



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0261

Introduced 1/24/2025, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 40/Act title
35 ILCS 40/1
35 ILCS 40/5
35 ILCS 40/7.5
35 ILCS 40/10
35 ILCS 40/15
35 ILCS 40/20
35 ILCS 40/25
35 ILCS 40/30
35 ILCS 40/35
35 ILCS 40/40
35 ILCS 40/45
35 ILCS 40/50
35 ILCS 40/55
35 ILCS 40/60
35 ILCS 40/65
35 ILCS 40/70 new
35 ILCS 5/224

Reenacts the Invest in Kids Act and makes the Act permanent. Amends the Illinois Income Tax Act to make conforming changes. Effective immediately.

LRB104 08558 HLH 18610 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 Invest in Kids Act is reenacted and amended
5 by changing Sections 40 and 65 and by adding Section 70 as
6 follows:

7 (35 ILCS 40/Act title)

8 An Act concerning education.

9 (35 ILCS 40/1)

10 (Section scheduled to be repealed on January 1, 2025)

11 Sec. 1. Short title. This Act may be cited as the Invest in
12 Kids Act.

13 (Source: P.A. 100-465, eff. 8-31-17.)

14 (35 ILCS 40/5)

15 (Section scheduled to be repealed on January 1, 2025)

16 Sec. 5. Definitions. As used in this Act:

17 "Authorized contribution" means the contribution amount
18 that is listed on the contribution authorization certificate
19 issued to the taxpayer.

20 "Board" means the State Board of Education.

21 "Contribution" means a donation made by the taxpayer

1 during the taxable year for providing scholarships as provided
2 in this Act.

3 "Custodian" means, with respect to eligible students, an
4 Illinois resident who is a parent or legal guardian of the
5 eligible student or students.

6 "Department" means the Department of Revenue.

7 "Eligible student" means a child who:

8 (1) is a member of a household whose federal adjusted
9 gross income the year before he or she initially receives
10 a scholarship under this program, as determined by the
11 Department, does not exceed 300% of the federal poverty
12 level and, once the child receives a scholarship, does not
13 exceed 400% of the federal poverty level;

14 (2) is eligible to attend a public elementary school
15 or high school in Illinois in the semester immediately
16 preceding the semester for which he or she first receives
17 a scholarship or is starting school in Illinois for the
18 first time when he or she first receives a scholarship;
19 and

20 (3) resides in Illinois while receiving a scholarship.

21 "Family member" means a parent, child, or sibling, whether
22 by whole blood, half blood, or adoption; spouse; or stepchild.

23 "Focus district" means a school district which has a
24 school that is either (i) a school that has one or more
25 subgroups in which the average student performance is at or
26 below the State average for the lowest 10% of student

1 performance in that subgroup or (ii) a school with an average
2 graduation rate of less than 60% and not identified for
3 priority.

4 "Jointly administered CTE program" means a program or set
5 of programs within a non-public school located in Illinois, as
6 determined by the State Board of Education pursuant to Section
7 7.5 of this Act.

8 "Necessary costs and fees" includes the customary charge
9 for instruction and use of facilities in general and the
10 additional fixed fees charged for specified purposes that are
11 required generally of non-scholarship recipients for each
12 academic period for which the scholarship applicant actually
13 enrolls, including costs associated with student assessments,
14 but does not include fees payable only once and other
15 contingent deposits that are refundable in whole or in part.
16 The Board may prescribe, by rules consistent with this Act,
17 detailed provisions concerning the computation of necessary
18 costs and fees.

19 "Scholarship granting organization" means an entity that:

20 (1) is exempt from taxation under Section 501(c)(3) of
21 the Internal Revenue Code;

22 (2) uses at least 95% of the qualified contributions
23 received during a taxable year for scholarships;

24 (3) provides scholarships to students according to the
25 guidelines of this Act;

26 (4) deposits and holds qualified contributions and any

1 income derived from qualified contributions in an account
2 that is separate from the organization's operating fund or
3 other funds until such qualified contributions or income
4 are withdrawn for use; and

5 (5) is approved to issue certificates of receipt.

6 "Technical academy" means a non-public school located in
7 Illinois that: (1) registers with the Board pursuant to
8 Section 2-3.25 of the School Code; and (2) operates or will
9 operate a jointly administered CTE program as the primary
10 focus of the school. To maintain its status as a technical
11 academy, the non-public school must obtain recognition from
12 the Board pursuant to Section 2-3.25o of the School Code
13 within 2 calendar years of its registration with the Board.

