



Rep. Joe C. Sosnowski

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10300HB1257ham001

LRB103 05310 HLH 58034 a

1 AMENDMENT TO HOUSE BILL 1257

2 AMENDMENT NO. _____. Amend House Bill 1257 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by
5 changing Section 224 as follows:

6 (35 ILCS 5/224)

7 Sec. 224. Invest in Kids credit.

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

15 (b) For partners, shareholders of subchapter S
16 corporations, and owners of limited liability companies, if

1 the liability company is treated as a partnership for purposes
2 of federal and State income taxation, the credit under this
3 Section shall be determined in accordance with the
4 determination of income and distributive share of income under
5 Sections 702 and 704 and subchapter S of the Internal Revenue
6 Code.

7 (c) The credit may not be carried back and may not reduce
8 the taxpayer's liability to less than zero. If the amount of
9 the credit exceeds the tax liability for the year, the excess
10 may be carried forward and applied to the tax liability of the
11 5 taxable years following the excess credit year. The tax
12 credit shall be applied to the earliest year for which there is
13 a tax liability. If there are credits for more than one year
14 that are available to offset the liability, the earlier credit
15 shall be applied first.

16 (d) A tax credit awarded by the Department under the
17 Invest in Kids Act may not be claimed for any qualified
18 contribution for which the taxpayer claims a federal income
19 tax deduction.

20 (e) This Section is exempt from the provisions of Section
21 250.

22 (Source: P.A. 102-699, eff. 4-19-22.)

23 Section 10. The Invest in Kids Act is amended by changing
24 Sections 10, 40, and 65 as follows:

1 (35 ILCS 40/10)

2 (Section scheduled to be repealed on January 1, 2025)

3 Sec. 10. Credit awards.

4 (a) The Department shall award credits against the tax
5 imposed under subsections (a) and (b) of Section 201 of the
6 Illinois Income Tax Act to taxpayers who make qualified
7 contributions. For taxable years ending on or before December
8 31, 2023, for ~~For~~ contributions made under this Act, the
9 credit shall be equal to 75% of the total amount of qualified
10 contributions made by the taxpayer during a taxable year, not
11 to exceed a credit of \$1,000,000 per taxpayer. For taxable
12 years beginning on or after January 1, 2024, for contributions
13 made under this Act, the credit shall be equal to 100% of the
14 total amount of qualified contributions made by the taxpayer
15 during a taxable year, not to exceed a credit of \$1,000,000 per
16 taxpayer.

17 (b) The aggregate amount of all credits the Department may
18 award under this Act in any calendar year may not exceed
19 \$75,000,000.

20 (c) Contributions made by corporations (including
21 Subchapter S corporations), partnerships, and trusts under
22 this Act may not be directed to a particular subset of schools,
23 a particular school, a particular group of students, or a
24 particular student. Contributions made by individuals under
25 this Act may be directed to a particular subset of schools or a
26 particular school but may not be directed to a particular

1 group of students or a particular student.

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

5 (e) Credits shall be awarded in a manner, as determined by
6 the Department, that is geographically proportionate to
7 enrollment in recognized non-public schools in Illinois. If
8 the cap on the aggregate credits that may be awarded by the
9 Department is not reached by June 1 of a given year, the
10 Department shall award remaining credits on a first-come,
11 first-served basis, without regard to the limitation of this
12 subsection.

13 (f) Credits awarded for donations made to a technical
14 academy shall be awarded without regard to subsection (e), but
15 shall not exceed 15% of the annual statewide program cap. For
16 the purposes of this subsection, "technical academy" means a
17 technical academy that is registered with the Board within 30
18 days after the effective date of this amendatory Act of the
19 102nd General Assembly.

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

21 (35 ILCS 40/40)

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

23 Sec. 40. Scholarship granting organization
24 responsibilities.

25 (a) Before granting a scholarship for an academic year,

1 all scholarship granting organizations shall assess and
2 document each student's eligibility for the academic year.

3 (b) A scholarship granting organization shall grant
4 scholarships only to eligible students.

