



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

### ILLINOIS APPRENTICESHIP EDUCATION EXPENSE TAX CREDIT PROGRAM

The employer of one or more qualifying apprentices is allowed a credit against income tax for qualified education expenses under the Illinois Apprenticeship Education Expense Tax Credit Program, which was created by Public Act 101-207 (35 ILCS 5/231) and applies to tax years beginning on or after January 1, 2020. The Act is scheduled to sunset January 1, 2025.

- Tax credits are earned and used in the current year (no carryforward).
- Tax credits are not transferable.

#### Amount of the Tax Credit

- The tax credit is up to \$3,500 for qualified educational expenses (tuition, book fees, and lab fees).
- An additional tax credit of up to \$1,500 may be available for each apprentice if either: (1) the apprentice resides in an underserved area, or (2) the employer's principal place of business is located in an underserved area.

#### Qualifying Apprentice – must be:

- an Illinois resident,
- at least 16 at the close of the school year for which a credit is sought,
- a full-time apprentice enrolled in an apprenticeship program registered with U.S. Department of Labor (USDOL), Office of Apprenticeship during the school year, and
- employed by the taxpayer in Illinois.

#### Qualifying School – includes:

- An Illinois institution of higher education providing a program that leads to an industry-recognized postsecondary credential or degree,
- An entity carrying out programs registered under the National Apprenticeship Act, or
- A public or private provider of a training services, which may include a joint labor-management organization.

#### How to Obtain the Tax Credit

- The employer must submit an application electronically to DCEO for certification of the education expenses incurred.
- The certification process requires supporting information, including but not limited to: (1) the name, age, and taxpayer identification number of each qualifying apprentice employed by the taxpayer, (2) the amount of qualified education expenses incurred with respect to each qualifying apprentice, including supporting documentation; and (3) the name of the school at which the qualifying apprentice is enrolled and the qualified education expenses are incurred.
- Once approved, DCEO will issue a certificate that the employer may use when filing the Illinois tax return; tax credits are earned and used in the current year (no carryforward).



For more information, please contact [CEO.ApprenticeshipCredit@illinois.gov](mailto:CEO.ApprenticeshipCredit@illinois.gov)