

#### SYNOPSIS AS INTRODUCED:

35 ILCS 40/Act title  
35 ILCS 40/1  
35 ILCS 40/5  
35 ILCS 40/7.5  
35 ILCS 40/10  
35 ILCS 40/15  
35 ILCS 40/20  
35 ILCS 40/25  
35 ILCS 40/30  
35 ILCS 40/35  
35 ILCS 40/40  
35 ILCS 40/45  
35 ILCS 40/50  
35 ILCS 40/55  
35 ILCS 40/60  
35 ILCS 40/65  
35 ILCS 40/70 new  
35 ILCS 5/224

Reenacts the Invest in Kids Act and makes the Act permanent. Amends the Illinois Income Tax Act to make conforming changes. Effective immediately.

LRB104 03317 HLH 13339 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 Invest in Kids Act is reenacted and amended  
5 by changing Sections 40 and 65 and by adding Section 70 as  
6 follows:

7 (35 ILCS 40/Act title)

8 An Act concerning education.

9 (35 ILCS 40/1)

10 (Section scheduled to be repealed on January 1, 2025)

11 Sec. 1. Short title. This Act may be cited as the Invest in  
12 Kids Act.

13 (Source: P.A. 100-465, eff. 8-31-17.)

14 (35 ILCS 40/5)

15 (Section scheduled to be repealed on January 1, 2025)

16 Sec. 5. Definitions. As used in this Act:

17 "Authorized contribution" means the contribution amount  
18 that is listed on the contribution authorization certificate  
19 issued to the taxpayer.

20 "Board" means the State Board of Education.

21 "Contribution" means a donation made by the taxpayer

1 during the taxable year for providing scholarships as provided  
2 in this Act.

3 "Custodian" means, with respect to eligible students, an  
4 Illinois resident who is a parent or legal guardian of the  
5 eligible student or students.

6 "Department" means the Department of Revenue.

7 "Eligible student" means a child who:

8 (1) is a member of a household whose federal adjusted  
9 gross income the year before he or she initially receives  
10 a scholarship under this program, as determined by the  
11 Department, does not exceed 300% of the federal poverty  
12 level and, once the child receives a scholarship, does not  
13 exceed 400% of the federal poverty level;

14 (2) is eligible to attend a public elementary school  
15 or high school in Illinois in the semester immediately  
16 preceding the semester for which he or she first receives  
17 a scholarship or is starting school in Illinois for the  
18 first time when he or she first receives a scholarship;  
19 and

20 (3) resides in Illinois while receiving a scholarship.

21 "Family member" means a parent, child, or sibling, whether  
22 by whole blood, half blood, or adoption; spouse; or stepchild.

23 "Focus district" means a school district which has a  
24 school that is either (i) a school that has one or more  
25 subgroups in which the average student performance is at or  
26 below the State average for the lowest 10% of student

1 performance in that subgroup or (ii) a school with an average  
2 graduation rate of less than 60% and not identified for  
3 priority.

4 "Jointly administered CTE program" means a program or set  
5 of programs within a non-public school located in Illinois, as  
6 determined by the State Board of Education pursuant to Section  
7 7.5 of this Act.

8 "Necessary costs and fees" includes the customary charge  
9 for instruction and use of facilities in general and the  
10 additional fixed fees charged for specified purposes that are  
11 required generally of non-scholarship recipients for each  
12 academic period for which the scholarship applicant actually  
13 enrolls, including costs associated with student assessments,  
14 but does not include fees payable only once and other  
15 contingent deposits that are refundable in whole or in part.  
16 The Board may prescribe, by rules consistent with this Act,  
17 detailed provisions concerning the computation of necessary  
18 costs and fees.

19 "Scholarship granting organization" means an entity that:

20 (1) is exempt from taxation under Section 501(c)(3) of  
21 the Internal Revenue Code;

22 (2) uses at least 95% of the qualified contributions  
23 received during a taxable year for scholarships;

24 (3) provides scholarships to students according to the  
25 guidelines of this Act;

26 (4) deposits and holds qualified contributions and any

1 income derived from qualified contributions in an account  
2 that is separate from the organization's operating fund or  
3 other funds until such qualified contributions or income  
4 are withdrawn for use; and

5 (5) is approved to issue certificates of receipt.

6 "Technical academy" means a non-public school located in  
7 Illinois that: (1) registers with the Board pursuant to  
8 Section 2-3.25 of the School Code; and (2) operates or will  
9 operate a jointly administered CTE program as the primary  
10 focus of the school. To maintain its status as a technical  
11 academy, the non-public school must obtain recognition from  
12 the Board pursuant to Section 2-3.25o of the School Code  
13 within 2 calendar years of its registration with the Board.