14 "Qualified contribution" means the authorized contribution
15 made by a taxpayer to a scholarship granting organization for
16 which the taxpayer has received a certificate of receipt from
17 such organization.

18 "Qualified school" means a non-public school located in
19 Illinois and recognized by the Board pursuant to Section
20 2-3.25o of the School Code.

21 "Scholarship" means an educational scholarship awarded to
22 an eligible student to attend a qualified school of their
23 custodians' choice in an amount not exceeding the necessary
24 costs and fees to attend that school.

25 "Taxpayer" means any individual, corporation, partnership,
26 trust, or other entity subject to the Illinois income tax. For

1 the purposes of this Act, 2 individuals filing a joint return
2 shall be considered one taxpayer.

3 (Source: P.A. 102-16, eff. 6-17-21.)

4 (35 ILCS 40/7.5)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 7.5. Determination of jointly-administered CTE
7 programs.

8 (a) Upon its own motion, or upon petition from a qualified
9 school or technical academy, the State Board of Education
10 shall determine whether a program or set of programs offered
11 or proposed by a qualified school or technical academy
12 provides coursework and training in career and technical
13 education pathways aligned to industry-recognized
14 certifications and credentials. The State Board of Education
15 shall make that determination based upon whether the
16 industry-recognized certifications or credentials that are the
17 focus of a qualified school or technical academy's coursework
18 and training program or set of programs (i) are associated
19 with an occupation determined to fall under the LEADING or
20 EMERGING priority sectors as determined through Illinois'
21 Workforce Innovation and Opportunity Act Unified State Plan
22 and (ii) provide wages that are at least 70% of the average
23 annual wage in the State, as determined by the United States
24 Bureau of Labor Statistics.

25 (b) The State Board of Education shall publish a list of

1 approved jointly administered CTE programs on its website and
2 otherwise make that list available to the public. A qualified
3 school or technical academy may petition the State Board of
4 Education to obtain a determination that a proposed program or
5 set of programs that it seeks to offer qualifies as a jointly
6 administered CTE program under subsection (a) of this Section.
7 A petitioner shall file one original petition in the form
8 provided by the State Board of Education and in the manner
9 specified by the State Board of Education. The petitioner may
10 withdraw his or her petition by submitting a written statement
11 to the State Board of Education indicating withdrawal. The
12 State Board of Education shall approve or deny a petition
13 within 180 days of its submission and, upon approval, shall
14 proceed to add the program or set of programs to the list of
15 approved jointly administered CTE programs. The approval or
16 denial of any petition is a final decision of the Board,
17 subject to judicial review under the Administrative Review
18 Law. Jurisdiction and venue are vested in the circuit court.

19 (c) The State Board of Education shall evaluate the
20 approved jointly administered CTE programs under this Section
21 once every 5 years. At this time, the State Board of Education
22 shall determine whether these programs continue to meet the
23 requirements set forth in subsection (a) of this Section.

24 (Source: P.A. 102-16, eff. 6-17-21.)

1 (Section scheduled to be repealed on January 1, 2025)

2 Sec. 10. Credit awards.

3 (a) The Department shall award credits against the tax
4 imposed under subsections (a) and (b) of Section 201 of the
5 Illinois Income Tax Act to taxpayers who make qualified
6 contributions. For contributions made under this Act, the
7 credit shall be equal to 75% of the total amount of qualified
8 contributions made by the taxpayer during a taxable year, not
9 to exceed a credit of \$1,000,000 per taxpayer.

10 (b) The aggregate amount of all credits the Department may
11 award under this Act in any calendar year may not exceed
12 \$75,000,000.

13 (c) Contributions made by corporations (including
14 Subchapter S corporations), partnerships, and trusts under
15 this Act may not be directed to a particular subset of schools,
16 a particular school, a particular group of students, or a
17 particular student. Contributions made by individuals under
18 this Act may be directed to a particular subset of schools or a
19 particular school but may not be directed to a particular
20 group of students or a particular student.

21 (d) No credit shall be taken under this Act for any
22 qualified contribution for which the taxpayer claims a federal
23 income tax deduction.

24 (e) Credits shall be awarded in a manner, as determined by
25 the Department, that is geographically proportionate to
26 enrollment in recognized non-public schools in Illinois. If

1 the cap on the aggregate credits that may be awarded by the
2 Department is not reached by June 1 of a given year, the
3 Department shall award remaining credits on a first-come,
4 first-served basis, without regard to the limitation of this
5 subsection.

