



Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

ILLINOIS APPRENTICESHIP EDUCATION EXPENSE TAX CREDIT PROGRAM

OVERVIEW

- Effective January 1, 2020, employers are allowed a tax credit for qualified educational expenses associated with qualifying apprentices.
- Employers are eligible for a credit of up to \$3,500 per apprentice against the taxes imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act, and an additional credit of up to \$1,500 for each apprentice if (1) the apprentice resides in an underserved area or (2) the employer's principal place of business is located in an underserved area.
- The total tax credits issued by the Department under this program may not exceed \$5 million in any calendar year. If the Department receives applications for more than \$5 million in tax credits, credits shall be allowed on a first-come first-served basis, based on the date on which each properly completed application for a certificate of eligibility is received by the Department.

ELIGIBILITY

- A qualifying apprentice must be: (a) an Illinois resident; (b) at least 16 at the close of the school year for which a credit is sought; (c) a full-time apprentice enrolled in an apprenticeship program registered with U.S. Department of Labor, Office of Apprenticeship during the school year; and (d) employed by the taxpayer in Illinois.
- Qualified educational expenses include tuition, book fees, and lab fees at the school or community college in which the apprentice is enrolled during the regular school year.
- A qualified school means any Illinois public or nonpublic secondary school that is: (a) an institution of higher education providing a program that leads to an industry-recognized postsecondary credential or degree; (b) an entity that carrying out programs registered under the federal National Apprenticeship Act; or (c) another public or private provider of a program of training services, which may include a joint labor-management organization.

CERTIFICATION

- Employers must apply to the Department for certification under the Apprenticeship Educational Expense Tax Credit program. Applications will be available by January 2020.
- Employers must provide certain supporting information necessary for issuance of the tax credit, including but not limited to: (s) the name, age, and taxpayer identification number of each qualifying apprentice employed by the taxpayer; (b) the amount of qualified education expenses incurred with respect to each qualifying apprentice, including supporting documentation; and the name of the school at which the qualifying apprentice is enrolled and the qualified education expenses are incurred.