14 "Qualified contribution" means the authorized contribution  
15 made by a taxpayer to a scholarship granting organization for  
16 which the taxpayer has received a certificate of receipt from  
17 such organization.

18 "Qualified school" means a non-public school located in  
19 Illinois and recognized by the Board pursuant to Section  
20 2-3.25o of the School Code.

21 "Scholarship" means an educational scholarship awarded to  
22 an eligible student to attend a qualified school of their  
23 custodians' choice in an amount not exceeding the necessary  
24 costs and fees to attend that school.

25 "Taxpayer" means any individual, corporation, partnership,  
26 trust, or other entity subject to the Illinois income tax. For

1 the purposes of this Act, 2 individuals filing a joint return  
2 shall be considered one taxpayer.

3 (Source: P.A. 102-16, eff. 6-17-21.)

4 (35 ILCS 40/7.5)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 7.5. Determination of jointly-administered CTE  
7 programs.

8 (a) Upon its own motion, or upon petition from a qualified  
9 school or technical academy, the State Board of Education  
10 shall determine whether a program or set of programs offered  
11 or proposed by a qualified school or technical academy  
12 provides coursework and training in career and technical  
13 education pathways aligned to industry-recognized  
14 certifications and credentials. The State Board of Education  
15 shall make that determination based upon whether the  
16 industry-recognized certifications or credentials that are the  
17 focus of a qualified school or technical academy's coursework  
18 and training program or set of programs (i) are associated  
19 with an occupation determined to fall under the LEADING or  
20 EMERGING priority sectors as determined through Illinois'  
21 Workforce Innovation and Opportunity Act Unified State Plan  
22 and (ii) provide wages that are at least 70% of the average  
23 annual wage in the State, as determined by the United States  
24 Bureau of Labor Statistics.

25 (b) The State Board of Education shall publish a list of

1 approved jointly administered CTE programs on its website and  
2 otherwise make that list available to the public. A qualified  
3 school or technical academy may petition the State Board of  
4 Education to obtain a determination that a proposed program or  
5 set of programs that it seeks to offer qualifies as a jointly  
6 administered CTE program under subsection (a) of this Section.  
7 A petitioner shall file one original petition in the form  
8 provided by the State Board of Education and in the manner  
9 specified by the State Board of Education. The petitioner may  
10 withdraw his or her petition by submitting a written statement  
11 to the State Board of Education indicating withdrawal. The  
12 State Board of Education shall approve or deny a petition  
13 within 180 days of its submission and, upon approval, shall  
14 proceed to add the program or set of programs to the list of  
15 approved jointly administered CTE programs. The approval or  
16 denial of any petition is a final decision of the Board,  
17 subject to judicial review under the Administrative Review  
18 Law. Jurisdiction and venue are vested in the circuit court.

19 (c) The State Board of Education shall evaluate the  
20 approved jointly administered CTE programs under this Section  
21 once every 5 years. At this time, the State Board of Education  
22 shall determine whether these programs continue to meet the  
23 requirements set forth in subsection (a) of this Section.

24 (Source: P.A. 102-16, eff. 6-17-21.)

1 (Section scheduled to be repealed on January 1, 2025)

2 Sec. 10. Credit awards.

3 (a) The Department shall award credits against the tax  
4 imposed under subsections (a) and (b) of Section 201 of the  
5 Illinois Income Tax Act to taxpayers who make qualified  
6 contributions. For contributions made under this Act, the  
7 credit shall be equal to 75% of the total amount of qualified  
8 contributions made by the taxpayer during a taxable year, not  
9 to exceed a credit of \$1,000,000 per taxpayer.

10 (b) The aggregate amount of all credits the Department may  
11 award under this Act in any calendar year may not exceed  
12 \$75,000,000.

13 (c) Contributions made by corporations (including  
14 Subchapter S corporations), partnerships, and trusts under  
15 this Act may not be directed to a particular subset of schools,  
16 a particular school, a particular group of students, or a  
17 particular student. Contributions made by individuals under  
18 this Act may be directed to a particular subset of schools or a  
19 particular school but may not be directed to a particular  
20 group of students or a particular student.

21 (d) No credit shall be taken under this Act for any  
22 qualified contribution for which the taxpayer claims a federal  
23 income tax deduction.

24 (e) Credits shall be awarded in a manner, as determined by  
25 the Department, that is geographically proportionate to  
26 enrollment in recognized non-public schools in Illinois. If

1 the cap on the aggregate credits that may be awarded by the  
2 Department is not reached by June 1 of a given year, the  
3 Department shall award remaining credits on a first-come,  
4 first-served basis, without regard to the limitation of this  
5 subsection.