6 (f) Credits awarded for donations made to a technical
7 academy shall be awarded without regard to subsection (e), but
8 shall not exceed 15% of the annual statewide program cap. For
9 the purposes of this subsection, "technical academy" means a
10 technical academy that is registered with the Board within 30
11 days after the effective date of this amendatory Act of the
12 102nd General Assembly.

13 (Source: P.A. 102-16, eff. 6-17-21.)

14 (35 ILCS 40/15)

15 (Section scheduled to be repealed on January 1, 2025)

16 Sec. 15. Approval to issue certificates of receipt.

17 (a) A scholarship granting organization shall submit an
18 application for approval to issue certificates of receipt in
19 the form and manner prescribed by the Department, provided
20 that each application shall include:

21 (1) documentary evidence that the scholarship granting
22 organization has been granted an exemption from taxation
23 under Section 501(c)(3) of the Internal Revenue Code;

24 (2) certification that all qualified contributions and
25 any income derived from qualified contributions are

1 deposited and held in an account that is separate from the
2 scholarship granting organization's operating or other
3 funds until such qualified contributions or income are
4 withdrawn for use;

5 (3) certification that the scholarship granting
6 organization will use at least 95% of its annual revenue
7 from qualified contributions for scholarships;

8 (4) certification that the scholarship granting
9 organization will provide scholarships to eligible
10 students;

11 (5) a list of the names and addresses of all members of
12 the governing board of the scholarship granting
13 organization; and

14 (6) a copy of the most recent financial audit of the
15 scholarship granting organization's accounts and records
16 conducted by an independent certified public accountant in
17 accordance with auditing standards generally accepted in
18 the United States, government auditing standards, and
19 rules adopted by the Department.

20 (b) A scholarship granting organization whose owner or
21 operator in the last 7 years has filed for personal bankruptcy
22 or corporate bankruptcy in a corporation of which he or she
23 owned more than 20% shall not be eligible to provide
24 scholarships.

25 (c) A scholarship granting organization must not have an
26 owner or operator who owns or operates a qualified school or

1 has a family member who is a paid staff or board member of a
2 participating qualified school.

3 (d) A scholarship granting organization shall comply with
4 the anti-discrimination provisions of 42 U.S.C. 2000d.

5 (e) The Department shall review and either approve or deny
6 each application to issue certificates of receipt pursuant to
7 this Act. Approval or denial of an application shall be made on
8 a periodic basis. Applicants shall be notified of the
9 Department's determination within 30 business days after the
10 application is received.

11 (f) No scholarship granting organization shall issue any
12 certificates of receipt without first being approved to issue
13 certificates of receipt.

14 (Source: P.A. 100-465, eff. 8-31-17.)

15 (35 ILCS 40/20)

16 (Section scheduled to be repealed on January 1, 2025)

17 Sec. 20. Annual review.

18 (a) Each scholarship granting organization that receives
19 approval to issue certificates of receipt shall file an
20 application for recertification on an annual basis. Such
21 application for recertification shall be in the form and
22 manner prescribed by the Department and shall include:

23 (1) certification from the Director or Chief Executive
24 Officer of the organization that the organization has
25 complied with and continues to comply with the

1 requirements of this Act, including evidence of that
2 compliance; and

3 (2) a copy of the organization's current financial
4 statements.

5 (b) The Department may revoke the approval of a
6 scholarship granting organization to issue certificates of
7 receipt upon a finding that the organization has violated this
8 Act or any rules adopted under this Act. These violations
9 shall include, but need not be limited to, any of the
10 following:

11 (1) failure to meet the requirements of this Act;

12 (2) failure to maintain full and adequate records with
13 respect to the receipt of qualified contributions;

14 (3) failure to supply such records to the Department;

15 or

16 (4) failure to provide notice to the Department of the
17 issuance of certificates of receipt pursuant to Section 35
18 of this Act.

19 (c) Within 5 days after the determination to revoke
20 approval, the Department shall provide notice of the
21 determination to the scholarship granting organization and
22 information regarding the process to request a hearing to
23 appeal the determination.

24 (Source: P.A. 100-465, eff. 8-31-17.)

25 (35 ILCS 40/25)

1 (Section scheduled to be repealed on January 1, 2025)

2 Sec. 25. Contribution authorization certificates.

3 (a) A taxpayer shall not be allowed a credit pursuant to
4 this Act for any contribution to a scholarship granting
5 organization that was made prior to the Department's issuance
6 of a contribution authorization certificate for such
7 contribution to the taxpayer.

