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## General Information

### What is the purpose of Schedule ED?

Schedule ED, Credit for K-12 Education Expenses, is for parents or guardians who did not receive a Receipt for Qualified K-12 Education Expenses from their students' schools. This schedule allows you to figure the amount of credit that you may claim for qualified education expenses paid for your students who were in kindergarten through twelfth grade during the tax year.

You may claim this credit on Line 21b of your Form IL-1040, Individual Income Tax Return.

### Am I eligible to claim an education expense credit?

You are eligible to claim an education expense credit if you are an Illinois resident and the parent or legal guardian of a student who meets **all** of the qualifications listed below.

Your student must have

- been enrolled in kindergarten through twelfth grade, and
- been a full-time student, and
- been an Illinois resident, and
- attended an Illinois school, and
- been under the age of 21 at the close of the school year.

If you are the parents or legal guardians of a qualified student and you are filing separate Illinois returns, you may each claim an education expense credit. However, you may not both claim a credit for the same expenses, and the total amount of credit claimed between both parents or guardians may not exceed \$500.

**Note** → Do not include expenses you paid for a child to attend daycare, preschool, college, university, independent tutoring service, or trade school during the tax year.

### How much credit will I be allowed?

You will be allowed 25 percent of your students' qualified education expenses after the first \$250. Your total credit may not exceed \$500 in any year, regardless of the number of qualifying students.

**Note** → Any credit amount that exceeds your tax liability will not be refunded and may not be used in another tax year.

### What are qualified education expenses?

Qualified education expenses are the expenses you paid in excess of \$250 for

- **tuition** for your students' enrollment in kindergarten through twelfth grade (including summer school);
- **book fees** for the use of books that were required as part of your students' participation in a course in the school's education program; and
- **lab fees** for the use of supplies, equipment, materials, or instruments that were required as part of your students' participation in a lab course in the school's education program.

**For example:** If you **rented** a musical instrument **from the school** (not from a business)

- for a class, or
- for participation in an extracurricular activity that resulted in a credit toward completion of the school's education program, this rental expense would qualify as an education expense.

### What education expenses do not qualify?

The education expenses **that do not qualify** include

- expenses paid for students to attend daycares, preschools, colleges, universities, independent tutoring services, or trade schools.
- expenses paid for students who attend kindergarten programs run by daycare or early childhood learning centers.
- expenses paid for students who turned 21 years old before completing the school year.

**For example:** If a student is 20 years old at the beginning of a school year and turns 21 before completing that year, the expenses paid for that year do not qualify.

- expenses paid for before and after school child care.
- expenses paid for the **purchase** of equipment that is not significantly used up during the school year, e.g., purchasing musical instruments, costumes for a play.
- expenses paid for the **purchase** of books that are not significantly used up during the school year.
- expenses paid for athletic equipment if the program does not result in a credit towards completion of the school's education program.
- expenses paid directly to a business, e.g., renting a musical instrument from a music store, buying a book from a retail store.
- expenses paid for summer school enrichment classes.
- expenses paid for lunch fees, yearbooks, athletic passes, etc. that are not required as part of your students' participation in a course in the school's education program.

### Should I complete Schedule ED if I received a Receipt for Qualified K-12 Education Expenses from the school?

No. If you received a receipt from the school where your student was enrolled and it contained **all of the information** identified below, it is not necessary to complete Schedule ED. Complete the Education Expense Worksheet in the Form IL-1040 Instructions and attach a copy of your receipt to your Form IL-1040.

The receipt you received from the school must contain

- the calendar year during which you paid the education expenses,
- the name and address of the school,
- the name and address of the parent or legal guardian,
- the name and Social Security number of each qualifying student,
- the grade in which each student was enrolled during the calendar year, and
- the total education expenses paid for each student for tuition, book fees, and lab fees during the calendar year.

If the receipt does not contain all the information required, you must contact the school for a proper receipt.

### What schools qualify as Illinois schools?

Any Illinois school that satisfies the requirement of Section 26-1 of the School Code and, if required, is in compliance with Title VI of the Civil Rights Act of 1964 qualifies as an Illinois school. Private schools providing educational instruction in the home that satisfy the requirements of Section 26-1 of the School Code also qualify as Illinois schools.

