



Sen. James F. Clayborne Jr.

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1 AMENDMENT TO SENATE BILL 519

2 AMENDMENT NO. _____. Amend Senate Bill 519 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 adding Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Credit for student-assistance contributions.

8 (a) For taxable years ending on or after December 31, 2007
9 and on or before December 30, 2018, each taxpayer who, during
10 the taxable year, makes a matching donation to the Illinois
11 Student Assistance Commission on behalf of an employee of the
12 taxpayer for moneys that the employee contributes in the same
13 taxable year to a specified individual College Savings Pool
14 Account under Section 16.5 of the State Treasurer Act or to the
15 Illinois Prepaid Tuition Trust Fund is entitled to a credit
16 against the tax imposed under subsections (a) and (b) of

1 Section 201 in an amount equal to 25% of that matching
2 donation, but not to exceed \$500 per contributing employee per
3 taxable year.

4 (b) For partners, shareholders of Subchapter S
5 corporations, and owners of limited liability companies, if the
6 liability company is treated as a partnership for purposes of
7 federal and State income taxation, there is allowed a credit
8 under this Section to be determined in accordance with the
9 determination of income and distributive share of income under
10 Sections 702 and 704 and Subchapter S of the Internal Revenue
11 Code.

12 (c) The credit may not be carried back. If the amount of
13 the credit exceeds the tax liability for the year, the excess
14 may be carried forward and applied to the tax liability of the
15 3 taxable years following the excess credit year. The tax
16 credit shall be applied to the earliest year for which there is
17 a tax liability. If there are credits for more than one year
18 that are available to offset a liability, the earlier credit
19 shall be applied first.

20 (d) A taxpayer claiming the credit under this Section must
21 maintain and record any information that the Illinois Student
22 Assistance Commission, the Office of the State Treasurer, or
23 the Department may require regarding the matching donation for
24 which the credit is claimed.

25 Section 10. The Higher Education Student Assistance Act is

1 amended by changing Sections 5 and 20 as follows:

2 (110 ILCS 947/5)

3 Sec. 5. Purpose. The General Assembly finds and declares
4 that (1) the provision of a higher education for all residents
5 of this State who desire a higher education and are properly
6 qualified therefor is important to the welfare and security of
7 this State and Nation and, consequently, is an important public
8 purpose, and (2) many qualified students are deterred by
9 financial considerations from completing their education, with
10 a consequent irreparable loss to the State and Nation of
11 talents vital to welfare and security. The number of qualified
12 persons who desire a higher education is increasing rapidly,
13 and the physical facilities, faculties, and staffs of the
14 institutions of higher learning operated by, within and for the
15 residents of the State will have to be expanded greatly to
16 accommodate those persons, with an attendant sharp increase in
17 the cost of educating them. A system of financial assistance of
18 scholarships, grants, and loans for qualified residents of
19 college age will enable them to attend qualified institutions
20 of their choice in the State, public or private. The adoption
21 of new federal student loan legislation necessitates that the
22 State update and broaden its system of financial student
23 assistance.

24 As market conditions permit, the Commission is
25 specifically encouraged to offer reasonable and affordable

1 supplemental or alternative educational loans to students who
2 seek to obtain these loans. As part of these alternative or
3 supplemental direct lending initiatives, the Commission may
4 give priority consideration to students assisted by the
5 Commission's need-based programs.

6 The system of financial assistance provided under this Act
7 includes prepaid programs for college savings, and the
8 Commission is specifically encouraged to enlist employers in
9 providing voluntary matching donations to the amount that their
10 employees save through these prepaid programs.

11 (Source: P.A. 89-442, eff. 12-21-95.)

12 (110 ILCS 947/20)

13 Sec. 20. Functions of Commission.

14 (a) The Commission, in accordance with this Act, shall
15 prepare and supervise the issuance of public information
16 concerning its provisions; prescribe the form and regulate the
17 submission of applications for assistance; provide for and
18 conduct, or cause to be conducted, all eligibility
19 determinations of applicants; award the appropriate financial
20 assistance; and, upon request by a member of the General
21 Assembly, nominate or evaluate and recommend for nomination
22 applicants for General Assembly scholarships in accordance
23 with criteria specified by the member under Section 30-9 of the
24 School Code.

25 (b) The Commission is authorized to participate in any

1 programs for monetary assistance to students and to receive,
2 hold, and disburse all such funds made available by any agency
3 or organization for the purpose or purposes for which they are
4 made available. The Commission is authorized to administer a
5 program of grant assistance as authorized by the Baccalaureate
6 Savings Act. The Commission is authorized to participate in any
7 programs established to improve student financial aid services
8 or the proficiency of persons engaged in student financial aid
9 services and to receive, hold, and disburse all funds made
10 available by any agency or organization for the purpose or
11 purposes for which they are made available subject to the
12 appropriations of the General Assembly.

13 (c) The Commission is authorized to deny a scholarship or a
14 grant to any person who has defaulted on a guaranteed student
15 loan and who is not maintaining a satisfactory repayment
16 record. If a person has a defaulted guaranteed student loan but
17 is otherwise eligible for assistance pursuant to Section 40,
18 the Commission shall award one term of assistance during which
19 a satisfactory repayment record must be established. If such a
20 repayment record is not established, additional assistance
21 shall be denied until a satisfactory repayment record is
22 established.

23 (d) The Commission is authorized to participate with
24 federal, state, county, local, and university law enforcement
25 agencies in cooperative efforts to detect and prosecute
26 incidents of fraud in student assistance programs.

1 (e) The Administrative Review Law shall apply to and govern
2 all proceedings for the judicial review of final administrative
3 decisions of the Commission.

4 (f) The Commission is authorized to make all necessary and
5 proper rules, not inconsistent with this Act, for the efficient
6 exercise of the foregoing functions.

7 (g) Unless otherwise provided by statute, the functions of
8 the Commission shall be exercised without regard to any
9 applicant's race, creed, sex, color, national origin, or
10 ancestry.

11 (h) The Commission is authorized to establish systems and
12 programs to encourage employers to match employee
13 contributions to prepaid programs of college savings by making
14 donations to the Commission for prepaid programs of college
15 savings and its programs of grants and loans to make higher
16 education affordable for all residents of the State and to
17 receive, hold, and disburse all such funds made available
18 through those programs for the purposes for which they are
19 authorized by rule or by law.

20 (Source: P.A. 87-997.)

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