8 (b) Prior to making a contribution to a scholarship
9 granting organization, the taxpayer shall apply to the
10 Department for a contribution authorization certificate.

11 (c) A taxpayer who makes more than one contribution to a
12 scholarship granting organization must make a separate
13 application for each such contribution authorization
14 certificate. The application shall be in the form and manner
15 prescribed by the Department, provided that the application
16 includes:

17 (1) the taxpayer's name and address;

18 (2) the amount the taxpayer will contribute; and

19 (3) any other information the Department deems
20 necessary.

21 (d) The Department may allow taxpayers to make multiple
22 applications on the same form, provided that each application
23 shall be treated as a separate application.

24 (e) The Department shall issue credit authorization
25 certificates on a first-come, first-served basis based upon
26 the date that the Department received the taxpayer's

1 application for the certificate subject to the provisions of
2 subsection (e) of Section 10 of this Act.

3 (f) A taxpayer's aggregate authorized contribution amount
4 as listed on one or more authorized contribution certificates
5 issued to the taxpayer shall not exceed the aggregate of the
6 amounts listed on the taxpayer's applications submitted in
7 accordance with this Section.

8 (g) Each contribution authorization certificate shall
9 state:

10 (1) the date such certificate was issued;

11 (2) the date by which the authorized contributions
12 listed in the certificate must be made, which shall be 60
13 days from the date of the issuance of a credit
14 authorization certificate;

15 (3) the total amount of authorized contributions; and

16 (4) any other information the Department deems
17 necessary.

18 (h) Credit authorization certificates shall be mailed to
19 the appropriate taxpayers within 3 business days after their
20 issuance.

21 (i) A taxpayer may rescind all or part of an authorized
22 contribution approved under this Act by providing written
23 notice to the Department. Amounts rescinded shall no longer be
24 deducted from the cap prescribed in Section 10 of this Act.

25 (j) The Department shall maintain on its website a running
26 total of the amount of credits for which taxpayers may make

1 applications for contribution authorization certification. The
2 running total shall be updated every business day.

3 (Source: P.A. 100-465, eff. 8-31-17.)

4 (35 ILCS 40/30)

5 (Section scheduled to be repealed on January 1, 2025)

6 Sec. 30. Certificates of receipt.

7 (a) No scholarship granting organization shall issue a
8 certificate of receipt for any qualified contribution made by
9 a taxpayer under this Act unless that scholarship granting
10 organization has been approved to issue certificates of
11 receipt pursuant to Section 15 of this Act.

12 (b) No scholarship granting organization shall issue a
13 certificate of receipt for a contribution made by a taxpayer
14 unless the taxpayer has been issued a credit authorization
15 certificate by the Department.

16 (c) If a taxpayer makes a contribution to a scholarship
17 granting organization prior to the date by which the
18 authorized contribution shall be made, the scholarship
19 granting organization shall, within 30 days of receipt of the
20 authorized contribution, issue to the taxpayer a written
21 certificate of receipt.

22 (d) If a taxpayer fails to make all or a portion of a
23 contribution prior to the date by which such authorized
24 contribution is required to be made, the taxpayer shall not be
25 entitled to a certificate of receipt for that portion of the

1 authorized contribution not made.

2 (e) Each certificate of receipt shall state:

3 (1) the name and address of the issuing scholarship
4 granting organization;

5 (2) the taxpayer's name and address;

6 (3) the date for each qualified contribution;

7 (4) the amount of each qualified contribution;

8 (5) the total qualified contribution amount; and

9 (6) any other information that the Department may deem
10 necessary.

11 (f) Upon the issuance of a certificate of receipt, the
12 issuing scholarship granting organization shall, within 10
13 days after issuing the certificate of receipt, provide the
14 Department with notification of the issuance of such
15 certificate in the form and manner prescribed by the
16 Department, provided that such notification shall include:

17 (1) the taxpayer's name and address;

18 (2) the date of the issuance of a certificate of
19 receipt;

20 (3) the qualified contribution date or dates and the
21 amounts contributed on such dates;

22 (4) the total qualified contribution listed on such
23 certificates;

24 (5) the issuing scholarship granting organization's
25 name and address; and

26 (6) any other information the Department may deem

1 necessary.

2 (g) Any portion of a contribution that a taxpayer fails to
3 make by the date indicated on the authorized contribution
4 certificate shall no longer be deducted from the cap
5 prescribed in Section 10 of this Act.

6 (Source: P.A. 100-465, eff. 8-31-17.)

