



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

SB3917

Introduced 5/8/2012, by Sen. Dan Kotowski

SYNOPSIS AS INTRODUCED:

35 ILCS 5/223 new

Amends the Illinois Income Tax Act. Creates a credit in an amount equal to any qualified education expenses paid by the taxpayer to an eligible educational institution during the taxable year, but not to exceed \$5,000 per taxpayer in any taxable year. Provides that the term "eligible educational institution" means any public or private university, community college, vocational school, or other postsecondary educational institution that is physically located in the State and is eligible to participate in a student loan program administered by the United States Department of Education. Provides that the term "qualified education expenses" means tuition and fees required for enrollment or attendance at an eligible educational institution, as well as expenses for course-related books, supplies, and equipment if those expenses are incurred as part of the student's course of study. Effective immediately.

LRB097 21365 HLH 69267 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 223 as follows:

6 (35 ILCS 5/223 new)

7 Sec. 223. Credit for qualified education expenses.

8 (a) For taxable years ending on or after December 31, 2012,
9 and ending prior to December 31, 2017, each taxpayer is
10 entitled to a credit against the tax imposed by subsections (a)
11 and (b) of Section 201 in an amount equal to any qualified
12 education expenses paid by the taxpayer to an eligible
13 educational institution during the taxable year, but not to
14 exceed \$5,000 per taxpayer in any taxable year.

15 (b) For partners, shareholders of Subchapter S
16 corporations, and owners of limited liability companies, if the
17 liability company is treated as a partnership for purposes of
18 federal and State income taxation, there is allowed a credit
19 under this Section to be determined in accordance with the
20 determination of income and distributive share of income under
21 Sections 702 and 704 and Subchapter S of the Internal Revenue
22 Code.

23 (c) The credit may not be carried back. If the amount of

1 the credit exceeds the tax liability for the year, the excess
2 may be carried forward and applied to the tax liability of the
3 5 taxable years following the excess credit year. The tax
4 credit shall be applied to the earliest year for which there is
5 a tax liability. If there are credits for more than one year
6 that are available to offset a liability, the earlier credit
7 shall be applied first.

8 (d) For the purposes of this Section:

9 "Eligible educational institution" means any public or
10 private university, community college, vocational school, or
11 other postsecondary educational institution that is physically
12 located in the State and is eligible to participate in a
13 student loan program administered by the United States
14 Department of Education.

15 "Qualified education expenses" means tuition and fees
16 required for enrollment or attendance at an eligible
17 educational institution, as well as expenses for
18 course-related books, supplies, and equipment if those
19 expenses are incurred as part of the student's course of study.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.