



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3544

Introduced 2/17/2023, by Rep. Amy L. Grant

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.35 new
35 ILCS 5/240 new

Amends the Illinois Income Tax Act. Creates an income tax credit for custodians of qualifying pupils for eligible education expenses related to online learning, including computers, printers, internet access, textbooks, tutors, and educational facilitators. Provides for an additional credit if the custodian is also an eligible teacher. Creates an income tax credit for employers of custodians of qualifying pupils for eligible expenditures paid by the employer on behalf of the custodian. Provides that the credit is exempt from the Act's automatic sunset provision. Amends the Illinois Administrative Procedure Act to provide for emergency rulemaking. Effective immediately.

LRB103 29743 HLH 56149 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 3. The Illinois Administrative Procedure Act is
5 amended by adding Section 5-45.35 as follows:

6 (5 ILCS 100/5-45.35 new)

7 Sec. 5-45.35. Emergency rulemaking. To provide for the
8 expeditious and timely implementation of Section 232 of the
9 Illinois Income Tax Act, emergency rules implementing that
10 Section may be adopted in accordance with Section 5-45 by the
11 Department of Revenue. The adoption of emergency rules
12 authorized by Section 5-45 and this Section is deemed to be
13 necessary for the public interest, safety, and welfare.

14 This Section is repealed on January 1, 2028.

15 Section 5. The Illinois Income Tax Act is amended by
16 adding Section 240 as follows:

17 (35 ILCS 5/240 new)

18 Sec. 240. Remote learning education expense credit.

19 (a) The COVID-19 pandemic has created challenges for
20 students and their families in the areas of child care, school
21 attendance, school access, and the like.

1 This Section is intended to (i) assist students and
2 families who are unable follow their normal school routine as
3 a consequence of orders of the Department of Public Health
4 relating to COVID-19, (ii) additionally support classroom
5 instructors so that they can maximize time and opportunities
6 for in-person instruction, and (iii) incentivize employers to
7 accommodate working parents.

8 Because the nature and types of hardships experienced by
9 school districts, parents, and students are wide and varied,
10 the most efficient way to deliver relief that can be tailored
11 to the particular individuals' needs is through an income tax
12 credit.

13 The General Assembly finds that it will be costly and
14 burdensome to the State of Illinois if parents must choose to
15 become unemployed due to a lack of accommodation based on the
16 inability of students to attend school in person.

17 (b) As used in this Section, the following words shall
18 have the following meanings unless the context clearly
19 requires otherwise, and shall be construed expansively in
20 favor of the taxpayer for expenditures made in good faith
21 wherever possible:

22 "Custodian" means, with respect to qualifying pupils, an
23 Illinois resident who is a parent, the parents, a legal
24 guardian, or the legal guardians of the qualifying pupils.

25 "COVID-19" means the illness caused by the coronavirus
26 SARS-CoV-2.

1 "Educational activities" means any aspect of a qualifying
2 pupil's education, including, but not limited to classroom
3 instruction, remote learning and blended remote learning
4 instruction, special education support, and tutoring and
5 mentoring.

6 "Eligible expenditure" means costs by a custodian of a
7 qualifying pupil or an employer associated with:

8 (1) the purchase of materials to support online
9 learning, including but not limited to, a personal
10 computer with internet access; a router or hotspot;
11 monthly expenses for internet access; a printer and
12 supportive accessories (print cartridge, toner); textbooks
13 and other supplies needed for education, up to a maximum
14 of \$500 for the taxable year; and the costs of educational
15 activities;

16 (2) securing, for a qualifying pupil who is under the
17 age of 15, child care, independent tutoring, an
18 educational facilitator (whether individually or as part
19 of a learning pod, provided that the facilitator fee is
20 distributed pro rata per student), homeschool instruction,
21 alternative classroom instruction, or specialized services
22 relating to learning or behavioral issues identified in an
23 Individualized Education Program and the like, up to a
24 maximum of \$5,000 per taxable year per household or per
25 child, whichever is less; and

26 (3) compliance with a mandatory 2-week quarantine

1 period associated with COVID-19, whether imposed by an
2 employer, the State of Illinois, or a county health
3 department, including the costs of testing, clinical
4 support, and vaccination (if available), up to \$3,000 per
5 year.

