

**Section 1000.200 Invest In Kids Act: Program Overview and Award of Credits
EMERGENCY**

- a) Program Overview. The Act authorizes taxpayers, subject to specific limitations and requirements, to receive an income tax credit for qualified contributions made to scholarship granting organizations. Taxpayers wishing to make qualified contributions must first apply to the Department for approval to make qualified contributions. Once approved, taxpayers are issued contribution authorization certificates by the Department, which must be provided to scholarship granting organizations by taxpayers when making their qualified contributions. A scholarship granting organization must apply to the Department for approval before it can issue certificates of receipt to taxpayers making qualified contributions. Certificates of receipt issued to the taxpayer by an SGO may be used to document the tax credit claimed by the taxpayer under subsection (b).
- b) Award of Credits by the Department – Requirements and Limitations. *The Department shall award credits against the tax imposed under subsections (a) and (b) of Section 201 of the Illinois Income Tax Act to taxpayers who make qualified contributions. The credit shall be equal to 75% of the total amount of qualified contributions made by the taxpayer during a taxable year, not to exceed a credit of \$1,000,000 per taxpayer (i.e., total qualified contributions made by a taxpayer for which a credit may be obtained may not exceed \$1,333,333 during a taxable year).*
- 1) *The aggregate amount of all credits the Department may award in any calendar year may not exceed \$75,000,000 (i.e., the total qualified contributions made by all taxpayers for which credits may be obtained may not exceed \$100,000,000 in the aggregate during a taxable year).*
 - 2) *Contributions made by corporations (including Subchapter S corporations), partnerships, and trusts may not be directed to a particular subset of schools, a particular school, a particular group of students, or a particular student. Contributions made by corporations (including Subchapter S corporations), partnerships, and trusts must specify a region under subsection (b)(6) of this Section to which the contribution will be directed. Contributions made to a scholarship granting organization without conditions will satisfy the requirements of this subsection.*
 - 3) *Contributions made by individuals may be directed to a particular subset of schools or a particular school but may not be directed to a particular group of students or a particular student. Contributions made by individuals must specify a region under subsection (b)(6) of this Section to which the contribution will be directed.*

- 4) *Two individuals filing a joint return shall be considered one taxpayer for purposes of making qualified contributions.* For instance, if two married individuals each contribute \$1,333,333 intending at the time of the contribution to file separate returns but subsequently file a joint return, the maximum credit allowed is \$1,000,000.
- 5) *No credit shall be taken for any qualified contribution for which the taxpayer claims a federal income tax deduction.*
- 6) *Credits shall be awarded in a manner that is geographically proportionate to enrollment in recognized non-public schools in Illinois.* For purposes of awarding credits in a manner that is geographically proportionate to enrollment in recognized non-public schools, the State of Illinois shall be divided into 5 regions. The boundaries of the regions shall be coterminous with the districts established for the Illinois Appellate courts. See Section 1000.Illustration A for a listing of counties in each region.
 - A) On or before December 1 of each year, the State Board of Education shall provide the Department with a list of non-public schools that are recognized under Section 2-3.25o of the School Code. This list shall contain enrollment numbers for each recognized non-public school, and shall be used by the Department to determine enrollment in recognized non-public schools in each region for purposes of calculating the geographic distribution of credits.
 - B) For purposes of awarding credits in a manner that is geographically proportionate to enrollment in recognized non-public schools, the Department shall track the amount of qualified contributions designated in each region by taxpayers. See 1000.400(c)(3).
 - C) If the \$75,000,000 cap in aggregate credits that can be awarded by the Department (i.e., \$100,000,000 in qualified contributions made by taxpayers) is not reached by June 1 of a given year, the Department shall award remaining credits on a first-come, first-served basis, without regard to the requirement that the credits be awarded in a manner that is geographically proportionate to enrollment in recognized non-public schools. [35 ILCS 40/10]