



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5834

Introduced 11/10/2020, by Rep. Deanne M. Mazzochi - Thomas Morrison - Margo McDermed - Amy Grant, Grant Wehrli, et al.

SYNOPSIS AS INTRODUCED:

5 ILCS 100/5-45.1 new
35 ILCS 5/232 new

Amends the Illinois Income Tax Act. Creates an income tax credit for custodians of qualifying pupils for eligible education expenses related to online learning, including computers, printers, internet access, textbooks, tutors, and educational facilitators. Provides for an additional credit if the custodian is also an eligible teacher. Creates an income tax credit for employers of custodians of qualifying pupils for eligible expenditures paid by the employer on behalf of the custodian. Provides that the credit is exempt from the Act's automatic sunset provision. Amends the Illinois Administrative Procedure Act to provide for emergency rulemaking. Effective immediately.

LRB101 22108 HLH 73131 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

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 3. The Illinois Administrative Procedure Act is
5 amended by adding Section 5-45.1 as follows:

6 (5 ILCS 100/5-45.1 new)

7 Sec. 5-45.1. Emergency rulemaking. To provide for the
8 expeditious and timely implementation of Section 232 of the
9 Illinois Income Tax Act, emergency rules implementing that
10 Section may be adopted in accordance with Section 5-45 by the
11 Department of Revenue. The adoption of emergency rules
12 authorized by Section 5-45 and this Section is deemed to be
13 necessary for the public interest, safety, and welfare.

14 This Section is repealed on January 1, 2026.

15 Section 5. The Illinois Income Tax Act is amended by adding
16 Section 232 as follows:

17 (35 ILCS 5/232 new)

18 Sec. 232. Remote learning education expense credit.

19 (a) The COVID-19 pandemic has created challenges for
20 students and their families in the areas of child care, school
21 attendance, school access, and the like.

1 This Section is intended to (i) assist students and
2 families who are unable follow their normal school routine as a
3 consequence of orders of the Department of Public Health
4 relating to COVID-19, (ii) additionally support classroom
5 instructors so that they can maximize time and opportunities
6 for in-person instruction, and (iii) incentivize employers to
7 accommodate working parents.

8 Because the nature and types of hardships experienced by
9 school districts, parents, and students are wide and varied,
10 the most efficient way to deliver relief that can be tailored
11 to the particular individuals' needs is through an income tax
12 credit.

13 The General Assembly finds that it will be costly and
14 burdensome to the State of Illinois if parents must choose to
15 become unemployed due to a lack of accommodation based on the
16 inability of students to attend school in person.

17 (b) As used in this Section, the following words shall have
18 the following meanings unless the context clearly requires
19 otherwise, and shall be construed expansively in favor of the
20 taxpayer for expenditures made in good faith wherever possible:

21 "Custodian" means, with respect to qualifying pupils, an
22 Illinois resident who is a parent, the parents, a legal
23 guardian, or the legal guardians of the qualifying pupils.

24 "COVID-19" means the illness caused by the coronavirus
25 SARS-CoV-2.

26 "Educational activities" means any aspect of a qualifying

1 pupil's education, including, but not limited to classroom
2 instruction, remote learning and blended remote learning
3 instruction, special education support, and tutoring and
4 mentoring.

5 "Eligible expenditure" means costs by a custodian of a
6 qualifying pupil or an employer associated with:

7 (1) the purchase of materials to support online
8 learning, including but not limited to, a personal computer
9 with internet access; a router or hotspot; monthly expenses
10 for internet access; a printer and supportive accessories
11 (print cartridge, toner); textbooks and other supplies
12 needed for education, up to a maximum of \$500 for the
13 taxable year; and the costs of educational activities;

14 (2) securing, for a qualifying pupil who is under the
15 age of 15, child care, independent tutoring, an educational
16 facilitator (whether individually or as part of a learning
17 pod, provided that the facilitator fee is distributed pro
18 rata per student), homeschool instruction, alternative
19 classroom instruction, or specialized services relating to
20 learning or behavioral issues identified in an
21 Individualized Education Program and the like, up to a
22 maximum of \$5,000 per taxable year per household or per
23 child, whichever is less; and

24 (3) compliance with a mandatory 2-week quarantine
25 period associated with COVID-19, whether imposed by an
26 employer, the State of Illinois, or a county health

1 department, including the costs of testing, clinical
2 support, and vaccination (if available), up to \$3,000 per
3 year.

