



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3774

Introduced 1/21/2022, by Sen. Omar Aquino

SYNOPSIS AS INTRODUCED:

35 ILCS 5/212
35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Provides that the earned income tax credit shall be: (i) 20% of the federal tax credit for each taxable year beginning on or after January 1, 2023 and prior to January 1, 2024; (ii) 22% of the federal tax credit for each taxable year beginning on or after January 1, 2024 and prior to January 1, 2025; and (iii) 25% of the federal tax credit for each taxable year beginning on or after January 1 2025. Provides that the earned income tax credit is available to persons who have attained the age of 18 but have not yet attained the age of 25 and to persons who are 65 years of age or older, without regard to any age requirements that would otherwise apply to individuals without a qualifying child under federal Internal Revenue Code. Extends the earned income tax credit to individuals filing a return using an individual taxpayer identification number (ITIN). Creates a credit for child dependent tax credit that shall be not less than \$600 when combined with the taxpayer's earned income tax credit. Effective immediately.

LRB102 24028 HLH 33242 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 changing Section 212 and by adding Section 232 as follows:

6 (35 ILCS 5/212)

7 Sec. 212. Earned income tax credit.

8 (a) With respect to the federal earned income tax credit
9 allowed for the taxable year under Section 32 of the federal
10 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
11 is entitled to a credit against the tax imposed by subsections
12 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
13 federal tax credit for each taxable year beginning on or after
14 January 1, 2000 and ending prior to December 31, 2012, (ii)
15 7.5% of the federal tax credit for each taxable year beginning
16 on or after January 1, 2012 and ending prior to December 31,
17 2013, (iii) 10% of the federal tax credit for each taxable year
18 beginning on or after January 1, 2013 and beginning prior to
19 January 1, 2017, (iv) 14% of the federal tax credit for each
20 taxable year beginning on or after January 1, 2017 and
21 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal
22 tax credit for each taxable year beginning on or after January
23 1, 2018 and beginning prior to January 1, 2023, (vi) 20% of the

1 federal tax credit for each taxable year beginning on or after
2 January 1, 2023 and prior to January 1, 2024, (vii) 22% of the
3 federal tax credit for each taxable year beginning on or after
4 January 1, 2024 and prior to January 1, 2025, and (viii) 25% of
5 the federal tax credit for each taxable year beginning on or
6 after January 1 2025.

7 For a non-resident or part-year resident, the amount of
8 the credit under this Section shall be in proportion to the
9 amount of income attributable to this State.

10 (b) For taxable years beginning before January 1, 2003, in
11 no event shall a credit under this Section reduce the
12 taxpayer's liability to less than zero. For each taxable year
13 beginning on or after January 1, 2003, if the amount of the
14 credit exceeds the income tax liability for the applicable tax
15 year, then the excess credit shall be refunded to the
16 taxpayer. The amount of a refund shall not be included in the
17 taxpayer's income or resources for the purposes of determining
18 eligibility or benefit level in any means-tested benefit
19 program administered by a governmental entity unless required
20 by federal law.

21 (b-5) For taxable years beginning on or after January 1,
22 2023, each individual taxpayer who has attained the age of 18
23 during the taxable year but has not yet attained the age of 25
24 is entitled to the credit under paragraph (a) based on the
25 federal tax credit for which they would have been eligible
26 without regard to any age requirements that would otherwise

1 apply to individuals without a qualifying child in Section
2 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

3 (b-10) For taxable years beginning on or after January 1,
4 2023, each individual taxpayer who has attained the age of 65
5 or older during the taxable year is entitled to the credit
6 under paragraph (a) based on the federal tax credit for which
7 they would have been eligible without regard to any age
8 requirements that would otherwise apply to individuals without
9 a qualifying child in Section 32(c)(1)(A)(ii) of the federal
10 Internal Revenue Code.

11 (b-15) For taxable years beginning on or after January 1,
12 2023, each individual taxpayer filing a return using an
13 individual taxpayer identification number (ITIN) as prescribed
14 under Section 6109 of the Internal Revenue Code, other than a
15 Social Security number issued pursuant to Section 205(c)(2)(A)
16 of the Social Security Act, is entitled to the credit under
17 paragraph (a) based on the federal tax credit for which they
18 would have been eligible without applying the restrictions
19 regarding social security numbers in Section 32(m) of the
20 federal Internal Revenue Code.

21 (c) This Section is exempt from the provisions of Section
22 250.

23 (Source: P.A. 100-22, eff. 7-6-17.)

24 (35 ILCS 5/232 new)

25 Sec. 232. Child dependent tax credit.

1 (a) For each taxable year beginning on or after January 1,
2 2024, there shall be allowed against the tax imposed by
3 subsections (a) and (b) of Section 201, to each eligible
4 caregiver, an eligible dependent tax credit in an amount equal
5 to not less than \$600, except as otherwise provided by this
6 Section.

7 (b) The credit amount allowed shall be not less than \$600
8 regardless of the number of qualified dependents the taxpayer
9 has. The credit amount allowed per taxpayer per taxable year
10 shall be determined as follows:

11 (1) If the credit amount allowed pursuant to Section
12 212 is less than \$600, then the credit amount allowed
13 pursuant to this Section shall be an amount such that the
14 total amount of credit allowed to a taxpayer under both
15 this Section and Section 212 is equal to \$600.

16 (2) If the credit amount allowed pursuant to Section
17 212 is \$600 or more, then the credit amount allowed
18 pursuant to this Section shall be zero.

19 (3) For each taxable year beginning on or after
20 January 1, 2025, if the credit amount allowed pursuant to
21 Section 212 is zero dollars, the credit amount allowed
22 pursuant to this section shall be \$600.

23 (c) For purposes of this Section:

24 "Eligible caregiver" means a taxpayer who provides
25 uncompensated care for a qualified dependent and who would
26 otherwise meet the requirements of an eligible individual

1 pursuant to Section 212, except as follows:

2 (1) the eligible caregiver or the qualified dependent,
3 or both, may have a taxpayer identification number that is
4 a social security number or is a federal individual
5 taxpayer identification number; and

6 (2) for each taxable year beginning on or after
7 January 1, 2025, an eligible caregiver is not required to
8 have qualifying earned income as defined under Section
9 32(c)(2)(A) and (B) of the federal Internal Revenue Code
10 for the taxable year.

11 "Qualified dependent" means a child who is under the age
12 of 17 and for whom the taxpayer is allowed an additional
13 exemption under Section 204 during the taxable year in which
14 the credit is claimed.

15 (d) For taxable years beginning on or after January 1,
16 2023, if the amount allowable as a credit under this Section
17 exceeds the tax liability computed under this Act for the
18 taxable year, then the excess shall be refunded to the
19 taxpayer.

20 (e) The Department of Revenue may adopt rules necessary or
21 appropriate to carry out the purposes of this Section.

22 (f) The amount of a refund shall not be included in the
23 taxpayer's income or resources for the purposes of determining
24 eligibility or benefit level in any means-tested benefit
25 program administered by a governmental entity unless required
26 by federal law.

1 (g) This Section is exempt from the provisions of Section
2 250.

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.