



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1853

Introduced 1/29/2025, by Rep. Curtis J. Tarver, II

SYNOPSIS AS INTRODUCED:

15 ILCS 505/16.11 new
35 ILCS 5/252 new
30 ILCS 105/5.1030 new

Amends the State Treasurer Act. Provides that the State Treasurer shall establish and administer the Invest in Illinois Higher Education Program for the purposes of expanding access to higher education through scholarships awarded from the Invest in Illinois Higher Education Fund. Amends the State Finance Act. Creates the Invest in Illinois Higher Education Fund. Amends the Illinois Income Tax Act. Creates an income tax credit in an amount equal to any donations made by the taxpayer to the Invest in Illinois Higher Education Fund. Effective immediately.

LRB104 08728 LNS 18782 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 5. The State Treasurer Act is amended by adding
5 Section 16.11 as follows:

6 (15 ILCS 505/16.11 new)

7 Sec. 16.11. Invest in Illinois Higher Education Program.

8 (a) The State Treasurer shall establish the Invest in
9 Illinois Higher Education Program. The State Treasurer shall
10 administer the Program for the purpose of expanding access to
11 higher education through scholarships awarded from the Invest
12 in Illinois Higher Education Fund.

13 (b) The Invest in Illinois Higher Education Fund is hereby
14 established as a special fund in the State treasury. The Fund
15 may receive donations as provided in Section 252 of the
16 Illinois Income Tax Act, as well as gifts, grants, and
17 appropriations from any lawful source. The State Treasurer
18 shall use moneys in the Invest in Illinois Higher Education
19 Fund for the purpose of awarding scholarships to eligible
20 students.

21 (c) As used in this Section:

22 "Eligible student" means an individual who is a member of
23 a household with a federal adjusted gross income that, in the

1 year before the student first receives a scholarship through
2 the program established under this Section, is less than or
3 equal to 300% of the federal poverty income guidelines and
4 that, in any subsequent year in which the student receives a
5 scholarship through the program, is less than or equal to 400%
6 of the federal poverty level.

7 "Federal poverty guidelines" means the poverty guidelines
8 updated periodically in the federal register by the U.S.
9 Department of Health and Human Services under the authority of
10 42 U.S.C. 9902(2).

11 "Necessary costs and fees" includes tuition and the
12 additional fixed fees charged for specified purposes that are
13 required generally of non-scholarship recipients for each
14 academic period for which the scholarship applicant actually
15 enrolls, but does not include fees payable only once and other
16 contingent deposits that are refundable in whole or in part.
17 The State Treasurer may prescribe, by rules consistent with
18 this Act, detailed provisions concerning the computation of
19 necessary costs and fees.

20 "Scholarship" means an educational scholarship awarded to
21 an eligible student to attend a community college or public
22 university in the State in an amount not exceeding the
23 necessary costs and fees to attend that school.

24 Section 10. The Illinois Income Tax Act is amended by
25 adding Section 252 as follows:

1 (35 ILCS 5/252 new)

2 Sec. 252. Invest in Illinois Higher Education credit.

3 (a) For taxable years ending on or after December 31,
4 2025, each taxpayer who makes a donation to the Invest in
5 Illinois Higher Education Fund during the taxable year is
6 entitled to a credit against the tax imposed by subsections
7 (a) and (b) of Section 201 in an amount equal to that donation.

8 (b) For partners, shareholders of subchapter S
9 corporations, and owners of limited liability companies, if
10 the liability company is treated as a partnership for purposes
11 of federal and State income taxation, the credit under this
12 Section shall be determined in accordance with the
13 determination of income and distributive share of income under
14 Sections 702 and 704 and subchapter S of the Internal Revenue
15 Code.

16 (c) The credit may not be carried back and may not reduce
17 the taxpayer's liability to less than zero. If the amount of
18 the credit exceeds the tax liability for the year, the excess
19 may be carried forward and applied to the tax liability of the
20 5 taxable years following the excess credit year. The tax
21 credit shall be applied to the earliest year for which there is
22 a tax liability. If there are credits for more than one year
23 that are available to offset the liability, the earlier credit
24 shall be applied first.

25 (d) This Section is exempt from the provisions of Section

1 250.

2 Section 15. The State Finance Act is amended by adding
3 Section 5.1030 as follows:

4 (30 ILCS 105/5.1030 new)

5 Sec. 5.1030. The Invest in Illinois Higher Education Fund.

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