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

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

14 (1) (blank);

15 (2) eligible students who are members of a household
16 whose previous year's total annual income does not exceed
17 185% of the federal poverty level;

18 (3) eligible students who reside within a focus
19 district; and

20 (4) eligible students who are siblings of students
21 currently receiving a scholarship.

22 (d-5) A scholarship granting organization shall begin
23 granting scholarships no later than February 1 preceding the
24 school year for which the scholarship is sought. Each priority
25 group identified in subsection (d) of this Section shall be
26 eligible to receive scholarships on a first-come, first-served

1 basis until April 1 immediately preceding the school year for
2 which the scholarship is sought, starting with the first
3 priority group identified in subsection (d) of this Section.
4 Applications for scholarships for eligible students meeting
5 the qualifications of one or more priority groups that are
6 received before April 1 must be either approved or denied
7 within 10 business days after receipt. Beginning April 1, all
8 eligible students shall be eligible to receive scholarships
9 without regard to the priority groups identified in subsection
10 (d) of this Section.

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

26 (1) for eligible students whose household income is

1 less than 185% of the federal poverty level, the
2 scholarship shall be 100% of the amount determined
3 pursuant to this subsection (e) and subsection (e-5) of
4 this Section;

5 (2) for eligible students whose household income is
6 185% or more of the federal poverty level but less than
7 250% of the federal poverty level, the average of
8 scholarships shall be 75% of the amount determined
9 pursuant to this subsection (e) and subsection (e-5) of
10 this Section; and

11 (3) for eligible students whose household income is
12 250% or more of the federal poverty level, the average of
13 scholarships shall be 50% of the amount determined
14 pursuant to this subsection (e) and subsection (e-5) of
15 this Section.

16 (e-5) The statewide average operational expense per
17 student among public schools shall be multiplied by the
18 following factors:

19 (1) for students determined eligible to receive
20 services under the federal Individuals with Disabilities
21 Education Act, 2;

22 (2) for students who are English learners, as defined
23 in subsection (d) of Section 14C-2 of the School Code,
24 1.2; and

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

1 (f) A scholarship granting organization shall distribute
2 scholarship payments to the participating school where the
3 student is enrolled.

4 (g) Each ~~For the 2018-2019 school year through the~~
5 ~~2022-2023 school year, each~~ scholarship granting organization
6 shall expend no less than 75% of the qualified contributions
7 received during the calendar year in which the qualified
8 contributions were received. No more than 25% of the qualified
9 contributions may be carried forward to the following calendar
10 year.

11 (h) (Blank). ~~For the 2023-2024 school year, each~~
12 ~~scholarship granting organization shall expend all qualified~~
13 ~~contributions received during the calendar year in which the~~
14 ~~qualified contributions were received. No qualified~~
15 ~~contributions may be carried forward to the following calendar~~
16 ~~year.~~

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

21 (j) With the prior approval of the Department, a
22 scholarship granting organization may transfer funds to
23 another scholarship granting organization if additional funds
24 are required to meet scholarship demands at the receiving
25 scholarship granting organization. All transferred funds must
26 be deposited by the receiving scholarship granting

1 organization into its scholarship accounts. All transferred
2 amounts received by any scholarship granting organization must
3 be separately disclosed to the Department.

4 (k) If the approval of a scholarship granting organization
5 is revoked as provided in Section 20 of this Act or the
6 scholarship granting organization is dissolved, all remaining
7 qualified contributions of the scholarship granting
8 organization shall be transferred to another scholarship
9 granting organization. All transferred funds must be deposited
10 by the receiving scholarship granting organization into its
11 scholarship accounts.

12 (l) Scholarship granting organizations shall make
13 reasonable efforts to advertise the availability of
14 scholarships to eligible students.

15 (Source: P.A. 102-699, eff. 4-19-22; 102-1059, eff. 6-10-22;
16 revised 8-3-22.)

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 for tax
21 years beginning on or after January 1, 2018 ~~and ending before~~
22 ~~January 1, 2024. A taxpayer may not take a credit pursuant to~~
23 ~~this Act for tax years beginning on or after January 1, 2024.~~

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

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

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