



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB2959

Introduced 2/14/2019, by Rep. Kambium Buckner

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/229 new  
35 ILCS 5/230 new  
35 ILCS 5/231 new

Amends the Illinois Income Tax Act. Creates an income tax credit for each taxpayer (i) whose federal adjusted gross income is less than 185% of the federal poverty level and (ii) who is the custodian of a child who attends a high quality early childhood education program during the taxable year. Provides that the term "high quality early childhood education program" means a program that is rated in the Gold Circle of Quality or the Silver Circle of Quality under the ExceleRate Illinois rating system. Creates an income tax credit for a business that (i) provides an early childhood program that is rated in the Gold Circle of Quality or the Silver Circle of Quality under the ExceleRate Illinois rating system and (ii) enrolls a student for at least 6 months during the taxable year who (A) is eligible for the child care assistance program, (B) receives foster care services, or (C) both (A) and (B). Creates an income tax credit for employees of a licensed day care center, day care home, or group day care home who obtain certain certifications. Effective immediately.

LRB101 11196 HLH 56441 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 Sections 229, 230, and 231 as follows:

6 (35 ILCS 5/229 new)

7 Sec. 229. Early childhood education credit.

8 (a) For taxable years beginning on or after January 1,  
9 2018, each taxpayer (i) whose federal adjusted gross income is  
10 less than 185% of the federal poverty level and (ii) who is the  
11 custodian of a child who attends a high quality early childhood  
12 education program during the taxable year is allowed a credit  
13 against the taxes imposed under subsections (a) and (b) of  
14 Section 201 as provided in this Section. The amount of the  
15 credit for taxable years beginning on or after January 1, 2019  
16 and beginning prior to January 1, 2020 is as follows:

17 (1) \$3,000 per taxable year for each child who, during  
18 the taxable year, is enrolled in an early childhood  
19 education program that is rated in the Gold Circle of  
20 Quality under the ExceleRate Illinois rating system as of  
21 July 1 of the taxable year; and

22 (2) \$2,000 per taxable year for each child who, during  
23 the taxable year, is enrolled in an early childhood

1 education program that is rated in the Silver Circle of  
2 Quality under the ExceleRate Illinois rating system as of  
3 July 1 of the taxable year.

4 For taxable years beginning on or after January 1, 2020,  
5 the amount of the credit set forth under items (1) and (2)  
6 shall be adjusted on January 1 of the taxable year by an amount  
7 equal to the increase, if any, in the Employment Cost Index,  
8 published by the Bureau of Labor Statistics of the U.S.  
9 Department of Labor, for the calendar year immediately  
10 preceding the increase date.

11 If the child attends more than one high quality early  
12 childhood education program during the taxable year, the  
13 taxpayer shall be allowed a credit for only one program per  
14 child, and the program with the highest applicable quality  
15 rating shall be used to calculate the credit.

16 (b) The credit may not be carried forward or back and may  
17 not reduce the taxpayer's liability to less than zero. If the  
18 amount of the credit exceeds the tax liability for the year,  
19 and if the taxpayer's federal adjusted gross income is less  
20 than 100% of the federal poverty level, then the excess amount  
21 shall be refunded to the taxpayer.

22 (c) As used in this Section:

23 "Custodian" means an Illinois resident who is a parent, the  
24 parents, a legal guardian, or the legal guardians of a child  
25 who attends a high quality early childhood education program  
26 during the taxable year.

1 "High quality early childhood education program" means a  
2 program that is rated in the Gold Circle of Quality or the  
3 Silver Circle of Quality under the ExceleRate Illinois rating  
4 system.

5 (d) This Section is exempt from the provisions of Section  
6 250.

7 (35 ILCS 5/230 new)

8 Sec. 230. Child care provider tax credit.

9 (a) For taxable years beginning on or after January 1,  
10 2019, each qualified child care provider is entitled to a  
11 credit against the taxes imposed under subsections (a) and (b)  
12 of Section 201 for each child enrolled with the child care  
13 provider for at least 6 months during the taxable year who (i)  
14 is enrolled in the child care assistance program under Section  
15 9A-11 of the Illinois Public Aid Code, (ii) receives foster  
16 care services, or (iii) both (i) and (ii). The amount of the  
17 credit for taxable years beginning on or after January 1, 2019  
18 and beginning prior to January 1, 2020 is as follows:

19 (1) \$1,500 for each such child if the child care  
20 provider is rated in the Gold Circle of Quality under the  
21 ExceleRate Illinois rating system as of July 1 of the  
22 taxable year; and

23 (2) \$1,000 for each such child if the child care  
24 provider is rated in the Silver Circle of Quality under the  
25 ExceleRate Illinois rating system as of July 1 of the

1 taxable year.

