



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4329

Introduced 1/5/2022, by Rep. Thomas M. Bennett

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to 10% of the stipend or salary paid by the taxpayer to up to (i) 5 qualified college interns or (ii) 5 qualified high school interns during the taxable year. Provides that no taxpayer may claim more than \$5,000 in total credits under that Section for all taxable years combined. Provides that the credit is exempt from the Act's automatic sunset provision. Effective immediately.

LRB102 21980 HLH 31107 b

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 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Credit for internship employment.

8 (a) For each taxable year ending on or after December 31,
9 2022, each taxpayer is entitled to a credit against the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 in an amount equal to 10% of the stipend or salary paid by the
12 taxpayer to up to (i) 5 qualified college interns or (ii) 5
13 qualified high school interns during the taxable year. No
14 taxpayer may claim more than \$5,000 in total credits under
15 this Section for all taxable years combined. For partners,
16 shareholders of Subchapter S corporations, and owners of
17 limited liability companies, if the liability company is
18 treated as a partnership for purposes of federal and State
19 income taxation, there shall be allowed a credit under this
20 Section to be determined in accordance with the determination
21 of income and distributive share of income under Sections 702
22 and 704 and Subchapter S of the Internal Revenue Code.

23 (b) For purposes of this Section:

1 "Qualified college intern" means an enrolled student at an
2 Illinois institution of higher education or a vocational
3 technical education program (i) who is seeking a degree or
4 certification of completion in a major field of study closely
5 related to the work experience performed for the taxpayer,
6 (ii) whose internship is taken for academic credit or counts
7 toward the completion of a vocational technical education
8 program, (iii) who is supervised and evaluated by the
9 taxpayer, and (iv) whose position is located in Illinois.

10 "Qualified high school intern" means an enrolled student
11 in an Illinois high school whose internship is (i) taken for
12 academic credit or counts toward the completion of an
13 education program, (ii) supervised and evaluated by the
14 taxpayer, and (iii) located in Illinois.

15 (c) In no event shall a credit under this Section reduce
16 the taxpayer's liability to less than zero. If the amount of
17 the credit exceeds the taxpayer's liability for the taxable
18 year, the excess credit amounts may not be carried forward,
19 carried back, or refunded to the taxpayer.

20 (d) This Section is exempt from the provisions of Section
21 250.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.