

Illinois Child Tax Credit

Illinois now has a state **Child Tax Credit** on the books!!!



The credit is **effective for the current tax year (on taxes due next year)** and available to taxpayers who qualify for the state Earned Income Tax Credit and have at least one qualifying child (as defined by the Internal Revenue Service) under the age of 12.

For the tax year beginning on **January 1, 2024**, the credit is equal to 20% of the value of the taxpayer's available Illinois Earned Income Tax Credit.

For the tax year beginning on **January 1, 2025**, and each year thereafter, the credit is equal to 40% of the value of the taxpayer's available Illinois Earned Income Tax Credit.

The credit is refundable. So, if the amount of the credit exceeds the taxpayer's income tax liability for the year, the state would refund the excess amount to the taxpayer.

The state estimates the total value of the child tax credit taken by all taxpayers claiming it for the current tax year will be **\$50 million and \$100 million dollars in the second year (Tax Year 2025)**.

The state **Earned Income Tax Credit is equal to 20% of the federal Earned Income Tax Credit.** To qualify for the federal Earned Income Tax Credit, you must have made at least \$1 of earned income. During the 2023 tax year, the maximum federal Earned Income Tax Credit and maximum income levels to receive a credit (which phases out at higher income levels) were as follows:

Children or Relatives Claimed	Maximum Federal Earned Income Tax Credit	If filing as a Single, Head of Household, or Widowed Taxpayer, the maximum adjusted gross income level is:	If the taxpayer is Married Filing Jointly, the maximum adjusted gross income level is:
One	\$3,995	\$46,560	\$53,120
Two	\$6,604	\$52,918	\$59,478
Three	\$7,430	\$56,838	\$63,398

By federal law, the maximum credit amounts and the maximum income levels are adjusted annually by the cost-of-living. (The IRS provides definitions of earned income and there is a specified investment income limit.)

Under state law, the state Earned Income Tax Credit is available to taxpayers filing a return using either a social security number or individual taxpayer identification number (ITIN).

