



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB0136

Introduced 1/17/2025, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

35 ILCS 5/901

Amends the Illinois Income Tax Act. Provides that an amount equal to 10% of the net revenue realized from the State income tax during the preceding month shall be transferred from the General Revenue Fund to the Local Government Distributive Fund (currently, the amount transferred is equal to the sum of (i) 6.47% of the net revenue realized from the tax imposed upon individuals, trusts, and estates during the preceding month; (ii) 6.85% of the net revenue realized from the tax imposed upon corporations during the preceding month; and (iii) 6.47% of the net revenue realized from the tax imposed upon electing pass-through entities). Effective immediately.

LRB104 03811 HLH 13835 b

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Income Tax Act is amended by
5 changing Section 901 as follows:

6 (35 ILCS 5/901)

7 Sec. 901. Collection authority.

8 (a) In general. The Department shall collect the taxes
9 imposed by this Act. The Department shall collect certified
10 past due child support amounts under Section 2505-650 of the
11 Department of Revenue Law of the Civil Administrative Code of
12 Illinois. Except as provided in subsections (b), (c), (e),
13 (f), (g), and (h) of this Section, money collected pursuant to
14 subsections (a) and (b) of Section 201 of this Act shall be
15 paid into the General Revenue Fund in the State treasury;
16 money collected pursuant to subsections (c) and (d) of Section
17 201 of this Act shall be paid into the Personal Property Tax
18 Replacement Fund, a special fund in the State Treasury; and
19 money collected under Section 2505-650 of the Department of
20 Revenue Law of the Civil Administrative Code of Illinois shall
21 be paid into the Child Support Enforcement Trust Fund, a
22 special fund outside the State Treasury, or to the State
23 Disbursement Unit established under Section 10-26 of the

1 Illinois Public Aid Code, as directed by the Department of
2 Healthcare and Family Services.

3 (b) Local Government Distributive Fund. Beginning August
4 1, 2017 and continuing through July 31, 2022, the Treasurer
5 shall transfer each month from the General Revenue Fund to the
6 Local Government Distributive Fund an amount equal to the sum
7 of: (i) 6.06% (10% of the ratio of the 3% individual income tax
8 rate prior to 2011 to the 4.95% individual income tax rate
9 after July 1, 2017) of the net revenue realized from the tax
10 imposed by subsections (a) and (b) of Section 201 of this Act
11 upon individuals, trusts, and estates during the preceding
12 month; (ii) 6.85% (10% of the ratio of the 4.8% corporate
13 income tax rate prior to 2011 to the 7% corporate income tax
14 rate after July 1, 2017) of the net revenue realized from the
15 tax imposed by subsections (a) and (b) of Section 201 of this
16 Act upon corporations during the preceding month; and (iii)
17 beginning February 1, 2022, 6.06% of the net revenue realized
18 from the tax imposed by subsection (p) of Section 201 of this
19 Act upon electing pass-through entities. Beginning August 1,
20 2022 and continuing through July 31, 2023, the Treasurer shall
21 transfer each month from the General Revenue Fund to the Local
22 Government Distributive Fund an amount equal to the sum of:
23 (i) 6.16% of the net revenue realized from the tax imposed by
24 subsections (a) and (b) of Section 201 of this Act upon
25 individuals, trusts, and estates during the preceding month;
26 (ii) 6.85% of the net revenue realized from the tax imposed by

1 subsections (a) and (b) of Section 201 of this Act upon
2 corporations during the preceding month; and (iii) 6.16% of
3 the net revenue realized from the tax imposed by subsection
4 (p) of Section 201 of this Act upon electing pass-through
5 entities. Beginning August 1, 2023 and continuing through July
6 31, 2024, the Treasurer shall transfer each month from the
7 General Revenue Fund to the Local Government Distributive Fund
8 an amount equal to the sum of: (i) 6.47% of the net revenue
9 realized from the tax imposed by subsections (a) and (b) of
10 Section 201 of this Act upon individuals, trusts, and estates
11 during the preceding month; (ii) 6.85% of the net revenue
12 realized from the tax imposed by subsections (a) and (b) of
13 Section 201 of this Act upon corporations during the preceding
14 month; and (iii) 6.47% of the net revenue realized from the tax
15 imposed by subsection (p) of Section 201 of this Act upon
16 electing pass-through entities. Beginning August 1, 2024, the
17 Treasurer shall transfer each month from the General Revenue
18 Fund to the Local Government Distributive Fund an amount equal
19 to 10% of the net revenue realized from the tax imposed by
20 subsections (a) and (b) of Section 201 of the Illinois Income
21 Tax Act during the preceding month. Net revenue realized for a
22 month shall be defined as the revenue from the tax imposed by
23 subsections (a) and (b) of Section 201 of this Act which is
24 deposited into the General Revenue Fund, the Education
25 Assistance Fund, the Income Tax Surcharge Local Government
26 Distributive Fund, the Fund for the Advancement of Education,

