

HB3013



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3013

Introduced 2/6/2025, by Rep. Dave Severin

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to the foster care expenses, not to exceed \$1,000 in any taxable year, paid or incurred by the taxpayer with respect to a qualified dependent child. Provides that the credit may be prorated. Provides that the credit is refundable if the taxpayer's federal adjusted gross income for the taxable year does not exceed \$50,000. Effective immediately.

LRB104 09198 HLH 19255 b

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 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Foster care credit.

8 (a) For taxable years beginning on or after January 1,
9 2025, there shall be allowed a credit against the tax imposed
10 by subsections (a) and (b) of Section 201 of this Act in an
11 amount equal to the foster care expenses paid or incurred, not
12 to exceed \$1,000 in any taxable year, for each qualifying
13 dependent child legally cared for by the foster care parent in
14 Illinois. The tax credit under this Section may be claimed for
15 the taxable year in which the foster care parent becomes the
16 legal guardian of a foster child. The taxpayer must be under
17 contract with the Department of Children and Family Services
18 and providing care to the qualifying dependent child for at
19 least 6 months during the taxable year to receive the full
20 credit. If the taxpayer is under contract with the Department
21 of Children and Family Services and providing care to the
22 qualifying dependent child for less than 6 months during the
23 taxable year, then the taxpayer is entitled to a credit in an

1 amount equal to: the lesser of (i) the foster care expenses
2 paid or incurred by the taxpayer or (ii) \$1,000; multiplied by
3 a fraction the numerator of which is the number of days during
4 the taxable year during which the taxpayer is under contract
5 with the Department of Children and Family Services and
6 providing care to the qualifying dependent child and the
7 denominator of which is 365.

8 (b) In no event shall a credit under this Section reduce a
9 taxpayer's liability to less than zero. If the taxpayer's
10 federal adjusted gross income for the taxable year does not
11 exceed \$50,000, then the excess credit amount shall be
12 refunded to the taxpayer. The amount of the refund shall not be
13 included in the taxpayer's income or resources for the
14 purposes of determining the taxpayer's eligibility or benefit
15 level for any means-tested benefit program administered by a
16 governmental entity unless required by federal law. If the
17 taxpayer has a federal adjusted gross income for the taxable
18 year that is \$50,000 or more, then the excess credit amount
19 shall be carried forward and applied to the tax liability for
20 the 5 taxable years following the excess credit year. The tax
21 credit shall be applied to the earliest year for which there is
22 a tax liability. If there are credits for more than one year
23 that are available to offset liability, the earlier credit
24 shall be applied first.

25 (c) The Department of Children and Family Services, in
26 collaboration with the Department of Revenue, shall adopt any

1 necessary rules to implement this Section.

2 (d) As used in this Section, "qualifying dependent child"
3 means a person who is an Illinois resident in the custody of
4 the Department of Children and Family Services who is the
5 foster child of the taxpayer seeking a credit under this
6 Section.

7 (e) This Section is exempt from the provisions of Section
8 250.

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.