6 (f) Credits awarded for donations made to a technical  
7 academy shall be awarded without regard to subsection (e), but  
8 shall not exceed 15% of the annual statewide program cap. For  
9 the purposes of this subsection, "technical academy" means a  
10 technical academy that is registered with the Board within 30  
11 days after the effective date of this amendatory Act of the  
12 102nd General Assembly.

13 (Source: P.A. 102-16, eff. 6-17-21.)

14 (35 ILCS 40/15)

15 (Section scheduled to be repealed on January 1, 2025)

16 Sec. 15. Approval to issue certificates of receipt.

17 (a) A scholarship granting organization shall submit an  
18 application for approval to issue certificates of receipt in  
19 the form and manner prescribed by the Department, provided  
20 that each application shall include:

21 (1) documentary evidence that the scholarship granting  
22 organization has been granted an exemption from taxation  
23 under Section 501(c)(3) of the Internal Revenue Code;

24 (2) certification that all qualified contributions and  
25 any income derived from qualified contributions are

1 deposited and held in an account that is separate from the  
2 scholarship granting organization's operating or other  
3 funds until such qualified contributions or income are  
4 withdrawn for use;

5 (3) certification that the scholarship granting  
6 organization will use at least 95% of its annual revenue  
7 from qualified contributions for scholarships;

8 (4) certification that the scholarship granting  
9 organization will provide scholarships to eligible  
10 students;

11 (5) a list of the names and addresses of all members of  
12 the governing board of the scholarship granting  
13 organization; and

14 (6) a copy of the most recent financial audit of the  
15 scholarship granting organization's accounts and records  
16 conducted by an independent certified public accountant in  
17 accordance with auditing standards generally accepted in  
18 the United States, government auditing standards, and  
19 rules adopted by the Department.

20 (b) A scholarship granting organization whose owner or  
21 operator in the last 7 years has filed for personal bankruptcy  
22 or corporate bankruptcy in a corporation of which he or she  
23 owned more than 20% shall not be eligible to provide  
24 scholarships.

25 (c) A scholarship granting organization must not have an  
26 owner or operator who owns or operates a qualified school or

1 has a family member who is a paid staff or board member of a  
2 participating qualified school.

3 (d) A scholarship granting organization shall comply with  
4 the anti-discrimination provisions of 42 U.S.C. 2000d.

5 (e) The Department shall review and either approve or deny  
6 each application to issue certificates of receipt pursuant to  
7 this Act. Approval or denial of an application shall be made on  
8 a periodic basis. Applicants shall be notified of the  
9 Department's determination within 30 business days after the  
10 application is received.

11 (f) No scholarship granting organization shall issue any  
12 certificates of receipt without first being approved to issue  
13 certificates of receipt.

14 (Source: P.A. 100-465, eff. 8-31-17.)

15 (35 ILCS 40/20)

16 (Section scheduled to be repealed on January 1, 2025)

17 Sec. 20. Annual review.

18 (a) Each scholarship granting organization that receives  
19 approval to issue certificates of receipt shall file an  
20 application for recertification on an annual basis. Such  
21 application for recertification shall be in the form and  
22 manner prescribed by the Department and shall include:

23 (1) certification from the Director or Chief Executive  
24 Officer of the organization that the organization has  
25 complied with and continues to comply with the

1 requirements of this Act, including evidence of that  
2 compliance; and

3 (2) a copy of the organization's current financial  
4 statements.

5 (b) The Department may revoke the approval of a  
6 scholarship granting organization to issue certificates of  
7 receipt upon a finding that the organization has violated this  
8 Act or any rules adopted under this Act. These violations  
9 shall include, but need not be limited to, any of the  
10 following:

11 (1) failure to meet the requirements of this Act;

12 (2) failure to maintain full and adequate records with  
13 respect to the receipt of qualified contributions;

14 (3) failure to supply such records to the Department;

15 or

16 (4) failure to provide notice to the Department of the  
17 issuance of certificates of receipt pursuant to Section 35  
18 of this Act.

19 (c) Within 5 days after the determination to revoke  
20 approval, the Department shall provide notice of the  
21 determination to the scholarship granting organization and  
22 information regarding the process to request a hearing to  
23 appeal the determination.

24 (Source: P.A. 100-465, eff. 8-31-17.)

