



## Read this information first

Complete this schedule only if you are eligible for the

- Illinois Property Tax Credit
- K-12 Education Expense Credit
- Earned Income Credit (EIC)

- You must complete IL-1040 through Line 16 and Schedule CR, if applicable, before completing this schedule.
- The total amount of Illinois Property Tax Credit and K-12 Education Expense Credit cannot exceed tax. Only the Earned Income Credit may exceed tax.

## Step 1: Provide the following information

Your name as shown on your Form IL-1040

Your Social Security number

## Step 2: Figure your nonrefundable credit

- |   |   |   |       |
|---|---|---|-------|
| 1 | Write the amount of tax from your IL-1040, Line 16.                                 | 1 | _____ |
| 2 | Write the amount of credit for tax paid to other states from your IL-1040, Line 17. | 2 | _____ |
| 3 | Subtract Line 2 from Line 1.  | 3 | _____ |

### Section A - Illinois Property Tax Credit

- |   |   |    |       |
|---|---|----|-------|
| 4 | <b>a</b> Write the total amount of Illinois Property Tax paid during the tax year for the real estate that includes your principal residence.                               | 4a | _____ |
|   | <b>b</b> Write the portion of your tax bill that is deductible as a business expense on U.S. income tax forms or schedules, even if you did not take the federal deduction. | 4b | _____ |
|   | <b>c</b> Subtract Line 4b from Line 4a.   | 4c | _____ |
|   | <b>d</b> Multiply Line 4c by 5% (.05).  | 4d | _____ |
| 5 | Compare Lines 3 and 4d, and write the lesser amount here.   | 5  | _____ |
| 6 | Subtract Line 5 from Line 3.  | 6  | _____ |

### Section B - K-12 Education Expense Credit

**Note** You must **attach** the receipt you received from your students' school or complete the **K-12 Education Expense Credit Worksheet** on the back of this schedule.

- |   |   |    |               |
|---|---|----|---------------|
| 7 | <b>a</b> Write the total amount of K-12 education expenses from the receipt you received from your students' school or Line 13 of the worksheet on the back of this schedule. | 7a | _____         |
|   | <b>b</b> You may not take a credit for the first \$250 paid.  | 7b | <u>250.00</u> |
|   | <b>c</b> Subtract Line 7b from Line 7a. If the result is negative, enter "zero."  | 7c | _____         |
|   | <b>d</b> Multiply Line 7c by 25% (.25). Compare the result and \$500, and write the lesser amount here.   | 7d | _____         |
| 8 | Compare Lines 6 and 7d, and write the lesser amount here.   | 8  | _____         |

### Section C - Total nonrefundable credit

- |   |  |   |       |
|---|--|---|-------|
| 9 | Add Lines 5 and 8. This is your nonrefundable credit amount. Write this amount on Form IL-1040, Line 18. | 9 | _____ |
|---|--|---|-------|



### Step 3: Figure your refundable credit

#### Earned Income Credit

**10 a** Write the amount of federal EIC as shown on your U.S. 1040, Line 64a; U.S. 1040A, Line 40a; or U.S. 1040EZ, Line 8a.

**10a** \_\_\_\_\_

**b** Multiply the amount on Line 10a by 5% (.05).

**10b** \_\_\_\_\_

**c Illinois residents:** Write 1.0.  
**Nonresidents and part-year residents:** Write the decimal from Schedule-NR, Line 48.

**10c** \_\_\_\_\_ ● \_\_\_\_\_

**d** Multiply Line 10b by the decimal on Line 10c.

**10d** \_\_\_\_\_

**11** Write the amount from Line 10d here. This is your Illinois Earned Income Credit. Write this amount on Form IL-1040, Line 25.

➔ **11** \_\_\_\_\_

### Section B Continued - K-12 Education Expense Credit Worksheet (continued from Step 2, Section B)

**Note** Complete only if you did not receive a receipt from your student's school.

**12** Complete the following information for each of your qualifying students. If a student attended more than one qualifying school during the calendar year, please list separately. If you need more space, attach a separate piece of paper following this format.

