

# HB5385



## 101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

**HB5385**

by Rep. Norine K. Hammond - Terri Bryant - Avery Bourne -  
Grant Wehrli - Patrick Windhorst, et al.

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/218

Amends the Illinois Income Tax Act. Provides that the credit for student-assistance contributions sunsets on December 31, 2030 (currently, December 30, 2020). Effective immediately.

LRB101 16659 HLH 66046 b

FISCAL NOTE ACT  
MAY APPLY

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 Section 218 as follows:

6 (35 ILCS 5/218)

7 Sec. 218. Credit for student-assistance contributions.

8 (a) For taxable years ending on or after December 31, 2009  
9 and on or before December 31, 2030 ~~December 30, 2020~~, each  
10 taxpayer who, during the taxable year, makes a contribution (i)  
11 to a specified individual College Savings Pool Account under  
12 Section 16.5 of the State Treasurer Act or (ii) to the Illinois  
13 Prepaid Tuition Trust Fund in an amount matching a contribution  
14 made in the same taxable year by an employee of the taxpayer to  
15 that Account or Fund is entitled to a credit against the tax  
16 imposed under subsections (a) and (b) of Section 201 in an  
17 amount equal to 25% of that matching contribution, but not to  
18 exceed \$500 per contributing employee per taxable year.

19 (b) For partners, shareholders of Subchapter S  
20 corporations, and owners of limited liability companies, if the  
21 liability company is treated as a partnership for purposes of  
22 federal and State income taxation, there is allowed a credit  
23 under this Section to be determined in accordance with the

1 determination of income and distributive share of income under  
2 Sections 702 and 704 and Subchapter S of the Internal Revenue  
3 Code.

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

12 (d) A taxpayer claiming the credit under this Section must  
13 maintain and record any information that the Illinois Student  
14 Assistance Commission, the Office of the State Treasurer, or  
15 the Department may require regarding the matching contribution  
16 for which the credit is claimed.

17 (Source: P.A. 96-198, eff. 8-10-09.)

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