25 (35 ILCS 40/25)

1 (Section scheduled to be repealed on January 1, 2025)

2 Sec. 25. Contribution authorization certificates.

3 (a) A taxpayer shall not be allowed a credit pursuant to  
4 this Act for any contribution to a scholarship granting  
5 organization that was made prior to the Department's issuance  
6 of a contribution authorization certificate for such  
7 contribution to the taxpayer.

8 (b) Prior to making a contribution to a scholarship  
9 granting organization, the taxpayer shall apply to the  
10 Department for a contribution authorization certificate.

11 (c) A taxpayer who makes more than one contribution to a  
12 scholarship granting organization must make a separate  
13 application for each such contribution authorization  
14 certificate. The application shall be in the form and manner  
15 prescribed by the Department, provided that the application  
16 includes:

17 (1) the taxpayer's name and address;

18 (2) the amount the taxpayer will contribute; and

19 (3) any other information the Department deems  
20 necessary.

21 (d) The Department may allow taxpayers to make multiple  
22 applications on the same form, provided that each application  
23 shall be treated as a separate application.

24 (e) The Department shall issue credit authorization  
25 certificates on a first-come, first-served basis based upon  
26 the date that the Department received the taxpayer's

1 application for the certificate subject to the provisions of  
2 subsection (e) of Section 10 of this Act.

3 (f) A taxpayer's aggregate authorized contribution amount  
4 as listed on one or more authorized contribution certificates  
5 issued to the taxpayer shall not exceed the aggregate of the  
6 amounts listed on the taxpayer's applications submitted in  
7 accordance with this Section.

8 (g) Each contribution authorization certificate shall  
9 state:

10 (1) the date such certificate was issued;

11 (2) the date by which the authorized contributions  
12 listed in the certificate must be made, which shall be 60  
13 days from the date of the issuance of a credit  
14 authorization certificate;

15 (3) the total amount of authorized contributions; and

16 (4) any other information the Department deems  
17 necessary.

18 (h) Credit authorization certificates shall be mailed to  
19 the appropriate taxpayers within 3 business days after their  
20 issuance.

21 (i) A taxpayer may rescind all or part of an authorized  
22 contribution approved under this Act by providing written  
23 notice to the Department. Amounts rescinded shall no longer be  
24 deducted from the cap prescribed in Section 10 of this Act.

25 (j) The Department shall maintain on its website a running  
26 total of the amount of credits for which taxpayers may make

1 applications for contribution authorization certification. The  
2 running total shall be updated every business day.

3 (Source: P.A. 100-465, eff. 8-31-17.)

4 (35 ILCS 40/30)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 30. Certificates of receipt.

7 (a) No scholarship granting organization shall issue a  
8 certificate of receipt for any qualified contribution made by  
9 a taxpayer under this Act unless that scholarship granting  
10 organization has been approved to issue certificates of  
11 receipt pursuant to Section 15 of this Act.

12 (b) No scholarship granting organization shall issue a  
13 certificate of receipt for a contribution made by a taxpayer  
14 unless the taxpayer has been issued a credit authorization  
15 certificate by the Department.

16 (c) If a taxpayer makes a contribution to a scholarship  
17 granting organization prior to the date by which the  
18 authorized contribution shall be made, the scholarship  
19 granting organization shall, within 30 days of receipt of the  
20 authorized contribution, issue to the taxpayer a written  
21 certificate of receipt.

22 (d) If a taxpayer fails to make all or a portion of a  
23 contribution prior to the date by which such authorized  
24 contribution is required to be made, the taxpayer shall not be  
25 entitled to a certificate of receipt for that portion of the

1 authorized contribution not made.

2 (e) Each certificate of receipt shall state:

3 (1) the name and address of the issuing scholarship  
4 granting organization;

5 (2) the taxpayer's name and address;

6 (3) the date for each qualified contribution;

7 (4) the amount of each qualified contribution;

8 (5) the total qualified contribution amount; and

9 (6) any other information that the Department may deem  
10 necessary.

11 (f) Upon the issuance of a certificate of receipt, the  
12 issuing scholarship granting organization shall, within 10  
13 days after issuing the certificate of receipt, provide the  
14 Department with notification of the issuance of such  
15 certificate in the form and manner prescribed by the  
16 Department, provided that such notification shall include:

17 (1) the taxpayer's name and address;

18 (2) the date of the issuance of a certificate of  
19 receipt;

20 (3) the qualified contribution date or dates and the  
21 amounts contributed on such dates;

22 (4) the total qualified contribution listed on such  
23 certificates;

24 (5) the issuing scholarship granting organization's  
25 name and address; and

26 (6) any other information the Department may deem

1           necessary.

2           (g) Any portion of a contribution that a taxpayer fails to  
3 make by the date indicated on the authorized contribution  
4 certificate shall no longer be deducted from the cap  
5 prescribed in Section 10 of this Act.

