

1 AN ACT in relation to income taxes.

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 404 as follows:

6 (35 ILCS 5/404) (from Ch. 120, par. 4-404)

7 Sec. 404. Reallocation of items. If it appears to the
8 Director that any agreement, understanding or arrangement
9 exists between any persons that which causes any person's
10 base income allocable to this State to be improperly or
11 inaccurately reflected, the Director may adjust such items of
12 income and deduction, and any factor taken into account in
13 allocating income to this State, to such extent as may
14 reasonably be required to determine the base income of such
15 person properly allocable to this State.

16 (Source: P.A. 76-261.)