

# HB1323



## 95TH GENERAL ASSEMBLY

### State of Illinois

2007 and 2008

HB1323

Introduced 2/20/2007, by Rep. Mary E. Flowers

#### SYNOPSIS AS INTRODUCED:

35 ILCS 5/218 new

Amends the Illinois Income Tax Act. Creates a tax credit for individuals who are assistant state's attorneys, assistant attorneys general, assistant public defenders, assistant public guardians, or civil legal services attorneys. Provides that the amount of the credit is an amount equal to the interest paid on the taxpayer's student loan during that year. Provides that the credit may not reduce the taxpayer's liability to less than zero. Effective immediately.

LRB095 07334 BDD 27475 b

FISCAL NOTE ACT  
MAY APPLY

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 Illinois Income Tax Act is amended by adding  
5 Section 218 as follows:

6 (35 ILCS 5/218 new)

7 Sec. 218. Credit for interest paid on student loans by  
8 public attorneys.

9 (a) Purpose. The purpose of this Section is to encourage  
10 qualified individuals to enter and continue employment as  
11 assistant state's attorneys, assistant attorneys general,  
12 assistant public defenders, assistant public guardians, and  
13 civil legal services attorneys.

14 (b) Definitions. In this Section:

15 (1) "Assistant state's attorney" means a full-time  
16 employee of a state's attorney who:

17 (A) is continually licensed to practice law; and

18 (B) prosecutes or defends cases on behalf of the  
19 State or a county.

20 (2) "Assistant attorney general" means a full-time  
21 employee of the Illinois Attorney General who:

22 (A) is continually licensed to practice law; and

23 (B) prosecutes or defends cases on behalf of the

1           State.

2           (3) "Assistant public defender" a means a full-time  
3 employee of a public defender who:

4                   (A) is continually licensed to practice law; and

5                   (B) provides legal representation to indigent  
6 persons, as provided by statute.

7           (4) "Assistant public guardian" a means a full-time  
8 employee of a public guardian who:

9                   (A) is continually licensed to practice law; and

10                   (B) provides legal representation pursuant to  
11 court appointment.

12           (5) "Civil legal services attorney" means a full-time  
13 employee of a qualified civil legal services provider who:

14                   (A) is continually licensed to practice law; and

15                   (B) provides legal representation to indigent  
16 persons.

17           (6) "Qualified civil legal services provider" means a  
18 civil legal services provider that:

19                   (A) makes financial eligibility determinations  
20 before providing civil legal services;

21                   (B) has demonstrated its commitment to the  
22 provision of high quality civil legal services to  
23 clients and has operated for at least 2 years;

24                   (C) received and expended cash funds in Illinois in  
25 the previous fiscal year in the amount of at least  
26 \$200,000 for the provision of civil legal services; and

1           (D) meets all the qualifications set out in Section  
2           10 of the Illinois Equal Justice Act.

3           (7) The term "student loan" means:

4           (A) a loan made, insured, or guaranteed under part  
5           B of title IV of the Higher Education Act of 1965 (20  
6           U.S.C. 1071 et seq.);

7           (B) a loan made under part D or E of title IV of  
8           the Higher Education Act of 1965 (20 U.S.C. 1087a et  
9           seq. and 1087aa et seq.); or

10           (C) a loan made under section 428C or 455(g) of the  
11           Higher Education Act of 1965 (20 U.S.C. 1078-3 and  
12           1087e(g)) to the extent that such loan was used to  
13           repay a Federal Direct Stafford Loan, a Federal Direct  
14           Unsubsidized Stafford Loan, or a loan made under  
15           section 428 or 428H of such Act.

16           (c) For each taxable year beginning on or after January 1,  
17           2008, each individual taxpayer is entitled to a credit against  
18           the tax imposed by subsections (a) and (b) of section 201 of  
19           this Act in an amount equal to the interest paid on the  
20           taxpayer's student loan during that year, provided the  
21           individual:

22           (1) is employed as assistant state's attorney,  
23           assistant attorney general, assistant public defender,  
24           assistant public guardian or a civil legal services  
25           attorneys during the entire taxable year; and

26           (2) is not in default on a loan for which the borrower

1       seeks forgiveness.

2       (d) In no event shall a credit under this Section reduce  
3 the taxpayer's liability to less than zero.

4       (e) If, in any taxable year, pursuant to a federal law  
5 enacted on or after February 1, 2007, a taxpayer receives  
6 assistance from the federal government in retiring the student  
7 loan, the amount of the tax credit for that year shall be  
8 reduced by the amount of the federal assistance received in  
9 that year.

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