6           (Source: P.A. 100-465, eff. 8-31-17.)

7           (35 ILCS 40/35)

8           (Section scheduled to be repealed on January 1, 2025)

9           Sec. 35. Reports.

10          (a) Within 180 days after the end of its fiscal year, each  
11 scholarship granting organization must provide to the  
12 Department a copy of a financial audit of its accounts and  
13 records conducted by an independent certified public  
14 accountant in accordance with auditing standards generally  
15 accepted in the United States, government auditing standards,  
16 and rules adopted by the Department. The audit must include a  
17 report on financial statements presented in accordance with  
18 generally accepted accounting principles. The audit must  
19 include evidence that no less than 95% of qualified  
20 contributions received were used to provide scholarships to  
21 eligible students. The Department shall review all audits  
22 submitted pursuant to this subsection. The Department shall  
23 request any significant items that were omitted in violation  
24 of a rule adopted by the Department. The items must be provided  
25 within 45 days after the date of request. If a scholarship

1 granting organization does not comply with the Department's  
2 request, the Department may revoke the scholarship granting  
3 organization's ability to issue certificates of receipt.

4 (b) A scholarship granting organization that is approved  
5 to receive qualified contributions shall report to the  
6 Department, on a form prescribed by the Department, by January  
7 31 of each calendar year. The report shall include:

8 (1) the total number of certificates of receipt issued  
9 during the immediately preceding calendar year;

10 (2) the total dollar amount of qualified contributions  
11 received, as set forth in the certificates of receipt  
12 issued during the immediately preceding calendar year;

13 (3) the total number of eligible students utilizing  
14 scholarships for the immediately preceding calendar year  
15 and the school year in progress and the total dollar value  
16 of the scholarships;

17 (4) the name and address of each qualified school for  
18 which scholarships using qualified contributions were  
19 issued during the immediately preceding calendar year,  
20 detailing the number, grade, race, gender, income level,  
21 and residency by Zip Code of eligible students and the  
22 total dollar value of scholarships being utilized at each  
23 qualified school by priority group, as identified in  
24 subsection (d) of Section 40 of this Act; and

25 (5) any additional information requested by the  
26 Department.

1 (c) On or before the last day of March for each calendar  
2 year, for the immediately preceding calendar year, the  
3 Department shall submit a written report to the Governor, the  
4 President of the Senate, the Speaker of the House of  
5 Representatives, the Minority Leader of the Senate, and the  
6 Minority Leader of the House of Representatives regarding this  
7 Act. The report shall include, but not be limited to, the  
8 following information:

9 (1) the names and addresses of all scholarship  
10 granting organizations approved to issue certificates of  
11 receipt;

12 (2) the number and aggregate total of certificates of  
13 receipt issued by each scholarship granting organization;  
14 and

15 (3) the information reported to the Department  
16 required by subsection (b) of this Section.

17 (d) The sharing and reporting of student data under this  
18 Section must be in accordance with the requirements of the  
19 Family Educational Rights and Privacy Act and the Illinois  
20 School Student Records Act. All parties must preserve the  
21 confidentiality of such information as required by law. Data  
22 reported by the Department under subsection (c) of this  
23 Section must not disaggregate data to a level that will  
24 disclose demographic data of individual students.

25 (Source: P.A. 100-465, eff. 8-31-17.)

1 (35 ILCS 40/40)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 40. Scholarship granting organization  
4 responsibilities.

5 (a) Before granting a scholarship for an academic year,  
6 all scholarship granting organizations shall assess and  
7 document each student's eligibility for the academic year.

8 (b) A scholarship granting organization shall grant  
9 scholarships only to eligible students.

10 (c) A scholarship granting organization shall allow an  
11 eligible student to attend any qualified school of the  
12 student's choosing, subject to the availability of funds.

13 (d) In granting scholarships, beginning in the 2022-2023  
14 school year and for each school year thereafter, a scholarship  
15 granting organization shall give priority to eligible students  
16 who received a scholarship from a scholarship granting  
17 organization during the previous school year. Second priority  
18 shall be given to the following priority groups:

19 (1) (blank);

20 (2) eligible students who are members of a household  
21 whose previous year's total annual income does not exceed  
22 185% of the federal poverty level;

23 (3) eligible students who reside within a focus  
24 district; and

25 (4) eligible students who are siblings of students  
26 currently receiving a scholarship.

