

**Illinois Department of Revenue  
Regulations**

**Title 86 Part 100 Section 100.2193 Student-Assistance Contributions Credit (IITA 218)**

**TITLE 86: REVENUE**

**PART 100  
INCOME TAX**

**Section 100.2193 Student-Assistance Contributions Credit (IITA 218)**

- a) For taxable years ending on or after December 31, 2009 and before December 31, 2020, each taxpayer is allowed a credit against the taxes imposed under IITA Section 201(a) and (b) in an amount equal to 25% of each matching contribution made by the taxpayer during the taxable year. (See IITA Section 218(a).)
- b) **Matching Contribution.** For purposes of this Section, the term "matching contribution" means the total amount paid by the taxpayer during the taxable year to an individual Illinois College Savings Pool account or Illinois Prepaid Tuition Trust Fund account for the benefit of a designated beneficiary, to the extent the amount paid does not exceed the total contributions made by an employee of the taxpayer during the taxpayer's taxable year to the same account for the benefit of the same designated beneficiary.
- c) **Limitation.** The maximum credit allowed under IITA Section 218 and this Section with respect to any contributing employee shall not exceed \$500 per taxable year.

**EXAMPLE:** Taxpayer is a calendar year taxpayer. Employee A is an employee of Taxpayer for the entire 2009 calendar year. During 2009, Employee A makes contributions totaling \$6,000 each to three separate College Savings Pool accounts established for the benefit of each of Employee A's three children. During 2009, Taxpayer makes payments totaling \$2,000 each to the same three accounts. Under subsection (a) of this Section, Taxpayer would be allowed a \$500 credit for each of the three \$2,000 matching contributions made during the taxable year, for a total credit of \$1,500. However, under this subsection (c), Taxpayer may claim a maximum credit of only \$500 in respect of the total of its contributions that match contributions made by Employee A. Therefore, the allowable credit is reduced from \$1,500 to \$500.

- d) In the case of a partnership or subchapter S corporation, the credit passes through to the owners as provided in the partnership agreement under IRC Section 704(a) or in proportion to their ownership of the stock of the subchapter S corporation under IRC Section 1366(a). (See IITA Section 218(b).) The credit earned by a partnership or subchapter S corporation shall be treated as earned by its owners as of the last day of the taxable year of the partnership or subchapter S corporation in which the matching contribution is made, and shall be allowed to the owner in the taxable year of the owner in which the taxable year of the partnership or subchapter S corporation ends.
- e) In no event shall a credit under this Section reduce the taxpayer's liability to less than zero. *If the amount of the credit exceeds the tax liability for the year, the excess may be carried forward and applied to the tax liability of the 5 taxable years following the excess*

*credit year. The tax credit shall be applied to the earliest year for which there is a tax liability. If there are credits for more than one year that are available to offset a liability, the earlier credit shall be applied first.* (IITA Section 218(c))

- f) Documentation of the Credit. A taxpayer claiming the credit allowed under IITA Section 218 and this Section must maintain records sufficient to document the date and amount of each payment made to an individual College Savings Pool account or Illinois Prepaid Tuition Trust Fund account, as well as documentation regarding the contribution the payment matches. (See IITA Section 218(d).) Documentation regarding the contribution the payment matches must include the employee's name, the account, and the amount and date of the employee's contribution.

(Source: Added at 35 Ill. Reg. 15092, effective August 24, 2011)