6 "Eligible expenditure adjustment" means the eligible
7 expenditure reduced by 25%. The eligible expenditure
8 adjustment shall apply for any parent or household that had an
9 adjusted gross income for the taxable year of over \$150,000
10 for an individual and \$300,000 for spouses filing a joint
11 return.

12 "Eligible teacher" means an individual licensed under
13 Article 21B of the School Code who is teaching at the school
14 grade level of kindergarten through grade 12 and is also the
15 custodian of a qualifying pupil under the age of 14 who cannot
16 attend school anywhere within the custodian's school district
17 for in-person instruction on a regular school day.

18 "Qualifying pupil" means an individual who (i) is a
19 resident of the State of Illinois, (ii) is under the age of 21
20 at the close of the school year for which a credit is sought,
21 and (iii) during the school year for which a credit is sought,
22 was a full-time pupil enrolled in a kindergarten through grade
23 12 education program at any school, as defined in this
24 Section.

25 "Regular school day" means the calendar days Monday
26 through Friday, from 8 a.m. to 4 p.m., which occur on the day

1 after Labor Day but before Memorial Day, but not any official
2 government holidays within that time period.

3 "School" means any public or nonpublic elementary or
4 secondary school in Illinois that is in compliance with Title
5 VI of the Civil Rights Act of 1964 and attendance at which
6 satisfies the requirements of Section 26-1 of the School Code,
7 except that nothing shall be construed to require a child to
8 attend any particular public or nonpublic school to qualify
9 for the credit under this Section.

10 (c) For taxable years beginning on or after January 1,
11 2023, a taxpayer who is a custodian of a qualifying pupil is
12 eligible to receive a nonrefundable credit against the taxes
13 imposed by subsections (a) and (b) of Section 201 in an amount
14 equal to 100% of the eligible expenditures (as adjusted by the
15 eligible expenditure adjustment, if applicable), subject to
16 the maximum allowable credits under this Section. Eligible
17 teachers are eligible for an additional \$75 credit per week,
18 not to exceed \$2,000 per year, if the eligible teacher's
19 qualifying pupil cannot attend in-person instruction because
20 of orders involving the Department of Public Health, a county
21 health department, or the State Board of Education relating to
22 COVID-19.

23 The credit under this Section shall not apply to
24 expenditures incurred after orders preventing in-person
25 instruction for the qualifying pupil are lifted. No taxpayer
26 shall be entitled to claim a tax credit under this Section for

1 the same eligible expenditures claimed by another taxpayer. If
2 2 or more custodians claim tax credits for the same qualified
3 pupil, the total of which exceeds the amounts in this
4 subsection, then the total amount of the credit allowed shall
5 be allocated in amounts proportionate to each eligible
6 taxpayer's share of the total amount of the eligible
7 expenditures for the eligible qualifying pupil.

8 The employer of a custodian of a qualifying pupil is also
9 entitled to a credit against the taxes imposed by subsections
10 (a) and (b) of Section 201 in an amount equal to 100% of the
11 eligible expenditures paid by the employer on behalf of the
12 custodian of the qualifying pupil, but not to exceed a maximum
13 in each taxable year of \$2,000 for each employee on whose
14 behalf an expenditure is made, plus 50% of the maximum
15 unemployment insurance payment that the employer would
16 otherwise pay to the State under the Unemployment Insurance
17 Act for that employee.

18 (d) The Department of Revenue and the State Board of
19 Education shall jointly adopt rules, including emergency
20 rules, for the implementation of this Section.

21 (e) The Department of Revenue shall annually, no later
22 than November 1, file a report with the Governor and the
23 General Assembly and publish on the Department of Revenue's
24 website the total amount of tax credits claimed under this
25 Section and the total number of taxpayers who received the
26 credit for the preceding fiscal year.

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

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