

# SB3329



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3329

Introduced 2/7/2024, by Sen. Omar Aquino

### SYNOPSIS AS INTRODUCED:

35 ILCS 5/212.5 new

Amends the Illinois Income Tax Act. Creates a child tax credit in an amount equal to the product of a specified credit amount multiplied by the number of qualifying children of the taxpayer. Effective immediately.

LRB103 39091 HLH 69229 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 Illinois Income Tax Act is amended by  
5 adding Section 212.5 as follows:

6 (35 ILCS 5/212.5 new)

7 Sec. 212.5. Child tax credit.

8 (a) For taxable years beginning on or after January 1,  
9 2025, subject to the reduction set forth in subsection (b),  
10 each taxpayer is allowed a credit against the tax imposed by  
11 subsections (a) and (b) of Section 201 in an amount equal to  
12 the product of the credit amount multiplied by the number of  
13 qualifying children of the taxpayer. To receive a credit, the  
14 taxpayer must be eligible for a credit under Section 32 of the  
15 Internal Revenue Code with respect to a qualifying child.  
16 However, a taxpayer is entitled to the credit under this  
17 Section regardless of whether or not the credit is disallowed  
18 under Section 32 of the Internal Revenue Code because the  
19 taxpayer has insufficient earned income.

20 (b) The credit under this Section shall be reduced by an  
21 amount equal to 2% of the portion of the taxpayer's earned  
22 income or adjusted gross income, whichever is greater, that  
23 exceeds the phaseout threshold.

1       (c) If the amount of the credit exceeds the income tax  
2 liability for the applicable tax year, then the excess credit  
3 shall be refunded to the taxpayer. The amount of the refund  
4 shall not be included in the taxpayer's income or resources  
5 for the purposes of determining eligibility or benefit level  
6 in any means-tested benefit program administered by a  
7 governmental entity unless required by federal law.

8       (d) As used in this Section:

9       "Consumer Price Index" means the index published by the  
10 Bureau of Labor Statistics of the United States Department of  
11 Labor that measures the average change in prices of goods and  
12 services purchased by all urban consumers, United States city  
13 average, all items, 1982-84 = 100.

14       "Credit amount" means:

15           (1) for taxable years beginning on or after January 1,  
16 2025 and beginning before January 1, 2026, \$300; and

17           (2) for taxable years beginning on or after January 1,  
18 2026, the amount generated by multiplying the credit  
19 amount for the immediately preceding calendar year by one  
20 plus the percentage increase, if any, in the Consumer  
21 Price Index during the 12-month period ending in September  
22 of the previous calendar year and then rounding the  
23 product to the nearest \$10.

24       By December 1, 2025, and by December 1 of each calendar  
25 year thereafter, the Department shall calculate the credit  
26 amount for the next calendar year and shall publish that

1 credit amount on its website.

2 "Phaseout threshold" means:

3 (1) \$75,000 for a married taxpayer filing a joint  
4 return; and

5 (2) \$50,000 for all other filers.

6 "Qualifying child" has the meaning given in subsection (c)  
7 of Section 32 of the Internal Revenue Code, except that:

8 (1) the term excludes individuals who attain the age  
9 of 18 or greater during the taxable year; and

10 (2) subsection (m) of Section 32 of the Internal  
11 Revenue Code does not apply.

12 (e) This Section is exempt from the provisions of Section  
13 250.

14 Section 99. Effective date. This Act takes effect upon  
15 becoming law.