7 (35 ILCS 40/35)

8 (Section scheduled to be repealed on January 1, 2025)

9 Sec. 35. Reports.

10 (a) Within 180 days after the end of its fiscal year, each
11 scholarship granting organization must provide to the
12 Department a copy of a financial audit of its accounts and
13 records conducted by an independent certified public
14 accountant in accordance with auditing standards generally
15 accepted in the United States, government auditing standards,
16 and rules adopted by the Department. The audit must include a
17 report on financial statements presented in accordance with
18 generally accepted accounting principles. The audit must
19 include evidence that no less than 95% of qualified
20 contributions received were used to provide scholarships to
21 eligible students. The Department shall review all audits
22 submitted pursuant to this subsection. The Department shall
23 request any significant items that were omitted in violation
24 of a rule adopted by the Department. The items must be provided
25 within 45 days after the date of request. If a scholarship

1 granting organization does not comply with the Department's
2 request, the Department may revoke the scholarship granting
3 organization's ability to issue certificates of receipt.

4 (b) A scholarship granting organization that is approved
5 to receive qualified contributions shall report to the
6 Department, on a form prescribed by the Department, by January
7 31 of each calendar year. The report shall include:

8 (1) the total number of certificates of receipt issued
9 during the immediately preceding calendar year;

10 (2) the total dollar amount of qualified contributions
11 received, as set forth in the certificates of receipt
12 issued during the immediately preceding calendar year;

13 (3) the total number of eligible students utilizing
14 scholarships for the immediately preceding calendar year
15 and the school year in progress and the total dollar value
16 of the scholarships;

17 (4) the name and address of each qualified school for
18 which scholarships using qualified contributions were
19 issued during the immediately preceding calendar year,
20 detailing the number, grade, race, gender, income level,
21 and residency by Zip Code of eligible students and the
22 total dollar value of scholarships being utilized at each
23 qualified school by priority group, as identified in
24 subsection (d) of Section 40 of this Act; and

25 (5) any additional information requested by the
26 Department.

1 (c) On or before the last day of March for each calendar
2 year, for the immediately preceding calendar year, the
3 Department shall submit a written report to the Governor, the
4 President of the Senate, the Speaker of the House of
5 Representatives, the Minority Leader of the Senate, and the
6 Minority Leader of the House of Representatives regarding this
7 Act. The report shall include, but not be limited to, the
8 following information:

9 (1) the names and addresses of all scholarship
10 granting organizations approved to issue certificates of
11 receipt;

12 (2) the number and aggregate total of certificates of
13 receipt issued by each scholarship granting organization;
14 and

15 (3) the information reported to the Department
16 required by subsection (b) of this Section.

17 (d) The sharing and reporting of student data under this
18 Section must be in accordance with the requirements of the
19 Family Educational Rights and Privacy Act and the Illinois
20 School Student Records Act. All parties must preserve the
21 confidentiality of such information as required by law. Data
22 reported by the Department under subsection (c) of this
23 Section must not disaggregate data to a level that will
24 disclose demographic data of individual students.

25 (Source: P.A. 100-465, eff. 8-31-17.)

1 (35 ILCS 40/40)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 40. Scholarship granting organization
4 responsibilities.

5 (a) Before granting a scholarship for an academic year,
6 all scholarship granting organizations shall assess and
7 document each student's eligibility for the academic year.

8 (b) A scholarship granting organization shall grant
9 scholarships only to eligible students.

10 (c) A scholarship granting organization shall allow an
11 eligible student to attend any qualified school of the
12 student's choosing, subject to the availability of funds.

13 (d) In granting scholarships, beginning in the 2022-2023
14 school year and for each school year thereafter, a scholarship
15 granting organization shall give priority to eligible students
16 who received a scholarship from a scholarship granting
17 organization during the previous school year. Second priority
18 shall be given to the following priority groups:

19 (1) (blank);

20 (2) eligible students who are members of a household
21 whose previous year's total annual income does not exceed
22 185% of the federal poverty level;

23 (3) eligible students who reside within a focus
24 district; and

25 (4) eligible students who are siblings of students
26 currently receiving a scholarship.

1 (d-5) A scholarship granting organization shall begin
2 granting scholarships no later than February 1 preceding the
3 school year for which the scholarship is sought. Each priority
4 group identified in subsection (d) of this Section shall be
5 eligible to receive scholarships on a first-come, first-served
6 basis until April 1 immediately preceding the school year for
7 which the scholarship is sought, starting with the first
8 priority group identified in subsection (d) of this Section.
9 Applications for scholarships for eligible students meeting
10 the qualifications of one or more priority groups that are
11 received before April 1 must be either approved or denied
12 within 10 business days after receipt. Beginning April 1, all
13 eligible students shall be eligible to receive scholarships
14 without regard to the priority groups identified in subsection
15 (d) of this Section.

