

SB0225



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB0225

Introduced 1/31/2023, by Sen. Cristina Castro

SYNOPSIS AS INTRODUCED:

35 ILCS 40/5
35 ILCS 40/10

Amends the Invest in Kids Act. Provides that qualified contributions made on or after June 1, 2024 may be used only to provide scholarships to eligible students who attend a technical academy.

LRB103 25959 HLH 52311 b

A BILL FOR

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 Invest in Kids Act is amended by changing
5 Sections 5 and 10 as follows:

6 (35 ILCS 40/5)

7 (Section scheduled to be repealed on January 1, 2025)

8 Sec. 5. Definitions. As used in this Act:

9 "Authorized contribution" means the contribution amount
10 that is listed on the contribution authorization certificate
11 issued to the taxpayer.

12 "Board" means the State Board of Education.

13 "Contribution" means a donation made by the taxpayer
14 during the taxable year for providing scholarships as provided
15 in this Act.

16 "Custodian" means, with respect to eligible students, an
17 Illinois resident who is a parent or legal guardian of the
18 eligible student or students.

19 "Department" means the Department of Revenue.

20 "Eligible student" means a child who:

21 (1) is a member of a household whose federal adjusted
22 gross income the year before he or she initially receives
23 a scholarship under this program, as determined by the

1 Department, does not exceed 300% of the federal poverty
2 level and, once the child receives a scholarship, does not
3 exceed 400% of the federal poverty level;

4 (2) is eligible to attend a public elementary school
5 or high school in Illinois in the semester immediately
6 preceding the semester for which he or she first receives
7 a scholarship or is starting school in Illinois for the
8 first time when he or she first receives a scholarship;
9 and

10 (3) resides in Illinois while receiving a scholarship.

11 "Family member" means a parent, child, or sibling, whether
12 by whole blood, half blood, or adoption; spouse; or stepchild.

13 "Focus district" means a school district which has a
14 school that is either (i) a school that has one or more
15 subgroups in which the average student performance is at or
16 below the State average for the lowest 10% of student
17 performance in that subgroup or (ii) a school with an average
18 graduation rate of less than 60% and not identified for
19 priority.

20 "Jointly administered CTE program" means a program or set
21 of programs within a non-public school located in Illinois, as
22 determined by the State Board of Education pursuant to Section
23 7.5 of this Act.

24 "Necessary costs and fees" includes the customary charge
25 for instruction and use of facilities in general and the
26 additional fixed fees charged for specified purposes that are

1 required generally of non-scholarship recipients for each
2 academic period for which the scholarship applicant actually
3 enrolls, including costs associated with student assessments,
4 but does not include fees payable only once and other
5 contingent deposits that are refundable in whole or in part.
6 The Board may prescribe, by rules consistent with this Act,
7 detailed provisions concerning the computation of necessary
8 costs and fees.

9 "Scholarship granting organization" means an entity that:

10 (1) is exempt from taxation under Section 501(c)(3) of
11 the Internal Revenue Code;

12 (2) uses at least 95% of the qualified contributions
13 received during a taxable year for scholarships;

14 (3) provides scholarships to students according to the
15 guidelines of this Act;

16 (4) deposits and holds qualified contributions and any
17 income derived from qualified contributions in an account
18 that is separate from the organization's operating fund or
19 other funds until such qualified contributions or income
20 are withdrawn for use; and

21 (5) is approved to issue certificates of receipt.

22 "Technical academy" means a non-public school located in
23 Illinois that: (1) registers with the Board pursuant to
24 Section 2-3.25 of the School Code; and (2) operates or will
25 operate a jointly administered CTE program as the primary
26 focus of the school. To maintain its status as a technical

1 academy, the non-public school must obtain recognition from
2 the Board pursuant to Section 2-3.25o of the School Code
3 within 2 calendar years of its registration with the Board.

4 "Qualified contribution" means the authorized contribution
5 made by a taxpayer to a scholarship granting organization for
6 which the taxpayer has received a certificate of receipt from
7 such organization. Qualified contributions made on or after
8 June 1, 2024 may be used only to provide scholarships to
9 eligible students who attend a technical academy.

10 "Qualified school", for contributions made prior to June
11 1, 2024, means a non-public school located in Illinois and
12 recognized by the Board pursuant to Section 2-3.25o of the
13 School Code. On and after June 1, 2024, "qualified school"
14 means a technical academy located in Illinois and recognized
15 by the Board pursuant to Section 2-3.25o of the School Code.

16 "Scholarship" means an educational scholarship awarded to
17 an eligible student to attend a qualified school of their
18 custodians' choice in an amount not exceeding the necessary
19 costs and fees to attend that school.

20 "Taxpayer" means any individual, corporation, partnership,
21 trust, or other entity subject to the Illinois income tax. For
22 the purposes of this Act, 2 individuals filing a joint return
23 shall be considered one taxpayer.

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

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

2 Sec. 10. Credit awards.

3 (a) The Department shall award credits against the tax
4 imposed under subsections (a) and (b) of Section 201 of the
5 Illinois Income Tax Act to taxpayers who make qualified
6 contributions. For contributions made under this Act, the
7 credit shall be equal to 75% of the total amount of qualified
8 contributions made by the taxpayer during a taxable year, not
9 to exceed a credit of \$1,000,000 per taxpayer.

10 (b) The aggregate amount of all credits the Department may
11 award under this Act in any calendar year may not exceed
12 \$75,000,000.

13 (c) Contributions made by corporations (including
14 Subchapter S corporations), partnerships, and trusts under
15 this Act may not be directed to a particular subset of schools,
16 a particular school, a particular group of students, or a
17 particular student. Contributions made by individuals under
18 this Act may be directed to a particular subset of schools or a
19 particular school but may not be directed to a particular
20 group of students or a particular student.

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

24 (e) Credits shall be awarded in a manner, as determined by
25 the Department, that is geographically proportionate to
26 enrollment in recognized non-public schools in Illinois. If

1 the cap on the aggregate credits that may be awarded by the
2 Department is not reached by June 1 of a given year, the
3 Department shall award remaining credits on a first-come,
4 first-served basis, without regard to the limitation of this
5 subsection.

6 (f) Prior to June 1, 2024, credits ~~Credits~~ awarded for
7 donations made to a technical academy shall be awarded without
8 regard to subsection (e), but shall not exceed 15% of the
9 annual statewide program cap. For the purposes of this
10 subsection, "technical academy" means a technical academy that
11 is registered with the Board within 30 days after the
12 effective date of this amendatory Act of the 102nd General
13 Assembly.

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