1 (d-5) A scholarship granting organization shall begin  
2 granting scholarships no later than February 1 preceding the  
3 school year for which the scholarship is sought. Each priority  
4 group identified in subsection (d) of this Section shall be  
5 eligible to receive scholarships on a first-come, first-served  
6 basis until April 1 immediately preceding the school year for  
7 which the scholarship is sought, starting with the first  
8 priority group identified in subsection (d) of this Section.  
9 Applications for scholarships for eligible students meeting  
10 the qualifications of one or more priority groups that are  
11 received before April 1 must be either approved or denied  
12 within 10 business days after receipt. Beginning April 1, all  
13 eligible students shall be eligible to receive scholarships  
14 without regard to the priority groups identified in subsection  
15 (d) of this Section.

16 (e) Except as provided in subsection (e-5) of this  
17 Section, scholarships shall not exceed the lesser of (i) the  
18 statewide average operational expense per student among public  
19 schools or (ii) the necessary costs and fees for attendance at  
20 the qualified school. A qualified school may set a lower  
21 maximum scholarship amount for eligible students whose family  
22 income falls within paragraphs (2) and (3) of this subsection  
23 (e); that amount may not exceed the necessary costs and fees  
24 for attendance at the qualified school and is subject to the  
25 limitations on average scholarship amounts set forth in  
26 paragraphs (2) and (3) of this subsection, as applicable. The

1 qualified school shall notify the scholarship granting  
2 organization of its necessary costs and fees as well as any  
3 maximum scholarship amount set by the school. Scholarships  
4 shall be prorated as follows:

5 (1) for eligible students whose household income is  
6 less than 185% of the federal poverty level, the  
7 scholarship shall be 100% of the amount determined  
8 pursuant to this subsection (e) and subsection (e-5) of  
9 this Section;

10 (2) for eligible students whose household income is  
11 185% or more of the federal poverty level but less than  
12 250% of the federal poverty level, the average of  
13 scholarships shall be 75% of the amount determined  
14 pursuant to this subsection (e) and subsection (e-5) of  
15 this Section; and

16 (3) for eligible students whose household income is  
17 250% or more of the federal poverty level, the average of  
18 scholarships shall be 50% of the amount determined  
19 pursuant to this subsection (e) and subsection (e-5) of  
20 this Section.

21 (e-5) The statewide average operational expense per  
22 student among public schools shall be multiplied by the  
23 following factors:

24 (1) for students determined eligible to receive  
25 services under the federal Individuals with Disabilities  
26 Education Act, 2;

1           (2) for students who are English learners, as defined  
2           in subsection (d) of Section 14C-2 of the School Code,  
3           1.2; and

4           (3) for students who are gifted and talented children,  
5           as defined in Section 14A-20 of the School Code, 1.1.

6           (f) A scholarship granting organization shall distribute  
7           scholarship payments to the participating school where the  
8           student is enrolled.

9           (g) For the 2018-2019 school year through the 2022-2023  
10          school year, each scholarship granting organization shall  
11          expend no less than 75% of the qualified contributions  
12          received during the calendar year in which the qualified  
13          contributions were received. No more than 25% of the qualified  
14          contributions may be carried forward to the following calendar  
15          year.

16          (h) For the 2023-2024 school year, each scholarship  
17          granting organization shall expend all qualified contributions  
18          received during the calendar year in which the qualified  
19          contributions were received. No qualified contributions may be  
20          carried forward to the following calendar year.

21          (h-1) For the 2024-2025 school year and all school years  
22          following, each scholarship granting organization shall expend  
23          no less than 75% of the qualified contributions received  
24          during the calendar year in which the qualified contributions  
25          were received. No more than 25% of the qualified contributions  
26          may be carried forward to the following calendar year.

1 (i) A scholarship granting organization shall allow an  
2 eligible student to transfer a scholarship during a school  
3 year to any other participating school of the custodian's  
4 choice. Such scholarships shall be prorated.

5 (j) With the prior approval of the Department, a  
6 scholarship granting organization may transfer funds to  
7 another scholarship granting organization if additional funds  
8 are required to meet scholarship demands at the receiving  
9 scholarship granting organization. All transferred funds must  
10 be deposited by the receiving scholarship granting  
11 organization into its scholarship accounts. All transferred  
12 amounts received by any scholarship granting organization must  
13 be separately disclosed to the Department.

14 (k) If the approval of a scholarship granting organization  
15 is revoked as provided in Section 20 of this Act or the  
16 scholarship granting organization is dissolved, all remaining  
17 qualified contributions of the scholarship granting  
18 organization shall be transferred to another scholarship  
19 granting organization. All transferred funds must be deposited  
20 by the receiving scholarship granting organization into its  
21 scholarship accounts.

