



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3950

Introduced 2/17/2023, by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

35 ILCS 5/234 new

Amends the Illinois Income Tax Act. Creates an income tax credit for dependents of the taxpayer. Provides that the maximum amount of the credit is \$700 per qualified dependent of the taxpayer. Provides that the maximum amount shall be reduced by \$24 for each \$1,000 by which the taxpayer's net income exceeds \$75,000 in the case of a joint return or \$50,000 in the case of any other form of return. Defines "qualified dependent". Effective immediately.

LRB103 27522 HLH 57537 b

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 234 as follows:

6 (35 ILCS 5/234 new)

7 Sec. 234. Dependent tax credit.

8 (a) For taxable years beginning on or after January 1,
9 2024, there shall be allowed a credit against the tax imposed
10 by subsections (a) and (b) of Section 201 in an amount
11 calculated under subsection (b). If the amount of the credit
12 exceeds the taxpayer's income tax liability under this Act for
13 the applicable tax year, then the excess credit shall be
14 refunded to the taxpayer. Each individual taxpayer, including
15 a taxpayer filing a return using a federal individual taxpayer
16 identification number as prescribed under Section 6109 of the
17 Internal Revenue Code, is entitled to the credit under this
18 Section.

19 (b) The maximum amount of the credit allowed under this
20 Section is \$700 per qualified dependent of the taxpayer;
21 however, that amount shall be reduced by \$24 for each \$1,000 by
22 which the taxpayer's net income exceeds \$75,000 in the case of
23 a joint return or \$50,000 in the case of any other form of

1 return.

2 (c) The amount of a refund shall not be included in the
3 taxpayer's income or resources for the purposes of determining
4 eligibility or benefit level in any means-tested benefit
5 program administered by a governmental entity unless required
6 by federal law.

7 (d) As used in this Section, "qualified dependent" means a
8 person who is a dependent of the taxpayer under Section 152 of
9 the Internal Revenue Code, has the same principal place of
10 abode as the taxpayer for more than 50% of the taxable year,
11 and either is (i) 17 years of age or younger during the taxable
12 year or (ii) physically or mentally incapable of caring for
13 himself or herself, as determined under Section 21(b)(1)(B) of
14 the Internal Revenue Code.

15 (e) The Department of Revenue may adopt rules necessary or
16 appropriate to carry out the purposes of this Section.

17 (f) This Section is exempt from Section 250.

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