



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

HB4090

Introduced 2/27/2009, by Rep. Mike Fortner

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Authorizes a credit to individual taxpayers who are residents of Illinois for expenditures made by the taxpayer during the taxable year for qualified college tuition expenses paid for the taxpayer or a dependent of the taxpayer, as determined under the Act, for up to 4 years of college education for each eligible student attending an institution of higher education. The amount of the credit is equal to 25% of the qualified college tuition expenses, but not to exceed \$2,500 per student per taxable year. If a taxpayer claims a credit for a dependent, then that dependent may not claim a credit on the dependent's return for that taxable year. Defines "qualified college tuition expenses" as the tuition required for the enrollment or attendance of an eligible student at an institution of higher education who is eligible to receive grants from the Monetary Award Program, except that tuition payments made through scholarships or other financial aid are excluded and tuition payments for post-baccalaureate or other graduate degrees are excluded. Provides that the credit may not reduce the taxpayer's liability to less than zero and may not be carried back or carried forward. Exempt from the Act's sunset provisions. Effective immediately.

LRB096 08335 RCE 18444 b

FISCAL NOTE ACT  
MAY APPLY

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 adding  
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Credit for employee's higher education loans.

8 (a) For each taxable year ending on or after December 31,  
9 2009, each individual taxpayer who is a resident of Illinois is  
10 entitled to a credit against the tax imposed by subsections (a)  
11 and (b) of Section 201 of this Act for expenditures made by the  
12 taxpayer during the taxable year for qualified college tuition  
13 expenses paid for the taxpayer or a dependent of the taxpayer,  
14 as determined under this Act, for up to 4 years of college  
15 education for each eligible student attending an institution of  
16 higher education. The amount of the credit is equal to 25% of  
17 the qualified college tuition expenses, but not to exceed  
18 \$2,500 per student per taxable year. If a taxpayer claims a  
19 credit for a dependent, then that dependent may not claim a  
20 credit on the dependent's return for that taxable year.

21 (b) "Qualified college tuition expenses" means the tuition  
22 required for the enrollment or attendance of an eligible  
23 student at an institution of higher education who is eligible

1 to receive grants from the Monetary Award Program, except that  
2 tuition payments made through scholarships or other financial  
3 aid are excluded and tuition payments for post-baccalaureate or  
4 other graduate degrees are excluded.

5 (c) In no event shall a credit under this Section reduce  
6 the taxpayer's liability to less than zero. If the amount of  
7 the credit exceeds the tax liability for the year, the excess  
8 may not be carried carried back or carried forward.

9 (d) This Section is exempt from the provisions of Section  
10 250.

11 Section 99. Effective date. This Act takes effect upon  
12 becoming law.