22 (l) Scholarship granting organizations shall make  
23 reasonable efforts to advertise the availability of  
24 scholarships to eligible students.

25 (Source: P.A. 102-699, eff. 4-19-22; 102-1059, eff. 6-10-22;  
26 103-154, eff. 6-30-23.)

1 (35 ILCS 40/45)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 45. State Board responsibilities.

4 (a) Beginning in the 2019-2020 school year, students who  
5 have been granted a scholarship under this Act shall be  
6 annually assessed at the qualified school where the student  
7 attends school in the same manner in which students that  
8 attend public schools are annually assessed pursuant to  
9 Section 2-3.64a-5 of the School Code. Such qualified school  
10 shall pay costs associated with this requirement.

11 (b) The Board shall select an independent research  
12 organization, which may be a public or private entity or  
13 university, to which participating qualified schools must  
14 report the scores of students who are receiving scholarships  
15 and are assessed pursuant to subsection (a) of this Section.  
16 Costs associated with the independent research organization  
17 shall be paid by the scholarship granting organizations on a  
18 per-pupil basis or by gifts, grants, or donations received by  
19 the Board under subsection (d) of this Section, as determined  
20 by the Board. The independent research organization must  
21 annually report to the Board on the year-to-year learning  
22 gains of students receiving scholarships on a statewide basis.  
23 The report shall also include, to the extent possible, a  
24 comparison of these learning gains to the statewide learning  
25 gains of public school students with socioeconomic backgrounds

1 similar to those of students receiving scholarships. The  
2 annual report shall be delivered to the Board and published on  
3 its website.

4 (c) Beginning within 120 days after the Board first  
5 receives the annual report by the independent research  
6 organization as provided in subsection (b) of this Section and  
7 on an annual basis thereafter, the Board shall submit a  
8 written report to the Governor, the President of the Senate,  
9 the Speaker of the House of Representatives, the Minority  
10 Leader of the Senate, and the Minority Leader of the House of  
11 Representatives regarding this Act. Such report shall include  
12 an evaluation of the academic performance of students  
13 receiving scholarships and recommendations for improving  
14 student performance.

15 (d) Subject to the State Officials and Employees Ethics  
16 Act, the Board may receive and expend gifts, grants, and  
17 donations of any kind from any public or private entity to  
18 carry out the purposes of this Section, subject to the terms  
19 and conditions under which the gifts are given, provided that  
20 all such terms and conditions are permissible under law.

21 (e) The sharing and reporting of student learning gain  
22 data under this Section must be in accordance with  
23 requirements of the Family Educational Rights and Privacy Act  
24 and the Illinois School Student Records Act. All parties must  
25 preserve the confidentiality of such information as required  
26 by law. The annual report must not disaggregate data to a level

1 that will disclose the academic level of individual students.

2 (Source: P.A. 100-465, eff. 8-31-17.)

3 (35 ILCS 40/50)

4 (Section scheduled to be repealed on January 1, 2025)

5 Sec. 50. Qualified school responsibilities. A qualified  
6 school that accepts scholarship students must do all of the  
7 following:

8 (1) provide to a scholarship granting organization,  
9 upon request, all documentation required for the student's  
10 participation, including the non-public school's cost and  
11 student's fee schedules;

12 (2) be academically accountable to the custodian for  
13 meeting the educational needs of the student by:

14 (A) at a minimum, annually providing to the  
15 custodian a written explanation of the student's  
16 progress; and

17 (B) annually administering assessments required by  
18 subsection (a) of Section 45 of this Act in the same  
19 manner in which they are administered at public  
20 schools pursuant to Section 2-3.64a-5 of the School  
21 Code; the Board shall bill participating qualified  
22 schools for all costs associated with administering  
23 assessments required by this paragraph; the  
24 participating qualified schools shall ensure that all  
25 test security and assessment administration procedures

1 are followed; participating qualified schools must  
2 report individual student scores to the custodians of  
3 the students; the independent research organization  
4 described in subsection (b) of Section 45 of this Act  
5 shall be provided all student score data in a secure  
6 manner by the participating qualified school.

7 The inability of a qualified school to meet the  
8 requirements of this Section shall constitute a basis for the  
9 ineligibility of the qualified school to participate in the  
10 scholarship program as determined by the Board.

11 (Source: P.A. 100-465, eff. 8-31-17.)

12 (35 ILCS 40/55)

13 (Section scheduled to be repealed on January 1, 2025)

14 Sec. 55. Custodian and student responsibilities.

15 (a) The custodian must select a qualified school and apply  
16 for the admission of his or her child.

17 (b) The custodian shall ensure that the student  
18 participating in the scholarship program takes the assessment  
19 required by subsection (a) of Section 45 of this Act.