Illinois schools include

- public schools,
- nonpublic schools,

- home schools,
- elementary schools,
- middle schools,
- junior high schools, and
- high schools.

## What schools do not qualify when figuring an education expense credit?

Illinois schools that do not qualify when figuring your credit include:

- daycares,
- preschools,
- colleges,
- universities,
- independent tutoring services, and
- trade schools.

## When may I claim the education expense credit?

You may claim the education expense credit only in the tax year (calendar year) in which the expenses were actually paid. Any part of the education expense credit not claimed or allowed in the tax year **may not** be claimed in any other tax year.

**Example 1:** If your child attended first grade in the 2003-2004 school year and attended second grade in the 2004-2005 school year, you will figure the education expenses for January through December of 2004. Any summer school expenses for 2004 should be included. Any expenses you paid prior to January 1, 2004, should have been figured in the education expense credit for 2003, and any expenses paid after December 31, 2004, should be figured in the education credit for 2005.

**Example 2:** If your child attended kindergarten in the morning and daycare in the afternoon during the 2004-2005 school year, you cannot include the daycare as an education expense. You may,

however, figure any kindergarten expenses paid during 2004, which would typically include the months of August through December of 2004 for schools using a traditional school calendar.

## What must I attach to Form IL-1040?

You must attach either the Receipt for Qualified K-12 Education Expenses you received from your students' school or a completed Schedule ED to your Form IL-1040.

## What if I need additional forms or schedules?

If you need additional forms or schedules,

- visit our web site at **www.ILtax.com**;
- call our 24-hour Forms Order Line at **1 800 356-6302**; or
- write to us at P.O. Box 19010, Springfield, Illinois 62794-9010.

You may use our toll-free number to order forms 24 hours a day, 7 days a week.

**Note** → For more detailed information about this credit, go to our web site and refer to Informational Bulletins FY 2000-17, Education Expense Credit for Schools, FY 2000-19, Education Expense Credit for Individuals, or Publication 112, Education Expense Credit General Rules and Requirements for Schools.

## What if I need additional assistance?

If you need assistance,

- visit our web site at **www.ILtax.com**;
- call our Taxpayer Assistance Division at **1 800 732-8866** or **217 782-3336**; or
- call our TDD (telecommunications device for the deaf) at **1 800 544-5304**.

Our office hours are 8 a.m. to 5 p.m. Monday through Friday.

# Specific Instructions

## Step 1: Provide the following information

Write your name and Social Security number as shown on your Form IL-1040.

## Step 2: Figure your credit

**Line 1** – Complete all columns for each of your qualifying students in kindergarten through twelfth grade (K-12).

**Note** → If you paid education expenses for your student to more than one school during the calendar year, please list the information on separate lines.

If you need more lines, please attach a separate sheet of paper following the same format as Step 2.

Write your students'

- name,
- Social Security number,
- grade in school, (see **Grades Note** below)
- school name (Illinois schools only),
- school city (Illinois cities only), and
- total amount of tuition, book fees, and lab fees for the tax year.

**Grades Note** → When completing the "Grade" column, write the highest grade (K through 12) your student attended during the tax year. If the school does not utilize K through 12 grade levels, write your student's approximate grade level.

Add the amounts in Column F for Lines 1a through 1g and the amounts from Column F of any additional pages you attach. This is the total amount of education expenses for this year.

Write the total amount on this line and on Form IL-1040, Line 21a.

**Line 2** – The amount of \$250 is written on Line 2 because you must deduct the first \$250 in education expenses when figuring your education expense credit.

**Line 3** – Follow the instructions on the form.

**Line 4** – Multiply the amount on Line 3 by 25 percent. You will be allowed 25 percent of the qualified education expenses you paid during the tax year.

**Lines 5 through 10** – Follow the instructions on the form.

**Note** → Attach the completed Schedule ED to your Form IL-1040 only if you did not receive a receipt for Qualified K-12 Education Expenses from your students' school and you are claiming an education expense credit.