

HB4822



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB4822

Introduced 1/27/2022, by Rep. Dave Severin

SYNOPSIS AS INTRODUCED:

35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to the foster care expenses, not to exceed \$1,000 in any taxable year, paid or incurred by the taxpayer with respect to a qualified dependent child. Provides that the credit may be prorated. Effective immediately.

LRB102 23932 HLH 33132 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 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Foster care credit.

8 (a) For taxable years beginning on or after January 1,
9 2022, there shall be allowed a credit against the tax imposed
10 by subsections (a) and (b) of Section 201 of this Act in an
11 amount equal to the foster care expenses paid or incurred, not
12 to exceed \$1,000 in any taxable year, for each qualifying
13 dependent child legally cared for by the foster care parent in
14 Illinois. The tax credit under this Section may be claimed for
15 the taxable year in which the foster care parent becomes the
16 legal guardian of a foster child. The taxpayer must be under
17 contract with the Department of Children and Family Services
18 and providing care to the qualifying dependent child for at
19 least 6 months during the taxable year to receive the full
20 credit. If the taxpayer is under contract with the Department
21 of Children and Family Services and providing care to the
22 qualifying dependent child for less than 6 months during the
23 taxable year, then the taxpayer is entitled to a credit in an

1 amount equal to: the lesser of (i) the foster care expenses
2 paid or incurred by the taxpayer or (ii) \$1,000; multiplied by
3 a fraction the numerator of which is the number of days during
4 the taxable year during which the taxpayer is under contract
5 with the Department of Children and Family Services and
6 providing care to the qualifying dependent child and the
7 denominator of which is 365.

8 (b) In no event shall a credit under this Section reduce a
9 taxpayer's liability to less than zero. If the amount of the
10 credit exceeds the tax liability for the year, the excess may
11 be carried forward and applied to the tax liability for the 5
12 taxable years following the excess credit year. The tax credit
13 shall be applied to the earliest year for which there is a tax
14 liability. If there are credits for more than one year that are
15 available to offset liability, the earlier credit shall be
16 applied first.

17 (c) The Department of Children and Family Services, in
18 collaboration with the Department of Revenue, shall adopt any
19 necessary rules to implement this Section.

20 (d) For the purposes of this Section:

21 "Qualifying dependent child" means a person who is an
22 Illinois resident in the custody of the Department of
23 Children and Family Services who is the foster child of
24 the taxpayer seeking a credit under this Section.

25 (e) This Section is exempt from the provisions of Section
26 250.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.