2 For taxable years beginning on or after January 1, 2020,  
3 the amount of the credit set forth under items (1) and (2)  
4 shall be adjusted on January 1 of the taxable year by an amount  
5 equal to the increase, if any, in the Employment Cost Index,  
6 published by the Bureau of Labor Statistics of the U.S.  
7 Department of Labor, for the calendar year immediately  
8 preceding the increase date.

9 (b) If the amount of the credit exceeds the tax liability  
10 for the year, then the excess amount shall be refunded to the  
11 taxpayer.

12 (c) As used in this Section:

13 "Qualified child care provider" means a business that  
14 provides an early childhood education program that is rated in  
15 the Gold Circle of Quality or the Silver Circle of Quality  
16 under the ExceleRate Illinois rating system.

17 (d) This Section is exempt from the provisions of Section  
18 250.

19 (35 ILCS 5/231 new)

20 Sec. 231. Child care center employees.

21 (a) For taxable years beginning on or after January 1,  
22 2019, each taxpayer who is employed at a licensed day care  
23 center, licensed day care home, or licensed group day care  
24 home, as defined in the Child Care Act of 1969, for at least 6  
25 months during the taxable year is entitled to a credit against

1 the taxes imposed under subsections (a) and (b) of Section 201  
2 as provided in this Section if the taxpayer has one or more of  
3 the following credentials under the Gateways to Opportunity  
4 professional development support system, as recognized by the  
5 Department of Human Services, Bureau of Child Care and  
6 Development:

7 (1) Infant Toddler;

8 (2) ECE;

9 (3) School Age;

10 (4) Family Child Care;

11 (5) Family Specialist;

12 (6) Technical Assistance; or

13 (7) Illinois Director.

14 (b) For taxpayers with credentials other than Illinois  
15 Director, the amount of the credit for taxable years beginning  
16 on or after January 1, 2019 and beginning prior to January 1,  
17 2020 is as follows:

18 (1) if the taxpayer is a Level 6 with respect to any of  
19 those credentials, then the taxpayer is entitled to a  
20 credit of \$3,500 for the taxable year;

21 (2) if the taxpayer is a Level 5 with respect to any of  
22 those credentials, then the taxpayer is entitled to a  
23 credit of \$3,000 for the taxable year;

24 (3) if the taxpayer is a Level 4 with respect to any of  
25 those credentials, then the taxpayer is entitled to a  
26 credit of \$2,500 for the taxable year;

1           (4) if the taxpayer is a Level 3 with respect to any of  
2           those credentials, then the taxpayer is entitled to a  
3           credit of \$2,000 for the taxable year;

4           (5) if the taxpayer is a Level 2 with respect to any of  
5           those credentials, then the taxpayer is entitled to a  
6           credit of \$1,500 for the taxable year; and

7           (6) no credit is allowed if the taxpayer is a Level 1  
8           with respect to any of those credentials.

9           (c) For taxpayers with the Illinois Director credential,  
10          the amount of the credit for taxable years beginning on or  
11          after January 1, 2019 and beginning prior to January 1, 2020 is  
12          as follows:

13           (1) if the taxpayer is an Illinois Director Level 3,  
14           then the taxpayer is entitled to a credit of \$3,500 for the  
15           taxable year;

16           (2) if the taxpayer is an Illinois Director Level 2,  
17           then the taxpayer is entitled to a credit of \$3,000 for the  
18           taxable year; and

19           (3) if the taxpayer is an Illinois Director Level 1,  
20           then the taxpayer is entitled to a credit of \$2,500 for the  
21           taxable year.

22          (d) Each taxpayer shall be allowed a credit with respect to  
23          only one credential in any taxable year; the credential with  
24          the highest credit amount shall be used. For taxable years  
25          beginning on or after January 1, 2020, the amount of the credit  
26          set forth in subsections (b) and (c) shall be adjusted on

1 January 1 of the taxable year by an amount equal to the  
2 increase, if any, in the Employment Cost Index, published by  
3 the Bureau of Labor Statistics of the U.S. Department of Labor,  
4 for the calendar year immediately preceding the increase date.

5 (e) If the amount of the credit exceeds the tax liability  
6 for the year, then the excess amount shall be refunded to the  
7 taxpayer.

8 (f) This Section is exempt from the provisions of Section  
9 250.

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