

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 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. College tuition expense credit.

8 (a) For taxable years that begin on or after January 1,
9 2023 and begin prior to January 1, 2028, a taxpayer who may
10 claim one or more qualifying students as a dependent, or a
11 taxpayer who is a qualifying student and is not claimed as a
12 dependent by any other taxpayer, shall be allowed a credit
13 against the tax imposed by subsections (a) and (b) of Section
14 201 in an amount equal to the lesser of: (1) the qualified
15 tuition and fee expenses paid by the taxpayer during the
16 taxable year on behalf of the qualifying student or students;
17 or (2) the maximum credit amount. Qualified taxpayers may
18 apply to the Board of Higher Education for a credit under this
19 Section in the form and manner required by the Board of Higher
20 Education by rule. If the application is approved, the Board
21 of Higher Education shall award the credit by issuance of a
22 certificate of tax credit to the taxpayer. The taxpayer shall
23 present the certificate of tax credit to the Department of

1 Revenue by attaching the certificate to the taxpayer's
2 Illinois income tax return.

3 (b) The maximum credit amount under this Section is:

4 (1) \$1,000 if the taxpayer's federal adjusted gross
5 income is more than 6 times the federal poverty level but
6 not more than 7 times the federal poverty level;

7 (2) \$750 if the taxpayer's federal adjusted gross
8 income is more than 7 times the federal poverty level but
9 not more than 9 times the federal poverty level; and

10 (3) \$500 if the taxpayer's federal adjusted gross
11 income is more than 9 times the federal poverty level but
12 not more than 11 times the federal poverty level.

13 (c) In no event shall a credit under this Section reduce a
14 taxpayer's liability to less than zero.

15 (d) For the purpose of this Section:

16 "Federal poverty level" means the federal poverty
17 guidelines updated periodically in the Federal Register by the
18 United States Department of Health and Human Services,
19 reported as of the last day of the taxable year for which the
20 credit under this Section is claimed.

21 "Qualifying university" means any public university that
22 is physically located in the State and is eligible to
23 participate in a student loan program administered by the
24 United States Department of Education.

25 "Qualifying student" means an individual who (i) is a
26 resident of the State, (ii) is under the age of 24 at the close

1 of the tax year for which a credit is sought, and (iii) during
2 the tax year for which a credit is sought, is a full-time
3 student enrolled in a program at a qualifying university at
4 which the student is enrolled.

5 "Qualified tuition and fee expense" means the amount
6 incurred on behalf of a qualifying student for tuition, book
7 fees, and lab fees at the qualifying university at which the
8 student is enrolled.

9 (e) Notwithstanding any other provision of law, no
10 taxpayer may claim a credit under this Section if the
11 taxpayer's federal adjusted gross income for the taxable year
12 is less than or equal to 6 times the federal poverty level or
13 more than 11 times the federal poverty level.

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