20 (c) Each custodian and each student has an obligation to  
21 comply with the qualified school's published policies.

22 (d) The custodian shall authorize the scholarship granting  
23 organization to access information needed for income  
24 eligibility determinations.

25 (Source: P.A. 100-465, eff. 8-31-17.)

1 (35 ILCS 40/60)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 60. Recordkeeping; rulemaking; violations.

4 (a) Each taxpayer shall, for each taxable year for which  
5 the tax credit provided for under this Act is claimed,  
6 maintain records of the following information: (i)  
7 contribution authorization certificates obtained under Section  
8 25 of this Act and (ii) certificates of receipt obtained under  
9 Section 30 of this Act.

10 (b) The Board and the Department may adopt rules  
11 consistent with and necessary for the implementation of this  
12 Act.

13 (c) Violations of State laws or rules and complaints  
14 relating to program participation shall be referred to the  
15 Attorney General.

16 (Source: P.A. 100-465, eff. 8-31-17.)

17 (35 ILCS 40/65)

18 (Section scheduled to be repealed on January 1, 2025)

19 Sec. 65. Credit period; repeal.

20 (a) A taxpayer may take a credit under this Act (i) for tax  
21 years beginning on or after January 1, 2018 and ending before  
22 January 1, 2024 and (ii) for tax years beginning on or after  
23 January 1, 2025. ~~A taxpayer may not take a credit pursuant to~~  
24 ~~this Act for tax years beginning on or after January 1, 2024.~~

1           (b) This Act is exempt from the provisions of Section 250  
2 of the Illinois Income Tax Act. ~~This Act is repealed on January~~  
3 1, 2025.

4 (Source: P.A. 102-16, eff. 6-17-21.)

5           (35 ILCS 40/70 new)

6           Sec. 70. Continuation of Act; validation.

7           (a) This amendatory Act of the 104th General Assembly  
8 manifests the intention of the General Assembly to extend the  
9 repeal of the Invest in Kids Act and have the Invest in Kids  
10 Act continue in effect on and after January 1, 2025.

11           (b) The Invest in Kids Act shall be deemed to have been in  
12 continuous effect since August 31, 2017 (the effective date of  
13 Public Act 100-465), and it shall continue to be in effect  
14 until it is otherwise lawfully repealed. All previously  
15 enacted amendments to the Invest in Kids Act Act taking effect  
16 on or after January 1, 2025, are hereby validated.

17           (c) All actions taken in reliance on or pursuant to the  
18 Invest in Kids Act by any person or entity are hereby  
19 validated.

20           (d) In order to ensure the continuing effectiveness of the  
21 Invest in Kids Act, it is set forth in full and reenacted by  
22 this amendatory Act of the 104th General Assembly. Striking  
23 and underscoring are used only to show changes being made to  
24 the base text. This reenactment is intended as a continuation  
25 of the Act. It is not intended to supersede any amendment to

1 the Act that is enacted by the 104th General Assembly.

2 Section 10. The Illinois Income Tax Act is amended by  
3 changing Section 224 as follows:

4 (35 ILCS 5/224)

5 Sec. 224. Invest in Kids credit.

6 (a) For (i) taxable years beginning on or after January 1,  
7 2018 and ending before January 1, 2024 and (ii) taxable years  
8 beginning on or after January 1, 2025, each taxpayer for whom a  
9 tax credit has been awarded by the Department under the Invest  
10 in Kids Act is entitled to a credit against the tax imposed  
11 under subsections (a) and (b) of Section 201 of this Act in an  
12 amount equal to the amount awarded under the Invest in Kids  
13 Act.

14 (b) For taxable years ending before December 31, 2023, for  
15 partners, shareholders of subchapter S corporations, and  
16 owners of limited liability companies, if the liability  
17 company is treated as a partnership for purposes of federal  
18 and State income taxation, the credit under this Section shall  
19 be determined in accordance with the determination of income  
20 and distributive share of income under Sections 702 and 704  
21 and subchapter S of the Internal Revenue Code. For taxable  
22 years ending on or after December 31, 2023, partners and  
23 shareholders of subchapter S corporations are entitled to a  
24 credit under this Section as provided in Section 251.

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

10 (d) A tax credit awarded by the Department under the  
11 Invest in Kids Act may not be claimed for any qualified  
12 contribution for which the taxpayer claims a federal income  
13 tax deduction.

14 (e) This Section is exempt from the provisions of Section  
15 250.

16 (Source: P.A. 102-699, eff. 4-19-22; 103-396, eff. 1-1-24.)

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