

SB4182



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB4182

Introduced 2/23/2022, by Sen. Jason A. Barickman

SYNOPSIS AS INTRODUCED:

35 ILCS 5/224
35 ILCS 40/10

Amends the Invest in Kids Act and the Illinois Income Tax Act. Provides that, for taxable years beginning on or after January 1, 2022, the Invest in Kids credit may be taken for qualified contributions for which the taxpayer claims a federal income tax deduction. Effective immediately.

LRB102 26458 HLH 36890 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 changing Section 224 as follows:

6 (35 ILCS 5/224)

7 Sec. 224. Invest in Kids credit.

8 (a) For taxable years beginning on or after January 1,
9 2018 and ending before January 1, 2023, each taxpayer for whom
10 a tax credit has been awarded by the Department under the
11 Invest in Kids Act is entitled to a credit against the tax
12 imposed under subsections (a) and (b) of Section 201 of this
13 Act in an amount equal to the amount awarded under the Invest
14 in Kids Act.

15 (b) For partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies, if
17 the liability company is treated as a partnership for purposes
18 of federal and State income taxation, the credit under this
19 Section shall be determined in accordance with the
20 determination of income and distributive share of income under
21 Sections 702 and 704 and subchapter S of the Internal Revenue
22 Code.

23 (c) The credit may not be carried back and may not reduce

1 the taxpayer's liability to less than zero. If the amount of
2 the credit exceeds the tax liability for the year, the excess
3 may be carried forward and applied to the tax liability of the
4 5 taxable years following the excess credit year. The tax
5 credit shall be applied to the earliest year for which there is
6 a tax liability. If there are credits for more than one year
7 that are available to offset the liability, the earlier credit
8 shall be applied first.

9 (d) For tax years beginning prior to January 1, 2022, a ~~A~~
10 tax credit awarded by the Department under the Invest in Kids
11 Act may not be claimed for any qualified contribution for
12 which the taxpayer claims a federal income tax deduction.

13 (Source: P.A. 100-465, eff. 8-31-17.)

14 Section 10. The Invest in Kids Act is amended by changing
15 Section 10 as follows:

16 (35 ILCS 40/10)

17 (Section scheduled to be repealed on January 1, 2025)

18 Sec. 10. Credit awards.

19 (a) The Department shall award credits against the tax
20 imposed under subsections (a) and (b) of Section 201 of the
21 Illinois Income Tax Act to taxpayers who make qualified
22 contributions. For contributions made under this Act, the
23 credit shall be equal to 75% of the total amount of qualified
24 contributions made by the taxpayer during a taxable year, not

1 to exceed a credit of \$1,000,000 per taxpayer.

2 (b) The aggregate amount of all credits the Department may
3 award under this Act in any calendar year may not exceed
4 \$75,000,000.

5 (c) Contributions made by corporations (including
6 Subchapter S corporations), partnerships, and trusts under
7 this Act may not be directed to a particular subset of schools,
8 a particular school, a particular group of students, or a
9 particular student. Contributions made by individuals under
10 this Act may be directed to a particular subset of schools or a
11 particular school but may not be directed to a particular
12 group of students or a particular student.

13 (d) For tax years beginning prior to January 1, 2022, no ~~no~~
14 credit shall be taken under this Act for any qualified
15 contribution for which the taxpayer claims a federal income
16 tax deduction.

17 (e) Credits shall be awarded in a manner, as determined by
18 the Department, that is geographically proportionate to
19 enrollment in recognized non-public schools in Illinois. If
20 the cap on the aggregate credits that may be awarded by the
21 Department is not reached by June 1 of a given year, the
22 Department shall award remaining credits on a first-come,
23 first-served basis, without regard to the limitation of this
24 subsection.

25 (f) Credits awarded for donations made to a technical
26 academy shall be awarded without regard to subsection (e), but

1 shall not exceed 15% of the annual statewide program cap. For
2 the purposes of this subsection, "technical academy" means a
3 technical academy that is registered with the Board within 30
4 days after the effective date of this amendatory Act of the
5 102nd General Assembly.

6 (Source: P.A. 102-16, eff. 6-17-21.)

7 Section 99. Effective date. This Act takes effect upon
8 becoming law.