16 (e) Except as provided in subsection (e-5) of this
17 Section, scholarships shall not exceed the lesser of (i) the
18 statewide average operational expense per student among public
19 schools or (ii) the necessary costs and fees for attendance at
20 the qualified school. A qualified school may set a lower
21 maximum scholarship amount for eligible students whose family
22 income falls within paragraphs (2) and (3) of this subsection
23 (e); that amount may not exceed the necessary costs and fees
24 for attendance at the qualified school and is subject to the
25 limitations on average scholarship amounts set forth in
26 paragraphs (2) and (3) of this subsection, as applicable. The

1 qualified school shall notify the scholarship granting
2 organization of its necessary costs and fees as well as any
3 maximum scholarship amount set by the school. Scholarships
4 shall be prorated as follows:

5 (1) for eligible students whose household income is
6 less than 185% of the federal poverty level, the
7 scholarship shall be 100% of the amount determined
8 pursuant to this subsection (e) and subsection (e-5) of
9 this Section;

10 (2) for eligible students whose household income is
11 185% or more of the federal poverty level but less than
12 250% of the federal poverty level, the average of
13 scholarships shall be 75% of the amount determined
14 pursuant to this subsection (e) and subsection (e-5) of
15 this Section; and

16 (3) for eligible students whose household income is
17 250% or more of the federal poverty level, the average of
18 scholarships shall be 50% of the amount determined
19 pursuant to this subsection (e) and subsection (e-5) of
20 this Section.

21 (e-5) The statewide average operational expense per
22 student among public schools shall be multiplied by the
23 following factors:

24 (1) for students determined eligible to receive
25 services under the federal Individuals with Disabilities
26 Education Act, 2;

1 (2) for students who are English learners, as defined
2 in subsection (d) of Section 14C-2 of the School Code,
3 1.2; and

4 (3) for students who are gifted and talented children,
5 as defined in Section 14A-20 of the School Code, 1.1.

6 (f) A scholarship granting organization shall distribute
7 scholarship payments to the participating school where the
8 student is enrolled.

9 (g) For the 2018-2019 school year through the 2022-2023
10 school year, each scholarship granting organization shall
11 expend no less than 75% of the qualified contributions
12 received during the calendar year in which the qualified
13 contributions were received. No more than 25% of the qualified
14 contributions may be carried forward to the following calendar
15 year.

16 (h) For the 2023-2024 school year, each scholarship
17 granting organization shall expend all qualified contributions
18 received during the calendar year in which the qualified
19 contributions were received. No qualified contributions may be
20 carried forward to the following calendar year.

21 (h-1) For the 2024-2025 school year and all school years
22 following, each scholarship granting organization shall expend
23 no less than 75% of the qualified contributions received
24 during the calendar year in which the qualified contributions
25 were received. No more than 25% of the qualified contributions
26 may be carried forward to the following calendar year.

1 (i) A scholarship granting organization shall allow an
2 eligible student to transfer a scholarship during a school
3 year to any other participating school of the custodian's
4 choice. Such scholarships shall be prorated.

5 (j) With the prior approval of the Department, a
6 scholarship granting organization may transfer funds to
7 another scholarship granting organization if additional funds
8 are required to meet scholarship demands at the receiving
9 scholarship granting organization. All transferred funds must
10 be deposited by the receiving scholarship granting
11 organization into its scholarship accounts. All transferred
12 amounts received by any scholarship granting organization must
13 be separately disclosed to the Department.

14 (k) If the approval of a scholarship granting organization
15 is revoked as provided in Section 20 of this Act or the
16 scholarship granting organization is dissolved, all remaining
17 qualified contributions of the scholarship granting
18 organization shall be transferred to another scholarship
19 granting organization. All transferred funds must be deposited
20 by the receiving scholarship granting organization into its
21 scholarship accounts.

22 (l) Scholarship granting organizations shall make
23 reasonable efforts to advertise the availability of
24 scholarships to eligible students.

25 (Source: P.A. 102-699, eff. 4-19-22; 102-1059, eff. 6-10-22;
26 103-154, eff. 6-30-23.)

1 (35 ILCS 40/45)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 45. State Board responsibilities.