1 and the Commitment to Human Services Fund during the month
2 minus the amount paid out of the General Revenue Fund in State
3 warrants during that same month as refunds to taxpayers for
4 overpayment of liability under the tax imposed by subsections
5 (a) and (b) of Section 201 of this Act.

6 Notwithstanding any provision of law to the contrary,
7 beginning on July 6, 2017 (the effective date of Public Act
8 100-23), those amounts required under this subsection (b) to
9 be transferred by the Treasurer into the Local Government
10 Distributive Fund from the General Revenue Fund shall be
11 directly deposited into the Local Government Distributive Fund
12 as the revenue is realized from the tax imposed by subsections
13 (a) and (b) of Section 201 of this Act.

14 (c) Deposits Into Income Tax Refund Fund.

15 (1) Beginning on January 1, 1989 and thereafter, the
16 Department shall deposit a percentage of the amounts
17 collected pursuant to subsections (a) and (b)(1), (2), and
18 (3) of Section 201 of this Act into a fund in the State
19 treasury known as the Income Tax Refund Fund. Beginning
20 with State fiscal year 1990 and for each fiscal year
21 thereafter, the percentage deposited into the Income Tax
22 Refund Fund during a fiscal year shall be the Annual
23 Percentage. For fiscal year 2011, the Annual Percentage
24 shall be 8.75%. For fiscal year 2012, the Annual
25 Percentage shall be 8.75%. For fiscal year 2013, the
26 Annual Percentage shall be 9.75%. For fiscal year 2014,

1 the Annual Percentage shall be 9.5%. For fiscal year 2015,
2 the Annual Percentage shall be 10%. For fiscal year 2018,
3 the Annual Percentage shall be 9.8%. For fiscal year 2019,
4 the Annual Percentage shall be 9.7%. For fiscal year 2020,
5 the Annual Percentage shall be 9.5%. For fiscal year 2021,
6 the Annual Percentage shall be 9%. For fiscal year 2022,
7 the Annual Percentage shall be 9.25%. For fiscal year
8 2023, the Annual Percentage shall be 9.25%. For fiscal
9 year 2024, the Annual Percentage shall be 9.15%. For
10 fiscal year 2025, the Annual Percentage shall be 9.15%.
11 For all other fiscal years, the Annual Percentage shall be
12 calculated as a fraction, the numerator of which shall be
13 the amount of refunds approved for payment by the
14 Department during the preceding fiscal year as a result of
15 overpayment of tax liability under subsections (a) and
16 (b)(1), (2), and (3) of Section 201 of this Act plus the
17 amount of such refunds remaining approved but unpaid at
18 the end of the preceding fiscal year, minus the amounts
19 transferred into the Income Tax Refund Fund from the
20 Tobacco Settlement Recovery Fund, and the denominator of
21 which shall be the amounts which will be collected
22 pursuant to subsections (a) and (b)(1), (2), and (3) of
23 Section 201 of this Act during the preceding fiscal year;
24 except that in State fiscal year 2002, the Annual
25 Percentage shall in no event exceed 7.6%. The Director of
26 Revenue shall certify the Annual Percentage to the

1 Comptroller on the last business day of the fiscal year
2 immediately preceding the fiscal year for which it is to
3 be effective.

4 (2) Beginning on January 1, 1989 and thereafter, the
5 Department shall deposit a percentage of the amounts
6 collected pursuant to subsections (a) and (b)(6), (7), and
7 (8), (c) and (d) of Section 201 of this Act into a fund in
8 the State treasury known as the Income Tax Refund Fund.
9 Beginning with State fiscal year 1990 and for each fiscal
10 year thereafter, the percentage deposited into the Income
11 Tax Refund Fund during a fiscal year shall be the Annual
12 Percentage. For fiscal year 2011, the Annual Percentage
13 shall be 17.5%. For fiscal year 2012, the Annual
14 Percentage shall be 17.5%. For fiscal year 2013, the
15 Annual Percentage shall be 14%. For fiscal year 2014, the
16 Annual Percentage shall be 13.4%. For fiscal year 2015,
17 the Annual Percentage shall be 14%. For fiscal year 2018,
18 the Annual Percentage shall be 17.5%. For fiscal year
19 2019, the Annual Percentage shall be 15.5%. For fiscal
20 year 2020, the Annual Percentage shall be 14.25%. For
21 fiscal year 2021, the Annual Percentage shall be 14%. For
22 fiscal year 2022, the Annual Percentage shall be 15%. For
23 fiscal year 2023, the Annual Percentage shall be 14.5%.
24 For fiscal year 2024, the Annual Percentage shall be 14%.
25 For fiscal year 2025, the Annual Percentage shall be 14%.
26 For all other fiscal years, the Annual Percentage shall be

