

1 AN ACT to amend the Illinois Income Tax Act by adding
2 Section 211.

3 Be it enacted by the People of the State of Illinois,
4 represented in the General Assembly:

5 Section 5. The Illinois Income Tax Act is amended by
6 adding Section 211 as follows:

7 (35 ILCS 5/211 new)

8 Sec. 211. Child care expense credit.

9 (a) For taxable years beginning on or after January 1,
10 2001 and ending on or before December 30, 2006, if an
11 individual claims a credit for child care expenses on the
12 individual's federal income tax return, the individual is
13 entitled to a credit against the taxes imposed under this Act
14 for amounts spent on child care. The amount of the credit
15 shall be as follows:

16 (1) If the taxpayer's federal adjusted gross income
17 is \$25,000 or less, the credit shall be an amount equal
18 to 50% of the credit for child care expenses claimed on
19 the taxpayer's federal return.

20 (2) If the taxpayer's federal adjusted gross income
21 is more than \$25,000 but not more than \$35,000, the
22 credit shall be an amount equal to 30% of the credit for
23 child care expenses claimed on the taxpayer's federal
24 return.

25 (3) If the taxpayer's federal adjusted gross income
26 is more than \$35,000 but not more than \$80,000, the
27 credit shall be an amount equal to 10% of the credit for
28 child care expenses claimed on the taxpayer's federal
29 return.

30 (4) If the taxpayer's federal adjusted gross income
31 is more than \$80,000, the taxpayer shall not be entitled

1 to a credit under this Section.

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

10 (c) A taxpayer who receives child care assistance from
11 the Department of Human Services under Section 9A-11 of the
12 Illinois Public Aid Code shall not be entitled to a credit
13 under this Section except to the extent of the taxpayer's
14 unreimbursed out-of-pocket expenses that result in a federal
15 credit for child care expense.

16 Section 99. Effective date. This Act takes effect
17 January 1, 2002.