

HB3264



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3264

Introduced 2/18/2025, by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new

Amends the Illinois Income Tax Act. Creates an income tax credit for contributions to an ABLE account. Provides that the credit shall be in an amount equal to 25% of that matching contribution, but not to exceed \$500 per contributing employee per taxable year. Effective immediately.

LRB104 10927 HLH 21009 b

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
5 adding Section 246 as follows:

6 (35 ILCS 5/246 new)

7 Sec. 246. Credit for Illinois ABLE contributions.

8 (a) For taxable years ending on or after December 31, 2025
9 and ending before January 1, 2031, each taxpayer who, during
10 the taxable year, makes a contribution to a specified ABLE
11 account under Section 16.6 of the State Treasurer Act in an
12 amount matching a contribution made in the same taxable year
13 by an employee of the taxpayer to that account is entitled to a
14 credit against the tax imposed under subsections (a) and (b)
15 of Section 201 in an amount equal to 25% of that matching
16 contribution, but not to exceed \$500 per contributing employee
17 per taxable year.

18 (b) Partners and shareholders of subchapter S corporations
19 are entitled to a credit under this Section as provided in
20 Section 251.

21 (c) The credit may not be carried back and may not reduce
22 the taxpayer's liability to less than zero. If the amount of
23 the credit exceeds the tax liability for the year, the excess

1 may be carried forward and applied to the tax liability of the
2 5 taxable years following the excess credit year. The tax
3 credit shall be applied to the earliest year for which there is
4 a tax liability. If there are credits for more than one year
5 that are available to offset a liability, the earlier credit
6 shall be applied first.

7 (d) A taxpayer claiming the credit under this Section must
8 maintain and record any information that the Office of the
9 State Treasurer or the Department may require regarding the
10 matching contribution for which the credit is claimed.

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