4 "Eligible expenditure adjustment" means the eligible
5 expenditure reduced by 25%. The eligible expenditure
6 adjustment shall apply for any parent or household that had an
7 adjusted gross income for the taxable year of over \$150,000 for
8 an individual and \$300,000 for spouses filing a joint return.

9 "Eligible teacher" means an individual licensed under
10 Article 21B of the School Code who is teaching at the school
11 grade level of kindergarten through grade 12 and is also the
12 custodian of a qualifying pupil under the age of 14 who cannot
13 attend school anywhere within the custodian's school district
14 for in-person instruction on a regular school day.

15 "Qualifying pupil" means an individual who (i) is a
16 resident of the State of Illinois, (ii) is under the age of 21
17 at the close of the school year for which a credit is sought,
18 and (iii) during the school year for which a credit is sought,
19 was a full-time pupil enrolled in a kindergarten through grade
20 12 education program at any school, as defined in this Section.

21 "Regular school day" means the calendar days Monday through
22 Friday, from 8 a.m. to 4 p.m., which occur on the day after
23 Labor Day but before Memorial Day, but not any official
24 government holidays within that time period.

25 "School" means any public or nonpublic elementary or
26 secondary school in Illinois that is in compliance with Title

1 VI of the Civil Rights Act of 1964 and attendance at which
2 satisfies the requirements of Section 26-1 of the School Code,
3 except that nothing shall be construed to require a child to
4 attend any particular public or nonpublic school to qualify for
5 the credit under this Section.

6 (c) For taxable years beginning on or after January 1,
7 2020, a taxpayer who is a custodian of a qualifying pupil is
8 eligible to receive a nonrefundable credit against the taxes
9 imposed by subsections (a) and (b) of Section 201 in an amount
10 equal to 100% of the eligible expenditures (as adjusted by the
11 eligible expenditure adjustment, if applicable), subject to
12 the maximum allowable credits under this Section. Eligible
13 teachers are eligible for an additional \$75 credit per week,
14 not to exceed \$2,000 per year, if the eligible teacher's
15 qualifying pupil cannot attend in-person instruction because
16 of orders involving the Department of Public Health, a county
17 health department, or the State Board of Education relating to
18 COVID-19.

19 The credit under this Section shall not apply to
20 expenditures incurred after orders preventing in-person
21 instruction for the qualifying pupil are lifted. No taxpayer
22 shall be entitled to claim a tax credit under this Section for
23 the same eligible expenditures claimed by another taxpayer. If
24 2 or more custodians claim tax credits for the same qualified
25 pupil, the total of which exceeds the amounts in this
26 subsection, then the total amount of the credit allowed shall

1 be allocated in amounts proportionate to teach eligible
2 taxpayer's share of the total amount of the eligible
3 expenditures for the eligible qualifying pupil.

4 The employer of a custodian of a qualifying pupil is also
5 entitled to a credit against the taxes imposed by subsections
6 (a) and (b) of Section 201 in an amount equal to 100% of the
7 eligible expenditures paid by the employer on behalf of the
8 custodian of the qualifying pupil, but not to exceed a maximum
9 in each taxable year of \$2,000 for each employee on whose
10 behalf an expenditure is made, plus 50% of the maximum
11 unemployment insurance payment that the employer would
12 otherwise pay to the State under the Unemployment Insurance Act
13 for that employee.

14 (d) The Department of Revenue and the State Board of
15 Education shall jointly adopt rules for the implementation of
16 this Section.

17 (e) The Department of Revenue shall annually, no later than
18 November 1, file a report with the Governor and the General
19 Assembly and publish on the Department of Revenue's website the
20 total amount of tax credits claimed under this Section and the
21 total number of taxpayers who received the credit for the
22 preceding fiscal year.

23 (f) This Section is exempt from the provisions of Section
24 250.

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.