

# SB2277



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2277

Introduced 2/7/2025, by Sen. John F. Curran

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/210  
35 ILCS 5/210.5

Amends the Illinois Income Tax Act. Provides that, for taxable years ending on or after December 31, 2025, the credit for employee child care shall be in an amount equal to: (1) 50% of the start-up costs expended by the corporate taxpayer to provide a child care facility for the children of its employees; and (2) 20% of the annual amount paid by the corporate taxpayer to (i) provide an on-site child care facility for the children of its employees, (ii) provide child care offsite for the children of its employees, or (iii) a combination of (i) and (ii) (currently, 30% of the start-up costs and 5% of the annual amount paid by the taxpayer in providing the child care facility). Provides that the taxpayer may coordinate with an independent child care facility to provide care for the children of employees. Effective immediately.

LRB104 11117 HLH 21199 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 changing Sections 210 and 210.5 as follows:

6 (35 ILCS 5/210)

7 Sec. 210. Dependent care assistance program tax credit.

8 (a) Beginning with tax years ending on or after June 30,  
9 1995, each taxpayer who is primarily engaged in manufacturing  
10 is entitled to a credit against the tax imposed by subsections  
11 (a) and (b) of Section 201 in an amount equal to 5% of the  
12 amount of expenditures by the taxpayer in the tax year for  
13 which the credit is claimed, reported pursuant to Section  
14 129(d)(7) of the Internal Revenue Code, to provide in the  
15 Illinois premises of the taxpayer's workplace an on-site  
16 facility dependent care assistance program under Section 129  
17 of the Internal Revenue Code.

18 (b) If the amount of credit exceeds the tax liability for  
19 the year, the excess may be carried forward and applied to the  
20 tax liability of the 2 taxable years following the excess  
21 credit year. The credit shall be applied to the earliest year  
22 for which there is a tax liability. If there are credits from  
23 more than one tax year that are available to offset a

1 liability, the earlier credit shall be applied first.

2 (c) A taxpayer claiming the credit provided by this  
3 Section shall maintain and record such information as the  
4 Department may require by regulation regarding the dependent  
5 care assistance program for which credit is claimed. When  
6 claiming the credit provided by this Section, the taxpayer  
7 shall provide such information regarding the taxpayer's  
8 provision of a dependent care assistance program under Section  
9 129 of the Internal Revenue Code.

10 (d) If a taxpayer claims a credit under this Section for a  
11 taxable year, then the taxpayer may not also claim a credit  
12 under Section 210.5 for the same taxable year.

13 (Source: P.A. 88-505.)

14 (35 ILCS 5/210.5)

15 Sec. 210.5. Tax credit for employee child care.

16 (a) Each corporate taxpayer is entitled to a credit  
17 against the tax imposed by subsections (a) and (b) of Section  
18 201 as provided in this Section. For taxable years ending on or  
19 after December 31, 2000 and on or before December 31, 2004, the  
20 amount of the credit shall be equal to: (1) 30% of the start-up  
21 costs expended by the corporate taxpayer to provide a child  
22 care facility for the children of its employees; and (2) 5% of  
23 the annual amount paid by the corporate taxpayer in providing  
24 the child care facility for the children of its employees. For  
25 taxable years ending after December 31, 2004 and prior to

1 December 31, 2007, the amount of the credit shall be equal to  
2 5% of the annual amount paid by the corporate taxpayer in  
3 providing the child care facility for the children of its  
4 employees. For taxable years ending on or after December 31,  
5 2007 and before December 31, 2025, the amount of the credit  
6 shall be equal to: (1) 30% of the start-up costs expended by  
7 the corporate taxpayer to provide a child care facility for  
8 the children of its employees; and (2) 5% of the annual amount  
9 paid by the corporate taxpayer in providing the child care  
10 facility for the children of its employees. For taxable years  
11 ending on or after December 31, 2025, the amount of the credit  
12 shall be equal to: (1) 50% of the start-up costs expended by  
13 the corporate taxpayer to provide a child care facility for  
14 the children of its employees; and (2) 20% of the annual amount  
15 paid by the corporate taxpayer to (i) provide an on-site child  
16 care facility for the children of its employees, (ii) provide  
17 child care offsite for the children of its employees, or (iii)  
18 a combination of (i) and (ii). This amendatory Act of the 104th  
19 General Assembly is not intended to make any substantive  
20 changes with respect to taxable years ending prior to December  
21 31, 2025. ~~in an amount equal to (i) for taxable years ending on~~  
22 ~~or after December 31, 2000 and on or before December 31, 2004~~  
23 ~~and for taxable years ending on or after December 31, 2007, 30%~~  
24 ~~of the start up costs expended by the corporate taxpayer to~~  
25 ~~provide a child care facility for the children of its~~  
26 ~~employees and (ii) for taxable years ending on or after~~

1 ~~December 31, 2000, 5% of the annual amount paid by the~~  
2 ~~corporate taxpayer in providing the child care facility for~~  
3 ~~the children of its employees.~~ The provisions of Section 250  
4 do not apply to the credits allowed under this Section. If the  
5 ~~5%~~ credit authorized under ~~item (ii) of this Section~~  
6 ~~subsection~~ is claimed, the ~~5%~~ credit authorized under Section  
7 210 cannot also be claimed.

8 To receive the tax credit under this Section a corporate  
9 taxpayer may do one or more of the following: it may either  
10 independently provide and operate a child care facility for  
11 the children of its employees; ~~or~~ it may join in a partnership  
12 with one or more other corporations to jointly provide and  
13 operate a child care facility for the children of employees of  
14 the corporations in the partnership; or it may coordinate with  
15 an independent child care facility to provide care for the  
16 children of employees.

17 (b) The tax credit may not reduce the taxpayer's liability  
18 to less than zero. If the amount of the tax credit exceeds the  
19 tax liability for the year, the excess may be carried forward  
20 and applied to the tax liability of the 5 taxable years  
21 following the excess credit year. The credit must be applied  
22 to the earliest year for which there is a tax liability. If  
23 there are credits from more than one tax year that are  
24 available to offset a liability, then the earlier credit must  
25 be applied first.

26 (c) As used in this Section, "start-up costs" means

1 planning, site-preparation, construction, renovation, or  
2 acquisition of a child care facility. As used in this Section,  
3 "child care facility" is limited to a child care facility  
4 located in Illinois.

5 (d) A corporate taxpayer claiming the credit provided by  
6 this Section shall maintain and record such information as the  
7 Department may require by rule regarding the child care  
8 facility for which the credit is claimed.

9 (Source: P.A. 95-648, eff. 10-11-07.)

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