



Attach to your Form IL-1040

Read this information first

This schedule must be completed if you did not receive a "Receipt for Qualified Education Expenses" from your students' school and want to take a credit for qualified education expenses on Form IL-1040.

STOP You may not include expenses paid to a daycare, preschool, college, university, or trade school when figuring this credit.

In order for your education expense credit to be properly processed, you must write on Form IL-1040

- Line 21a the total amount of education expenses for your students during the calendar year, (Schedule ED, Step 2, Line 1), **and**
- Line 21b the amount of your education expense credit (Schedule ED, Step 2, Line 10).

Step 1: Provide the following information

Write your name as shown on Form IL-1040 _____

Write your Social Security number _____

Step 2: Figure your credit

1 Complete the following information for each of your qualifying students.

Student's name	Social Security no.	Grade (K-12 only) <small>See instructions.</small>	Tuition	Book fees	Lab fees	Total
a _____	_____ - _____ - _____	_____	_____	_____	_____	_____
b _____	_____ - _____ - _____	_____	_____	_____	_____	_____
c _____	_____ - _____ - _____	_____	_____	_____	_____	_____
d _____	_____ - _____ - _____	_____	_____	_____	_____	_____
e _____	_____ - _____ - _____	_____	_____	_____	_____	_____

Add the amounts in the "Total" column for Line 1a through Line 1e. This is the total amount of your **education expenses** for this year. Write this amount here.

1 _____

Also, write this amount on Line 21a of your Form IL-1040.

2 You may not take a credit for the first \$250 paid for your qualifying students' education expenses.

2 **\$250.00** _____

3 Subtract Line 2 from Line 1. This is the total amount of your qualified education expenses.

3 _____

4 Multiply the amount on Line 3 by 25% (.25).

4 _____

5 Write the amount of your tax from Form IL-1040, Line 16.

5 _____

6 Write the amount of credit for tax paid to other states from Form IL-1040, Line 19.

6 _____

7 Write the amount of property tax credit from Form IL-1040, Line 20b.

7 _____

8 Add Lines 6 and 7.

8 _____

9 Subtract Line 8 from Line 5.

9 _____

10 Your credit is limited to \$500. Compare the amounts on Line 4 and Line 9. Write the lesser amount of Line 4, Line 9, or \$500 here and on your Form IL-1040, Line 21b. This is your **education expense credit**.

10 _____

Step 3: Write your qualifying student's school information

11 _____
Name of school

12 _____
Name of school

Address of school

Address of school

City, state, ZIP of school

City, state, ZIP of school

This form is authorized as outlined by the Illinois Income Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center. IL-492-0098



General Information

What is the purpose of Schedule ED?

Schedule ED, Credit for Qualified Education Expenses, allows you to figure the amount of credit that you may claim for qualified education expenses for your student or students who were in kindergarten through twelfth grade during the tax year.

You may claim this credit on Line 21b of your Form IL-1040, Illinois Individual Income Tax Return.

Am I eligible to claim an education expense credit?

You are eligible to claim an education expense credit if you are an Illinois resident and the parent or legal guardian of a student who meets **all** of the qualifications listed below.

Your student must have

- been enrolled in kindergarten through twelfth grade, and
- been a full-time student, and
- been an Illinois resident, and
- attended an Illinois school, and
- been under the age of 21 at the close of the school year.

Note → Do not include expenses you paid for a child to attend daycare, preschool, college, university, or trade school during the tax year.

How much credit will I be allowed?

You may be allowed 25 percent of your students' qualified education expenses. Your total credit shall not exceed \$500 in any year, regardless of the number of qualifying students.

What are qualified education expenses?

Qualified education expenses are the expenses you paid in excess of \$250 for

- **tuition** for your student's enrollment in kindergarten through twelfth grade (including summer school);
- **book fees** for the use of books that were required as part of your student's participation in a course in the school's education program; and
- **lab fees** for the use of supplies, equipment, materials, or instruments that were required as part of your student's participation in 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 would qualify as an education expense.

What education expenses do not qualify?

The education expenses **that do not qualify** include

- expenses paid for students to attend daycares, preschools, colleges, universities, or trade schools.
- expenses paid for students who turned 21 years of age prior to the completion of the school year.

For example, a student is 20 years of age at the beginning of a school year semester and turns 21 prior to completing that semester, the expenses paid for that semester do not qualify.

- expenses paid for the **purchase** of supplies or equipment that are not significantly used up during the school year, *e.g., purchasing musical instruments, costumes for a play.*
- expenses paid for athletic equipment 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, buying a book from a retail store.*

Should I complete Schedule ED if I received a "Receipt for Qualified Education Expenses" from the school?

