

SB2856



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2856

Introduced 1/16/2026, by Sen. Paul Faraci

SYNOPSIS AS INTRODUCED:

35 ILCS 5/246 new
5 ILCS 100/5-45.71 new

Amends the Illinois Income Tax Act. Creates an income tax credit for individuals who (i) serve as a volunteer for 100 hours during the taxable year, (ii) do not receive any compensation for their services as a volunteer for the taxable year, and (iii) do not serve on a full-time or part-time career basis for the entity for which they volunteer. Provides that the Department of Revenue may award not more than \$5,000,000 in credits under these provisions in any calendar year. Effective immediately.

LRB104 16430 HLH 29821 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. Volunteer tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2026 and beginning prior to January 1, 2031, each individual
10 who (i) serves as a volunteer for 100 hours during the taxable
11 year, (ii) does not receive any compensation for his or her
12 services as a volunteer for the taxable year, and (iii) does
13 not serve on a full-time or part-time career basis for the
14 entity for which he or she volunteers may apply to the
15 Department for a credit against the taxes imposed by
16 subsections (a) and (b) of Section 201. The amount of the
17 credit shall be \$500 per eligible individual. The aggregate
18 amount of all tax credits awarded by the Department under this
19 Section in any calendar year may not exceed \$5,000,000.
20 Credits shall be awarded on a first-come, first-served basis.

21 (b) A credit under this Section may not reduce a
22 taxpayer's liability to less than zero.

23 (c) By January 24 of each year, entities that are

1 organized and operated exclusively for charitable, religious,
2 or educational purposes and possess an active Exemption
3 Identification Number issued by the Department pursuant to the
4 Retailers' Occupation Tax Act must notify the Department of
5 volunteers who (i) volunteered for at least 100 hours during
6 the immediately preceding calendar year and (ii) did not
7 receive compensation for their services as a volunteer during
8 the immediately preceding calendar year. Notification shall be
9 submitted in the manner specified by the Department.

10 (d) The Department shall adopt rules to implement and
11 administer this Section, including rules concerning
12 applications for the tax credit.

13 (e) As used in this Section, "volunteer" means a person
14 who serves, other than on a full-time career basis, for an
15 entity that is organized and operated exclusively for
16 charitable, religious, or educational purposes and who possess
17 an active Exemption Identification Number issued by the
18 Department of Revenue pursuant to the Retailers' Occupation
19 Tax Act.

20 Section 10. The Illinois Administrative Procedure Act is
21 amended by adding Section 5-45.71 as follows:

22 (5 ILCS 100/5-45.71 new)

23 Sec. 5-45.71. Emergency rulemaking; Illinois Income Tax
24 Act. To provide for the expeditious and timely implementation

1 of this amendatory Act of the 104th General Assembly,
2 emergency rules implementing this amendatory Act of the 104th
3 General Assembly may be adopted in accordance with Section
4 5-45 by the Department of Revenue. The adoption of emergency
5 rules authorized by Section 5-45 and this Section is deemed to
6 be necessary for the public interest, safety, and welfare.

7 This Section is repealed one year after the effective date
8 of this amendatory Act of the 104th General Assembly.

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