



## 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, which shall be allowed on a first-come first-served basis, based on the date on which each properly completed application 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 (USDOL), Office of Apprenticeship during the school year; and (d) employed by the taxpayer in Illinois.
  - To register a program with the USDOL, companies should contact the USDOL, Office of Apprenticeship State Director Kim Jones at [jones.kimberly@dol.gov](mailto:jones.kimberly@dol.gov).
  - U.S. Department of Labor has the following website to support employers: <https://www.apprenticeship.gov/employers>; and for additional information specific to Illinois Apprenticeship Programs go to [www.ApprenticeshipIllinois.com](http://www.ApprenticeshipIllinois.com).
- Qualified educational expenses include tuition, book fees, and lab fees.
- 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.
  - Employers must provide certain supporting information, 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.
-