4 (a) Beginning in the 2019-2020 school year, students who
5 have been granted a scholarship under this Act shall be
6 annually assessed at the qualified school where the student
7 attends school in the same manner in which students that
8 attend public schools are annually assessed pursuant to
9 Section 2-3.64a-5 of the School Code. Such qualified school
10 shall pay costs associated with this requirement.

11 (b) The Board shall select an independent research
12 organization, which may be a public or private entity or
13 university, to which participating qualified schools must
14 report the scores of students who are receiving scholarships
15 and are assessed pursuant to subsection (a) of this Section.
16 Costs associated with the independent research organization
17 shall be paid by the scholarship granting organizations on a
18 per-pupil basis or by gifts, grants, or donations received by
19 the Board under subsection (d) of this Section, as determined
20 by the Board. The independent research organization must
21 annually report to the Board on the year-to-year learning
22 gains of students receiving scholarships on a statewide basis.
23 The report shall also include, to the extent possible, a
24 comparison of these learning gains to the statewide learning
25 gains of public school students with socioeconomic backgrounds

1 similar to those of students receiving scholarships. The
2 annual report shall be delivered to the Board and published on
3 its website.

4 (c) Beginning within 120 days after the Board first
5 receives the annual report by the independent research
6 organization as provided in subsection (b) of this Section and
7 on an annual basis thereafter, the Board shall submit a
8 written report to the Governor, the President of the Senate,
9 the Speaker of the House of Representatives, the Minority
10 Leader of the Senate, and the Minority Leader of the House of
11 Representatives regarding this Act. Such report shall include
12 an evaluation of the academic performance of students
13 receiving scholarships and recommendations for improving
14 student performance.

15 (d) Subject to the State Officials and Employees Ethics
16 Act, the Board may receive and expend gifts, grants, and
17 donations of any kind from any public or private entity to
18 carry out the purposes of this Section, subject to the terms
19 and conditions under which the gifts are given, provided that
20 all such terms and conditions are permissible under law.

21 (e) The sharing and reporting of student learning gain
22 data under this Section must be in accordance with
23 requirements of the Family Educational Rights and Privacy Act
24 and the Illinois School Student Records Act. All parties must
25 preserve the confidentiality of such information as required
26 by law. The annual report must not disaggregate data to a level

1 that will disclose the academic level of individual students.

2 (Source: P.A. 100-465, eff. 8-31-17.)

3 (35 ILCS 40/50)

4 (Section scheduled to be repealed on January 1, 2025)

5 Sec. 50. Qualified school responsibilities. A qualified
6 school that accepts scholarship students must do all of the
7 following:

8 (1) provide to a scholarship granting organization,
9 upon request, all documentation required for the student's
10 participation, including the non-public school's cost and
11 student's fee schedules;

12 (2) be academically accountable to the custodian for
13 meeting the educational needs of the student by:

14 (A) at a minimum, annually providing to the
15 custodian a written explanation of the student's
16 progress; and

17 (B) annually administering assessments required by
18 subsection (a) of Section 45 of this Act in the same
19 manner in which they are administered at public
20 schools pursuant to Section 2-3.64a-5 of the School
21 Code; the Board shall bill participating qualified
22 schools for all costs associated with administering
23 assessments required by this paragraph; the
24 participating qualified schools shall ensure that all
25 test security and assessment administration procedures

1 are followed; participating qualified schools must
2 report individual student scores to the custodians of
3 the students; the independent research organization
4 described in subsection (b) of Section 45 of this Act
5 shall be provided all student score data in a secure
6 manner by the participating qualified school.

7 The inability of a qualified school to meet the
8 requirements of this Section shall constitute a basis for the
9 ineligibility of the qualified school to participate in the
10 scholarship program as determined by the Board.

11 (Source: P.A. 100-465, eff. 8-31-17.)

12 (35 ILCS 40/55)

13 (Section scheduled to be repealed on January 1, 2025)

14 Sec. 55. Custodian and student responsibilities.

15 (a) The custodian must select a qualified school and apply
16 for the admission of his or her child.

17 (b) The custodian shall ensure that the student
18 participating in the scholarship program takes the assessment
19 required by subsection (a) of Section 45 of this Act.

20 (c) Each custodian and each student has an obligation to
21 comply with the qualified school's published policies.

22 (d) The custodian shall authorize the scholarship granting
23 organization to access information needed for income
24 eligibility determinations.

25 (Source: P.A. 100-465, eff. 8-31-17.)

1 (35 ILCS 40/60)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 60. Recordkeeping; rulemaking; violations.