A	B	C	D	E	F
Student's name	Social Security number	Grade (K-12 only)	School name (IL K-12 schools only or write "home school," if applicable)	School city (IL cities only)	Total tuition, book/lab fees
a	_____	_____	_____	_____	_____
b	_____	_____	_____	_____	_____
c	_____	_____	_____	_____	_____
d	_____	_____	_____	_____	_____
e	_____	_____	_____	_____	_____
f	_____	_____	_____	_____	_____
g	_____	_____	_____	_____	_____
h	_____	_____	_____	_____	_____
i	_____	_____	_____	_____	_____
j	_____	_____	_____	_____	_____

**13** Add the amounts in Column F for Lines 12a through 12j (and the amounts from Column F of any additional pages you attached). This is the total amount of your qualified **education expenses** for this year. Write this amount here and on Step 2, Line 7a of this schedule.

➔ **13** \_\_\_\_\_





## General Information

### What is the purpose of Schedule ICR?

Schedule ICR, Illinois Credits, allows you to figure the total amount of property tax, K-12 education expense, and earned income credits you may claim on Form IL-1040, Individual Income Tax Return.

### What must I attach to Form IL-1040?

If you enter an amount on Form IL-1040, Line 18 or Line 25, you **must** attach Schedule ICR and any other required documentation listed in the "Step-by-Step Instructions" of this schedule to your Form IL-1040.

### Am I eligible for a property tax credit?

You may figure a credit for the Illinois property taxes you paid in 2008 on your principal residence (not a vacation home or rental property) for the time you owned and lived at the property during 2007, if that residence was in Illinois. Nonresidents of Illinois may not take this credit.

You may not figure a credit for mobile home privilege tax, penalties, or fees included in your property tax bill, or the portion of the property that is deductible as a business expense.



#### Illinois property you purchased

You **may** figure a credit for Illinois property you purchased during 2007 providing you figure only that portion of your taxes that pertains to the time you owned and lived at the property during 2007. You may not take a credit for taxes you paid if the seller reimbursed you at the time of closing. You also may **not** take a credit on your 2008 return for property you purchased in 2008.



#### Illinois property you sold

You **may** figure a credit for Illinois property you sold in 2008 by combining the 2007 property tax paid in 2008, as well as a portion of the 2008 tax paid based on the time you owned and lived at the property during 2008. You may **not** take a credit on your 2008 return for property sold during 2007.

For more information, see Publication 108, Illinois Property Tax Credit.

### Am I eligible for a K-12 education expense credit?

You may figure a credit for qualified education expenses, in excess of \$250, you paid during 2008 if

- you were the parent or legal guardian of a full-time student who was under the age of 21 at the close of the school year,
- you and your student were Illinois residents when you paid the expenses, and
- your student attended kindergarten (at a school that also has a first grade) through twelfth grade at a public or nonpublic school in Illinois during 2008.

If you

- received a receipt from the school



The "Receipt for Qualified K-12 Education Expenses" that you received from the school.

- did not obtain a receipt from the school, you must complete Section B of Schedule ICR, including the K-12 Education Expense Credit Worksheet.
- home school your child(ren), see Publication 119, K-12 Education Expense Credit General Rules and Requirements for Home Schools.



receipts for education expenses.



If you are the parents or legal guardians of a qualified student and you are filing separate Illinois returns, you may each claim an education expense credit. However, you both may not claim a credit for the same expenses, and the total amount of credit claimed between both parents or guardians may not exceed \$500.



#### Qualified education expenses

Education expenses that qualify for this credit include

- tuition (including summer school classes meeting elementary or secondary graduation requirements).
- book fees covering the rental of books that were required as a part of the school's education program.
- lab fees covering the use of supplies, equipment, materials, or instruments that were required as part of a lab course in the school's education program.

