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.
AN ACT concerning revenue.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

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

(5 ILCS 100/5-45.1 new)
Sec. 5-45.1. Emergency rulemaking. To provide for the expeditious and timely implementation of Section 232 of the Illinois Income Tax Act, emergency rules implementing that Section may be adopted in accordance with Section 5-45 by the Department of Revenue. The adoption of emergency rules authorized by Section 5-45 and this Section is deemed to be necessary for the public interest, safety, and welfare.

This Section is repealed on January 1, 2026.

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

(35 ILCS 5/232 new)
Sec. 232. Remote learning education expense credit.
(a) The COVID-19 pandemic has created challenges for students and their families in the areas of child care, school attendance, school access, and the like.
This Section is intended to (i) assist students and families who are unable follow their normal school routine as a consequence of orders of the Department of Public Health relating to COVID-19, (ii) additionally support classroom instructors so that they can maximize time and opportunities for in-person instruction, and (iii) incentivize employers to accommodate working parents.

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

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

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

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

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

"Educational activities" means any aspect of a qualifying
pupil's education, including, but not limited to classroom instruction, remote learning and blended remote learning instruction, special education support, and tutoring and mentoring.

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

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

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

(3) compliance with a mandatory 2-week quarantine period associated with COVID-19, whether imposed by an employer, the State of Illinois, or a county health
department, including the costs of testing, clinical support, and vaccination (if available), up to $3,000 per year.

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

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

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

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

"School" means any public or nonpublic elementary or secondary school in Illinois that is in compliance with Title
VI of the Civil Rights Act of 1964 and attendance at which satisfies the requirements of Section 26-1 of the School Code, except that nothing shall be construed to require a child to attend any particular public or nonpublic school to qualify for the credit under this Section.

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

The credit under this Section shall not apply to expenditures incurred after orders preventing in-person instruction for the qualifying pupil are lifted. No taxpayer shall be entitled to claim a tax credit under this Section for the same eligible expenditures claimed by another taxpayer. If 2 or more custodians claim tax credits for the same qualified pupil, the total of which exceeds the amounts in this subsection, then the total amount of the credit allowed shall
be allocated in amounts proportionate to teach eligible taxpayer's share of the total amount of the eligible expenditures for the eligible qualifying pupil.

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

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

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

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

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