1 calculated as a fraction, the numerator of which shall be
2 the amount of refunds approved for payment by the
3 Department during the preceding fiscal year as a result of
4 overpayment of tax liability under subsections (a) and
5 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
6 Act plus the amount of such refunds remaining approved but
7 unpaid at the end of the preceding fiscal year, and the
8 denominator of which shall be the amounts which will be
9 collected pursuant to subsections (a) and (b) (6), (7), and
10 (8), (c) and (d) of Section 201 of this Act during the
11 preceding fiscal year; except that in State fiscal year
12 2002, the Annual Percentage shall in no event exceed 23%.
13 The Director of Revenue shall certify the Annual
14 Percentage to the Comptroller on the last business day of
15 the fiscal year immediately preceding the fiscal year for
16 which it is to be effective.

17 (3) The Comptroller shall order transferred and the
18 Treasurer shall transfer from the Tobacco Settlement
19 Recovery Fund to the Income Tax Refund Fund (i)
20 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,
21 2002, and (iii) \$35,000,000 in January, 2003.

22 (d) Expenditures from Income Tax Refund Fund.

23 (1) Beginning January 1, 1989, money in the Income Tax
24 Refund Fund shall be expended exclusively for the purpose
25 of paying refunds resulting from overpayment of tax
26 liability under Section 201 of this Act and for making

1 transfers pursuant to this subsection (d), except that in
2 State fiscal years 2022 and 2023, moneys in the Income Tax
3 Refund Fund shall also be used to pay one-time rebate
4 payments as provided under Sections 208.5 and 212.1.

5 (2) The Director shall order payment of refunds
6 resulting from overpayment of tax liability under Section
7 201 of this Act from the Income Tax Refund Fund only to the
8 extent that amounts collected pursuant to Section 201 of
9 this Act and transfers pursuant to this subsection (d) and
10 item (3) of subsection (c) have been deposited and
11 retained in the Fund.

12 (3) As soon as possible after the end of each fiscal
13 year, the Director shall order transferred and the State
14 Treasurer and State Comptroller shall transfer from the
15 Income Tax Refund Fund to the Personal Property Tax
16 Replacement Fund an amount, certified by the Director to
17 the Comptroller, equal to the excess of the amount
18 collected pursuant to subsections (c) and (d) of Section
19 201 of this Act deposited into the Income Tax Refund Fund
20 during the fiscal year over the amount of refunds
21 resulting from overpayment of tax liability under
22 subsections (c) and (d) of Section 201 of this Act paid
23 from the Income Tax Refund Fund during the fiscal year.

24 (4) As soon as possible after the end of each fiscal
25 year, the Director shall order transferred and the State
26 Treasurer and State Comptroller shall transfer from the

1 Personal Property Tax Replacement Fund to the Income Tax
2 Refund Fund an amount, certified by the Director to the
3 Comptroller, equal to the excess of the amount of refunds
4 resulting from overpayment of tax liability under
5 subsections (c) and (d) of Section 201 of this Act paid
6 from the Income Tax Refund Fund during the fiscal year
7 over the amount collected pursuant to subsections (c) and
8 (d) of Section 201 of this Act deposited into the Income
9 Tax Refund Fund during the fiscal year.

10 (4.5) As soon as possible after the end of fiscal year
11 1999 and of each fiscal year thereafter, the Director
12 shall order transferred and the State Treasurer and State
13 Comptroller shall transfer from the Income Tax Refund Fund
14 to the General Revenue Fund any surplus remaining in the
15 Income Tax Refund Fund as of the end of such fiscal year;
16 excluding for fiscal years 2000, 2001, and 2002 amounts
17 attributable to transfers under item (3) of subsection (c)
18 less refunds resulting from the earned income tax credit,
19 and excluding for fiscal year 2022 amounts attributable to
20 transfers from the General Revenue Fund authorized by
21 Public Act 102-700.