For example, if you rented a musical instrument from the school (not from a business)

- for a class, or
- for participation in an extracurricular activity that resulted in a credit toward completion of the school's education program, this rental expense qualifies as an education expense.

Education expenses that do not qualify for this credit include

- expenses paid to a daycare, preschool, kindergarten at a school that does not also have a first grade, college, university, independent tutoring service, or trade school.
- expenses paid for the purchase of supplies, books, or equipment that are not significantly used up during the school year (e.g., purchasing musical instruments, costumes for a play).
- expenses paid for the use of supplies, equipment, materials, or instruments if the program does not result in a credit towards completion of the school's education program.
- expenses paid directly to a business (e.g., renting a musical instrument from a music store).
- expenses for after school care, even if paid to the school.
- expenses paid for yourself or your spouse.

For more details, see Publication 132, Education Expense Credit General Rules and Requirements for Parents and Guardians.

### Am I eligible for the Illinois earned income credit?

If you qualified for a federal Earned Income Credit (EIC), you also qualify for the Illinois Earned Income Credit.

## What if I need additional forms or schedules?

If you need additional forms or schedules,

- visit our web site at [tax.illinois.gov](http://tax.illinois.gov), or
- call our 24-hour Forms Order Line at **1 800 356-6302**.

You may use our toll-free number to order forms 24 hours a day, 7 days a week.

## What if I need additional assistance?

If you need assistance,

- visit our web site at [tax.illinois.gov](http://tax.illinois.gov),
- call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**, or
- call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Our office hours are 8 a.m. to 5 p.m. Monday through Friday.

---

# Step-by-Step Instructions

---

## Step 1: Provide the following information

Write your name and Social Security number as shown on your Form IL-1040.

## Step 2: Figure your nonrefundable credit

**Line 1** — Write the amount of tax from your IL-1040, Line 16.

**Line 2** — Write the amount of credit for tax paid to other states from your IL-1040, Line 17.

**Line 3** — Follow the instructions on the form.

## Section A: Illinois Property Tax Credit

**Line 4a** — Write the total amount of Illinois Property Tax paid during the tax year for the real estate that includes your principal residence.

**Line 4b** — Write the portion of your tax bill that is deductible as a business expense on U.S. income tax forms or schedules, even if you did not take the federal deduction.

**Lines 4c through 6** — Follow the instructions on the form.

## Section B: K-12 Education Expense Credit

**Note** If you did not receive a receipt from your students' school, you must complete the K-12 Education Expense Credit Worksheet on the back of Schedule ICR before completing this section.

**Line 7a** — Write the total amount of K-12 education expenses from the receipt you received from your students' school or Line 13 of the worksheet on the back of Schedule ICR.

**Line 7c through 8** — Follow the instructions on the form.

**Attach** the receipt you received from your students' school, if you received one.

## Section C: Total Nonrefundable Credit

**Line 9** — Add Lines 5 and 8, and write this amount on Form IL-1040, Line 18.

## Step 3: Figure your Refundable credit

**Line 10a** — Write the amount of federal EIC as shown on your U.S. 1040, Line 64a; U.S. 1040A, Line 40a; U.S. 1040EZ, Line 8a.

**Lines 10b through 10d** — Follow the instructions on the form.

**Line 11** — Write this amount on Form IL-1040, Line 25.

## Section B Continued: K-12 Education Expense Credit Worksheet

**Note** Complete this worksheet only if you did not receive a receipt from your students' school.

**Lines 12a through 12j** — Complete one line for each qualifying student, filling out Columns A through F by following the instructions on the form.

If a student attended more than one school during the tax year, please use a separate line for each school.

If you need more space, you may attach a separate piece of paper following this format.

**Line 13** — Follow the instructions on the form to figure your qualified education expenses. Write the total on Step 2, Line 7a of Schedule ICR.