

SB3788



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3788

Introduced 2/5/2026, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates a child care credit in an amount equal to 25% of the federal tax credit for each qualifying child. Effective immediately.

LRB104 19587 HLH 33035 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. Child care credit.

8 (a) For taxable years beginning on or after January 1,
9 2026, each qualified individual taxpayer is entitled to a
10 credit against the tax imposed by subsections (a) and (b) of
11 Section 201 in an amount equal to 25% of the federal tax credit
12 allowed to the taxpayer for each qualifying child for the
13 taxable year under Section 24 of the federal Internal Revenue
14 Code.

15 For a nonresident or part-year resident, the amount of the
16 credit under this Section shall be in proportion to the amount
17 of income attributable to this State.

18 (b) If the amount of the credit exceeds the income tax
19 liability for the applicable tax year, then the excess credit
20 shall be refunded to the taxpayer. The amount of any refunded
21 credit under this Section shall not be included in the
22 taxpayer's income or resources for the purposes of determining
23 eligibility or benefit level in any means-tested benefit

1 program administered by a governmental entity, unless required
2 by federal law.

3 (c) For purposes of this Section:

4 "Qualified individual taxpayer" means a taxpayer who
5 may claim one or more qualifying children as dependents
6 and whose federal adjusted gross income is less than or
7 equal to the threshold amount, as defined in Section 24 of
8 the Internal Revenue Code.

9 "Qualifying child" means a child who is 13 years of
10 age or younger and who may be claimed as a dependent on the
11 taxpayer's federal income tax return under the Internal
12 Revenue Code.

13 (d) This Section is exempt from the provisions of Section
14 250.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.