22 (5) This Act shall constitute an irrevocable and
23 continuing appropriation from the Income Tax Refund Fund
24 for the purposes of (i) paying refunds upon the order of
25 the Director in accordance with the provisions of this
26 Section and (ii) paying one-time rebate payments under

1 Sections 208.5 and 212.1.

2 (e) Deposits into the Education Assistance Fund and the
3 Income Tax Surcharge Local Government Distributive Fund. On
4 July 1, 1991, and thereafter, of the amounts collected
5 pursuant to subsections (a) and (b) of Section 201 of this Act,
6 minus deposits into the Income Tax Refund Fund, the Department
7 shall deposit 7.3% into the Education Assistance Fund in the
8 State Treasury. Beginning July 1, 1991, and continuing through
9 January 31, 1993, of the amounts collected pursuant to
10 subsections (a) and (b) of Section 201 of the Illinois Income
11 Tax Act, minus deposits into the Income Tax Refund Fund, the
12 Department shall deposit 3.0% into the Income Tax Surcharge
13 Local Government Distributive Fund in the State Treasury.
14 Beginning February 1, 1993 and continuing through June 30,
15 1993, of the amounts collected pursuant to subsections (a) and
16 (b) of Section 201 of the Illinois Income Tax Act, minus
17 deposits into the Income Tax Refund Fund, the Department shall
18 deposit 4.4% into the Income Tax Surcharge Local Government
19 Distributive Fund in the State Treasury. Beginning July 1,
20 1993, and continuing through June 30, 1994, of the amounts
21 collected under subsections (a) and (b) of Section 201 of this
22 Act, minus deposits into the Income Tax Refund Fund, the
23 Department shall deposit 1.475% into the Income Tax Surcharge
24 Local Government Distributive Fund in the State Treasury.

25 (f) Deposits into the Fund for the Advancement of
26 Education. Beginning February 1, 2015, the Department shall

1 deposit the following portions of the revenue realized from
2 the tax imposed upon individuals, trusts, and estates by
3 subsections (a) and (b) of Section 201 of this Act, minus
4 deposits into the Income Tax Refund Fund, into the Fund for the
5 Advancement of Education:

6 (1) beginning February 1, 2015, and prior to February
7 1, 2025, 1/30; and

8 (2) beginning February 1, 2025, 1/26.

9 If the rate of tax imposed by subsection (a) and (b) of
10 Section 201 is reduced pursuant to Section 201.5 of this Act,
11 the Department shall not make the deposits required by this
12 subsection (f) on or after the effective date of the
13 reduction.

14 (g) Deposits into the Commitment to Human Services Fund.
15 Beginning February 1, 2015, the Department shall deposit the
16 following portions of the revenue realized from the tax
17 imposed upon individuals, trusts, and estates by subsections
18 (a) and (b) of Section 201 of this Act, minus deposits into the
19 Income Tax Refund Fund, into the Commitment to Human Services
20 Fund:

21 (1) beginning February 1, 2015, and prior to February
22 1, 2025, 1/30; and

23 (2) beginning February 1, 2025, 1/26.

24 If the rate of tax imposed by subsection (a) and (b) of
25 Section 201 is reduced pursuant to Section 201.5 of this Act,
26 the Department shall not make the deposits required by this

1 subsection (g) on or after the effective date of the
2 reduction.

3 (h) Deposits into the Tax Compliance and Administration
4 Fund. Beginning on the first day of the first calendar month to
5 occur on or after August 26, 2014 (the effective date of Public
6 Act 98-1098), each month the Department shall pay into the Tax
7 Compliance and Administration Fund, to be used, subject to
8 appropriation, to fund additional auditors and compliance
9 personnel at the Department, an amount equal to 1/12 of 5% of
10 the cash receipts collected during the preceding fiscal year
11 by the Audit Bureau of the Department from the tax imposed by
12 subsections (a), (b), (c), and (d) of Section 201 of this Act,
13 net of deposits into the Income Tax Refund Fund made from those
14 cash receipts.

15 (Source: P.A. 102-16, eff. 6-17-21; 102-558, eff. 8-20-21;
16 102-658, eff. 8-27-21; 102-699, eff. 4-19-22; 102-700, eff.
17 4-19-22; 102-813, eff. 5-13-22; 103-8, eff. 6-7-23; 103-154,
18 eff. 6-30-23; 103-588, eff. 6-5-24.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.