

SB0072



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0072

Introduced 1/13/2025, by Sen. Laura M. Murphy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Provides that a taxpayer who may claim a qualifying student as a dependent is allowed a credit of up to \$2,000 for qualified tuition and fee expenses paid by the taxpayer. Provides that the term qualifying student means a person who (i) is a resident of the State, (ii) is under the age of 24 at the close of the school year for which a credit is sought, and (iii) during the school year for which a credit is sought, is a full-time student enrolled in a program at a qualifying college or university. Effective immediately.

LRB104 06899 HLH 16935 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. College tuition expense credit.

8 (a) For taxable years ending on or after December 31,
9 2025, a taxpayer who may claim one or more qualifying students
10 as a dependent shall be allowed a credit up to \$2,000 against
11 the tax imposed by subsections (a) and (b) of this Section for
12 qualified tuition and fee expenses paid by the taxpayer during
13 the taxable year on behalf of the qualifying student or
14 students.

15 (b) In no event shall a credit under this Section reduce a
16 taxpayer's liability to less than zero. If the amount of
17 credit exceeds the tax liability for the year, the excess may
18 be carried and applied to the tax liability for the 5 taxable
19 years following the excess credit year. The tax credit shall
20 be applied to the earliest year for which there is a tax
21 liability. If there are credits for more than one year that are
22 available to offset liability, the earlier credit shall be
23 applied first.

1 (c) For the purpose of this Section:

2 "Qualifying college or university" means any public or
3 private university, community college, vocational school, or
4 other postsecondary educational institution that is physically
5 located in the State and is eligible to participate in a
6 student loan program administered by the United States
7 Department of Education.

8 "Qualifying student" means an individual who (i) is a
9 resident of the State, (ii) is under the age of 24 at the close
10 of the school year for which a credit is sought, and (iii)
11 during the school year for which a credit is sought, is a
12 full-time student enrolled in a program at a qualifying
13 college or university at which the student is enrolled.

14 "Qualified tuition and fee expense" means the amount
15 incurred by on behalf of a qualifying student for tuition,
16 book fees, and lab fees at the qualifying college of
17 university at which the student is enrolled.

18 (d) Notwithstanding any other provision of law, no
19 taxpayer may claim a credit under this Section if the
20 taxpayer's adjusted gross income for the taxable year exceeds
21 (i) \$250,000, in the case of spouses filing a joint federal tax
22 return or (ii) \$125,000, in the case of all other taxpayers.

23 (e) This Section is exempt from the provisions of Section
24 250.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.