



# *Informational*

## *Bulletin*

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This bulletin is written to inform you of recent changes; it does not replace statutes, rules and regulations, or court decisions.

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Hours:  
Monday through Friday,  
8:00 a.m. - 5:00 p.m.

## The Invest in Kids Scholarship Tax Credit Program to Sunset December 31, 2023

***To: All Illinois taxpayers***

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Public Act 100-0465 created the Invest in Kids Act ([35 ILCS 40/1](#)) which allows income tax credits for taxpayers who make authorized contributions to a Scholarship Granting Organization (SGO). The SGOs, in turn, provide scholarships for eligible Illinois students to attend non-public schools in Illinois.

Public Act 102-0016 amended the Invest in Kids Act by extending the sunset date to include tax years ending before January 1, 2024.

Any new contributions made to a SGO must be made on or before December 31, 2023, to be eligible for a tax credit under the program.

### **Will a scholarship recipient lose part of their scholarship because the program sunsets in the middle of the 2023-2024 school year?**

Each SGO distributes scholarship money based on their policies and procedures. SGOs distributing scholarship funds eligible for tax credit under the Invest in Kids program must also follow the Invest in Kids Act's guidelines and statutes. Per statute, any contribution made on or before December 31, 2023, must be distributed on or before December 31, 2023. For questions regarding how the sunset of the Invest in Kids program will affect your scholarship, contact your SGO.

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**If I have more Invest in Kids income tax credit than I have liability on my 2023 tax year return, can I get a refund or can I carry-forward the extra amount?**

You cannot receive a refund for any unused Invest in Kids income tax credits. However, any income tax credit amount that exceeds your tax liability for the 2023 tax year may be carried forward and applied to your tax liability in the subsequent five taxable years. Invest in Kids income tax credits cannot be carried back to tax years prior to the tax year the initial income tax credit was earned. Income tax credits are carried forward to the earliest year for which there is a tax liability.

**If I am a fiscal filer, can I still claim a new Invest in Kids income tax credit on my 2024 return?**

Yes, if your tax year begins prior to January 1, 2024. A taxpayer may not claim a new Invest in Kids income tax credit for tax years beginning on or after January 1, 2024.

**As an SGO, am I allowed to distribute scholarship funds after January 1, 2024, for contributions made prior to January 1, 2024?**

No, per statute, any contribution made on or before December 31, 2023, must be distributed on or before December 31, 2023 ([35 ILCS 40/40\(h\)](#)).

**Are there any SGO requirements after the Act sunsets?**

SGOs are still required to follow all provisions of the Invest in Kids Act. Reporting requirements mandated by the Act include:

- a copy of a financial audit of the SGO's accounts and records performed by an independent CPA, due within 180 days after the end of the SGO's fiscal year, and
- the SGO annual report for calendar year 2023, due by January 31, 2024.

**Where can I find out more information?**

For more information, visit IDOR's website at [tax.illinois.gov](http://tax.illinois.gov) or scan the QR code provided.