4 (a) Each taxpayer shall, for each taxable year for which
5 the tax credit provided for under this Act is claimed,
6 maintain records of the following information: (i)
7 contribution authorization certificates obtained under Section
8 25 of this Act and (ii) certificates of receipt obtained under
9 Section 30 of this Act.

10 (b) The Board and the Department may adopt rules
11 consistent with and necessary for the implementation of this
12 Act.

13 (c) Violations of State laws or rules and complaints
14 relating to program participation shall be referred to the
15 Attorney General.

16 (Source: P.A. 100-465, eff. 8-31-17.)

17 (35 ILCS 40/65)

18 (Section scheduled to be repealed on January 1, 2025)

19 Sec. 65. Credit period; repeal.

20 (a) A taxpayer may take a credit under this Act (i) for tax
21 years beginning on or after January 1, 2018 and ending before
22 January 1, 2024 and (ii) for tax years beginning on or after
23 January 1, 2025. ~~A taxpayer may not take a credit pursuant to~~
24 ~~this Act for tax years beginning on or after January 1, 2024.~~

1 (b) This Act is exempt from the provisions of Section 250
2 of the Illinois Income Tax Act. ~~This Act is repealed on January~~
3 1, 2025.

4 (Source: P.A. 102-16, eff. 6-17-21.)

5 (35 ILCS 40/70 new)

6 Sec. 70. Continuation of Act; validation.

7 (a) This amendatory Act of the 104th General Assembly
8 manifests the intention of the General Assembly to extend the
9 repeal of the Invest in Kids Act and have the Invest in Kids
10 Act continue in effect on and after January 1, 2025.

11 (b) The Invest in Kids Act shall be deemed to have been in
12 continuous effect since August 31, 2017 (the effective date of
13 Public Act 100-465), and it shall continue to be in effect
14 until it is otherwise lawfully repealed. All previously
15 enacted amendments to the Invest in Kids Act Act taking effect
16 on or after January 1, 2025, are hereby validated.

17 (c) All actions taken in reliance on or pursuant to the
18 Invest in Kids Act by any person or entity are hereby
19 validated.

20 (d) In order to ensure the continuing effectiveness of the
21 Invest in Kids Act, it is set forth in full and reenacted by
22 this amendatory Act of the 104th General Assembly. Striking
23 and underscoring are used only to show changes being made to
24 the base text. This reenactment is intended as a continuation
25 of the Act. It is not intended to supersede any amendment to

1 the Act that is enacted by the 104th General Assembly.

2 Section 10. The Illinois Income Tax Act is amended by
3 changing Section 224 as follows:

4 (35 ILCS 5/224)

5 Sec. 224. Invest in Kids credit.

6 (a) For (i) taxable years beginning on or after January 1,
7 2018 and ending before January 1, 2024 and (ii) taxable years
8 beginning on or after January 1, 2025, each taxpayer for whom a
9 tax credit has been awarded by the Department under the Invest
10 in Kids Act is entitled to a credit against the tax imposed
11 under subsections (a) and (b) of Section 201 of this Act in an
12 amount equal to the amount awarded under the Invest in Kids
13 Act.

14 (b) For taxable years ending before December 31, 2023, for
15 partners, shareholders of subchapter S corporations, and
16 owners of limited liability companies, if the liability
17 company is treated as a partnership for purposes of federal
18 and State income taxation, the credit under this Section shall
19 be determined in accordance with the determination of income
20 and distributive share of income under Sections 702 and 704
21 and subchapter S of the Internal Revenue Code. For taxable
22 years ending on or after December 31, 2023, partners and
23 shareholders of subchapter S corporations are entitled to a
24 credit under this Section as provided in Section 251.

1 (c) The credit may not be carried back and may not reduce
2 the taxpayer's liability to less than zero. If the amount of
3 the credit exceeds the tax liability for the year, the excess
4 may be carried forward and applied to the tax liability of the
5 taxable years following the excess credit year. The tax
6 credit shall be applied to the earliest year for which there is
7 a tax liability. If there are credits for more than one year
8 that are available to offset the liability, the earlier credit
9 shall be applied first.

10 (d) A tax credit awarded by the Department under the
11 Invest in Kids Act may not be claimed for any qualified
12 contribution for which the taxpayer claims a federal income
13 tax deduction.

14 (e) This Section is exempt from the provisions of Section
15 250.

16 (Source: P.A. 102-699, eff. 4-19-22; 103-396, eff. 1-1-24.)

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