If you received a receipt from the school where your student was enrolled and it contained **all of the information** identified below, it is not necessary to complete Schedule ED. Complete the Education Expense Worksheet in the Form IL-1040 Instructions and attach a copy of your receipt to your return.

The receipt you received from the school must contain

- the calendar year during which you paid the education expenses,
- the name and address of the school,
- the name and address of the parent or legal guardian,
- the name and Social Security number of the qualifying student or students,
- the grades your student was enrolled during the calendar year,
- a list of education expenses paid for tuition, book fees, and lab fees during the calendar year, and
- the total of all such education expenses.

If the receipt does not contain all the information required, you should complete a Schedule ED, Credit for Qualified Education Expenses, and attach the schedule to your return.

What schools qualify as Illinois schools?

Any Illinois school that satisfies the requirement of Section 26-1 of the School Code and, if required, is in compliance with Title VI of the Civil Rights Act of 1964 qualifies as an Illinois school. Private schools providing educational instruction in the home that satisfy the requirements of Section 26-1 of the School Code also qualify as Illinois schools.

Illinois schools include

- public schools,
- nonpublic schools,
- home schools,
- elementary schools,
- middle schools,
- junior high schools, and
- high schools.

What schools do not qualify when figuring my education expense credit?

Illinois schools that do not qualify when figuring your credit include:

- daycares,
- preschools,
- colleges,
- universities, and
- trade schools.

When may I claim the education expense credit?

You may claim the education expense credit only in the tax year (calendar year) in which the expenses were actually paid. Any part of the education expense credit not claimed or allowed in the tax year **may not** be claimed in any other tax year.

For example, if your child attended first grade in the 2000-2001 school year and attended second grade in the 2001-2002 school year, you will figure the education expenses for January through December of 2001. Any summer school expenses for 2001 should be included. Any expenses you paid prior to January 1, 2001, should have been figured in the education expense credit for 2000, and any expenses paid after December 31, 2001, should be figured in the education credit for 2002.

Another example: If your child attended daycare in the morning in the 2000-2001 school year and attended kindergarten in the morning and day care in the afternoon during the 2001-2002 school year, you cannot figure the daycare expenses for January through December of 2001. However, you may figure any kindergarten expenses for August through December of 2001.

What must I attach to Form IL-1040?

You must attach either the "Receipt for Qualified Education Expenses" you received from your student's school or a completed Schedule ED to your Form IL-1040.

What if I need additional forms or schedules?

If you need additional forms or schedules, visit our Web site at www.revenue.state.il.us; call our Illinois Tax Fax at **217 785-3400**; call our 24-hour Forms Order Line at **1 800 356-6302**; or write to us at P.O. Box 19010, Springfield, Illinois 62794-9010. You may use our toll-free number or our Illinois Tax Fax to order forms 24 hours a day, 7 days a week.

Note → For more detailed information about this credit, go to our Web site for Informational Bulletins FY 2000-17, Education Expense Credit for Schools, and FY 2000-19, Education Expense Credit for Individuals.

What if I need additional assistance?

If you need assistance,

- visit our Web site at www.revenue.state.il.us;
- 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.

Specific 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 credit

Line 1 – Complete all columns for each of your qualifying students in kindergarten through twelfth grade (K - 12). Write that student's

- name,
- Social Security number,
- grade in school, (see grades note below)
- total amount of tuition,
- total amount of book fees, and
- total amount of lab fees

for the tax year.

Grades Note → When completing the "Grades" column, write the highest grade (K through 12) your student attended during the tax year. If the school does not utilize K through 12 grade levels, write your students' approximate grade level.

If you need more lines, please attach a separate sheet of paper with this same information.

Add the amounts in the "**Total**" column for Line 1a through Line 1e. This is the total amount of education expenses for this year.

Write the total amount on this line and on Form IL-1040, Line 21a.

Line 2 – The amount of \$250 is written on Line 2 because you must deduct the first \$250 in education expenses when figuring your education expense credit.

Line 3 – Follow the instructions on the form.

Line 4 – Multiply the amount on Line 3 by 25 percent. You may be allowed 25 percent of the qualified education expenses you paid during the tax year.

Lines 5 through 10 – Follow the instructions on the form.

Note → Your total credit amount shall not exceed \$500 in any tax year, regardless of the number of qualifying students. Any credit amount that exceeds your tax liability will not be refunded and may not be used in another tax year.

Step 3: Write your qualifying student's school information

Lines 11 and 12 – Write the name, address, city, state, and ZIP of the Illinois schools where your qualified student or students were enrolled during the tax year.

If you need more lines, please attach a separate sheet of paper with this same information.

Note → Attach this completed schedule to your Form IL-1040 to receive your Illinois Income Tax credit.