

AN ACT concerning revenue.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Income Tax Act is amended by changing Section 218 as follows:

(35 ILCS 5/218)

Sec. 218. Credit for student-assistance contributions.

(a) For taxable years ending on or after December 31, 2009 and on or before December 31, 2024 ~~December 30, 2021~~, each taxpayer who, during the taxable year, makes a contribution (i) to a specified individual College Savings Pool Account under Section 16.5 of the State Treasurer Act or (ii) to the Illinois Prepaid Tuition Trust Fund in an amount matching a contribution made in the same taxable year by an employee of the taxpayer to that Account or Fund is entitled to a credit against the tax imposed under subsections (a) and (b) of Section 201 in an amount equal to 25% of that matching contribution, but not to exceed \$500 per contributing employee per taxable year.

(b) For partners, shareholders of Subchapter S corporations, and owners of limited liability companies, if the liability company is treated as a partnership for purposes of federal and State income taxation, there is allowed a

credit under this Section to be determined in accordance with the determination of income and distributive share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

(c) The credit may not be carried back. If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.

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

(Source: P.A. 101-645, eff. 6-26-20.)

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